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Relative Importance of Perceived Value, Satisfaction and Perceived Risk on Willingness to Pay More

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ABSTRACT

The consumer perceived value construct is a very important component in the consumer value literature and it has been identified as one of the most important measures for gaining a competitive advantage. All its consequences can be combined in a construct, defined as consumer behavior. The present article sustains the idea that consumer's perceived value can been associated with satisfaction, which leads a behavioral intention such as willingness to pay (WTP) a higher price. In the case of potentially undesirable and risky conditions, perceived risk (PR) can also be determinant of consumer behavior. Regarding the value and risk perceptions of consumers on a specific sector, this paper contributes to define these perceptions' influences on a mobile phone industry. Accordingly, this study posits a path model of satisfaction, perceived value, risk and WTP a higher price. The results suggest a link of perceived value dimensions and satisfaction with the product, also the hypothesized assumptions of the link of satisfaction and WTP a higher price were supported by the results. The results also reveal negative influence of PR on behavioral intention.

Keywords: Perceived Value, Perceived Risk, Satisfaction, Willingness to Pay More
JEL Classifications: M30, M31

1. INTRODUCTION

The concept of "value" is a key-element in marketing. Marketing managers are encouraged to handle strategies related with value desired by the consumer, in order to promote and enhance the long-term success (Flint et al., 1997; Woodruff, 1997). A large variety of models to conceptualize the consumer value is discussed in literature. Perceived value of consumer is treated to be the key outcome in the general model of consumption experiences (Babin et al., 1994). It has also been argued to be one of the most important predictor of repurchase intentions (Parasuraman and Grewal, 2000; Morar, 2013).

As Peterson (1995) indicated, consumers can either sustain the economic benefits of a purchase process, or can get a better service adapted to their own needs (Morar, 2013). Other benefits enjoyed by consumers during their purchase processes are the social ones which arise from the establishment of a specific relationship. Accordingly, keeping a consumer satisfied may be ten times cheaper than acquiring a new one. So, companies need to make efforts for retaining customers and must concentrate on managing value perceived by them (Morar, 2013). Companies must provide the value which will increase the shopping intention of consumers by creating and delivering good shopping experiences. Yang and Peterson (2004) suggest that the effective management of satisfied and faithful customers gains the company an improvement of economic and competitive situation. Thus, providing superior value has become important for a company to maintain long-term relationships with their customers (Ivanauskiene et al., 2012).

Several studies have found that value is given when a product or service has the ability to satisfy customer's needs (Morar, 2013). Companies are operating in a complex competitive environment and increasing number of customers are demanding the creation of value. This has created a growing interest in providing greater value to the customer (Yeh, 2013).

Some researchers have stated that there are similarities between concept of perceived value and customer satisfaction (Woodruff and Gardial, 1996; Oliver, 1997; Korda and Snoj, 2010). Resent

researches examining the role of perceived value on customer satisfaction have found that satisfaction depends on delivered value of a product or service (Milfelner et al., 2011; Omar et al., 2011). In the case of perceived value, customers compare benefits and sacrifices, whereas in the case of customer satisfaction they compare expected value with the actually delivered value. So, the two concepts can be viewed as different but complement one another (Korda and Snoj, 2010).

In addition to perceived value and satisfaction, perceived risk (PR) is also examined in this study. PR a subjective consumer behavior concept, relating to uncertainty and consequences associated with consumer action. A perception of risk about purchasing and using a product retains a consumer from taking further action in that regard. Previous research about its role on behavior also suggest that PR negatively impacts purchase behavior (Mwencha et al., 2014. p. 147). Angulo and Gil (2007) developed a model indicating relationship between risk perception and consumer purchasing behavior. The concept was mostly used by researchers to see the impact on consumers' behaviors and their purchase decisions in the case of imperfect information (Angulo and Gil, 2007. p. 1108).

Mentioned variables above are likely to lead to behavioral outcomes. Willingness to pay (WTP) a price premium is one of these important outcomes for companies, because of having a challenge for them. Desired advantages of higher profits and necessity to struggle with increased costs will likely to be translated into higher retail prices. It has great importance for companies to be able to gain a premium prices. In this view, conditions under the company's control which raise consumers' WTP more should be determined and then strategically used by the companies (Zemguilene, 2013).

Accordingly, Netemeyer et al. (2004), Ligas and Chaudhuri (2012) indicated that consumer's purchase intention is based on the perceived value of the product, and WTP a higher price or repurchase loyalty is obtained when perceived value is considered to be greater. Prior research has found that contextual conditions strengthen the existing risk and value perceptions of consumer (Holbrook, 1999. p. 26). Recent research has explored the effect of value and risk factors on consumers' behavioral proponents (Zemguilene, 2013).

Consumers' tendency to pay a higher price and willingness for this could also be influenced by the factors related to value perception. Dimensions of value and satisfaction are the important contextual conditions that have often been found related to various marketing constructs (Zemguilene, 2013). In marketing research, the relationship between perceived value, satisfaction and behavioral intentions have been widely discussed in relation to consumers' decision making process (Kang and Schrier, 2011. p. 72). However, there is little evidence of the simultaneously viewed effects of perceived value dimensions on the relationship between satisfaction and WTP a higher price (Korda and Snoj, 2010; Zemguilene, 2013). Therefore, this research posits a model in which perceived value dimensions are related to the satisfaction and WTP a price premium. PR is also involved in the model as an antecedent of WTP more.

The objective of this study is to use a structural model to examine the casual relationships among dimensions of perceived value, satisfaction, PR and WTP more. The result of this study will help companies identify which value functions can lead to firstly satisfaction and then WTP more. It will also help identify risk perception on a mobile phone brand and its reflection to pay more. The study tries to gain better insights into consumers' value and risk perceptions on mobile phone industry. It also expresses the differences between the effects of value and risk perception on paying a price premium and to reveal the relative importance.

Regarding the value and risk perceptions of consumers on a mobile phone brand, this paper contributes to define these perceptions' influences on mobile phone industry. It examines overall risk and value perceptions on a specific sector. So the study provides some insights into the mobile phone companies. Managers may use the research results to develop marketing programs for attracting customers, define the product as different from their substitutes and to create desire to pay more for the product.

2. THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

Perceived value is defined as consumer's overall evaluations of the utility of a product or service based on perceptions of what is received and what is given (Zeithaml, 1988). Customer delivered value can be expressed as the total value offered to a customer less the total cost to the customer (Grönroos, 1997; Oliver, 1999). Zeithaml (1988) describes value as the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Similarly, Holbrook (1999) describes value as a "trade-off" between benefits and sacrifices. In fact, value is a unique construct from satisfaction and quality (Oliver, 1999). Marketers have to work hard for maintaining added value that could satisfy customers for loyalty. Customer's perceived value can be defined from the perspectives of money, quality, benefit, and social psychology. Normally, from monetary aspect value is said to be generated when less is paid for goods (Yeh, 2013).

The concept of value represents the perception of the utility that the relationship with the establishment brings. Enriching the relationships with customers increase their attitudinal loyalty for example; intentions of customers to continue shopping and a positive impact on the duration and strength of the relationship (Rubio et al., 2013. p. 496). Higher levels of customer value lead to higher levels of customer loyalty, post-consumption intentions such as word of mouth recommendations and in the long-run this determines on organization's success (Koller et al., 2011. p. 1159).

The relationship between perceived value and customer satisfaction has revealed that customer satisfaction is the result of a customer's perception of value received. Perceived value is considered as a construct that captures any benefit-sacrifice discrepancy in the same way that disconfirmation does for variations between expectations and perceived performance (Kassim et al., 2014. p. 13). Perceived value significantly relate to satisfaction (Omar et al., 2011. p. 334). Many studies have found that customers'

perceived value had a strong and significant impact on satisfaction. The proposed relationship between perceived value and satisfaction is supported by value disconfirmation experience when customer waits for receiving benefit greater than the cost on each purchase made. An unexpected decrease or increase in the cost or benefit after the purchase change the perceived value, leading to either decreased or increased customer satisfaction (Omar et al., 2011. p. 337). So, customer satisfaction can be expressed as a function of perceived value. Customer's satisfaction after purchase depends on a level of customer perceived value (Lin, 2003. p. 29). This study shows relative importance of perceived value dimensions on satisfaction and -mediated by satisfaction-WTP a higher price. It anticipates that positive perception of value functions contribute to the increase in satisfaction, then it reinforce the augmentation of WTP more.

According to so many researchers, perceived value is a multidimensional construct. Sa'nchez et al. (2006) consider the concept as a combination of social, emotional and functional dimensions. Grönroos (1997) indicates that it has two parts as emotional and cognitive. The functional dimension represents the rational and economic appraisement. Functional value dimension represents the quality of the product or service. Besides, emotional and social dimensions contain the emotions and feelings towards products and services.

Sa'nchez et al. (2006) developed the three-dimensional structures as perceived value, one of which contains four parts. These are emotional, social and functional value (functional value of establishment, contact personnel, service purchased-quality and price). Sweeny and Soutar (2001) mentioned about three dimensions as functional (economic and quality), social and emotion. They indicated functional value as cognitive base and emotional and social value as affective base.

Similar to Khan (2010)'s study, this study focuses on the value of the physical product and neglects the relational dimensions of customer perceived value. It can be important to indicate the dynamics of value creation in relationships. So, this can be defined as the limitation of the study. In this study perceived value has been divided in to economic (price) value, functional value, emotional value and social value. Similarly, Koller et al. (2011) indicate that perceived functional, economic, emotional and social value impact loyalty intentions toward the company.

This study shows that perceived value is the direct antecedent, as well as the predictor of satisfaction with the product. Perceived value is one of the important elements for gaining competitive edge and is considered to be a significant predictor of customer satisfaction (Milfelner et al., 2011. p. 610). Similar to Peng and Liang (2013), the impact of consumers' perception on satisfaction and WTP more is investigated by including both the rational and emotional aspects of value dimensions (price, functional, emotional and social). These four aspects show the different aspects of consumers' perceived value, considering not only the practical principles concerning about price and quality but also emotional and social needs of the consumers (Peng and Liang, 2013). In this study economic, functional, emotional and social dimensions of perceived value are tested whether they have an influence on satisfaction with the product or not. Therefore, the following hypothesis are proposed:

H1: The perceived functional value (PFV) will have statistically significant effect on satisfaction with the product.

H2: The perceived price value (PPV) will have a positive impact on satisfaction with the product.

H3: The perceived social value (PSV) will have statistically significant effect on satisfaction with the product.

H4: The perceived emotional value (PEV) will have statistically significant effect on satisfaction with the product.

Satisfaction shows general evaluation of performance based on prior experiences. Previous studies expressed that satisfaction is an important factor related to perceived value and customer behavior. Some studies have found that high levels of perceived value result in similar level of customer satisfaction and purchases (Parasuraman et al., 1985; Bojanic, 1996; Kang and Schrier, 2011. p. 73).

Companies receive some benefits from satisfying customers. One of them is the generation of higher profitability. Satisfied customers behave positively and present positive intentions. One of the positive behavioral intention is greater WTP more for the product (Cronin and Taylor, 1992). Customers' satisfaction or dissatisfaction with the product will influence subsequent behavior and high satisfaction would create an emotional bond for customers simply not just a rational preference. If the customer is satisfied he will exhibit a higher probability of purchasing (Lin, 2003. p. 29).

Jaiswal and Niraj (2011) revealed the strong relationship between satisfaction and behavioral intentions, including customers' WTP more. Based on this idea, satisfaction is an effective antecedent of behavioral intentions (Chen and Frank, 2015. p. 19). Similarly, Torres et al. (2012) expressed the relationship between satisfaction and WTP more, but the relationship between these is indicated as nonlinear (Torres et al., 2012. p. 816).

Satisfaction with the product is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his/her expectation. Whether the buyer is satisfied after the purchase depends on the offer's performance in relation to the buyer's expectation (Lin, 2003. p. 27). According to Zeithaml et al. (1996) WTP more is one of the dimensions of behavioral intention. The others are loyalty, propensity to switch, external response to problem and internal response to problem (Zeithaml et al., 1996. p. 37). Whereas customers' commitment to the company might be extremely responsive, WTP more may not be responsive, because they may feel they have, in effect, already paid for high quality. Alternatively, the pay more findings may simply reflect customers' general reluctance to pay for services and may not apply to pure services overall (Zeithaml et al., 1996. p. 44).

WTP equation has been defined as a two-step decision process regarding the results obtained from the two consecutive questions. First, consumers decide if they are willing to pay a premium for the product over the price they are actually paying. Second, if

they are willing to pay, they decide how much more. Premiums are stated as a percentage price increase over the prices they are normally paying (Angulo and Gil, 2007. p. 111). When consumers perceive high levels of value from purchase, they are more likely to express high levels of willingness to buy eventually and low levels of willingness to look for alternative purchases (Muturi et al., 2014. p. 320).

Perceived value, as good explanation of customers' preferences and purchase behaviors in certain contexts, is an important factor that predicts the consumers' purchase behaviors (Peng and Liang, 2013). Perceived value is an important antecedent of satisfaction, which in turn, reflects on customer WTP more. It leads to higher level of customer satisfaction dimension and contributes to better financial performance, WTP more (Korda and Snoj, 2010).

In this study perceived value dimensions are related to the endogenous variables of the satisfaction and WTP a higher price. This allows to identify direct impact of satisfaction to the consequence variable of WTP a higher price and indirect impact of perceived value dimensions on consequence variable (WTP more) through the moderator variable of satisfaction.

Perceived value is anticipated to pioneer perceived WTP a higher price. This relationship is considered according to rational suggestions. Since the perceived value is based on the relative evaluation of the benefit and cost of the product, the surplus of the value should cause a positive attitude towards the WTP a higher price (Zemguilene, 2013). Regarding the mediating role of satisfaction, this study explores indirect effect of perceived value dimensions on WTP more.

Based on the past literature the following hypothesis is proposed:

H5: Customer satisfaction with the product will be positively related to perceived WTP a higher price.

When consumers come to the decision to purchase, they may experience consequences of making mistake and degree of inconvenience of making a mistake. Risk can reveal itself in many ways such as a fear of lack of desirable attributes, uncertainty about product performance or social approval of it. So the notion of PR can be defined as a key antecedent to consumer behavior (Yee and San, 2011. p. 49).

PR theory was firstly used by researchers to see the effect on consumer behavior in case of imperfect information (Angulo and Gil, 2007. p. 1108). The PR theory was initially introduced by Bauer (1960). This theory proposes that consumers perceive risk because they experience uncertainty and potentially undesirable consequences with purchase or usage of products or services. This means as the level of risk perceived increases, the consumers are less likely to purchase a product or service (Mwencha et al., 2014. p. 143).

PR has been expressed to have an aversive effect on consumer, under the influence of risk. Recent studies have indicated a negative influence of PR on the behavioral intention (Pavlou, 2003; Bertea and Zait, 2013. p. 215). Consumers are less interest on purchasing the product that is considered being risky. Consumers try to reduce the risk of using more time to survey and paying something. For instance, consumers would learn about the quality of a product from those who have firsthand experience (Yee and San, 2011. p. 50).

Several PR dimensions are introduced such as performance, financial, social, and psychological and so on. In this study, the construct of PR has been handled as one main dimension as only overall PR, similar to the study of Mwencha et al. (2014). The effect of the PR of product on WTP more is tested.

Therefore, the following hypothesis is stated:
H6: The PR will have statistically significant effect on WTP more.

3. RESEARCH MODEL

Conceptual model, based on extensive literature review, is presented in Figure 1. Firstly, the proposed model simultaneously examines the relationships of perceived value dimensions, satisfaction, PR and WTP more. The model suggest that satisfaction is consequent to perceived value. Secondly, the model proposes that perceived value, satisfaction and PR serve as the antecedent to WTP more.

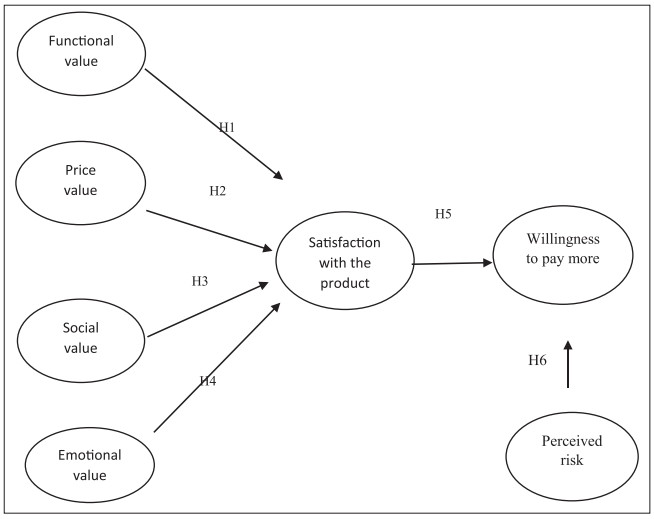
The research framework identifies a six-stage path analytic model. The study explores the linkages between perceived value dimensions, satisfaction, PR and WTP more among mobile phone users. Figure 1 presents an integrative research framework among the constructs in a path diagram format.

4. RESEARCH METHOD

4.1. Data Collection and Sample

This study investigates consumers who have been using a certain mobile phone brand. In order to test the hypotheses, the empirical analysis was carried out based on the data obtained from university students' in Başkent University in Ankara, one of the city in Turkey. By using random sampling method, giving respondents an

Figure 1: Research model



equal chance of being picked subsequently minimizing sampling error, 430 university students were selected for the research and 400 valid questionnaires remained after removing incomplete ones. Thus, the sample includes 400 respondents. A questionnaire survey method was taken to collect samples and 400 questionnaires were collected among the students, experienced of using a mobile phone brand. Face to face survey provided a more comprehensive evaluation of the respondents.

The respondents consisted of 220 women and 180 men. All respondents were between 18 and 23 years old, because of handling the research among university students. 58% reported that they had been using their present mobile phones for more than 3 years. The others indicated that they had been using their phones for one to <3 years. 68% of the respondents reported that they had used at least three different mobile phone brand by now.

4.2. Measures and Variables

All statements belonging to a certain construct measured by the items used before in literature. Perceived value was divided in to four dimensions, similar to studies of Khan (2010), Peng and Liang (2013). PFV was measured with three items that reflected the performance and functional problems of the product and the benefits customers faced while using a certain mobile phone brand (Omar et al., 2007; Peng and Liang, 2013). The perception of price value was measured by two items adopted from Omar et al. (2007), and Peng and Liang (2013); four items to measure emotional value and three items to measure social value adopted from Peng and Liang (2013).

Customer satisfaction scale adopted by (Omar et al., 2007; Chen and Frank, 2015) was modified to satisfaction with the product using three-item scale. PR was measured by four-item scale adopted by Dowling and Staelin (1994), Sarkar (2011) and lastly, customer's WTP more for the product was measured by three-item scale adopted by Zeithaml et al. (1996), Forsythe et al. (2006), Chen and Frank (2015), and Parnphumeesup and Kerr (2015). To satisfy the requirement of content validity, the questionnaire was developed in English and translated in to Turkish. Before survey administration, a pre-test was conducted with a group consisting of 30 mobile phone users and the results allowed to consider questionnaire definitive. All scales in the survey consisted of five-point multiple-item Likert statements ranging from 1 = Totally disagree to 5 = Totally agree. Table 1 provides detailed scale items for the constructs.

4.3. Analytical Procedure

A conceptual model of the relationship among perceived value dimensions, PR, satisfaction and WTP more is proposed and empirically tested in this study. Multiple item scales were evaluated through confirmatory factor analysis (CFA). Technique of structural equation modeling (SEM) is applied for the analysis of hypothesized causal relationships among variables.

5. RESULTS

5.1. Assessments of the Measurement Model

All items were factor analyzed in order to assess the instruments. An exploratory factor analysis (EFA) was conducted to see the factor loading of each item, belonging to a construct. Cronbach's alpha coefficients for each construct and variance explained by each construct (Table 2) were tested. Factor loading of each item was calculated as greater than the recommended level of 0.5 (Hair

Table 1: Construct measures

Construct	Item	Description	References
PFV	PFV1	The product has consistent quality	Omar et al., (2007), Peng and Liang (2013)
	PFV2	The product is what I really need	
	PFV3	The product performs consistently	
PPV	PPV1	The product is reasonably priced	Omar et al. (2007), Peng and Liang (2013)
	PPV2	The product offers value for money	
PEV	PEV1	The product would be fashionable behavior	Peng and Liang (2013)
	PEV2	The product makes me want to buy it	
	PEV3	The product makes me feel good	
	PEV4	The product gives me pleasure	
PSV	PSV1	The product would help me to feel acceptable	Peng and Liang (2013)
	PSV2	The product would cause the interest of others	
	PSV3	The product would promote friendship between me and my friends	
SWP	SWP1	I am very satisfied with the product	Omar et al. (2007), Chen and Frank (2015)
	SWP2	This product is the right decision	
	SWP3	This product satisfies my needs	
PR	PR1	I have to pay extra for handling this product	Dowling and Staelin (1994), Sarkar (2011)
	PR2	I might have been be overcharged	
	PR3	I may not get what I want from this product	
	PR4	I can't trust the performance of this product	
WTP more	WTP1	I will continue to buy this product If its prices increase somewhat	Zeithaml et al. (1996), Forsythe et al. (2006), Chen and Frank (2015), Parnphumeesup and Kerr (2015)
	WTP2	I will buy from this product, even if competitors charge a slightly lower price	
	WTP3	I have so much confidence in this product for assessing the benefits of it	

PFV: Perceived functional value, PPV: Perceived price value, PEV: Perceived emotional value, PSV: Perceived social value, SWP: Satisfaction with product, PR: Perceived risk

Table 2: EFA results

Items	Factor loadings						
	1	2	3	4	5	6	7
PFV							
PFV1	0.83						
PFV2	0.79						
PFV3	0.87						
PPV							
PPV1		0.87					
PPV2		0.91					
PEV							
PEV1			0.92				
PEV2			0.80				
PEV3			0.86				
PEV4			0.90				
PSV							
PSV1				0.78			
PSV2				0.76			
PSV3				0.74			
SWP							
SWP1					0.95		
SWP2					0.93		
SWP3					0.87		
PR							
PR1						0.92	
PR2						0.93	
PR3						0.85	
PR4						0.91	
WTP more							
WTP1							0.90
WTP2							0.91
WTP3							0.78
Cronbach's alpha	0.79	0.90	0.82	0.75	0.92	0.90	0.88
Variance explained (%)	6.71	10.24	8.82	4.65	17.13	14.72	10.37
Total variance explained	6.71	16.95	25.77	30.42	47.55	62.27	72.64

KMO: 0.782, Bartlett's test of sphericity: χ^2-1,246.85, df: 10, p=0.000. KMO: Kaiser–Meyer–Olkin. EFA: Exploratory factor analysis, PFV: Perceived functional value, PPV: Perceived price value, PEV: Perceived emotional value, PSV: Perceived social value, WTP: Willingness to pay

et al., 1998). All Cronbach' alpha values were between 0.92 and 0.75 which are greater than recommended values of 0.7 (Fornell and Larcker, 1981). That means construct shows a good internal consistency. Thus, the instrument was proved to be reliable. The results showed that the largest variance explained by the individual factor is 17%, belonging to satisfaction with the product. A seven-factor solution accounted for 72.64% of total variance explained, which is greater than the recommended level of 0.6 (Gerbing and Anderson, 1988).

The results of EFA showed that Kaiser–Meyer–Olkin measure of sampling adequacy revealed an index of 0.7 which is evaluated as good for carrying factor analysis. The Bartlett test of sphericity was also revealed statistically significant result. So factor analysis result for this study can be indicated as suitable.

The validity of the measurement model was tested using CFA. Firstly, the measurement model was tested for convergent validity. This was conducted through factor loadings, composite reliability (CR) and average variance extracted (AVE) (Table 3). The loadings of all items were greater the recommended level of 0.5 (Hair et al., 2010). Convergent validity was assessed by verifying the significance of the t-values associated with the standardized factor loadings. All t-values were positive and significant ($p<0.001$). This means that all items are significantly important in measuring their constructs. CR values were >0.7 (Fornell and Larcker, 1981).

AVE shows the overall variance in the indicators that account for the latent construct. As shown in Table 3, all variance extracted estimates were above 0.5 and acceptable (Fornell and Larcker, 1981; Hair et al., 2010). Thus, the measurement model proved an adequate level of convergent validity. Table 3 shows the results of CFA.

After the validity test of measurement model, model fit assessment was conducted. The assessment of measurement model fit was based on multiple criteria; the normed χ^2 or χ^2/df ratio, goodness-of-fit index (GFI), adjusted GFI (AGFI), normed fit index (NFI), comparative fit index (CFI), incremental fit index (IFI), Tucker Lewis index (TLI), root mean square error of approximation (RMSEA). Table 4 presents acceptable fit criteria and model fit indices values. All values were at recommended levels (Schumacker and Lomax, 2004). Thus, all of the values of the model revealed that the model fitted well in representing the data.

For this study, data analysis was carried out in accordance with a two-stage methodology offered by Gerbing and Anderson (1988). Firstly CFA was used to assess the adequateness of measurement model. Secondly, structural equation model was conducted to confirm the structural model.

5.2. Assessments of the Proposed Structural Model

5.2.1. Structural model fit and hypothesis testing

The research model and corresponding hypotheses were analyzed using SEM. Table 5 shows the fit indices of the structural model. As shown in the Table 5, all fit indices were greater than the corresponding recommended values, suggesting the good model fit.

The overall fit statistics of the proposed research model are as follows; the χ^2/df = 2.11 is lower than 5; the GFI = 0.94, the AGFI = 0.91, the NFI = 0.95 are higher than 0.90; the CFI = 0.95, the IFI = 0.96, the TLI = 0.96 are higher than 0.95; the RMSEA = 0.043 is lower than 0.05 level of recommended (Schumacker and Lomax, 2004). Therefore, all fit indices were between the corresponding recommended values and the research model suggests a good model fit.

A structural equation model analysis was also conducted to test the hypotheses of this study. In this way, the effect and significance level of each path in the research were assessed. The results of hypotheses test are presented in Table 6.

As seen in model testing results, all hypotheses were found to be supported by the data. The hypothesized paths from PEV and functional value to satisfaction with the product and the paths from satisfaction and PR to WTP more were significant at the level of $p<0.001$. The paths from PPV and social value to satisfaction with the product were also found to be significant at the level of $p<0.05$ and $p<0.10$, respectively.

Table 3: CFA results

Construct	Item	Standardized value	t value	CR	AVE
PFV	PFV1	0.91	41.45	0.88	0.81
	PFV2	0.83	23.96		
	PFV3	0.88	36.76		
PPV	PPV1	0.93	61.87	0.94	0.85
	PPV2	0.90	38.90		
PEV	PEV1	0.87	36.92	0.90	0.83
	PEV2	0.93	61.82		
	PEV3	0.88	36.76		
	PEV4	0.91	40.43		
PSV	PSV1	0.86	32.80	0.85	0.78
	PSV2	0.85	26.53		
	PSV3	0.86	31.86		
SWP	SWP1	0.93	40.72	0.95	0.88
	SWP2	0.92	39.80		
	SWP3	0.81	28.37		
PR	PR1	0.92	41.81	0.94	0.86
	PR2	0.91	4.42		
	PR3	0.85	35.75		
	PR4	0.83	32.72		
WTP more	WTP1	0.86	36.92	0.93	0.82
	WTP2	0.91	45.50		
	WTP3	0.93	60.82		

CFA: Confirmatory factor analysis, PFV: Perceived functional value, PPV: Perceived price value, PEV: Perceived emotional value, PSV: Perceived social value, WTP: Willingness to pay

Table 4: Measurement model fit indices

GFI	Recommended	Research value
Chi-square		515.02
Degree of freedom (df)		230
Adjusted Chi-square χ^2/df	<5	2.24
GFI	≥0.90	0.95
AGFI	≥0.90	0.91
NFI	≥0.90	0.94
CFI	≥0.95	0.96
IFI	≥0.95	0.96
TLI	≥0.95	0.95
RMSEA	<0.05	0.047

GFI: Goodness-of-fit index, AGFI: Adjusted goodness-of-fit index, NFI: Normed fit index, CFI: Comparative fit index, IFI: Incremental fit index, TLI: Tucker Lewis index, RMSEA: Root mean square error of approximation

PEV of a certain mobile phone brand exerts the strongest effect on satisfaction with the product (B = 0.65; t = 12.47), which in turn positively affect WTP more for the product. This is the path having the strongest effect among all hypotheses. PFV also strongly affects satisfaction with the product (B = 0.52; t = 10.43). Though the other dimensions of perceived value have relatively weaker effects (price value; B = 0.19; t = 2.44; social value; (B = 0.12; t = 1.68), all dimensions show direct effects on satisfaction with the product. Hence, regarding the mobile phone users, customers' value perception on their mobile phones have positive impact on satisfaction with their products. Thus, H1, H2, H3 and H4 were all supported. In line with the studies of Lin (2003) and Omar et al. (2011), perceived value can be indicated as a significant predictor of customer satisfaction.

Customer satisfaction with the product was also found to be significant as hypothesized, supporting H5. Moreover, customers' satisfaction with their mobile phones is found to be the strongest antecedent of WTP more (B = 0.34; t = 6.73; p<0.001). This is consistent with the studies of Kang and Schrier (2011) and Torres et al. (2012), which indicate that satisfied customers behave positively and present positive intentions.

Table 5: Structural model fit indices

GFI	Research value
Chi-square	520.40
Degree of freedom (df)	246
Adjusted Chi-square χ^2/df	2.11
GFI	0.94
AGFI	0.91
NFI	0.95
CFI	0.95
IFI	0.96
TLI	0.96
RMSEA	0.043

GFI: Goodness-of-fit index, AGFI: Adjusted goodness-of-fit index, NFI: Normed fit index, CFI: Comparative fit index, IFI: Incremental fit index, TLI: Tucker Lewis index, RMSEA: Root mean square error of approximation

Table 6: Hypotheses testing results

Hypotheses	Standardized coefficients Γ	t values	Result
H1: PFV → SWP	0.52***	10.43	Supported
H2: PPV → SWP	0.19**	2.44	Supported
H3: PEV → SWP	0.65***	12.47	Supported
H4: PSV → SWP	0.12*	1.68	Supported
H5: SWP → WTP	0.34***	6.73	Supported
H6: PR → WTP	−0.34***	−4.93	Supported

*p<0.10, **p<0.05, ***p<0.001, PFV: Perceived functional value, PPV: Perceived price value, PEV: Perceived emotional value, WTP: Willingness to pay

The other direct antecedent of WTP more for the product is found to be PR. The PR directly and negatively affects WTP more for the product, thus supporting H6 (B = −0.34; t = −4.93). This finding is supported by the recent studies of Bertea and Zait (2013), which indicates negative influence of PR on behavioral intention. Similar to Mwencha's et al. (2014) indication, as the level of PR of a product increases, the consumers are less likely to purchase it. When consumers perceive risky factors such as paying extra for handling for the product or lack of performance, their general reluctance to pay more will decreases.

6. CONCLUSION

The analysis results reveal that perceived value dimensions have differential effects on customer satisfaction with the product and behavioral intentions. Implication of the current findings proposed the importance of perceived value in creating satisfaction and then WTP more, in mobile phone purchasing. Satisfaction shaped with the perceived value has also strong influence on WTP more. This emphasizes the importance of value perception on behavioral intention such as WTP more. The results reveal that satisfaction is an important mediating determinant between perceived value dimensions and WTP more. The findings suggest that maintaining customers' positive perception not only contribute to satisfaction but also lead to WTP more. Thus, it is advisable for mobile phone companies to build positive perception in their products.

Mobile phone industry is highly competitive because of being so many numbers of companies and variety of products. So it

can be necessary to introduce the product well and to dictate its superiority to its substitutes. The study found that each dimension affected satisfaction with the product relatively at different levels. The fact that relative importance of each dimension suggest that companies should pay differential attention to each of them. For example, perceived emotional and functional values are found to be more important than other dimensions.

Similar to the studies of Peng and Liang (2013), this study found that customers' emotional value plays an important role on satisfaction with the product and has the strongest influence. Emotional value is positively related to satisfaction. Thus, economic view analysis can't be enough to create satisfaction on a mobile phone brand. It is important to understand emotional desires of consumers and pay more attention to this dimension. It can be referred from this study that consumers connect their feelings with their specific mobile phones. This study contributes that not only price as a usual finding affect behavioral intention but also emotional appeal drives behavioral intention. So, companies should focus on emotional side of consumers' decision making. Based on the situation that mobile phone users pay more attention to sentimental value, they should may impose more emotional values to their brand. Similar to this study, Ivanauskiene et al. (2012) indicated in their studies that emotional value was rated higher than price and price was not always a high rated factor. This indicates that customers particularly want the product to make them feel good and give them pleasure.

Second dimension having strong effect on satisfaction with the product was found to be functional value which indicates customers' requirements for the product's quality and functions. So, perceived usefulness of the product, product's utilitarian and physical performance have an effect on satisfaction with it. Companies can offer more functional qualities such as utilitarian and physical performance, usefulness of the product and more emotional values to maintain their sales with the same brand.

PSV was also found to be effective on satisfaction with the product but its weakest effect relatively to other dimensions. This means perceptual benefits related with social class, social status on a specific group are not as important as sentimental values or performance of the product. Similarly, being accepted by a certain social group are a relatively weak part of overall satisfaction with the product. These social criteria are less influential in forming customer satisfaction but the absence of these factors may cause dissatisfaction. Therefore, companies should not disregard this factor in order to strengthen overall satisfaction. Because each dimension has a relative importance on satisfaction. Marketers should emphasis messages referring social value because of its being a part of overall satisfaction. The fact that relative importance of each dimension on customer consequences, such as satisfaction, WTP more, differs suggest that managers should pay differential attention to various aspect of perceived value and develop certain strategies for a specific mobile phone brand.

This study shows strong direct effects of perceived value dimensions on satisfaction with the product. The present study did not examine the direct effect of value dimensions on WTP more. Such affect was mediated by satisfaction with the product. Satisfaction with the product was found as a strong antecedent of WTP more. So the companies should emphasis the elements that fulfill customers' needs. The findings that identifies a significant relationship between satisfaction and behavioral intention support so many previous studies (Lin, 2003; Torres et al., 2012; Chen and Frank, 2015). Marketing programs emphasizing the product's attributes can increase satisfaction and decrease risk perception on the product. Because PR is also found to be an important factor that influence WTP more. Direct effect of PR on WTP more also shows the importance of reducing the risk factors related to mobile phone usage. Consistent with the study of Bertea and Zait (2013), PR negatively affect WTP more for the product. This also provides support to Mwencha's et al. (2014) study, which indicated strong negative relation between two variables. If the customers think that there are uncertainties with the product, they will less likely to pay more for it. One of the ways of reducing risk perception is to give more information to consumers about the product. Companies should be aware of the important role of value and risk factors on a mobile phone brand. This is the most valuable practical implication reasoned from this study. Reducing risk and enhancing benefit factors can be transferred to a profitable result for companies.

Unlike to previous studies that link value and risk perception to behavioral intention, this study investigated the role of these variables and their relative effects on WTP a higher price, which is mostly a disregarded concept. In sum, this study provides specific guidance to companies in order to compete in mobile phone industry, when risk and value factors of mobile phones are considered. The study reveals that regarding mobile phone users, the benefit, value and risk strategies are specifically important for the companies, targeting a higher profit via paying more. The findings suggest that maintaining customers' satisfaction via positive perception and reducing risk will have an impact on customer's accepting a higher price compared to competitors' price and accepting a price increase in the product.

This study is subject to several limitations. First, private university students were selected as survey sample. Though the students constitute the majority of mobile phone users, it is not comprehensive. Research model was tested on certain cultural, economic and demographic factors, for example including the age between 18 and 23 years old university students. They have been anticipated to have similar economic and cultural factors. Future studies should collect data from different universities (including state universities), cities and different groups of age, occupation etc. It is important to expand the sample with different demographic groups to come up with more specified differential comparative results.

Among the dimensions of perceived value, four dimensions were used in this study. In future researches other relevant aspects may need to be considered. WTP more was investigated by using overall PR measurement regardless of its dimensions. Other risk dimensions such as performance and financial risk should be considered in future researches to understand their relative importance on WTP more.

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