



LUND UNIVERSITY
School of Economics and Management

[PRICE PREMIUM FAST-MOVING CONSUMER GOODS]

A descriptive study of the underlying factors why consumers would be willing to pay more

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ABSTRACT

Title: Price Premium FMCG products - An exploratory study of the underlying factors why consumers would be willing to pay more

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Keywords: FMCG, Price Premium, Consumption, Consumer behavior, Consumer culture, Quality, Perceived Value, Conspicuous Consumption, Product Involvement.

Thesis purpose: The purpose of our study is to examine what underlying factors affect consumers' willingness to pay premium price for fast moving consumer goods.

Method: We have chosen a qualitative, descriptive study with an abductive reasoning approach where we have conducted qualitative interviews with target consumers.

Theoretical perspective: Our theoretical frameworks is divided into two major section. Consumer culture and consumer behavior theories. These theories aim to give a deeper understanding of consumer culture and consumer behavior which lead us to explore sociocultural and behavioral dynamics that drive premium FMCG consumption.

Empirical data: The empirical data is gathered through eleven n-depth interviews which brought us width and depth in the insights of underlying factors behind premium FMCG consumption.

Conclusion: All the collected data entails that the most influential factors, that affect consumers' willingness to pay price premium for FMCGs, are Superior Quality, Product Involvement and Prestige & Self-esteem. Other strong factors were Taste & Cultural Capital, Health Consciousness and Brand & Loyalty, whereas some weak factors were found as well in Marketing & Advertisement, Packaging, Sustainability and Compulsive & Impulsive shopping.

Supervisor: [Burak Tunca]
Examiner: [Andrea Lucarelli]

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1 INTRODUCTION

The introduction chapter conforms with a short summary and general background into the subject matter. This chapter further explains the research gap and why this particular topic is interesting and relevant. Furthermore, a brief report of previous research and literature review has been composed to give the reader a clear idea on why this study might be useful. Next, the problematization and research question that this research seeks to answer, have both been presented. Lastly, an outline has been done to give the reader a brief notion of the whole study.

1.1 BACKGROUND:

Fast moving consumer goods (FMCGs) are the convenience goods that do not involve much critical thought with respect to customers and is usually obtained in the basket without trying to make a pedantic comparison (Brierley, 1995). Fast moving consumer good (FMCG) consumption plays a vital role in everyone's life. Throughout the globe, people allocate a healthy amount of budget in every month for FMCGs (Celen, Erdogan, & Taymaz, 2005).

Consumer purchasing power has kept skyrocketing over the past decades. Worldwide GDP per capita faced an increase from US\$5,440 in 1990 to US\$16,143 in 2016 (The World Bank, n.d.). The global market value for the FMCG industry alone is \$4,059 billion in the year of 2017, where key players are:

- Anheuser-Busch InBev NV/SA
- Coca-Cola
- Johnson & Johnson
- L'Oréal Group
- Mondelez International, Inc.
- Nestle S.A
- PepsiCo, Inc.
- Philip Morris International Inc.
- Procter & Gamble
- Unilever PLC (PR Newswire, 2017).

Schor (2005) further indicates decreasing cost of raw materials as another solid reason behind the rising consumption. Another argument behind the rising consumption is propelled by psychological wants, for example, consuming price premium goods are devoured for exhibiting social wellbeing and status (Thøgersen, 2014). People are more inclined to invest their time and money to consume more than ever before, which is giving businesses opportunities to introduce different product categories with lucrative attributes. Since there is no restriction in consumption, it is so easy to get indulged by the assortments in the superstores these days with ample amount of choices and competitive price tags.

Studies show that multinational companies are thriving every day to sustain and outperform competitors in the market in today's competitive world. More or less all the MNC's are trying hard to cut down their product price in order to compete in the stiff competition of today's global market. But are they actually thinking of adding value to the fast-moving consumer goods and tagging a premium price to draw more attention of consumers?

1.2 PROBLEMATIZATION

In today's society there is a vast abundance of different choices for the same product category, this is especially true when it comes to FMCGs. Whether it is dairy products such as cheese or milk, confectionary such as candy or chocolate, or fresh vegetables, the amount of available choices can be overwhelming. The Swedish ICA chains can have everything from a couple of thousands of products in their assortment if it is a ICA Nära, whereas ICA Maxi has over 35 000 products in their assortment (Våra fyra profiler, 2018). In order to achieve competitive advantage over competitors it is important to differentiate from the rest, may it be by attributes, by quality or packaging, a differentiated product is able to take advantage of its uniqueness by charging a premium price (Parment, & Frödin, 2008).

Putting a premium price on FMCG can also have holistic approaches from different perspectives. For example, due to the very competitive pricing of FMCG products, consumers sometimes opt for impulsive purchases at the superstores. According to Hämäläinen and Moisander (2007, cited in Ekström, 2010), sometimes consumers are delineated as satisfying 'false needs' and purchasing things they don't need and, in the process, decimating the planet. Hence, tendency of buying products they do not even need and end up in their trash causing harm to environment. Therefore, not only in daily lifestyle but also from sustainable consumption perspective, premium pricing in FMCGs can play a pivotal role.

When it comes to price premium in relation to FMCG, there is a lack of research conducted in this field of study. The two topics themselves are extensively explored exclusively, researched and documented, but the two themes in combination less so. The research that actually has been done in this study field, focuses almost solely on labeled FMCG products, such as 'Sustainably produced', 'Eco-friendly', 'Locally produced', "Fair-trade" or "Childfree-labor" (Sellers, 2016; Juan, Hsu & Xie, 2017; Delmas & Grant, 2014).

One major reason could be the fact that people do not perceive FMCGs as a premium product. Sjostrom, Corsi and Lockshin, (2016) studied the characteristics of luxury products in three categories, where their findings revealed that premium and premium price, in addition to limited edition and antique/vintage, were the most associated characteristics of luxury. Whereas FMCG is often associated with non-durable everyday products and least amount of effort is given to the decision-making process for FMCGs (Rishi, 2013; Majumdar, 2007). Hence, consumers are less likely to associate these two fields with one another directly.

This research paper will therefore focus on the relation between FMCGs and price premium, and explore what factors influence the consumers to pay price premium when it comes to FMCG products.

1.3 RESEARCH QUESTION

The study aims at finding the answer of following research question.

RQ: What aspects are considered, from a consumer perspective, for paying premium price for FMCG products?

1.4 PURPOSE OF THE STUDY

The purpose of our study is to examine what underlying factors affect consumers' willingness to pay premium price for fast moving consumer goods. The authors will be exploring different aspects that influence consumers' willingness to pay premium for FMCGs, where authors will also investigate the importance of the various aspects and the role they play in the mind of the consumer.

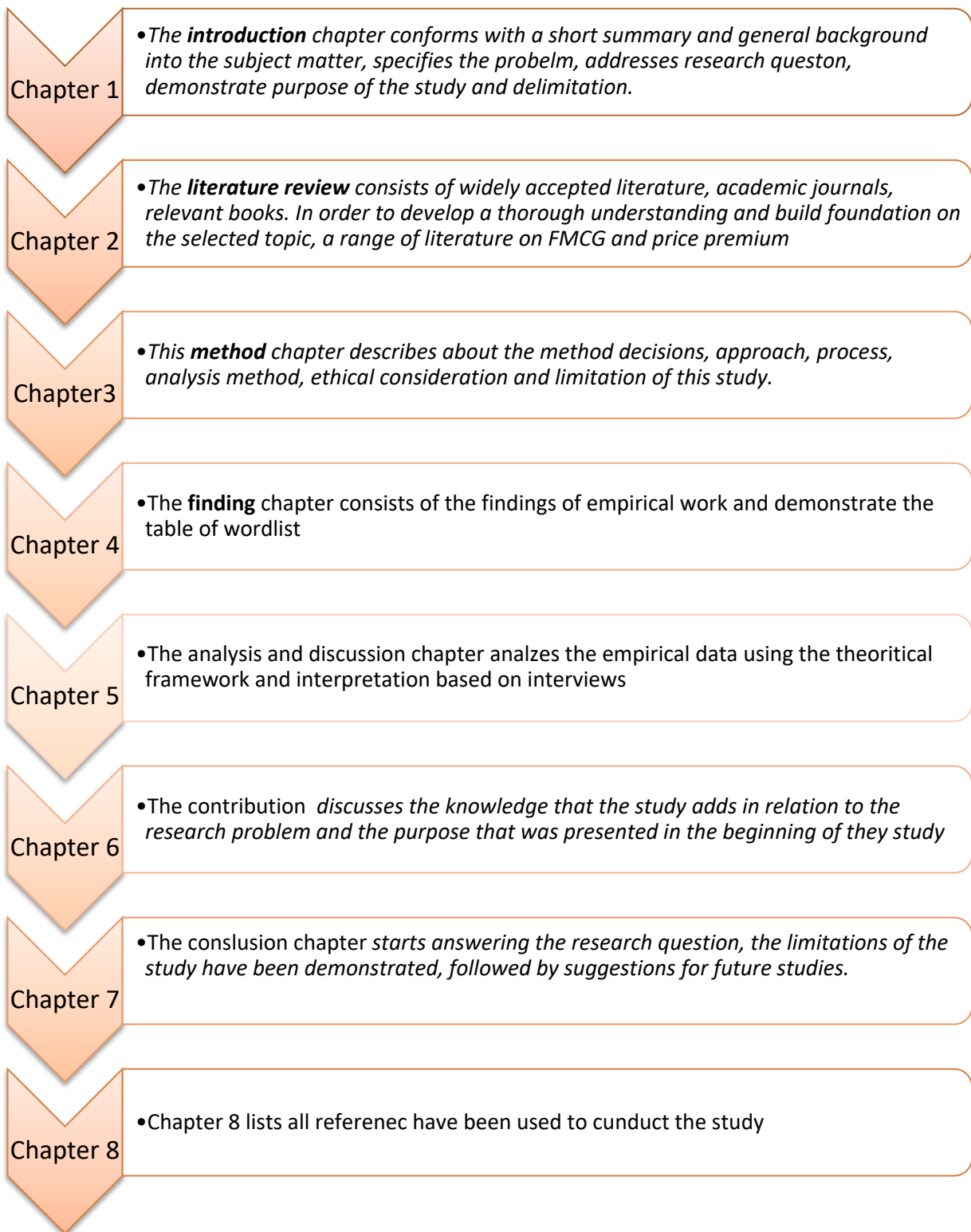
Then the proposed research will study empirical evidence regarding the factors, which will benefit researchers of premium FMCG industry. It will help connecting the dots between consumers' perception of FMCG and premium products as well.

Apart from contribution to existing knowledge, the proposed research would likewise to contribute to different literature streams by extending understanding and transferable solutions in different fields, such as marketing, branding, sociology, behavior science.

1.5 DELIMITATIONS

It will not be possible to cover all fields of consumption within the scope. Thus, researchers have limited the empirical study to cover only consumers' perspective within the premium FMCG industry. The perceptions of the businesses have not been investigated and are therefore not taken into consideration in this study. Instead interviews were conducted with target customers of premium FMCG products. This study hereby only focuses on why consumers will be willing to pay price premium for generic and popular FMCGs and not niche products. In the same way the study only takes into consideration the fact that we conducted our research on target consumer with higher social class and education not everyone who might still pay a price premium.

1.6 DISPOSITION



2. LITERATURE REVIEW

The literature review consists of widely accepted literatures, academic journals and relevant books. In order to develop a thorough understanding and build foundation on the selected topic, a range of literature on FMCG and price premium from different databases, such as LUB and Google scholar have been used. When using sources like articles from magazines or journals, there is chance that published information is erroneous or biased relying upon the interest of the author, sponsor or media. This is particularly the case with data found on the Internet, where anyone can access or input information without any obstacle. Researchers therefore have intended to keep their attitude critical towards choosing the sources in order to ensure our study more scientifically valid. This study heavily relied on the researcher's scholarly and academic merits in the Consumer Culture and Understanding consumption course which has given important bits of knowledge in the course of exploring. In this chapter we have compiled theories, literature, and referred to authors that are relevant to our study. The literature review begins with brief historical review of FMCG and this is followed by an overview of price premium in order to allow the readers to take a different perspective on premium FMCG consumption which is related to our study. The chapter transcends into discussion on different pricing strategies as well as our understanding on premium FMCG consumption.

2.1 FMCG

Fast-moving consumer goods (FMCG) refers to consumer's everyday non-durable products purchased daily or frequently and fall under the category of usually low margin high volume business (Rishi, 2013). Household products such as those used in cleaning and laundry, food items, alcoholic/ non-alcoholic beverages and personal care goods make up the majority of the FMCG industry. However, products such as plastic goods, stationery, basic pharmaceuticals and daily consumer electronics do also fall under the category of fast moving consumer goods. Moreover, these products have a higher purchase frequency at stores and are mostly categorized as convenience or shopping goods (Brierley, 2005).

"Fast moving" suggests that the products rush to leave the shelves and furthermore have a tendency to be high in volume yet low in cost (Leahy, 2011). The products are the ones that are fundamental items that consumers use on a regular or periodical basis. This multi-million-dollar business segment holds probably the most well-known brand names that we go over each and every day (Leahy, 2011).

Every day, from the beginning to the end of the day, we are bounded by using products which make our life easier in various ways. This is plausible due to the existence and effort of FMCG businesses. Examples of FMCG products contain toiletries, soap, cosmetics, oral hygiene, detergents, packaged food commodities, smooth liquids, shaving products, chocolate

bars and so forth. This industry basically contains consumer nondurable products that are required to fulfill the regular basic needs of the people. A consumer usually spends the least amount of effort to engage in the purchase decision to buy those. Based on the factors behind the consumer buying decision, FMCGs can be divided into three categories: Staple goods, Impulse goods, and Emergency goods (Majumdar, 2007).

1. Staple goods: Goods that consumers purchase frequently on a routine basis. For example, soap, cookies, toothpaste, detergent etc.
2. Impulse goods: Goods which are purchased without any prior search or plans. These products are typically bought because of external stimulus. For example, soft beverages, crackers which can be displayed in the stores due to the fact customers won't have thought of buying until spotting those.
3. Emergency goods: Goods which are purchased when the need arise suddenly or on a seasonal basis. For example, torch light, candles etc.

There are two major types of brands who showcase FMCG products.

1. Private label brands: Retail brands who showcase their assortments under their brand name. Private brand products are exclusively manufactured and distributed by the retailers. For example, ICA and Coop (Anselmsson & Johansson 2014).
2. Manufacturer/ National/ International brands: There are the prominent and well-known brands by the customers. For example, P&G, Unilever, Nestle etc.

Many scholars conducted research is on how to achieve value, maintain competitiveness, competitive pricing and other different customer or company-oriented strategies to acquire competitive advantage in the company (Burt, 2010; Bergström & Fölster, 2005). However, when it comes to FMCG industry, not many researchers paid attention to price premium strategy as competitive advantage. The following section will be explaining price premium.

2.2 PRICE PREMIUM

When it comes to pricing a product, there are several strategies one can adopt to set the right price for a product or service. According to Lundén (2008) and Blythe (2003), there are mainly three different orientations when it comes to pricing strategies, namely; cost-based pricing strategies, competitor-based pricing strategies and customer-based pricing strategies, where each orientation includes several pricing methods to choose from.

Cost-based pricing strategies includes two pricing methods, cost-plus pricing and mark-up pricing. Cost-plus pricing works by adding the desired profit margin on top of the production, distribution and research and development cost of the product, whereas the mark-up pricing method is mostly used by retailers who buy in bulk and stock where they add a fixed percentage to the bought-in price in order to get the in-store price (Blythe, 2003).

There are five pricing methods identified by Lundén (2008) when it comes to competitor-based pricing strategies. First, there is custom pricing, which refers to a method that adapts the price set by competitors with the highest market shares. The second method is

opportunistic pricing, where the price is set based on opportunities, for example a raw material has increased in price which has led to an increase in price by all competitors, but if a company has a good enough margin already they can choose to take the opportunity and stay on the same price in order to differ. A third method is called low pricing strategy and is almost exclusively used for fast moving consumer goods (FMCGs), where the goal is to reach a high turnover in order to achieve economies of scale, in order to make it possible to adapt this method (Lundén, 2008). The second last method is cartel pricing, where companies go together and set the price based on a mutual agreement, even though it is highly illegal, it can still occur with the latest high-profile case being within the truck manufacturing industry (European Commission, 2018). Lastly, there is predatory pricing method and involves pricing below competitors. This method is debated whether it is legal or illegal, since it on one hand is easy for the market leader, in an industry with only a few players, to push the price below cost of production which makes it difficult for competitors to compete and might be forced into bankruptcy which would lead to a monopoly in the industry, thus illegal. On the other hand, there is nothing wrong with lowering the price below competition as long as it is not below cost of production, if they keep the price on that level even if competitors might go bankrupt, and the goal of lowering the price shall not be to eliminate competition but rather for economies of scale or new cheaper raw material which allows them to do so (Lundén, 2008; Blythe, 2003).

The last orientation, customer- based pricing strategies, contains five different pricing methods. Firstly, there is the penetration pricing method, where the assumption is that setting a price below the market will result in capturing a large part of the market rather quickly, since the price offers a better value for money. Secondly, the skimming price method introduces the product at a higher price level which will be reduced progressively after the sales level off (Blythe, 2003). Thirdly, the product-line pricing method aims to generate profit by spreading the desired profit between a group of products or product-line. PlayStation is a perfect example, where they have the playing console at a relatively cheap price, whereas the add-ons such as games, controller and joysticks are priced rather high. Fourthly, the demand-pricing method is based on the demand and supply equation, which sets the price depending on the demand, with a high demand a high price can be charged for the product or service (Blythe, 2003). Lastly, the premium pricing method is an option if the product or service is unique in nature and has managed to gain competitive advantage through differentiation, compared to the existing competitors in the market. Thus, a higher price premium can be charged for the feeling of the uniqueness, where high-involvement products are more suitable for this method (Parment, & Frödin, 2008).

The premium pricing strategy is generally utilized by high involvement products, where consumers actually are willing to pay a higher price due to the high personal involvement (Parment, & Frödin, 2008). Depending on the desired position for the product, the strategy applied may vary depending on the category of the product and the price elasticity for that product range. There are several reasons for choosing premium pricing for a product. One of them is appear and to be perceived as desirable, exclusive and of higher quality compared to other competitors, even if it is not necessarily the case (Goworek & McGoldrick, 2015). Another reason can be the fact that it is a new product in the market, with more sophisticated functions than the market offers. Yet another reason might be, that the products are composed of high quality raw materials, which are expensive to acquire and therefore have a high production cost. Lastly it can be a direct effect of labeled products such as eco-friendly, fair-trade, locally produced, environmental-friendly etc. (Goworek & McGoldrick, 2015; Brierley, 2005).

2.3 THEORETICAL FRAMEWORK:

The theoretical framework is divided into two sections. We compelled to understand that both Consumer culture theory and Behavior decision theory are useful to understand different orientation of our research and position itself as well. The major research areas of behavior decision theory are judgement and choice whereas consumer culture theory focuses on the cultural meanings, sociohistoric and social dynamics that influence a consumer's identity and experience (Arnould & Thompson 2005, cited in Sassatelli, 2007). Both of these theories are useful for any marketing discipline but also holistic and broad in nature. Nevertheless, we will explore few different sub theories to concentrate in our study.

2.3.1 CONSUMER CULTURE THEORY:

“CCT explores the heterogeneous distribution of meanings and the multiplicity of overlapping cultural groupings that exist within the broader sociohistoric frame of globalization and market capitalism” (Arnould & Thompson, 2005).

CCT (Consumer culture theory) cannot be considered as a unified theory, yet it is a group of theoretical perspectives. CCT points to a set of theoretical perspectives that address the dynamic connections between consumer actions, the marketplace, and cultural implications (Arnould & Thompson 2005). They also refer that the field of CCT alludes to a group of theoretical viewpoints that examines the associated connection between the consumer actions, marketplace and cultural implications which entwines them. These cultural connotations underline on the elements of fragmentation, plurality, fluidity and hybridization of different consumption traditions (Firat & Venkatesh 1995). We therefore wanted to use CCT since Firat and Venkatesh (1995) also mentioned consumer culture indicates a social course of action in which the relations between lived culture and social resources, and between meaningful ways of life and the symbolic and material resources on which they depend, are interceded through markets.

Culture and consumption have a remarkable relationship in today's modern world. No other time or place has seen these elements go into a relationship of such extreme commonality, never has the connection between them been so profoundly confounded (McCracken, 1988). The relationship is even more complicated now than ever. The whole operation of design, production and consumption makes consumer goods an entire cultural enterprise. FMCG products fall under the category of one of the largest consumer goods industries. According to (McCracken, 1988), consumers do not just consume goods just for sake of consumption, they likewise use the meaning of consumer goods to express cultural classes and standards, develop ideas, build notion on the self, create lifestyle, manage lifestyle and survive social changes. In this manner, FMCG consumption is completely cultural in character.

“In order to understand contemporary cultures and practices of consumption it is crucial to bring into focus the way in which social actors define, perceive and govern their relationship with commodities. As we have seen, from the beginnings of modernity people have progressively learned to satisfy their needs through commodities; they have thus become more capable and willing to act not only as producers but also as consumers,

purchasing goods on the market at their discretion, combining them with other objects in everyday practices” (Sassatelli, 2007)

Consumers heavily rely on various sorts of commodities to satisfy their needs. From the very time immemorial, FMCG consumption is connected to human life by one way or another. It is hard to find the very first history of the introduction of FMCGs. But in alliance with shopping culture, it can be said that the advent of the departmental stores in the middle of the nineteenth century is one of the most vital moments of the development of consumer culture (Corrigan, 1997). This considered as the era of change in shopping when FMCG industry started booming being affiliated with the increasing numbers of departmental stores. Corrigan (1997) also admits shopping became quite a different experience from that generation. For example, price became fixed, stores were open for everybody which means anybody could explore the shopping space nobody was not obliged to purchase anything from the shop.

A Postmodern View of consumer culture

Historically, the rise of consumer culture is dated to the 17th and 18th centuries and the appearance of consumer markets for fashion and household goods (Ekström, 2010). The later emergence of retail chains and the ascent of mass media- for example the introduction of television specifically have additionally been talked about as vital catalysts of consumer culture (Ekström, 2010).

Today’s Western culture is delineated by consumption. The term consumer culture underlines that the world of products and their principles of structuration are fundamental to the comprehension of contemporary society (Firat and Venkatesh, 1995). Although economy and culture both are quite different discipline by nature, Lee (1993) affirms that consumer culture is the social practice which unites economy and culture together. FMCG is a worldwide global consumption activity. According to Ekström (2010), the consumption is a self-reflexive aesthetic diversion where anybody can move toward becoming anyone. A consumer living in Bangladesh can cook the Italian pasta, Swedish meatballs, American burger or perhaps can use French sunblock cream by grabbing ingredients from a supermarket. The whole phenomena of global consumer culture have been evolved lately. It is believed that the wider access to internet and new advanced digital media transnational corporations (TNCs), and global entertainment companies are forming the worldviews and values of average citizens wherever they live, in this way clearing away cultural boundaries (Ekström, 2010).

Sassatelli (2007) portrays Veblen's theory of conspicuous consumption that individuals from well-off upper-class society have a tendency to separate themselves from and flaunt their economic wellbeing to others through luxurious consumption. Smith & Tyler (1997) expand Veblen's theory that conspicuous consumption is influenced by interpersonal connections, where the degree of effect relies upon various types of products. In detail, they characterize tangible products, for example autos and housing as positional products in alliance with Veblen’s theory. But in this study, FMCGs are tangible products but it is hard to place them as positional products. Therefore, it is challenging for the marketers to place FMCG products as positional goods.

Sociologist Pierre Bourdieu (1986) in his book ‘*Distinction*’ found that there is a clear correlation between people’s class (upper, middle and working class) and their aesthetic preferences (Ekström, 2010). Bourdieu contends that those with a high volume of cultural

capital, for example income and education can be the determinant to figure out what constitutes taste within society. Those with low general capital can't reach a higher volume of cultural capital since they do not have the required intends to do so (Ekström, 2010). According to Ekström (2010), Bourdieu termed this pattern of basic disposition which orients similar social class of people towards certain types of purchase behavior, certain ways of socializing and other similar traits as 'habitus'; where habitus is an arrangement of collected patterns of thought, behavior, taste, and incorporates body techniques and practical skills.

We are inevitably living in a consumer society. According to Max Weber's theory of mature western capitalism, consumer society is a sort of society in which 'the satisfaction of daily needs' is acknowledged 'through the capitalist mode' (Sassatelli, 2007). Despite that the theory was developed only for west initially; however, by the grace of global consumption and the development of modern capitalism, we can find that type of consumer society everywhere. As per Sassatelli (2007), this is to state that day by day needs and desires are fulfilled through the procurement and consumption of commodities and products which are created for trade, can be found and sold in the market.

From the beginnings of modernity, people have dynamically figured out how to fulfill their needs and satisfaction through products; they have subsequently turned out to be more proficient and willing to act as producers as well as consumers, buying products at their circumspection, combining with lifestyle in everyday practice (Sassatelli, 2007). That is how people started feeling the need and satisfaction through buying commodities being influenced by culture.

Therefore, the phenomenon of FMCG consumption will be viewed from the perspective of consumer society as the research aims to bring a greater understanding on why consumers are willing to pay premium for their daily products.

According to consumer culture theory, the mere part of this theoretical framework then concluded valuable insights on how the consumers promote a better wellbeing that establishes link between paying price premium for FMCG and how they might build up their cultural world being influenced by consumer culture.

2.3.2 CONSUMER BEHAVIOR THEORY

A common description of consumer behavior theory is mentioned by the American marketing association and reads as follows:

- *"The behavior of the consumer or decision maker in the marketplace of products and services"* (Dictionary, 2018)

According to Solomon (2009), consumer behavior is the study of a set of processes involved with consumers when they choose, purchase, use or dispose products, services, ideas, or experiences to fulfill needs and desires. Overall, consumer behavior is characterized by the set of actions consumers undertake when obtaining, consuming, and disposing of products and services (Blackwell, Miniard & Engel, 2006). Consumer behavior is also influenced by culture which is defined as a system of shared values, beliefs and perceptions (Kavitha, 2012). Nevertheless, consumer behavior and consumer culture cannot be intertwined as they have

their own significance.

Ekström, (2010) has divided the history of consumer behavior into two time periods. First time period consists of five different phases that consumer behavior theory went through since the introduction of consumer behavior as a field study in the 1930s until the 1980s. Whereas the second time period, 1980s to the present day, elaborates more on modern and up to date perspectives on consumer behavior.

The first period is divided into five phases (Ekström, 2010).

1. *The early empiricist phase* started in the 1930s
2. *The motivation research phase* arose during the 1950s
3. *The formative phase* began in the beginning of the 1960s
4. *The utopian grand theories phase* had begun by the end of the 1960s and early 1970s
5. *The information processing phase*, started in the 1970.

The era we are in right now is the second time period of consumer behavior. Also, consumer behavior theories are becoming more complex with different types of consumption patterns. Studying about this period to theorize this study on FMCG and price premium is more relevant. Researchers also needed to take this under consideration that consumer behavior has a vast number of branches. Later on, the researchers will try to narrow down the theoretical topics to make it more attached to the study. The second time period of consumer behavior starts in the 1980s according to Ekström (2010). In the beginning of the decade, researchers had developed major new perspectives in the field of consumer behavior. Attitude was still in focus, but one major influencer to the field of consumer behavior was the anthropological field of studies. It led to new topics within the field, such as symbolic consumption, mood and impulse purchases. A general acceptance towards interpretive research and ethnographic studies grew amongst researchers. Prior to this time period there was little, close to none, research around the negative side of consumption, such as advertising of harmful alcohol or cigarettes. The topics developed even further in the field of consumer behavior, where studies were conducted on cross-cultural influences on consumer behavior, on lifestyle, emotions, cultural meaning. Today, the theories and methods for consumer behavior are many and the field of study is diverse and wide, and it consists of in-depth knowledge. Yet, new topics keep on appearing as humanity faces new and different challenges with time, such as overpopulation, sustainable development and global warming, just to name a few (Ekström, 2010)

Consumer behavior can be considered as a multidisciplinary field with many advanced subdisciplines (MacInnes & Folkes, 2010). In order to specialize this study, authors will try to focus on few subdisciplines which starts from consumer decision making choice. MacInnes and Folkes (2010) also argue, specialization in consumer behavior subdisciplines can fuel novel experiences and empower the field.

How do consumers make choice

Cognitive factor must be considered in order to understand consumer behavior. According to Fill (2002), cognitive theory deals with problem solving, reasoning and information processing within human behavior. Consumers respond to different stimuli in their society. They make different choices in different situations as they are cognitively and mentally

different from each other. There are few elements which are liable to influence internal information processing of consumers like personality, attitude, perception, environmental influence (Fill, 2002). Although in general, consumers try to be rational and cautious before making their purchase decision in order to reduce the risk of the end result. Pieters and Warlop, (1999) finds out consumers start conceptual analysis which is related to combining information from the stimulus with previous knowledge once an object gets attention. Today's market is crowded by marketing stimuli. Fill (2002) suggests the markets to apt in the skills of understanding consumer attention to marketing stimuli in order to execute their operation successfully.

An old study shows that they usually rely on previous experience and other sources of information like friends and family, before making their purchase decision. Furthermore, consumers tend to have more faith in their peers than other media like advertisement, newspaper when information for the particular products is limited (Gershoff & Johar, 2006). Generally pricing is the most important factor for purchase decision. However, authors like Majumdar (2007) argues that FMCGs are purchased for almost immediate consumption and consumers do not pay a lot attention before decision making. Babutsidze (2007) believes consumers expect superior attributes and performance from price premium products. Thus, in order to make purchase decision for premium FMCGs consumers tend to be more cautious.

According to Ekström (2010), FMCG consumption can fall under the category of '*Habitual Choice*'. Rishi (2013) supports the view by considering the FMCG products as those consumables which are generally consumed by the consumers at a habitual interval. Furthermore, Ekström (2010) argues, consumers are not dominated by deliberated conscious decisions in their everyday life habits. Consumers' habitual purchases are repetitive in nature and do not deal with any elevated risk or long-haul significance and also considered as simple process to choose a product by using information from stored memory or a lower degree of information search (Ekström, 2010).

Decision making in consumer behavior

It is important to get ideas on how consumers make their decision when it comes to price premium for FMCGs. Consumer decision making process plays a crucial role in premium FMCG sector. Du Plessis, Rousseau and Blem (1991) depicts, consumer decision-making process as how consumers' behavioral patterns follow up on the decision procedure for the procurement of need satisfying product or service. Einhorn & Hogart (1981) suggests to take various aspects under consideration in order to understand decision making which includes attention, memory, cognitive representation, conflict, learning and feedback.

Consumers are more concerned about pricing than ever before. Due to the technological advancement, anybody has access to any information at the tip of their finger. Whereas few decades back in 1980s, people were more likely to pay anything for any products or services (Solomon, Bamossy, Askegaard & Hogg, 2006). In a consumer psychology study by Bettman (1986) few issues have arisen as specific significance. One of them deals with creating a bridge between prior knowledge and current information processing. If consumers feel that a FMCG product has to offer more compared to his/her prior experience with that particular product from the same or another brand, consumers will be more likely to pay a premium for it. Most consumption choices are a mixture of memories and stimulus-based processes (Bettman, 1986).

Furthermore, from the conspicuous consumption theory it has seen that consumers have the tendency to flaunt their affluence by consumption. Solomon et al. (2006) proved that its not necessarily all the consumers that show off their affluence by their consumption with an example of ‘old money’. They depicted, people who have had ample amount of money for quite a while they do not need to demonstrate they have it. Conversely, consumers who are moderately newcomers to affluence may allocate their money by different way of consumption.

Moreover, consumers are different from each other. They need to go through a fairly complicated decision process before making a purchase. Most commonly, the choice process has two stages which includes acquiring information through personal experience or external information; follows by the construct heuristics for choice based on the processed information (Babutsidze 2007).

Impulse shopping:

Purchase decision of FMCGs can be more impulsive in nature than planned. Inman, Winner and Ferraro (2009) found that for the daily FMCGs, in-store showcasing can highly affect impulsive purchases. A study by Stern (1962) shows that there are nine factors which affect impulse buying.

- Marginal need of product
- Mass distribution
- Mass advertising
- Self-service
- Short product life
- Low price,
- A good store display
- Small size
- Light weight

There can be various determinants behind the behavior decision making process. Social class can be one of the major factors for the consumers to pay price premium. Caldwell's suggests, “a consumer’s standing in society, or social class, is determined by a complex set of variables, including income, family background and occupation” (cited in Solomon et al. 2006). They are considered as major variables to define social class in this study to examine consumers’ behavior decision.

Involvement

Another important argument could be product involvement in this regard. Products involvement refers to the consumer’s perception of connection with commodities (Ekström, 2010). Product involvement can be very subjective matter. The level of involvement can differ from person to person for the same product (Ekström, 2010). Despite the fact that consumers tend to have less attachment with FMCGs, yet it is a debatable topic to which degree consumer value their involvement while paying a premium for FMCGs which will be discovered later in the study.

Consumer’s interest and relation to the product signifies the involvement in the purchase decision (Mittal, 1989). Consumer behavior is often based on inertia, propensity, routine

patterns and simplifying choice heuristics, which are acquired ways of solving problems of everyday choice easily and with minimum cognitive capacity (Ekström, 2010). Daily purchases such as milk, bread, eggs can be characterized by consumers' striving for convenience and ease. Ekström, (2010) termed these behavior as '*low involvement*' behavior. On the other hand, consumers' involvement with extensive information processing view with the products is characterized as '*high involvement behavior*'. Consumers are likely to invest their time and energy more on the products they are involved with and do not mind paying a premium. Although, FMCGs are generally considered as low involvement products (Knox & Walker, 2001). However, product involvement is a controversial and subjective topic which is reviewed differently in different studies (Ekström, 2010). For example: some consumers may perceive a specific detergent as high involvement product due to its environmental and health reason and some do not.

Consumption of Brands:

Ekström (2010) defines 'Brand' as an intangible object which can be a name, term, design or symbol that distinguishes one merchant goods from others by creating value and meaning. Consumption of brands derive from brand loyalty and trust. Brand loyalty & trust is one of the key factors behind consumers' decision making for FMCGs and also price premium. Assael, (1998) clarifies brand loyalty as an element of psychosomatic procedures which includes repetitive purchase and build brand trust in the long haul. However, Delgado, Munuera & Yague, (2003) argues it is not only repetitive purchase what characterizes brand loyalty but also the attitude of the consumer has towards the brand. Consumers tend to build functional and emotional relationship with brands. If someone grows up using Vaseline as a moisturizer and become loyal to the brand, he/she is likely to get involved with the brand no matter what the price is, unless other competitors have something better to offer and detach the consumer's connection with the brand.

When it comes to price premium, it is important to create the bridge between consumption and brand trust. Premium products with credible brand will have their competitive advantage to draw their target customers. Past experience has a huge impact on building trust. Trust is considered as belief. If the belief is positive it can provide positive outcome to a company. In the contrary, there is always a darker side of trust. Therefore, it cannot be denied to expect negative result from breaking the trust from a brand. Consumers do not only look for product attributes while making a purchase decision, also they want to create meaning and express identities throughout their consumption process. It has been found in a study that premium priced brands have a tendency to be reviewed and recalled to higher degree than value brands (Chandon, Hutchinson, Bradlow & 2009). Thus, let alone the FMCG industry which is saturated and competitive but also in the premium side of it, branding is very crucial factor.

Packaging

Package labeling like eco labeling or nutrition labeling have been studied in many sectors but in general, packaging in marketing communication aspect is fairly new research area. (Underwood & Ozanne, 1998). Besides, influential packaging attributes is a less studied area in consumer behavior discipline (Butkevičienė, Stravinskienė & Rūtelionė, 2008). Moreover, from consumer behavior perspective, packaging attributes can be a very subjective and complex field. Consumers may likely to respond differently to similar packaging (Silayoi & Speece, 2007). Butkevičienė et al. (2008) agrees that both verbal and nonverbal elements of packaging influence consumer decision making.

Consumers make rapid decision in the grocery store while purchasing FMCGs. In this circumstance, a study by Hoyer (1984) shows that 70 percent of consumer do not inspect more than one package before putting goods in basket. Pre-purchase evaluation is less of a determinant in this manner. Consumers also tend to pay more attention to the packaging than price if the brand is valuable to them (Hoyer, 1984). In alliance with this, authors like Clement (2007) includes, consumer purchase behavior is influenced by visual stimuli which is exposed by packaging in FMCG industry.

Consumers tend to make their purchase decision based on the communication at the point of purchase for the products they do not spend much time to think about (Silayoi & Speece, 2007). Clement (2007) supports the view especially for FMCGs, packaging can be a vital marketing communication tool for at the point-of purchase. A study shows that consumers make 60 percent buying decision in the grocery store while buying FMCGs (Klabjan & Pei, 2011) and from other studies it has been found that the rate can go up to 73% (Silayoi & Speece, 2007). Schoorman and Robben, (1997) believes, packaging can be an influential marketing tool in the competitive in-store environment.

In-Store Advertising

Consumers also tend to get influenced by in-store advertising when it comes to FMCGs, unlike other products which are purchased less frequently. Advertising is a very effective tool to grab consumers' attention in FMCG industry. Alongside the media-based advertising, in-store advertising is a popular way to trigger customers positive buying behavior to increase sales. Also, the hard competition between grocery stores is another reason that drives them to emphasize more on in-store advertising (Kumar, Shah & Venkatesan, 2006). Advertising is additionally a crucial tool to create value for premium products. Consumers tend to spend a lot of time in grocery stores. Thus, it is convenient to penetrate the product message via advertising in the store. Sorensen (2009) supports the view stating, in-store advertising may be seen as a great opportunity for companies since customers spend ample amount of time in the store.

Sustainable consumption

Sustainable consumption gained a lot of attention from different social and scientific disciplines in past decades. It can be one of the categories of this study where consumers might be less skeptical for paying price premium. Consumers are progressively winding up more mindful and positive towards changing their consumption behavior for the betterment of the environment (Ekström 2010). However, majority of consumers see higher pricing as a barrier behind sustainable consumption (Jolly, 1991). On the other hand, Ngobo (2011) argues, consumers expect that ecological FMCGs are pricier than conventional FMCG and most importantly they see the price as a quality indicator. Therefore, environmentally concerned consumers tend to be less price elastic when paying a premium.

Consumers today are more concerned about environmental sustainability; therefore, they are inclining more toward eco products. Today's businesses are also taking ecological consumption under their serious consideration. For example, back in 2005 CEO of Walmart came up with new business strategies to introduce and implement eco products under their private label when he acknowledged the significance of sustainable consumption and growing demand of eco/organic products among consumers (Spicer & Hyatt 2017). However,

consumers' positive attitude towards preserving environment is arguably not a very new idea. Back in 1996, Kapelianis & Strachan (1996) conducted a study whether consumers are willing to pay premium for eco-friendly body spray which does not contain ozone depleting chemicals and found out 61% consumers were willing to pay more if it has less negative impact on the environment.

Maslow's hierarchy of needs:

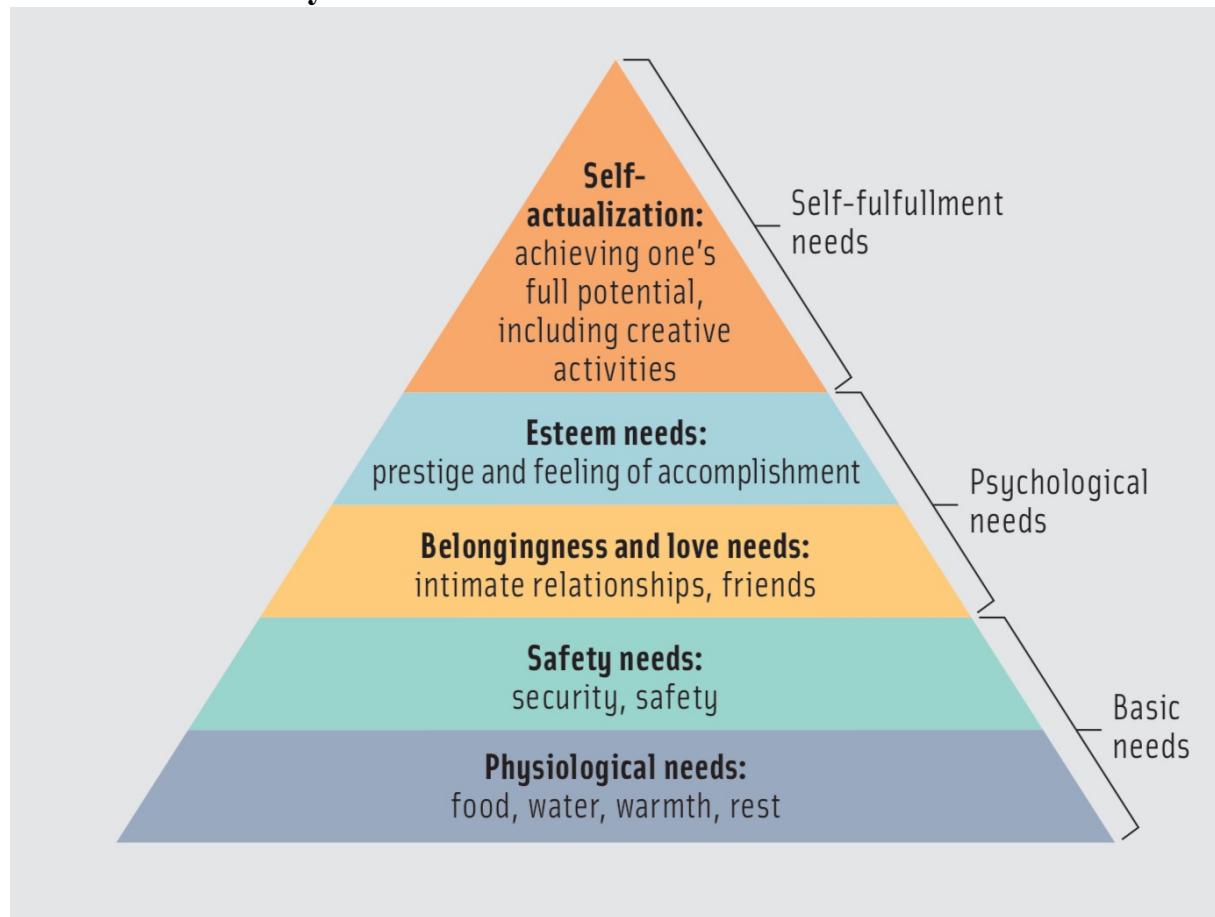


Figure 1: Maslow's hierarchy of needs by Bob Poston, (2009)

The idea of using Abraham Maslow's hierarchy pyramid helped researchers to lay out the stages of consumers' need (Poston, 2009). According to the theory of Maslow's hierarchy of needs, consumer needs are hierarchically arranged (Ekstrom, 2010). FMCG products are known as serving the basic physiological, safety and security needs. However, depending on the involvement of the product premium FMCG products raise upto the top of the pyramid of need.

According to experientially oriented personality theories, our needs are arranged in a hierarchical manar, where the needs higher up the hierarchy will not be satisfied until the more basic need, such as hunger or thirst, in the bottom are fulfilled (Ekström, 2010).

This is natural to expect the more we consume, the more satisfied we will become in this capitalist world. However, Hirsch (1976, cited in Alvesson, 1994) argues that people's life satisfaction do not necessarily lead to happiness or satisfaction. According to Alvesson (1994) the consumption term in many societies nowadays is of relative character, where people want

to position themselves by more consumption. On the other hand, he also mentions advertising is another factor making consumers cynical about spending more on consumption and pay price premium alongside. Moreover, he believes consumption became more like a mean of differentiating one from another in terms of taste, prestige and power. Thus, FMCG consumption is no different when it comes to higher priced products. It can be concluded that the consumption is more like a mean to differentiate ourselves from others in terms of taste, prestige and, power (Alvesson, 1994).

Consumer behavior among the consumer group is continuously changing in almost every industry. In order to get the consumer insights, marketers are conducting researches to keep pace with the changing consumer behavior trends. Marketers are being able to satisfy consumers' needs by studying the target market's consumer behavior which is affected by cognitive thoughts, feeling, environment and consumption habits. Nevertheless, most of the studies related to consumer behavior theory within luxury consumption are not properly linked with FMCG due to the nature of the industry. Therefore, researchers will try to interconnect them in the analysis part. This part of the theoretical framework proposed valuable insights for the motivational factors of paying price premium for FMCG according to the consumer behavior theories.

The measurement of linking is necessary since not a lot of study has been conducted in the FMCG industry. Hence, it will enable us to get a grip on the reality of the underlying behavior, motives and dynamics of the factors consumers pay price premium for FMCG products.

3. METHOD

This chapter describes the method decisions of this study. Method is something which should be created to fit present research question, as there is no clear and simple scheme of how it should be (Bryman & Bell, 2011). Thus, this chapter includes the framing of our study and what we consider to be the most suitable ways for us to serve the purpose of this study.

The study will use social constructionist view as depicted by Easterby-Smith, Thorpe and Jackson (2015), since it provides the quality of understanding the consumer meanings, contributes to the new theories, while it likewise enables author to conform to new issues as they arise.

Choice of epistemology is an important factor to consider in research philosophy. Another factor one must consider, in the exploration reasoning, is the decision of epistemology. The epistemology clarifies the procedure where the author gets enlightened with knowledge amid the study, and additionally brings up the issue of what is regarded as knowledge in a discipline (Bryman & Bell 2011). The constructionist position enables this answer to get a grasp on the subjective meaning of social activities.

Moreover, the methodological framework explains how the researchers gathered the designated data in order to generate best possible result.

3.1 CHOICE OF SUBJECT

We have chosen premium priced FMCG products as the core subject for our study. While searching for relevant scientific articles for our thesis, we came across several similar studies that have been conducted in recent years. One reappearing theme with those studies though, was the fact that all of the them were focusing on labeled products such as eco-friendly, fair-trade or sustainable. Moreover, most of the MNCs are competing hard every day to cut down their price in order to maximize their profit margin, but nobody is actually thinking of adding more value to their products, hike the price and drive customers. Thus, we found it interesting to zoom out and look at a more general level and include everyday consumer goods, or FMCGs so to say. Therefore, our study focuses on identifying the elements that are most effective when it comes to charging price premium for FMCG products.

The method used will be of a qualitative nature with a interpretive approach, and is done by conducting semi-structured in-depth interviews, where the respondents are guided towards identifying the core factors that influences them pay price premium for FMCGs. The interviews will then be analyzed by adapting the Wordlist technique and Key Word In Context (KWIC) technique. The key words will be extracted by the linguistic analysis software NVivo, (Easterby-Smith et al. 2015), that generates the Wordlist needed to put the

words into piles of similar meaning. This is done with the KWIC technique to expose themes. By following this approach, we expect to attain more information on what the key elements are that encourages a premium price tag.

3.2 ABDUCTIVE REASONING APPROACH

We have adopted an abductive reasoning approach, which according to Saunders, Lewis and Thornhill (2009) is preferred; which is a mix of a deductive and inductive reasoning approach. This gave independence, to the researcher, to move between the theories and empirics. Abductive reasoning is a systematic combining process, with continuous movement between the empirical and theoretical realm, where “matching of theory and reality” and “direction and redirection of the study” are the key processes (Dubois & Gadde, 2002)

The research began by reviewing past research done on FMCG and consumer behavior theories, in order to build up our theoretical framework and gather relevant research for the analysis. For further development of our theoretical framework, a deductive reasoning approach was chosen, where major consumer behavior theories will be applied.

According to Dubois and Gadde (2002), the primary objective of any research is to confront theory with the empirical world. The abductive reasoning approach has made it possible to systematically combine theoretical framework, empirical fieldwork and the developed framework. It further answers the research question and provides room for interpretation, which is imperative for the construction and interpretation of interviews (Dubois & Gadde, 2002).

A deductive reasoning approach is often criticized as being too specific when used on its own and can be due to misunderstanding; for example, expecting a theory to necessarily be practical is not a right expectation (Saghafi, 2014). Our inductive reasoning approach is based on semi-structured interviews, where our collected responses will may create an impact on our theoretical framework.

3.3 QUALITATIVE APPROACH

Qualitative research permits researchers to assemble and analyze information carried through language and behavior presented in natural settings (Burns & Burns, 2008). As indicated by Bryman and Bell (2011) a qualitative study is more centered around words and on making a more profound comprehension, while quantitative methods rather tend to utilize numbers and examine little variations regarding an aspect. Many researchers believe that the social sciences are dependent too much on a shallow survey and other quantitative methods, regardless of whether the technology is appropriate for the problem. However, Bryman and Bell (2011) argues that quantitative research of numerical information gathering and testing statistic correlations of different variables have been criticized on the grounds that it exhibits a more static picture of reality contrasted with a qualitative study (Bryman & Bell, 2011). Arnould and Thompson (2005) also confirms the choice of qualitative method is more suitable when

conducting studies in the CCT field as the spotlight is on experiential and sociocultural measurements of consumption that is not possible to be grasped through experiments and database modeling. Furthermore, McCracken (1988) highlights that a qualitative research focuses on how the words connect dots between culture and human actions. As we are going to conduct study on consumer needs, demands, choice to pay premium; Kozinets (2002) supports the view by proving its usefulness while unleashing rich symbolic words that bear needs, desires, meanings and choice. Also due to the lack of sample size and looking at the characteristic of our study, we decided to proceed with qualitative study.

Qualitative research is appropriate if the author needs to discover how a phenomenon functions (Silverman, 2010). A descriptive qualitative study is necessary to describe the underlying factors that influence the consumers' willingness to pay price premium for FMCGs in this research paper. It is further necessary to explore the actions that companies would like to perform in order to maintain competitive advantage, while drawing consumers for premium FMCG products. Hence, the study is based on a qualitative approach due to the intention of contributing with a deeper understanding of the actions and ideas regarding the premium price factors from consumers' perspective. Furthermore, since we are not testing any measured correlations which is not relevant for our study, a qualitative approach is favorable to our purpose.

3.4 DATA COLLECTION: INTERVIEWS

The interview data collection method is the most widely used qualitative approach because of several reasons. Thompson, Pollio, & Locander (1989) argues that the interview is one the most effective tools of obtaining an in-depth understanding of individualistic consumer experiences. It likewise allows the researcher to test profoundly and reveal new observations or open up new dimensions of an issue that is based on individual encounters (Easterby-Smith et al. 2015). These are all important aspects for exploring consumer behavior on paying price premium for FMCGs. As per Easterby-Smith et al. (2015), the qualitative interviews will be viewed as an endeavor to gain an understanding of the respondent's point of view. It incorporates respondents perspective as well as the motivations that give rise to these particular opinions. Therefore, qualitative interview will grant the researcher with a splendid opportunity of exploring the minds of the target consumers.

The primary data has been collected from face-to-face in-depth interviews, with the target consumers of FMCG who are willing to pay premium for superior products. These qualitative interviews helped us figure out the "how" and "why" (Seymour, 1992) of the research question. As we have a list of questions that we need to find answers to; we considered a semi-structured interview (Easterby-Smith et al. 2015). When interrogating the target consumers, a pre-defined interview guide is prepared, with a list of questions on the particular topics to be covered during the interview, which served as a base for our discourses.

Interview is a very popular form of research method while taking a qualitative approach. According to Berg (2004), interview may be seen as a conversation between two parties with a purpose where the purpose is to gather information. However, interviewing varies from a long list of specific do's and don'ts to extensive, abstract, pseudo-theoretical discussions on empathy, intuition, and motivation (Berg & Lune, 2016). Despite the fact that there is a

structure in the questionnaire, we decided to be amenable to the process, to obtain a sound understanding of the consumer's feedback. This approach was chosen to aim the spotlight on what needs to be researched in this part of exploration (Bryman & Bell, 2011).

Charmaz (2014 cited in Easterby-Smith et al. 2015) says, as a rule of thumb to the in-depth investigation of a specific subject, interviews vary from regular discussions in that they depend on the arrangement of questions that follow to serve a particular purpose. According to Lofland and Lofland (1984 cited in Easterby-Smith et al. 2015), qualitative interviews are coordinated discussions that revolve around questions and answers about a specific topic. Moreover, an interview is constantly "contextual and negotiated", and its purpose must be consulted between the interviewee and the interviewer (Easterby-Smith et al. 2015).

Furthermore, Spiggle (1994) affirms that researchers who use interviews are keen in understanding and interpreting the meanings and experiences of their sources and depend on understanding the subjects' perspective to reproduce wider cultural meaning, which has led to high-quality work in differently conducted studies (Spiggle, 1994).

3.4.1 PRIMARY DATA

The primary sources that have been used consist of the 11 semi structured in-depth interviews. The interview addresses several types of questions: introducing, follow-up, probing, direct and some interpreting questions. If needed, follow-up questions were asked to further enrich the response by either laddering up or laddering down on the replies (Kvale, 1996). The primary method is semi-structured in-depth face to face interview where respondents have independence to share their thoughts (Bryman & Bell, 2011). In-depth interviewing is a qualitative research procedure that includes conducting intensive individual interviews with few respondents, to examine their points of view on a specific idea or situation (Boyce & Neale, 2006). They also admit that in-depth interviews are helpful when you need detailed and precise information about an individual's ideas and behaviors or need to investigate an issue even further. One of the many reasons authors chose in-depth interview over focus group discussion, was the fact that it would be less susceptible to accumulate the target respondents at the same time, as they have a busy schedule. There are also some respondents who are not keen on discussing in front of others. As Boyce and Neale (2006) mentioned, in-depth interviews ought to be used instead of focus groups if the potential respondents may not be incorporated or uncomfortable with talking openly in a group meeting.

Another important reason to the approach of our study could be, according to Boyce and Neale (2006) that claim, in-depth interviews proffer considerably more enumerated information than what is accessible through other data collection methods like surveys. They further believe that this procedure additionally may create a more relaxed and casual environment, where information is gathered and respondents may not feel uncomfortable having an open and sincere discussion with the interviewers.

There was strategic reasoning behind all of the interview questions. Some questions enabled us to gain a general opinion of the consumer group's behavior and examine their everyday propensities. There are some laddering questions with certain motives. Instead of letting the respondents talk about whatever they would like, we guided them toward individual meanings

and values with these questions, rather than giving the respondents a chance to discuss whatever they might want. This was done to ensure the quality of the findings obtained, that construct the analysis of the values affecting purchase decisions.

Each interview took around 30-40 minutes per interview, which might be little less for in-depth interviews, but we figured out it would be enough for our study by getting ample amount of informative data during the interviews. The respondents were invited to a quiet and calm place so that they feel relaxed and concentrated, which results in more accurate insights. While choosing target respondents we kept two major factors: higher level of income & education group in our mind. Also wanted to make sure they are from different background and occupation to get more unbiased outputs. Due to the qualitative nature of our study, interviews allowed us to get relevant and detailed data according to the scenario. There were 11 face to face in-depth interviews conducted by the researchers. An exclusion of telephone interviews was made, since Hagan (1995 cited in Berg & Lune, 2016) proposed not to prolong telephone interviews more than 5 minutes. Whereas our average interview duration was 30-40 minutes. For a clear overview, various information about the respondents is provided below.

<u>Name</u>	<u>Age</u>	<u>Gender</u>	<u>Occupation</u>	<u>Monthly Income</u>
Interviewee H	28	F	Preschool Teacher	SEK 27 500
Interviewee M	25	M	Warehouse employee	SEK 25 000
Interviewee L	29	M	Warehouse employee	SEK 26 000
Interviewee D	26	M	CEO and owner of a Gym	SEK 25 000
Interviewee R	28	M	Procurement Officer	SEK 33 000
Interviewee E	27	M	Teacher	SEK 25 000
Interviewee N	24	M	Restaurant Manager	SEK 24 000
Interviewee L2	23	M	Self Employed	SEK 22 000
Interviewee Y	32	F	Sous-chef	SEK 32 000
Interviewee ER	32	F	Supply Chain Manager	SEK 28 000
Interviewee A	24	F	Marketing Executive	SEK 26 000

3.4.2 CHOICE OF INTERVIEWEES

Alvesson (2003) affirms that factors, such as age, professional background and individual appearances, can influence the result of the interview. There are several methods when it comes to choosing the sample group. The range of options is well established, where there is a fit for every qualitative research approach. The purposive sampling method is, according to Easterby-Smith, Thorpe and Jackson, (2015), utilized when researchers have a clear idea of the purpose with the study and know which sample group serves it best. Considering that our research paper focuses on a target group, that have the means and desire to purchase premium priced products, we have chosen to adapt the purposive sampling method. This is done by approaching potential sample members through interaction and determine whether they are eligible for the study or not. The sample size of the interviewees depends on the nature of the study and the purpose of it. In general, the thumb rule is that interviews should be conducted until the answers yield little or no new insights or knowledge (Kvale, 1994).

3.4.3 QUESTIONNAIRE

Designing the questionnaire so that relevant knowledge and insights are exposed was a rather difficult challenge. There are specific things researchers had to keep in mind when designing the questionnaire where, according to Berg and Lune (2016), the order, the phrasing, the level of language and general style of the questions depends on the desired outcome of the study, where the respondents background such as education level, age or ethnicity also play a role. After composing an initial questionnaire, it was sent to our supervisor for feedback, where we revised some of the questions and the order of them.

3.5 PILOT STUDY

Researchers conducted one pilot study in order to ensure the credibility of our study. The purpose of the pilot study was to check the effectiveness of our semi structured laddering questions. Although we did not use the pilot study in our finding, nevertheless it helped boosting up our confidence conducting the actual interviews and gave us opportunity to make some necessary edits and increased the validity of our data. The pilot studies provide the interviewee information of conceivable ways the interview discussion could flow and how to arrange the interview schedule accordingly and effectively (Bryman & Bell, 2011).

To test our questionnaire, an initial pilot interview was conducted with a relative that has a higher income and education, who tends to spend more on premium FMCG products. He did not only give us an adequate premise of supplementary information to begin the research from, in addition it enhanced the author's ability as an interviewer, to open up ways for a more reliable outcome in the actual interviews. Pilot interviews are beneficial in terms of practicing and finding out whether considerable information can be extricated from the respondents answers (Silverman, 2010). When the pilot interview had been conducted, we noticed that some minor changes were needed, which we executed to get the final questionnaire for the interviews. An optimal timeframe for an interview with sufficient answers, should be between 20-40 minutes and contain a minimum of 10 questions (Easterby-Smith et al. 2015), where our pilot study clocked in at 45 minutes after answering 9 questions.

Once the sample has been considered sufficient, the authors booked meeting with the target respondents. Later on, the interviews were transcribed and analyzed. Since the interviewer took open-ended answers into account; rich and diverse information appeared for a deeper analysis than expected.

3.6 ANALYSIS METHOD

According to Ryan and Bernard (2003), the identification of themes is a fundamental part when it comes to conducting qualitative research. In their research paper, *Techniques to identify themes*, they propose and suggest several techniques that can be utilized for qualitative research. Our research paper focuses on identifying the most common factors that

influences the consumers' willingness to pay price premium when it comes to FMCG products. Therefore, our research paper will primarily apply the Wordlist technique, where each unique word will be identified and counted how many times it occurs in the respondents answer, which will result in a list that ranks the words based on the frequency of occurrence. To achieve this, the researchers applied a computer assisted qualitative data analysis software (CAQDAS), named NVivo, which is a linguistic analysis software specifically designed for qualitative research (Easterby-Smith et al. 2015).

Thus, all the answers of every question were compiled into one document per question, which in turn was analyzed by NVivo. Initial coding is done through the Wordlist, which also is provided by NVivo, where it locates and finds words that have similar meaning and merges them into one row, while counting the frequency of occurrence. The second step was to go through the Wordlist, generated by NVivo, and eliminate all the irrelevant words in the table and focus only on words that were relevant to the question and occurred frequently. Compressing Wordlists that were 70-159 rows long down to tables between 6-12 rows was rather tricky, but with the questions in mind, the process had its boundaries to relate to. Thirdly, the words from the tables were identify in the answers and highlighted with color-codes, so that the key words were easy to identify in the text, see appendix A-L. Finally, it was complemented with the Key Word in Context (KWIC) technique, which also assists in focused coding, by creating general labels for the different themes that are found.

"If you want to understand what people are talking about you, look closely at the words they use" - (Ryan & Bernard, 2003)

The purpose of using the KWIC technique, is to identify themes by sorting the key words from the interview into piles with similar meaning. The Wordlist will supply us with the keywords that are of interest to our research, where the different words will then be put into piles of similar meaning in alliance with the KWIC technique. That will be presented in the next chapter through findings, which resulted in different themes. The themes will then be analyzed in relation to one another, where we will focus on the themes with the highest frequency of mentioning in the interviews.

3.7 VALIDITY, TRUSTWORTHINESS, RELIABILITY AND REPLICATION

For a qualitative research, it is important that the results are reliable, where Thyer (2010) argues that there should be consensus between researchers. By analyzing the interviews together and set predetermined criteria, for the categorization of words into similar meaning and later into themes, we ensure that the conclusions are reached upon agreement in order to avoid individual uncertainties in the categorization and interpretation of words and themes.

In qualitative research validity is referred to as credibility, which is linked and reflected in the ability to provide the reader with undeniable evidence for the results and conclusion (Thyer, 2010). Considering that the nature of words is to have a meaning in themselves, the results and conclusion should be similar to our findings, if not the same, when conducted by other researchers.

In the method chapter, the researchers thoroughly describe the approach of choosing the subject, method, sample and data collection, constructing the questionnaire and conducting the pilot interview. Lastly, a description is given on how to analyze the data and what methods were used to do so. Thus, due to the thick description, the replication of our research should be possible by following our way of approach.

Active participation from both researchers increased the validity of the thesis. The approach was language based, due to the qualitative nature of our study. Moreover, Bryman and Bell (2011) admits, the quality of the study can be confirmed through the stipulations made regarding the research process and the findings.

According to Guba and Lincoln (1994, cited in Bryman & Bell, 2011), the two major criteria of qualitative studies are trustworthiness and authenticity, where trustworthiness contains four criteria (Bryman & Bell, 2011).

- *Credibility*, which parallels internal validity.
- *Transferability*, which parallels external validity.
- *Dependability*, which parallels reliability.
- *Confirmability*, which parallels objectivity.

3.7.1 CREDIBILITY

The social reality examined in this study, is the underlying factors that influence consumers to pay higher price for premium FMCG products. It was difficult for the respondents to express this phenomenon since not many consumers are willing to pay more for FMCG products or may have had difficulties expressing their thoughts thereby. In order to raise the credibility of the study, both researcher reviewed and discussed the findings to make sure it maintains coherency.

The interviews were administered in English, which is a second language for all respondents. This may have affected their inclination to completely convey what needs be with regards to using specific words demonstrating, for example, feelings or discernment. In order to minimize the issue, the respondents have painstakingly been chosen taking into consideration to their language abilities. Although we believe it did not create any significant impact.

3.7.2 TRANSFERABILITY

A smaller group of respondents were examined keeping in mind the end goal to increase rich and detailed data normally found in qualitative studies. Since its an in-depth interview, it is typically not broad but in depth. Because to the qualitative nature of smaller sample size and the way that each respondent had their particular perceptions of the social world, the findings cannot be generalized (Bryman & Bell, 2011). Thus, according to Bryman and Bell (2011), the study provides a thick description instead, which accustomed to "rich accounts of the details of a culture".

3.7.3 DEPENDABILITY

According to Bryman and Bell (2011), dependability refers to if other researcher wants to repeat our study, it should be possible. In contrast, it could be an issue due to the in-depth nature of our study. But in order to achieve dependability we implemented “audit approach” suggested by Bryman and Bell (2011) to show a trustworthy research process. Where it refers to the thorough explanation of research process from problematization, method, data collection, theory development. However, it might not be guaranteed to get the exact result due to the nature of our study.

3.7.4 CONFIRMABILITY

- “*Confirmability is concerned with ensuring that the researcher can be shown to have acted in good faith*” (Bryman et al. 2011).

In order to ensure higher confirmability, we repetitively discussed the data collection method and analysis between ourselves. Although complete objectivity is not possible in qualitative studies, but we did this to achieve as objective viewpoint as possible (Bryman & Bell, 2011). Guba and Lincoln (1895, cited in Bryman & Bell, 2011) propose that, setting up confirmability ought to be one of the objectives of auditors.

3.8 ETHICAL CONSIDERATIONS

Conducting interviews and gathering personal information and opinions from an interviewee, has to be done in a way so that the participants of our research are ensured that their integrity is not violated and that the sensitive information from the interview is confidential (Berg & Lune 2016). Therefore, we have decided to keep the participants anonymous by naming them Interviewee A, B, C etc., as few respondents were not feeling comfortable to disclose their income which is important for our study. The respondents will be requested to answer few questions in order to help in our research. We inform them of the purpose of our study for the University of Lund, name, contact number in order to maintain a standard ethical protocol and to get their implied consent, which according to Berg and Lune (2016), is to inform about the potential benefits and risks of participating. Bryman and Bell (2011) and Kvale (1996) suggest that participants should not feel harm of the circumstances from the ethical viewpoints. Thus, we attempted to eliminate the participants’ stress caused by us as unknown interviewers by providing our information. Beside we also ensured to maintain the confidentiality to the extent of which no unauthorized person can access the information.

3.9 LIMITATION

Eleven face to face interviews were conducted due to the lack of time from other potential respondents. Eventually sufficient data was gathered to understand the factors behind

premium priced FMCG goods with additional opinion from the respondents. Which lead the authors to conclude that information saturation was reached. As the study was about higher priced products, what mostly appeared to influence the interviews was the trouble of keeping up self-esteem to some extent. In this manner, as per Alvesson (2003) mentioned about many possible limitations; because of the insecurity complexity of few of the respondents, a large number of the underlying answers were just shallow and cautious. As our target respondents had to disclose their income and education level we had to maintain the anonymity of the interviews. Hence, the reliability and replicability could be questioned; although reliability is not considered as crucial factor in qualitative research (Bryman & Bell, 2011). Besides this, in-depth interview can be time intensive, while conducting the interview, transcribe them, analyze the results and generalization is not able to be made usually as the sample size is small (Boyce & Neale, 2006). However, in alliance with Boyce and Neale (2006), we figured out sufficient sample size has been reached once almost similar topic, issues, ideas started emerging from the respondents.

Conclusively, the research has been conducted without communication with the businesses and retailers and can thus limit the study by only revealing the consumers' perspective. However, in regards to the research questions of this study, it is the target consumers who were supposed to provide the relevant aspects.

4. FINDINGS

The findings of the interviews will be presented question-wise, before analyzing and discussing them in the upcoming chapter. To start, each question will be presented in the beginning of each section and is followed up with a summary of the initial coding after each question. It further continues with a summary of focused coding, where ten themes were identified and are presented in a table with quotations from the conducted interviews.

Q 1: What comes into your mind when you think of price premium?

Upon asking the interviewees about their top of mind thoughts on price premium, the replies were dominated by positively charged phrasing and wording. On top of Table 1, appendix A, we find that the word 'premium' and 'quality' were the most frequent word used to describe price premium. The former was mentioned by three of the 11 respondents, whereas the latter was mentioned by six respondents. Lastly, the findings reveal several elements that price premium is associated with, where the words 'special', 'service', 'packaging', 'luxury' and 'brand' were the most outstanding in Table 1, appendix A.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods?

The aim with the second question was to gather insights whether it is the quantity or the attributes of the products that have the upper hand when it comes to everyday consumer goods. The findings In Table 2, appendix B, show that words related to attributes dominate the table, where words such as 'attributes', 'quality', 'premium', 'food', 'eco' and 'brands' are used by ten respondents. In the minority are the words related to quantity, where the words 'value' and 'price' appear. The words 'need', 'want', 'satisfied' and 'wellbeing' are also expressed when it comes to weighting between options.

Q 3.1: Which product categories are you more willing to pay premium price for and why?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

Question 3 explores the respondents motives and willingness to pay price premium in four categories, where the first one is 'Food & Beverage'. The answers in this category are more or less explicitly focused on fresh goods, where 'food', 'quality', 'veggies', 'fruits', 'organic', 'importance', 'health', 'eco' and 'appeal' are all words used to motivate the respondents purchase of premium goods in this category.

Q 3.2: Which product categories are you more willing to pay premium price for and why?

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

The willingness to pay price premium for personal care products is reflected in the word used by the interviewees. The findings show that the words ‘quality’, ‘brands’, ‘hygiene’ and ‘personal’ top Table 4, appendix D, which uncovers the respondents motives to be perceived in their own image which gives them justification to purchase premium priced products in this category. These words and motives are closely followed by the words ‘beauty’, ‘perfume’ and ‘makeup,’ indicating that if the sample size would have been larger with more women as respondents, these words would have been higher ranked in Table 4, appendix D.

Q 3.3: Which product categories are you more willing to pay premium price for and why?

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

Respondents were more reluctant to pay premium price in this product category, where seven of the eleven interviewees answered that they would not pay premium price for household products. Out of those who were willing to pay premium, the obvious products to do so were toilet-’paper’, ‘cleaning’ and ‘washing’ supply. The words ‘eco’ and ‘sustainability’ came up as well, from one respondent. Lastly, the word ‘differ’ was mentioned by two respondents.

Q 3.4: Which product categories are you more willing to pay premium price for and why?

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

The last category, where we asked about the motives willingness to pay premium, is Electronics. Here there were only two respondents, interviewee E and ER, that were not willing to pay premium for electronic goods. The most popular word used by the remaining respondents was ‘quality’ which was spotted in the answer of six interviews. Three of the respondent mentioned that ‘headphones’ is a product they are willing to pay premium price in order to get the ‘unique’ ‘style’ in the ‘design’. At last, the words ‘sustainable’, ‘eco’ and ‘durable’ were also mentioned when motivating their willingness to pay premium for electronics.

Q 4: What is your reasoning for paying premium price for everyday products?

The motivation for this question is to get an in-detail, personal and more fundamental picture of price premium in relation to everyday consumer goods. Motivations differed from person to person of course, but the most recurring word was ‘quality’, which was mentioned by seven respondents. ‘Fresh’ and ‘food’ were two other words used to explain the justification of paying premium for everyday products, which also were in the context with the words ‘sustainability’, ‘wellbeing’, ‘body’ and ‘health’. In addition, words like ‘brand’, ‘need’, ‘lifestyle’ and ‘harm’ were other reasons for respondents to pay premium for everyday products.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods?

To generate valuable findings surrounding the flaws of non-premium products, we asked interviewees to identify attributes or elements that non-premium products lack. On top of Table 8, appendix H, the ‘quality’ is seen as biggest flaw with non-premium products and was mentioned eight times by six respondents. Then we have two dominant areas of focus that

follow, with one being product attributes which includes words as ‘taste’, ‘packaging’, ‘ingredients’ and ‘duration’. Whereas the other area of focus, commercial elements, includes words such as ‘brand’, ‘trigger’, ‘instinctual’, ‘advertisement’ and ‘lack’.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

The purpose of question 6 is to evoke the respondents inner perception on premium consumption. By encouraging them to express their thoughts on what motivates others to consume premium products, we were able to gather insightful factors that motivate people to premium consumption. On top of Table 9, appendix I, once again there is ‘quality’, as seen in many of the findings above. The remaining words are divided into two main categories, namely conspicuous consumption and commercial consumption. The conspicuous consumption category includes the words ‘status’, ‘show’, ‘wealth’, ‘value’ and ‘conscious’. While the commercial consumption category contains ‘marketing’, ‘advertisement’, ‘special’, ‘needs’ and ‘brand’.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

Yet again ‘quality’ tops another table, this time Table 10 in appendix J, where interviewees were asked to identify aspects of life where they expect to improve through premium consumption. In the remaining words there are two distinct themes, one being attributes and the other personal self. The theme of attributes consists of the words ‘food’, ‘taste’, ‘function’, ‘extra’ and ‘duration’, whereas the theme of personal self consists of ‘life’, ‘pleasure’, ‘experience’ and ‘health’.

Q 8: When and why did you start to purchase premium priced everyday consumer goods?

Understanding where and what the catalyst was, that made the respondents pursue premium FMCGs, can be of crucial importance in determining the underlying factors that encourage premium consumption. Therefore, the interviewees were asked to recollect their earliest memory when they consciously started premium consumption. In appendix K, Table 11, the findings reveal that the words are divided into two themes, where the first is the milestone theme and is compiled of the words ‘quality’, ‘realized’, ‘income’, ‘teens’ and ‘always’. The other, is the commercial theme and includes the words ‘advertisement’, ‘satisfy’, ‘marketing’, ‘explore’ and ‘desire’.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods?

To sum up the interview, the respondents were asked a general question about additional thoughts they had on price premium in relation to FMCGs. Five respondent had no additional thoughts on this matter, whereas there were three themes identified in the remaining answers. The first finding was the attribute theme, consisting of ‘quality’ and ‘packaging’, which is followed by a second finding, the prestige theme with the words ‘status’ and ‘exclusivity’. Lastly, we identify the commercial theme with the words ‘negative’ and ‘deceiving’.

Based on the initial coding above, were the findings are presented question wise and include the most frequent words used to answer the questions, a table with focused codes is presented

below, Table 13. In total the findings reveal ten themes, that the wording in the answers will be categorized to. Relevant and in contexts quotations have been extracted from appendixes A-L to aid the upcoming analysis and discussion chapter.

TABLE 13 TEN FACTORS THAT INFLUENCE WILLINGNESS TO PAY PRICE PREMIUM

Word	Words included	Count	Quotes
Brand Relationship & Loyalty	brand, brands, coca-cola, experience.	23	<p>"...I never buy the no-name brands." - A, Q2</p> <p>"I also believe that people who buy premium priced goods are often very committed to the brand or company." - R, Q6</p> <p>"The experience is something people are prepared to pay for, no matter what the category is." - D, Q7</p> <p>"I got sometimes disappointed by buying the cheapest brand or no-name brand" - A, Q4</p>
Taste & Cultural Capital	food, veggies, fruits, fresh, taste, ingredients, income, special, conscious, always.	44	<p>"Sometimes, If the food is of high quality or has extra nutritional benefits I will be willing to pay more." - N, Q3.1</p> <p>"Veggies and fruits so I can make sure they don't contain any artificial ingredients." - L2, Q3.1</p> <p>"If the food is of high quality or has extra nutritional benefits I will be willing to pay more." - N, Q3.1</p> <p>"I want that extra taste in food products, ..." - L, Q4</p> <p>"I would guess in the same wave that I started to have my own income." - M, Q8</p> <p>"There are some products where I have gotten so used to buy them in premium quality, that the option of changing to a cheaper product doesn't exist." - M, Q2</p> <p>"Always, I grew up like that...at home I never buy the no-name brands. My parents neither." - A, Q8 & Q2</p> <p>"With food it is the pleasure of tasting all the different fresh flavors." - L, Q7</p>
Compulsive & Impulsive Shopping	teens, explore.	2	<p>"To most people, purchasing an everyday product doesn't require a lot of planning beforehand." - E, Q5</p> <p>"So I had to explore premium products and I actually felt the difference in quality." - H, Q8</p> <p>"There are some products where I have gotten so used to buy them in premium quality, that the option of changing to a cheaper product doesn't exist." - M, Q2</p> <p>"Sometimes, If the food is of high quality or has extra nutritional benefits I will be willing to pay more." - N, Q3</p>
Health Consciousness	wellbeing, importance, health, body, harm, life,	23	<p>"Absolutely, it is important with having a quality meal since it has to do with my well being." - D, Q3.1</p> <p>"...I prefer all the products which have a good influence on my health." - ER Q3.1</p> <p>"...everything I put on my skin I want to be of highest quality, without harmful ingredients." - Y, Q3.2</p> <p>"It's usually health reasons." - N, Q4</p> <p>"That I'm able to eat healthy food with high quality..." - H, Q7</p>
Marketing & Advertisement	trigger, instinctual, advertisement, marketing, negative, deceiving.	17	<p>"It's usually the price of good marketing." - L2, Q1</p> <p>"Here i must admit I'm affected by advertisement, so i take what i recognise from the ads." - L, Q3.2</p> <p>"Advertisers compete to take that spot in the consumers mind through different kinds of methods of advertisement." - E, Q6</p> <p>"After to many exposures I fell for the marketing." - L, Q8</p>

Packaging	packaging, appeal, unique, design, style.	13	<p><i>"Cheap looking packaging." - Y, Q5</i></p> <p><i>"They might lack full transparency and trustworthy information about the products manufacturing process." - R, Q5</i></p> <p><i>"For me packaging plays an important role in the opinion I make of products and their quality." - A, Q9</i></p> <p><i>"A high price product could look so cheap just because of a cheap looking packaging while a low price one could look good with a nice packaging." - A, Q9</i></p> <p><i>"I would rather pay more to have a product that is more concentrated. So I don't need huge bulky packaging, tons of plastic." - Y, Q9</i></p>
Product Involvement	premium, service, attributes, beauty, hygiene, personal, perfume, makeup, paper, cleaning, differ, washing, headphones, extra.	56	<p><i>"I think of a special offer, i expect to get that little extra apart from the regular attributes." - L, Q1</i></p> <p><i>"...everything I put on my skin I want to be of highest quality, without harmful ingredients." - Y, Q3.2</i></p> <p><i>"If there is a product I use on a regular basis and have the need for it to endure, then I will most likely choose a product within the premium range." - M, Q4</i></p> <p><i>"...most of the time you actually get that little extra out of premium products..." - H, Q9</i></p>
Prestige & Self-esteem	luxury, value, price, needs, want, satisfy, lifestyle, status, show, wealth, pleasure, desire, exclusivity.	44	<p><i>"I rather pay more for something I really want then less for something I need, especially food." - H, Q2</i></p> <p><i>"Other times i really want a certain product and don't bother paying premium in order to satisfy my desire." - L, Q2</i></p> <p><i>"But generally I opt for things that have a value to me rather than attributes." - D, Q2</i></p> <p><i>"I believe it is the desire to show of status and wealth toward others." - L, Q6</i></p> <p><i>"That special little extra value it brings to the consumers alongside meeting their prestige needs." - N, Q6</i></p> <p><i>"So I expect to get that little extra pleasure in consuming the premium products." - L, Q7</i></p> <p><i>"In the end I want to buy things i want and desire." - D, Q8</i></p>
Sustainability	eco, organic, sustainability.	12	<p><i>"I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process." - R, Q2</i></p> <p><i>"If the product is eco-friendly or Fair-trade certified I am willing to pay a higher price." - R, Q3.1</i></p>
Superior Quality	quality, cheap, lack, duration, function, realised.	92	<p><i>"Higher quality compared to regular products." - ER, Q1</i></p> <p><i>"Something that is of higher quality and something that is good for me." - D, Q1</i></p> <p><i>"I don't have the same expectations about the quality from cheap products as I do from a premium product." - H, Q2</i></p> <p><i>"I want higher quality so I'm prepared to spend a bit more in order to ensure that I get what I want in quality." - M, Q3.4</i></p> <p><i>"They should meet my expectation of quality and duration, ..." - H, Q4</i></p> <p><i>"Taste when it comes to food, but in general the lack of quality and duration." - M, Q5</i></p> <p><i>"Well when it is premium the products will have a higher quality or function which can be very useful." - N, Q7</i></p> <p><i>"So when it come to certain products i choose to pay premium for quality." - H, Q8</i></p> <p><i>"Certain products that i use on a regular basis, I do want to have a high quality so I'm assured that they will last and not break, wear out or not function properly." - L, Q9</i></p>

5. ANALYSIS & DISCUSSION

This part will answer the underlying factors why consumers will be paying price premium for FMCG products. This is the chapter where empirical data is explored through the theoretical framework to provide imperative insights to the research question. Even though the study has explored “paying price premium” from consumers’ perspective in the FMCG industry, this chapter also discuss the general findings that the study has generated to expand the application of this topic on further cases where consumer groups are less susceptible to pay price premium.

We accumulated numerous topics derived from the data. According to the findings, ten major themes have been found in the study which is related to both consumer culture and consumer behavior theories. These generate the understanding of premium FMCG consumption answering our research question.

5.1 PRODUCT INVOLVEMENT

From the findings it has been figured out that product involvement is complex and has different nature when it comes to premium FMCGs. As it was mentioned earlier in the theory, products involvement is a very subjective matter since it varies from person to person. One particular product can have both high and low involvement depending on consumers’ different perspective. For example: A car could be a product of highly involvement to some consumers due to its personal, utilitarian and hedonistic importance but for some people it is nothing but a mean of transportation (Ekström, 2010). But from a general view, according to Ekström (2010), high involvement products are the products which are not only needed but also wanted and desired. As per Maslow’ hierarchy of needs it can be said that high involvement products fall into the category of upper level of the pyramid. Consumers are motivated to invest their physical and mental energy in their whole consumption process - choosing, buying, consuming (Ekström, 2010).

Generally, consumers are less likely to devote their time and energy for making the purchase decision of FMCGs and have tendency to show low involvement due to the short decision process. But when it comes to the premium category, the scenario is little bit interesting. However, there are product categories like personal care where consumers seem really involved, as seen in the reply of interviewee Y, appendix D:

- “...everything I put on my skin I want to be of highest quality, without harmful ingredients.” (Interviewee Y)

This expression indicates that consumers have a rather high involvement when it comes to

On the other hand, it is arguable whether consumers are willing to pay price premium for low involvement FMCGs. The findings show mixed responses regarding this matter. Consumers are still willing to pay premium for very low involvement product category like cleaning as long as it serves purposes, as observed in the answer of interviewee A, appendix E:

- *“Toilet paper and paper towel I never take the cheapest one, because it is so thin that you can’t do anything with that, so I take one that is thick enough and affordable.”* (Interviewee A)

Thus, it can be said that the degree of product involvement denotes the consumer’s perception of the self-relevancy towards a product (Ekström, 2010).

When consumers deal with low involvement products, they are inclined to be price sensitive (Hanimann, Vinterbäck & Mark-Herbert, 2015). In the findings we notice this behavior in certain products categories, where interviewee N, appendix E, expressed:

- *“...these are basic products of daily use and so long that the job gets done for the cheapest price I have no complaints...”* (Interviewee N)

Therefore, product involvement and relevancy are an important factor to take into account when paying premium for FMCGs.

5.2 HEALTH CONSCIOUSNESS

According to Corrigan (1997), there was limited research that had been done, prior to the mid 1980’s, when it comes to the matter of the body as an object. Up until then, the human subject was seen to be in the mind rather than the body. Once the body was seen as an object to use and take advantage of in the marketplace of commodities and services, marketeers focused on making consumers perceive their bodies as physical machines that needs caretaking in order to function properly (Corrigan, 1997). The respondents were asked to elaborate on their willingness to pay premium for different FMCG categories, where interviewee D, appendix C, replied this on the ‘Food & Beverage’ category:

- *“Absolutely, it is important with having a quality meal since it has to do with my wellbeing.”* (Interviewee D)

Perceiving the body as a machine is best reflected in the world of professional athletes. The language in the sports realm is dominated with mechanical vocabulary, where words such as evaluate, measure or control, are normal words used to describe professional athletes appearance and their performance (Corrigan, 1997).

Ojala, Tynjälä, Välimaa, Villberg and Kannas, (2012), reveal in their study on *“Overweight Adolescents’ Self-Perceived Weight and Weight Control Behaviour”*, that two thirds of male and 90% of female overweight adolescents perceive themselves as too fat. Their findings further show that females attempt to lose weight in a much higher rate than males, where the most common practices to do so are exercise, less sweets, less fat and less soft drinks, in other

words products that are harmful to their health. A quote from interviewee ER, appendix C, confirms their findings by mentioning:

- “...I prefer all the products which have a good influence on my health.” (Interviewee ER)

The interpretation of the findings are two sides of the same coin, where one hypothesis is that female consumers have a higher health awareness, while the other side of the hypothesis is, that females are exposed of too much pressure to appear thin and attractive. This paradox can be reflected in the focus on appearance and weight loss when describing healthy eating (Ojala et al., 2012).

Sobal (2017) explores the shift in how weight control is perceived and talked about in society, where he found that prior to the shift in society, people would talk about dieting when it came to weight control, which today is associated with weight loss rather than weight control. Nowadays, we prefer to highlight that our appearance and body is the result of a healthy lifestyle and eating healthy food, which is captured in the response of interviewee H, appendix J:

- “That I’m able to eat healthy food with high quality...” (Interviewee H)

Therefore, it can be concluded that her willingness to pay price premium for FMCG products increases if the products are perceived to have a positive effect on her healthy lifestyle.

5.3 PRESTIGE AND SELF-ESTEEM

Some consumers use premium FMCG consumption as a vessel for achieving social and individual recognition, which is instituted through having their own particular arrangement of exclusionary and expertise-based practices so as to characterize their superior status. Thorsten Veblen theory of the leisure class (1899, cited in Corrigan, 1997) characterizes the topic of “*what lies at the basis of social honor, social prestige, and social status?*”. Veblen's straightforward answer of “wealth”, clarifies that the ownership of wealth can allow the customer more social wealth that is of more prominent significance than economical wealth. Which leads to practice of consumption where consumers have the desire to showcase their wealth in order to get admired by others in the society. Consumers can conduct this behavior by conspicuous consumption. Different authors talk about various perspectives of conspicuous consumptions in the light of different perspectives. Conspicuous consumption refers to individual’s edge to consume expensive goods to gain social status (Corrigan, 1997; Ekström, 2010; Sassatelli 2007).

This consumer behavior can be observed in the response of interviewee L and N, appendix I, which further confirms Veblen’s theory on conspicuous consumption, when he expressed his thoughts on what he thinks motivates people buy premium FMCGs:

- “I believe it is the desire to show off status and wealth toward others.” (Interviewee L)

- “*That special little extra value it brings to the consumers alongside meeting their prestige needs.*” (Interviewee N)

In contrast, consumers might avoid non-branded or cheap FMCG products just to showcase their wealth in conspicuous consumption.

- “*I don’t want to buy the cheap one But I think that it’s also because I’m a princess and like fancy stuff. I tend to pay the high price for certain things when it’s not always necessary.*” (Interviewee A)

Arnould & Thompson (2005) talk about *Consumer identity projects*. This perspective will mention and explore what individual goals there are for the consumer to achieve, by being a premium FMCG consumer, and how these goals establishes and develop their identities. The findings reveal that young people are more conscious about product symbolism. The finding reveals a few young and adult respondents who indicated a trend of product symbolism in their consumption patterns. As Belk (1988) refers, young people gives more importance on product symbolism and therefore tend to possess material belongings in order to set their identity among their surroundings and companions, which is in accordance with our findings and were revealed during the conversation with interviewee A, appendix I:

- “*There are probably also some inflatable neighbours who want to buy premium stuff to show they have money and live the high life.*” - (Interviewee A)

‘*Western capitalism*’ plays a vital role in FMCG consumption. According to Max Weber (1980, cited in Sassatelli, 2007) ‘*Western capitalism*’ alludes to consumer society is a society where ‘the satisfaction of daily needs’ is acknowledged ‘through the capitalist mode’. This is therefore inevitable to say daily needs are fulfilled not only through the consumption of the products but also by acquisition related to the consumption. Thus, it can be said that consumption could be a key determinant in establishing someone’s identity, as seen in the response of interviewee L, appendix B, on the the matter of how he weights between value for money and product attributes:

“*Other times I really want a certain product and don’t bother paying premium in order to satisfy my desire.*” - Interviewee L

5.4 TASTE & CULTURAL CAPITAL

According to CCT theories, consumer culture has an active impact on the lives we live. Bourdieu’s (1984) states that taste is developed through *cultural capital* and depict taste as a “*non-material resource that accumulates throughout the life course*” (Kamphuis, Jansen, Mackenbach & van Lenthe, 2015). People who participate in consumer culture, likely to grow their sense of taste in the assemblage of goods, practice, appearance, attire, self-expression by displaying their individuality. According to Featherstone (1992), various classes of people have distinctive lifestyles and perspectives of the nature of social connections where consumption takes place.

The cultural capital idea gives a clarification of social stratification components and was initially conceptualized by Bourdieu to describe class differences in academic achievement (Kamphuis et al. 2015). Dolan (2002, cited in McDonald et al., 2009) considers consumers to be social agents who convey their personal identity, status and identification with groups and values to other consumers who are engaged in similar consumption patterns. Based on the findings, it can be said that premium FMCG consumption also falls under the category of cultural consumption. Just like appreciation of arts or going to theatre, premium FMCG consumption can be related to cultural consumption for the educated people, who were our target consumers. As long as cultural consumption is concerned, Kesler (2003) is inclined to believe that cultural competence is more likely to be achieved from educational foundation. For example, educated consumers are more susceptible to engage in cultural activities which gives them acquisition (Van Eijck, 2000). The study shows that our target respondents are interested in culturally influenced intangible attributes which were driven not only by their taste but also their higher class and education in the society.

Family also plays important role in building taste and cultural competencies among consumers. Values and consumption practices are formulated in a family rather than educational institution (Holt, 1998). Trigg (2001) argues that socialization within family and educational institution both are actively involved in developing cultural capital. People learn skills, gain knowledge, rehearse as per their level of education and occupational background through everyday action, shape their way of thinking and create impact on their pattern of consumption (Holt, 1998). Upon being asked to recollect the earliest memory of when and why the respondents started to purchase premium products, appendix K and B, one respondent replied:

- *“Always, I grew up like that...at home I never buy the no-name brands. My parents neither.”* (Interviewee A)

From the findings it has been discovered that Bourdieu’s (1984, cited in Sassatelli, 2007) theory of cultural capital is significantly compelling in demonstrating social pattern of consumption. As per the theory, consumption is evaluated in connection to the taste which shapes our desires and pleasures obtained from particular products and services in relation to others. Due to the reason, it is imperative to take taste under consideration while assessing varieties in consumption across consumers (Holt, 1998). In general, taste is a vital part of cultural consumption and it provides researchers with the cultural preferences and actualized consumption (Van Eijck, 2000). When the interviewees were questioned on what they expect to improve in their quality of life, appendix J, one respondent replied:

- *“With food it is the pleasure of tasting all the different fresh flavors.”* (Interviewee L)

According to Bourdieu (1984), it is vital to perceive that cultural capital is diverse to economic capital and social capital. While economic capital alludes to the financial resources, and social capital alludes to relations and alliance. Cultural capital is particularly connected with the arrangement of characteristic skills, knowledge, and practices. Subsequently, cultural capital can shape individual person's tastes and the demonstration of consumption in which the skills and information are achieved from socialization within different groups like family, friends, colleagues, education (Bourdieu, 1984).

In the light of the study, where consumers price premium paying factors are being analyzed, cultural capital acts in the form of taste and becomes obvious in their consumption patterns.

Therefore, it can be said that level of cultural capital has a clear impact on consumers' price premium paying practice in FMCG. How consumers from different socio-economic background set their boundaries of consuming premium products by allocating their cultural resources can be defined by the idea of cultural capital (Trigg, 2001).

5.5 PACKAGING

Despite the fact that packaging seemed to have lower impact in decision making, consumers do care about it. Packaging makes products an in-store marketing tool. Interviewee Y mentioned that she will be paying premium for sleek packaging which can fit into her vanity bag and discourage packaging that contains additional non-disposable plastic which is harmful for environment, appendix L:

- *“I would rather pay more to have a product that is more concentrated. So I don't need huge bulky packaging, tons of plastic.”* (Interviewee Y)

Ekström (2010) Argues, packaging and design of a product also work as expressive feature give the brand its personality which turns the brand into a character with whom consumer can build a relationship according to their personality.

Consumers also tend to make evaluation based on the information of the packaging especially for products like food ingredients, electronics. Meyers and Gertman, (2005) mentioned, packaging is the corresponding communication media which contains visual, symbolic and functional information to the consumers. In contrary, packaging with poor or no information makes it a cheap packaging which draws negative attention from consumers, let alone paying a premium, which is captured in the response of interviewee R, appendix H:

- *“They might lack full transparency and trustworthy information about the products manufacturing process.”* (Interviewee R)

Overall, an appealing packaging with rich and valid information can be a superior factor to draw consumer's attention to pay premium.

5.6 SUSTAINABILITY

The study of the consumption of FMCG (foodstuffs and household) products by green and ethical consumers is the topic of the largest and most established literature considered in social science discipline like sustainable consumption (MacDonald, Oates, Thyne, Alevizou & McMorland 2009). Environmental concerns and environmental information are most influential determinants of eco-friendly consumption behaviors (Kim & Damhorst, 1998). Sustainable or green consumption has the largest impact on FMCG industry. Consumption practices associated with green products has given birth to other social science branches, including sustainable consumption (Jansson, Nordlund & Westin, 2017; Jackson, 2006), ethical

consumers (Harrison, Newholm & Shaw, 2005; Guiltinan, 2009) and green marketing (Jones, Clarke-Hill, Comfort, & Hillier 2008). Green or moral shoppers assess an extensive variety of criteria in their purchases of FMCGs, for example, fair trade and organic food, environmentally friendly cleaning products toiletries which do not experiment on animals (McDonald et al., 2009).

Arnould & Thompson (2005) also talk about another perspective *Marketplace culture*. This perspective will clarify how the consumers frame social feelings of solidarity when making and entering their new social identities of ecological FMCG consumption. By using this perspective, it can be concluded that consumers seek for common sustainable features in order to nourish their behavior in their cultural world. Ecological consumers want to consider themselves as a part of conscious consumer community which drive them to pay price premium for eco-friendly FMCG products. McDonald et al. (2009) conceptualize green or moral consumption as a procedure by which people understand themselves and their associations with others, and furthermore act inside the regulations of the organizations and abide by the standards of a society of which they count as a part. This view is captured in the answer of interviewee R, appendix B, who said:

- *“I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process”* (Interviewee R)

Interviewee R showed his affirmative view to pay premium for eco products.

A recent study by Juhl, Fenger and Thøgersen (2017) additionally supports the view that when it comes to protect the environment in practice, consumers are more inclined to practice paying price premium. Joergens (2006) argues although generally consumers have positive attitude towards sustainability, some of the consumers' purchasing decisions are extremely confounding when it comes to value for money. When the researchers assessed the willingness to pay for premium products in the interview, interviewee R, appendix C, mentioned that:

- *“If the product is eco-friendly or Fair-trade certified I am willing to pay a higher price.”* (Interviewee R)

Yet again, no matter whether some consumers possess negative attitude towards exaggerated higher price, most consumers are willing to price premium for ecological FMCG products.

5.7 SUPERIOR QUALITY

Products that have an expensive price tag are often perceived to be of higher quality, while a low price tag is associated with low quality in the mind of the consumer, therefore it can be said that the price of a product serves as an indicator of quality for the consumer (Blythe, 2003). If a product is more exclusive, as premium priced products tend to be perceived of higher quality, then it often also means low volumes of production. That in turn leads to a price tag that is even higher, since the production and promotion cost have to be carried by fewer units (Goworek & McGoldrick, 2015). This is reflected in the quote of Interviewee M, appendix F:

- *“I want higher quality, so I’m prepared to spend a bit more in order to ensure that I get what I want in quality.”* (Interviewee M)

Quality can be defined as the relationship between the expectations that consumers have and the result of what they actually get. Hence, if a consumer is disappointed by a product, since it did not meet the expectations, the quality is perceived as poor and the other way around. Therefore, it can be said that quality is not universal nor absolute, instead it is only relevant to the individual consumer and his or her expectations of quality (Blythe, 2003). This confirms the findings and is captured in the quote of interviewee H, appendix B:

- *“I don’t have the same expectations about the quality from cheap products as I do from a premium product.”* (Interviewee H)

Superior quality is without a doubt the most influential factor in our findings. Consumers not only expect superior quality from premium FMCGs, but also believe products to be of superior quality if the price is higher than similar products. It is inevitable to say that price premium mostly is seen as a quality indicator from the study.

5.8 COMPULSIVE AND IMPULSIVE SHOPPING:

Respondents expressed compulsive buying nature while making their purchase decision for premium FMCG. One of them interpreted that for most of the premium FMCG consumption, she does not think too much because that is how she is used to since her childhood. Binkley (2006) defines compulsive shopping as a chronic purchasing act and pattern of uncontrolled spending on things one barely needs. Compulsive shoppers are thought to undergo from deficiencies of impulse control, experience euphoria and receive pleasure from the whole purchase act (Binkley, 2006). One respondent, interviewee M, appendix B, expressed these patterns:

- *“There are some products where I have gotten so used to buy them in premium quality, that the option of changing to a cheaper product doesn’t exist.”* - (Interviewee M)

Impulsive buying is a well-known concept in the literatures of consumer behavior (Kacen & Lee, 2002). According to Baumeister (2002), impulsive buying refers to getting a sudden desire to purchase something without prior intention or plan and afterward following up on that impulse without carefully considering whether the purchase is logical with one’s long-term objectives, ideals, beliefs.

A study by Stern (1962) shows that there are nine factors which affect impulse buying.

- Marginal need of product,
- Mass distribution,
- Mass advertising
- Self-service,
- Short product life
- Low price,

- A good store display
- Small size or light weight.

Beside the compulsive behavior mentioned above, this study captured impulsive behavior in interviewee N as well, appendix C:

- *“Sometimes, If the food is of high quality or has extra nutritional benefits I will be willing to pay more.”* (Interviewee N)

5.9 BRAND RELATIONSHIP

Brand relationship can be easily defined by the notion of loyalty/ commitment between a consumer and a particular brand. Aaker and Fournier (1995) propose in their brand relationship theory that the brand is described as a dynamic, contributing accomplice in the dichotomic relationship that takes place between the individual and the brand. Consumers upbring their relationship with the brand positively or negatively according to their prior or surrounding experiences. Although Srivastava & Sharma (2013) argues that consumers do not demonstrate a high level of fondness for established brands and are less loyal in their purchase of fast-moving goods in comparison to other durable goods. However, when it comes to imposing price premium to a product, a well reputable brand brand always has the upper hand to penetrate into consumer positively, compared to a not so reputable or new brands. Few respondents mentioned that they are ready to premium price not only if the product serve their designated purpose, but also if it is tagged by an established brand. When interviewee A was asked about her reasoning for paying price premium when it comes to FMCG products, appendix G, she had this to say:

- *“I got sometimes disappointed by buying the cheapest brand or no-name brand”* (Interviewee A)

Dick and Basu (1994) propose that brand loyalty favors affirmative word of mouth and does not get influenced by the marketing strategies of the competitive products. Obviously, such conclusions persuade marketers to promote and conserve brand trust among consumers. When it comes to trusting a brand, trust represents consumers' satisfaction with devotion to a specific brand and is characterized by a pledge of the integrity, security and unwavering quality of the exchange (Morgan & Hunt, 1994). It can be said that trust gives confidence to the consumers to take risk and paying price premium for their desired products, as reflected by interviewee R, appendix I:

- *“I also believe that people who buy premium priced goods are often very committed to the brand or company.”* (Interviewee R)

Although there is a bridge connection between brand relationship and brand loyalty; Fournier (1995) criticized that in terms of strengthening the character of brand, there are few differences in conceptualizing loyalty and relationship. It can be resembled with relationships between human. If a consumer is loyal to a certain brand, no matter the price tag they put, he or she will end up consuming anyway. Whereas, with a less stronger reciprocity, consumers will be less susceptible to pay premium for the brand.

Then again, Aaker, (2007) argued that even if a new innovation by a good brand is not branded properly, it is less likely to survive in the market. For premium products, this is even more applicable. For example, introducing Tide detergent with new look and better cleansing capability alongside with a higher price tag, it will fail to differentiate itself from the generic competitors if its not branded properly (Aaker, 2007). The opening question of our interview was on top-of-mind thoughts on price premium, where Interviewee E replied “*reputation of brand*”, appendix A.

Therefore, it can be said that for a longer lasting effect of the premium FMCG product, the importance of branding knows no bounds.

5.10 MARKETING & ADVERTISEMENTS

As indicated by Holt (2002), customer culture alludes to the predominant method of consumption that is organized by the activities of firms with their marketing operations. Marketers are depicted as cultural engineers, who arrange how individuals think and feel through their designated branded commercial products. Thus, marketing and advertising play a vital role in influencing consumers to pay premium for FMCG products. It has been found from the analysis that consumers are willing to pay more for the products which will make their lives easier and save time. When interviewee L2 was questioned about what aspects of life he expects to improve through premium consumption, appendix J, he argued that:

- “*...to have time over for other activities by purchasing less time-consuming products...*” (Interviewee L2)

Solomon et al. (2006) supports the view by stating that people now want more solid information instead of ‘hype’ from advertising, and they also acknowledge advertisements that highlight problem-solving tips or time-saving feature.

FMCG products possess both economic and symbolic attributes. There are respondents who are not only keen to pay price premium for its functional value but also for the symbolic value. The social and symbolic meanings of products are in the principal occurrence made by establishments like advertising and marketing (Lee, 1993). According to Bourdieu (1984), consumer culture offers an arrangement of symbolic resources people can draw on when characterizing their personal and social personalities. It can be said that without marketing and advertisements, premium products would be considered as objects with no cultural significance. According to our study, the marketing effort is not only confined in the product but carries cultural meaning throughout the whole consumption process and is captured in the quotation of interviewee E, appendix I:

- “*Advertisers compete to take that spot in the consumers mind through different kinds of methods of advertisement*” (Interviewee E)

The meaning of consumption ought to be seen as socio-cultural manifestations formed by the marketplace, rather than consumer mindset which consists of psychological elements (Muniz

& O’Guinn, 2005). It is inevitable to mention that this symbolic and cultural meaning differs from consumer to consumer, for example, for the interviewee L2, premium FMCG products are the result of nothing but heavy marketing whereas for the interviewee A, premium products always put additional functional and symbolic value. Elliott and Wattanasuwan (1998) argue that consumers use their own judgement and see from different perspective in understanding the meaning of the advertisements that they witness.

According to Brierley (1995), because of the substantial dependence on the retail condition, a vast amount of the marketing budget for FMCGs goes on sales promotion such as money-off coupons, packaging, and design. Since these products are purchased and consumed on a daily or weekly basis, different advertising tool is used to remind the consumer that the particular brand is accessible and to stimulate repeat purchase, which can be identified in the response of interviewee L, appendix D:

- “Here I must admit I’m affected by advertisement, so I take what I recognise from the ads.” (Interviewee L)

The ten themes analyzed and discussed above by the researchers, were composed into table 14 below. This was done by categorizing the themes as strong or weak factors that influence consumers’ willingness to pay premium for FMCGs. The categorization of themes was based on the total frequency of all words that were included under each factor, see table 13.

TABLE 14 STRONG AND WEAK FACTORS THAT INFLUENCE WILLINGNESS TO PAY PRICE PREMIUM

Factors to pay price premium for FMCGs
Strong Factors:
Superior Quality
Product Involvement
Prestige & Self-esteem
Taste & Cultural Capital
Health Consciousness
Brand & Loyalty
Weak Factors:
Marketing & Advertisement
Packaging
Sustainability
Compulsive & Impulsive Shopping

6. CONTRIBUTION:

In this part authors going to discuss the knowledge that the study adds in relation to the research problem and the purpose that was presented in the beginning of the study.

6.1 THEORETICAL CONTRIBUTION

The study intends to contribute knowledge in the field of marketing academia where consumer behavior and culture with target group is specifically of interest. In addition, this study seeks to contribute to the academic field in the area of price premium consumption in the context of consumer decision making. Additionally, this study connects the dots between consumer behavior and culture theories and show they are intertwined from consumers' perspective. On the other hand, this study suggests CCT scholars to explore in FMCG sector in order to establish new theories in alliance with the old ones.

6.2 MANAGERIAL IMPLICATION

This study intends to contribute knowledge of consumer culture and consumer behavior to marketing and brand managers of FMCG industry. From the managerial perspective, it can be an issue for companies which have already been developing premium FMCG merchandises while consumers are not willing to buy. Companies, therefore, require solutions to drive consumers to pay premium by studying the underlying factors.

The result of this study has important implication to manager with regards to price premium. The results show that, there are various underlying factors where consumer will be keen to pay price premium for FMCGs. Therefore, here are the suggestions from authors for the managers.

First and foremost, marketing managers need to keep in mind that while paying premium, consumers process perceived value differently. Therefore, an in-depth analysis of target consumers is imperative in order to execute marketing communication successfully. Rather than cutting down price to compete in the market, companies can think of introducing products with richer attributes, environmentally friendly, healthy, better packaging, more perceived value with a premium price tag which will not only give opportunity to increase revenue but also bring welfare to the environment due to less consumption. In this manner,

consumers will be more cautious in their decision-making process to pay premium therefore refrain themselves from over consumption. Managers can create shared values (CSV) proposed by Crane, Palazzo, Spence and Matten (2014) as transforming social problems into business opportunities relevant to the company, therefore taking care of critical societal issues and driving greater profitability in the long run.

When marketing a premium product, branding should be very essential thing to be considered. From the study it has found that consumers consider perceived value while paying a premium. Branding is one of the key factors to create the perceived value among consumers.

Brand extension can also come in handy if it is executed properly. Brand extension is characterized as introducing new products under the umbrella of an established brand name in order to capitalize on the equity of the original brand name and grab new market segments (Kim, Lavack & Smith, 2001). According to this study, consumers care about brand names when playing a price premium. Introducing a new product could be costly let alone grabbing new customer base, creating new brand awareness. Keller, Apéria & Georgson (2008) admitted that a productive way of introducing new brand might be engaging in brand extension in order to capture higher market share. Although authors like Srivastava & Sharma (2013) criticize that majority of brand extensions are not successful in FMCG industry since consumers are less likely to be loyal to FMCG brands.

However, brand extension could be a crucial practice especially when introducing premium FMCGs to save additional cost and utilizing awareness which is already existed. Overall, branding could be one of the most important factors for creating competitive advantage for premium FMCGs. Branding also provides the companies with an opportunity to shape the customer's perceptions which leads to creating a path to influence the perceived value of the product.

Packaging:

Packaging can be very crucial to draw target consumer's attention in the FMCG industry. In this study, it can be concluded that the appearance of a product is a deciding factor to aid the consumers in judging the quality of the product. Another conclusion that can be drawn from the findings is, products which contain valuable and rich information, tend to be perceived of higher quality and increases the consumers' willingness to pay premium.

For the green products, companies need to be careful with the designing of the package and the labels chosen for the product. Lastly, based on the finding, authors can reach the conclusion that consumers perceive unattractive packaging as being cheap, even if the product itself would be expensive.

Another association with superior quality, is the appearance of the product, where fancy packaging is perceived as superior quality. Thus, to increase the perceived quality of a product, the packaging has to be well executed and appeal to the costumer.

Green marketing:

Since it has found from the study that consumers willing to pay premium for eco products, companies need to focus on green marketing. The major objective of green marketing is to

influence consumers' buying behaviour by enlightening them to purchase environmentally friendly products and following by driving their attention to the positive outcomes for both the environment and themselves (Rahbar & Wahid, 2011). Marketers also need to be critical while operating green marketing in order to avoid 'greenwashing' - manipulating consumers by eco labeling (Sheth, Sethia & Srinivas, 2011).

Marketer's objective is to influence consumers' purchase behavior by encouraging them to buy environmentally friendly products and to direct their attention to the positive consequences for themselves and for the environment based on their purchase behavior.

Belz and Peattie (2012) suggests four strategies in this manner.

- (1) Focus in the socio-ecological value adding
- (2) Emphasis on equal price, performance and socio- ecological aspects
- (3) Communicate socio-ecological factors as key factor of quality
- (4) Abstain communicating from socio-economic aspects.

It is important for the companies not to only target the 'green consumers' for their eco-friendly assortments but also other population of the target market through 'social normalisation'. Raising mass awareness for ecological consumption in this manner could be a viable green marketing strategy.

Marketing & Advertisements:

Consumers do not only pay price premium for instrumental aspects of a FMCG but also for emotional, symbolic and perceived value. Marketing and advertisements can be the key tools to do so. Therefore, the importance of marketing and advertisements in this sector is significant. Companies can focus more on hard advertisements about their FMCGs, how it will make consumers' lives easier, save time, emphasize on practical product attributes with no gimmick. The authors suggest that purchase decision of desirable premium FMCGs are high involvement and mostly takes place outside store. Therefore, long term marketing efforts like brand building, hard advertisements might be more effective than short term ones like brochures, coupons. It is also more efficient to emphasize on consumers' self-identity when pursuing them to spend premium price for their products. It is also important for retail marketers to showcase their products effectively with clear information in order to stimulate consumers' cognitive memory on premium product. In-store advertising can be very effective tool in this manner as marketers would be able to reach target consumers in a single place without extending effort and accelerate sales in the marketplace.

It important to stress that discounted price tag should be avoided for premium FMCGs, if the quality of a product is superior to the competition, even if economic of scale allows you to lower the price, since low price is perceived as low quality in the mind of the consumer.

7. CONCLUSION

This chapter starts presenting the conclusion of the result. Next, the limitations of the study have been demonstrated including explanation of what researchers could do that may have strengthened the study, followed by suggestions for future studies.

In order to support the research question and conclude the findings, the results of this research are discussed below. The major findings have been accumulated by intertwining the empirical findings with theories. Therefore, the answer of the following research question is going to be demonstrated down below.

“What aspects are considered, from a consumer perspective, for paying premium price for FMCG products?”

In the analysis chapter, authors discussed the findings based on ten identified themes. These themes were later categorized as strong or weak factors, that affect consumers’ willingness to pay price premium for FMCGs, table 14. The categorization is based on the total frequency of all the words that are included under each factor, as seen in table 13 in the findings. Thus, the following conclusions have been reached:

Superior quality is the main factor that influences the willingness to pay premium for FMCGs. This can be achieved through attractive packaging and exclusive pricing, where both are associated with superior quality in the mind of the consumer.

Product involvement was another strong factor that affects the willingness to pay premium for FMCGs. This factor is a major influencer on premium consumption, where there is a direct correlation between the price consumers are willing to pay and their involvement with the product.

Lastly, **Prestige & Self-esteem** proved to be of high importance for the consumer, where products that satisfy the consumers prestigious needs and self-esteem, are more likely to succeed with the price premium strategy.

Other strong influencing factors were **Taste & Cultural Capital, Health Consciousness** and **Brand & Loyalty**, which also had high frequency in mentioning, but even combined do not surpass Superior Quality.

Less influential factor, that affect consumers’ willingness to pay premium for FMCGs are **Marketing & Advertisement, Packaging, Sustainability** and **Compulsive & Impulsive**. Even though these factors also play a deciding role in the willingness to pay premium, in relation to the strong factors these were less influential.

7.1 LIMITATIONS OF THE STUDY

Price premium and FMCG are both well-established concepts within the academic field, which have been researched and analyzed from many different angles and perspectives. As mentioned in previous chapters, most of the research done in the study field of price premium has been focusing on luxury products, prestige products, high-end products and costly products. When it comes to FMCGs, the focus has been on labeled products such as fair-trade, eco-friendly, sustainably produced and so forth. Therefore, authors distanced themselves from the focus study fields mentioned above and zoomed out to understand the bigger picture and explore the relationship between price premium and FMCGs in general. Due to time constraints, the sample of interviewees is limited to the city of Copenhagen and southern part of Sweden, in the cities of Malmö, Lund and Hässleholm. Besides, this was a one-time data collection which might failed regular consumer behavior data.

When it comes to conducting a study, researchers have the options to choose from which perspectives they want to conduct the study. The study is either conducted from a consumer perspective to gain knowledge about their behavior, preferences or motives, whereas the company perspective often have a own set of elements they consider important that consumers might be unaware of. This research paper has focused on identifying the underlying factors that encourages price premium for FMCGs from a consumer perspective, thus we do not address the company perspective.

7.2 SUGGESTIONS FOR FUTURE STUDIES

Researchers are inclined to believe that they have provided an ideal base of knowledge to support many studies in future. By nature, it was contextually a broad study rather than focusing on one concentrated objective, yet there is room for knowledge expansion. Researchers tried linking consumer behavior theories with consumer culture theories by the findings of the study. This study can create a bridge connection between these two broad branches of theories. Although it was not possible to explore all the major theories among the two branches. Therefore, there is space for further researchers to conduct studies in the premium FMCG sector.

Authors have analyzed the premium FMCG industry from a general perspective. As this industry can be found all over the globe, this study could be applied to different locations to see if this study remains true. Furthermore, this study focused one type of target segment. Thus, further researches can be conducted on other consumers based on different demographic, psychographic, segmentation. In addition, future studies look into more specific field of consumption in this category. Here other suggestions are presented from both consumer and company's perspective.

Company's perspective

Today we have a global marketplace that consists of multinational companies, where the purchasing power of consumers keeps on rising. The communication between consumers and

producers has increased exponentially since the arrival of social media platforms. Therefore, we suggest FMCG companies to address these motivators and exploit the gap, of price premium in relation to FMCG, in the mind of the consumer.

Consumer's perspective

Based on the findings in this research paper, it would be interesting to see a quantitative research study being conducted, in order to test the strong and weak motivators proposed in table 14. It would further shed light on the relationship price premium has to FMCGs, where the motivators would be statistically proven or disproven. The factors should be studied separately or in combination and relation to one another, where it should be tested in different industries, product categories and cultures, so that marketers gain deeper understanding on what motivators that justify price premium. Eventually, it would be a choice of interest to explore how the motivators fluctuate based on the price range of the products.

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APPENDIX

APPENDIX A

Q 1: What comes into your mind when your think of premium price?

Word	Length	Count	Weighted Percentage	Similar Words
premium	7	6	5.00%	premium
quality	7	6	5.00%	quality
special	7	2	1.67%	special
service	7	2	1.67%	service
packaging	9	2	1.67%	packaging
luxury	6	2	1.67%	luxury
brand	5	2	1.67%	brand

Table 1

H: Special price, premium feeling, expensive, paying for quality, benefits.

M: Overpriced products that most of the time do not offer much more than normal priced products, but yet appeal with its packaging and overall premium feeling.

L: I think of a special offer, i expect to get that little extra apart from the regular attributes.

D: Something that is of higher quality and something that is good for me.

R: Luxury products or products with a high price margin which can manipulate consumers to believe it is a luxury product.

E: Its a combination between price, advertisement and how much they are prepared to pay for in order to get high frequency ads of the brand in the different channels. So there should be more than one premium product in the different categories, depending if its a cheap products such as toothpaste there should be more premium options due to the cheap cost of offering premium quality in comparison to the options of beds, where the range of premium products might be significantly less.

N: A price of a product or service that is higher than it should be.

L2: It's usually the price of good marketing.

Y: High quality of ingredients and reputation of brand.

ER: Higher quality compared to regular products.

A: Higher quality, better service, advantages, nicer packaging

APPENDIX B

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods?

Word	Length	Count	Weighted Percentage	Similar Words
value	5	5	2.05%	value
attributes	10	5	2.05%	attribute, attributes
quality	7	5	2.05%	quality
price	5	5	2.05%	price
premium	7	3	1.23%	premium
food	4	3	1.23%	food
need	4	3	1.23%	need, needs
wellbeing	9	2	0.82%	wellbeing
want	4	2	0.82%	want
satisfied	9	2	0.82%	satisfied, satisfy
eco	3	2	0.82%	eco
brands	6	2	0.82%	brands

Table 2

H: I rather pay more for something I really want then less for something I need, especially food. I don't have the same expectations about the quality from cheap products as I do from a premium product.

M: There are some products where I have gotten so used to buy them in premium quality, that the option of changing to a cheaper product doesn't exist. On the other hand, there are some products where I don't perceive the difference in quality or duration and am satisfied with the cheap options, such as toilet paper, cutlery or cleaning supply.

L: It depends what product category it is. In some categories I might look at the price after picking up an item, and see what price range other brands are. Other times i really want a certain product and don't bother paying premium in order to satisfy my desire.

D: I weight of course the attribute, but i rather pay a bit more for something that is really good than something that is is and so. For instance i rather pay for a expensive membership at a gym that I'm comfortable at and feel like home rather than a cheap option that doesn't have any service. Of course it depends on what kind of purchase it is, where I'm not willing to pay 500 SEK for a hair cur when I'm able to pay 100. But generally I opt for things that have a value to me rather than attributes.

R: I am into value for money, however I more and more consider the products sustainability. I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process.

E: It would depend whether or not it's a product of which the quality is of essential importance to my health or wellbeing, e.g. the food that I eat or whatever products I might use for hygiene. In those areas I would prefer to value the attributes of the product, and make sure that they sustain enough quality before purchasing them. Other categories of products I might set focus on the price before buying. If I need a new charger for my phone, I don't mind getting a copy from China, for example.

N: I usually compare the price to similar products in the market

L2: When a product fits the minimum of my needs, I'll try to find the one with the best value for money ratio but for some specific products it could be different like eco products.

Y: Value for money always weights higher when it comes to fmcg products. But then again I care for product attributes if it has high involvement with my lifestyle and my healthy wellbeing.

ER: 30% money 70% product attributes

A: For food, I tend to believe that cheap things are not as good. Really depends, if I pay with my money I may be cheaper but at home I never buy the no-name brands. My parents neither.

APPENDIX C

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

Word	Length	Count	Weighted Percentage	Similar Words
food	4	6	2.67%	food, foods
quality	7	6	2.67%	quality
veggies	7	4	1.78%	veggies, vegetables
fruits	6	3	1.33%	fruits
coca-cola	4	2	0.89%	coca-cola
organic	7	2	0.89%	organic
importance	10	2	0.89%	importance, important
health	6	2	0.89%	health
eco	3	2	0.89%	eco
appeal	6	2	0.89%	appeal

Table 3

H: Yes, but not overprice. If I know that a product is good but it costs a bit more, I'm willing to pay more, for instant veggies where I can feel the difference. I am also willing to pay more for certain brands as Coca-Cola, where I rather have that than a cheap ripoff.

M: Not too much thinking behind the decision making here, the products should appeal to me visually. I pay premium for certain products, though it depends on range. But the difference in quality is really there for certain product as Coca-Cola, Redbull or Ben&Jerrys.

L: Here I go for the taste and quality, so I'm willing to pay more for fresh products that appeal to me.

D: Absolutely, it is important with having a quality meal since it has to do with my well being.

R: If the product is eco-friendly or Fair-trade certified I am willing to pay a higher price. The reason I pay more is because I believe an eco-friendly product has a higher cost of production. However, I cannot be sure that there is no premium pricing strategy involved. But since I want to encourage more sustainable products I don't really bother.

E: The quality is of essential importance to my health when it comes to the food that I eat.

N: Sometimes, If the food is of high quality or has extra nutritional benefits I will be willing to pay more.

L2: Veggies and fruits so I can make sure they don't contain any artificial ingredients.

Y: Veggies, fruits would pay more for organic, local, seasonal products. Bread: good bread made in a proper bakery, that uses good ingredients and has story. Sweets: will to pay more for a good quality cacao used in chocolate, without palm oil added, etc. Frozen, Canned, Soda: not a consumer of that.

ER: Organic foods, I prefer all the products which have a good influence on my health.

A: Sauce, I am extremely picky on sauce, so I tend to think that the cheapest one will be dirtier. I never buy the cheapest one because chances are it will be very disgusting. Fruits and vegetables, I believe are nicer and fresher in not low-cost supermarkets. Canned food can also be disgusting so I prefer to go with a more expensive one or one that has a nice packaging, one that does not look cheap. Same for frozen meals. Food in general because I can be quite difficult with food.

APPENDIX D

Q 3: Which product categories are you more willing to pay premium price for and why?

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	7	3.10%	quality
brands	6	5	2.21%	brand, brands
beauty	6	4	1.77%	beauty
hygiene	7	4	1.77%	hygiene
personal	8	3	1.33%	personal
perfume	7	3	1.33%	perfume
makeup	6	3	1.33%	makeup

Table 4

H: This is a mixed bag depending on what it is, Cosmetic I am willing to pay more but not the most expensive, same thing goes for hygiene articles where i pay for a recognised and trustworthy brand.

M: For perfume there is no limit for how much I am willing to spend, since recognised brands really are better in duration. But other products like shampoo the average priced products will do fine.

L: Here i must admit I'm affected by advertisement, so i take what i recognise from the ads.

D: No

R: In this category I prefer quality over value for money. I buy products from well-known quality brands. However, I often pick the cheapest quality product, so I am not really into premium pricing.

E: The quality is of essential importance for my wellbeing when it comes to hygiene products I use.

N: Yes, usually I pay more for grooming and personal hygiene products, these products have a direct impact to my personal care and self-image, that is why I am willing to pay more.

L2: Hygiene articles, I make sure they don't contain any artificial ingredients

Y: Perfume: I love niche perfumery, as it has a unique fragrance, something that only I will have; good crystal vial for the perfume; natural ingredients; gives me a feeling of being superb and smarter than others. Beauty products: everything I put on my skin I want to be of highest quality, without harmful ingredients. Makeup and beauty products should deliver the

result they are claiming. Be of a professional level- often used my makeup artists etc. Razor... is Gillette Venus a premium product.

ER: Personal care products and beauty products which I prefer products with high quality which is really significant since they could cause health problems easily

A: For beauty products (makeup) I don't want to pay a very high price but don't want a cheap brand also. Often cheaper brands don't last as long or don't do a nice job since they don't have the same quality, so I prefer to pay a bit more to have a better product that will last longer because in the end I will probably spend the same amount of money. For soap, I take the cheapest one, I don't need the Dove one. Razor blades I go in the middle. I don't want to pay too much but I don't want the super cheap ones and cut myself every time.

APPENDIX E

Q 3: Which product categories are you more willing to pay premium price for and why?

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

Word	Length	Count	Weighted Percentage	Similar Words
paper	5	3	2.31%	paper
cleaning	8	2	1.54%	cleaning
differ	6	2	1.54%	differ, difference
washing	7	1	0.77%	washing
sustainability	14	1	0.77%	sustainability
eco	3	1	0.77%	eco

Table 5

H: Yes here again i feel the difference between when it comes to cleaning supply where the premium price last longer, while taking less in amount.

M: No premium

L: No premium

D: No premium, should be cheap since the quality doesn't differ that much

R: I more and more consider the products sustainability. I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process.

E: No premium

N: No premium, the reason is these are basic products of daily use and so long that the job gets done for the cheapest price I have no complaints thus not leading me to find premium products in the category.

L2: No premium

Y: Toilet paper: willing to pay more for something that touches my private parts. Cleaning and Washing: as long as its a good product that delivers the result, not willing to pay more. Mass market here, as anyway it goes to a waste.

ER: No premium.

A: Tend to go with the cheapest one if I pay it myself but still if the packaging looks super cheap or not legit I may go with the next one on the price range. Toilet paper and paper towel

I never take the cheapest one, because it is so thin that you can't do anything with that, so I take one that is thick enough and affordable.

APPENDIX F

Q 3: Which product categories are you more willing to pay premium price for and why?

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	8	5.03%	quality
headphones	10	3	1.89%	headphones
unique	6	1	0.63%	unique
design	6	1	0.63%	design
sustainability	14	1	0.63%	sustainability
style	5	1	0.63%	style
eco	3	1	0.63%	eco
durable	7	1	0.63%	durable

Table 6

H: Here I am willing to pay rather more, mostly for the perceived quality.

M: I want higher quality, so I'm prepared to spend a bit more in order to ensure that I get what I want in quality.

L: Headphones is the only thing I'm willing to pay more, but otherwise its more than fine with the average.

D: With electronics i prefer something that is durable and got high quality.

R: I more and more consider the products sustainability. I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process.

E: No premium

N: Yes, to some extent, If the price matches the quality and technological advancement then I will be willing to pay more.

L2: Mobile accessories and headphones to ensure good quality

Y: Headphones, yes. Style, unique design, innovative sound technologies.

ER: No premium.

A: For this I am pickier. If my phone charger breaks I will probably pay the high price to get an Apple one. I don't want to buy the cheap one in the convenient store because it's probably, certainly of less quality and don't know what it could do to my phone. But I think that it's also because I'm a princess and like fancy stuff. I tend to pay the high price for certain things when it's not always necessary. This summer I was buying a portable batterie/charger for my phone and didn't took the cheapest one because I thought it would not be as good. But I also don't want to pay the big price, so I go in the middle. I really associate higher price with higher quality, that is probably ridiculous but makes me feel better to have not cheap stuff.

APPENDIX G

Q 3: Which product categories are you more willing to pay premium price for and why ?

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	8	5.03%	quality
headphones	10	3	1.89%	headphones
unique	6	1	0.63%	unique
design	6	1	0.63%	design
sustainability	14	1	0.63%	sustainability
style	5	1	0.63%	style
eco	3	1	0.63%	eco
durable	7	1	0.63%	durable

Table 6

H: Here I am willing to pay rather more, mostly for the perceived quality.

M: I want higher quality, so I'm prepared to spend a bit more in order to ensure that I get what I want in quality.

L: Headphones is the only thing I'm willing to pay more, but otherwise its more than fine with the average.

D: With electronics i prefer something that is durable and got high quality.

R: I more and more consider the products sustainability. I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process.

E: No premium

N: Yes, to some extent, If the price matches the quality and technological advancement then I will be willing to pay more.

L2: Mobile accessories and headphones to ensure good quality

Y: Headphones, yes. Style, unique design, innovative sound technologies.

ER: No premium.

A: For this I am pickier. If my phone charger breaks I will probably pay the high price to get an Apple one. I don't want to buy the cheap one in the convenient store because it's probably, certainly of less quality and don't know what it could do to my phone. But I think that it's also because I'm a princess and like fancy stuff. I tend to pay the high price for certain things when it's not always necessary. This summer I was buying a portable batterie/charger for my phone and didn't took the cheapest one because I thought it would not be as good. But I also don't want to pay the big price, so I go in the middle. I really associate higher price with higher quality, that is probably ridiculous but makes me feel better to have not cheap stuff.

APPENDIX H

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods?

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	8	3.52%	quality
cheap	5	6	2.64%	cheap
lack	4	3	1.32%	lack
brand	5	3	1.32%	brand
trigger	7	2	0.88%	trigger
taste	5	2	0.88%	taste
packaging	9	2	0.88%	packaging
instinctual	11	2	0.88%	instinctual
ingredients	11	2	0.88%	ingredients
duration	8	2	0.88%	duration
advertisement	13	2	0.88%	advertisement, advertisers

Table 8

H: Taste and quality of the product, where you with cheap dish soap have to take twice as much soap and wash them twice in order to get it as clean as with a premium dish soap. So I feel the lack of a consistency in quality in many categories.

M: Taste when it comes to food, but in general the lack of quality and duration.

L: Its the quality that is the difference. The life span of the products differs significantly as well, where the duration of cheap batteries is only a fraction, in comparison to the premium ones.

D: The quality will decrease definitively if the price goes down, in other words quality costs. I rather pay more for something that doesn't contain a lot of artificial elements. I prefer something that I'm comfortable with than just having it for the sake of having it.

R: They might lack full transparency and trustworthy information about the products manufacturing process. From my perspective, shitty companies have ruined the reliability in many every day product markets. If a product is "too cheap" I am right away questioning the manufacturing process. Although a higher price does not assure a clean manufacturing process, but it makes me feel a bit safer witch can be an illusion unfortunately.

E: I would assume it is almost an instinctual choice in the case of everyday products. To most people, purchasing an everyday product doesn't require a lot of planning beforehand. That should be why the advertisers aim to psychologically trigger a consumer to buy their product, or at least make the consumer remember the specific brand name before purchasing. If that's

the case, then the answer to this question would be that the producers of the market priced FMCGs are with their current method of advertisement unable to trigger my instinctual sense of making a choice.

N: If the quality and marketing (unattractive appearance) of the product is far inferior to the premium priced FMCGs.

L2: Many. For example, cheap packaging like chick peas cans with no opener which is cumbersome.

Y: Cheap looking packaging, chemically loaded smell, cheap and harmful ingredients in the ingredients list.

ER: Some more explanation about the effect of them and used components on health

A: Sometimes you remember that it's probably the company that produces the cheapest and most expensive brand, so it is probably the exact same product. For certain product you know you don't need the highest quality or the basic brand works perfectly.

APPENDIX I

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	5	2.54%	quality
status	6	3	1.52%	status
show	4	3	1.52%	show
marketing	9	3	1.52%	marketing
advertisement	13	3	1.52%	advertisement, advertisers
wealth	6	2	1.02%	wealth
value	5	2	1.02%	value
special	7	2	1.02%	special
needs	5	2	1.02%	needs
conscious	9	2	1.02%	conscious, consciously
brand	5	2	1.02%	brand, brands

Table 9

H: Satisfy their basic needs, eat healthy fresh food that tastes good, to make the everyday slightly more comfortable.

M: Quality. Show of their wealth, conspicuous consumption, if they only buy premium.

L: I believe it is the desire to show of status and wealth toward others. Some may pay premium consciously, whereas I do believe that people who have the financial means don't look at the price, get tricked by the marketing efforts of big name brands either by packaging or advertisement.

D: To get higher quality of products and get more value. status is another thing.

R: They want to feel special and they might have too much money in their bank accounts. And of course, they might believe that price is equal quality, which is not always the case. I also believe that people who buy premium priced goods are often very committed to the brand or company.

E: As mentioned, I don't believe people in general make a conscious choice when purchasing everyday products. People buy whichever toothpaste they have in mind when standing in the hygiene section of the supermarket. Advertisers compete to take that spot in the consumers mind through different kinds of methods of advertisement. With that said, I don't believe people want to necessarily achieve anything when purchasing more expensive everyday products with the same attributes and elements as less expensive ones. Should the attributes of the products be different, so would the case.

N: That special little extra value it brings to the consumers alongside meeting their prestige needs.

L2: I think they are usually motivated by marketing or want to reach some kind of status

Y: Quality and stability in delivering the result

ER: Better performance, higher quality

A: Security, reliability. They know what they are buying and what to expect. There are probably also some inflatable neighbours who want to buy premium stuff to show they have money and live the high life.

APPENDIX J

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	9	4.79%	quality
food	4	5	2.66%	food, foods
life	4	4	2.13%	life
pleasure	8	4	2.13%	pleasure
experience	10	4	2.13%	experience
taste	5	2	1.06%	taste, tasting
health	6	2	1.06%	health
function	8	2	1.06%	function
extra	5	2	1.06%	extra
duration	8	2	1.06%	duration

Table 10

H: That I don't have to do the dishes twice to get them clean, so in duration and quality. That I'm able to eat healthy food with high quality and that I'm able to get it in most grocery stores in close distance.

M: To increase the quality of the purchased product in my everyday life, both in duration, taste and function.

L: If it's headphones, I expect to get a higher pleasure of listening to music. With food it is the pleasure of tasting all the different fresh flavours. So I expect to get that little extra pleasure in consuming the premium products.

D: In many ways, it can be a luxury trip to Dubai, so there it is the experience. In food it is the quality of it. The experience is something people are prepared to pay for, no matter what the category is. And that's the case with many premium products in my opinion, you pay for the premium experience.

R: None

E: Some items that could be considered premium priced are quite expensive when you think about how much they cost to produce, like a dinner for instance. For that same reason, when having dinner at a restaurant, especially with company, most people including myself would expect to receive pleasure from the whole experience proportional to the amount of money that they paid. In this case, the collective quality is crucial. Premium priced everyday products, on the other hand, do not necessarily need to improve my quality of life, as mentioned earlier.

N: Well when it is premium the products will have a higher quality or function which can be very useful. Example low quality soup might not smell so good as Premium soup can have varieties of fragrances and have extra benefits to your digestive system.

L2: Self-esteem, prestige, to have time over for other activities by purchasing less time-consuming products, life ready foods, one stop solution to anything like 3 in 1 coffee.

Y: Health and ego

ER: They could influence the health, fractal life, and save money in long term

A: I expect to have higher quality and thus a better product for food, electronics, clothes.

APPENDIX K

Q 8: When and why did you start to purchase premium priced everyday consumer goods?

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	4	3.08%	quality
realised	8	2	1.54%	realised, realising
income	6	2	1.54%	income
advertisement	13	2	1.54%	advertisement, ads
teens	5	1	0.77%	teens
satisfy	7	1	0.77%	satisfy
marketing	9	1	0.77%	marketing
explore	7	1	0.77%	explore
desire	6	1	0.77%	desire
always	6	1	0.77%	always

Table 11

H: Since I had tried most of the normal prices products in many categories I was aware of their quality, but sometimes i really had problems with it. So I had to explore premium products and I actually felt the difference in quality. So when it come to certain products i choose to pay premium for quality.

M: I would guess in the same wave that I started to have my own income.

L: When I was exposed to a certain advertisement, where they explicitly repeat that it will make my everyday life slightly more comfortable. After to many exposures I fell for the marketing.

D: In the end I want to buy things i want and desire.

R: Never really started. I am happy to pay the true cost of a products manufacturing, and I ensure this by comparing the price of a similar product with different companies.

E: Nobody knows that.

N: Whenever the normal product could not satisfy my needs. Example: I used to use cheap deodorants, but the smell lasted for a short time, so I changed to perfume branded deodorants that cost much more but last longer.

L2: Since I started realising you need to pay more in order to get a better result from a product or service.

Y: In my teens, influenced by TV ads

ER: When I turned to 24 and realised the importance of healthy products and of course when I had income, so I could afford the price of products with high quality

A: Always, I grew up like that.

APPENDIX L

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods?

Word	Length	Count	Weighted Percentage	Similar Words
quality	7	7	4.37%	quality
packaging	9	4	2.50%	packaging
status	6	2	1.25%	status
negative	8	1	0.63%	negative
exclusivity	11	1	0.63%	exclusivity
deceiving	9	1	0.63%	deceiving

Table 12

H: There is both a bad and a good side of premium. The good being that, most of the time you actually get that little extra out of premium products, but it doesn't always have to be so. Where the negative side is that, there are actually some really good quality products at a low cost, so I feel that the price tag can sometimes be deceiving, and you should therefore try products out and have your own opinion.

M: No

L: Certain products that I use on a regular basis, I do want to have a high quality so I'm assured that they will last and not break, wear out or not function properly.

D: Premium to me equals quality, exclusivity, experience to have premium whether it is because of status or not. Is it the Brand that is premium or the quality of the product when it come to the bottom line? many times the premium belongs to the brand rather than the product. Humanity has a status desire. Coca-cola is what you buy if what proper cola. Same with red bull, rather take a red bull vodka than to mix it with a cheap rip off. But there is always the dilemma between monetary value and value of quality.

R: No

E: No.

N: Personally, I use normal price everyday goods because the premium products does not vary in quality that much yet can have prices that are double or even higher. To me it does not bring enough value for the money spent.

L2: No.

Y: I would rather pay more to have a product that is more concentrated. So I don't need huge bulky packaging, tons of plastic.

ER: No.

A: For me packaging plays an important role in the opinion I make of products and their quality. A high price product could look so cheap just because of a cheap looking packaging while a low price one could look good with a nice packaging. It's easy to recognise something is cheap.

APPENDIX M

Time: 45 min

Date: 10/5/2018

Location: Hässleholm

Name: Interviewee H

Education: Bachelor

Age: 28

Gender: Female

Occupation: Preschool teacher

Income: 27 500 SEK

Q 1: What comes into your mind when you think of premium price ?

A: Special price, premium feeling, expensive, paying for quality, benefits.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: I rather pay more for something I really want then less for something I need, especially food. I don't have the same expectations about the quality from cheap products as I do from a premium product.

Q 3: Which product categories are you more willing to pay premium price for and why ?

2. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Yes, but not overprice. If I know that a product is good but it costs a bit more, I'm willing to pay more, for instant veggies where I can feel the difference. I am also willing to pay more for certain brands as Coca-Cola, where i rather have that than a cheap ripoff.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: This is a mixed bag depending on what it is, Cosmetic I am willing to pay more but not the most expensive, same thing goes for hygiene articles where i pay for a recognised and trustworthy brand.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: Yes here again i feel the difference between when it comes to cleaning supply where the premium price last longer, while taking less in amount.

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: Here I am willing to pay rather more, mostly for the perceived quality.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: They should meet my expectation of quality and duration, where i expect an MacBook to last longer and be more efficient than a computer 20% of the MacBook price. It also depends on my current lifestyle as well, where i for instance don't want to worry about a basic t-shirt

that costs 500 SEK that i wear at work playing with children all day long, so i rather get five of them at H&M instead. For Fresh food I am willing to pay more when it comes to sustainability, I rather have expensive Swedish strawberries than Spanish ones that are transported for days and pollute the climate, and they are more tasty as well when they are fresh from close by.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: Taste and quality of the product, where you with cheap dish soap have to take twice as much soap and wash them twice in order to get it as clean as with a premium dish soap. So I feel the lack of a consistency in quality in many categories.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: Satisfy their basic needs, eat healthy fresh food that tastes good, to make the everyday slightly more comfortable.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: That I don't have to do the dishes twice to get them clean, so in duration and quality. That I'm able to eat healthy food with high quality and that I'm able to get it in most grocery stores in close distance.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: Since I had tried most of the normal prices products in many categories I was aware of their quality, but sometimes i really had problems with it. So I had to explore premium products and I actually felt the difference in quality. So when it come to certain products i choose to pay premium for quality.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: There is both a bad and a good side of premium. The good being that, most of the time you actually get that little extra out of premium products, but it doesn't always have to be so. Where the negative side is that, there are actually some really good quality products at a low cost, so I feel that the price tag can sometimes be deceiving, and you should therefor try products out and have your own opinion.

APPENDIX N

Time: 30 min

Date: 10/5/2018

Location: Hässleholm

Name: Interviewee M

Education: Collage

Age: 25

Gender: Male

Occupation: Warehouse employee

Income: 25 000 SEK

Q 1: What comes into your mind when you think of premium price ?

A: Overpriced products that most of the time do not offer much more than normal priced products, but yet appeal with its packaging and overall premium feeling.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: There are some products where I have gotten so used to buy them in premium quality, that the option of changing to a cheaper product doesn't exist. On the other hand, there are some products where I don't perceive the difference in quality or duration and am satisfied with the cheap options, such as toilet paper, cutlery or cleaning supply.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Not too much thinking behind the decision making here, the products should appeal to me visually. I pay premium for certain products, though it depends on range. But the difference in quality is really there for certain product as Coca-Cola, Redbull or Ben&Jerrys.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: For perfume there is no limit for how much I am willing to spend, since recognised brands really are better in duration. But other products like shampoo the average priced products will do fine.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: No premium

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: I want higher quality, so I'm prepared to spend a bit more in order to ensure that I get what I want in quality.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: If there is a product I use on a regular basis and have the need for it to endure, then I will most likely choose a product within the premium range.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: Taste when it comes to food, but in general the lack of quality and duration.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: Quality. Show of their wealth, conspicuous consumption, if they only buy premium.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: To increase the quality of the purchased product in my everyday life, both in duration, taste and function.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: I would guess in the same wave that I started to have my own income.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: No

APPENDIX O

Time: 35 min

Date: 10/5/2018

Location: Hässleholm

Name: Interviewee L

Education: College

Age: 29

Gender: Male

Occupation: Warehouse employee

Income: 26 000 SEK

Q 1: What comes into your mind when you think of premium price ?

A: I think of a special offer, i expect to get that little extra apart from the regular attributes.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: It depends what product category it is. In some categories I might look at the price after picking up an item, and see what price range other brands are. Other times i really want a certain product and don't bother paying premium in order to satisfy my desire.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Here I go for the taste and quality, so I'm willing to pay more for fresh products that appeal to me.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: Here i must admit I'm affected by advertisement, so i take what i recognise from the ads.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: No premium

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: Headphones is the only thing I'm willing to pay more, but otherwise its more than fine with the average.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: I want that extra taste in food products, it might not differ a lot but I perceive the difference in quality. For instance when it comes to meat, most of the time I get fresh meat at a butcher where I pay premium for the quality, since it is nutritious for my body and important to get high quality for my wellbeing.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: Its the quality that is the difference. The life span of the products differs significantly as well, where the duration of cheap batteries is only a fraction, in comparison to the premium ones.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: I believe it is the desire to show of status and wealth toward others. Some may pay premium consciously, whereas I do believe that people who have the financial means don't look at the price, get tricked by the marketing efforts of big name brands either by packaging or advertisement.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: If it's headphones, I expect to get a higher pleasure of listening to music. With food it is the pleasure of tasting all the different fresh flavours. So I expect to get that little extra pleasure in consuming the premium products.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: When I was exposed to a certain advertisement, where they explicitly repeat that it will make my everyday life slightly more comfortable. After to many exposures I fell for the marketing.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: Certain products that i use on a regular basis, I do want to have a high quality so I'm assured that they will last and not break, wear out or not function properly.

APPENDIX P

Time: 40 min

Date: 10/5/2018

Location: Hässleholm

Name: Interviewee D

Education: Collage

Age: 26

Gender: Male

Occupation: CEO of a Gym

Income: 25 000 SEK

Q 1: What comes into your mind when you think of premium price ?

A: Something that is of higher quality and something that is good for me.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: I weight of course the attribute, but i rather pay a bit more for something that is really good than something that is is and so. For instance i rather pay for a expensive membership at a gym that I'm comfortable at and feel like home rather than a cheap option that doesn't have any service. Of course it depends on what kind of purchase it is, where I'm not willing to pay 500 SEK for a hair cur when I'm able to pay 100. But generally I opt for things that have a value to me rather than attributes.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Absolutely, it is important with having a quality meal since it has to do with my well being.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: No

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: No premium, should be cheap since the quality doesn't differ that much

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: With electronics i prefer something that is durable and got high quality.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: My reasoning when it comes to food, is that premium priced food products are most of the time better than cheap stuff, durability and quality. same for the electronics. so when it comes to toilet paper it really doesn't matter what brand it is.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: the quality will decrease definitively if the price goes down, in other words quality costs. I rather pay more for something that doesn't contain a lot of artificial elements. I prefer something that I'm comfortable with than just having it for the sake of having it.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: To get higher quality of products and get more value. status is another thing.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: In many ways, it can be e luxury trip to Dubai, so there it is the experience. in food it is the quality of it. The experience is something people are prepared to pay for, no matter what the category is. And thats the case with many premium products in my opinion, you pay for the premium experience.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: In the end I want to buy things i want and desire.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: Premium to me equals quality, exclusivity, experience to have premium whether it is because of status or not. Is it the Brand that is premium or the quality of the product when it come to the bottom line? many times the premium belongs to the brand rather than the product. Humanity has a status desire. Coca-cola is what you buy if what proper cola. Same with red bull, rather take a red bull vodka than to mix it with a cheap rip of. But there is always the dilemma between monetary value and value of quality.

APPENDIX Q

Time: 45 min

Date: 14/5/2018

Location: Malmö

Name: Interviewee R

Education: BBA

Age: 28

Gender: Male

Occupation: Procurement Officer

Income: 33 000 SEK

Q 1: What comes into your mind when you think of premium price?

A: Luxury products or products with a high price margin which can manipulate consumers to believe it is a luxury product.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: I am into value for money, however I more and more consider the products sustainability. I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: If the product is eco-friendly or Fair-trade certified I am willing to pay a higher price. The reason I pay more is because I believe an eco-friendly product has a higher cost of production. However, I cannot be sure that there is no premium pricing strategy involved. But since I want to encourage more sustainable products I don't really bother.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: In this category I prefer quality over value for money. I buy products from well-known quality brands. However, I often pick the cheapest quality product, so I am not really into premium pricing.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: I more and more consider the products sustainability. I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process.

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: I more and more consider the products sustainability. I will buy an eco-friendly product for a higher price rather than a cheap product with questionable manufacturing process.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: If the company is moving towards a sustainable thinking with products that can replace products that harm the environment and people around it, I am happy to pay a bit more to contribute for this movement. But when it comes to premium pricing as such, I am not interested in paying more than what the product is worth.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: They might lack full transparency and trustworthy information about the products manufacturing process. From my perspective, shitty companies have ruined the reliability in many every day product markets. If a product is “too cheap” I am right away questioning the manufacturing process. Although a higher price does not assure a clean manufacturing process, but it makes me feel a bit safer which can be an illusion unfortunately.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: They want to feel special and they might have too much money in their bank accounts. And of course, they might believe that price is equal quality, which is not always the case. I also believe that people who buy premium priced goods are often very committed to the brand or company.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: None

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: Never really started. I am happy to pay the true cost of a products manufacturing, and I ensure this by comparing the price of a similar product with different companies.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: No

APPENDIX R

Time: 50 min

Date: 10/5/2018

Location: Hässleholm

Name: Interviewee E

Education: Master's

Age: 27

Gender: Male

Occupation: Teacher

Income: 25 000 SEK

Q 1: What comes into your mind when you think of premium price ?

A: Its a combination between price, advertisement and how much they are prepared to pay for in order to get high frequency ads of the brand in the different channels. So there should be more than one premium product in the different categories, depending if its a cheap products such as toothpaste there should be more premium options due to the cheap cost of offering premium quality in comparison to the options of beds, where the range of premium products might be significantly less.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: It would depend whether or not it's a product of which the quality is of essential importance to my health or wellbeing, e.g. the food that I eat or whatever products I might use for hygiene. In those areas I would prefer to value the attributes of the product, and make sure that they sustain enough quality before purchasing them. Other categories of products I might set focus on the price before buying. If I need a new charger for my phone, I don't mind getting a copy from China, for example.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: The quality is of essential importance to my health when it comes to the food that I eat.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: The quality is of essential importance for my wellbeing when it comes to hygiene products I use.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: No premium

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: No premium

Q 4: What is your reasoning for paying premium price for everyday products ?

A: As mentioned, I try to set more focus on the quality of products that affect my personal wellbeing, rather than the price of them. In addition, I will most often overlook a product's attributes if the product lacks that same effect on my wellbeing, and in those cases probably only consider the price before purchase.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: I would assume it is almost an instinctual choice in the case of everyday products. To most people, purchasing an everyday product doesn't require a lot of planning beforehand. That should be why the advertisers aim to psychologically trigger a consumer to buy their product, or at least make the consumer remember the specific brand name before purchasing. If that's the case, then the answer to this question would be that the producers of the market priced FMCGs are with their current method of advertisement unable to trigger my instinctual sense of making a choice.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: As mentioned, I don't believe people in general make a conscious choice when purchasing everyday products. People buy whichever toothpaste they have in mind when standing in the hygiene section of the supermarket. Advertisers compete to take that spot in the consumers mind through different kinds of methods of advertisement. With that said, I don't believe people want to necessarily achieve anything when purchasing more expensive everyday products with the same attributes and elements as less expensive ones. Should the attributes of the products be different, so would the case.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: Some items that could be considered premium priced are quite expensive when you think about how much they cost to produce, like a dinner for instance. For that same reason, when having dinner at a restaurant, especially with company, most people including myself would expect to receive pleasure from the whole experience proportional to the amount of money that they paid. In this case, the collective quality is crucial. Premium priced everyday products, on the other hand, do not necessarily need to improve my quality of life, as mentioned earlier.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: Nobody knows that.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: No.

APPENDIX S

Time: 35 min

Date: 11/5/2018

Location: Lund

Name: Interviewee N

Education: Bachelors in Economics

Age: 24

Gender: Male

Occupation: Restaurant Manager

Income: 24 000 SEK

Q 1: What comes into your mind when you think of premium price ?

A: A price of a product or service that is higher than it should be.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: I usually compare the price to similar products in the market

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Sometimes, If the food is of high quality or has extra nutritional benefits I will be willing to pay more.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: Yes, usually I pay more for grooming and personal hygiene products, these products have a direct impact to my personal care and self-image, that is why I am willing to pay more.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: No premium, the reason is these are basic products of daily use and so long that the job gets done for the cheapest price I have no complaints thus not leading me to find premium products in the category.

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: Yes, to some extent, If the price matches the quality and technological advancement then I will be willing to pay more.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: It all depends on the quality and how much value it is bringing to me.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: If the quality and marketing (unattractive appearance) of the product is far inferior to the premium priced FMCGs.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: That special little extra value it brings to the consumers alongside meeting their prestige needs.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: Well when it is premium the products will have a higher quality or function which can be very useful. Example low quality soup might not smell so good as Premium soup can have varieties of fragrances and have extra benefits to your digestive system.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: Whenever the normal product could not satisfy my needs. Example: I used to use cheap deodorants, but the smell lasted for a short time, so I changed to perfume branded deodorants that cost much more but last longer.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: Personally, I use normal price everyday goods because the premium products does not vary in quality that much yet can have prices that are double or even higher. To me it does not bring enough value for the money spent.

APPENDIX T

Time: 30 min

Date: 11/5/2018

Location: Lund

Name: Interviewee L2

Education: Bachelor Degree

Age:23

Gender: Male

Occupation: Self-employed

Income: 22 000 SEK

Q 1: What comes into your mind when you think of premium price ?

A: It's usually the price of good marketing.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: When a product fits the minimum of my needs, I'll try to find the one with the best value for money ratio but for some specific products it could be different like eco products.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Veggies and fruits so I can make sure they don't contain any artificial ingredients.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: Hygiene articles, I make sure they don't contain any artificial ingredients

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: No premium

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: Mobile accessories and headphones to ensure good quality

Q 4: What is your reasoning for paying premium price for everyday products ?

A: It's usually health reasons. As everyday products are inextricably connected to our lifestyle and physical wellbeing.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: Many. For example, cheap packaging like chick peas cans with no opener which is cumbersome.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: I think they are usually motivated by marketing or want to reach some kind of status

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: Self-esteem, prestige, to have time over for other activities by purchasing less time-consuming products, life ready foods, one stop solution to anything like 3 in 1 coffee.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: Since I started realising you need to pay more in order to get a better result from a product or service.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: No.

APPENDIX U

Time: 35 min Date: 11/5/2018 Location: Lund
Name: Interviewee Y Education: MSc Age: 32
Gender: Female Occupation: Souschef Income: 32 000 SEK

Q 1: What comes into your mind when you think of premium price ?

A: High quality of ingredients and reputation of brand.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: Value for money always weights higher when it comes to fmcg products. But then again I care for product attributes if it has high involvement with my lifestyle and my healthy wellbeing.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Veggies, fruits would pay more for organic, local, seasonal products. Bread: good bread made in a proper bakery, that uses good ingredients and has story. Sweets: will to pay more for a good quality cacao used in chocolate, without palm oil added, etc. Frozen, Canned, Soda: not a consumer of that.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: Perfume: I love niche perfumery, as it has a unique fragrance, something that only I will have; good crystal vial for the perfume; natural ingredients; gives me a feeling of being superb and smarter than others. Beauty products: everything I put on my skin I want to be of highest quality, without harmful ingredients. Makeup and beauty products should deliver the result they are claiming. Be of a professional level- often used my makeup artists etc. Razor... is Gillette Venus a premium product.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: Toilet paper: willing to pay more for something that touches my private parts. Cleaning and Washing: as long as its a good product that delivers the result, not willing to pay more. Mass market here, as anyway it goes to a waste.

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: Headphones, yes. Style, unique design, innovative sound technologies.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: I would pay more for the product that will deliver a good result when it comes to washing and cleaning. For skin and body care – willing to pay more for things that deliver decent result, not harmful to my body, used by professional, have sleek design to fit into my vanity bag etc

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: Cheap looking packaging, chemically loaded smell, cheap and harmful ingredients in the ingredients list.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: Quality and stability in delivering the result

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: Health and ego

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: In my teens, influenced by TV ads

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: I would rather pay more to have a product that is more concentrated. So I don't need huge bulky packaging, tons of plastic.

APPENDIX V

Time: 30 min Date: 11/5/2018 Location: Lund
Name: Interviewee ER Education: Master Age: 32
Gender: Female Occupation: Supply chain manager Income: 28 000 SEK

Q 1: What comes into your mind when you think of premium price?

A: Higher quality compared to regular products.

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods?

A: 30% money 70% product attributes

Q 3: Which product categories are you more willing to pay premium price for and why?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Organic foods, I prefer all the products which have a good influence on my health.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: Personal care products and beauty products which I prefer products with high quality which is really significant since they could cause health problems easily

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: No premium.

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: No premium.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: I prefer to buy products with premium price with are related to health like foods and beauty care products. In addition to those, some other products that I need to use most of time and for long term and headphones, mobile phones. For those two category I prefer quality rather than price.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: Some more explanation about the effect of them and used components on health

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: Better performance, higher quality

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: They could influence the health, fractal life, and save money in long term

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: When I turned to 24 and realised the importance of healthy products and of course when I had income, so I could afford the price of products with high quality

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods?

A: No.

APPENDIX W

Time: 45 min

Date: 11/5/2018

Location: Lund

Name: Interviewee A

Education: Master student

Age: 24

Gender: Female

Occupation: Marketing executive

Income: 26 000

Q 1: What comes into your mind when you think of premium price ?

A: Higher quality, better service, advantages, nicer packaging

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

A: For food, I tend to believe that cheap things are not as good. Really depends, if I pay with my money I may be cheaper but at home I never buy the no-name brands. My parents neither.

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.

A: Sauce, I am extremely picky on sauce, so I tend to think that the cheapest one will be dirtier. I never buy the cheapest one because chances are it will be very disgusting. Fruits and vegetables, I believe are nicer and fresher in not low-cost supermarkets. Canned food can also be disgusting so I prefer to go with a more expensive one or one that has a nice packaging, one that does not look cheap. Same for frozen meals. Food in general because I can be quite difficult with food.

2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.

A: For beauty products (makeup) I don't want to pay a very high price but don't want a cheap brand also. Often cheaper brands don't last as long or don't do a nice job since they don't have the same quality, so I prefer to pay a bit more to have a better product that will last longer because in the end I will probably spend the same amount of money. For soap, I take the cheapest one, I don't need the Dove one. Razor blades I go in the middle. I don't want to pay too much but I don't want the super cheap ones and cut myself every time.

3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.

A: Tend to go with the cheapest one if I pay it myself but still if the packaging looks super cheap or not legit I may go with the next one on the price range. Toilet paper and paper towel I never take the cheapest one, because it is so thin that you can't do anything with that, so I take one that is thick enough and affordable.

4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

A: For this I am pickier. If my phone charger breaks I will probably pay the high price to get an Apple one. I don't want to buy the cheap one in the convenient store because it's probably, certainly of less quality and don't know what it could do to my phone. But I think that it's also because I'm a princess and like fancy stuff. I tend to pay the high price for certain things when it's not always necessary. This summer I was buying a portable batterie/charger for my phone and didn't took the cheapest one because I thought it would not be as good. But I also don't want to pay the big price, so I go in the middle. I really associate higher price with higher quality, that is probably ridiculous but makes me feel better to have not cheap stuff.

Q 4: What is your reasoning for paying premium price for everyday products ?

A: Better quality, more security in what I will buy. I got sometimes disappointed by buying the cheapest brand or no-name brand.

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

A: Sometimes you remember that it's probably the company that produces the cheapest and most expensive brand, so it is probably the exact same product. For certain product you know you don't need the highest quality or the basic brand works perfectly.

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

A: Security, reliability. They know what they are buying and what to expect. There are probably also some inflatable neighbours who want to buy premium stuff to show they have money and live the high life.

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

A: I expect to have higher quality and thus a better product for food, electronics, clothes.

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

A: Always, I grew up like that.

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?

A: For me packaging plays an important role in the opinion I make of products and their quality. A high price product could look so cheap just because of a cheap looking packaging while a low price one could look good with a nice packaging. It's easy to recognise something is cheap.

APPENDIX X

Interview guide

Q 1: What comes into your mind when you think of premium price ?

Q 2: How do you weight between value for money and product attributes, when it comes to everyday consumer goods ?

Q 3: Which product categories are you more willing to pay premium price for and why ?

1. Food & Beverage: Veggies, Fruits, Juice, Dairy Products, Bread, Soda, Confectionary, Frozen Meals, Canned Food etc.
2. Personal Care: Hygiene articles, Perfume, Razor Blades, Beauty Products etc.
3. Household Care: Toilet Paper, Cleaning & Washing Supply, Cutlery etc.
4. Electronics: Headphones, Charging Cables, Connecting Cables, Mobile accessories, Console Games etc.

Q 4: What is your reasoning for paying premium price for everyday products ?

Q 5: What attributes and elements do market priced everyday consumer goods lack that motivate you to purchase premium priced everyday consumer goods ?

Q 6: What do you think people want to achieve when buying premium everyday goods, instead of similar products with similar attributes and elements, that have a price tag set by the market?

Q 7: In what aspects do you expect premium priced products to improve your quality of life?

Q 8: When and why did you start to purchase premium priced everyday consumer goods ?

Q 9: Do you have any other additional thoughts on Premium Price in relation to everyday consumer goods ?