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THE EFFECT OF PRICE SENSITIVITY ON CUSTOMER LIFETIME VALUE IN THE LUXURY INDUSTRY.

Sarah Ahmed Awaad
NewGiza University, Egypt

Prof. Dr. Wael Kortam
British University in Egypt, Egypt

Dr. Nehal Ayyad
The Arab Academy for Science, Technology & Maritime Transport
(AASTMT)

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Introduction

The aim of this study is to investigate the effect of price sensitivity on Customer lifetime value (CLV) in the luxury industry. It assesses the impact of four key price sensitivity dimensions—Quality Value, Time Value, Position Value, and Information Value—on four critical components of CLV—Psychological Value, Social Value, Financial Value, and Functional Value. Notably, this study includes customer views and attitudes regarding price sensitivity. The findings of this study are expected to considerably contribute to our understanding of purchase behaviour among Egyptian luxury customers, with important implications for marketers and industry decision-makers.

Keywords: Price Sensitivity, Customer Lifetime Value (CLV), Quality Value, Time Value, Position Value, Information Value, Psychological Value, Social Value, Financial Value, Functional Value

Theoretical Background (Literature Review)

This study's literature review presents a thorough and systematic examination of the key theoretical concepts. The examination will proceed in a systematic manner, beginning with a grasp of the fundamental concept of price, then moving on to pricing tactics in the luxury market, price sensitivity, and customer lifetime value (CLV). The research will conclude with an examination of luxury consumption in the Egyptian market.

Price Concept

"How much to charge customers for goods and services" is "one of the more fundamental yet important choices a business must make" (Kienzler & Kowalkowski, 2017).

The term "price" refers to the amount of money paid by the buyer to the seller in exchange for a product or service. It is essentially the fee sought by a seller who is willing to part with a commodity, and it usually comprises both the cost of production and the expected profit margin (Olajide, MohdLizam, & Olajide, 2016).

Product, promotion, distribution, and pricing are the four components of marketing. Pricing, as opposed to the first three, collects earnings and represents the company's total efforts. Despite the fact that proactive pricing strategies are required in today's information-driven industries, many businesses remain reactive. This happens in a context where customers are becoming more price sensitive because of increased price transparency (Nagle & Muller, 2018). Price is an important component of a company's marketing mix since it represents the value attributed to a product and the amount charged for it. Price is defined as the exchange value of goods and services by academics, and proper pricing is critical for establishing a company's market share and profitability. While pricing decisions can be made rapidly, bad pricing can stymie a company's success. Companies should recognise the opportunity to create value by aligning their income production techniques (Faith, 2018).

Pricing in the luxury industry

Luxury is a subjective and dynamic notion having Latin roots as "luxus," which means sumptuousness, opulence, and even light (Fallini & Rezzano, 2021). The current concept of luxury consumption emerged during the Italian Renaissance and grew more established following the French Revolution, equating luxury with non-essential things, relaxation, and status symbols (Fallini & Rezzano, 2021). This term is related to "luxuria," which refers to negative types of self-indulgence such as lasciviousness (Brun & Castelli, 2013).

In the nineteenth century, the luxury sector emerged in Europe, catering to the privileged lifestyle with high-end products such as boats, automobiles, and watches (Kapferer, 2015). Luxury is associated with labels signifying luxury and social hierarchy, such as Ferrari, Prada, and Bottega Veneta. These brands present itself as the finest in their category, frequently utilising unique traits, or materials to back up their claim. Luxury brands meet consumer expectations through image and intangibles such as exclusivity, making fantasies a reality (Kapferer, 2015).

Luxury is associated with premium pricing in marketing and has a psychological impact on consumers. Price, quality, style, originality, occasion, and experience are all components of premium value (Yeoman & McMahon-Beattie, 2006, as referenced in Vigneron and Johnson, 2004). Luxury products are more than just high-quality premium goods; they also include intangible components such as tradition, reputation, and status, which sometimes eliminates the need for objective data to justify high costs (Kapferer & Bastien, 2012)

. Luxury pricing is a sort of discriminatory pricing from an economic standpoint, serving to exclude clients who cannot afford the high price (Kapferer, Klippert, & Leproux, 2014). The creation of a pricing strategy is critical for luxury companies because it determines the perceived value of their items. A pricing strategy's success is determined by market conditions, industry status, and consumer behaviour, particularly price sensitivity (Fu, 2023).

Price Sensitivity

Price sensitivity, often known as elasticity, is an important concept in consumer behaviour that refers to how customers react to changes or disparities in product or service costs (Yue, Sheng, She, & Xu, 2020). Customers associate value with goods and services and are willing to pay a premium when perceived value exceeds cost (Deligoz & Üstünkardeşler, 2021). Individual pricing reactions are particularly beneficial for marketing (Abdullah-Al-Mamun & Robel, 2014).

Customers' price sensitivity varies depending on a variety of aspects, including individuals, products, requirements, brand familiarity, income levels, and time (Natarajan, Balasubramanian, & Kasilingam, 2017).

Price sensitivity can be mitigated through effective advertising efforts, strong brand legitimacy, and brand loyalty (Lee, Lalwani, & Wang, 2020). Price sensitivity is an important factor in a company's pricing decisions and overall profitability, as consumers frequently conduct extensive research before making a purchase in order to maximise the value they receive in return for their investment (Gao, Zhang, & Mittal, 2017).

1. Quality Value

From the consumer's point of view, quality refers to a product's perceived superiority or perfection, which is frequently appraised within the context of a set of options the consumer is contemplating (Zeithaml, 1988). Luxury products, known for their high quality, use superior materials and artisanship processes, which contribute to their timeless designs and resilience to passing fashion fads (Lou, Chi, Janke, & Desch, 2022).

Price has a significant impact on consumers' views of product quality, with higher pricing frequently linked with superior quality. Individual pricing interpretations, however, differ (Afendi, 2023). Quality encompasses all elements and aspects of a product or service that allow it to meet the needs and expectations of the consumer. High-quality items can affect purchasing decisions by boosting perceived value, enhancing perceived enjoyment, producing a sensation of being 'in the flow,' and influencing purchase intent (Waluya, Iqbal, & Indradewa, 2019).

Product quality moderates the link between price sensitivity and purchase desire. When consumers perceive a product's quality as high, they are less affected by price changes and more likely to purchase, indicating a willingness to spend more for greater quality. (E. Z. Abd Aziz, M. S. Jusoh, and M. H. Amlus ,2015)

One of the most important relationships between perceived quality of brand-named products and services is reputation. Consumers want the perceived quality of items to be consistent throughout time (Loureiro, S. M. C., & Kaufmann, H. R. 2016).

Customers demand long-lasting products, therefore high quality is essential for sustained development (Aliyev, F., Wagner, R., & Seuring, S.,2019). Price and quality are highly connected in the context of luxury consumption. Price value is naturally incorporated in quality value; thus, price-quality value perception is considered (Vinijcharoensri, K.,2016).

2. Time Value

Time value is a customer's opinion regarding the worth of a product that is influenced by circumstances such as availability, promotions, and approaching sales deadlines. When faced with "time famine," disgruntled customers prioritise and place a higher value on time. These clients, who place a great value on their time, are price sensitive and likely to switch brands if their time is not respected. To enhance loyalty, organisations should focus on improving the customer experience by respecting time, addressing concerns quickly, and guaranteeing clear communication (Grainer, M., Noble, C. H., Bitner, M. J., & Broetzmann, S. M., 2014). Luxury customers who value their time tend to invest in time-saving products and services. This could be related to the accessibility of a product or the potential of speedy delivery. Luxury consumers respect customization and personalization as well and are prepared to pay more for products and services that can be adapted to their preferences while also saving them time (Choo, H. J., Moon, H., Kim, H., & Yoon, N., 2012).

In a time-sensitive market, a product's rapid availability becomes a significant factor in consumer decision-making. Time value is closely associated with this environment, where the speed with which a product is supplied symbolises its relevance to clients within a particular period. As a result, in a time-sensitive market, clients may be willing to pay a

higher price for accelerated delivery, reflecting their appreciation of the value associated with receiving the goods soon (Boyaci & Ray, 2003).

3. Position Value

When a brand is carefully positioned to underline its originality, it has the potential to reduce the price sensitivity associated with the brand (Kaul & Wittink, 1995). Positioning, a 1960s concept, is an important component of strategic marketing, along with segmentation, targeting, and the marketing plan. Its goal is to distinguish a brand from its competitors, address customer demands, and create brand loyalty and equity, hence improving long-term competitive advantage (Alpert and Gatty, 1969). A good brand positioning can lead to considerable competitive advantages, while a high brand presence can contribute to large market benefits (Cambra-Fierro, Fuentes-Blasco, Huerta-Ivarez, & Olavarra, 2021).

positioning refers to a company's competitive market position and the distinct brand image developed in customers' minds as a result of both routine and emotionally driven consumer evaluations (Azmat & Lakhani, 2015). The purpose of positioning is to impact consumer perceptions and how products are perceived; effective positioning capitalises on pre-existing mental associations, shifting the marketing focus away from the product and towards the battle for customer imaginations (Saqib, 2020).

Marketers must articulate and communicate the similarities and distinctions between their brand and competitors when positioning. Identifying the target market and competition, defining appropriate points-of-parity and points-of-difference brand connections, and building a brand mantra that encompasses the brand's positioning and essence are all part of this approach (Kotler, P., & Keller, K. L., 2016).

Enhancing luxury goods marketers' targeting tactics from a market positioning standpoint entails adding the expanding emotional and social values connected with luxury products. This necessitates a versatile strategy that addresses customers' practical, emotional, and social demands while maintaining traditional concepts of luxury (Lim, W. M., Ting, D. H., Khoo, P. T., & Wong, W. Y., 2012).

4. Information Value

Customer value information is crucial in deciding on price for advantageous products. This method, known as "value-informed pricing," comprises pricing products based on consumer value insights. It is applicable to all pricing strategies and allows firms to examine customer perceptions of product advantages in connection to price (Ingenbleek, Frambach, & Verhallen, 2010).

The information value dimension focuses on the importance of knowledge received through co-creative behaviours, emphasising the relevance of group interactions in developing insightful knowledge (Zhu et al., 2022). The availability of information determines its worth, considering its critical function in educating consumers and helping them to make informed decisions (Kim & Phua, 2020).

Consumers evaluate the quality of goods and services based on a variety of cues, including information inherent within the items or services and data received from outside sources. Consumers tend to depend less on these cues as they get more understanding about a company's goods. In essence, better informed purchasers rely less on exterior indications to determine quality (Alshibly, 2015).

Consumer views of luxury items can be shaped significantly by information. Giving customers precise and extensive information about a product can increase their sense of reward from their purchase, potentially leading to their spending more owing to a heightened sense of prestige and status. Luxury brands must develop trust in the digital age by being more honest and real. Effective marketing techniques that employ current technology to provide customers with a variety of information about products and brands can accomplish this (Poon, J. K., & Lui, L. Y., 2018).

Customer satisfaction may be influenced by the relationship between the quality of the information provided and the overall experience, particularly when that relationship is aligned with perceived value (Patma, Fienaningsih, Rahayu, & Artatanaya, 2021).

Customer Lifetime Value

Customer Lifetime Value (CLV) is a measurement of a customer's cumulative worth over time that helps firms find and retain valuable customers. It includes non-monetary factors such as pleasure and loyalty. Excellent customer service and experiences, as well as transparency regarding product specifications and pricing, can all build customer value and loyalty (Kumar, V., 2008).

Customer lifetime value is linked to customer purchasing behaviours such as repeat transactions or higher purchases through up-selling and cross-selling methods (Kumar et al., 2010). client relationship strategies have evolved to emphasise the need to refine client acquisition, retention, and development tactics to maximise CLV and shareholder value (Lemon & Verhoef, 2016).

Despite CLV's growing acceptance as a crucial statistic in Customer Relationship Management (CRM), many firms fail to use CLV metrics successfully due to involvement with less profitable consumers or a lack of skill in personalising the customer experience (Venkatesan & Kumar, 2004). Customer satisfaction has a huge impact on a company's success and CLV. It's been related to stronger consumer loyalty, longer engagement, and a higher possibility of repeat purchases. Customer satisfaction drives word-of-mouth marketing and lowers acquisition expenses. Customer satisfaction and CLV are both positively associated with experience value and perceived quality, meaning that consumers who perceive higher service quality are more likely to remain loyal and contribute to higher CLV (Lai, M. C., & Chou, F. S., 2010).

1. Psychological Value

Consumer psychological value refers to the personal satisfaction or advantage gained from using a product or service that goes beyond its tangible features. Personal preferences, societal conventions, and emotional needs all have an impact on this. Meeting psychological needs is critical for achieving positive outcomes, whereas failing to address these needs can result in negative outcomes such as anxiety, despair, and decreased motivation (Ryan and Deci, 2000). Customers frequently employ psychological methods to create barriers to switching, so strengthening their loyalty to a company. They favour awards that make them feel valued, building a stronger emotional connection with the company (Schneider, Macey, & Young, 2013).

Consumers perceive benefits such as perceived service quality, psychological benefits, and perceived transaction value - the emotional gratification of getting a good deal. In contrast, sacrifices represent the costs connected with a purchase, such as money, time, or effort. Both of these variables have a substantial impact on client decision-making through influencing their opinions towards items (Morar, D. D., 2013).

Luxury consumption is often motivated by impulsive, emotional, or lavish behaviour, with pleasure and related emotions playing a significant role. Luxury brands can create emotional relationships with their customers. Understanding consumer behaviour in relation to these brands requires taking into account not only interpersonal aspects such as snobbery and conspicuousness, but also personal ones such as hedonism and perfectionism, as well as situational conditions (Chandon, J. L., Laurent, G., & Valette-Florence, P., 2016).

2. Social Value

The concept of social value refers to how people assess the utility of a product or service based on its image and symbolism in relation to their demographic, socioeconomic, and cultural-ethnic reference groups. Simply put, external consumption preferences impact the notion of social value, which is tied to the instrumental component of managing impressions. This shows that in the luxury market, social norms and institutional rules, such as those established by family and reference groups, frequently impact consumer behaviour. Understanding the impact of social value views in luxury consumption is critical for luxury brands to properly target their customers and maintain their brand image (Shukla, 2012).

Consumers may participate in luxury consumption in order to meet social standards and win social acceptability from influential people. The phenomena of socioeconomic stratification, which has a considerable impact on perceptions of luxury value, is well known. As a result, it has been proposed that there is a positive relationship between a consumer's social value judgements and their proclivity to acquire luxury items (Tsai, 2005). Because of the symbolic value of these artefacts, those who acquire luxury items for status are frequently less price sensitive. Involvement as a concept is defined as the psychological condition of being interested in, enthusiastic about, and delighted about a specific product category. Variables such as apparel engagement, innovation, and brand loyalty, on the other hand, can impact this link and potentially diminish price sensitivity (Goldsmith, 2010; Flynn & Kim, 2010).

3. Financial Value

The financial aspect focuses on a product's or service's economic aspects, such as price (Hartmann, Nitzko, & Spiller, 2016). This dimension is concerned with simple monetary aspects such as selling price, resale value, discounts, and investment possibilities. It expresses the product's worth in terms of currencies such as dollars, euros, or yen, and reflects the resources consumers are ready to forego to obtain the items (Hennigs et al., 2012).

High price techniques can make luxury items more appealing by implying greater quality or distinction. The price-quality trade-off has a significant impact on consumer behaviour. The attractiveness of counterfeits stems from their cheaper price and the prestige of luxury brands. As counterfeit quality increases, people are persuaded to purchase these unauthorised things, considering them as good value despite potential quality flaws (Paulose & Shakeel, 2022).

The perceived value of cost is defined as the result of balancing the benefits acquired versus the sacrifices made in connection with a transaction. Some detractors say that this concept is extremely simplistic and that a more multifaceted approach is required. In a larger sense, perceived cost is defined as a customer's judgement of the benefits acquired from a brand, based on the benefits obtained such as quality, contentment, and the sacrifices made (as price paid and non-monetary expenses) (Kataria & Saini, 2020).

A customer's full appraisal of a product's usefulness that takes into account both the benefits gained and the costs incurred is referred to as value. It is described as the difference between what a consumer gains and loses (Zauner, Koller, & Hatak, 2015). A comparison of the benefits and expenses associated with a product or service yields perceived value. To sustain a company, the benefit-to-cost ratio of its clients must match that of the company (Paulose & Shakeel, 2022).

4. Functional Value

A product's functional value is concerned with its essential benefits and basic utilities, such as its quality, uniqueness, practicability, dependability, and lifetime (Hennigs et al., 2012).

Luxury goods are frequently distinguished by their high price and better quality. The functional side of luxury refers to the primary benefits that buyers expect from purchasing luxury goods, such as high-quality materials and distinctive design. These products are considered to be more usable, reliable, and durable than non-luxury products. Consumers believe that luxury brands provide actual quality and superior performance. Luxury goods relate to greater product quality and services, which raises consumers' perceived value (Hennigs et al., 2015).

Consumers use quality to judge the worth of a product. Consumers perceive luxury products to be of higher quality and performance than non-luxury products. This perspective is subjective and differs from person to person. According to research, luxury brands are often linked with higher quality because of greater materials and craftsmanship (Liu & Rodriguez, 2021).

Luxurious goods and services are regarded as critical components in meeting an individual's demand for functional value. The basic purpose of designing a product or service is to

provide a fundamental advantage to the user by meeting their demands. Customers link possession of luxury goods or services with a more positive perception of brand equity and quality. As a result, a luxury-enhanced product or service may increase a customer's desire or preference to buy it (Alan et al., 2016).

This value is often represented by the perceived degree of performance and durability provided by the alternative. Understanding the concept of functional value is essential for assessing the success of products, services, or solutions in meeting the demands and expectations of consumers or users (Kato, T.,2021).

Luxury Consumption in Egypt

Luxury products are not a distinct category, but rather the top-tier market segment in a variety of industries, including high-end watches, designer apparel, premium hotels, yachts, and private aircraft. Due to their scarcity and high cost, these objects or services are employed to convey social status or to enjoy their inherent value (Rowens, 2023). Consumption patterns go beyond meeting fundamental requirements and have an important part in shaping one's societal position (Dogan, Ozkara, 2020). Consumers' perceived competence and social recognition can be enhanced by luxury brands (Dubois, Jung, & Ordabayeva, 2021).

In Egypt, purchasing luxury goods is frequently regarded as a need. Egyptians may choose to forego other necessary purchases in order to obtain these high-status products, a decision that could considerably strain their household budgets. In Egypt, luxury or prestige goods and services are valued more highly than in the West. The possession of these goods conveys a sense of exclusivity and originality. In Egypt, these luxury products are considered vital, resulting in relatively inelastic demand. As a result, to capitalise on this inelastic demand, many manufacturers and service providers are eager to raise their services into the luxury category (Metwally, 2010).

Conspicuous consumerism is becoming more popular in Egypt, with customers increasingly purchasing items or services to show off their riches to their social circles. Furthermore, the purchase of luxury goods by Egyptians, particularly those from the upper class, is frequently used to affirm and underline their social status (Kasber, El-Bassiouny, & Hamed, 2023). For example, Egyptians are willing to pay a premium for premium cars, demonstrating a desire to invest in good quality (Zoubir, 2000).

AIM OF RESEARCH

The purpose of this study is to investigate the impact of price sensitivity on customer lifetime value in the Egyptian luxury sector. The goal is to delve into the numerous facets that define this interaction, providing a thorough grasp of the dynamics at work, thus filling potential knowledge gaps in this area of study.

EXPLORATORY QUALITATIVE RESEARCH

The purpose of this exploratory study is to learn more about the factors that influence price sensitivity and customer lifetime value among Egyptian luxury customers. Given the scarcity of previous study, an exploratory research approach was considered appropriate. Exploratory research fills knowledge gaps and gives a basic insight to assist subsequent confirmatory

studies. As Exploratory research is conducted to elucidate and investigate the nature of the issue. As a result, exploratory research is useful when there is little prior information about the problem being investigated (Zikmund, 2000).

1. Secondary Data Analysis

This study examines how luxury businesses provide value to lessen price sensitivity using secondary data from the hospitality, real estate, and automotive industries. With their impeccable service, luxurious suites, and exclusive amenities, globally recognised hotels such as the Burj Al Arab Jumeirah, The Ritz-Carlton, and Four Seasons Hotel George V provide unrivalled luxury experiences. These hotels provide a sense of exclusivity through personalised services and attention to detail, allowing guests to relax in a beautiful setting. Similarly, developers like as Emaar Misr and SODIC focus on providing an ideal lifestyle by building unique designs, integrating community elements, and giving a diverse portfolio of solutions to fulfil varied demands.

The automotive industry follows a similar strategy. Ferrari emphasises its racing and invention past, positioning its cars as emblems of beauty and achievement, whilst Porsche emphasises expert workmanship and performance, guaranteeing an exclusive and unrivalled driving experience. Rolls-Royce, on the other hand, touts its dedication to quality, perfection, and greatness, claiming to have been pushing the boundaries of luxury for over a century. The emphasis in all these businesses is on providing an outstanding, personalised experience that transcends typical service or product offerings, therefore justifying the high pricing associated with these luxury companies.

To gain varied opinions, in-depth interviews were done with both luxury consumers and industry professionals. Customers provide useful insights into the varied values that shape their purchasing behaviours and loyalty. Industry leaders provide institutional perspectives on techniques to increase lifetime customer value based on consumer motivations.

2. Qualitative Analysis

In-depth interviews were performed with representatives from Egypt's three most important industries: real estate, hotels, and automobiles. With a balanced sample of six managers and six customers engaging in the interview process, the study intended to collect insights from both the management and customer viewpoints. The managers, who were major decision-makers in their fields, shared vital insights into industry practises and plans. Customers, as end-users of services and goods, communicated their experiences, aspirations, and perceptions at the same time.

2.1 Managers In-depth Interviews

First, hotel industry: The responses of the two hotel managers reflect a common emphasis on the significance of customer satisfaction and service excellence. These characteristics are important in influencing Customer Lifetime Value (CLV) and price sensitivity, according to both managers. They feel that the contacts and experiences visitors have with hotel workers, the comfort and cleanliness of the rooms, and the general hotel ambiance impact their perception substantially. As a result, satisfied clients are more likely to return, refer others, and favourably contribute to the hotel's reputation via word-of-mouth and online reviews.

Their CLV initiatives reflect this customer-centric approach, with both managers emphasising the significance of continual improvement and great guest service. The first manager emphasised their hotel's commitment to sustainability and resource efficiency, claiming that such environmentally friendly practises not only lower their environmental effect but also attract clients who value such initiatives. The second manager concentrated on client appreciation and recognition, outlining a guest recognition programme meant to improve customer satisfaction and generate positive word-of-mouth. Both managers additionally provide loyalty programmes, discounts, or personalised pricing to encourage repeat hotel reservations, exhibiting a knowledge of the value of recognising and rewarding client loyalty. They gather and analyse feedback to better understand guest preferences and expectations, and they utilise this data to influence their tactics for raising CLV and decreasing price sensitivity.

Second, real estate industry: Managers consider price sensitivity as a chance to highlight their goods' unique value proposition, emphasising exclusivity, superior craftsmanship, and a particular lifestyle that justifies the high prices of luxury properties. They use a customer-centric strategy, concentrating on knowing each customer's unique needs, interests, and aspirations to create tailored experiences and properties. Trust and ethical business practises are also regarded as essential for developing long-term ties with their clients. Furthermore, they promote community involvement through collaborations targeted at improving economic, social, health, and educational situations in impoverished areas, as well as by ensuring high-quality dwellings that promote positive word-of-mouth. Customers, on the other hand, value personalised service and awareness of their specific wants. They value the high-quality houses and unique lifestyle, which they believe justifies the expensive pricing. Discounts for bigger down payments are also welcomed because they reduce overall pricing and make luxury real estate deals more appealing. Customers also value the company's efforts to continuously improve and adapt to their changing needs. They respect the companies' dedication to efficiency, client focus, and meticulousness. Customers also value the companies' efforts to collect and analyse feedback, which they believe is critical to enhancing their experiences and reaching their expectations.

Third, automotive industry: Prestige linked with premium brand names has been identified as an important component in combating price sensitivity. Luxury cars prestige, excellent craftsmanship, and exclusive experiences are valued by top-tier clients, who believe the high price is justified. Thus, the concept of value in this industry goes beyond price to include the brand's reputation, workmanship quality, and exclusivity of the experience delivered. This view is echoed in the approaches used to boost CLV. It is critical to provide a great, all-inclusive consumer experience. This includes providing personalised service and support to customers throughout their car ownership journey. With a vast range of renowned brands and personalised service, we cater to a wide range of consumer tastes.

The significance of remaining at the forefront of automotive innovation and ongoing improvement is also emphasised. While discounts are often not offered to protect the brand's exclusivity, numerous loyalty programmes and financing options are established to increase customer satisfaction and affordability. These techniques, as well as the collecting and analysis of customer feedback, are essential for providing value to customers and satisfying their changing needs. The input obtained is useful in identifying areas for improvement and

guaranteeing high-quality service, which informs tactics for increasing CLV and managing price sensitivity.

2.2 Customers In-depth Interviews

First, hotel industry: The responses of the interviewed customers highlight the diverse nature of value perception in the setting of a luxury hotel. When booking a luxury hotel, buyers prioritise perceived quality as a non-negotiable factor. This includes great service, meticulous attention to detail, and luxurious amenities, all of which contribute considerably to overall satisfaction and the creation of lasting memories. Customers' social image is also influenced by perceived quality, portraying them as discerning and sophisticated travellers, and this prestige is a value that customers are unwilling to compromise on. Customers, on the other hand, did not identify any specific least value, despite the fact that all components are deemed vital. This suggests that the luxury hotel experience is viewed as an integrated whole, with all factors such as information accessibility, stay duration, and hotel placement mutually enhancing and complementing one another to shape the overall visitor experience. The perceived quality, which is influenced by these characteristics, affects the general happiness and contentment of the guests, resulting in higher satisfaction and loyalty. As a result, all these factors are interconnected, and eliminating any of them may have an impact on the overall experience.

Second, real estate industry: Customers expressed their thoughts on the role of perceived quality in determining their level of pleasure and contentment. They stated that the higher comfort, design, and infrastructure provided by luxury properties contributed greatly to their pleasure and well-being.

Customers also stated that possessing a luxury house improved their social position and image by connecting it with success, wealth, and status. Customers cited the potential for better profits as a major financial driver for investing in luxury properties. Furthermore, these houses' practical qualities, such as modern conveniences and enhanced security measures, were considered as substantial contributors to the overall value, enhancing their daily lives with unrivalled efficiency and comfort. They emphasised its importance in promoting informed decision-making and empowering them. They stated that having precise information about market trends and property performance enabled them to make better informed investment decisions. Customers stated that these elements did not exist in isolation but interacted with one another to shape their entire experience. This connection has a substantial impact on their perceptions of the property, loyalty to the property developers or real estate businesses, and total customer lifetime value. They recognised that a harmonic combination of these characteristics produced a lucrative and satisfying experience, increasing their likelihood of investing again.

Third, automotive in-depth interview: The reactions of customers demonstrate the diverse value perception connected with having a luxury vehicle. A luxury car's perceived quality has a significant impact on their enjoyment and fulfilment, with superior engineering, advanced technology, and high-end features improving their driving experience. This ownership has an impact on their social standing and image, as luxury cars represent financial success and refinement. Customers also mentioned the financial significance of luxury cars, typically perceiving them as investments that can give financial returns over time. The practical

benefits of luxury cars, such as better safety features, comfort, and superior driving performance, add to their overall value.

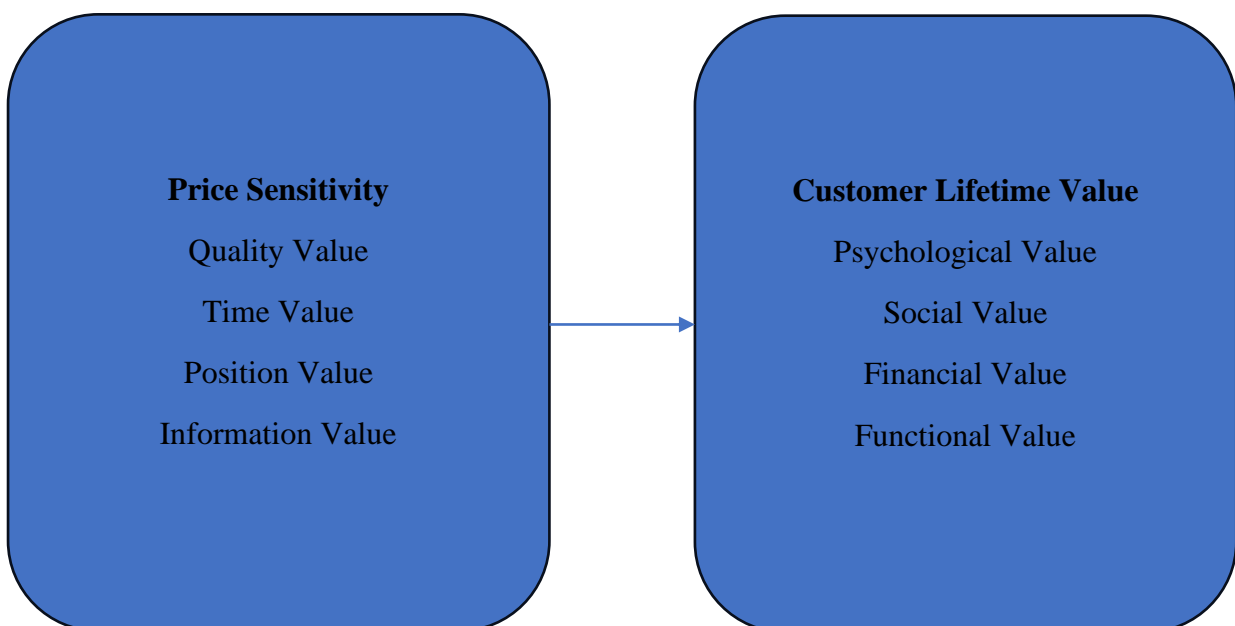
The importance of information, time value, and position value all play important roles in defining the experiences of customers. Having correct information about the car, its features, and performance allows people to make informed selections and increases their pleasure. The time value of a luxury car, which includes both immediate enjoyment and prospective future rewards, adds to their happiness and sense of security. Finally, the position value, which includes the brand's reputation as well as the vehicle's technology and comfort amenities, improves their overall ownership experience. The interaction of all of these aspects has a substantial impact on customer perceptions, promoting loyalty, and increasing total customer lifetime value.

Research Gap

There is a notable academic gap in the field of price sensitivity research, notably in its dimensions of information value, quality value, time value, and position value. This gap is accentuated by the small number of studies that expressly investigate these areas. Furthermore, the idea of consumer lifetime value (CLV) and its four dimensions, as well as the relationship between price sensitivity and CLV, remain poorly understood.

From a practical standpoint, the use of this study in real-world contexts is underutilised. There is an urgent need to empirically support the role of price sensitivity on CLV, as well as to study the possible effects of the dimensions in lowering price sensitivity perception.

A PROPOSED CONCEPTUAL MODEL AND RESEARCH HYPOTHESIS



These hypotheses development presents the associations proposed by the theoretical framework produced from the prior study.

H1: there's a significant relationship between Quality Value on CLV.

H1a: There's a significant relationship between Quality value and psychological value.

H1b: There's a significant relationship between Quality value and Social Value.

H1c: There's a significant relationship between Quality value and monetary value.

H1d: There's a significant relationship between Quality value and monetary value.

H2: There's a significant relationship between time value on CLV.

H2a: There's a significant relationship between time value and psychological value.

H2b: There's a significant relationship between time value and social value.

H2c: There's a significant relationship between time value and monetary value.

H2d: There's a significant relationship between time value and functional value.

H3: There's a significant relationship between Position value on CLV.

H3a: There's a significant relationship between Position value and psychological value.

H3b: There's a significant relationship between Position value and social value.

H3c: There's a significant relationship between Position value and monetary value.

H3d: There's a significant relationship between Position value and functional value.

H4: There's a significant relationship between information value on CLV.

H4a: There's a significant relationship between information value and psychological value.

H4b: There's a significant relationship between information value and social value.

H4c: There's a significant relationship between information value and monetary value.

H4d: There's a significant relationship between information value and functional value.

CONCLUSIVE OUTPUT AND FUTURE EMPIRICISM

The purpose of this study was to investigate the effect of price sensitivity on customer lifetime value (CLV). A literature analysis and preliminary study revealed four key factors of price sensitivity and CLV. The descriptive research strategy used in this study, which was implemented using a quantitative technique, sought responses from individuals who made up the study's sample using a single-cross-sectional design utilising a structured questionnaire. In the future, data will be analysed using a variety of statistical techniques, including descriptive analysis of sample data based on standard deviation, Cronbach's alpha for internal consistency and reliability, factor analysis for testing measuring scale reliability and reducing underlying dimensions for price sensitivity and customer experience, and multiple discriminant analysis for hypothesis testing.

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