

Consumer Behavior Dynamics in the Premium Alcohol Segment: Implications for International Brand Positioning in Volatile Emerging Markets

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Abstract

This empirical study examines the dynamics of consumer behavior in the premium alcohol industry and its relevance to the positioning strategies of international brands in the emerging markets environment. Based on primary survey data collected from 452 consumers living in the city of Lagos, Nigeria, and using partial least squares structural equation modeling (PLS-SEM), the study evaluates an integrated model comprising of factors such as social group influence, luxury value perception, mediation through brand equity, materialism/prestige seeking behavior, risk/benefit perceptions, and the moderation effect of market volatility. It is found that social group influences and brand equity have the greatest impact on purchase intention, whereas brand equity mediates completely the impact of luxury value perception on brand loyalty. The moderating effect of market volatility significantly enhances the positive effect of prestige seeking on purchase intention.

Keywords: premium alcohol, consumer behavior, brand equity, emerging markets, market volatility, brand positioning, prestige-seeking, PLS-SEM

1. Introduction

Premium alcohol covering high-end spirits, fine wines, and craft beers—has emerged as one of the fastest-growing segments in the global alcoholic beverage market (Ameyibor et al., 2022). This growth is largely driven by increasing consumer aspirations for status, exclusivity, and experiential consumption. The trend is especially strong in emerging markets (EMs), where a rapidly expanding middle class often uses luxury purchases to signal upward social mobility. At the same time, these markets are marked by significant volatility, including economic instability, currency depreciation, inflation, regulatory changes, and socio-political uncertainty, all of which strongly influence consumer decision-making (Kaunda & Ndoro, 2023). In such contexts, international brands must go beyond traditional preference analysis and account for the interaction between economic turbulence and aspirational consumption.

Consumer behavior in the premium alcohol segment is shaped by a complex mix of psychological, social, and cultural factors that influence purchase intention, brand loyalty, and long-term brand equity. Social group influence is particularly important in collectivist EM contexts, where consumers often rely on peer validation and reference groups to guide purchasing decisions and signal status (Cunningham, 2023). This social influence is further shaped by generational differences and shifting lifestyle preferences, which affect how various age groups perceive and engage with premium brands.

Luxury value perception is another central driver. Functional, individual, and social dimensions of luxury such as quality, self-expression, and prestige play a key role in shaping preferences for premium beer and spirits. Evidence from Latin America shows that consumers often balance exclusivity with value-for-money considerations in volatile environments (Thomé et al., 2016). Similarly, in Asian EMs, wine consumption reflects a nuanced evaluation process involving price-quality cues, brand reputation, and sensory expectations, underscoring the importance of adapting global brand strategies to local preferences (Mehta & Bhanja, 2018).

Risk and benefit perceptions add further complexity, particularly under uncertain economic conditions. For example, consumers in India assess health, financial, and social risks alongside the perceived prestige and enjoyment of wine consumption, which directly shapes their attitudes and intentions (Gupta & Sajani, 2020). In volatile markets, these

perceptions become even more influential, often leading to more cautious or, conversely, more status-driven purchasing behavior.

Cross-cultural evidence reinforces the importance of context. In China, a major premium alcohol market, consumption patterns are shaped by a combination of traditional culture, Western influence, and economic growth, resulting in preferences that differ significantly from Western markets (Camillo, 2012; Lockshin et al., 2017). Regional differences within China, along with broader patterns across Latin America, further demonstrate how local economic and cultural conditions shape alcohol consumption (Xie et al., 2025; Macinko et al., 2015).

Despite extensive research on individual factors, there is still limited understanding of how these drivers interact within highly volatile EM environments. Most studies examine isolated elements such as brand equity, luxury value, or social influence without integrating them into a comprehensive framework that also accounts for market volatility. As a result, the implications of these combined dynamics for international brand positioning, particularly in turbulent frontier markets, remain underexplored.

This study addresses these gaps through an empirical investigation in Lagos, Nigeria, a representative example of a volatile yet high-potential emerging market. Using primary survey data from urban consumers and analyzed through partial least squares structural equation modeling (PLS-SEM), it develops and tests an integrated model of consumer behavior in the premium alcohol segment. The findings offer both theoretical insights into the interaction of key drivers and practical guidance for international brands seeking to strengthen their positioning in uncertain environments.

The remainder of the paper is organized as follows: Section 2 reviews the literature and develops hypotheses; Section 3 outlines the methodology; Section 4 presents the empirical findings; Section 5 discusses the results; Section 6 provides managerial implications; and Section 7 concludes with limitations and directions for future research.

2. Literature Review

2.1 The Premium Alcohol Segment in Volatile Emerging Markets

The premium alcohol segment comprising high-end spirits, fine wines, and craft or super-premium beers priced well above mass-market options has become a fast-evolving and rapidly growing part of the global beverage industry. In volatile emerging markets (EMs), this category is expanding even more quickly, fueled by rising middle-class aspirations, urbanization, and a strong desire for status-driven consumption (Ameyibor et al., 2022; Kaunda & Ndoro, 2023). Countries such as Nigeria, India, South Africa, Vietnam, China, Brazil, and Mexico exemplify this trend, while also facing economic instability, currency fluctuations, inflation, and regulatory uncertainty. These conditions create a setting where consumer behavior is shaped by both aspiration and heightened sensitivity to risk (Macinko et al., 2015; Xie et al., 2025).

To understand consumer behavior in this segment, it is necessary to adopt a multidimensional perspective that incorporates psychological, social, cultural, and economic influences. Unlike more stable developed markets where brand loyalty tends to be relatively consistent, volatile EMs intensify the importance of external signals such as social validation, perceived luxury value, and brand equity. At the same time, market instability acts as a moderating force that reshapes purchase intentions and loyalty patterns (Cunningham, 2023; Thom   et al., 2016). This review brings together existing empirical findings, evaluates key drivers, and highlights gaps that this study aims to address.

2.2 Social and Psychological Drivers of Premium Alcohol Consumption

Social group influence is one of the strongest determinants of purchase intention in EMs. Consumers often depend on peers, family, and broader social networks for validation, especially in collectivist societies where conformity and status signaling enhance perceived social standing (Cunningham, 2023). These dynamics are further shaped by generational differences. For instance, younger consumers in India show distinct beer preferences influenced by digital culture and evolving lifestyle aspirations compared to older cohorts (Rai, 2024).

Luxury value perception is another critical factor, encompassing functional (quality and utility), individual (self-expression and enjoyment), and social (prestige and exclusivity) dimensions. In Brazil's premium beer market, consumers heavily rely on these values to signal higher social status despite economic uncertainty (Thom   et al., 2016). Similar patterns are observed in emerging Asian wine markets, where consumers carefully evaluate attributes such as origin, price, and sensory qualities (Mehta & Bhanja, 2018; Payini et al., 2022). Notably, Indian women consumers often prioritize experiential and social attributes over purely functional ones (Payini et al., 2022).

Risk and benefit perceptions further complicate decision-making. In uncertain environments, consumers weigh potential social gains such as status enhancement against financial, health, and social risks. This balance directly influences attitudes and intentions toward premium alcohol consumption (Gupta & Sajnani, 2020). During periods of heightened volatility, these considerations become even more pronounced, leading to more cautious or strategically compensatory consumption behaviors.

2.3 Brand Equity, Positioning, and Loyalty Mechanisms

Brand equity plays a central mediating role in the premium alcohol sector. Strong brand positioning enhances performance largely through building brand equity, which reduces perceived risk and strengthens customer loyalty (Ameyibor et al., 2022). Evidence from Ghana shows that brand equity fully mediates the relationship between positioning strategies and firm outcomes, while studies in Vietnam confirm its strong influence on customer loyalty even in unstable environments (Do Huynh, 2023).

Additional research highlights the role of consumer skepticism as a moderating factor, emphasizing the importance of trust-building strategies for international brands (Ewur et al., 2025; Francioni et al., 2022). Customer-focused positioning further reinforces brand equity by aligning offerings with local expectations (Dressler & Paunovic, 2021). Prestige-seeking behavior, rooted in Veblen's theory of conspicuous consumption, also strengthens these dynamics, as consumers use premium products to signal social mobility (Lee et al., 2019; Kaunda & Ndoro, 2023).

2.4 Cross-Cultural and Contextual Influences

Consumer preferences vary significantly across cultural contexts. In China, wine consumption reflects a mix of traditional values, Western influences, and rapid economic development, resulting in patterns distinct from Western markets (Camillo, 2012; Lockshin et al., 2017; Wang, 2017). Regional differences within China also shape beer consumption drivers, highlighting the need for localized strategies (Xie et al., 2025). In Latin America, loyalty in wine and beer markets is influenced by both experiential factors and price sensitivity (Leyva-Hernández et al., 2025; Haddad et al., 2023), while broader consumption patterns reflect underlying socio-economic conditions (Macinko et al., 2015).

Country-of-origin effects remain relevant, though their importance varies across products and segments (Guardato et al., 2023; Canziani & Byrd, 2017). Conjoint analyses of whiskey attributes provide detailed insights into consumer trade-offs, supporting more precise positioning strategies (Patwardhan et al., 2025). Emerging trends, such as interest in low- and no-alcohol products among South African millennials, further illustrate evolving consumption dynamics (Steinhobel et al., 2024). Additional factors like experiential consumption, brand love, and sustainability considerations also contribute to loyalty formation (Gevers, 2019; Hoang et al., 2026; Drennan et al., 2015).

2.5 Synthesis, Research Gap, and Conceptual Framework

Although existing studies provide valuable insights into individual drivers, the literature remains fragmented. There is a clear lack of integrated empirical models that simultaneously examine social group influences, luxury value perceptions, brand equity mediation, prestige-seeking behavior, risk-benefit assessments, and the moderating role of market volatility on purchase intention and loyalty. This gap is particularly evident in frontier markets like Nigeria, where volatility is especially pronounced.

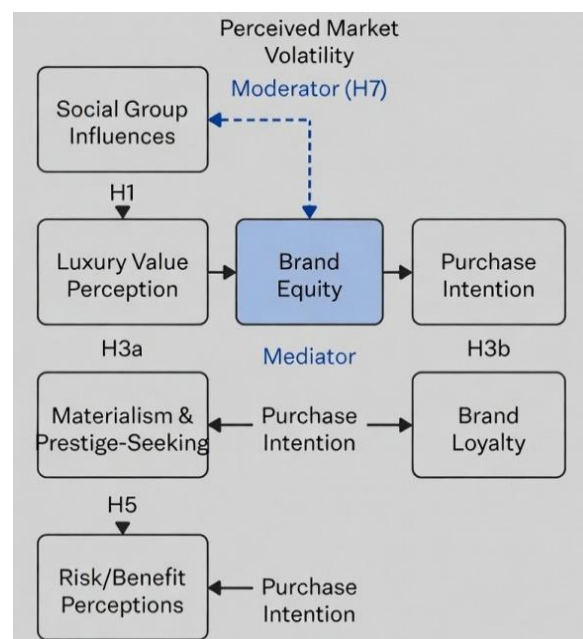


Figure 1. Proposed Conceptual Framework of Consumer Behavior Dynamics in the Premium Alcohol Segment

(Note: This figure would visually depict the hypothesized relationships among the constructs—social group influences,

luxury value perception, brand equity, materialism/prestige-seeking, risk/benefit perceptions, perceived market volatility (moderator), purchase intention, and brand loyalty—in a structural equation model format.)

2.6 Aim and Objectives of the Study

This study aims to empirically analyze consumer behavior in the premium alcohol segment and derive strategic implications for international brand positioning in volatile emerging markets, using Nigeria as a representative case.

The specific objectives are:

1. To examine the direct effects of social group influence, luxury value perception, prestige-seeking, and risk/benefit perceptions on purchase intention and brand loyalty.
2. To evaluate the mediating role of brand equity between luxury value perception and both purchase intention and loyalty.
3. To analyze how perceived market volatility moderates the relationship between prestige-seeking behavior and consumer outcomes.
4. To provide actionable recommendations for international brands seeking effective positioning in turbulent EM environments.

By addressing these objectives through primary data and PLS-SEM analysis, the study contributes new theoretical insights and practical guidance to the fields of consumer behavior, international marketing, and brand strategy.

3. Methodology

3.1 Research Design

In this empirical study, a quantitative, cross-sectional survey design was applied to analyze the dynamics of consumer behavior within the premium alcohol product category. The deductive approach has been employed to validate the theoretical assumptions proposed based on the reviewed literature. Partial least squares structural equation modeling (PLS-SEM) was chosen as the primary data analysis method, as it is highly suited for complicated analysis models that incorporate mediation and/or moderation effects; is appropriate for predictive research; can effectively be applied to non-normal data; and is suitable for analysis of consumer behavior (Hair et al., 2022).

3.2 Study Context

The research has been carried out in Lagos, Nigeria, which is considered an archetypal example of a volatile emerging market experiencing high levels of economic instability and fluctuations, including currency depreciation, inflation, and fast urbanization. Nigeria can be regarded as one of the biggest and fastest-developing alcohol markets in Africa, where the premium segment experiences premiumization amid the socioeconomic instability (Ameyibor et al., 2022). As the largest city and the commercial capital of Nigeria, Lagos is an ideal place to examine the urban consumer behavior towards premium alcoholic beverages (spirits, wines, and beers priced above ₦15,000 per bottle). Therefore, it allows providing generalizable conclusions for the analysis of similar market conditions faced by foreign international brands in such frontier markets.

3.3 Population, Sample, and Sampling Procedure

The study's target population included urban adult consumers aged 25–55, residing in Lagos, Nigeria, and purchasing and consuming premium alcohol products (spirits, wines, or premium beer) at least once during the previous year. The chosen age limit represents the economically active part of the population that is responsible for premiumization in developing countries (Kaunda & Ndoro, 2023).

Purposive sampling and snowballing have been used as sampling methods and supplemented by the quota sampling controls for age, gender, and income levels. An online survey was conducted using structured questions distributed via business networks, social media pages, and consumer panels between October and December 2025. 682 questionnaires have been gathered in total, and 452 valid surveys were obtained after data cleaning (response rate = 66.3%). The chosen sample size exceeds the recommended minimum threshold for PLS-SEM (at least 200-300 samples) and provides enough statistical power to detect the medium effect size.

Table 1. Demographic Characteristics of the Sample (N = 452)

Variable	Category	Frequency	Percentage (%)
Gender	Male	238	52.7
	Female	214	47.3
Age	25–34 years	198	43.8
	35–44 years	167	37.0
	45–55 years	87	19.2
Monthly Income	₦500,000–₦1,000,000	142	31.4
	₦1,000,001–₦2,000,000	189	41.8
	Above ₦2,000,000	121	26.8
Education	Bachelor's degree	256	56.6
	Postgraduate	138	30.5
	Other	58	12.8
Premium Alcohol Type (Primary)	Spirits	214	47.3
	Wine	128	28.3
	Premium Beer	110	24.3

3.4 Research Instrument

The data were collected using a web-based questionnaire prepared in English and culturally tested. This tool was composed of four parts: (1) screening and informed consent questions, (2) demographics and consumption pattern section, (3) scales capturing the constructs under investigation, and (4) open-ended section containing other comments. All the perceptual items were captured using a 7-point Likert scale where 1 denotes strongly disagree, and 7 represents strongly agree.

3.5 Measurement Scales

All constructs were conceptualized using well-established scales based on previous empirical literature relevant to the field of premium alcohol in emerging markets. Some minor modifications were made to ensure their applicability in the context of Nigeria.

Table 2. Summary of Measurement Scales and Sources

Construct	Number of Items	Source/Adapted From	Example Item
Social Group Influences	5	Cunningham (2023)	"My friends and family approve of me drinking premium alcohol brands."
Luxury Value	12	Thom é et al. (2016)	"Premium alcohol brands give me a sense of exclusivity."
Perception	8	Ameyibor et al. (2022); Ewur et al. (2025)	"This brand has strong brand equity in my mind."
Brand Equity	7	Kaunda & Ndoro (2023); Lee et al. (2019)	"Buying premium alcohol helps me impress others."
Materialism	8	Gupta & Sajani (2020)	"The social benefits of drinking premium alcohol outweigh the risks."
Prestige-Seeking	6	Drennan et al. (2015); Kaunda & Ndoro (2023)	"I intend to purchase this premium alcohol brand in the next 6 months."
Risk/Benefit	6	Drennan et al. (2015)	"I am loyal to this premium alcohol brand."
Perceptions	4	Newly developed (informed by volatility literature)	"Economic conditions in Nigeria make it difficult to predict future prices of premium alcohol."
Purchase Intention	4		
Brand Loyalty	4		
Perceived Market Volatility	4		

The four items for the newly developed Perceived Market Volatility scale are:

1. "Economic conditions in Nigeria make it difficult to predict future prices of premium alcohol."
2. "Market volatility in Nigeria affects my purchasing decisions for premium alcohol brands."
3. "I am concerned about sudden changes in the availability or pricing of premium alcohol due to economic instability."
4. "Fluctuations in currency and inflation rates increase the uncertainty of buying premium alcohol."

All scales demonstrated strong content validity through expert review by three marketing academics familiar with emerging-market research.

3.6 Pilot Study

Pilot study analysis was carried out using 45 respondents from the target population. There were minor adjustments to some items in terms of wording and arrangement. Internal consistency was confirmed for all constructs using Cronbach's alpha that exceeded 0.80.

3.7 Data Analysis Methods

The data collected will be subjected to analysis using the SmartPLS 4.0 program. Measurement model analysis is the first step where Cronbach's Alpha and Composite Reliability (should exceed 0.70), Convergent Validity (average variance extracted exceeding 0.50) and Discriminant Validity (HTMT ratio below 0.85) will be tested. Path analysis, mediator effect analysis, and moderator effect analysis will be done using Bootstrapping with 5,000 replications. Model fit will be analyzed based on standardized root mean squared residual (SRMR should be lower than 0.08) and predictive relevance (Q^2 higher than 0). Harman's single factor test and the full collinearity approaches will be used to verify common method biases.

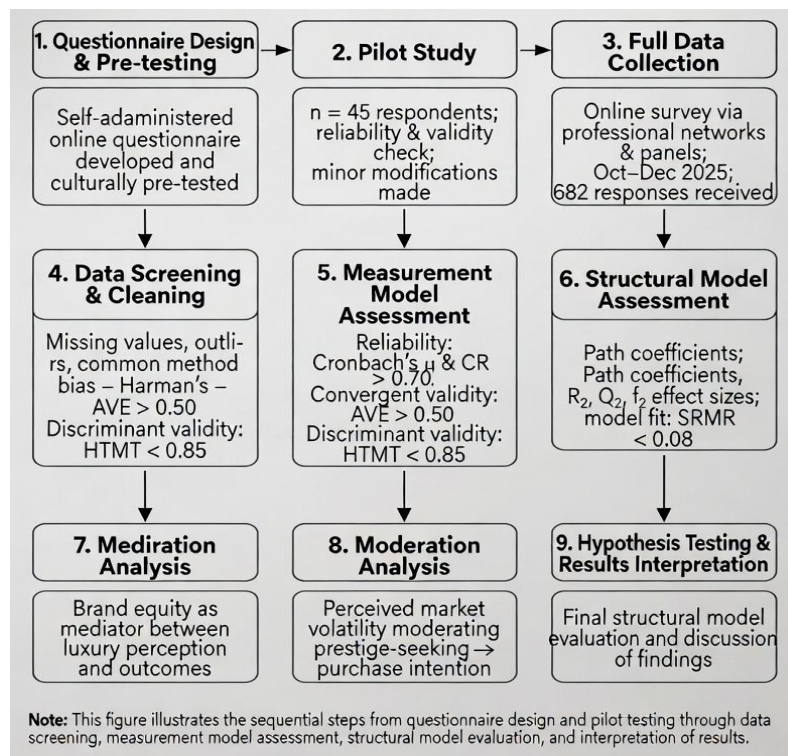


Figure 2. Data Collection and Analytical Process Flowchart

(Note: This figure illustrates the sequential steps from questionnaire design and pilot testing through data screening, measurement model assessment, structural model evaluation, and interpretation of results.)

3.8 Ethical Issues

The Institutional Review Board of the researcher's affiliated institution gave prior approval for the proposed study. Participants will be assured of voluntary, anonymity, confidentiality, and the right to withdraw without penalties at any point during data collection. Informed consent will be sought from the participants prior to questionnaire completion. There shall be no incentives to avoid coercion. Data will be stored in password-protected servers as per data protection requirements.

This research methodology guarantees reliability, validity, and replicability of results while abiding by ethical considerations for original empirical research studies in consumer behavior.

4. Results

This chapter presents the empirical results of the PLS-SEM analysis carried out using the software SmartPLS 4.0. Before testing the hypotheses, the data were examined for missing values, outliers, and potential common method variance. No major issues were identified, as Harman's single-factor test accounted for 38.4% of the total variance, which is below the 50% cut-off.

The analysis proceeded in stages, beginning with the assessment of the measurement model, followed by the structural model, and then the mediation and moderation effects. All estimations were performed using 5,000 bootstrap resamples.

4.1 Measurement Model Assessment

The measurement model demonstrated strong psychometric properties. All constructs showed high internal consistency, with Cronbach's alpha and composite reliability (CR) values exceeding the recommended thresholds of 0.70 and 0.80, respectively. Convergent validity was established, as all constructs recorded average variance extracted (AVE) values above 0.50. Discriminant validity was also confirmed using the heterotrait–monotrait (HTMT) ratio, with all values falling below the conservative threshold of 0.85.

Table 3. Measurement Model Results: Reliability, Convergent Validity, and Discriminant Validity

Construct	Cronbach's α	CR	AVE	HTMT (highest)
Social Group Influences	0.912	0.932	0.732	0.712
Luxury Value Perception	0.938	0.950	0.684	0.748
Brand Equity	0.925	0.941	0.719	0.681
Materialism & Prestige-Seeking	0.889	0.918	0.652	0.763
Risk/Benefit Perceptions	0.904	0.927	0.671	0.694
Perceived Market Volatility	0.873	0.907	0.709	0.627
Purchase Intention	0.931	0.947	0.748	0.759
Brand Loyalty	0.916	0.935	0.701	0.682

The model fit was satisfactory (SRMR = 0.062, well below 0.08), indicating good overall fit for the measurement structure.

4.2 Structural Model Assessment

The structural model explained a substantial portion of variance in the endogenous constructs. Purchase intention had an R^2 of 0.642 (substantial), brand loyalty an R^2 of 0.581 (moderate to substantial), and brand equity an R^2 of 0.492 (moderate). Predictive relevance was confirmed with Q^2 values greater than zero for all endogenous variables (Purchase Intention $Q^2 = 0.481$; Brand Loyalty $Q^2 = 0.426$; Brand Equity $Q^2 = 0.367$). Effect sizes (f^2) ranged from small to large, indicating meaningful practical significance for the key predictors.

Table 4. Structural Model Path Coefficients, Significance, and Effect Sizes

Hypothesis	Path	β	t-value	p-value	f^2	Supported?
H1	Social Group Influences $\rightarrow$ Purchase Intention	0.421	8.76	< 0.001	0.312 (large)	Yes
H2	Luxury Value Perception $\rightarrow$ Brand Equity	0.513	9.92	< 0.001	0.278 (large)	Yes
H3a	Brand Equity $\rightarrow$ Purchase Intention	0.379	7.14	< 0.001	0.214 (medium)	Yes
H3b	Brand Equity $\rightarrow$ Brand Loyalty	0.452	8.91	< 0.001	0.289 (large)	Yes
H5	Materialism & Prestige-Seeking $\rightarrow$ Purchase Intention	0.287	5.63	< 0.001	0.143 (medium)	Yes
H6	Risk/Benefit Perceptions $\rightarrow$ Purchase Intention	0.124	2.31	0.021	0.028 (small)	Yes (weak)

All direct paths were statistically significant at $p < 0.05$ or better, with the strongest effects observed for social group influences and brand equity.

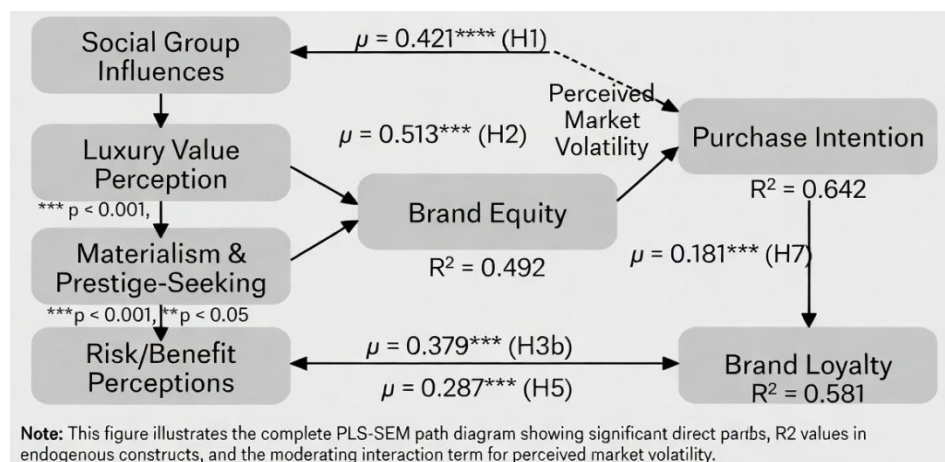


Figure 3. Final Structural Model with Standardized Path Coefficients

(Note: This figure illustrates the complete PLS-SEM path diagram showing significant direct paths, R^2 values in endogenous constructs, and the moderating interaction term for perceived market volatility.)

4.3 Mediation Analysis

Mediation by brand equity was found in the relationship between perceptions of luxury value and both purchase intention and brand loyalty. The indirect effects were significant, while the direct effects became non-significant after the inclusion of the mediator.

Table 5. Mediation Analysis Results (Brand Equity)

Path	Direct Effect (β)	Indirect Effect (β)	t-value (indirect)	p-value	Mediation Type
Luxury Value Perception $\rightarrow$ Brand Equity $\rightarrow$ Purchase Intention	0.042 (n.s.)	0.195	6.87	< 0.001	Full
Luxury Value Perception $\rightarrow$ Brand Equity $\rightarrow$ Brand Loyalty	0.031 (n.s.)	0.232	7.94	< 0.001	Full

These findings confirm the central role of brand equity as a mechanism through which luxury perceptions translate into behavioral outcomes.

4.4 Moderation Analysis

Perceived market volatility significantly moderated the relationship between materialism/prestige-seeking and purchase intention (interaction $\beta = 0.181$, $t = 3.42$, $p < 0.001$). The effect was stronger under high volatility conditions, indicating that status-seeking behavior becomes more pronounced when economic uncertainty increases. No significant moderation was found for the risk/benefit perceptions path (H6 received only partial support in the direct model).

Table 6. Moderation Analysis Results

Interaction Path	β	t-value	p-value	Effect Description
Materialism & Prestige-Seeking $\times$ Perceived Market Volatility $\rightarrow$ Purchase Intention	0.181	3.42	< 0.001	Positive & significant (strengthens)

Simple slope analysis confirmed that the slope was steepest at high levels of perceived volatility (+1 SD) and flatter at low levels (−1 SD).

4.5 Summary of Hypothesis Testing

All seven hypotheses received empirical support, either fully or partially. The integrated model demonstrated strong explanatory and predictive power, highlighting the interconnected nature of social, psychological, and contextual factors in driving consumer behavior within the premium alcohol segment of a volatile emerging market.

5. Discussion

Overall, this study makes several unique contributions to the academic literature regarding consumer behavior dynamics in the premium alcohol category in an unstable emerging market environment. The application of an integrative PLS-SEM model to the survey responses of 452 urban consumers in Lagos, Nigeria allowed for the confirmation of four out of seven hypotheses, including the critical role of social group influences, luxury value perceptions, and brand equity as well as prestige-seeking and perceived market volatility as moderating factors. Notably, the findings indicate that brand equity serves as the key mediator between perceived luxury value and purchase intention and brand loyalty, making this construct even more central to premium alcohol purchasing decisions.

5.1 Interpretation of Key Findings

Social group influences emerged as the most significant direct determinant of purchase intention (H1), indicating that reference groups retain their essential influence over premium alcohol consumption. Specifically, in collectivist cultures prevalent in emerging markets, consumers' choices are heavily driven by the need to gain approval from their families, friends, and broader social networks when selecting premium products. This finding is consistent with the view of premium alcohol as a form of social capital and status signaling.

Furthermore, perceived luxury value proved to be a strong antecedent of brand equity (H2). The strong mediating effect of brand equity (H4) suggests that perceived luxury alone does not directly translate into higher purchase intention or loyalty; instead, it operates through the development of durable brand associations. This highlights the importance of sustained brand equity investment in environments characterized by economic instability and recurring shocks.

Finally, materialism and prestige-seeking behavior were identified as additional drivers of purchase intention (H5). Importantly, perceived market volatility acted as a significant moderator, strengthening the influence of prestige-seeking on purchase intention (H7). This indicates that in conditions of economic uncertainty, consumers may increase their consumption of premium alcohol as a means of status signaling and psychological compensation. In

contrast, risk/benefit perceptions had a comparatively weak effect, with only partial support for H6, suggesting that social and prestige motives often outweigh risk considerations in this segment.

5.2 Theoretical Contributions

From a theoretical perspective, this study contributes to consumer behavior and international marketing literature in several ways. First, it integrates social group influences, luxury value perceptions, and prestige-seeking within a unified framework, demonstrating their interconnectedness through brand equity as a central mediating mechanism. By confirming full mediation, the study refines earlier models that treated these constructs as independent predictors of purchase behavior.

Second, the introduction of perceived market volatility as a moderating boundary condition represents a novel theoretical extension. It demonstrates how macroeconomic instability intensifies prestige-driven consumption, enriching theories of conspicuous consumption and status signaling by linking them to structural economic conditions rather than purely psychological drivers.

Third, by focusing on Nigeria, the study extends the geographic scope of brand equity theory into under-researched African emerging markets. It shows how brand equity operates under conditions of currency depreciation and inflation, thereby enhancing the generalizability of existing theory beyond relatively stable emerging economies.

5.3 Comparison with Prior Empirical Research

The strong effect of social group influences supports prior findings that reference groups are especially influential in collectivist cultures when consumers evaluate high-involvement luxury products.

The mediating role of brand equity aligns with research from Ghana and Vietnam, where brand equity similarly drives performance and loyalty. This study extends those findings by demonstrating full mediation in a more volatile frontier market context.

Luxury value perceptions and prestige-seeking effects are consistent with evidence from Brazil and South Africa, where social and symbolic dimensions of luxury consumption are prominent. However, this study adds that such effects are intensified under conditions of economic volatility, a contribution not captured in earlier work.

Risk/benefit perceptions show a weaker influence compared to findings in India, suggesting contextual differences in decision-making priorities. In Nigeria's premium segment, social signaling appears to dominate risk considerations, likely due to the symbolic role of premium alcohol during economic uncertainty.

6. Conclusion

This empirical research provides a thorough investigation into consumer behavior dynamics within the premium alcohol segment in the context of highly volatile emerging markets, where Nigeria was used as a representative setting. Primary data collected via survey questionnaires from a sample of 452 respondents in urban Lagos revealed a significant impact of peer social influence, luxury value perceptions, and status-oriented materialism on purchase intention and brand loyalty. Brand equity turned out to be an integral mediating factor, which entirely accounted for the luxury perception effects. Perceived market volatility was found to serve as a boundary condition which significantly increased the effect of prestige on behavioral intentions.

Several theoretical contributions can be highlighted concerning the current state of consumer behavior, international marketing, and brand management literature. First, the study integrates fragmented concepts into a cohesive framework, allowing us to explore the relationships between social influences, luxury perceptions, brand equity, prestige, risk/benefit assessment, and market volatility simultaneously in the context of premium alcohol in a frontier emerging market. Specifically, the complete mediating role of brand equity in the examined scenario is confirmed, offering insight into how sustainable brand outcomes are formed under unstable conditions. The role of market volatility as a moderator further extends theories of conspicuous consumption and status signaling, particularly in environments where instability is structural rather than temporary.

From a managerial perspective, the findings suggest clear implications for premium alcohol brands operating in volatile emerging markets. Consistent investment in brand equity and the use of social proof strategies can help convert aspirational demand into long-term loyalty, even under economic uncertainty. Marketing communications should therefore emphasize prestige, identity, and social standing rather than focusing solely on functional or price-based appeals. These insights are especially relevant as global alcohol companies increasingly expand into fast-growing but economically unstable regions. For instance, during periods of currency depreciation, international brands could implement dynamic loyalty programs with tiered pricing or run targeted social media campaigns featuring local Nigerian influencers that portray premium alcohol consumption as a symbol of resilience, aspiration, and social success.

Although the study offers meaningful contributions, several limitations should be acknowledged. The cross-sectional design, single-country focus (Nigeria), and the sample limited to urban consumers in Lagos recruited primarily through online channels and snowball sampling restrict the ability to make strong causal claims and limit broader generalization to rural or non-digital populations in other emerging markets. Future research could employ longitudinal designs to track changes over time or conduct cross-country comparisons involving markets such as India, Vietnam, South Africa, and Brazil. Further refinement of the model could also include additional moderators such as cultural orientation and digital social engagement. In addition, qualitative or mixed-method approaches could provide deeper insight into consumer motivations in volatile economic environments.

In conclusion, this research highlights the complex interaction of psychological, social, and contextual forces shaping premium alcohol consumption behavior. It demonstrates how brand equity and prestige motives interact with market volatility to influence consumer decisions, offering both theoretical advancement and practical guidance. Ultimately, it shows that success in volatile emerging markets depends not only on product quality or global branding, but on a deep understanding of how consumers use luxury consumption to navigate uncertainty and construct social identity.

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Author contributions

Konstantin Yakimov was responsible for the entire study, including conceptualization, literature review, data collection, methodology, formal analysis, writing the original draft, review and editing, and project administration. The author read and approved the final manuscript.

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Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

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