Perceived Brand Strength and Willingness-to-Pay in the Status- and Safety-Driven Premium Auto Sector

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Abstract

This thesis examines how perceived brand strength influences consumers' willingness-to-pay (WTP) across status-driven and safety-driven purchase contexts in the premium automotive sector. While brand equity is widely recognized as a source of pricing power, the mechanisms through which it translates into WTP remain underexplored in a market where functional differentiation is narrowing, information transparency is increasing, and price expectations have become more volatile.

A mixed-methods design combines twelve semi-structured expert interviews with industry practitioners and a quantitative consumer survey using a within-subjects scenario design. Brand strength is disaggregated into two facets: prestige and credibility. The findings are triangulated against five qualitative propositions derived from thematic analysis.

The results reveal a differentiated pattern. Credibility predicts WTP in both purchase contexts, functioning as a foundational permission structure rather than a standalone differentiator. Prestige predicts WTP only in the status context (interaction not significant), and the expected higher status-scenario WTP does not materialize. In supplementary models, brand familiarity emerges as a significant predictor in the safety context, while general luxury brand attitude is the strongest individual-level correlate of WTP. Building on these findings, the thesis proposes a three-layer model of premium pricing power: functional credibility as foundation, emotional and symbolic value as premium stretcher, and market pressure as ceiling.

The thesis contributes to brand equity, signaling theory, prestige consumption research, and strategic management by positioning perceived brand strength as a path-dependent resource whose maintenance depends on dynamic capabilities. Managerial implications address pricing, positioning, and scarcity strategy.

Keywords: Premium Automotive, Brand Equity, Perceived Brand Strength, Willingness-to-Pay, Prestige, Credibility, Signaling Theory, Triangulation, Mixed-Methods Research

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Resumo

Esta tese examina como a força percebida da marca influencia a disposição para pagar (WTP) em contextos orientados pelo estatuto e pela segurança no setor automóvel premium. Embora o brand equity seja reconhecido como fonte de poder de fixação de preços, os mecanismos pelos quais se traduz em WTP permanecem pouco explorados num mercado onde a diferenciação funcional diminui, a transparência aumenta e as expectativas de preço são mais voláteis.

Um desenho metodológico misto combina doze entrevistas semiestruturadas com especialistas e um inquérito quantitativo com desenho intra-sujeitos baseado em cenários. A força da marca é desagregada em duas facetas: prestígio e credibilidade. Os resultados são triangulados com cinco proposições qualitativas.

A credibilidade prediz a WTP em ambos os contextos, funcionando como estrutura de permissão fundacional e não como diferenciador autónomo. O prestígio prediz a WTP apenas no contexto orientado pelo estatuto (interação não significativa); a maior WTP esperada neste cenário não se confirma. Em modelos suplementares, a familiaridade com a marca prediz a WTP no contexto da segurança, e a atitude face a marcas de luxo é o correlato individual mais forte. Propõe-se um modelo de três camadas: credibilidade funcional como base, valor emocional e simbólico como amplificador do prémio e pressão de mercado como teto.

A tese contribui para brand equity, teoria da sinalização, consumo de prestígio e gestão estratégica, posicionando a força percebida da marca como recurso dependente da trajetória cuja manutenção depende de capacidades dinâmicas. As implicações de gestão abordam preço, posicionamento e escassez.

Palavras-chave: Setor Automóvel Premium, Brand Equity, Força Percebida da Marca, Disposição para Pagar, Prestígio, Credibilidade, Teoria da Sinalização, Triangulação, Investigação por Métodos Mistos

Título: Força Percebida da Marca e Disposição para Pagar nos Contextos Orientados pelo Estatuto e pela Segurança no Setor Automóvel Premium

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AI Disclaimer

This document has been reviewed using AI tools for linguistic refinement and clarity. AI was not used to generate any of the substantive research content of this thesis.

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List of Abbreviations

ADAS	Advanced Driver Assistance Systems
CBBE	Customer-Based Brand Equity
CI	Confidence Interval
EV	Electric Vehicle
f^2	Cohen's f^2 (Effect Size)
M	Mean
OEM	Original Equipment Manufacturer
OLS	Ordinary Least Squares
PERVAL	Perceived Value (Scale)
R^2	Coefficient of Determination
SD	Standard Deviation
UI	User Interface
WTP	Willingness-to-Pay

1 Introduction

1.1 Background and Motivation

Premium automotive brands operate in a market where buyers compare not just horsepower, range, or interior materials. They also buy into what a brand represents: trust, taste, and social meaning. This is why pricing power in the premium segment is often discussed as a brand question as much as a product question.

At the same time, that pricing power is under pressure. Information is easier to access than ever, customers compare offers online, discuss discounts in forums, and enter dealerships with a clear sense of benchmarks. In parallel, recent years have brought unusual volatility in prices, lead times, and consumer confidence (Scope Ratings, 2024). In such an environment, it is not obvious whether brand strength still translates into a higher willingness-to-pay, or whether consumers have become more price-anchored and skeptical.

In marketing research, the concept of customer-based brand equity provides a useful starting point. Keller (1993) defines it as "the differential effect of brand knowledge on consumer response to the marketing of the brand" (p. 2). In this thesis, perceived brand strength is treated as the practical expression of that idea: the degree to which consumers perceive a premium automotive brand as distinctive, credible, and superior relative to competing brands.

This topic is also personally relevant. During my time in the strategy team of Mercedes-Benz Sales Germany, pricing and brand positioning were recurring themes, especially when discussing how premium price levels are explained internally and justified externally. That experience motivated the central question of this thesis: when customers say a brand is strong, what does that mean for willingness-to-pay?

1.2 Research Gaps and Positioning

The relationship between brand perceptions and consumers' willingness-to-pay has been examined across many categories, but three gaps make the premium automotive setting worth studying.

First, much of the willingness-to-pay and price-premium literature is concentrated in fast-moving consumer goods and luxury fashion. Those contexts are valuable, yet they differ from premium automotive in purchase frequency, financial stakes, and perceived risk. Luxury research shows, for example, that some consumers actively associate high prices with the right

meaning of luxury and therefore accept, or even expect, expensive brands (Kapferer & Valette-Florence, 2021). Whether similar mechanisms hold in premium automotive, where functional performance and long-term ownership costs matter more, remains less clear.

Second, the mechanisms linking brand strength to willingness-to-pay are still not well understood in premium automotive. Cars are highly visible objects, and recent evidence suggests that consumers may be willing to pay for the social status their car communicates (Bronnmann et al., 2025). At the same time, perceived brand strength may also translate into willingness-to-pay through perceived credibility, trust, or a sense of identity fit (Sarkar et al., 2021). However, it remains unclear whether brand strength matters equally across status-driven and safety-driven purchase contexts**.**

Third, the context in which consumers evaluate premium prices has shifted in recent years. Price levels, lead times, and consumer confidence have been unusually volatile, and buyers often hold strong expectations about what a brand 'should' cost. Yet we know relatively little about how firms translate and manage these consumer price expectations through concrete pricing and positioning decisions in premium automotive. In that environment, it becomes important to consider pricing power not only as a firm outcome but also as a consumer perception, often labelled brand price premiumness (Dwivedi & McDonald, 2025).

1.3 Research Question, Objectives, and Contribution

Based on the motivation above, this thesis addresses the following research question:

How does perceived brand strength influence willingness-to-pay across status-driven and safety-driven purchase contexts in the premium automotive sector?

To answer this question, the thesis disaggregates perceived brand strength into two facets (prestige and credibility) and tests whether each relates differently to willingness-to-pay in status- versus safety-driven contexts. Status- and safety-driven contexts are operationalized through automotive scenarios that provide a tangible setting in which consumers evaluate both symbolic and safety-related value.

In doing so, the thesis closes the second gap identified above: it contributes to brand equity, signaling theory, prestige consumption research, and strategic management by positioning perceived brand strength as a path-dependent resource whose maintenance depends on dynamic capabilities. Managerial implications address pricing, positioning, and scarcity in a market where functional differentiation is narrowing.

2 Literature Review

This chapter establishes the conceptual foundations for the empirical investigation. Section 2.1 develops perceived brand strength from the customer-based brand equity tradition and distinguishes its prestige and credibility facets. Section 2.2 introduces willingness-to-pay a price premium and its underlying value dimensions. Sections 2.3 and 2.4 then derive two mechanisms, prestige and credibility, through which brand strength translates into a price premium. Section 2.5 positions the premium automotive market as the empirical context, and Section 2.6 frames perceived brand strength as a strategic firm resource.

2.1 Customer-Based Brand Equity and Perceived Brand Strength

Brand equity emerged in the 1980s as the recognition that a brand could be valuable beyond the product it represents. Two complementary perspectives have shaped this field. Aaker (1991) framed brand equity as a set of assets and liabilities linked to a brand name, comprising awareness, perceived quality, associations, and loyalty. Keller (1993) defined customer-based brand equity (CBBE) as the differential effect of brand knowledge on consumer response to the marketing of the brand, with the strongest effects arising from associations that are favorable, strong, and unique. Subsequent measurement work confirmed this structure across categories and cultures (Yoo & Donthu, 2001) and established willingness-to-pay a price premium as an empirically measurable component of brand equity (Netemeyer et al., 2004). These associative and attitudinal views, however, leave open the question of how brand perceptions translate into economic outcomes.

The signaling perspective addresses this gap: brands function as credible market signals that reduce information asymmetry between producers and consumers, raising perceived quality while lowering perceived risk and information search costs (Erdem & Swait, 1998, 2016). Section 2.4 develops this perspective in detail; here it suffices to note that brand credibility has direct consequences for price sensitivity and willingness-to-pay (Erdem et al., 2002).

The signaling perspective, however, captures only one side of brand equity. It explains why consumers trust a brand, but not why they desire it. This thesis draws on the third perspective for its critical conceptual link: the brand concept management framework. Park et al. (1986) identified three types of brand concepts: functional, symbolic, and experiential. Functional concepts address practical consumption needs; symbolic concepts satisfy needs for self-enhancement, group membership, and ego identification. More than classifying brands, this

typology implies that a single brand may have both functional and symbolic associations, with purchase context determining which association is activated. A premium automotive brand, for instance, may function as a symbolic signal of social standing in one context and as a functional guarantee of safety and reliability in another. The distinction between functional and symbolic perspectives corresponds to the two lines of theory reviewed above.

This functional-symbolic duality is also empirically confirmed in the brand-equity measurement literature, where dimensions like performance and trustworthiness coexist with social image and attachment (Lassar et al., 1995).

For the purposes of this thesis, perceived brand strength is defined as how distinctive, credible, and superior consumers perceive a premium car brand to be over its competitors. This working definition blends the main dimensions of the CBBE model (Keller, 1993) with the signaling perspective of Erdem and Swait (2016). Being purely perceptual, it refers only to what consumers think about the brand and not what they are willing to pay for it. Willingness-to-pay is treated as a separate, monetary outcome variable (Section 2.2). Based on Park et al.'s (1986) functional-symbolic axis, two facets are distinguished in the construct: prestige-based brand perceptions related to social image, symbolic meaning, and identity signaling; and credibility-based brand perceptions related to trustworthiness, reliability, and assurance of good performance. Both these facets coexist and complement each other within the same construct; however, depending on the purchase context, the brand may become economically effective through different value pathways. This thesis therefore examines whether different purchase contexts make one facet more economically salient than the other. The following sections develop this argument.

2.2 Willingness-to-pay a Price Premium

Willingness-to-pay a price premium refers to the maximum amount a consumer is prepared to pay for a branded product relative to a comparable but unbranded or less preferred alternative (Netemeyer et al., 2004). This has long been held as one of the most direct measures of brand equity, as it encapsulates the economic value consumers attach to the brand name itself. While other attitudinal constructs such as brand preference or purchase intention do not translate perceptions of brand equity into monetary metrics, this construct provides brand equity with a directly relevant pricing strategy perspective on the bottom line.

The price-quality-value framework provides the theoretical underpinning: value perceptions arise from the trade-off between what one receives and what one gives, with price playing a dual role as both a monetary sacrifice and an extrinsic quality cue (Zeithaml, 1988). The direction of price effects therefore depends on whether the quality inference dominates the sacrifice perception, and on the evaluative context in which the price is presented. Experimental evidence supports this logic: while price raises perceived quality and lowers perceived value, well-known brands attenuate the negative effect of price on value, so that brand equity moderates the price-to-value relationship and, in turn, willingness-to-pay (Dodds et al., 1991).

More recently, this stream of research has been refined by recognizing the multidimensionality of consumer perceived value. Sweeney and Soutar (2001) developed the Perceived Value (PERVAL) scale, a nineteen-item instrument designed to capture the value consumers derive from the acquisition and consumption of durable goods. The scale was constructed through successive rounds of qualitative interviews and exploratory and confirmatory factor analyses across several retail product categories, and it disaggregates perceived value into four theoretically distinct and empirically separable dimensions, summarized in Table 2.1.

Table 2.1: The four dimensions of the PERVAL scale

Dimension	Definition
Emotional value	The utility derived from the feelings or affective states that a product generates.
Social value	The utility derived from the product's ability to enhance social self-concept.
Quality/performance value	The utility derived from the perceived quality and expected performance of the product.
Price / value for money	The utility derived from the product due to the reduction of its perceived short-term and longer-term costs.

Note. Adapted from Sweeney and Soutar (2001).

Two features of the PERVAL framework are particularly relevant to the present thesis. First, the four dimensions are conceptually distinct and empirically separable, which means that the same monetary outcome (a price premium) can arise from different underlying value combinations. Second, social and emotional considerations contribute to perceived value independently of quality assessments, so the decision to pay more for a product is not reducible to functional judgement alone. A consumer's willingness-to-pay for a status-signaling feature of a premium automobile therefore draws primarily on the social and emotional value dimensions, whereas the substantial willingness-to-pay that consumers demonstrate for advanced safety features in vehicles (Nickkar & Lee, 2022) rests on the quality and performance value dimension. Viewed through the PERVAL framework, a price premium, the same

monetary outcome, can thus arise from qualitatively different value paths, a point that structures the two mechanisms developed in Sections 2.3 and 2.4.

The relationship between customer satisfaction and willingness-to-pay follows a positive but non-linear pattern: cumulative satisfaction, built over multiple transactions, exerts a stronger effect than transaction-specific satisfaction (Homburg et al., 2005). This means that brands that consistently meet expectations become increasingly powerful in pricing. This is consistent with signaling logic, which maintains that brand credibility depends on a firm's history of fulfilling promises (Erdem & Swait, 1998). A related development in recent years has been the notion of brand price premiumness, whereby consumers who view the brand's price as justifiably high and exclusive may be more accepting of its premium rather than resistant to it since the price itself is part of the brand's identity (Dwivedi & McDonald, 2025).

If prestige-based and credibility-based brand perceptions activate different value dimensions, the routes from brand strength to willingness-to-pay should differ between status-driven and safety-driven purchase contexts. The next two sections develop these pathways.

2.3 The Status and Prestige Mechanism

The first mechanism through which perceived brand strength translates into willingness-to-pay operates through symbolic and social value: when a brand carries meaning associated with wealth, taste, or group membership, it enables consumers to express and reinforce their social identity. The literature organizes this prestige mechanism around three processes that each contribute distinctly to a price premium: status signaling, emotional value creation, and identity alignment.

The theoretical roots of status signaling trace to Veblen's notion of conspicuous consumption. Veblen goods entail spending money to acquire luxury commodities (goods and services) as public displays of economic power. Demand for Veblen goods increases as the price rises, contradicting traditional supply/demand economics (Veblen, 1899).

Symbolic benefits derive their value from the social meaning attached to consumption rather than from product performance (Park et al., 1986). Vigneron and Johnson's (1999) comprehensive framework identifies five values underlying prestige consumption: conspicuous, unique, social, hedonic, and quality. Of these, only the last is utilitarian; the first three are interpersonal effects rooted in social influence and the fourth captures personal

emotional response, so the prestige mechanism is driven primarily by the meaning and experience of consumption rather than by functional performance.

How this mechanism operates is not uniform but stratified. Brand prominence research shows that wealthy consumers with low status needs prefer inconspicuous signals visible only to peers, whereas high-status-need consumers prefer conspicuous markers visible to a broader audience (Han et al., 2010), and consumers with high cultural capital actively favor subtle cues over explicit branding (Berger & Ward, 2010). As traditional luxury markers diffuse downward, high-status consumers increasingly substitute minimalist and restrained aesthetics to maintain distance from lower tiers (Bellezza, 2023). Across these variants, the mechanism rests on the brand's social-symbolic meaning and generates willingness-to-pay through distinction rather than through utility.

The second process operates at the emotional level. Cross-cultural evidence shows that extrinsic motivations such as conspicuous consumption and exclusivity dominate intrinsic motivations such as quality in explaining why consumers believe luxury must be expensive (Kapferer & Valette-Florence, 2021). Experimental evidence further shows that hedonic product benefits produce delight while utilitarian benefits produce satisfaction, and delight drives stronger loyalty than satisfaction alone (Chitturi et al., 2008). Prestige-based brand perceptions, by activating hedonic and social evaluation, thus sustain a price premium through emotional commitment rather than functional assessment.

The third process is identity alignment. Consumers form self-brand connections when a brand's image aligns with their self-concept, and these connections are stronger for symbolic brands and moderated by reference group associations (Escalas & Bettman, 2005); they drive willingness-to-pay through brand attitudes and brand love (Sarkar et al., 2021). In the premium automotive market, a consumer may therefore pay a premium not because of what a brand signals or how it feels, but because it affirms who they are.

Direct comparative evidence supports the context-dependence of these prestige effects. When brand credibility and brand prestige are examined as parallel signals influencing purchase intention, prestige effects are comparatively more influential for products with high self-expressive potential, while credibility effects are comparatively more influential for products with low self-expressive potential (Baek et al., 2010). This provides an empirical rationale for expecting the prestige dimension to be particularly relevant for willingness-to-pay when social-symbolic evaluations are activated in the purchase context.

In summary, the prestige mechanism translates brand strength into willingness-to-pay through status signaling, emotional engagement, and identity alignment, which jointly generate a distinctively social-symbolic form of value. The following section develops the second, credibility-based pathway.

2.4 The Trust, Credibility, and Risk-Reduction Mechanism

The second mechanism through which perceived brand strength translates into willingness-to-pay operates through the reduction of consumer uncertainty. When purchase decisions involve significant financial commitment, complex attributes, or outcomes difficult to evaluate before purchase, brands function as credible signals that lower perceived risk and information costs. Perceived brand strength then works through credibility, that is, through the brand's perceived trustworthiness, reliability, and assurance of performance.

The theoretical foundation rests on brand equity as a signaling phenomenon under conditions of imperfect and asymmetric information (Erdem & Swait, 1998). Brands serve as quality signals whose credibility depends on the firm's history of delivering on its promises. Two dimensions shape this credibility: how well the brand is positioned and the consistency of the quality it claims to offer over time. When brand credibility is high, consumers perceive higher quality, lower risk, and lower information costs, which together raise expected utility and brand choice (Erdem & Swait, 1998).

Costly signals such as warranty programs, safety engineering investments, and long-term reliability records are credible precisely because low-quality firms could not sustain them without disproportionate losses (Kirmani & Rao, 2000); applied to premium automobiles, these signals cannot easily be imitated by firms unable to deliver on the promised quality.

Across product categories, brand credibility increases both the probability of being included in the consideration set and the probability of choice conditional on inclusion (Erdem & Swait, 2004). Trustworthiness, the perceived willingness of the firm to deliver on promises, has a stronger influence than expertise, the perceived capability to do so. Consistent with the prediction that signals are most valuable when information asymmetry is highest, the effect of brand credibility is most pronounced in categories with high attribute uncertainty (Erdem & Swait, 1998).

Conjoint-based choice experiments confirm a direct link to price sensitivity. Consumers are less price-sensitive when they perceive the brand as credible, across all categories tested including

those with high attribute uncertainty (Erdem et al., 2002). Brand credibility further influences the degree to which consumers can differentiate between alternatives (Swait & Erdem, 2007), reducing uncertainty and increasing willingness to accept a price premium.

Cross-cultural evidence from seven countries confirms that the signaling function of brands is robust across cultures, though its magnitude varies with collectivism and uncertainty avoidance. In cultures with high uncertainty avoidance, consumers place greater value on credible brands as risk-reduction devices (Erdem et al., 2006). A complementary perspective locates trust as a relational mechanism through which brands maintain pricing power, with brand trust and affect translating through attitudinal loyalty into relative price (Chaudhuri & Holbrook, 2001).

The comparative evidence from Section 2.3 closes the loop. Credibility effects are stronger when self-expressive potential is lower (Baek et al., 2010). In safety-driven purchase contexts, where consumers evaluate a brand's ability to protect and perform reliably, this suggests that the credibility-based facet of perceived brand strength should be more relevant for willingness-to-pay than the prestige-based facet.

In summary, the credibility mechanism follows a qualitatively different logic: credible brands reduce information asymmetry, lowering perceived risk and price sensitivity by activating quality and performance value rather than social-symbolic value. Where the prestige mechanism generates a premium through desire, the credibility mechanism generates a premium through assurance, so the two pathways are complementary rather than competing explanations of how brand strength translates into willingness-to-pay.

2.5 The Premium Automotive Market as Research Context

The premium automotive market is a theoretically justified setting for this investigation. The previous sections established two dimensions of perceived brand strength, prestige and credibility, each of which independently contributes to willingness-to-pay. Testing whether purchase context shifts their relative salience requires a market in which neither mechanism is structurally predetermined. Purely hedonic luxury categories such as fashion select the prestige mechanism by default, while purely functional categories such as disposable batteries select the credibility mechanism (Baek et al., 2010). The premium automotive market occupies an intermediate position in which prestige and credibility motives may be similarly intense, so an individual evaluating a premium sedan might consider it both as a signal of social status and as

a guarantee of crash protection. This makes it empirically possible to test the moderating role of context.

On the credibility side, automobiles are high-involvement durable goods requiring substantial financial commitment and complex attribute evaluation. Perceived benefits are a primary driver of external information search in automobile purchase decisions, with perceived risk playing a smaller but relevant role (Srinivasan & Ratchford, 1991). Brand credibility is particularly effective in categories with high financial and performance uncertainty (Erdem & Swait, 2004), conditions that the purchase of a premium automobile arguably embodies. A credible brand shortcuts the search and lowers the perceived risk of a costly mistake.

On the prestige side, automobiles are among the most visible consumer possessions and function as social markers. A contingent valuation study with German car owners finds that the average marginal willingness-to-pay for a car that enhances the social status of its owner relative to a reference group is between 786 and 1,479 euros, depending on the owner's status consciousness (Bronnmann et al., 2025). On the safety side, adaptive choice-based conjoint analysis reveals that collision avoidance and surround monitoring are the most valued safety attributes, and that a vehicle combining the highest-utility safety features could capture approximately 61 percent of the market (Nickkar & Lee, 2022). Both prestige and safety motivations thus drive measurable economic outcomes in this market, mapping onto Sweeney and Soutar's (2001) social and quality-performance value dimensions.

Panel evidence further shows that differentiation increases profitability but reduces customer acquisition (Stahl et al., 2012), underscoring a tension central to premium automotive strategy: highly differentiated brands can charge more but must manage the trade-off between exclusivity and volume.

Because the premium automotive market includes contexts where the product is evaluated both as a self-expressive object and for its functional attributes, it is an excellent setting for testing whether these two pathways operate differentially across purchase contexts.

While the building blocks exist, the literature has yet to empirically test how status and credibility mechanisms jointly drive willingness-to-pay in the contemporary premium automotive context, the gap this thesis addresses. A complementary stream on brand price premiumness as a consumer perception (Dwivedi & McDonald, 2025) informs the contextual reading of the findings but lies outside the empirical scope of this thesis.

2.6 Strategic Management Theory

The previous sections analyzed perceived brand strength from the consumer side. On the firm side, it is the outcome of accumulated strategic choices. Strategic management contributes here by treating the firm as a bundle of resources and capabilities oriented toward value creation (Barney et al., 2021). The resource-based theory holds that economic value arises when a firm generates a gap between consumer willingness-to-pay for its offerings and the costs of producing them, with competitive advantage achieved when this gap is larger for one firm than for its industry rivals (Lieberman, 2021). Brands that sustain a willingness-to-pay premium therefore reflect a resource position competitors cannot easily duplicate.

Such a resource position cannot be maintained through static asset ownership, because preferences, technology, and competitive forces continuously evolve. It requires dynamic capabilities, defined by Teece et al. (1997, p. 516) as the firm's ability to "integrate, build, and reconfigure internal and external competences to address rapidly changing environments" and later grouped into sensing opportunities, seizing them, and reconfiguring assets to maintain environmental fit (Teece, 2007; see also Eisenhardt & Martin, 2000). Barreto (2010) consolidates this literature by defining dynamic capabilities as a firm's potential to systematically address problems through sensing opportunities and threats, making timely market-oriented decisions, and changing its resource base. Continuous managerial action is therefore required for a brand to keep realizing above-normal returns.

Applied to the premium automotive market, this lens suggests that perceived brand strength is itself a path-dependent intangible resource accumulated through sustained investment in product quality, design, communication, and dealer experience. Dynamic capabilities would then reside in manufacturers' ability to perceive shifting symbolic meanings of luxury, such as the rise of subtle or 'quiet luxury' (Bellezza, 2023; Berger & Ward, 2010), and to adjust portfolios, positioning, and marketing mix to address altered status- and safety-driven expectations without diluting brand equity. Heritage, design language, perceived reliability, and state-of-the-art safety technology are therefore not merely marketing outputs but strategic firm resources that must be continuously developed, protected, and nurtured. The strategic management lens complements the consumer-psychological perspective. Where Sections 2.3 and 2.4 explain how purchase contexts activate different value mechanisms, it clarifies why some firms are persistently better positioned to exploit them through a superior resource base and more developed dynamic capabilities.

3 Methodology

3.1 Performing Scientific Research

This thesis was designed as a cross-sectional mixed-methods study. It combined secondary literature with two primary data streams, expert interviews and a consumer survey, to answer the research question with triangulated evidence. The design was chosen because the topic required explanation of mechanisms and quantitative testing of relationships. The qualitative strand supported construct clarification and mechanism logic, while the quantitative strand tested the analytical model. The research followed a pragmatic sequence in which literature and interviews informed measurement choices and survey design, and the survey analysis then assessed the proposed relationships (Saunders et al., 2019).

3.2 Secondary Data Gathering

Secondary data was gathered through a focused literature review. The review was used to define constructs, justify the research gap, and derive the analytical model and measurement approach. Recent, high-quality academic sources were prioritized where available, while older sources were used for foundational theory (Saunders et al., 2019).

3.3 Primary Qualitative Data Gathering

Primary qualitative data was gathered through semi-structured expert interviews. Semi-structured interviews were used to keep a stable core structure across participants while allowing follow-up questions when experts introduced relevant perspectives (Harrell & Bradley, 2009). A purposive sampling approach was used. Experts were selected based on direct relevance to the research question, covering strategy, pricing, marketing, product management, sales, retail, controlling, and supplier perspectives along the premium automotive value chain. In total, twelve interviews were conducted. Interviews were continued until themes stabilized and additional interviews added limited new insight, consistent with saturation logic (Guest et al., 2006). Interviews were recorded with consent, transcribed, and anonymized. Identifying details and commercially sensitive information were removed during transcription and write-up. An overview table of interviewees was compiled in Table 3.1 to document the sample and selection logic (Harrell & Bradley, 2009).

The interview guide provided a shared thematic structure across all interviews, but questions were not posed verbatim in every case. Consistent with the logic of semi-structured interviewing, the researcher adapted phrasing, sequencing, and follow-up probes to the expert's professional role and the natural flow of the conversation (Harrell & Bradley, 2009). Questions varied between purchase-context and buyer-type framings to reflect how practitioners move fluidly between situational and dispositional explanations of consumer behavior; the survey then operationalized these dimensions with greater analytical separation, as described in Section 3.4.

Interview transcripts were analyzed using qualitative content analysis. Categories were derived from the research question and literature, refined during coding, and then applied systematically to the full dataset. Category definitions and coding rules were documented to keep the analysis transparent and comparable across experts (Mayring, 2014). The category system, including category definitions and illustrative coding examples, is provided in Appendix A.3 (Table A.1). The full interview guide is reproduced in Appendix A.1 and individual thematic summaries for all twelve experts are provided in Appendix A.2.

Table 3.1: Overview of expert interview partners

Expert	Role / Position	Organisation Context	Experience	Methodological Relevance
Expert 1	Independent Strategy Consultant & Researcher	Premium & Luxury Management	20+ years	Conceptual framing of premium and luxury brand strength; bridges academic theory and OEM design-marketing practice
Expert 2	Manager Strategy & Transformation, Sales Germany	German Premium OEM	5+ years	OEM strategy view on brand heritage, awareness, and product safety as pricing-power drivers
Expert 3	VP International Market Management	German Premium OEM (Pricing)	30+ years	Pricing and controlling perspective on rational vs. emotional decision weights and consideration-set formation ("rule of three")
Expert 4	Product Manager	German Premium OEM	5+ years	Product-management view on identity, design language, and residual value; distinguishes understatement vs. visible status segments
Expert 5	Marketing & CRM Director, Iberian Market	German Premium OEM	25+ years	International marketing and CRM perspective on long-term brand value and cross-market willingness to pay
Expert 6	Sales Director (New & Used Vehicles)	Authorised Premium Dealership	20+ years	Direct retail/customer-facing perspective on actual buyer behaviour, status via scarcity, and safety as hygiene
Expert 7	Retail Network Development (Scandinavia)	German Premium OEM	25+ years	Retail network and agency-model perspective on customer experience and brand loyalty as drivers of perceived strength
Expert 8	Key Account Sales Manager, Interior Components	Tier-1 Automotive Supplier	10+ years	Tier-1 supplier perspective with cross-OEM exposure on material consistency and status vs. safety negotiation behaviour
Expert 9	Function Developer	Tier-1 Automotive Supplier	5+ years	Engineering perspective on visible build quality vs. invisible long-term reliability and UX as quality dimension
Expert 10	Sales Controller, International Market Controlling (Americas)	German Premium OEM	5+ years	Sales-controlling perspective on price sensitivity in premium and cross-market brand performance
Expert 11	Strategy Staff, Digitalization & Customer Service	German Premium OEM	10+ years	Brand-strategy view on credibility as primary differentiator, sub-brand architecture, and individualisation as price driver
Expert 12	Strategy & Transformation, Sales Germany	German Premium OEM	5+ years	OEM strategy view on brand image, German understatement-status, and safety as baseline expectation

3.4 Primary Quantitative Data Gathering

Primary quantitative data was gathered through an online consumer survey administered via Qualtrics and distributed through online channels with a predominantly Germany-based audience. The survey produced 197 responses, of which 144 were retained after the cleaning procedure detailed in Section 4.2.1. Key constructs were operationalized as multi-item

measures using Likert-type response formats. Items were phrased consistently and grouped by construct to improve measurement stability (Carifio & Perla, 2008).

Survey data was analyzed in two steps. First, descriptive statistics were used to describe the sample and summarize the constructs. Second, regression-based models were used to test the relationships specified in the analytical framework (Saunders et al., 2019). Likert-type items were aggregated into composite scales before analysis. This approach aligned with the view that multi-item Likert scales can be treated at construct level for parametric analysis when designed and combined appropriately (Carifio & Perla, 2008). Specifically, the analysis employed paired-samples t-tests with a non-parametric Wilcoxon signed-rank check for the within-subjects scenario comparison (Field, 2018), hierarchical OLS regression with partial f^2 effect sizes interpreted against the conventional small (.02), medium (.15), and large (.35) benchmarks (Cohen, 1988), and standard residual and collinearity diagnostics, including Shapiro-Wilk normality tests, Breusch-Pagan tests for homoscedasticity (Field, 2018), and variance inflation factors evaluated against the conventional threshold of 5.0 (Hair et al., 2019).

3.5 Triangulation of Findings

Integration was handled during interpretation by comparing evidence across literature, interviews, and survey results. This supported convergence checks, explanation of mechanisms, and identification of inconsistencies. Specifically, the qualitative analysis generated five propositions that the consumer survey subsequently tested against quantitative evidence (see Sections 4.1.5–4.1.6 and 4.2.6). Where qualitative and quantitative findings converged, the result was treated as more strongly supported; where they diverged, the divergence was interpreted by considering whether it stemmed from differences in framing (e.g., buyer-type versus purchase-context), sample composition, or genuine boundary conditions of the underlying proposition.

3.6 Complex Systems

The premium automotive market operates as a complex system in which willingness-to-pay is shaped by the interaction of multiple interdependent forces. The analytical framework developed in Chapter 2 reflects this structure: credibility forms a foundational layer that conditions the effect of prestige, the purchase context may moderate how each facet translates into willingness-to-pay, and individual differences such as luxury brand attitude, automotive experi-

ence, and age introduce further heterogeneity. No single variable operates in isolation, and isolating one without accounting for the others risks attributing effects to a predictor that are in fact shared with, or confounded by, other variables (Saunders et al., 2019). While the analytical procedure remains conventional, this framing guides the interpretation of moderate R^2 values and residual variance rather than claiming to model the full system formally.

The quantitative analysis employed multiple linear regression models, estimated in two stages: base models with only the focal brand perception variables, and extended models that added control variables. This stepwise approach made it possible to assess whether the focal relationships were robust to the inclusion of alternative explanations (Saunders et al., 2019). Interaction terms tested whether the purchase context moderated the brand perception-WTP relationship.

Goodness-of-fit measures were interpreted with caution. R^2 and adjusted R^2 quantify in-sample explanatory power, but they can overstate a model's true predictive ability, particularly when interaction terms increase model complexity. Chen and Qi (2023) demonstrate that the median inflation of R^2 over leave-one-out cross-validated R^2 reaches 40.2% across 279 regressions in leading economics journals. A moderate R^2 is therefore interpreted as a reflection of the multivariate complexity inherent in consumer decision-making. Error terms were treated as meaningful indicators of the limits of predictability in this context.

4 Analysis and Discussion

This chapter presents the empirical findings. Section 4.1 reports the qualitative findings from twelve semi-structured expert interviews, organized according to the thematic structure developed from the literature review. Section 4.2 reports the quantitative survey findings. Section 4.3 integrates both strands through triangulation.

A cross-cutting synthesis (4.1.5) develops the three-layer model (4.1.6) that provides the interpretive framework for the quantitative analysis.

4.1 Expert Interview Findings

Twelve semi-structured interviews were conducted with experts covering strategy, pricing, marketing, product management, sales, retail, controlling, and supplier perspectives along the premium automotive value chain (hereafter E1-E12; see Table 3.1 for details). Ten interviews were conducted in German and two in English; all German-language quotes were translated into English by the author.

In the conversations, experts predominantly adopted buyer-type framing, referring to ‘the status buyer’ or ‘the safety-conscious customer’, while the survey operationalized purchase context as a within-subjects scenario manipulation (see Section 4.3 for the methodological implications).

The expert sample was concentrated on the German premium automotive market. Two experts based in Scandinavia (E7) and on the Iberian Peninsula (E5) provided limited cross-market perspective. No representatives of Chinese OEMs were included, meaning that the competitive threat from Chinese manufacturers is documented exclusively from the incumbent perspective.

4.1.1 Foundations of Brand Strength in Premium Automotive

Across the interviews, functional credibility emerged as the foundational theme. Product quality, brand heritage, trust, and consistent positioning were repeatedly emphasized as the necessary base on which premium pricing power is built. Table 4.1 maps these foundational dimensions to the experts who anchored each.

A conceptual distinction important for framing the findings was the boundary between premium and luxury. E1 argued that premium buyers evaluate both functionally and emotionally, whereas luxury buyers operate in a discretionary spending mode driven primarily by symbolic

desires. This matters because the thesis focuses on premium consumers who evaluate both functionally and emotionally, rather than on pure luxury consumers.

Product quality was the most consistently cited foundation. E1 stated that "the number one thing is actually quality" in the premium segment. E9 offered a complementary perspective, providing a structured ranking in which visible build quality came first, followed by driving behavior and user-interface (UI) experience, then long-term reliability, and finally heritage, summarizing that "the most important thing is what a customer can see." E11 placed credibility and trustworthiness above all other factors, noting that German premium brands scored almost identically on internal brand monitors, making credibility the key remaining differentiator. E11 also highlighted the role of sub-brand architecture, noting that performance and heritage sub-brands can function as standalone brands within the portfolio. E4 observed a decline in perceived product quality at several premium brands, particularly in interior materials, arguing that "quality is a prerequisite for a premium brand, but we see in recent years that quality has declined at many premium brands." While this reflects one practitioner's perception rather than a systematic quality audit, it underscores the fragility of the quality foundation: even the perception of declining standards can erode credibility.

Brand heritage was explicitly identified by several experts (E1, E2, E4, E6, E7, E9, E12). E9 articulated heritage as a credibility proxy, arguing that a company with a long track record radiates quality in a way that a new entrant cannot credibly replicate, a view reinforced by E2, who emphasized the trust advantages created through long-standing market presence. Several experts identified the service and ownership experience as critical for building trust. E1 argued that customer experience mattered more than marketing communication, stating: "even though it pains me as a marketer, it is almost irrelevant how the brand communicates in terms of broadcasting, what actually matters is the customer experience." E2 identified the service network as a key competitive advantage, what he termed a 'trump card', particularly relative to new market entrants whose after-sales infrastructure remained limited.

Table 4.1: Foundational dimensions of premium brand strength (interview evidence)

Foundation	Core mechanism	Representative experts
Product quality	Visible build quality, driving experience, UI seamlessness, long-term reliability	E1, E4, E8, E9, E10, E12
Brand heritage	Credibility proxy through long track record; trust advantage over new entrants	E1, E2, E4, E6, E7, E9, E12
Credibility and trust	Brand monitors show convergence; credibility as remaining differentiator	E2, E5, E11
Service and ownership experience	Customer experience outweighs marketing communication; service network as competitive advantage	E1, E2, E4, E7
Sub-brand architecture	Performance and heritage sub-brands as standalone brands contributing to overall brand strength	E2, E11, E12

Taken together, the interviews suggested that quality, heritage, trust, and service consistency form the foundational layer of premium brand strength, corresponding to the credibility-based facet developed in Chapter 2. However, experts broadly agreed that this foundation, while necessary, is insufficient to explain the full extent of willingness-to-pay.

4.1.2 The Status and Prestige Pathway

Across the interviews, status, prestige, emotional value, and identity signaling were consistently identified as drivers of willingness-to-pay beyond what functional quality alone can justify. E3 estimated that emotional factors account for at least sixty percent of purchase decisions in the premium segment. E6 added that the emotional connection to a brand is formed through lived experience rather than abstract brand attributes.

Several experts described the premium automobile as a visible signal of personal success (E3, E5, E7, E10, E12). E7 added a temporal dimension, observing that status expression had become more extreme over the past decade, shifting from discreet luxury to what he termed ‘shout-out luxury’. E4 drew a complementary distinction, describing an understatement trend in which consumers invest in expensive but non-obvious features, contrasted with buyers who deliberately choose conspicuous configurations, suggesting that consumers in higher socioeconomic circles tended toward the former.

E11 reinforced the growing importance of status as a differentiator, arguing that cars had increasingly become commodities since approximately 2010, making status even more critical. E11 characterized scarcity as a powerful pricing mechanism: “the word ‘limited’ is a massive price driver.” E2 provided a concrete illustration, describing a customization program through which buyers could commission unique paint finishes costing upward of 10,000 euros, visible only to knowledgeable peers.

Beyond outward-facing status signals, E7 described brand desire as rooted in self-identification: "the brand is both symbolizing something that you yourself desire, that you can identify yourself with." E4 also identified electric vehicle ownership as an emerging status signal, arguing that driving an EV communicated progressiveness and environmental consciousness. Further mechanisms included interior design as an emotional trigger, what E8 termed a 'wow effect', and deliberate scarcity management, where E6 drew a parallel to luxury fashion houses that destroy unsold inventory to maintain perceived value. Table 4.2 summarizes the status and prestige mechanisms identified across the interviews.

Table 4.2: Status and prestige mechanisms identified across interviews

Mechanism	Description	Representative experts
Social signaling	Premium car as visible sign of personal success and social position	E3, E5, E7, E10, E12
Identity alignment	Brand symbolizes something the buyer desires or aspires to; self-brand connection	E1, E4, E7, E10
Individualisation and scarcity	Custom configurations, limited editions, bespoke programmes as price drivers	E2, E4, E6, E11
Emotional and sensory experience	Interior design, driving experience, craftsmanship as emotional triggers	E6, E8
Understatement vs. conspicuous display	Two distinct modes of status expression across socioeconomic segments	E4, E7
EV as status signal	Electric vehicle ownership as expression of progressiveness	E4, E12
Brand community	Followership, belonging, and community as willingness-to-pay drivers	E1, E7

4.1.3 The Safety and Reliability Pathway

Across the interviews, safety was generally acknowledged as important, but a key debate emerged: whether safety functioned as a genuine willingness-to-pay driver or merely as a hygiene factor necessary for consideration but insufficient for premium justification. Table 4.3 maps the expert positions along this spectrum.

E1 framed the safety-oriented buyer as someone operating in a comprehensive risk-reduction mode, evaluating not only crash protection but dealer trustworthiness, reliability, and resale value: "a safety-oriented person mainly operates in a prevention-focused way, not because they say being safe would be great, but rather being unsafe right now would be really bad." E8 reframed safety as a practical family concern encompassing storage, rear climate control, and easy-clean materials. E9 spontaneously identified Volvo as "a brand that stands very much for occupant safety, does everything right, yet carries no huge status," an observation that itself illustrates the distinction between the credibility and prestige facets.

The most significant debate concerned whether safety still generated a standalone premium. E3 argued that safety had become "an enabler to even remain in the customer's relevant set" rather than a differentiator. E7 observed that safety differences had become increasingly blurred over the past fifteen to twenty years. The strongest support for the hygiene-factor interpretation came from E3, E4, E6, E7, and E10, who described safety as necessary for consideration set entry but insufficient to justify a large incremental premium. E5 reinforced this view by noting that Chinese brands are increasingly undergoing the same European safety tests, further eroding safety as a basis for differentiation. E2 and E11 broadened the definition of safety to encompass the dealer and service infrastructure, describing the established service network as a competitive advantage over new entrants, an area where Chinese competitors initially faced consumer uncertainty but were rapidly closing the gap. Against this view, E1 maintained that safety-oriented customers genuinely paid more, noting that these buyers evaluate not only crash protection but also dealer trustworthiness and long-term cost predictability.

E12 offered a conceptual framing that captured the distinction between buyer types: "the status-oriented customer is more focused on the external environment, while the safety-oriented customer is more oriented toward the internal, how can I best protect myself and my surroundings?" This characterization was consistent with E1's framing, in which status-oriented buyers operate in a promotion-focused mode, seeking gains, visibility, and aspiration, while safety-oriented buyers operate in a prevention-focused mode, prioritizing risk avoidance and stability.

E9 added a supplementary observation, noting that status-oriented buyers tended to be more visible and conspicuous, which may create a distorted impression of their market share, while quality- and safety-oriented buyers may constitute a larger but quieter group. If correct, this would suggest that even if safety generates less per-transaction premium, the aggregate market value of the safety pathway may be substantial.

E8 offered a final refinement: within a single brand, status and safety are complementary layers. The ultra-luxury buyer and the entry-level buyer receive the same underlying safety foundation; what differs is the additional status layer. This supported the three-layer model developed in Section 4.1.6.

Table 4.3: Safety as differentiator vs. hygiene factor: expert positions

Position	Argument	Experts
Safety as hygiene factor (dominant view)	Necessary for consideration set entry; insufficient for standalone premium; increasingly commoditized across brands	E3, E4, E5, E6, E7, E10
Safety as genuine WTP driver	Prevention-focused buyers genuinely pay more; assumes higher price = higher safety; economically bounded	E1
Safety as practical family concern	Encompasses storage, child-friendliness, reliability; not purely technical crash protection	E8
Broadened safety (service network)	Safety includes dealer availability, spare parts, service infrastructure; area where incumbents retain advantage	E2, E4, E11
Advanced Driver Assistance Systems (ADAS) as marketing tool	Driver assistance systems increasingly prominent in communication but not clearly differentiated	E5, E11

4.1.4 Brand Strength and Pricing Power

E3 described a mechanism he termed the 'Rule of Three': consumers "pre-select based on brand awareness and prestige, then typically select two or three," meaning that whoever does not make this initial consideration set is excluded regardless of price-performance, directly connecting brand strength to willingness-to-pay through consideration set formation. E3 illustrated this with a smartphone analogy: an Apple user would not switch to a competing device for a marginal saving, suggesting that only a substantial price difference, in his example around half, would prompt reconsideration in emotionally anchored markets.

A second mechanism involved residual value: E1 and E5 explicitly linked premium pricing to resale value, with E5 describing a self-reinforcing cycle of satisfaction, brand value confirmation, and resale price support. E3 additionally identified distinctive design and ecosystem integration as emerging pricing mechanisms.

The most directly relevant finding for the research question was whether status- and safety-oriented buyers differed in willingness-to-pay. Several experts (E4, E7, E8, E9, E10, E11, E12) pointed toward lower price sensitivity among status-oriented buyers. E11 illustrated the distinction concretely: "the safety-oriented buyer gravitates toward the base configuration, while the status-oriented buyer chooses the convertible with the [manufacturer's] performance line and every available upgrade." E8 characterized the status buyer as someone for whom "whatever the cost, I want to be there," whereas "the quality- and safety-conscious person is more difficult, questions everything." Against this view, E5 argued for equal willingness-to-pay, and E7 added that while status buyers may pay more per transaction, they are less brand-loyal, suggesting that lifetime value may offset the higher per-transaction premium.

There was broad agreement that premium pricing power is bounded. E2 identified Chinese competitors offering comparable vehicles at "sometimes 30, 40, maybe even 50 percent below what a new vehicle from the German premium manufacturers costs" as the greatest risk. E11 acknowledged that Chinese competitors had taken a technological lead in certain areas, arguing that the critical response was to maintain technological parity while leveraging heritage and distinctive aesthetics, noting that Chinese vehicles largely looked alike, creating an opportunity for visual differentiation. E4 described two concrete strategic adaptations: the transition to an agency sales model giving the manufacturer direct price control, and a design shift back toward traditional brand aesthetics after early electric models' futuristic styling had underperformed. E2 described a broader pattern of strategic reversal, noting that one manufacturer's pivot toward exclusive luxury positioning was quickly revised when macroeconomic conditions reduced demand, demonstrating how long product development cycles of six to seven years constrained strategic agility. E5 warned that the shift from brand-building to tactical marketing risks eroding long-term brand equity. Table 4.4 summarizes the competitive threats and boundary conditions identified across interviews.

Table 4.4: Competitive threats and boundary conditions for premium pricing power

Threat / boundary condition	Mechanism	Representative experts
Chinese OEM competition	Comparable products at 30–50% lower prices; perceived technological lead in software, connectivity, and digital experience	E2, E3, E4, E5, E7, E8, E9, E10, E11
Electrification transition	Disrupts traditional performance hierarchies; reduces sensory differentiation; equalizes powertrain experience	E1, E5, E6, E10
Overproduction	Excess supply erodes pricing discipline and brand desirability	E6
Macroeconomic pressure	Declining consumer purchasing power; increased price-consciousness even in premium segment	E2, E9, E10
Generational value shifts	Younger buyers more open to new brands; shifting priorities from ownership to mobility	E8, E9
Shift to tactical marketing	Short-term promotional focus erodes long-term brand equity	E5
Product cycle constraints	5–9 year development cycles limit strategic agility in response to rapid market changes	E2

4.1.5 Cross-Cutting Synthesis

Across the four thematic sections, two broad areas of convergence emerged. First, functional credibility (quality, heritage, trust, and service consistency) was broadly regarded as the necessary foundation without which a premium brand does not enter the consideration set. Second, status and prestige mechanisms were widely recognized as the primary amplifiers of

willingness-to-pay beyond what functional attributes alone justify. The principal area of divergence concerned the role of safety. This disagreement does not invalidate the safety pathway; rather, it suggests that safety operates differently depending on whether it is evaluated as individual risk reduction (E1), family practicality (E8), or brand-level baseline credibility (E3, E7). E1 maintained that safety buyers genuinely pay more through a prevention-focused lens, while E8 argued that within a single brand, status and safety are layered rather than opposed. The survey's within-subjects design allowed a complementary test: if willingness-to-pay were systematically higher in the status scenario, this would be consistent with the hygiene-factor interpretation.

The interviews also identified several contextual boundary conditions that constrained premium pricing power, though these were not directly tested in the consumer survey (see Table 4.4). From a dynamic-capabilities perspective (Teece, 2007; Teece et al., 1997; Barreto, 2010), these boundary conditions suggest that premium automotive brands cannot rely on inherited brand strength alone. They need to sense shifts in consumer expectations, seize new sources of differentiation, and reconfigure credibility and prestige resources as technology and competition evolve.

Table 4.5 provides an integrated summary of thematic clusters and expert contributions across Section 4.1.

Table 4.5: Thematic clusters and expert contributions across Section 4.1

Thematic cluster	Empirical role	Core finding	Representative experts
Foundations of brand strength (4.1.1)	Necessary base layer	Quality, heritage, trust, and service consistency form the credibility foundation without which the brand does not enter the consideration set	E1, E2, E4, E5, E6, E7, E8, E9, E10, E11, E12
Status and prestige pathway (4.1.2)	Primary WTP driver beyond functional assessment	Social signaling, identity alignment, individualization, scarcity, and emotional experience generate willingness-to-pay that functional quality alone cannot explain	E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12
Safety and reliability pathway (4.1.3)	Contested; predominantly hygiene factor	Safety is necessary for consideration set entry but increasingly insufficient for standalone premium differentiation; broadened to include service network reliability	E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12
Brand strength and pricing power (4.1.4)	Direct link to WTP; bounded by competition	Status-oriented buyers show lower price sensitivity; Chinese competition and macroeconomic pressure impose a ceiling on premium pricing power	E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12
Boundary conditions (4.1.5)	Contextual constraints	Electrification, Chinese competition, overproduction, generational shifts, and tactical marketing erosion constrain premium pricing power from above	E1, E2, E4, E5, E6, E8, E9, E10

4.1.6 The three-layer model of premium pricing power

The integrated analysis suggested a three-layer model. The first layer, functional credibility, forms the necessary foundation: quality, heritage, trust, safety, and service consistency create the base without which the brand would not enter the consideration set. The second layer, emotional and symbolic value, stretches the premium beyond the credibility floor through status signaling, emotional attachment, individualization, scarcity, and design experience. The third layer, market pressure, imposes a ceiling through competitive convergence, overproduction, and generational shifts. The theoretical connections of this model to the literature will be developed in Section 4.3. This model therefore shifts the quantitative analysis from asking whether brand strength matters to examining which facet of brand strength becomes economically salient under different purchase contexts.

Based on the integrated interview findings, five qualitative propositions were derived for quantitative testing. Although experts predominantly framed their observations in buyer-type terms (e.g., the status-oriented buyer, the safety-conscious customer), the propositions translate this practitioner logic into purchase-context terms to enable a within-subjects test in the consumer survey. Proposition 1: Functional credibility forms a necessary foundation for willingness-to-pay across purchase contexts. Proposition 2: Prestige-based brand perceptions

generate additional willingness-to-pay beyond what credibility alone explains. Proposition 3: Status-driven purchase contexts are associated with higher willingness-to-pay than safety-driven contexts. Proposition 4: Safety functions increasingly as a hygiene factor, necessary for consideration set entry but insufficient for standalone premium differentiation. Proposition 5: Premium pricing power is bounded by competitive convergence, generational shifts, and macroeconomic pressure. Propositions 1 through 4 were addressed through the consumer survey; Proposition 5 was documented qualitatively but lay beyond the scope of the survey design.

4.2 Consumer Survey Findings

This section presents the quantitative findings from the consumer survey, designed to complement the qualitative insights reported in Section 4.1. The survey employed a within-subjects design in which each respondent evaluated willingness-to-pay for Mercedes-Benz under two randomized scenario conditions: a status-driven purchase context emphasizing design, brand prestige, and impression on others, and a safety-driven purchase context emphasizing occupant protection, build quality, and long-term reliability. Both scenarios held the product constant (same size, performance, and equipment) and set the alternative vehicle at €70,000. The full scenario texts are reproduced in Appendix B.1 (Block F).

4.2.1 Sample and data cleaning

A total of 197 responses were collected through an online consumer survey administered via Qualtrics. After removing incomplete responses (n = 15), respondents who reported no current or anticipated car relevance (n = 21), and respondents who failed the embedded attention check (n = 17), the final analysis sample comprised N = 144 respondents. All retained responses were pooled and analyzed as a single sample.

The sample was predominantly young: 86.1% were aged 18–34 (40.3% aged 18–24 and 45.8% aged 25–34), with only 9.7% aged 45 or older. The gender distribution was 56.9% male, 42.4% female, and 0.7% non-binary. Approximately half (51.4%) reported prior experience with a premium or luxury vehicle. Household income was broadly distributed, though 34.0% reported income below €30,000, consistent with the young age profile. A majority held at least a bachelor's degree (76.4%). Nearly one-third (30.6%) had never personally owned or leased a car, while 15.3% reported four or more vehicles.

A detailed breakdown of demographic characteristics is provided in Appendix B.2 (Table B.13).

Country of residence was not included as a survey item, so the exact national composition of the sample cannot be verified. The survey was distributed online, with the audience being predominantly, although not exclusively, Germany-based. This empirical focus on the German premium automotive market is consistent with the audience profile, but generalizability to other national contexts is correspondingly limited.

4.2.2 Descriptive statistics and scale reliability

Mercedes-Benz was perceived as both prestigious (M = 5.56, SD = 0.95) and credible (M = 5.40, SD = 0.97) on the seven-point scales. The two factors were positively correlated ($r = .64$, $p < .001$) but sufficiently distinct for separate analysis, with a variance inflation factor of 1.68 in the base regression models, well below conventional thresholds for multicollinearity concern (collinearity diagnostics for the extended models are reported in Section 4.2.4). Internal consistency was acceptable to excellent across all multi-item scales: prestige $\alpha = .789$, credibility $\alpha = .886$, WTP status $\alpha = .916$, WTP safety $\alpha = .919$ (see Appendix B.2, Table B.19). Brand familiarity was moderately high (M = 4.65, SD = 1.57), confirming that respondents had a meaningful basis for their evaluations (see Table 4.6).

Table 4.6: Descriptive statistics and scale reliability

Descriptive Statistics and Scale Reliability

variable	n	mean	sd	min	max	alpha
Prestige perception	144	5.560	0.950	3	7	0.789
Credibility perception	144	5.396	0.966	1.500	7	0.886
Brand familiarity	144	4.653	1.570	1	7	
WTP status scenario	144	4.101	1.675	1	7	0.916
WTP safety scenario	144	4.236	1.730	1	7	0.919
Status motivation	144	4.361	1.611	1	7	
Safety motivation	144	6.028	0.916	2	7	
Luxury attitude	144	4.583	1.567	1	7	
Sustainability attitude	144	4.083	1.615	1	7	

4.2.3 Willingness-to-pay across purchase contexts

One of the propositions derived from the expert interviews (P3, see Appendix B.2, Table B.12), that status-driven purchase contexts would generate higher willingness-to-pay than safety-driven contexts, was not supported. The main WTP measure is a two-item composite on a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree; see Appendix B.1); the price-premium categories reported below are a separate ordinal measure of the same construct. Mean WTP in the status scenario (M = 4.10, SD = 1.68) was slightly lower than in the safety scenario

(M = 4.24, SD = 1.73). The status-minus-safety difference was small and statistically not significant, $M_{diff} = -0.135$, 95% CI [−0.362, 0.091], $t(143) = -1.18$, $p = .239$. A supplementary Wilcoxon signed-rank test confirmed this conclusion ($V = 1919$, $p = .177$, see Appendix B.2, Table B.18). Given the modest sample size (N = 144) and a confidence interval that covers only small deviations from zero in either direction, this result should be read as the absence of a practically meaningful positive status advantage rather than as evidence of an exact zero effect. Randomization of scenario order produced no significant carry-over effects ($p = .871$). The within-subjects design means that respondents evaluated both scenarios in succession, which may have introduced demand characteristics: respondents who recognized the status-safety contrast may have anchored their second response to their first, potentially compressing the difference between conditions.

Both WTP composite scores clustered near the midpoint of the seven-point Likert scale (4.0), indicating moderate rather than strong agreement with paying a premium for Mercedes-Benz (see Figure 4.1). The safety-scenario WTP was slightly above the midpoint, $t(143) = 1.64$, $p = .104$, but did not reach conventional significance. Similarly, the status-scenario WTP did not differ significantly from the midpoint, $t(143) = 0.72$, $p = .472$. The moderate WTP levels are consistent with the sample's young and income-constrained composition, though Section 4.2.5 shows that younger respondents expressed higher WTP, indicating that income constraints alone do not fully explain moderate premium acceptance. This interpretation concerns the overall composition of the sample; within the subsample reporting household income (N = 129), income itself did not significantly predict WTP in either scenario (see Appendix B.2, Table B.16).

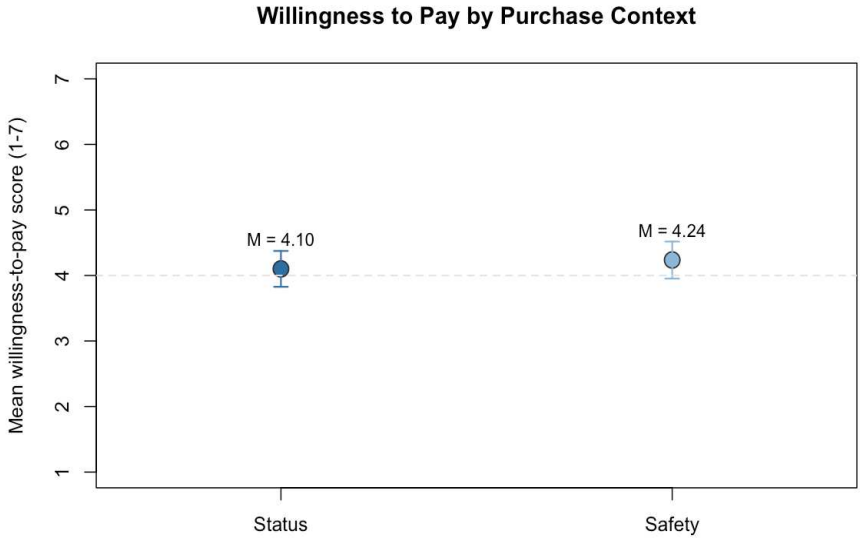

Figure 4.1: Mean willingness-to-pay by purchase context (error bars = 95% CI)

The price premium categories reinforced this pattern. In the status scenario, 21.5% of respondents indicated no premium, compared to 22.9% in the safety scenario. At the upper end, 11.1% were willing to pay more than €7,500 in the status context versus 13.2% in the safety context. The distributions were highly similar, with no systematic shift toward higher premiums in the status condition (see Figure 4.2).

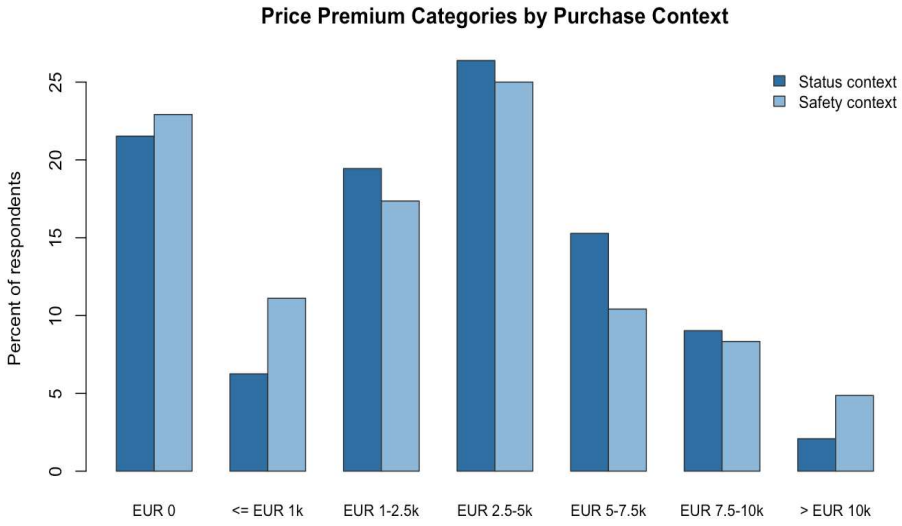

Figure 4.2: Price premium categories by purchase context

4.2.4 Regression analyses of WTP predictors

While the purchase context manipulation did not produce significantly different WTP levels, regression analyses revealed that the two brand perception facets predicted WTP with different relative strengths across contexts. In the status scenario, both prestige (B = 0.39, t = 2.31, p < .05) and credibility (B = 0.57, t = 3.43, p < .001) were significant predictors, jointly explaining 24.5% of the variance (F(2,141) = 22.88, p < .001). In the safety scenario, credibility remained the dominant predictor (B = 0.62, t = 3.57, p < .001), while prestige fell below significance (B = 0.28, t = 1.57, p = .119), with the model explaining 21.0% of variance (see Table 4.7). These findings provide direct evidence on two of the expert-derived propositions (Appendix B.2, Table B.12): credibility's significance in both contexts supports P1 (functional credibility as a necessary foundation for WTP), and prestige's significance only in the status context is directionally consistent with P2 (prestige generating additional WTP), pending the interaction test reported below.

Table 4.7: Base regression models predicting willingness-to-pay

Base Regression Models Predicting Willingness to Pay

	Dependent variable:	
	WTP status context	WTP safety context
	(1)	(2)
Prestige perception	0.387**	0.277
	(0.167)	(0.177)
Credibility perception	0.565***	0.620***
	(0.164)	(0.174)
Constant	-1.096	-0.647
	(0.786)	(0.830)
Observations	144	144
R2	0.245	0.210
Adjusted R2	0.234	0.199

Note: *p<0.1; **p<0.05; ***p<0.01
OLS regressions with unstandardized coefficients.

A formal interaction model using long-format data showed that neither the Scenario × Prestige interaction (B = 0.11, t = 0.70, p = .487) nor the Scenario × Credibility interaction (B = −0.05, t = −0.35, p = .723) reached significance. While the pattern was directionally consistent with the expert proposition that prestige drives incremental WTP specifically in status-oriented contexts, the absence of a significant interaction means that this interpretation remains tentative.

A hierarchical R^2 decomposition clarifies the source of the additional explanatory power gained when controls are added. In the status scenario, adding general luxury brand attitude to the base model of prestige and credibility raised R^2 from .245 to .368 (ΔR^2 = .123, F-change(1,140) = 27.41, p < .001). A subsequent block of demographic and attitudinal controls (age, sustainability

attitude, premium vehicle experience, cars owned, education) brought R^2 only marginally further to .394 (ΔR^2 = .026, F-change(5,135) = 1.16, p = .332). The same pattern holds for the safety scenario: R^2 rose from .210 to .303 with luxury brand attitude (ΔR^2 = .093, F-change(1,140) = 19.55, p < .001), and the control block contributed an additional ΔR^2 = .053 to a final R^2 of .356 (F-change(5,135) = 2.23, p = .055). The bulk of the explanatory gain therefore stems from general luxury brand attitude rather than from the demographic and control block as a whole. In the final extended models, luxury brand attitude remained highly significant (B = 0.38, p < .001 for status; B = 0.35, p < .001 for safety). The full standardized coefficient table is reported in Appendix B.2 (Table B.7). The number of cars previously owned or leased was negatively associated with WTP in both contexts (B = −0.23, p = .031 for status; B = −0.35, p = .002 for safety), indicating that respondents with greater automotive experience expressed lower willingness-to-pay a premium, possibly reflecting more realistic price benchmarks. Prestige remained significant in the extended status model (B = 0.35, p = .032) but fell below significance in the extended safety model (B = 0.20, p = .252), preserving the pattern observed in the base models (see Table 4.8). The full hierarchical R^2 decomposition is reported in Appendix B.2 (Table B.14). The corresponding unstandardized coefficients and 95% confidence intervals are visualized in Figure 4.3.

Table 4.8: Extended regression models with control variables

Extended Regression Models Predicting Willingness to Pay

	Dependent variable:	
	WTP status context (1)	WTP safety context (2)
Prestige perception	0.345**	0.195
	(0.159)	(0.169)
Credibility perception	0.367**	0.472***
	(0.159)	(0.169)
Luxury attitude	0.384***	0.351***
	(0.088)	(0.094)
Age group	0.081	0.131
	(0.146)	(0.156)
Sustainability attitude	-0.057	0.005
	(0.077)	(0.082)
Premium/luxury vehicle experience	0.052	0.196
	(0.246)	(0.262)
Cars owned or leased	-0.225**	-0.350***
	(0.103)	(0.110)
Education	-0.003	0.103
	(0.127)	(0.135)
Constant	-0.959	-0.832
	(0.895)	(0.953)
Observations	144	144
R2	0.394	0.356
Adjusted R2	0.358	0.318

Note: *p<0.1; **p<0.05; ***p<0.01
OLS regressions with demographic and attitudinal controls.

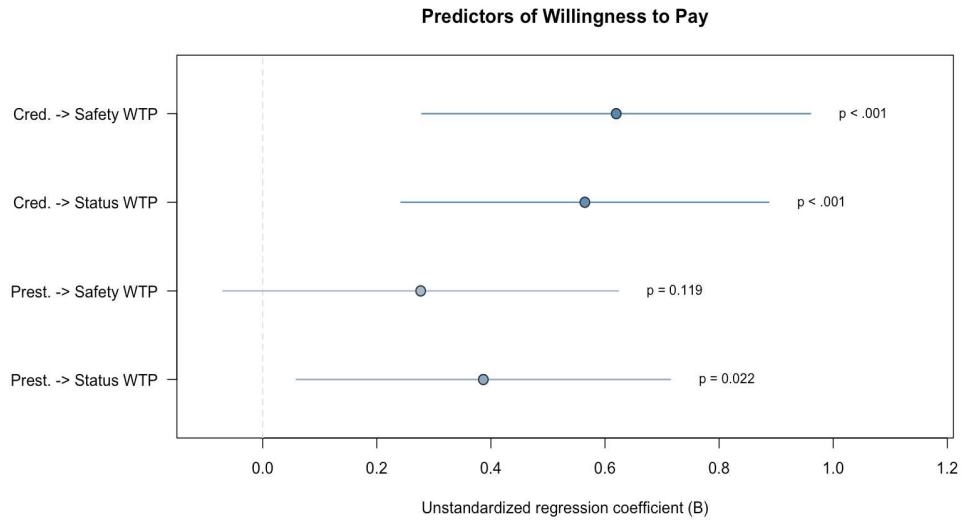

Figure 4.3: Unstandardized regression coefficients with 95% confidence intervals

Translated into partial effect-size terms, and using the conventional benchmarks of $f^2 \geq .02$ (small), $\geq .15$ (medium), and $\geq .35$ (large) (Cohen, 1988), general luxury brand attitude shows the largest practical contribution, approximately medium in the status model ($f^2 = .195$) and small-to-medium, approaching the medium benchmark, in the safety model ($f^2 = .134$). Within the base model, prestige ($f^2 = .038$ for status, $f^2 = .017$ for safety) and credibility ($f^2 = .084$ for status, $f^2 = .090$ for safety) reach only small effect sizes. These partial f^2 values are reported as descriptive effect-size companions to the main regression results rather than as a separate hypothesis test (full values in Appendix B.2, Table B.15).

Two supplementary robustness checks did not change the substantive picture. Adding brand familiarity raised extended-model R^2 only modestly (to .399 status, .379 safety); brand familiarity was a significant positive predictor only in the safety scenario ($B = 0.21$, $p = .028$), and prestige attenuated to a marginal level ($p = .061$) in the status scenario. A sensitivity check on the subsample with reported household income ($N = 129$) found income non-significant in both contexts ($p = .338$ for status, $p = .542$ for safety). Coefficient tables are reported in Appendix B.2 (Table B.16).

Diagnostics were mixed but did not undermine the substantive interpretation. Shapiro-Wilk and Breusch-Pagan tests (Field, 2018) flagged non-normality and heteroskedasticity in the base models but not at conventional levels in the extended or familiarity-augmented models. Because the Breusch-Pagan tests indicated heteroskedasticity in the base models, inference from these models is interpreted cautiously. The substantive conclusions rely on the convergence of base,

extended, and interaction models: the focal effects of credibility and prestige replicate in the extended models, which themselves pass the Breusch-Pagan test, rather than on isolated base-model p-values. The within-subject WTP difference motivated the supplementary Wilcoxon test reported earlier. Variance inflation factors reached a maximum of 2.23, well below the conventional threshold of 5.0 (Hair et al., 2019). Full diagnostic tables are reported in Appendix B.2 (Table B.9), Appendix B.2 (Table B.11), and Appendix B.2 (Tables B.17a and B.17b).

4.2.5 Individual-level correlates and motivation-context fit

Beyond the regression models, individual-level correlates were examined (see Figure 4.4 for the full correlation matrix). Age group was negatively associated with WTP ($r = -.28$, $p < .001$ for status; $r = -.23$, $p = .005$ for safety), indicating that younger respondents expressed higher WTP. This association should be interpreted with caution given that age was measured in ordinal categories rather than as a continuous variable and that the sample's heavy concentration in the 18–34 range (86.1%) restricts the age variation captured. Environmental sustainability showed a weak negative association with status-context WTP ($r = -.16$, $p = .058$) but was not significant in the safety context ($r = -.08$, $p = .341$). Status motivation correlated almost identically with WTP in both contexts ($r = .35$, $p < .001$ for status; $r = .36$, $p < .001$ for safety); the negligible difference between these two correlations reinforces the interpretation that status motivation reflects a general premium or luxury orientation rather than a context-specific driver. Safety motivation, by contrast, was near the ceiling of the seven-point scale ($M = 6.03$, $SD = 0.92$), and its restricted variance is the most plausible explanation for the weak correlations observed with WTP ($r = .10$ and $.03$, both n.s.).

A motivation-context-fit analysis tested whether respondents whose self-reported purchase motivations aligned with the scenario condition showed higher WTP. Neither status motivation nor safety motivation significantly predicted the within-subject WTP difference ($R^2 = .007$, $F(2,141) = 0.53$, $p = .592$). Adding all demographic and attitudinal controls did not improve the model ($R^2 = .034$, $F(8,135) = 0.60$, $p = .776$). This pattern is consistent with the null finding from the direct WTP comparison in Section 4.2.3, although the same sample-size limitations apply.

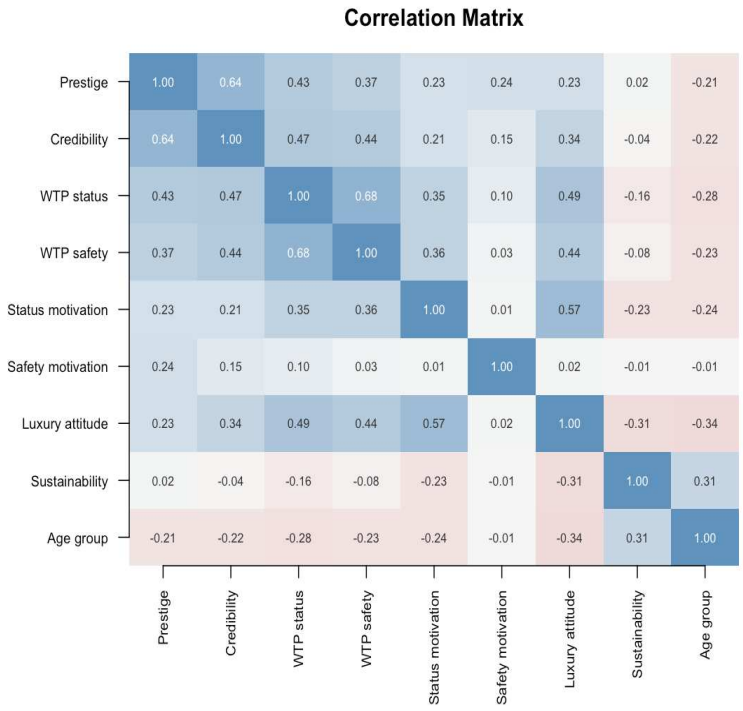

Figure 4.4: Correlation matrix of key study variables

4.2.6 Summary of quantitative findings

The quantitative analysis supports five key conclusions across the five interview-derived propositions:

- P1 was supported: credibility predicted WTP in both the status and safety scenarios, and prestige was empirically distinct from credibility.
- P2 received directional but non-significant support: prestige reached significance only in the status scenario, but the formal scenario-by-prestige interaction was not confirmed and WTP did not differ significantly between contexts.
- P3 was not supported: WTP was virtually identical between the status and safety scenarios, and the motivation-context-fit model showed no individual-level alignment effect.
- P4 was indirectly supported: the absence of higher WTP in the safety scenario, combined with credibility being equally predictive in both contexts, is consistent with safety functioning as a hygiene factor; brand familiarity, added as a supplementary robustness check, also emerged as a positive predictor in the safety scenario.

- P5 was documented qualitatively rather than tested quantitatively: expert interviews indicated that premium pricing power is bounded by competitive convergence, generational shifts, and macroeconomic pressure.

Across both contexts, general luxury orientation shaped WTP as strongly as specific brand perceptions or purchase context, suggesting that individual luxury disposition may be an underappreciated complement to context-based and brand-perception-based explanations of premium WTP.

4.3 Triangulation and Discussion

This section integrates the qualitative expert findings (Section 4.1) with the quantitative survey results (Section 4.2), organized around the five propositions derived from the interviews (Section 4.1.6) and the three-layer model of premium pricing power (4.1.6). A structured mapping of each proposition to its interview basis and survey test is provided in Appendix B.2 (Table B.12).

4.3.1 Convergences between Interview and Survey Findings

The strongest convergence concerned P1 (functional credibility as foundation). The expert interviews identified quality, heritage, trust, and service consistency as the necessary base of premium pricing power (Section 4.1.1), and the survey showed that credibility was a significant predictor of willingness-to-pay in both purchase contexts ($B = 0.57$ in the status scenario, $B = 0.62$ in the safety scenario, both $p < .001$). This convergence is consistent with the first layer of the three-layer model: functional credibility forms a necessary foundation without which the brand would not enter the consideration set. The finding that credibility predicted WTP even in the status-driven scenario suggests that credibility is not merely relevant when consumers think about safety but operates as a baseline requirement across evaluative contexts.

This convergence also provides indirect support for P4 (safety as hygiene factor). The expert interviews suggested that safety had become a necessary baseline rather than a standalone differentiator (Section 4.1.3), and the survey results were consistent with this interpretation: the safety-driven purchase context did not generate higher WTP than the status context, and credibility, the perception facet most closely linked to safety and reliability, predicted WTP equally across both contexts rather than disproportionately in the safety scenario. If safety were a strong standalone premium driver, one would expect credibility to predict WTP more strongly in the safety context, which was not observed.

A second convergence concerned individual differences. The expert observation that status- and safety-oriented buyers differ in price sensitivity (Section 4.1.4) was supported by the survey finding that luxury brand attitude was the strongest individual-level WTP predictor (r = .49 status, r = .44 safety), with consumers' general luxury orientation operating as a dispositional rather than situational factor. The negative association between number of cars owned and WTP added a complementary cross-cutting moderator: greater automotive experience appears to recalibrate reference prices, consistent with E3's observation that informed consumers evaluate price-performance ratios more critically. This cross-cutting finding informed the interpretation of all five propositions: consumers' general luxury orientation shaped their responses regardless of which specific pathway was activated.

4.3.2 Divergences between Interview and Survey Findings

Before discussing the substantive divergences, a methodological framing clarification is warranted. The expert interviews and the consumer survey captured related but non-identical constructs. Experts naturally described consumer behavior using buyer-type categories ('the status buyer pays more', 'the safety customer questions everything'), reflecting the dispositional, segment-based logic that practitioners use to organize their markets. The survey, by contrast, manipulated purchase context as a within-subjects scenario factor and measured purchase motivation as a separate individual-difference variable, enabling a test of whether the same consumer's willingness-to-pay shifted across evaluative situations and whether individual motivation moderated this effect. The divergences reported below should therefore be read not as contradictions between the two strands but as complementary perspectives on the same phenomenon: experts described what they observe in practice (buyer types with different price sensitivities), while the survey tested whether these differences are attributable to the purchase situation, the individual's motivation, or both.

The most significant divergence concerned P3 (status-driven contexts generating higher WTP). Several experts (4, 7, 8, 9, 10, 11, and 12) pointed toward lower price sensitivity among status-oriented buyers, leading to the proposition that status-driven purchase contexts would generate higher WTP. The survey did not confirm this: WTP was virtually identical across contexts (M = 4.10 status vs. 4.24 safety, p = .239), and the motivation-context-fit analysis showed that even respondents with strong status motivations did not express higher WTP in the status scenario (R^2 = .007, p = .592). Several explanations are plausible. First, the predominantly young sample (86.1% aged 18–34) may lack the purchasing experience and income to differentiate meaningfully between status and safety motivations at the €70,000 price point used in the

scenarios. Second, Mercedes-Benz carries strong associations with both status and safety, making it difficult for the scenario manipulation to isolate one facet without the other being co-activated. Third, the expert proposition may hold more strongly for actual purchase decisions than for hypothetical WTP where the financial commitment is abstract rather than real.

However, the regression analyses revealed a more nuanced pattern that partially bridged this divergence and provided directional support for P2. Prestige was a significant predictor of WTP in the status scenario (B = 0.39, p = .022) but not in the safety scenario (B = 0.28, p = .119), while credibility predicted WTP in both. This pattern persisted in the extended models with controls: prestige remained significant for status WTP (B = 0.35, p = .032) but not for safety WTP (B = 0.20, p = .252). This pattern is directionally suggestive and consistent with the second layer of the three-layer model, but it does not provide statistical support for a moderation effect because the formal scenario-by-prestige interaction was not significant.

With N = 144 in a within-subjects design, statistical power to detect interaction effects is limited, particularly when the manipulation effect itself is small. The absence of a significant interaction should therefore be interpreted as inconclusive rather than as evidence that the purchase context plays no moderating role. A larger and more demographically representative sample would be needed to resolve this question with greater precision.

4.3.3 Implications for the Three-Layer Model

Taken together, the mixed-methods findings provide partial support for the three-layer model. The first layer (functional credibility as foundation) received the clearest support from both strands. The second layer (emotional and symbolic value as premium stretcher) received directional but not statistically significant support from the survey, while being strongly supported by the expert interviews. The third layer (market pressure as ceiling) was documented qualitatively (P5) but was beyond the scope of the survey design. The extended regression models added an important nuance: the consumer's general luxury orientation, rather than the specific purchase context, was the strongest driver of willingness-to-pay. This suggests that the three-layer model may benefit from incorporating individual-level dispositional factors alongside the situational and brand-level mechanisms it currently emphasizes. The model thus remains a useful interpretive framework, though the quantitative evidence suggests that the boundaries between the first two layers may be less sharply drawn than the expert interviews implied, particularly for a brand like Mercedes-Benz, where credibility and prestige are deeply intertwined in consumer perception.

The methodological complementarity itself constitutes a contribution of the mixed-methods design. The qualitative strand showed that practitioners often integrate purchase context and buyer disposition into a single, experience-based logic, while the quantitative strand showed that when these dimensions are analytically separated, purchase context alone does not significantly shift willingness-to-pay, and individual-level luxury orientation emerges as the dominant predictor. This suggests that the buyer-type patterns experts observe in practice may be driven more by stable consumer dispositions than by the situational framing of the purchase, a finding that would not have emerged from either method alone.

5 Conclusion

This chapter synthesizes the findings across the literature review, expert interviews, and consumer survey. Section 5.1 summarizes the main findings and their triangulation. Sections 5.2 and 5.3 develop the theoretical contributions and managerial implications. Section 5.4 acknowledges limitations, and Section 5.5 outlines future research directions.

5.1 Main Findings and Triangulation

Consistent with the framing in Section 3.6, premium-automotive WTP, which resource-based theory positions as a dimension of strategic management value creation (Barney et al., 2021), is treated as the output of a complex system of interdependent forces; the mixed-methods triangulation reflects that no single variable operates in isolation.

The qualitative findings (Section 4.1) generated five propositions (P1–P5; fully formulated in Section 4.1.6), which informed the three-layer model: functional credibility as foundation, emotional and symbolic value as premium stretcher, and market pressure as ceiling.

The triangulation against the survey results yielded a differentiated pattern across all five propositions. P1 received the strongest support: credibility predicted WTP in both purchase contexts. P2 received directional but inconclusive support: prestige predicted WTP only in the status context, but the formal scenario × prestige interaction was not significant, and the expected between-scenario WTP difference did not materialize. P3 was not supported: WTP did not differ significantly between status- and safety-driven contexts. P4 received indirect support: the absence of a safety premium combined with credibility's universal effect is consistent with safety functioning as a hygiene factor. P5 was documented qualitatively only, with experts identifying competitive convergence and macroeconomic pressure as boundary conditions on pricing power. Brand familiarity, introduced as a supplementary robustness check (Section 4.2.4), emerged as a significant positive predictor of WTP in the safety scenario, adding an unanticipated empirical nuance. The detailed coefficients, hierarchical R^2 progressions, and explanatory rationale for the null status-context effect are reported in Section 4.2.4 and synthesized in Section 4.3.

5.2 Theoretical Contributions

The mixed-methods findings contribute to four streams of research. First, the thesis links to brand equity research (Aaker, 1991; Keller, 1993; Netemeyer et al., 2004) by disaggregating perceived brand strength into prestige and credibility while suggesting that their relative relevance for willingness-to-pay may vary across purchase contexts, although the formal interaction test did not reach significance. While the within-subjects manipulation did not produce significantly different WTP levels, the regression analyses revealed that prestige was a significant predictor only in the status context, whereas credibility predicted WTP regardless of context. This directional pattern suggests that a single brand equity score may mask important heterogeneity in how brand strength translates into economic outcomes, and that brand equity models may benefit from incorporating context sensitivity rather than treating brand strength as a fixed endowment.

Second, the findings refine signaling theory (Erdem & Swait, 1998) by providing evidence consistent with the proposition that when the credibility signal becomes universal, as experts described for safety in premium automotive, it ceases to differentiate but remains foundational. The survey showed that credibility functioned as a significant baseline predictor of WTP in both contexts, consistent with a permission structure rather than a direct differentiator. This adds to the finding that credibility effects are stronger for low-self-expressive products (Baek et al., 2010) by suggesting that within a high-self-expressive category, credibility and prestige may operate sequentially rather than independently. The practical consequence is that signaling value is dynamic: what once differentiated (e.g., superior crash safety) can become a hygiene factor as industry standards converge.

Third, the qualitative findings contribute to prestige consumption research (Vigneron & Johnson, 1999; Han et al., 2010) by showing that status value in premium automotive operates through a portfolio of channels including design, individualization, scarcity, community, and interior experience, broader than conspicuous display alone. The expert observation that status expression had shifted toward what E7 termed ‘shout-out luxury’, and that overproduction eroded prestige signals (E6), illustrated how signal creation, dilution, and restoration dynamics operate in practice. The survey added that general luxury brand attitude was the strongest individual-level predictor of WTP, suggesting that prestige receptiveness is partly dispositional rather than purely context-dependent. This adds a context-specific perspective to Han et al.’s (2010) brand prominence framework by suggesting that signal management challenges apply

not only to consumer choice but also to manufacturer supply decisions and individual consumer predispositions.

Fourth, the thesis connects consumer-side brand equity to dynamic capabilities dimensions of strategic management (Barney et al., 2021; Teece, 2007; Barreto, 2010) by positioning perceived brand strength as a path-dependent resource whose maintenance requires continuous dynamic capabilities. The expert interviews provided concrete illustrations, not formal tests, of Teece's (2007) three capability categories in the premium automotive context: sensing (recognition of shifting consumer expectations toward 'quiet luxury' and digital seamlessness, E4 and E9), seizing (the transition to agency sales models giving manufacturers direct price control, E4), and reconfiguring (the design shift back toward traditional brand aesthetics after the underperformance of futuristic EV styling, E4). The tentative three-layer model, differentially supported across its three layers (see Section 4.3), thus bridges the consumer behavior and strategy literatures: perceived brand strength is both a consumer-side perception and a firm-side resource, and its economic value depends on the dynamic alignment between the two. The electrification transition illustrates this further: as the sensory experience of combustion engines disappears, the resource base for prestige shifts, requiring brands to develop new sources of emotional differentiation.

5.3 Managerial Implications

The findings carry several practical implications organized around the three-layer model. First, functional credibility should be treated as a strategic investment rather than an operational cost. The survey showed that credibility was the only perception facet that predicted WTP in both purchase contexts, underscoring its role as the foundational permission structure for premium pricing. Managers should not assume that credibility, once established, is self-sustaining; E9's observation that digital seamlessness is now expected at the level of an iPhone suggests that the credibility threshold is rising and must be continuously recalibrated. Second, prestige and credibility should be managed as complementary levers: the finding that prestige predicted WTP only in the status context suggests that status-oriented communication (design, exclusivity, individualization) should be layered on top of credibility assurance (reliability, safety, long-term value) rather than replacing it. Third, scarcity may need to be managed deliberately as a pricing instrument, following E6's parallel to luxury fashion brands, particularly for models with strong prestige associations. The interview evidence that

overproduction can erode prestige suggests that volume targets and brand positioning must be strategically aligned.

Fourth, safety communication should be framed less as standalone differentiation and more as assurance, embedding safety in a broader narrative of engineering competence and ownership experience. The survey finding that WTP did not differ between status and safety contexts suggests consumers may not evaluate these dimensions separately as practitioners assume. Fifth, the finding that general luxury brand attitude was the strongest individual predictor of WTP suggests premium brands may benefit from targeting consumers with a stronger general luxury orientation rather than relying solely on brand-specific associations. Sixth, the negative association between automotive experience and WTP suggests retention strategies should focus on maintaining brand mystique and perceived value for repeat buyers. Finally, competitive resilience against new entrants must be built on resources that are hardest to replicate: heritage, design identity, emotional attachment, and accumulated trust. Mercedes-Benz's strategic reorientation toward higher-margin segments, initially announced in the form of plans to discontinue entry-level models such as the A-Class, and subsequently revised, illustrates both how brands respond to the compression of the premium band from below and how strategic adaptations are themselves dynamic. From a dynamic capabilities perspective (Teece, 2007; Teece et al., 1997; Barreto, 2010), these implications require manufacturers to continuously sense shifts in the basis for WTP and reconfigure their credibility and prestige resources accordingly.

5.4 Limitations

The study focused on the premium automotive sector using Mercedes-Benz as the focal brand, which was theoretically appropriate given its dual prestige and credibility associations but limited direct generalizability to other brands, newer entrants, or the luxury segment. The qualitative strand relied on twelve expert interviews covering a range of value chain positions, ten of which were conducted in German (see Section 4.1). Importantly, the expert sample captured the incumbent perspective on Chinese competition but did not include representatives of Chinese OEMs, whose view on brand strength, pricing strategy, and market entry may differ substantially from what European incumbents observe. The survey relied on self-reported and hypothetical willingness-to-pay, which does not always correspond to actual purchase behavior. The scenario design manipulated the salience of status and safety considerations but could not fully isolate these associations, as Mercedes-Benz naturally carried both meanings.

Measurement was also constrained: the prestige scale blends reputation- and status-signaling items, and key dispositional variables were measured with single items. Luxury brand attitude was originally included as a secondary dispositional predictor rather than as a focal facet of brand strength and was therefore measured with a single item; its unexpected emergence as the strongest individual-level predictor of WTP therefore warrants replication with a multi-item scale before drawing strong substantive conclusions. Finally, the cross-sectional design limited causal interpretation and could not capture how perceptions develop over time or respond to market events.

The survey sample (N = 144) was a convenience sample collected through online distribution and was predominantly young (86.1% aged 18–34), well-educated (76.4% holding at least a bachelor's degree), and included a substantial share of respondents with no car ownership experience (30.6%). The sample's demographic concentration limits generalizability to older, higher-income, or non-European consumer segments that are more representative of actual premium automotive buyers. Moreover, with the survey audience being predominantly, although not exclusively, Germany-based (Section 4.2.1), findings may not transfer to markets where status signaling operates differently, such as China or the United States, where E11 suggested status motivations may be more pronounced.

Beyond these design-level limitations, the moderate explanatory power of the regression models (R^2 in the .21–.40 range) is consistent with the interpretation outlined in Section 3.6: premium-automotive WTP is shaped by interdependent forces whose joint variance cannot be fully recovered in a cross-sectional, survey-based regression.

5.5 Future Research

Several directions merit further investigation. First, the null context effect should be retested with samples more representative of actual premium buyers, older, higher-income consumers with direct purchase experience, to determine whether the absence reflects a genuine equivalence or a sample limitation. Second, multi-brand designs comparing Mercedes-Benz, BMW, Audi, Volvo, Tesla, and Chinese premium entrants could test whether the prestige-credibility pathways differ by heritage and positioning. Third, stronger behavioral WTP measures, such as conjoint designs, discrete choice experiments, or field data from vehicle configurators, would reduce the hypothetical bias inherent in survey-based measures. Fourth, the finding that general luxury brand attitude was the strongest WTP predictor warrants investigation with a multi-item scale into whether luxury orientation mediates or moderates the

brand perception-WTP relationship. Fifth, the electrification transition merits dedicated investigation, as engine sound is no longer a differentiator and brand loyalty patterns may shift. Finally, cross-cultural research would test whether the relative importance of status signaling versus safety assurance differs across Asian, North American, and European markets (Erdem et al., 2006).

Beyond these directions, the sequential structure of the three-layer model, credibility as a permission structure, prestige as a stretcher conditional on credibility, could be tested directly with moderated-mediation or non-linear modelling approaches that better capture the interdependence highlighted in Section 3.6. A strong brand is not merely a communication asset but a strategic resource whose value depends on whether consumers believe, in the specific moment and context of their purchase decision, that the premium is worth paying.

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Appendix A: Interview Material

A.1 Interview Questions

Each expert was guided through the same set of twelve open questions, listed below. Probing questions were used to follow up on partial answers, but the core wording shown here was kept consistent across interviews. Interviews followed a semi-structured format: experts were encouraged to elaborate freely, and the order of questions was occasionally adjusted to match the natural flow of conversation. Six themes are addressed in sequence: opening and role (Q1), perceived brand strength and its dimensions (Q2–Q4), the status mechanism (Q5–Q6), the credibility and safety mechanism (Q7–Q8), the central comparison across contexts (Q9), and firm-side resources and pricing power (Q10–Q11), with a closing prompt for emergent themes (Q12).

Q1. Could you briefly describe your current role and your experience in the premium automotive sector?

Q2. In your experience, what makes one premium automotive brand stronger than another in the eyes of customers?

Q3. Which aspects of a brand matter most to premium car buyers, and why?

Q4. If you had to rank those factors by how much they influence the purchase decision, how would you order them?

Q5. What role does status play when someone buys a premium car, and what are they actually willing to pay more for?

Q6. Have you noticed any changes in how customers express status through their car choices in recent years?

Q7. When a customer prioritizes safety, how does the brand influence their purchase decision?

Q8. How would you describe the price sensitivity of safety-conscious buyers compared to other buyer types?

Q9. Thinking about the same brand, do status-driven and safety-driven buyers seem to value its strength differently, and if so, how?

Q10. What allows certain premium brands to sustain their pricing power over time, and where do you see the biggest risks going forward?

Q11. How do premium brands adjust their strategy when they recognize what drives customer perceptions in their segment?

Q12. Is there anything about brand strength, status, safety, or willingness-to-pay in this market that we haven't covered and that you think is important?

A.2 Summary of Interviews

The following provides a brief thematic summary of each of the twelve expert interviews, organized by expert code. Each summary follows the structure of the interview guide and captures the key positions expressed by the respondent. All experts participated voluntarily under conditions of informed consent and full anonymization. No personal names, employer names, or other identifying details are disclosed. The expert codes E1 to E12 used here correspond to those used throughout Chapter 3 and Chapter 4 and to Table 3.1.

Summary of Interview: E1

Independent strategy consultant and researcher in premium and luxury management; 20+ years of experience spanning academic research, executive education, and OEM marketing practice.

E1 framed perceived brand strength as the combination of functional baseline and emotional surplus. For premium, quality is the number-one factor; luxury can tolerate functional imperfection in exchange for emotional and symbolic value, but premium cannot, because premium vehicles also serve fleet and corporate customers whose CFOs evaluate them rationally. Brands that drift too far toward luxury positioning therefore risk losing fleet and CFO acceptance — a tactical thinking embedded in the very term "premium."

On status, E1 was skeptical of a single status-effect: latent status sensitivity is present in almost all buyers, but its effective weight depends strongly on milieu and segment. Enthusiast culture — engineering depth, mid-engine layouts, watch-style technical fascination — was identified as a meaningful driver of premium purchase decisions in automotive, distinct from pure conspicuous consumption. The Cybertruck and Tesla examples were used to illustrate how a negative image trajectory destroys willingness-to-pay even where status signaling is technically intact.

On safety, E1 emphasized that trust must be built over a long period and across multiple dimensions: vehicle safety, dealer reliability, resale safety, and the absence of unpleasant surprises. He explicitly framed the safety–status distinction through Regulatory Focus Theory, locating safety buyers in a prevention-focused goal system ("being unsafe right now would be

really bad") and status buyers in a promotion-focused one. Safety-oriented buyers were described as cognitively rather than emotionally oriented and as willing — almost expecting — to pay more for a credibly safer product, while accepting that their spending sits within an overall economic envelope.

E1 stressed that real brand strength is built less by upstream marketing communication than by the lived customer experience at the dealership and in service: "almost irrelevant how the brand communicates in terms of broadcasting … what actually matters is the customer experience." Looking forward, he identified the electric transition as a structural disruption of the established brand hierarchy. Sensory cues that historically supported premium positioning — engine sound, acceleration as a felt risk — are flattened in EVs, weakening the link between premium price and felt experience. E1's own household switching from an Audi/premium sports-car pair to a Hyundai EV was offered as a personal illustration: when the sensory layer collapses, brand strength alone is not enough.

Summary of Interview: E2

Manager Strategy & Transformation, Sales Germany, at a German premium OEM; 5+ years of strategy experience.

E2 located brand strength in heritage and length of presence in the market. The longer a brand has existed and the more clearly it embodies a set of values, the stronger it stands relative to new entrants — particularly when those entrants are Chinese manufacturers pushing into European markets. Product safety (verified through crash tests, owner testimonials and press reviews) and presence at the point of sale and in online media were named as the concrete signals that translate heritage into perceived strength.

On status, E2 connected status directly to brand awareness: a well-known brand projects something externally, which produces higher price acceptance and the room for a price premium. Sub-brands and bespoke configuration programs (e.g., a customization option that costs about €10,000 for a one-of-one paint finish) were highlighted as concrete pricing levers that visible peers can recognize even when ordinary consumers cannot.

On safety, E2 framed safety as a reputation-based attribute: certain established premium brands trigger a clear safety image in the consumer's mind, while others within the same price tier do not generate the same automatic association. Service-network availability was emphasized as an underappreciated trust asset that the German premium OEMs should communicate more proactively against new entrants.

On pricing power and strategy, E2 identified macroeconomic conditions, Chinese competitors offering technically comparable vehicles at 30–50 percent lower prices, and the long six-to-seven-year product cycle as the dominant risks. The recent strategic reversal away from a luxury-only positioning back toward higher-volume compact segments was described as a necessary correction once demand softened, with the caveat that adjustments at scale are inherently slow given product lifecycles and the inertia of marketing, design and R&D.

Summary of Interview: E3

Vice President International Market Management at a German premium OEM, with prior senior experience in pricing, marketing, and sales controlling at the same OEM; 30+ years of industry experience.

E3 framed the rational–emotional split as the defining feature of the premium segment. In the volume segment about 60 percent of the purchase decision is rational and 40 percent emotional; in the premium segment the ratio is at least reversed. Consistent investment in image, prestige and design is therefore the basis for pricing power — provided the rational baseline (equipment, performance, consumption) is competitive.

On consideration-set formation, E3 invoked the "rule of three": customers shortlist two or three brands before they engage with specifications, and brands that do not make the list cannot win it back on price. Safety, in this framing, has become an enabler for inclusion in the consideration set rather than a standalone differentiator: a product that fails safety screening is screened out, but safety alone no longer generates additional WTP. Volvo's safety-as-positioning strategy was named as unlikely to be sustainable in this light.

On status and pricing, E3 used the Apple-versus-Android analogy to argue that prestige tolerates a band of price premium but not an unlimited stretch. In China the band has narrowed: new entrants offer features that were previously reserved for premium segments at mainstream prices, producing a "democratization of luxury" that compresses what European OEMs can charge. The same dynamic was illustrated with Xiaomi's SU7 against a German sports car: when the premium becomes too large for non-tangible image returns, even loyal customers jump.

E3 also drew the contrast between Europe and Asia: in Europe the signaling effect for premium brands remains stronger, which is one of the fortresses worth defending against Chinese competition, but the contrast at the Beijing auto show showed how quickly the equipment gap has closed in BEV SUVs. He added a cautionary note on status itself: status positioning is a

tightrope walk because progressive social milieus often reject overt class signaling, so prestige strategies cannot be reduced to "elite display" but must work through distinctive product features and design.

Summary of Interview: E4

Product Manager at a German premium OEM; 5+ years of experience in product management.

E4 placed identity, design language, and heritage at the core of perceived brand strength. Long-standing brands accumulate trust because customers have decades of evidence — Mercedes as the inventor of the automobile and the airbag was offered as the canonical example. Online presence and social-media communication were highlighted as increasingly important counter-weights to traditional trust building, because customers can verify quality independently through tests, online reviews and peer experience.

On the dimensions buyers prioritize, identity (the brand experience) and residual value were named as the two most important, alongside material quality. E4 noted a concern that perceived material quality has declined across German premium brands, with more plastic used in interiors where customers previously experienced higher-quality finishes, arguing that "quality is a prerequisite for a premium brand, but we see in recent years that quality has declined at many premium brands."

On status, E4 distinguished two buyer archetypes: an understatement segment that signals only to insiders (recognizable through subtle paint or trim choices) and a more conspicuous segment that wants the signal to be legible to everyone, often amplified through social media. Customization and electric powertrains were both described as ways of signaling progressivity, particularly within higher socioeconomic circles.

On safety and price sensitivity, E4 argued that safety has become a baseline expectation rather than a differentiator in premium and that almost no buyer chooses a German premium brand purely for safety. Safety-oriented buyers were described as more mature, more brand-loyal, and less interested in optional packages, while status-oriented buyers have larger budgets, switch brands more readily and concentrate spending on visible options. Service-network density was added as a reassurance factor relevant to whether buyers trust new Chinese entrants.

The strategic response — agency model with centrally controlled prices, regional configuration management, and a design retreat from the futuristic EQ aesthetic back toward familiar Mercedes design — was offered as a concrete example of brands adjusting to what customers want. E4 also flagged the fleet/corporate channel as a counterweight to status logic: fleet

managers decide on price and reliability rather than identity, brand-switching is markedly higher than in private retail, and the share of premium volume tied to fleet leasing makes this channel strategically critical.

Summary of Interview: E5

Marketing & CRM Director for a German premium OEM in the Iberian market; 25+ years of premium automotive experience including prior roles at another German premium OEM in sales and product management.

E5 framed brand strength as a long-term accumulation: a brand becomes strong only by knowing what it stands for, defending those values consistently, and continually feeding them back into the customer's mind.

On dimensional priorities, E5 noted a shift over the past twenty years from features and mechanical attributes toward technology, range and sustainability. Corporate customers value premium brands partly for their residual-value-driven total cost of ownership, while private customers are increasingly open to new entrants — particularly when switching to electric powertrains. The same diesel buyer who would not consider anything outside BMW, Mercedes or Volkswagen may consider Chinese brands or Tesla when going fully electric.

On status, E5 confirmed a continuing European willingness-to-pay extra for a recognized premium brand, with the Iberian sales charts (BMW, Mercedes, Audi at the top) as evidence. The status premium is smaller in electric vehicles, however, because new entrants have credibly entered the technical conversation and buyers are more open to trying unfamiliar brands when adopting new technology.

On safety, E5 argued that perception still favors traditional safety-associated brands even where Chinese entrants now achieve equivalent NCAP scores. Asked directly about price sensitivity, E5 took the explicit position that status- and safety-oriented buyers are equally willing to pay — each pays extra for what they value most, whether that is recognized brand status or perceived safety. Pricing power is sustained through market recognition and used-car residual values: a strong brand keeps its residuals high, which justifies higher new-car prices.

The major strategic shift over the last decade is a move from upper-funnel brand communication to aggressive monthly-installment-led tactical communication aimed at conversion, which reflects the pressure from new entrants and electrification investment costs — and which, in E5's view, risks gradually eroding the brand-building investment that traditional premium pricing power depends on.

Summary of Interview: E6

Sales Director (new and used vehicles) at an authorized premium dealership; 20+ years of premium automotive retail experience across multiple premium brands.

E6 offered a markedly customer-facing counterpoint to the OEM perspective. From his retail seat, brand strength is not a stable institutional property but a function of biography, peer environment and storytelling — "a feeling for life" rather than a measurable attribute. He emphasized that customers' decisions are shaped by many small impulses (social-media exposure, peer signals, family imprinting) rather than by a fixed perception of brand strength, using a "pebbles in a jar" metaphor to describe how dozens of small inputs combine into a purchase decision.

On status, E6 argued that status remains one of the most decisive purchase motives in absolute terms, but expressed through scarcity rather than communication. He used the contrast between the Mercedes G-Class — over-produced, drifted into a different customer segment, image diluted — and the Hermès Birkin strategy of deliberate scarcity to illustrate how engineered limitation sustains premium pricing. Brands that over-produce to meet quarterly contribution-margin targets were described as systematically destroying their own pricing power.

On safety, E6 was skeptical that safety remains a real differentiator in premium: virtually every modern car achieves five-star ratings, and safety has therefore become competitively flat. He emphasized that emotion, imperfection and storytelling are what bind customers to brands, that perfection without emotion ("electric vehicles are too perfect") can actually reduce desire, and that the homogenization of EV body shapes is hollowing out the visual differentiation premium brands depended on.

On strategy, E6 was critical of management practices imported from volume-brand backgrounds into luxury-positioned brands, arguing that the same playbook (volume push, discounting, broad accessibility) destroys the desire structure that luxury brands need. He additionally warned that excessive price escalation in premium destroys the used-car market through which middle-class buyers traditionally entered the brand: when a three-year-old premium vehicle still costs the better part of its new-car price, the secondary buyer is priced out, and the long-term brand reach narrows toward an increasingly small affluent segment.

Summary of Interview: E7

Retail Network Development at a German premium OEM, responsible for Scandinavian markets; 25+ years of automotive experience including prior business controller roles in retail operations.

E7 framed brand strength as desire built over time through consistent treatment of the customer. Brand loyalty, in his account, depends less on the product itself than on the post-purchase ownership experience and the perceived alignment between brand identity and customer self-image. New Chinese entrants struggle precisely because this desire layer cannot be built quickly.

On dimensional priorities, E7 noted that price is rarely the most important attribute in the premium segment; instead, the customer's read of the brand — is it attractive, in harmony with what they expect — does most of the work. A premium brand must also remain technologically credible: not necessarily the newest or the best in every dimension, but never visibly behind, otherwise it disqualifies itself.

On status, status remained a meaningful purchase driver, particularly at the upper end where the buyer profile differs from the typical premium buyer. E7 observed that status expression had become more extreme over the past decade, shifting from discreet luxury to what he termed 'shout-out luxury' (bold colors, large SUVs, foil wraps). Status-driven buyers were also characterized as less brand-loyal and more trend-driven, so per-transaction premia may be offset by lower lifetime value.

On safety, E7 noted that in the past customers had clearer associations of "which brands were the really safe brands," but that the average safety level has converged across the segment. The strategic challenge for incumbent premium brands is to keep emphasizing safety credibly without taking it for granted, since otherwise the differentiator quietly disappears.

On strategy, E7 argued that premium brands cannot afford to stay locked in five-to-ten-year product cycles in the face of fierce Chinese competition; they need a more dynamic way of working, accepting that not every product launch will succeed, in order to keep pace.

Summary of Interview: E8

Key Account Sales Manager (interior components) at a Tier-1 automotive supplier; 10+ years of experience with broad cross-brand exposure through long-running OEM customer relationships.

E8 contributed a supplier-side perspective on what produces durable pricing power in premium. Brand strength was framed as identification — customers connect with the brand archetype they recognize themselves in — combined with consistent material decisions and design discipline. Sustained pricing power follows when premium brands hold the line on interior details (the "Wow effect") that customers may not consciously notice but that contribute to the felt quality of the cabin.

On status and price sensitivity, E8 drew a sharp distinction between status-oriented and safety-oriented buyers in negotiation behavior. Status-oriented buyers were described as comparatively price-insensitive once the desire has formed ("whatever the cost, I want to be there"), while safety- and quality-oriented buyers question every line item ("they question everything") and benchmark configurations rather than badge value. Leather, performance-line packages and visible upgrades were named as the configuration items that status-oriented buyers reliably stretch into.

On safety, safety was described as a credible willingness-to-pay driver for a specific buyer type — typically families and risk-averse buyers — for whom paying a brand premium is justified because the cost of being wrong is high. Within a single brand (the Maybach versus C-Class illustration), E8 argued that status and safety are complementary layers rather than opposed motives: the ultra-luxury buyer and the entry-level buyer share the same underlying safety foundation, with the additional layer being the symbolic premium.

On pricing power, the dominant risks identified were Chinese price competition on equipment parity, the slow strategic-cycle time of large OEMs, and the broader macroeconomic environment (concentration of inheritances and wealth, the trade-off between car spending and other discretionary spending, and a declining willingness to take on large car loans). Customization and exclusive component packages were named as the most reliable premium stretchers that suppliers can offer to OEMs.

Summary of Interview: E9

Function Developer at a German premium OEM (engineering); 5+ years of experience including prior cross-functional exposure.

E9 offered an engineering-side perspective. Brand strength in premium was framed as a combination of build quality, driving and user-interface experience, long-term reliability, and heritage — explicitly ranked in that order, with the principle that "the most important thing is what a customer can see." Heritage was placed last in this ranking but described as a credibility

multiplier: a company with a long track record can credibly claim quality in a way that a young manufacturer cannot.

On status, E9 acknowledged status as a real and historically important customer motive, particularly in the Asian market, but observed that willingness-to-pay a premium for German brands has eroded as Asian manufacturers approach technical parity at lower prices. He added a supplementary observation on market structure: status-oriented buyers are more visible and conspicuous, which may distort the perceived size of that segment, while quality- and safety-oriented buyers form a larger but quieter group ("better to buy one good thing than two half-measures"). He cited Volvo as a brand that "stands very much for occupant safety, does everything right, yet carries no huge status," to illustrate the gap between credibility and prestige.

On the competitive landscape, E9 emphasized that Chinese competitors have closed much of the technical gap and that European premium pricing levels can no longer be sustained as before. He framed individual mobility as increasingly becoming a luxury topic: as overall costs rise, the segment of customers who can still afford premium concentrates on larger, higher-margin vehicles, while smaller vehicles are progressively phased out (e.g., discontinuation of the smallest German premium cars and the shift toward the Smart sub-brand for entry segments).

Summary of Interview: E10

Sales Controller in international market controlling (Americas region) at a German premium OEM; 5+ years of automotive experience including prior internship and working-student roles.

E10 placed quality, design and price as the top-three dimensions of brand strength in premium. Even within premium, price discipline matters: pushed beyond a certain band the proposition moves into luxury territory, which E10 framed as a distinct category that premium positioning should not chase blindly.

On status, E10 acknowledged that status and prestige remain part of why customers choose German premium brands over Chinese alternatives, but described the segment as having become noticeably more price-aware over the last few years. The combination of softer European macroeconomics, Chinese pricing pressure and EV cost competition was identified as the main driver. Software and battery range were named as the new dimensions where buyer attention has shifted.

On safety, E10 was skeptical that safety is currently a meaningful differentiator: customers are not really thinking about safety as a primary purchase reason at the moment. The expected re-emergence of safety as a major theme was tied to autonomous-driving progress, which is still some years away. On price sensitivity, E10 expected status-oriented buyers to demand higher-performance configurations regardless of price, while safety-oriented buyers more readily trade these features off against price.

On pricing power and strategy, the Chinese market was identified as the single largest risk: if China weakens further, production capacity utilization in Germany collapses, and that pressure is already visible in announced restructurings. Concrete strategic adjustments observed include capacity reductions, the partial reversal of the luxury-only strategy at one major German OEM after volume gaps appeared, and BMW's more flexible powertrain hedge. EV credibility for European brands was described as lagging that of pure-electric entrants such as Tesla, both in Germany and in worldwide perception.

Summary of Interview: E11

Strategy staff in Digitalization & Strategy at a German premium OEM's global customer service and parts division; 10+ years of tenure at the same OEM including prior roles in sales strategy.

E11 identified credibility as the single most important driver of brand strength in premium, followed by aesthetics, performance, technology and brand image. Sub-brand architecture (AMG, the G-Class as an independent brand, the unsuccessful EQ sub-brand experiment) was highlighted as a strategically important structural lever. In Germany's brand-monitor scores the three big premium brands sit within a narrow range (about 84–87), so credibility is described as the only meaningful axis on which they can still differentiate.

On status, status was framed as a growing rather than declining purchase driver because functional commoditization since around 2010 has made symbolic differentiation more important. Individualization, special editions and the word "limited" were named as the strongest price stretchers in the current product mix. Comfort was added as an underrated dimension for status-oriented buyers.

On safety, E11 broadened safety beyond crash performance to include service-network availability — particularly relevant to how Chinese entrants are perceived. Chinese brands' increasing investment in NCAP testing and the prominence of ADAS in their marketing communication was noted as a credible closing of the safety perception gap.

On price sensitivity, E11 expected status-oriented buyers to be markedly less price-sensitive than safety-oriented buyers, illustrating the difference concretely: the safety-oriented buyer gravitates toward the base configuration, while the status-oriented buyer chooses the convertible with the manufacturer's performance line and every available upgrade. The survey null effect on context-driven WTP was attributed to three plausible factors: Europe being less status-driven than China or the United States, social-desirability bias in self-reported status purchases, and sample composition.

Strategic responses include a retreat from EQ-style design back to recognizable mainstream design within electric models, and the introduction of the agency model in Europe to gain price control. New emerging willingness-to-pay fields were identified as vehicle personalization through digital elements (custom wallpapers, skins), features on demand, and the basis-equipment gap between Chinese vehicles and European premium configurations. External shocks (geopolitical developments, public perception of new-energy brands) were named as factors that may continue to reshape the status–pricing relationship.

Summary of Interview: E12

Strategy & Transformation, Sales Germany, at a German premium OEM; 5+ years of strategy experience.

E12 placed the brand name itself and the tradition it carries at the center of perceived brand strength in premium. Sitting in an established premium sedan versus a visually similar Chinese sports car was offered as the canonical example: the badge is doing meaningful work, before any quality, service or design argument is made.

On dimensional priorities, quality, customer proximity and service, and heritage were named as the three big buckets. Quality is described as the prerequisite without which a brand cannot maintain itself, with service and heritage layered on top to differentiate.

On status, status was described as playing a very large role and as visible across categories — the Apple comparison was used to illustrate how status signals operate beyond automotive. Configuration intensity was linked to status motive: the willingness to individualize a vehicle scales with the price point and with the buyer's underlying desire to differentiate. Asked directly about price sensitivity, E12 took the position that status-oriented buyers are willing to pay more than safety-oriented buyers.

On safety, E12 framed the safety motive as a search for evidence-based reassurance: when safety is the priority, the buyer wants build quality that demonstrably protects, and brands with

established statistical reputations are likely to be preferred over newer entrants where reputation has not yet stabilized. Trial drives and dealership experiences were described as important in converting that brand-level prior into an actual purchase decision. He summarized the buyer dichotomy as an orientation difference: status-oriented customers focus on the external environment (how they are perceived), safety-oriented customers on the internal (how they and their surroundings are best protected).

On strategy, E12 argued that established German premium brands tend not to react quickly to short-term trends because of their commitment to residual-value protection — a long-term pricing discipline that prevents them from chasing every market signal.

A.3 Qualitative Coding Framework

The qualitative content analysis followed Mayring (2014). Categories were derived deductively from the research question and the two-facet model of perceived brand strength (Chapter 2), then refined inductively during coding. The table below documents the final category system with definitions and illustrative coding examples.

Table A.1: Category system for qualitative content analysis

Category	Definition	Coding example
Functional credibility	Statements describing quality, reliability, heritage, trust, or service consistency as the basis of brand strength	"Quality is the number one factor" (Expert 1); "A company with a long track record radiates quality" (Expert 9)
Prestige and status signalling	Statements describing social signalling, emotional value, identity alignment, or symbolic consumption as drivers of WTP	"Emotional factors account for at least sixty percent" (Expert 3); "Status plays a very big role" (Expert 12)
Safety as hygiene factor	Statements framing safety as a necessary baseline rather than a standalone differentiator	"Safety has become an enabler rather than a differentiator" (Expert 3); "Safety is not a decisive purchase factor" (Expert 10)
Safety as WTP driver	Statements arguing that safety generates genuine willingness-to-pay beyond the baseline	"Safety-oriented customers genuinely pay more because they operate in prevention-focused mode" (Expert 1)
Price sensitivity comparison	Statements comparing the price sensitivity of status-oriented versus safety-oriented buyers	"Whatever the cost, I want to be there" (Expert 8 on status buyers); Safety buyers "question everything" (Expert 8)
Competitive boundary conditions	Statements identifying external forces constraining premium pricing power	"Chinese competitors offering comparable vehicles at 30–50% lower prices"

		(Expert 2); "High prices can no longer be maintained" (Expert 9)
Brand management and adaptation	Statements describing how firms adjust strategy in response to changing consumer perceptions or competitive dynamics	Agency model for price control (Expert 4); Design shift back to traditional aesthetics (Expert 4)

Note: Categories were applied to all twelve interview transcripts. Coding was performed by the author. Categories 1–2 correspond to the two-facet model of perceived brand strength; categories 3–4 capture the safety debate; category 5 maps directly to the research question; categories 6–7 capture contextual findings

Appendix B: Survey Material

B.1 Survey Instrument

The survey was administered via Qualtrics using a within-subjects design. After screening and brand perception questions, respondents were randomly assigned to see either the status-driven or safety-driven purchase scenario first, followed by the other. All items used 7-point Likert scales (1 = Strongly Disagree / Not At All Willing to 7 = Strongly Agree / Very Willing) unless otherwise noted.

Brand perception scales

Prestige perception (3 items, α = .789): (1) Mercedes-Benz is a very prestigious brand. (2) Mercedes-Benz has an excellent reputation among car brands. (3) Owning a Mercedes-Benz signals success to others. [7-point Likert: 1 = Strongly disagree to 7 = Strongly agree]

Credibility perception (4 items, α = .886): (1) Mercedes-Benz delivers on what it promises. (2) Mercedes-Benz's product claims are believable. (3) Mercedes-Benz has the ability to deliver on its promises. (4) Mercedes-Benz has strong technical expertise in vehicle engineering. [7-point Likert: 1 = Strongly disagree to 7 = Strongly agree]

Brand familiarity (1 item): How familiar are you with Mercedes-Benz as a brand? [7-point scale: 1 = Not familiar at all to 7 = Very familiar]

Purchase motivation scales

Status motivation (1 item): How the car looks, its brand image, and the impression it makes on others. [7-point scale: 1 = Not at all important to 7 = Extremely important]

Safety motivation (1 item): Safety features, build quality, and long-term reliability. [7-point scale: 1 = Not at all important to 7 = Extremely important]

Willingness-to-pay measures

After each scenario, respondents answered two Likert-scale items and one categorical item: (1) "In this situation, I would be willing to pay more for the Mercedes-Benz than for the alternative." [7-point Likert: 1 = Strongly disagree to 7 = Strongly agree] (2) "In this situation, the Mercedes-Benz brand would justify a higher price." [7-point Likert: 1 = Strongly disagree to 7 = Strongly agree] (3) "How much more, if anything, would you be willing to pay for the Mercedes-Benz in this situation?" [Categorical: No premium / Up to €1,000 / €1,001–2,500 / €2,501–5,000 / €5,001–7,500 / €7,501–10,000 / More than €10,000]

Attitudinal and demographic measures

Luxury brand attitude (1 item): I generally have a positive attitude toward luxury brands. [7-point Likert: 1 = Strongly disagree to 7 = Strongly agree]

Sustainability attitude (1 item): When making a major purchase, how important is environmental sustainability to you? [7-point scale: 1 = Not at all important to 7 = Extremely important]

Demographics: Age group (18–24 / 25–34 / 35–44 / 45–54 / 55–64 / 65+), gender (Male / Female / Non-binary / Prefer not to say), approximate annual household income (6 brackets from Under €30,000 to €150,000+, plus Prefer not to say), education level (7 categories), number of cars personally owned or leased (0 / 1 / 2 / 3 / 4+), prior premium/luxury vehicle experience (Yes / No), current car brand (dropdown, 36 options incl. "I do not own or have access to a car").

Full Survey Questionnaire

The complete questionnaire is reproduced below in the form in which it was administered via Qualtrics. The survey used a hybrid design combining natural segmentation with within-subjects scenario manipulation. Respondents first reported their general purchase motivations, then evaluated Mercedes-Benz's brand perceptions once, and finally read two purchase scenarios (status context and safety context, order randomized) and reported their willingness-to-pay in each. Both scenarios held product specification constant and set the comparison

vehicle at €70,000; only the framing of the purchase context differed. The instrument comprised 25 items across eight blocks; estimated completion time was five to six minutes.

Table B.1: Overview of survey questionnaire blocks

Block	Content	Items	Item numbers
A	Screening	1	QS1
B	Purchase motivation	4	Q1–Q4
C	Brand prestige	3	Q5–Q7
D	Brand credibility + attention check	4 + 1	Q8–Q12
E	Mercedes-Benz familiarity	1	Q13
F	Scenario 1: WTP (status or safety)	3	Q14–Q16
G	Scenario 2: WTP (the other context)	3	Q17–Q19
H	Demographics	5	Q20–Q24
Total		25	

Block A: Screening

Welcome screen: "Thank you for participating in this study on consumer perceptions of premium automotive brands. This survey is part of a master's thesis at Católica Lisbon School of Business & Economics. The survey takes approximately five minutes. Your responses are anonymous and will be used exclusively for academic purposes. There are no right or wrong answers. By clicking 'Next,' you confirm that you are at least 18 years old and are participating voluntarily."

QS1. Which of the following apply to you? (Select all that apply.) [I currently own a car / I have regular access to a car (e.g., family car) / I have bought or leased a car in the past 5 years / I plan to buy or lease a car within the next 5 years / None of the above]

Qualtrics note: 'None of the above' set as an exclusive answer; respondents who select it are screened out.

Block B: Purchase Motivation

Instruction: "When thinking about buying or choosing a car, how important are the following aspects to you personally?" 7-point scale: 1 = Not at all important to 7 = Extremely important. Items Q1–Q4 randomized in Qualtrics.

Q1. How the car looks, its brand image, and the impression it makes on others. [Status motivation]

Q2. Safety features, build quality, and long-term reliability. [Safety motivation]

Q3. Driving performance and sportiness. [Filler / control]

Q4. Comfort and interior quality. [Filler / control]

Block C: Brand Prestige

Adapted from Baek et al. (2010). Instruction: "Please indicate how much you agree with the following statements about Mercedes-Benz." 7-point Likert: 1 = Strongly disagree to 7 = Strongly agree.

Q5. Mercedes-Benz is a very prestigious brand.

Q6. Mercedes-Benz has an excellent reputation among car brands.

Q7. Owning a Mercedes-Benz signals success to others.

Block D: Brand Credibility + Attention Check

Adapted from Erdem & Swait (2004). 7-point Likert: 1 = Strongly disagree to 7 = Strongly agree. Q8 and Q9 capture trustworthiness; Q11 and Q12 capture expertise; Q10 is an embedded attention check.

Q8. Mercedes-Benz delivers on what it promises. [Trustworthiness]

Q9. Mercedes-Benz's product claims are believable. [Trustworthiness]

Q10. Attention check: To ensure response quality, please select 5 for this item.

Q11. Mercedes-Benz has the ability to deliver on its promises. [Expertise]

Q12. Mercedes-Benz has strong technical expertise in vehicle engineering. [Expertise]

Block E: Mercedes-Benz Familiarity

Q13. How familiar are you with Mercedes-Benz as a brand? 7-point scale: 1 = Not familiar at all to 7 = Very familiar. [Control variable]

Block F: Scenario 1 — Randomized (Status or Safety First)

Within-subjects design: each respondent saw both scenarios. Qualtrics assigned each respondent at random (50/50 split) to either Status-first (Path A) or Safety-first (Path B). Embedded data field ScenarioOrder records which path was assigned.

Status context vignette:

"Imagine you are looking to buy a new premium car. You have narrowed your choice down to two options: a Mercedes-Benz and a vehicle from a less established premium brand. Both cars are the same size, have comparable performance, and the same level of equipment. The alternative vehicle costs €70,000. In this purchase, the decision is mainly about how the car reflects your personal style and image: its design, the prestige of the brand, and the impression it makes on others. With this in mind, please answer the following questions."

Safety context vignette:

"Imagine you are looking to buy a new premium car. You have narrowed your choice down to two options: a Mercedes-Benz and a vehicle from a less established premium brand. Both cars are the same size, have comparable performance, and the same level of equipment. The alternative vehicle costs €70,000. In this purchase, the decision is mainly about how well the car protects you and your passengers: its safety technology, build quality, and long-term dependability. With this in mind, please answer the following questions."

Based on the situation you just read: 7-point Likert (Q14–Q15), categorical (Q16).

Q14. In this situation, I would be willing to pay more for the Mercedes-Benz than for the alternative. [1 = Strongly disagree to 7 = Strongly agree]

Q15. In this situation, the Mercedes-Benz brand would justify a higher price. [1 = Strongly disagree to 7 = Strongly agree]

Q16. How much more, if anything, would you be willing to pay for the Mercedes-Benz in this situation? [No premium (same price or less) / Up to €1,000 / €1,001–€2,500 / €2,501–€5,000 / €5,001–€7,500 / €7,501–€10,000 / More than €10,000]

Block G: Scenario 2 — The Other Context

Transition text: "Now please consider a different situation and answer the same questions again." The scenario not shown in Block F is presented here using the identical wording structure.

Q17. In this situation, I would be willing to pay more for the Mercedes-Benz than for the alternative. [1 = Strongly disagree to 7 = Strongly agree]

Q18. In this situation, the Mercedes-Benz brand would justify a higher price. [1 = Strongly disagree to 7 = Strongly agree]
Q19. How much more, if anything, would you be willing to pay for the Mercedes-Benz in this situation? [Same seven response options as Q16]

Block H: Demographics

Q20. What is your age? [18–24 / 25–34 / 35–44 / 45–54 / 55–64 / 65+]
Q21. What is your gender? [Male / Female / Non-binary / Prefer not to say]
Q22. What is your approximate annual household income (gross)? [Under €30,000 / €30,000–€49,999 / €50,000–€74,999 / €75,000–€99,999 / €100,000–€149,999 / €150,000 or more / Prefer not to say]
Q23. What car brand do you currently own or have regular access to? [Dropdown menu: Alfa Romeo, Audi, BMW, Citroen, Cupra, Dacia, Fiat, Ford, Honda, Hyundai, Jaguar, Jeep, Kia, Land Rover, Lexus, Mazda, Mercedes-Benz, Mini, Mitsubishi, Nissan, Opel, Peugeot, Porsche, Renault, Seat, Skoda, Smart, Subaru, Suzuki, Tesla, Toyota, Volkswagen, Volvo, Other (please specify), I do not own or have access to a car]
Q24. Have you ever owned or regularly used a premium or luxury vehicle (e.g., Mercedes-Benz, BMW, Audi, Porsche, Volvo, Lexus)? [Yes / No]

Closing screen:
"Thank you for your participation! Your responses were recorded."

Qualtrics Implementation and Data Cleaning

Survey flow: (1) Block A screening with exclusive 'None of the above' option and skip-out logic; (2) Block B with randomized Q1–Q4 item order; (3) Blocks C–E; (4) randomizer allocating respondents to Status-first or Safety-first path with embedded data field ScenarioOrder set accordingly; (5) Block H demographics.
Embedded data fields: ScenarioOrder ('StatusFirst' or 'SafetyFirst'); AttentionCheck_Pass (1 if Q10 == 5, else 0); StatusMotivation (Q1 score 1–7); SafetyMotivation (Q2 score 1–7).
Variable naming convention: WTP responses were coded by context rather than by presentation order. WTP_Status_Likert1, WTP_Status_Likert2 and WTP_Status_Premium captured responses from the status scenario regardless of order; WTP_Safety_Likert1, WTP_Safety_Likert2 and WTP_Safety_Premium captured responses from the safety scenario.

Data cleaning: respondents who failed the attention check (Q10 ≠ 5) were removed; respondents with completion time below two minutes were removed as speeders; straight-liners across blocks C and D were flagged; ScenarioOrder was recorded for every respondent and used as a control variable in the analyses reported in Chapter 4 and Appendix B.2.

B.2 Statistical Output

Data Cleaning and Sample Construction

Table B.2: Data cleaning summary

Step	**n**
Raw merged responses	197
After removing incomplete (Progress < 100)	182
After car relevance screening	161
After attention check filter	144
Final analysis sample	144

Responses were collected through an online consumer survey administered via Qualtrics. Incomplete responses, respondents reporting no current or anticipated car purchase relevance, and attention check failures (embedded instructed-response item) were excluded sequentially, yielding the final analytic sample of N = 144.

Scenario Order Robustness Check

Table B.3: Scenario order effect check

Check	**Statistic**	**df**	**p**
Order effect on WTP difference	t = 0.16	137.0	.871

Note: Independent-samples t-tests (Welch). Order effect tested the mean difference in (WTP status − WTP safety) between respondents who saw the status scenario first vs. safety first.

Full Correlation Matrix

Table B.4: Pearson correlation matrix (N = 144)

	Prest.	**Cred.**	**WTP-S**	**WTP-F**	**Stat.M**	**Saf.M**	**Lux.**	**Sust.**	**Age**
Prestige	1	.636	.426	.372	.226	.245	.230	.019	−.212
Credibility	.636	1	.465	.443	.209	.148	.337	−.043	−.218
WTP status	.426	.465	1	.675	.353	.098	.490	−.157	−.275
WTP safety	.372	.443	.675	1	.364	.031	.439	−.080	−.229
Status motive.	.226	.209	.353	.364	1	.012	.573	−.232	−.245
Safety motive.	.245	.148	.098	.031	.012	1	.018	−.011	−.011
Luxury att.	.230	.337	.490	.439	.573	.018	1	−.310	−.343
Sustainability	.019	−.043	−.157	−.080	−.232	−.011	−.310	1	.307
Age group	−.212	−.218	−.275	−.229	−.245	−.011	−.343	.307	1

Note: Correlations $|r| \geq .164$ are significant at $p < .05$; $|r| \geq .215$ at $p < .01$; $|r| \geq .271$ at $p < .001$ (two-tailed, N = 144).

Formal Interaction Tests

Table B.5: Stacked fixed-effects interaction model

	WTP (stacked)
Status context	−0.450
	(0.740)
Status context × Prestige	0.110
	(0.158)
Status context × Credibility	−0.055
	(0.155)
Observations	288
R^2	0.838
Adjusted R^2	0.671

*Note: *p < .10; **p < .05; ***p < .01. Respondent fixed effects included but not displayed. N = 288 (144 respondents × 2 scenarios). Standard errors in parentheses. Scenario = 1 denotes the status context; safety is the reference category. Because the model includes respondent fixed effects, R^2 and adjusted R^2 primarily reflect between-respondent differences absorbed by these fixed effects and should not be interpreted as substantive explanatory power of the scenario indicator or interaction terms. The model is used only to formally test whether the prestige and credibility slopes differ across contexts.*

The interaction model stacked the two WTP observations per respondent and included respondent fixed effects to control for all time-invariant individual differences. The reference category is the safety context, and the scenario indicator (Status context) equals 1 for the status condition. Neither the scenario main effect nor the scenario-by-perception interactions reached significance, confirming that the differential role of prestige across contexts observed in the separate regressions does not constitute a statistically significant moderation effect.

Motivation-Context Fit Analysis

Table B.6: Motivation-context fit models (DV: Status WTP minus Safety WTP)

	Motivations only (1)	**Full controls (2)**
Status motivation	−0.025 (0.072)	−0.077 (0.089)
Safety motivation	0.122 (0.126)	0.131 (0.127)
Luxury attitude		0.076 (0.102)
Sustainability attitude		−0.062 (0.079)
Age group		−0.061 (0.149)

Premium vehicle experience		−0.168 (0.254)
Cars owned or leased		0.116 (0.107)
Education		−0.099 (0.128)
Constant	−0.761 (0.825)	−0.475 (1.006)
Observations	144	144
R^2	0.007	0.034
Adjusted R^2	−0.007	−0.023

Note: *p < .10; **p < .05; ***p < .01. Positive coefficients indicate relatively stronger WTP in the status context. Neither model reaches overall significance (Model 1: F(2,141) = 0.53, p = .592; Model 2: F(8,135) = 0.60, p = .776).

Standardized Regression Coefficients

Table B.7: Standardized regression coefficients (β) across all models

Predictor	**Status base**	**Safety base**	**Status ext.**	**Safety ext.**
Prestige perception	0.219**	0.152	0.196**	0.107
Credibility perception	0.326***	0.346***	0.211**	0.264***
Luxury attitude	—	—	0.360***	0.318***
Age group	—	—	0.056	0.087
Sustainability attitude	—	—	−0.055	0.005
Prem. vehicle experience	—	—	0.016	0.057
Cars owned or leased	—	—	−0.184**	−0.277***
Education	—	—	−0.002	0.063

Note: *p < .10; **p < .05; ***p < .01. β = standardized regression coefficient. Base models include prestige and credibility only; extended models add control variables.

Regression Model Effect Sizes

Table B.8: Cohen's f^2 effect sizes for regression models

Model	**R^2**	**f^2**	**Interpretation**
WTP status: base (prestige + credibility)	0.245	0.324	Medium-to-large
WTP safety: base (prestige + credibility)	0.210	0.265	Medium-to-large
WTP status: + luxury attitude (hierarchical step 2)	0.368	0.582	Large

WTP safety: + luxury attitude (hierarchical step 2)	0.303	0.435	Large
WTP status: extended (with controls)	0.394	0.650	Large
WTP safety: extended (with controls)	0.356	0.553	Large
WTP status: extended + brand familiarity	0.399	0.665	Large
WTP safety: extended + brand familiarity	0.379	0.611	Large
WTP status: extended + brand familiarity + income (N = 129)	0.407	0.687	Large
WTP safety: extended + brand familiarity + income (N = 129)	0.421	0.727	Large
Context-fit: motivations only	0.007	0.007	Negligible
Context-fit: with all controls	0.034	0.036	Small

Note: Cohen's $f^2 = R^2 / (1 - R^2)$. Conventional benchmarks (Cohen, 1988): small = 0.02, medium = 0.15, large = 0.35. These benchmarks apply at the predictor level; the 'Interpretation' labels for full-model f^2 are descriptive only.

Normality Checks

Table B.9: Shapiro-Wilk normality tests

Variable	**W**	**p**
Residuals: status base model	0.973	.006
Residuals: safety base model	0.982	.054
Residuals: status extended model	0.988	.263
Residuals: safety extended model	0.989	.300
WTP difference (status − safety)	0.930	< .001

Note: Shapiro-Wilk test. The non-normal WTP difference distribution motivates the supplementary Wilcoxon signed-rank test reported in Chapter 4. Extended model residuals are approximately normal.

Formal Coefficient Comparison Across Contexts

Table B.10: Comparison of prestige and credibility slopes across purchase contexts

Comparison	**Method**	**Interaction B**	**SE**	**t**	**p**
Prestige: status vs safety	Stacked FE interaction	0.110	0.158	0.697	.487
Credibility: status vs safety	Stacked FE interaction	−0.055	0.155	−0.355	.723

Note: Stacked respondent fixed-effects model with scenario × perception interactions. Neither coefficient differs significantly across contexts.

Multicollinearity Diagnostics

Table B.11: Variance inflation factors

Predictor pair	r	VIF
Prestige and credibility	.636	1.680

Note: VIF computed from the base regression models. Values below 5.0 indicate no multicollinearity concern (Hair et al., 2019).

Qualitative Propositions and Survey Tests

Table B.12: Mapping of qualitative propositions to survey tests

Proposition	Interview Basis	Survey Test	Result
P1: Functional credibility forms a necessary foundation for WTP across purchase contexts	Quality, heritage, trust, service consistency as foundational layer (Experts 1, 2, 4, 6, 7, 8, 9, 10, 11, 12; Section 4.1.1)	Credibility as predictor of WTP in both scenario conditions (base and extended regression)	Supported: Credibility predicted WTP in both status ($B = 0.57$, $p < .001$) and safety contexts ($B = 0.62$, $p < .001$)
P2: Prestige-based perceptions generate additional WTP beyond credibility	Status, emotional value, identity signalling as drivers beyond functional quality (Experts 3, 4, 5, 6, 7, 8, 9, 10, 11, 12; Section 4.1.2)	Prestige as predictor of WTP; formal interaction test (Scenario × Prestige)	Directional support: Prestige significant in status context ($B = 0.39$, $p = .022$) but not in safety context ($B = 0.28$, $p = .119$); interaction n.s. ($p = .487$)
P3: Status-driven contexts generate higher WTP than safety-driven contexts	Several experts pointed toward lower price sensitivity among status-oriented buyers (Experts 4, 7, 8, 9, 10, 11, 12; Section 4.1.4)	Within-subjects comparison of mean WTP; motivation-context-fit analysis	Not supported: No significant WTP difference ($M = 4.10$ vs. 4.24, $p = .239$); motivation-context fit $R^2 = .007$, $p = .592$
P4: Safety functions increasingly as a hygiene factor	Safety as necessary but insufficient for premium differentiation (Experts 3, 4, 6, 7, 10; dissent: Expert 1; Section 4.1.3)	Credibility's relative strength in safety vs. status context; WTP levels in safety scenario	Consistent: Credibility predicted WTP equally across both contexts; safety context did not generate higher WTP
P5: Premium pricing power is bounded by competitive and structural forces	Chinese competition, electrification, overproduction, generational shifts (the majority of experts; Section 4.1.4–4.1.6)	Not directly tested in consumer survey	Documented qualitatively; beyond survey scope

Survey Sample Characteristics

Table B.13: Survey sample characteristics (N = 144)

Characteristic	**Category**	**n**	**%**
Age group	18–24	58	40.3
	25–34	66	45.8
	35–44	6	4.2
	45–54	6	4.2
	55–64	4	2.8
	65 or older	4	2.8
Gender	Male	82	56.9
	Female	61	42.4
	Non-binary	1	0.7
Annual household income	Under €30,000	49	34.0
	€30,000–49,999	13	9.0
	€50,000–74,999	31	21.5
	€75,000–99,999	16	11.1
	€100,000–149,999	11	7.6
	€150,000 or more	9	6.2
	Prefer not to say	15	10.4
Premium/luxury vehicle experience	Yes	74	51.4
	No	70	48.6
Education	High school or equivalent	26	18.1
	Vocational training / apprenticeship	8	5.6
	Bachelor’s degree	70	48.6
	Master’s degree	37	25.7
	Doctorate / PhD	3	2.1
Cars personally owned or leased	0	44	30.6
	1	47	32.6

	2	24	16.7
	3	7	4.9
	4 or more	22	15.3

Note: Percentages may not sum to 100 due to rounding. Categories with zero observations omitted. See Table B2 for the cleaning steps.

Hierarchical R^2 Decomposition

Table B.14: Hierarchical R^2 decomposition for WTP regressions (N = 144)

Outcome	**Model step**	**R^2**	**Adj. R^2**	**ΔR^2**	**df1**	**F-change**	**p**
WTP status context	1. Prestige + credibility	0.245	0.234	—	—	—	—
	2. + luxury attitude	0.368	0.354	0.123	1	27.41	< .001
	3. + demographic and control block	0.394	0.358	0.026	5	1.16	.332
WTP safety context	1. Prestige + credibility	0.210	0.199	—	—	—	—
	2. + luxury attitude	0.303	0.288	0.093	1	19.55	< .001
	3. + demographic and control block	0.356	0.318	0.053	5	2.23	.055

Note: Block 1: prestige and credibility (df = 2). Block 2 adds luxury brand attitude (df_change = 1, df residual = 140). Block 3 adds age group, sustainability attitude, premium vehicle experience, cars owned, and education (df_change = 5, df residual = 135). F-change and p test the incremental contribution of the added block relative to the previous step. Most of the gain in R^2 is attributable to luxury attitude rather than to the demographic and control block as a whole.

Partial f^2 Effect Sizes

Table B.15: Partial f^2 effect sizes for predictors and blocks (N = 144)

Model	**Effect**	**Type**	**ΔR^2**	**Partial f^2**
Status base model	Prestige perception	Predictor	0.029	0.038
Status base model	Credibility perception	Predictor	0.063	0.084
Safety base model	Prestige perception	Predictor	0.014	0.017
Safety base model	Credibility perception	Predictor	0.071	0.090
Status hierarchical model	Luxury attitude (block 2)	Block	0.123	0.195

Status hierarchical model	Demographic and control block (block 3)	Block	0.026	0.043
Safety hierarchical model	Luxury attitude (block 2)	Block	0.093	0.134
Safety hierarchical model	Demographic and control block (block 3)	Block	0.053	0.083
Status extended model	Prestige perception	Predictor	0.021	0.035
Status extended model	Credibility perception	Predictor	0.024	0.040
Status extended model	Luxury attitude	Predictor	0.085	0.140
Status extended model	Cars owned or leased	Predictor	0.021	0.035
Safety extended model	Prestige perception	Predictor	0.006	0.010
Safety extended model	Credibility perception	Predictor	0.037	0.058
Safety extended model	Luxury attitude	Predictor	0.067	0.103
Safety extended model	Cars owned or leased	Predictor	0.048	0.075

Note: Partial $f^2 = \Delta R^2 / (1 - R^2\_full)$ for each predictor or block, computed against the full model in the same row. Conventional benchmarks (Cohen, 1988): $f^2 \geq .02$ = small, $\geq .15$ = medium, $\geq .35$ = large. These are reported as descriptive effect-size companions to the main regression results, not as a separate hypothesis test.

Robustness Checks with Brand Familiarity and Income

Table B.16: Robustness checks adding brand familiarity and household income to the extended models

Model	**N**	**R^2**	**Adj. R^2**	**Prestige**	**Credibility**	**Luxury att.**	**Brand fam.**	**Income**
WTP status: extended controls	144	0.394	0.358	0.345 (.032)	0.367 (.022)	0.384 (< .001)	—	—
WTP status: + brand familiarity	144	0.399	0.359	0.307 (.061)	0.358 (.026)	0.346 (< .001)	0.097 (.275)	—
WTP status: + brand familiarity + income	129	0.407	0.357	0.301 (.085)	0.405 (.016)	0.343 (.001)	0.055 (.566)	0.088 (.338)
WTP safety: extended controls	144	0.356	0.318	0.195 (.252)	0.472 (.006)	0.351 (< .001)	—	—
WTP safety: + brand familiarity	144	0.379	0.337	0.114 (.507)	0.453 (.007)	0.270 (.008)	0.208 (.028)	—
WTP safety: + brand familiarity + income	129	0.421	0.372	0.089 (.619)	0.457 (.008)	0.304 (.004)	0.230 (.020)	0.057 (.542)

Note: Each predictor cell shows the unstandardized coefficient followed by p in parentheses. The extended-controls baseline rows (rows 1 and 4) reproduce the main extended models for direct comparison. Models including household income are

restricted to respondents who reported income (N = 129). Demographic and control variables (age, sustainability attitude, premium vehicle experience, cars owned, education) are included in every model but suppressed for readability.

Extended Multicollinearity and Heteroskedasticity Diagnostics

Table B.17a: Variance inflation factors across base, extended, and familiarity models

Model family	**Predictor VIFs**	**Max VIF**
Base models (status / safety)	Prestige (1.68); credibility (1.68)	1.68
Extended models (status / safety)	Prestige (1.81); credibility (1.86); luxury attitude (1.52); age group (2.22); sustainability attitude (1.23); premium vehicle experience (1.21); cars owned (1.59); education (1.41)	2.22
Extended + brand familiarity (status / safety)	Prestige (1.90); credibility (1.87); luxury attitude (1.76); brand familiarity (1.55); age group (2.23); sustainability attitude (1.23); premium vehicle experience (1.27); cars owned (1.60); education (1.43)	2.23

Note: VIFs computed predictor-by-predictor for each model family. The maximum VIF reaches 2.23 in the extended models including brand familiarity (age group), well below the common heuristic threshold of 5.0 (Hair et al., 2019).

Table B.17b: Breusch-Pagan tests for homoscedasticity

Model	**BP statistic**	**df**	**p**
WTP status: base model	8.21	2	.016
WTP safety: base model	8.12	2	.017
WTP status: extended model	13.86	8	.085
WTP safety: extended model	12.10	8	.147
WTP status: extended + brand familiarity	15.22	9	.085
WTP safety: extended + brand familiarity	10.39	9	.320

Note: Breusch-Pagan test for heteroskedasticity in OLS residuals. Both base models reject homoscedasticity at $\alpha = .05$; the extended and familiarity-augmented models do not reject at conventional levels. The substantive interpretation of the extended models is therefore not undermined by heteroskedasticity concerns. Together with the Shapiro-Wilk results in Table B.9, these diagnostics motivate the supplementary Wilcoxon test reported in Chapter 4 for the within-subject WTP difference.

Supplementary Wilcoxon Signed-Rank Test

Table B.18: Wilcoxon Signed-Rank Test for WTP by Purchase Context

Supplementary non-parametric check for the within-subjects scenario comparison

Comparison	**N**	**Statistic**	**p**	**Result**
WTP status scenario vs. WTP safety scenario	144	V = 1919	.177	Not significant; no evidence of a systematic difference between contexts.

Note. Two-tailed Wilcoxon signed-rank test reported as a robustness check because the normality diagnostics indicated non-normality for the paired comparison. The result is consistent with the paired-samples t-test reported in the main text.

Consolidated Scale Reliability

Table B.19: Consolidated Reliability Statistics for Main Multi-Item Scales

Composite scale descriptives and internal consistency

Scale	**M**	**SD**	**Cronbach's α**	**Interpretation**
Prestige-based brand perceptions	5.56	0.95	.789	Acceptable to good internal consistency
Credibility-based brand perceptions	5.40	0.97	.886	Good internal consistency
WTP, status-driven scenario	4.10	1.68	.916	Excellent internal consistency
WTP, safety-driven scenario	4.24	1.73	.919	Excellent internal consistency

Note. Composite scores are based on seven-point Likert-type scales. Cronbach's α values summarize the internal consistency of the multi-item measures used in the regression analyses.