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**EFFECTS OF LUXURY BRAND PERCEPTION AND BRAND PREFERENCE**  
**ON PURCHASE INTENTION FOR CIGAR AND CIGARILLO**

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**LÜKS MARKA ALGISI VE MARKA TERCİHİNİN PURO VE SİGARİLLO SATIN ALMA NİYETİNE ETKİSİ**

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## **ABSTRACT**

Cigar and cigarillo related researches is relatively an uncommon topic for the researches while there are a lot of researches about luxury consumption. In this research effects of luxury brand perception which has six factors as financial value, hedonic value, quality value, prestige value, conspicuousness value, uniqueness value and brand preference on purchase intention for cigar and cigarillo products.

As a result of the study, it was revealed that hedonic and quality value have a positive effect of the purchase intention for cigar and cigarillo products. And also cigar consumption behaviors of the respondents were aimed to understood.

In accordance with the research findings, goal is to make recommendations and contributing to the marketing literature. And a future research can be conducted based on these findings maybe with additional variables.

**Keywords:** Luxury, Luxury Brand, Cigar, Cigarillo, Purchase Intention, Brand Preference, Financial value, Hedonic value, Quality value, Prestige value, Conspicuousness value, Uniqueness value

## ÖZET

Lüks tüketimle ilgili birçok araştırma mevcutken puro ve sigarillo ürünleri ile ilgili araştırmalar literatürde yaygın olarak görülmemektedir. Bu çalışmada lüks marka algısının altı faktörü finansal, kalite, hedonik, prestij, dikkat çekme ve benzersizlik değerleri ve marka tercihinin puro ve sigarillo ürünü alma niyetine etkisi araştırılmıştır.

Araştırmanın sonucu olarak görülmüştür ki, hedonik ve kalite değerlerinin puro ve sigarillo satın alımı üzerinde pozitif etkisi vardır. Bununla birlikte çalışmada puro tüketicilerinin tüketim davranışları da anlaşılacak istenmiştir.

Araştırma sonuçları ışığında pazarlama literatürüne katkıda ve önerilerde bulunmak amaçlanmıştır. Bu çalışmanın sonuçları baz alınarak gerekmesi halinde yeni değişkenler de eklenerek gelecekte başka çalışmalar gerçekleştirilebilir.

**Anahtar Kelimeler:** Lüks, Lüks marka, Puro, Sigarillo, Satın alma niyeti, Marka tercihi, Finansal değer, Kalite değeri, Hedonik değer, Prestij değeri, Dikkat çekme değeri, Benzersizlik değeri

## INTRODUCTION

Luxury consumption has been an attractive topic for the marketing researches and other disciplines too. Luxury brand perception and brand preference effects on purchase intention was measured on various researches about various product categories. Since luxury consumption is much more common and available in these days than it is in history due to the technological improvements and production developments it is an attractive topic for marketing.

On the other hand, cigar and cigarillo products were not a common topic in the field. Researches were focused more on the cigarette consumption and health issues about the tobacco products. As cigar products and cigar consumption attributed to the luxury consumption especially from the mid 90's, it should be a topic for the marketing researches.

There is a lot of researches showing that the consumption of cigars increased while the consumption of cigarettes decreased in America and Europe. This could be associated with the marketing strategies of the companies or the launches of the cigarillo products which machine rolled, quite cheaper and could be smoke faster or it can be associated the new flavoured products. Also it is known that the youth is growing population in cigar consumption. Since Turkey is an emerging market for cigar and cigarillo products it should be investigated the factors that effect the purchase intention of individuals.

As it mentioned above, it wont be wrong to say that there is not any research related with the cigar products consumption in Turkey. In order to originate accurate marketing strategies it is important to understand the target and the current market dimensions. It should be understood the current cigar consumption trends among Turkish cigar smokers.

## **2. LITERATURE REVIEW**

In this chapter, different meanings have been ascribed to the concept of luxury and its fluxional nature will be reviewed. The changes of the luxury definitions which have been in the literature over the years, will be tried to be summerized. After that, different luxury consumption theories will be reviewed shortly and luxury brand management strategies will be reviewed. After this, cigar types, world cigar industry will be explained and cigar industry in Turkey will be reviewed shortly and lastly, concepts that have been taken as constructs in the research model will be explained in the last part of the chapter.

### **2.1. UNDERSTANDING CONCEPT OF LUXURY**

Luxury is a concept which had various meanings and definitions from sociological, managerial, philosophical perspectives and has been perceived differently by societies, groups and also individuals. Luxury is not a new concept and it has not originated in modern societies. According to J.N. Kapferer and V. Bastien (2009), the concept of luxury is as old as humanity since there have been organized societies, leading groups and their specific objects, symbols and lifestyles. It has been found in religious temples, churches, Egyptian pyramidal tombs, and such, it can be said that it was used for buying 'mercy' from the gods (Kapferer, 2012)

In 2008, Brun et. al. also stated that, luxury exists since the civilizations of ancient world and concept of luxury has always been directly related to wealth, exclusivity and power as long as it was identified with "satisfaction of non-basic necessities." Luxury products were rare and difficult to reach and simply luxury in its origins, has been used for describing newly emerging wealthy classes' consumption behaviors (Kovesi, 2015).

It can be said that, even though there are some common and widely accepted characteristics of luxury, there is not any strict agreement on what the luxury is. It is a relative concept since every social group has its own luxury. Which means one product or a brand can be exclusive for one social group and no luxury for another one (Mortelmans, 2005). In 2012, Klaus Heine describes luxury as "a relative term that could refer to almost anything or nothing depending on whom you ask" by giving the example of different perceptions of a student about a Volkswagen and a wealthy person has Mercedes about their cars. This explanation is in accordance with the 'democratic way' of seeing the luxury concept which Kapferer and Bastien explained in their book in 2009.

Authors simply claim, since there can not be an agreement on the definition of luxury, it is better to ask the potential clients. (Kapferer and Bastien, 2009).

Relativeness and the subjectivity of luxury is directly connected with the circumstances of the society which are the state of development, technological improvements, civilising processes and the individuals' own economic resources (Maman Larraufie & Kourdoughli, 2014). As an example in order to understand this statement better, the beginning of 2000's might be considered when almost all technological products such as mobile phones or computers were expensive and rare. Just 20 years ago there were few brands due to the undeveloped technological conditions of the period. While very few people could have these products back at the time, the lack of a mobile phone is now matched by poverty. Kovesi explains this unstability of luxury with these words in his work; "This year's luxury soon becomes last year's necessity, or even base commodity." (Kovesi, 2015) Today one simply can not imagine a life without mobile phone.

Clearly it can be said that, what luxury is today, most probably wont be luxury tomorrow, the industrial capacity of making a rare product accessible for everyone should be kept in mind (Kapferer & Bastien, 2009). The changes that Industrial Revolution created, have caused massive improvement in populations living conditions. And perception about the luxury products have been changed inevitably due to their increased accesibility. (Potavanich, 2015) Also industrial revolution have created the opportunity of producing the premium and affordable products (Brunn et. al. 2008). As a result of this growing capacity of production and populations' economic capacity, now there are more luxury goods in various sectors and categories. Consequently larger populations buy more luxury goods and not only the wealthiest classes also modest classes members have become the target (Truong, 2009) and this has created an alternative definition called 'new luxury'. Characteristics of the new luxury are composed of being affordable, mass produced, having a premium position in the market and targeting the middle class. (cited by Potavanich, 2015, p. 25.)

At this point, it is a necessity to mention about democratization of luxury. As it is explained in the previous paragraph, luxury has belonged to a small group for a long time until the 19th and 20th century. From the 20th century, luxury goods have become accessible for different parts of the populations. (Kapferer & V. Bastien, 2009) It can be said that democratization of the luxury have led the change in the meaning of the luxury concept.

Unlike the traditional approach to luxury and brands which are based on the marketers perspective and objectified the consumers (Roper et. al. 2013), new luxury is based on the consumers themselves and determined by the consumers understanding of luxury (cited by Potavanich, 2015, p. 26.)

These changes in the market direct the researchers to focus more on the consumers side of the luxury. It is agreed that luxury brings some psychological, social and functional advantages to the individuals but more importantly, it is believed that psychological aspects create the real difference between the luxury products and the non-luxury products. And also they put the luxury products in a more desirable position in people perceptions. (cited by Vigneron ve Johnson, 2004) Different theories about luxury consumer behaviors will be reviewed in more detail in the following parts of the chapter.

### **2.1.2. DEFINITION OF LUXURY BRAND**

As the extension of the relative nature of the concept of luxury, there is no single definition accepted for the luxury brand in the literature. When the literature is examined, a large number of definitions will be encountered. Even in the American Marketing Association's dictionary of terms there is not a single definition for luxury, luxury brand and luxury marketing (E. Ko, 2017).

When all the definitions are reviewed, in addition to the high quality of physical features, a feeling and emotional level, different than any other brand can offer to the customer, stand out. So it can be said that, a luxury brand must connect to the consumers on emotional level too. Some of the characteristics which have been ascribed to the luxury brand in the literature are listed in Table 1. in chronological order.

**TABLE 1.** Definitions of Luxury Brand

<b>Nueno &amp; Quelch, 1998</b>	Consistent delivery of premium quality, a heritage of craftsmanship, a recognizable style, limited production to ensure exclusivity, limited distribution and premium pricing, a market position that combines emotional appeal with product excellence, global reputation, association with a country of origin that has strong reputation as a source of excellence in the relevant product category, uniqueness, an ability to time design shifts when the category is fashion-intensive, the personality and values of its creator.
<b>Vigneron &amp; Johnson, 1999</b>	Suggested that a brand should consist of five unique values in order to be considered a luxury brand: conspicuous value, unique value, social value, hedonic value and quality value.
<b>Hagtvedt, 2009</b>	Has premium products, provides pleasure as a central benefit and connects with consumers on an emotional level.
<b>Tynan et al, 2010</b>	High quality, expensive and non-essential products and services that appear to be rare, exclusive, prestigious, authentic, offer high levels of symbolic and emotional/hedonic values through customer experiences.
<b>Heine, 2012</b>	High level of price, quality, aesthetics, rarity and extraordinariness and high degree of non-functional associations.
<b>Ko et. al, 2017</b>	Be high quality, offer authentic, value via desired benefits, whether functional or emotional, have a prestigious image within the market built on qualities such as artisanship, craftsmanship, or service quality, be worthy of commanding a premium price, be capable of inspiring a deep connection, or resonance, with the consumer.

### **2.1.3. LUXURY CONSUMPTION THEORIES**

The theories of consumption have been the subject of marketing research with its psychological / sociological aspects. Because understanding the motivators behind the luxury consumption is vital to establish brand management strategies. Understanding individuals' psychological and interpersonal motivations will guide the marketing managers to fulfill the needs of creating successful luxury brand marketing strategies. There are various luxury consumption theories in the literature which are focused on different aspects of consumption behaviors of individuals and groups.

#### **2.1.3.1. Self Concept Theory**

Self concept theory has been the focus of psychological and sociological researches as well as for the marketing researches. According to the theory, self is individuals' attitudes, feelings, perceptions and evaluations of oneself as an object. And this evaluation of self influence the behaviors of individuals and consumer behaviors as well (Grubb, E. L. & Grathwohl, H. L. 1967) Ko et. al. (2017) explain the relationship between self-concept theory and luxury brand consumption shortly as; consumers with independent self-concept has more personal orientation on luxury consumption and emphasize hedonic, utilitarian and self communication goals whereas consumers with more interdependent self concept driven by social motivators of luxury consumption.

#### **2.1.3.2. Conspicuous Consumption**

Veblen has introduced the conspicuous consumption in his work Theory of the Leisure Class in 1899 and yet today status and prestige motivated consumer behaviors still play an important role. In the terms of conspicuous consumption, the satisfaction derived from any particular purchase comes not from products' usage value, but from audience reaction to the wealth displayed by the purchaser. Hereby the product price becomes the most important factor for purchaser (Mason, 1984).

#### **2.1.3.3. Social Comparison Theory**

Festinger, L. (1954) states that according to the social comparison theory "people judge and evaluate their own behaviors through comparisons with others when there are no objective standards" (cited by Gentina et. al. 2017, p.2)

Social comparison theory is based on similarity hypothesis, which assumes that people select similar individuals to themselves for comparison. (Gentina, 2017) So according to the theory, an individuals' consumption behaviors may have similarities with the his/her reference person.

#### **2.1.3.4. Extended Self Theory**

Consumers may use luxury brands to classify themselves or distinguish from the relevant others. Belk's concept of 'extended self' suggests that people regard their possessions as part of identity. Thus 'luxury imitators' may use the perceived extended-self dimension transferred from luxury brands to enhance their self-concept and replicate stereotypes of affluence by consuming similar luxury items. (cited by: Vigneron and Johnson, 2004, p. 489)

#### **2.1.3.5. Theory of Uniqueness**

According to Vigneron and Johnson (2004) uniqueness is based on the assumptions that perceptions of exclusivity and rarity makes a brand more desirable, and that this desirability is increased when the brand is also perceived as expensive. A luxury brand that would be difficult to find because of its uniqueness and it would be expensive compared to non-luxury brands and naturally would be even more valuable for the consumers.

When the literature of luxury has been reviewed, it can be seen that there are various researches that revealed the personal and social motivators of luxury consumption whereas social and interpersonal aspect dominates the area (Wiedmann et. al. 2007). Because research shows that some personal factors help to determine how much people are affected by social factors. In other words, one factor cannot be dealt without another one.

As a result, all theories have been taken place in the literature have major contribution for understanding luxury consumption behaviors of consumers. It is important to take in to consideration these theories, while making a comprehensive study about the luxury brands and motivations for consuming luxury goods.

### **2.1.4. LUXURY BRAND MANAGEMENT**

Researchers have focused on the studies on understanding luxury concept, luxury brands and motivators of the luxury consumption. In addition to all these, understanding marketing strategies for luxury brands is another subject of researches.

E. Ko et al., summarized four research streams on luxury brand management as; the building brand equity, the pricing of luxury brands, segmentation strategies, and social media marketing, in their study in 2017.

Pricing is one of the most important issue in terms of luxury brand management because it is known that the price of a product has influence on the shaping of the consumers' perception about that brand. Parguel, Delécolle, and Valette-Florence (2016) states that prices of luxury products increases the perceived uniqueness and conspicuousness. Kapferer and Laurent (2016) has studied on consumers minimum price expectations for a luxury product and the results show that expensiveness and luxury are related concepts. But managers should be careful about setting the prices and the target market since they are product and consumer specific (cited by Ko et al 2017, p.7).

Segmentation is also a subject for the studies in order to understand the luxury brand marketing strategies. Some researches have been conducted on different countries to understand different luxury brand consumption behaviors. For instance Okonkwo (2007) identifies six main regional markets for luxury brands which are Europe, North America, Japan, China, India, and Russia. According to Okonkwo, although luxury consumers from different countries have similar expectations for luxury brands, their attitudes and consumption styles may change in different segments in terms of their income level, age, brand preferences, brand loyalty etc. (cited by Y. Seo, 2015, p.85) In addition to all these, there are some researches that focuses on gender roles in luxury market segmentation. Stokburger-Sauer and Teichmann (2013) found that women have more positive attitudes toward luxury brands than men (Ko et. al. 2017).

Social media usage of luxury brands has been a new topic in recent years since it's effects in our lives has increased day by day. Effective social media usage has become important for all the brands as well as luxury brands. Chu, Kamal, and Kim (2013) found that social media advertising positively affects the purchase intention for luxury products in the study with over 300 U.S college students (Ko et. al, 2017, p.7). At the same time, social media is a platform that people can express their lifestyles without an advertisement purpose. Nowadays, people's lifestyles, preferred products, places they prefer to go and a lot more information can be obtained from social media accounts. So actually brands use this platform for advertisement both intentionally and unintentionally.

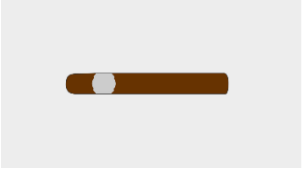
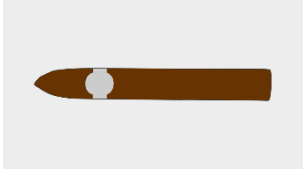

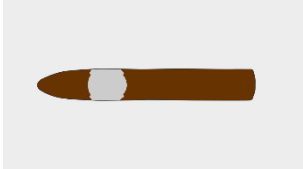

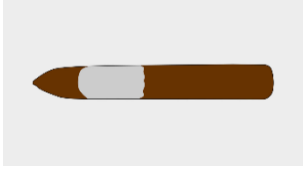

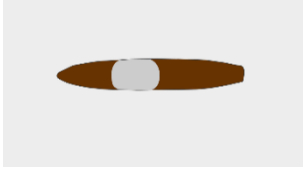
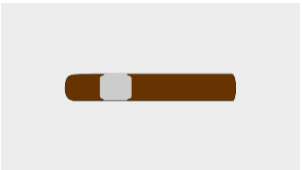
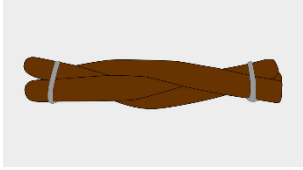
## **2.2 BRIEF HISTORY OF CIGAR AND DEFINITION OF CIGAR TYPES**

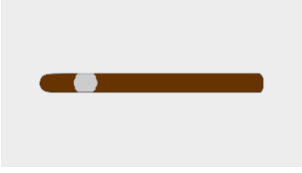
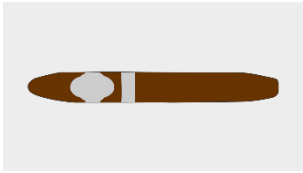
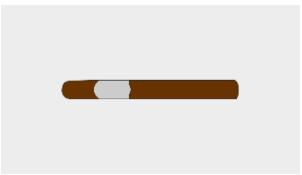
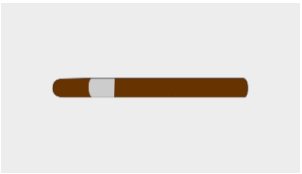
Native Americans were the first people who used tobacco and the word cigar comes from the Mayan word ‘sikar’. They used tobacco for barter, medical issues and in ceremonies. Columbus brought tobacco leaves to Europe after noticed Native Americans were smoking some kind of cigar wrapped in maize. Cigar has become popular in the continent after French diplomat Jean Nicot popularized the use of tobacco and it has spread to Seville which became an important Cuban cigar production area. (Rarick, 2008)

US Federal Trade Commission describes cigar as “any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco.” but cigars vary from shapes and sizes, manufacturing processes, packaging sizes, prices to date, (cited by C. G. Corey, 2017 p: 2) In other words, “the contemporary cigar consists of cut tobacco wrapped in tobacco leaf, with some variants wrapped in reconstituted leaf or leaf-like paper containing leaf fragments and/or tobacco extract.” (cited by Evans and Page, 2003, p:65) Also authors stated that the official classification of cigar is large (weighing over three pounds per thousand) and small (weighing under three pounds per thousand) (Evans and Page, 2003). Cigar tobacco is grown in different areas in the World such as; Brazil, Cuba, Dominican Republic, Honduras, Nicaragua, Puerto Rico, Italy, Spain and the Eastern United States.

Although it is widely accepted that hand-rolled cigars are more qualified than machine-rolled ones, there are more than one factor to accept a cigar as high quality which may vary depending on the individual. The types of wrappers, fillers, binders, quality and origin of tobacco, also manufacturing process of tobacco, the size and the shape of cigar will have an influence on the strength and flavor of the cigar and since this is a personal enjoyment issue it will depend on the personal preferences.

Cigars can be grouped into two main categories according to their shapes. The parejo and the figurado. Parejos are straight-sided cigars; most have an open foot for lighting and need to be cut before smoking and figurados include any cigar that is not a straight-sided cylinder. (Costner, 2000) Kevin Costner describes the standard sizes of cigar types according to their sizes in Table 2.

TABLE 2. Cigar Types	
PAREJOS	FIGURADOS
<p><b>Corona:</b>The traditional dimensions are 5 1/2 to 6 inches with a ring gauge of 42 to 44.  <b>Example: Montecristo No. 3</b></p> 	<p><b>Pyramid:</b>Cut feet with heads tapered to a point. 6-7 inches length, with ring gauges of about 40 at the head to 52-54 at the foot. <b>Example: Montecristo No. 2</b></p> 
<p><b>Petit Corona:</b> Basically a miniature corona, this cigar generally measures about 4 1/2 inches, with a ring gauge of 40 to 42.  <b>Example: Montecristo No. 4</b></p> 	<p><b>Belicoso:</b> Short pyramids, often with a slightly rounded pyramid head. measure from 5 to 5 1/2 inches, with ring gauges of about 50. <b>Example: Bolivar Belicoso Fino</b></p> 
<p><b>Churchill:</b> A large corona format. The standard dimensions are 7 inches by 47 ring gauge.  <b>Example: Romeo y Julieta Churchill</b></p> 	<p><b>Torpedo:</b> Is a rare cigar today, a smoke with a closed foot, a head tapered to a point, and a bulge in the middle. <b>Example: Cuaba Millennium</b></p> 
<p><b>Robusto:</b> A short, fat cigar that has become the most popular cigar size in America. The size is generally 4 3/4 to 5 1/2 inches by 48 to 52 ring gauge.  <b>Example: Cohiba Robusto</b></p> 	<p><b>Perfecto:</b> Has a closed foot and a bulge in the middle. The head is rounded. 4.5 inches to 9 inches in length, with ring gauges from 38 to 48. <b>Example: Partagas Presidente</b></p> 
<p><b>Corona Gorda:</b> The traditional measurements are 5 5/8 inches by 46 ring gauge.  <b>Example: Punch Punch</b></p> 	<p><b>Culebra:</b> Consists of 3 panetelas tied with string then unbraided and smoked separately. 5 to 6 inches long, 38 ring gauge. Example: Partagas Culebra</p> 

<p><b>Double Corona:</b>The standard dimensions are 7 1/2 to 8 1/2 inches by a 49 to 52 ring gauge. <b>Example: Hoyo de Monterrey Double Corona</b></p> 	<p><b>Diadema:</b> Enormous, 8 1/2 inches or longer. The head is tapered, with a 40 ring gauge. This is a cigar to be enjoyed when time is no object. <b>Example: Hoyo de Monterrey Diadema</b></p> 
<p><b>Panetela:</b>Long, thin and elegant. with a wide length variation of 5 to 7 1/2 inches with a ring gauge of 34 to 38. <b>Example: Cohiba Lancero</b></p> 	
<p><b>Lonsdale:</b>Generally longer than a corona but thicker than a panetela, with a classic size of 6 1/2 inches by 42 ring. <b>Example: Montecristo No. 1</b></p> 	

(<https://www.cigaraficionado.com/article/cigar-shapes-sizes-and-colors-8094>)

Also apart from the large cigars in Table 2, there are cigarillos and little cigars. Cigarillos simply defined as “a miniature cigar” range in size from 3” to 4.5”, and sport ring gauges in the 20-30 range and weigh more than 3 lbs/1000. They are machine rolled because of their sizes. (<https://www.jrcigars.com/blending-room/university/cigars-101/the-difference-between-a-cigarillo-and-a-cigar/2015/11/10/>) Cigarillos has become the prevalence especially of the youth in recent years (Page and Evans, 2003) with their wide range of flavours and their possibility to be consumed in a short time. And this makes cigarillos preferred choice for especially beginners. Little cigars are small cigars with cellulose acetate filters that are similar in size, weight, and appearance to cigarettes. ( Reilly et. al. 2018, p: 99).

Participants were asked which cigar brand they consume and brands and types were included in the analysis without discrimination. As summary, cigar products can be categorized according different factors such as shapes, sizes, colors, tobacco. But in general it would not be wrong to categorize the cigar products in three main groups; large cigars, cigarillos and little filtered cigars.

### **2.3. WORLD CIGAR INDUSTRY**

Cigars are produced in many different countries. Top ten cigar producing countries can be listed as United States, Netherlands, Belgium, Germany, United Kingdom, Spain, Denmark, Switzerland, Dominican Republic and Finland. (Rarick, 2008) Also there are some countries which have started to take attention in terms of cigar production such as Italy, Peru, Indonesia, Costa Rica, Colombia. (<https://www.famous-smoke.com/cigaradvisor/cigar-tobacco-from-countries-that-may-surprise-you>) But when it comes to premium hand-rolled cigars, there is a common idea that the producing countries are limited to the Dominican Republic, Cuba and Honduras. Dominican Cigars are considered to be of very high quality and constitute the majority of premium cigars imported into the United States. Cuban cigars are also considered as really high quality and sold all over the World except USA. (Rarick, 2008)

When it comes to the consumption of cigar, United States is the top cigar consuming country. Germany, United Kingdom, France and Spain comes after United States and Western Europe constitute 75% of all the cigar sales in the World. (Rarick, 2008) With a total consumption of 9.4 billion pieces in 2017, cigar and cigarillo consumption represents less than 1,6% of the total consumption of tobacco products in the European Union. (<http://www.ecma.eu/pagina13.html>) However, in European countries such as Sweden it is observed that women's cigar consumption has increased and smoking women population has increased in Poland as well. This is expected to be one of the factors that will affect the expansion of overall cigar and cigarillo market. (<https://www.wiseguyreports.com/reports/3377944-global-cigar-and-cigarillos-market-insights-forecast-to-2025>)

In the United States, there were 13.6 billion cigars sold during 2017 and there were approximately 5.5 million adult cigar smokers who smoke approximately 2 cigars per week. (<http://cigarassociation.org/all-about-cigars/cigars-glance>) When the cigar consumption and production has been examined in USA, it can be seen that it wasn't a stable movement.

There were 15,000 cigar factories in US in 1915 and it was fewer than 100 in 2008. Also cigar consumption was 2 million cigars in 1870, 8.5 million cigars a year in the 1920s, 4.6 million in 1933. Cigar consumption grew after the Great Depression, and reached 9.1 billion units in 1964. Beginning in 1992, cigar consumption has increased and premium cigar smoking became a popular trend with the undeniable role of two cigar magazines, *Cigar Aficionado* and *Smoke*. (Rarick, 2008).

Many researches which have been conducted in the United States have shown that in the past decade, the rate of cigarette use has decreased while the cigar consumption rate has increased significantly. (Teplitskaya et. al. 2015, Kong et. al. 2016, Corey et. al. 2014) Between the years of 2000 and 2011, cigar consumption increased by 123% while cigarette consumption has continued to decline. (Kong, 2016) In 2008 Charles A. Rarick stated that 5% of the U.S. population were regular cigar smokers while 19% percent of the population smokes at least occasionally. Men have constituted the majority of the cigar consumers. (Rarick, 2008) Furthermore, a more recent analysis from the the 2012–2013 National Adult Tobacco Survey shows that more than one in 20 U.S. adults smoke cigars “every day,” “someday,” or “rarely” and this report also categorize the smokers based upon the cigar types they smoke.; the 61% of adult cigar smokers in U.S. usually smoke cigarillos, 19.9% usually smoke Premium cigars and 18.4% usually smoke litte filtered cigars. (cited by Corey et. al. 2014) In 2016 7.9% of adult males and 2.0% of adult females smoke cigars in U.S. ([https://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/tobacco\\_industry/cigars/index.htm](https://www.cdc.gov/tobacco/data_statistics/fact_sheets/tobacco_industry/cigars/index.htm))

Also there are various researches that revealed the increased youth population in the cigar industry (Cullen et.al. 2011, Kong et.al. 2017) The Maxwell Report stated that between 1995 and 2008 annual sales of large cigars increased by 17% while sales of cigarillos increased by 255%, and sales of little cigars increased by 316%. Cigarillos and little cigars have become popular among young adult population mostly. (cited by Cullen et.al 2011) Apart from the U.S. market, which is the largest market in cigar industry, consumption of cigarillos and little cigars are increasing in many countries such as Germany, China. Swedish Match, one of the largest producers of cigars, states that mass market cigar sales, (cigarillos constitutes the big part of it since they are generally machine-rolled) were up 22% in 2010 and profits continued to rise in 2011. (Richardson, 2012)

So the increased youth population of cigar consumption and increased cigarillo and little cigar consumption can be seen as relevant for sure since young adults moslty prefer cigarillos and other mass-merchandise cigars as their usual cigar type. (Corey, 2014)

The 72% of adult cigar users are between 18 and 29 years old and 1.4 million (8.6%) adolescents are past 30-day cigar users.(cited by Kong, 2016) The growing population of young cigars smokers can be attributed to the different factors such as widespread availability of cigars in recent years; 80% of tobacco retailers sell cigar products (Kong, 2016), increased number and variety of flavored products (Kostygina, 2014), and relatively cheap machine-rolled cigars (Wegner, 2001), packaging strategies (Kong, 2016) and other marketing strategies which will be held in the following chapter.

### **2.3.1 Marketing Strategies in Cigar Industry**

There is not so much information and data about the cigar companies marketing strategies because unlike other tobacco products, reporting advertising and promotional expenditures is not obligatory for cigar and cigarillo products to the Federal Trade Commission in U.S. (Teplitskaya, 2015). But it is known that cigar smoking has been associated with high status in society and luxury consumption.

Starting with the mid-1990s conspicuous consumption of premium cigars has been highly fashionable. Marketing strategies aimed making the cigar smoking associated with the fine food and drink and attract the people with high income level. (Evans, 2004) Bars, clubs, restaurants, stores have appeared in the cities. (Wenger, 2001). It could be said that cigar industry's marketing strategies have been based upon the idea of "matching the cigar consumption to a high standard of lifestyle" especially in terms of premium cigars. Two magazines, Cigar Aficionado and Smoke which are examples of supporting this idea, have emerged in the United States and show cigars as important part of successful and sophisticated lifestyle. (Wenger, 2001).

Concept of lifestyle is really important for marketers especially regarding conspicuous consumption. Social theorists understand lifestyle as means of social stratification, positioning people in an economically defined class structure. (cited by, Wenger 2001). Lifestyles become associated with consumption of specific goods and services (Wenger 2001) Since each social group has its own consumption behavior and economic condition. particular products have been attributed to particular groups. For example An "upscale" lifestyle includes consumption of high priced products that connote luxury, sophistication, and style. There are also different life-style magazines on different products such as car, wine, travel and leisure. These magazines, TV advertisements, other mass media creates desire to own certain products and creates a certain lifestyle (Wenger, 2001).

When the Cigar Aficionado is examined, it is seen that there is a wide content such as cigar production, consumption, market, information about brands, interviews, evaluations, lists like top ten brands of 2018.

Also, there are videos about cigars in their official website and there is a section called ‘cigar life’ which includes news about sports like golf, coffee, some famous brands and so on. Covers of the magazine host a well known celebrity almost in each issue. When all the issues are examined, it can be clearly seen that the majority consists of successful and famous men from different industries of variety of age groups. But there are some magazines like Cigar Snob, are more likely to use a sexy female model in the cover to attract the male consumers.



Cigar companies started to make arrangements with celebrities and production companies in 80's. Industry come together and run a campaign to market the cigars as status symbols and associate with the famous models, actors and show them as role models.

For instance General Cigar Company and Keppler Entertainment Inc agreement was one of these. This product placement took place in several shows like Friends, Baywatch, Mad About You, Spin City and they were mostly attractive for young people. (Glantz, 2002).

Due to different cigar regulations around the World, it is not possible to adapt one situation in all countries. But, it can be said that regulations about cigars are constituted later than cigarette regulations and this gave an advantage to the cigar companies to take an advantageous position in the market with mass merchandise cigars especially. (Delnevo, 2017). They found a chance to alter the product offerings with variety of flavours and took a chance of attract new and young consumers. Youth, young adults, females, blacks, cigarette smokers were significantly more likely to smoke a usual cigar brand that was flavoured and flavoured cigar brand preference cigars is inversely proportional to age in U.S. (Kostygina, 2014)

Cigar companies continues with the celebrity endorsements to attract young people and women. For instance Executive Branch cigarillo was used in the Snoop Dogg's music videos on Youtube which reached over 51 million views as of 2014. Also changing the cigar cize and using flavors affects the woman preference of brand. Avanti cigar company spokeswoman Elaine Ferri stated "Women absolutely are a growing market in the cigar industry and they prefer flavoured and small cigars." (cited by Kostygina, 2014)



Point of sale marketing is also effective for cigar industry. Apart from the health warnings, cigar packages still have the brand colors, logos and names. Australia is the only country in the World that have regulations which includes the cigar packages. And Turkey also is preparing for this regulations these days. So, in other countries packages are still considered to be an important factor for attracting consumers, especially the youth. Tobacco packages are also important for non-consumers to describe the product and its importance for the brand image as well. (Kong, 2016) It is said that the package of a cigar, may alter the individuals attitude and perception against a product and shape the behaviour of the individual eventually. (cited by Kong, 2016)

According to the research which was conducted with focus groups, the appealing components of cigar packaging for youth are, flavor names, price promotions, branding, marketing claims, product features, color and package features (Kong, 2016). Obviously these components are changeable for any individual. For instance price promotions are mostly related with the individual's price sensitivity. It should be kept in mind that this research was conducted upon the young adult participants aged between 18 and 25.

Along with all these methods that have been implemented through the years, websites and social media platforms have become more and more important in recent years for all tobacco industry as well as cigar companies marketing strategies. Internet served as an easier platform for the companies and allow them to reach more people.

It is known that cigar companies increase their expenditures on the internet, major cigar companies spent \$218 000 on internet advertising and promotional activities in 1997, up 76% from the year before (cited by Escobedo, 2017).

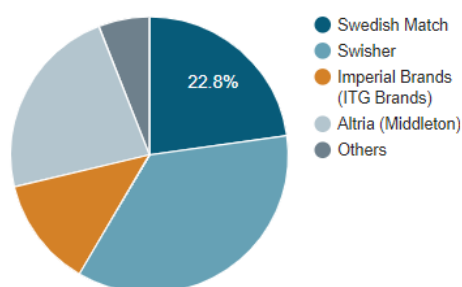
According to a research which was conducted on all tobacco brands' websites, cigar brands websites have some differences from cigarette brands. Swisher Sweets and Black & Mild are the cigar brands which are monitored especially in the research. According to the authors cigar brand websites are twice likely to emphasize the taste, success and seven times as likely to have themes related to sociability and party lifestyle. In parallel, they are more likely to share information about events. Also cigar brands websites are more likely to canalize the consumers to their social media platforms like twitter, instagram, facebook. It is also said that, information about price and discount is also shared less than cigarette sites (Escobedo, 2017).

When the cigar brands websites are monitored, it is seen that the production process, uniqueness of the brand, quality, history of the brand, originality are the most emphasized themes by the brands. Cigar brands adapt their marketing strategies to their internet platforms. Since the quality, country of origin, brand image is highly important for the luxury brands it can be clearly seen in the case of cigar brands too. For instance in the "Habanos" website, which is a company owns all the Cuban cigar brands, there is a detailed explanation about the history of tobacco and cigars and the brands' role in the industry since it is a Cuban brand. Also in their instagram profile, the brand defines it self as "Excellence. Luxury. Elegance. Legacy. Origin. Exclusive. This is Habanos. Since 1492." Also an Italian brand "Toscano" emphasizes that being a 200 years old company in Italy and reflects the Italian way of life. In their Instagram profile there is a sentence "Italy's passion for over 200 years" could be seen and videos about production, features of the products can be viewed.

### **2.3.2. Leading Companies in the World Cigar Industry**

There are various companies in the tobacco and cigar industry. Swedish Match, Habanos SA, Scandinavian Tobacco Group, Agio Cigars, Dannemann Cigarenfabrik GmbH, John Middleton Co., Altria Group, J. Cortes cigars, British American Tobacco, Japan Tobacco are the largest companies in the industry right now.

**Figure 1.** Machine rolled cigars market share in U.S. (2018)



### 2.3.2.1. Swedish Match

It is one of the largest companies which is really strong in U.S and Scandinavian markets. Swedish Match holds the number 2 position in the US market for mass market cigars. Company's headquarter is located in Sweden and Production units of cigars take place in Santiago, Dominican Republic and Dothan, Alabama. Garcia y Vega, Game by Garcia y Vega, 1882, White Owl, Jackpot are the cigar brands of the company. Swedish Match's cigars' market share have increased by 5 percent and reached %22 of the machine rolled cigar market in the U.S. in 2018. (<https://www.swedishmatch.com/Our-company/markets/our-markets/>)

### 2.3.2.2. Habanos SA Corporation

Habanos S.A. is the Cuban company that oversees the country's state-run cigar industry. New blends, brands, information on worldwide sales and marketing strategies come from the Havana offices of Habanos. (<https://www.cigaraficionado.com/company/habanos-s-a>)The Habanos, S.A. is a Cuban joint venture with the share capital owned 50%-50% by Cubatabaco, a Cuban Government company and Altadis, a Spanish company owned by Imperial Tobacco Group PLC , a British Tobacco Company. Its corporate purpose is to market all Cuban tobacco products, both in Cuba and throughout the rest of the World. The company is the world leader in the commercialization of Premium cigars maintaining a presence over 150 countries. (<http://www.habanos.com/en/empresa/>)

The organisation has really important and well known brands of the market which are Cohiba, MonteCristo, Partagas, Romeo y Julieta, Trinidad, Bolivar, Cuaba, H. Upmann, Hoyo de Monterrey, Punch, Ramon Allones. All cigars are hand rolled and premium cigars. (<https://www.cigaraficionado.com/company/habanos-s-a>)

### **2.3.2.3.Scandinavian Tobacco Group**

Scandinavian Tobacco Group contains more than 200 leading brands, including the cigar brands Café Crème, Captain Black, La Paz, Macanudo, CAO, Partagas (US) and Cohiba (US). General Cigar Co. also, a subsidiary of Scandinavian Tobacco Group, a market leading manufacturer and marketer of handcrafted cigars for the premium market in the US. General Cigar's produce Macanudo and CAO for sale globally and Cohiba, La Gloria Cubana, Partagas, Punch, Hoyo de Monterrey, Excalibur, Toraño, and several other leading premium brands for sale in the US, in the company's Dominican, Honduran and Nicaraguan factories. Because with the nationalization of the Cuban tobacco industry along with other businesses after the Cuban Revolution General Cigars started to produce Cohiba outside of the Cuba and sell in the U.S. market. (<https://www.st-group.com/en/our-brands>)

### **2.3.2.4. Swisher International**

Swisher International is the company that produces Swisher Sweets. They have a wide variety of cigars and sigarillo products. It is a well known company in U.S. and also sells cigars to more than 60 different countries. Swisher Sweets, a cigar made by machine with a sweetened tip. (<https://history.swisher.com/>)

Companies have listed above, are some of the biggest companies in the world tobacco and cigar industry but there are other operating companies in the industry as well. Other than these leading companies there are some small companies which are trying to compete on the basis of unique brand identification and attract the casual cigar smokers who like to try different and unique brands (Rarick, 2008).

## **2.4. CIGAR INDUSTRY in TURKEY**

Turkey has been an important market for tobacco companies especially for cigarette brands because of the high rates of cigarette consumption for many years. According to the data were conducted in 2008, one third of the adult population of Turkey was smoking cigarettes. (Elibol et. al. 2010) Cigar products did not have big market share as cigarette products in Turkey in the past years but it is an emerging market for the cigar companies now.

Cigar consumption is increasing in Turkey every year. According to the T.C. Ministry of Agriculture and Forestry Tobacco and Alcohol Department, in 2003 the sales of cigars in the country was only 1.500 kg and this has reached 57.345,45 kg in 2018. There has been %4800 rise in last 15 years.

Also the import of the cigars was 622,498.18 dollars in 2008 and it has reached to 2,424,311.28 dollars in 2018. (<https://www.tarimorman.gov.tr/TADB/Menu/22/Tutun-Ve-Tutun-Mamulleri-Daire-Baskanligi>) Detailed information can be examined in the table X.

There are two companies engaged in the production of cigar products in Turkey which are Teka Puro Üretim ve Ticaret A.Ş. and Fumar Tütün Mamulleri Sanayi ve Ticaret A.Ş. (<https://www.tarimorman.gov.tr/TADB/Menu/22/Tutun-Ve-Tutun-Mamulleri-Daire-Baskanligi>) Teka is the first company which has started to produce cigars in Turkey in 2001. Actually this was a joint venture of "TEKEL" and Cuban company "Catec".

The aim was producing cigars with %100 Cuban tobacco. (<http://www.hurriyet.com.tr/ekonomi/cevizlide-kuba-tutununden-puro-38270033>) But in 2007 it was sold to a private company and has been continuing production since then. Teka Puro Üretim ve Ticaret A.Ş. producing different cigar and cigarillo brands which are Caffè Creme, Captain Black, Crashh, Punta Cana, Marmara and Rocks. And Fumar Tütün Mamulleri Sanayi ve Ticaret A.Ş. producing different cigar and cigarillo brands which are CHE, Havanitos and Frida in Çanakkale since 2015. Fumar is also importing a different cigar and cigarillo brand called Djarum. (<https://www.tarimorman.gov.tr/TADB/Menu/22/Tutun-Ve-Tutun-Mamulleri-Daire-Baskanligi>)

Apart from these two cigar production companies, there are ten companies which have the licence for importing cigar products; Swedish Match Kibrit ve Çakmak Endüstri A.Ş., Phoenecia İstanbul Tütün Ürünleri Satış ve Dağıtım A.Ş., Maya Tütün ve Tütün Mamülleri, Dems Puro Dış Ticaret A.Ş., Galera Puro Tütün Mamülleri Dış Ticaret A.Ş., Urban Tütün ve Tütün Mamülleri A.Ş., Atladis Grup Dış Ticaret Limited Şirketi, Torres Cigars Tütün Mamülleri Sanayi ve Ticaret Anonim Şirketi, BTS Tütün ve Tütün Mamülleri, Gündoğumu Puro ve Ticaret Limited Şirketi.

These companies have been importing some of the most known cigar and cigarillo brands around the world. According to the 2018 data some of the brands are Cuban Parejo, Toscano, H. Upmann, Hoyo de Monterrey, Romeo Y Julieta, Partagas, Mehari's, Panter, Vasco da Gama. (<https://www.tarimorman.gov.tr/TADB/Menu/22/Tutun-Ve-Tutun-Mamulleri-Daire-Baskanligi>) But these companies and imported brands are could change every year due to the regulations and import requirements. The data in T.C. Ministry of Agriculture and Forestry Tobacco and Alcohol Department is analyzed by years these differences are observed.

Like the other countries in the world, it could be said that flavoured cigars attract attention in Turkey too. The Italian brand Toscano could be given as an example about this. Toscano has legally entered the market with the flavoured products in April 2018. 1.200.000 cigars have been sold just in İstanbul in one year.

There is one more "channel" that should be kept in mind when it comes to the cigar consumption in Turkey. Besides these legal products which are listed above, there are "illegal" products in the market too. Even though it is not legal to sell products without TAPDK label, it is known that there are products brought from other countries in the market. Also there are cigar users who prefer to bring products from other countries for their personal use.

This can be associated with the lack of product diversity, price policy or personal preference. So the cigar consumption in Turkey should not be interpreted solely based on legal data.

When it comes to cigar marketing strategies in Turkey, it is mostly the same with rest of the world. Since the legislation on tobacco products has been tightened, cigar industry has effected too. Apart from the direct advertisement it is also forbidden to put tobacco products name on any objects. (<http://www.mevzuat.gov.tr/Metin.Aspx?MevzuatKod=7.5.14646&MevzuatIliski=0&sourceXmlSearch=t%FCt%FCn>) So the cigar companies and brands have to carry out their marketing activities with implicit methods. It could be said that Instagram and other social media platforms, and influencers are the popular ways to increase brand awareness and to reach consumers these days.

Also according to a new regulation which has been published on March 2019 and expected to be implemented on 2020, tobacco products packages will be all the same including cigar products. (<http://www.resmigazete.gov.tr/eskiler/2019/03/20190301-5.htm>) This will be a new challenge for the cigar companies and eliminate power of the point of sale marketing.

## **2.5. RESEARCH CONSTRUCTS AND LUXURY BRAND PERCEPTION**

The aim of this research is to understand the relationship between brand preference, luxury brand value perception of individuals with purchase intention for luxury products which means cigar and cigarillo products in this research.

Customer's perception of luxury can not be associated with a single factor. Since luxury is a multidimensional concept, just individual factors or just social factors would be insufficient to understand ones' luxury perception. Simply, it can be said that luxury value has individual, financial, functional and social aspects. (Wiedmann, Hennigs and Siebels, 2007) Financial value, quality value, uniqueness value, hedonic value, conspicuousness value and prestige value have been included to the research in order to measure the luxury brand purchase intention of customers and the model has been constructed upon the previous model of Wiedmann, Hennigs and Sibels's work. (Fig. 1.)

### **2.5.1. Financial Value**

The financial value is directly related with the monetary aspects of the product and the amount that can be paid for the product. (Wiedmann, Hennigs and Siebels, 2007)

Perceived (the cost as judged by the consumer) objective price (the actual price) of a product constitutes the financial value of the brand. The price of a product can affect people's thinking that the product is of better quality and more prestigious (Wiedmann, 2009). Thus, the high price alone is not enough to qualify a product as luxury.

### **2.5.2. Quality value**

Quality value is one of the functional value dimensions. When the literature is reviewed, high quality can be found in almost every definition of luxury brand and as seen as fundamental character of luxury. Accordingly, people influenced by the quality dimension of luxury may perceive that luxury brands have superior characteristics of quality than nonluxury brands. (Vigneron, 2004).

### **2.5.3. Uniqueness Value**

Uniqueness is based on the assumption that the positive correlation between exclusivity and rareness of the product and consumer's desire for it and the higher price also strengthens this relationship.(cited by Wiedmann, Hennigs and Siebels, 2009, p. 630). It can be said that, as the brand's availability and accessibility are reduced, customers' desire to have a brand or product is increasing.

#### **2.5.4. Hedonic value**

According to Hirschman and Holbrook, hedonic consumption consists of “those facets of consumer behavior that relate to the multisensory, fantasy, and emotive aspects of one's experience with products.” (cited by Alba. 2013, p.3) And according to Wong and Ahuvia, number of consumers are purchasing luxury brands to derive self-directed hedonic experience and symbolic benefits are increasing. (cited by Shukla 2012, p.579) Because the studies have shown that luxury products provides those kind of symbolic and sentimental benefits. (Wiedmann 2009)

#### **2.5.5. Conspicuousness Value**

Veblen's conspicuous consumption theory is derived from leisure class. According to Veblen, when the societies started to produce surplus, it has become very important to have property. Thus it has been a symbol of social status since then. Owning a property is equivalent to having a social status, and having nothing is perceived as not being above in the social hierarchy. (Andrew B. Trigg, 2001) Thus conspicuous consumption plays an important role in determining the consumer behaviors. As Veblen stated years ago, luxury products may still be used for displaying wealth, power and status (Vigneron and Johnson 1999). In short, some brands, considered luxury, can be seen as indicators of economic power and represent belonging to some groups with high social status in societies.

#### **2.5.6. Prestige Value**

There are a lot of researches in the literature which focus on the relationship between prestige, status and the luxury products purchase motivations. It can be said that luxury products and luxury consumption have been associated with the prestigious and wealthy position in society. As a result, desire to have luxury products serve as symbolic sign of group membership by supporting the belongingness in to an affluent lifestyle or the opposite, distinguishing from nonaffluent lifestyles. (Weidmann, 2009) According to a research by Kastanakis and Balabanis (2012), many brands are able to mass-market luxury products now and a strong interdependent self-concept, high consumer susceptibility to interpersonal influence, and desire to show status via consumption are positively related to bandwagon behavior. (cited by Ko, 2017, p. 5-6) Bandwagon effects occur in luxury markets when consumers buy certain categories of luxuries because of their popularity in certain groups and creates more demand through those products. (cited by Kastanakis and Balabanis 2012, p.

1401) So it means that apart from the need for uniqueness the desire to be a part of a certain group, can trigger the intention to purchase some group of luxury products.

### **2.5.7. Brand Preference**

There are various definitions of brand preference in the marketing literature and it is known that brand preferences is a result of individual's positive judgment for one of the different alternatives (Ebrahim, 2013). Hellier et. al. Simply defines it as "the extent to which a consumer favours one brand over another." (Cited by Ebrahim, 2013 p. 14) Several researchers have tested the relationship between the brand preferences and the purchase intention and found a positive relationship between them. (Chang, 2009) It is also one of the hypothesis of this research.

### **2.5.8. Purchase intention**

Purchase intention can be explained as the motivation of an individual to make an attempt to buy a product of a specific brand. So it means that consumers will try to buy that product again after they are satisfied or realize somehow it is worth purchasing (C. Dang et. al. 2017).

## **3. METHODOLOGY**

In this part, methodology of the research will be explained by mentioning the research objective, research design, questionnaire design and measurement of independent and dependent variables, sampling and data collection.

### **3.1. RESEARCH OBJECTIVE AND DESIGN**

#### **3.1.1. Research Objective**

The main goal of this research is to evaluate and determine the variables that have an effect on purchase intention for luxury products which are cigar and cigarillo products specifically in this study. By understanding the affecting factors for purchase intention and also consumers cigar smoking behaviors it is aimed to recommend suitable marketing strategies for the industry.

#### **3.1.2. Research Design**

Luxury consumption and consumer behavior has been attention-grabbing areas for the researchers for long years and it is not a new area for marketing researchers as well.

But it can be said that there is no cigar related research in Turkey. Also the researches have been conducted around the World about cigar consumption were mostly focused on the health issues, cigar consumption on youth or more specific topics like effects of packaging on purchase intention.

This research is designed to place the cigar products in the luxury product category and understand the effects of luxury brand perception and brand preferences on cigar purchase intention. In order to conduct the research, quantitative data was collected by using hard-copy and online questionnaire as a research method.

## **3.2. SAMPLE SELECTION AND DATA COLLECTION**

### **3.2.1. Sample Selection**

Convenience sampling method has been chosen and applied in this research. With this sampling method, researcher collects the data from the most convenient and available participants. It is easy to apply and allow the researcher to save time and money.

Participants are from different age groups, with different income levels, occupations in this study but being older than 18 years and a cigar smoker were the conditions to participate in the research.

### **3.2.2. Data Collection**

Different cigar smokers from Turkey who are more than 18 years old, participated in the research without any other condition. The same questionnaire was prepared in two forms as hardware and online by using Google forms. The participants who can not be reached in person, filled the survey online. The other participants filled the hardcopy.

The process of data collection took about three weeks. After the target number of participants was reached collected data was transferred to Statistical Package for Social Sciences (SPSS) programme in order to make the necessary analysis for the study.

## **3.3 QUESTIONNAIRE DESIGN**

The questionnaire could be thought as two main sections. First section was constructed with the demographic questions about participants and descriptive questions about their cigar consumption. As demographic questions age, gender, level of education, monthly income, alcohol and cigarette consumption were asked to the participants.

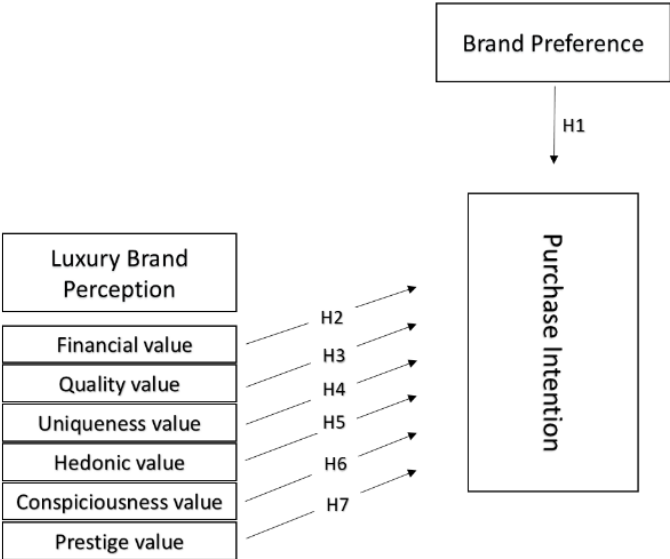
After these questions, it is asked them the frequency of cigar use, preferred cigar brands, for how long they smoke cigars in wich occasions they prefer to smoke in order to understand their cigar consumption behaviors.

At the second part, the questions were aimed to measure the variables of the research model. 5 items for Brand Preference, 3 items for Purchase Intention, 4 items for Uniqueness Value, 3 items for Quality Value, 4 items for both Hedonic, Financial and Conspicuousness Value and 13 items were Prestige Value. There were 40 items in total and were measured on 5-point likert scale ranging from 1=Strongly disagree, to 5=Strongly agree.

**3.4. THEORETICAL FRAMEWORK OF RESEARCH**

Examining the effects of Luxury Brand Perception and Brand Preferences on cigar purchase intention was the main goal of this research. In order to manage this analysis conceptual model was formed as in Figure 2.

**Fig. 2.** Research Model



Hypotheses that were tested in this research can be seen as in the following list;

**H1:** Brand preference has a direct positive effect on purchase intention for cigar and cigarillo products.

**H2:** Perceived financial value, has a direct positive effect on purchase intention for cigar and cigarillo products.

**H3:** Perceived quality value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H4:** Perceived uniqueness value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H5:** Perceived hedonic value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H6:** Perceived conspicuousness value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H7:** Perceived prestige has a direct positive effect on purchase intention for cigar and cigarillo products.

### 3.5. MEASUREMENT OF INDEPENDENT AND DEPENDENT VARIABLES

In order to measure dependent and independent variables in the model, literature was searched and the most suitable scales were adopted for the research. The sample of this research composed of Turkish people (183 respondents) so those questionnaire items were translated into Turkish in order to prevent possible misunderstandings. Lastly all questions and items were merged and questionnaire was formed.

**Table 3.** Measurement of Independent and Dependent Variables

CONSTRUCTS	ITEMS	SOURCE
BRAND PREFERENCE	I prefer this brand because of its taste	Wang (2010)
	I prefer this brand because of its affordability	
	I prefer this brand because of its availability	
	I prefer this brand because of its long shelf life	
	I prefer this brand because of its attractive packaging	
UNIQUENESS VALUE	I would like to buy new and limited addition of cigars	Jain and Mishra (2018)
	Cigars make me feel superior and unique	
	I would avoid cigar brands that are bought by many people	
	I would like to own premium cigars before others do	
QUALITY VALUE	I would put emphasis on the quality over the prestige while buying cigars	Jain and Mishra (2018)
	I buy a cigar for its attribute and performance rather than listening to others opinion	
	I would buy cigars for their craftsmanship	

HEDONIC VALUE	Purchasing cigars gives me a lot pleasure	Jain and Mishra (2018)
	The smell is important to me in case of cigars	
	The taste is important to me in case of cigars	
	Shopping for cigars enhances my mood	
CONSPICIOUSNESS VALUE	Purchasing cigars can be noticed and admired by others	Jain and Mishra (2018)
	Cigars are a symbol of social status	
	Many people buy cigars to show off	
	I would buy popular cigar brands	
PRESTIGE VALUE	I like to know which cigar brands and products make good impressions	Weidmann, Hennigs, and Siebels (2009)
	I usually keep up with style changes by watching what others buy.	
	Before purchasing a cigar it is important to know what brands or products to buy to make good impressions on others.	
	Before purchasing a cigar it is important to know what kinds of people buy certain brands or products.	
	Before purchasing a cigar it is important to know what others think of people who use certain brands or products.	
	I tend to pay attention to what others are buying	
	Before purchasing a cigar it is important to know what my friends think of different brands or products.	
	I actively avoid using products that are not in style	
	If I were to buy an expensive cigar, I would worry about what others would think of me.	
	Social standing is an important motivator for my cigar consumption.	
	For me as a cigar consumer, sharing with friends is an important motivator.	
	I often consult my friends to help choose the best alternative available from a cigar category.	
My friends and I tend to buy the same brands of cigars		
PURCHASE INTENTION	I will try to buy cigars in the future	Jain and Mishra (2018)
	I intend to purchase cigars within next month	
	The probability that i would buy cigars within next months is high perceptions	

## 4. RESEARCH FINDINGS

### 4.1. DESCRIPTIVE STATISTICS FOR DEMOGRAPHIC VARIABLES AND CIGAR RELATED VARIABLES

Descriptive statistics used for this questionnaire were age, gender, income levels, education levels, cigarette and alcohol consumption of the respondents. Besides these, some questions were asked which are related to cigar consumption behaviors of the respondents such as respondents' frequency of cigar usage, preferred cigar brands, consumption conditions.

#### 4.1.1. Age

Ages of the sample are ranged between 18-24 to 65<sup>+</sup>. From the total number of 182 respondents the highest rate is the age group of 45-54 with the 38 respondents.

**Table 4.** Age Distribution of the Participants

Age		
	N	%
18-24	13	7,1
25-28	22	12
29-34	33	18
35-39	33	18
40-44	21	11,5
45-54	38	20,8
55-64	21	11,5
65 <sup>+</sup>	1	0,5
Total	182	99,5
Missing	1	0,5
Total	183	100

#### 4.1.2. Gender

The sample of this research includes both male and female respondents. From the total number of 183 surveys, 160 were answered by male, 22 were answered by female with the one missing answer. As a percentage weight, 87.4% of the participants are male while 12% of the participants are female.

**Table 5.** Gender Representation of the Sample

<b>Gender</b>		
	N	%
Female	22	12
Male	160	87,4
Total	182	99,5
Missing	1	0,5
Total	183	100

#### **4.1.3. Marital Status**

53,6% of the respondents are married while 44,8% of the respondents are single of the research sample.

#### **4.1.4. Education Levels**

Education levels of the sample are ranging from primary school to the Master's degree. Majority of the sample with 95 participants, has Bachelor's degree while 48 participants have master's degree and 36 participants have graduated from highschool.

**Table 6.** Level of Education Representation of the Sample

<b>Level of education</b>		
	N	%
Primary school	2	1,1
Highschool	36	19,7
Bachelor's degree	95	51,9
Master's degree	48	26,2
Total	181	98,9
Missing	2	1,1
Total	183	100

#### **4.1.5. Income Levels**

Income levels of the sample are ranging from 0-2000 Turkish Liras to 10000+ Turkish Liras. Majority of the sample with 59 people have 10000 TL monthly income (29% percent of all) while 39 people have 4000-6000 TL income, 35 people have 2001-4000 TL income, 26 people have 6001-8000 TL income, 19 people have 8001-10000 TL income and only 8 people have 0-2000 TL income.3 participants did not answer this question.

**Table 7.** Level of Income Representation of the Sample

Level of income (Turkish Liras)		
	N	%
0 - 2000	8	4,4
2001 - 4000	35	19,1
4001 - 6000	39	21,3
6001 - 8000	26	14,2
8001 - 10000	19	10,4
1000+	53	29
Total	180	98,4
Missing	3	1,6
Total	183	100

#### 4.1.6. Alcohol Consumption

Majority of the sample with 148 people (80,9% of all) use alcohol while 33 people (18% of all) do not use alcohol. 2 participants did not respond the question.

**Table 8.** Representation of Alcohol Consumption of the Sample

Alcohol consumption		
	N	%
Yes	148	80,9
No	33	18
Total	181	98,9
Missing	2	1,1
Total	183	100

#### 4.1.7. Cigarette Consumption

Majority of the sample with 112 people do not smoke cigarette while 65 people smokes. As a percentage, 61.2 percent of the sample, do not smoke while only 35.5 percent of the sample smoke.

**Table 9.** Representation of Cigarette Consumption of the Sample

<b>Cigarette consumption</b>		
	<b>N</b>	<b>%</b>
Yes	65	35,5
No	112	61,2
Total	177	96,7
Missing	6	3,3
Total	183	100

#### **4.1.8. Frequency of Cigar Consumption**

Majority of the sample with 100 people (54,6 percent of all sample) smokes cigar several times a week while 37 people which is 20,2 percent of the sample smokes cigar everyday. 15,3% of the sample smokes cigar once in every two weeks while 7,2% of the sample smokes cigar once in a month.

**Table 10.** Cigar Consumption Frequency of the Sample

<b>Frequency of cigar consumption</b>		
	<b>N</b>	<b>%</b>
Everyday	37	20,2
Several times a week	100	54,6
Fortnightly	28	15,3
Once in a month	13	7,2
Less than once every two months	3	1,6
Missing	2	1,1
Total	183	100

#### **4.1.9. Duration of Cigar Consumption**

Cigar smoking durations of the participants vary between three months and 420 months. Majority of the sample with 26 people smoke cigars for 36 months while 23 people smoke cigars for 24 months while 20 people smoke cigars for 120 months and 17 people smoke cigars for 240 months.

**Table 11.** Representation of Cigar Smoking Length of the Sample

<b>Duration Of Cigar Consumption</b>		
Months	N	%
420	1	.5
360	5	2.7
336	1	.5
300	2	1.1
288	1	.5
252	1	.5
240	17	9.2
216	1	.5
192	2	1.1
180	7	3.8
168	1	.5
156	1	.5
144	4	2.2
132	1	.5
120	20	10.9
108	5	2.7
96	5	2.7
84	7	3.8
72	3	1.6
60	21	11.5
48	8	4.4
36	26	14.2
30	1	.5
24	23	12.6
12	6	3.3
8	1	.5
6	1	.5
3	2	1.1
Missing	9	4.9
Total	183	100.0

#### **4.1.10. Cigar Types**

Majority of the sample with 135 people prefer hand - rolled cigars while 46 respondents prefer machine - rolled cigars. As percentage, 73.8% of the sample prefer hand - rolled cigars while 25.2% of the sample prefer machine - rolled cigars.

**Table 12.** Representation of the Preferred Cigar Types of the Sample

<b>Cigar Types</b>		
	N	%
Hand - rolled	135	73.8
Machine- rolled	46	25.1
Total	181	98.9
Missing	2	1.1
Total	183	100.0

#### **4.1.11. Cigar Brands**

According to the results, majority of the sample with 47 people, which is the 25,7 percent of all participants, smoke Toscano cigars as their first choice. 18 respondents (9,8% of all sample) prefer Cohiba as their first choice, while 8,7% of the participants prefer Montecristo, 7,7% of the participants prefer Partagas, 6.6% of the participants prefer Romeo y Julieta. 2 participants prefer special hand rolled cigars and 4 participants prefer all Cuban cigars without any brand preference while other respondents specified various brands.

**Table 13.** Representation of Cigar Brand Preferences of the Sample

<b>Preferred brands</b>		
	N	%
Toscano	47	25,7
Backwoods	4	2,2
Cafe Creme	2	1,1
Hand - rolled	2	1,1
Cohiba	18	9,8
Montecristo	16	8,7
Al Capone	1	,5
Romeo y Julieta	12	6,6
Jose Piedra	3	1,6
Oliva	8	4,4
Hoyo de Monterrey	7	3,8
Aj Fernandez	4	2,2
Ramon Allones	1	,5
Partagas	14	7,7
CAO	6	3,3
Drew Estate	1	,5
Trinidad	1	,5
Padron	1	,5
H. Upmann	2	1,1
Cuban cigars	4	2,2
Gurkha	2	1,1
Davidoff	5	2,7
Cuban Parejo	2	1,1
JR Cigars	2	1,1
Rocks	2	1,1
Captain Black	1	0,5
Meharis	2	1,1
Total	170	92,9
Missing	13	7,1
Total	183	100,0

#### 4.1.12. Respondent's Understanding of Luxury Cigar Brands

It is asked to the participants what are the 3 features they expect to be in an luxury cigar brand. Majority of the sample with 35 people, stated that good quality of leaf, tobacco, fermentation and blending as the first feature. 25 respondents stated Richness of flavour and taste while 20 respondents stated good rolling technique as an exclusive brand feature.

**Table 14.** Representation First Luxury Cigar Feature Indicated by the Participants

<b>Luxury cigar features - 1</b>		
	<b>N</b>	<b>%</b>
Quality and stability of taste	11	6.0
Price stability	1	.5
Durability	2	1.1
Humidity/ Softness	3	1.6
Good rolling technique	20	10.9
Being hand-rolled	10	5.5
Quality of leaf, tobacco, fermentation and blending	35	19.1
Richness of flavour and taste	25	13.7
Smell	3	1.6
Long and comfortable smoking experience	14	7.7
Good quality burning	5	2.7
Being natural	3	1.6
Being a well-known brand	1	.5
Storage conditions	2	1.1
Being a Cuban cigar	3	1.6
Being an imported cigar	1	.5
Diversity	1	.5
Packaging and market offering	1	.5
Total	141	77.0
Missing	42	23.0
Total	183	100.0

For the second option, majority of the sample with 28 people stated the luxury brand feature as richness of flavour and taste while 21 respondents stated Quality of leaf, tobacco, fermentation and blending and 17 people stated good rolling technique as an luxury brand feature.

**Table 15.** Representation SecondLuxury Cigar Feature Indicated by the Participants

<b>Luxury cigar features - 2</b>		
	<b>N</b>	<b>%</b>
Quality and stability of tase	6	3.3
Price stability	3	1.6
Being available in the market	2	1.1
Humidity/ Softness	1	.5
Good rolling technique	17	9.3
Being hand-rolled	6	3.3
Quality of leaf, tobacco, fermantation and blending	21	11.5
Richness of flavour and taste	28	15.3
Smell	4	2.2
Long and comfortable smoking experience	10	5.5
Good quality burning	7	3.8
Being natural	1	.5
Being a well-known brand	1	.5
Storage conditions	3	1.6
Limited supply	1	.5
Being a Cuban cigar	3	1.6
Size, shape and visuality	4	2.2
Packaging and market offering	1	.5
Total	119	65.0
Missing	64	35.0
Total	183	100.0

For the third option, majority of the sample with 14 people again indicated richness of flavour and taste while 11 respondents indicated long and comfortable smoking experience and 11 respondents indicated good quality burning

**Table 16.** Representation Third Luxury Cigar Feature Indicated by the Participants

<b>Luxury cigar features - 3</b>		
	N	%
Quality and stability of taste	4	2.2
Price stability	2	1.1
Being available in the market	1	.5
Durability	4	2.2
Humidity/ Softness	1	.5
Good rolling technique	3	1.6
Quality of leaf, tobacco, fermentation and blending	6	3.3
Richness of flavour and taste	14	7.7
Smell	1	.5
Long and comfortable smoking experience	11	6.0
Good quality burning	11	6.0
Being natural	1	.5
Being a well-known brand	4	2.2
History and tradition of a brand	4	2.2
Storage conditions	2	1.1
Diversity	1	.5
Size, shape and visuality	4	2.2
Packaging and market offering	5	2.7
Total	79	43.2
Missing	104	56.8
Total	183	100.0

When the answers of the three options are combined it is seen that majority of the sample with 62 respondents, stated quality of leaf, tobacco, fermentation and blending is an important feature for an luxury cigar brand and it is followed by richness of flavour and taste. Apart from these, good rolling technique, quality and stability of taste, price stability, durability, humidity/ softness, being hand-rolled, smell of the cigar, long and comfortable smoking experience, being natural, being a well-known brand, storage conditions, being a Cuban cigar, being an imported cigar, diversity, packaging, history and tradition of a brand are the important features for Turkish cigar smokers.

#### **4.1.13. Conditions of Cigar Consumptions**

Respondents were asked in which conditions they prefer to smoke cigars and they were allowed to select as much as items they choose. Because of this situation one respondent may choose more than one item. In the table it can be seen the frequencies of item and their percentage for 183 respondents separately.

55,2 percent of the sample prefer smoking cigars while they drinking alcohol with friends at a bar and 50,8 percent of the sample prefer to smoke cigars while having dinner with friends at a restaurant and drinking coffee with friends at a cafe.

**Table 17.** Representation of Cigar Consumption Conditions of the Sample

<b>Cigar consumption conditions</b>		
	<b>N</b>	<b>%</b>
Drinking alcohol with friends at home	75	41
Drinking coffee with friends at home	49	26,8
Drinking coffee by myself at home	57	31,1
Drinking alcohol by myself at home	57	31,1
At cigar clubs meetings	52	28,4
Having dinner with friends at a restaurant	93	50,8
Drinking coffee with friends at a cafe	93	50,8
Having dinner by myself at a restaurant	34	18,6
Having coffee by myself at a cafe	66	36,1
Drinking alcohol with friends at a bar	101	55,2
Drinking alcohol by myself at a bar	50	27,8
At business related places	36	19,7
At vacation	81	44,3
At a party/celebration	91	49,7

**4.1.14. Preferred Cigar Flavors**

Respondents were asked to write their three preferred flavours of cigars. The ones who does not prefer any flavours, skipped the question.

Majority of 71 people who wrote their first choice of flavours, coffee is the most preferred flavour. 23 people (12.6% of 71) prefers coffee. 18 people prefers lemon while 7 people prefers grape and 7 people prefers vanilla.

**Table 18.** Representation of first choice of flavours of the sample

<b>Flavour - 1</b>		
	<b>N</b>	<b>%</b>
Coffee	23	12,6
Chocolate	8	4,4
Lemon	18	9,8
Hazelnut	1	,5
Vanilla	7	3,8
Grape	7	3,8
Honey	3	1,6
Cherry	1	,5
Cognac	1	,5
Cappucino	1	,5
Mint	1	,5
Total	71	38,8
Missing	112	61,2
Total	183	100,0

54 people wrote their second choice of cigar flavours and 11 of them preferred chocolate. 9 respondents preferred vanilla and 9 respondents preferred grape while 8 respondents preferred lemon.

**Table 19.** Representation of second choice of flavours of the sample

<b>Flavour - 2</b>		
	<b>N</b>	<b>%</b>
Coffee	7	3,8
Chocolate	11	6,0
Lemon	8	4,4
Hazelnut	3	1,6
Vanilla	9	4,9
Grape	9	4,9
Honey	2	1,1
Cherry	3	1,6
Clove	1	,5
Aniseed	1	,5
Total	54	29,5
Missing	129	70,5
Total	183	100,0

29 Respondents wrote their third choice of cigar flavour. 10 respondents prefer vanilla while 4 people prefers chocolate and 4 people prefers coffee.

**Table 20.** Representation of third choice of flavours of the sample

<b>Flavour - 3</b>		
	N	%
Coffee	4	2,2
Chocolate	4	2,2
Lemon	3	1,6
Hazelnut	2	1,1
Vanilla	10	5,5
Grape	2	1,1
Honey	1	,5
Cherry	3	1,6
Total	29	15,8
Missing	154	84,2
Total	183	100,0

Participants indicated the different flavors they preferred and when all the results are analyzed it is seen that majority of the sample with 34 people prefer coffee when 28 people prefer lemon, when 26 people prefer vanilla. These flavors are followed by chocolate, grape, hazelnut, cherry and honey. Also there are different respondents who prefer clove, aniseed, cognac, mint and cappucino.

#### **4.1.15. Cigar's Country of Origin**

The respondents were asked what the first three countries they thought were produce good quality cigars. Majority of the sample with 123 people stated that it is Cuba. 23 respondents did not state any country so 67.2% of the answers were Cuba while 7.7% of it were Nicaragua and 7.1% were Italy. As their second choice of country, majority of the sample with 34 people preferred Nikaragua when 25 respondents preferred Dominican Republic, 23 people preferred Cuba. As their third choice of country majority of the sample with 18 people preferred Dominican Republic when 11 people preferred Nicaragua and 5 people preferred Italy.

**Tables 21. 22. 23.** Representation of the countries which the participants think have quality cigar production

Country - 1		
	N	%
Cuba	123	67.2
Italy	13	7.1
Turkey	1	.5
Dominican Republic	6	3.3
USA	1	.5
Nicaragua	14	7.7
Costa Rica	2	1.1
Total	160	87.4
Missing	23	12.6
Total	183	100.0

Country - 2		
	N	%
Cuba	23	12.6
Italy	13	7.1
Turkey	2	1.1
Dominican Republic	25	13.7
Indonesia	1	.5
USA	9	4.9
Honduras	5	2.7
Nicaragua	34	18.6
Switzerland	1	.5
Colombia	2	1.1
Holland	1	.5
Total	116	63.4
Missing	67	36.6
Total	183	100.0

Country - 3		
	N	%
Cuba	4	2.2
Italy	5	2.7
Dominican Republic	18	9.8
Indonesia	1	.5
USA	3	1.6
Honduras	4	2.2
Nicaragua	11	6.0
Brasil	2	1.1
Colombia	1	.5
Costa Rica	1	.5
Mexico	2	1.1
Guatemala	1	.5
Holland	1	.5
Venezuela	1	.5
Total	55	30.1
Missing	128	69.9
Total	183	100.0

Participants stated various countries that they thought were producing good quality cigars. When all the results are analyzed it is seen that majority of the sample thought Cuba is producing good quality cigars. 150 people stated that they thought Cuba is producing good quality cigars. 59 people wrote Nicaragua when 49 people wrote Dominican Republic. Besides these most cited three countries, 31 people wrote Italy when 13 people wrote USA. Costa Rica, Turkey, Indonesia, Honduras, Switzerland, Colombia, Holland, Mexico were some of the preferred countries by the participants.

#### 4.2. FACTOR ANALYSIS

Factor analysis is one of the most important analysis in social sciences to reveal the quality and validity of measurement. (Yaşlıoğlu, 2017). It is the method for analyzing the structure of the the variables and reveal which variables are interrelated. These interrelated variables are named as factors and represents the dimensions in the data (Hair, 2006).

Firstly, sampling adequacy should be calculated to be sure of data is appropriate for factor analysis. There are other tests that must be performed before an accurate factor analysis can be performed which are Keiser – Meyer- Olkin (KMO) and Bartlett’s test of sphericity. Bartlett’s test examines the previous correlation matrix and looks at the statistical significance of this correlation matrix. If the result of this test is significant KMO test can be applied. KMO test measures the correlations between the variables and the suitability of the factor analysis. The value of the KMO test should be in the range of 0 to 1 (Hair, 2006).

In this research factor analysis is applied for luxury brand value, brand preferences and purchase intention.

#### **4.2.1. Factor and Reliability Analysis for Luxury Brand Perception**

In order to find out which data is useful and suitable for the factor analysis, Kaiser – Mayer – Olkin and Bartlett test results were viewed. The results (KMO= 0,824,  $\chi^2$  Bartlett test 1397,822, df= 171, p= 0,000) were adequate. Some of the items have been removed after the analysis and the uniqueness value has been removed totally. Prestige value divided in to two dimensions; one of them consists of items that are related to the circle of friends and the other one consists of the items about other social networks. As a result six dimensions was found which are prestige in social networks with 19,172% variance, conspicuousness with 11.96% variance, hedonic with 11,602 variance, financial with 11,521, prestige in friendzone with 10,262 and quality with 6,951 variance. And Cronbach’s alpha value is in the normal range which is between the 0.5 to 0.9.

**Table 24.** Factor and Reliability Analysis for Luxury Brand Perception

Factor Name	Factor Item	Factor Loading	Variance %	Reliability
Prestige in other social networks	Prestige_value_4	0,832	19,172	0,895
	Prestige_value_5	0,820		
	Prestige_value_2	0,795		
	Prestige_value_3	0,771		
	Prestige_value_6	0,759		
Conspicuousness	Conspicuousness_value_2	0,772	11,96	0,733
	Conspicuousness_value_1	0,721		
	Conspicuousness_value_4	0,685		
Hedonic	Hedonic_value_3	0,879	11,602	0,795
	Hedonic_value_2	0,851		
Financial	Financial_value_4	0,781	11,521	0,725
	Financial_value_3	0,748		
	Financial_value_1	0,670		
	Financial_value_2	0,642		
Prestige friendzone in	Prestige_value_12	0,784	10,262	0,718
	Prestige_value_13	0,780		
	Prestige_value_11	0,619		
Quality	Quality_value_2	0,847	6,951	0,629
	Quality_value_1	0,539		

#### 4.2.2. Factor and Reliability Analysis for Brand Preferences

In order to find out which data is useful and suitable for the factor analysis, Kaiser – Mayer – Olkin and Bartlett test results were viewed. The results(KMO= 0,689,  $\chi^2$  Bartlett test 148,745, df= 6, p= 0,000) were adequate. After the analysis, one item has been removed and one dimension was found as a result of the analysis with the total variance of 54.618%. And Cronbach's alpha value is in the normal range which is between the 0.5 to 0.9.

**Table 25.** Factor and Reliability Analysis for Brand Preferences

Factor Name	Factor Item	Factor Loading	Variance %	Reliability
Brand Preferences	brand_preferences_3	0,816	54,618	0,718
	brand_preferences_4	0,792		
	brand_preferences_5	0,722		
	brand_preferences_2	0,611		

### 4.2.3. Factor and Reliability Analysis for Purchase Intention

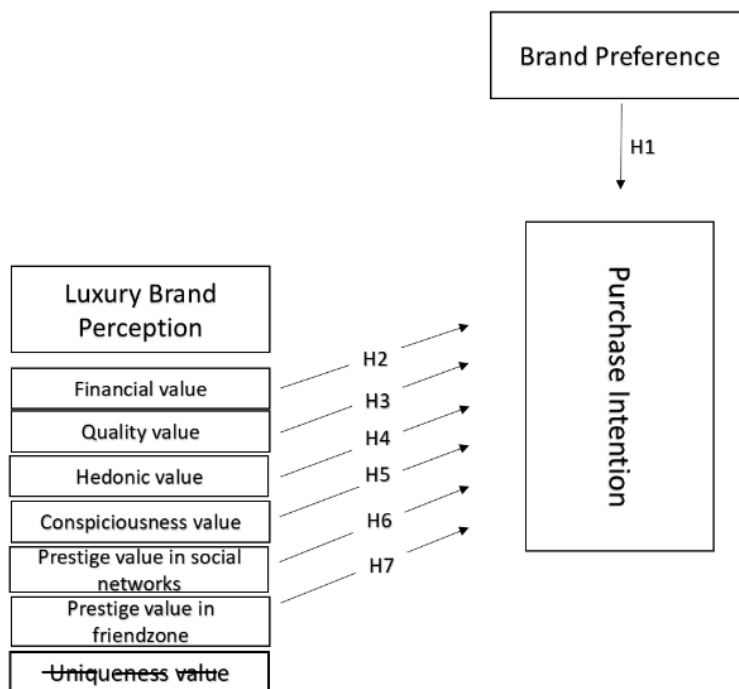
In order to find out which data is useful and suitable for the factor analysis, Kaiser – Mayer – Olkin and Bartlett test results were viewed. The results(KMO= 0,605,  $\chi^2$  Bartlett test 351,311, df= 3, p= 0,000) were adequate. All items were included and one dimension was found as a result of the analysis with the total variance of 75.339%. And Cronbach’s alpha value is in the normal range which is between the 0.5 to 0.9.

**Table 26.** Factor and Reliability Analysis for Purchase Intention

Factor Name	Factor Item	Factor Loading	Variance%	Reliability
Purchase Intention	purchase_2	0,947	75,339	0,836
	purchase_3	0,936		
	purchase_1	0,698		

After the factor analysis and elimination of Uniqueness value, revised research model can be seen as below;

**Figure 3.** Revised Conceptual Model



Hypothesis that are revised according to the new model are listed below;

**H1:** Brand preference has a direct positive effect on purchase intention for cigar and cigarillo products.

**H2:** Perceived financial value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H3:** Perceived quality value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H4:** Perceived hedonic value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H5:** Perceived conspicuousness value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H6:** Perceived prestige value in social networks, has a direct positive effect on purchase intention for cigar and cigarillo products.

**H7:** Perceived prestige value in friendzone, has a direct positive effect on purchase intention for cigar and cigarillo products.

### **4.3. CORRELATION AND REGRESSION ANALYSIS**

Correlation is a test for measuring a possible relationship between variables, also the strength and direction of this relation. The result of a correlation analysis called as Correlation coefficient which takes place between -1 to +1. A correlation coefficient of +1 indicates that the variables are perfectly related in a positive way, -1 means two variables are perfectly related in a negative way, and zero means that there is no linear relationship between the variables. (Gogtay, 2017) But this result does not mean that there is a cause and effect relationship between the variables. Regression analysis is used with the purpose of describing this relationship between independent and dependent variables

#### **4.3.1. Correlation Analysis**

Independent variables and dependent variable have tested and there is correlation between Hedonic value and Purchase intention and also Quality value and purchase intention.

Pearson correlation value is .200 between the hedonic value and purchase intention and there is significant positive relationship between these variables.

Also pearson correlation value is .187 between quality value and purchase intention therefore there is significant positive relationship between them two.

**Table 27.** Correlations of the Variables

Correlations									
		Purchase_intention	Brand_preferences	P1	Conspicuousness	Hedonic	Financial	P2	Quality
Purchase_intention	Pearson Correlation	1	,137	,007	,099	,200**	,069	,012	,187*
	Sig. (2-tailed)		,074	,926	,197	,008	,367	,875	,014
	N	173	171	171	172	172	171	167	173
Brand_preferences	Pearson Correlation	,137	1	,275*	,395**	,194*	,233**	,243*	,118
	Sig. (2-tailed)	,074		,000	,000	,010	,002	,001	,119
	N	171	175	172	174	174	172	169	175
P1	Pearson Correlation	,007	,275**	1	,548**	,037	,285**	,490*	,044
	Sig. (2-tailed)	,926	,000		,000	,624	,000	,000	,567
	N	171	172	175	174	174	173	169	175
Conspicuousness	Pearson Correlation	,099	,395**	,548*	1	,128	,276**	,358*	,093
	Sig. (2-tailed)	,197	,000	,000		,091	,000	,000	,218
	N	172	174	174	177	176	174	170	177
Hedonic	Pearson Correlation	,200**	,194*	,037	,128	1	,285**	,259*	,472**
	Sig. (2-tailed)	,008	,010	,624	,091		,000	,001	,000
	N	172	174	174	176	178	174	170	178
Financial	Pearson Correlation	,069	,233**	,285*	,276**	,285**	1	,271*	,172*
	Sig. (2-tailed)	,367	,002	,000	,000	,000		,000	,023
	N	171	172	173	174	174	175	170	175
P2	Pearson Correlation	,012	,243**	,490*	,358**	,259**	,271**	1	,205**
	Sig. (2-tailed)	,875	,001	,000	,000	,001	,000		,007
	N	167	169	169	170	170	170	171	171
Quality	Pearson Correlation	,187*	,118	,044	,093	,472**	,172*	,205*	1
	Sig. (2-tailed)	,014	,119	,567	,218	,000	,023	,007	
	N	173	175	175	177	178	175	171	180

### 4.3.2. Regression Analysis

Regression analysis is the method for understanding the relationship between two or multiple variables. This method is used for testing the research hypothesis and therefore it is used for revealing if there is a relationship between independent variables and dependent variable. If there is only one independent variable, simple regression analysis is implemented. If there are multiple independent variables to analyze then multiple regression is implemented.

#### 4.3.2.1. Multiple Regression Analysis of H1, H2, H3, H4, H5, H6, H7

In order to find out the relationship between Brand Preferences, Financial Value, Quality Value, Hedonic Value, Conspicuousness Value, Prestige Value with Purchase Intention multiple linear regression analysis was performed. Hedonic value was the only factor that has a relation with purchase intention. ( $R=0.203$ ;  $R^2=0.041$ ;  $F=6,865$ ,  $p=0,010$ ).

**Table 28.** Multiple Linear Regression Analysis of H1, H2, H3, H4, H5, H6, H7

Dependent variable: Purchase Intention			
Independent variable	Beta	t-value	p-value
Hedonic	0,203	2,62	0,010
Brand Preferences	0,107	1,359	0,176
Financial Value	0,032	0,392	0,696
Quality Value	0,104	1,168	0,245
Conspicuousness Value	0,068	0,873	0,384
P1	0,007	0,094	0,925
P2	0,038	0,468	0,037

#### 4.3.2.2. Simple Regression Analysis of H3

After the correlation and multiple regression analysis simple regression analysis was performed between the Quality Value and Purchase Intention. According to the result of this analysis, Quality Value and Purchase Intention has also has a relation. ( $R=0.187$ ;  $R^2=0.035$ ;  $F=6,182$ ,  $p=0,014$ ).

**Table 29.** Multiple Linear Regression Analysis of H3

Dependent variable: Purchase Intention			
Independent variable	Beta	t-value	p-value
Quality	0,187	2,486	0,014

#### 4.4. THE FRIEDMAN TEST

Friedman Test was applied to determine which factor is statistically more important than the others. ( $\chi^2$  Friedman test 314,299, df= 6, p= 0,000) In parallel with the regression analysis, hedonic and quality values were more statistically important than others.

**Table 30.** Friedman Test Results of the variables

Ranks	
	Mean Rank
Prestige in other social networks	2,69
Conspicuousness	3,01
Brand_preferences	3,22
Prestige in friendzone	3,61
Financial	4,62
Quality	4,92
Hedonic	5,92

#### Summery of Hypothesis Results

As a result of various analyses mentioned, accepted and rejected hypotheses can be seen in the below Table x.

**Table 31.** Summary of Hypotheses Results

Hypothesis	Results
<b>H1:</b> Brand preference has a direct positive effect on purchase intention for cigar and cigarillo products.	Rejected
<b>H2:</b> Perceived financial value has a direct positive effect on purchase intention for cigar and cigarillo products.	Rejected
<b>H3:</b> Perceived quality value has a direct positive effect on purchase intention for cigar and cigarillo products.	Accepted
<b>H4:</b> Perceived hedonic value has a direct positive effect on purchase intention for cigar and cigarillo products.	Accepted
<b>H5:</b> Perceived conspicuousness value has a direct positive effect on purchase intention for cigar and cigarillo products.	Rejected
<b>H6:</b> Perceived prestige value in social networks, has a direct positive effect on purchase intention for cigar and cigarillo products.	Rejected
<b>H7:</b> Perceived prestige value in friendzone, has a direct positive effect on purchase intention for cigar and cigarillo products.	Rejected

## 5. CONCLUSIONS

The main objective of this research was evaluating and understanding the effects of variables on purchase intention of respondents for cigar and cigarillo products. In this research effect of independent variables as, Brand preference, Financial value, Hedonic value, Conspicuousness value, Prestige value, Quality value and Uniqueness value on purchase intention of respondents have been analyzed.

This research was conducted with 183 respondents and majority of the sample age was in the range of 29-64.87.4% of the respondents were male while 12% of the respondents were female. Respondents had different education and income levels. 29% percent of the sample indicated that have more than 10.000 Turkis Liras monthly income which is suitable for the research because of the product prices. Convenience sampling was used as a sampling technique since it is easy to implement.

After the required data was collected it is uploaded to the Statistical Package for Social Sciences (SPSS) programme for analyzing process. Reliability and factor analysis needed to be performed on the dependent and independent variables in order to be sure that measurement is valid. First of all KMO and Bartlett's tests performed and it is understood that data is accurate for the factor analysis and reliability.

Factor analysis applied on the independent variables which are Brand preference, Financial value, Hedonic value, Conspicuousness value, Prestige value, Quality value and Uniqueness value and Uniqueness value eliminated from the analysis completely and some of the factor's items were eliminated. And also Prestige value divided in to two dimensions; one of them is related with friendzone and the other one is related with other social networks. As a result seven independent and one dependent variables have left.

Correlation is used for measuring a possible relationship between variables, and understanding the strength and direction of this relation. Correlation is applied on the factors with the purpose of finding out the possible relationships between independent variables and dependent variable. Correlation coefficient could be in the range of -1 which means negative direct relation and +1 means positive direct relation. When the correlations are viewed it is seen that only Hedonic value and Quality value have a significant relationship with the purchase intention of respondents.

After this, multiple regression analysis was performed between the independent variables which are financial value, hedonic value, quality value, prestige value in friendzone, prestige value in other social networks, conspicuousness value, brand preference and purchase intention with the purpose of understanding the relationship and testing the research hypothesis. As a result of this analysis hedonic value has an effect on the individuals purchase intention of cigar and cigarillo products( $\beta= 0,203$  ,  $p= 0.010$ ). In conclusion of multiple regression analysis, H4 which is, perceived hedonic value has a direct positive effect on purchase intention for cigar and cigarillo products, is accepted.

However, hypotheses seen below were rejected as a result of multiple regression analysis;

**H1:** Brand preference has a direct positive effect on purchase intention for cigar and cigarillo products.

**H2:** Perceived financial value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H3:** Perceived quality value has a direct positive effect on purchase intention for cigar and cigarillo products.

**H5:** Perceived conspicuousness value has a direct positive effect on purchase intention for cigar and cigarillo products

**H6:** Perceived prestige value in social networks, has a direct positive effect on purchase intention for cigar and cigarillo products.

**H7:** Perceived prestige value in friendzone, has a direct positive effect on purchase intention for cigar and cigarillo products.

Simple linear regression analysis was performed in order to understand the correlation between the quality value and purchase intention. As a result of this analysis it is seen that quality value has an effect of individual's purchase intention of cigar and cigarillo products( $\beta= 0,187$ ,  $p= 0.014$ ).So, the hypothesis 3 which isperceived quality value has a direct positive effect on purchase intention for cigar and cigarillo products is accepted.

Lastly Friedman Test was performed in order to find out which factor is statistically more important than the others. Again, hedonic value and quality value appeared to be the statistically more important than other variables.

## 6. MANAGERIAL IMPLICATIONS

As a result of this research, it can be seen that the perceived hedonic value and quality value has an effect on the individual's purchase intention of cigar and cigarillo products. If a marketing campaign is carried on for these products, hedonic and quality value should be emphasized in order to effect people. Sample of the research indicated that, hedonic value which means smell and the taste of cigars are quite effective for their purchase intention. In this regard, if a cigar brand wants to run a campaign in Turkey they should emphasize smell and taste of the cigar.

Quality value has also a positive effect on the purchase intention of individuals for cigar and cigarillo products. Sample of the research indicated that the quality and performance of the brand is much more important than the prestige of the brand or others opinion. So the marketing managers should consider this while they are creating the marketing strategies in Turkey. Quality of the cigar and cigarillo products should be emphasized and it may be useful to inform the target about the quality and attributes of the brand. Since television ads about tobacco is not allowed in Turkey, companies should more point of sale marketing strategies. Educating the sales people to inform the customers and potential customers, joining some events for promoting the products directly to the people and giving some promotions and chance to try.

In addition to all these results, respondents were asked about the characteristics of a luxury cigar in their opinion. Majority of the sample indicated that quality of leaf, tobacco, fermentation and blending is an important feature for a luxury cigar brand. Richness of flavour and taste was the second most written feature which are parallel to the results can be seen above. Besides these, there are some different but quite substantial answers for this question. 6 respondents mentioned the packaging and marketing offerings of the brands and 4 respondents indicated that a luxury cigar brand should have traditions and history. It could be useful for companies to highlight the companies history and the traditions maybe about the production process or birth of the brand.

This study also revealed the cigar and cigarillo smoker's consumption behaviors in Turkey. It is known that the majority of the research sample is men with more than 10.000 Turkish Liras monthly income. According to the results it can be seen that majority of the sample smoke cigars while they are drinking alcohol with their friends at a bar and it is

followed by having dinner and coffee with friends. As a result, cigar consumption is higher while consumers are with their friends.

Besides that, many participants stated that they had smoked cigars on holidays and celebrations. Companies may focus the “fun” and “celebration” concepts in their marketing strategies. Influencers in social media is a way to establish this perception within people and even attract younger people. Influencers can perform social media promotions called covered advertising and this is not against the law in Turkey.

Also this research revealed the flavoured cigar preference of the sample. 71 people which is 38.7% of the sample respond to this question. Coffee, lemon, and vanilla is the most preferred flavours among the sample. Companies which are currently active in the Turkey, should add these flavours in their product range if there is not yet. And if there are companies thinking about entering the market, they should definitely have these flavors among their products. Apart from these most preferred flavours, it was found that the preferred variety of the flavours among the sample is quite high. Companies should keep their flavour diversity wide and have strong flavours in order to compete with the other brands in the market.

## **7. LIMITATIONS AND FURTHER RESEARCHES**

Even though the luxury concept and luxury consumption related researches are not new to the marketing field, there was not any research which combine the cigar and cigarillo products with luxury brand perception. Also there was not any cigar related researches in the literature except the ones which are related to health and market researches. It wont be wrong to say that there was not any researches in Turkey like this before. So, literature review part was not easy to conduct. Especially there is not so much reliable information about the cigar market in Turkey.

Another limitation of the research was data collection. Convenience sampling was used as a sampling technique since it is thought to be an easier way. However it was not simple to reach people who smokes cigar in that limited time. Actually special Facebook and Instagram groups of cigar smokers is a good place for reaching smokers easily.

In the future different independent variables could be added to the research model and if a wider sample could be reached this research could be repeat.

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