

What Are Consumers Really Paying For? Explaining Premium Headphone Consumption Among Gen Z

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ABSTRACT

Rapid internet penetration and digital entertainment have made audio a pervasive part of Indonesian Gen Z's daily life, while market reports show a "trading up" shift from low-priced devices to mass-premium headphones. Existing studies on willingness to pay premium largely focus on sustainable or fashion products and seldom examine premium headphones or integrate brand-based constructs with self-expressive motives. This conceptual paper proposes a framework explaining why Gen Z are willing to pay premium prices for headphones beyond sound quality, integrating customer-based brand equity, emotional brand attachment and loyalty, need for uniqueness, emotional value, and willingness-to-pay constructs. The model posits brand strength, brand attachment, brand loyalty, need for uniqueness, and emotional value jointly shape willingness to pay premium, which in turn drives purchase intention for premium headphones.

Keywords: *Need for Uniqueness, Generation Z, Brand Attachment, Willingness to Pay, Emotion Value.*

1. INTRODUCTION

The rapid growth of access and digital technologies has transformed the way people access and consume entertainment content. According to APJII (2025), Indonesia recorded approximately 221,6 million people in 2024, equivalent to a penetration rate of 79,5% of the population. Supported by widespread smartphone adoption and affordable data services, this development has facilitated continuous access to music streaming, podcasts, gaming, and other digital platforms (Chairunisa, 2025). In turn, digital audio has become part of many daily routines, including commuting, studying, remote work, exercising, and content creation. Previous studies indicate that music streaming platforms, including Spotify and YouTube Music dominate listening behavior among Indonesian youth, while international evidence suggest that Gen Z consumers increasingly value product quality, brand reputation, and experiential benefits when making purchase decision (Williams, 2025).

The growing importance of digital audio has also contributed to the development of the headphone industry. The global headphones market continues to expand, driven by technological advancement such as wireless technology, active noise cancellation, and enhance user experiences (Bhide, 2025). In Indonesia, the headphones and earphones market is expected to surpass USD 1 billion by 2030, supported by growing digital entertainment consumption and demand for premium audio products (MarkNtel Advisors, 2023). Prior studies have examined Generation Z's technology purchasing behavior through factors such as electronic word-of-mouth, user-generated content, and online platform characteristics on purchase decisions for general or newly launched technological products (Erislan, n.d.), limited attention has been given to premium headphones as distinct consumption context. Similarly, branding research established the importance of customer-based brand equity, emotional brand attachment, brand trust, and brand loyalty in shaping customer responses and premium pricing outcomes (Chaudhuri & Holbrook, 2001; Laradi et al., 2024; Tang et al., 2026). However, most studies have examined this factor separately, and limited attention has been given to how they collectively explain premium headphone consumption among Gen Z consumers.

2. RESEARCH METHODS

This study develops a conceptual explanation of Generation Z consumers' willingness to pay premium prices for headphones. This discussion is based on literature and industry reports related to premium consumption, branding, consumer value, and Generation Z behavior. Relevant studies were identified through major academic databases, including Scopus, Web of Science, Google Scholar, and were completed by market reports on internet penetration, digital media usage, music streaming, and developments in the headphone industry. (APJII, 2025; Finn, 2025; MarkNtel Advisors, 2023)

Previous studies were reviewed to identify recurring relationship among the proposed constructs and their relevance to premium headphones. Findings from the literature were then used to explain how brand-related factors, emotional value, and need for uniqueness may influence willingness to pay premium and purchase intention among Generation Z consumers. Based on these relationships, a set of propositions is proposed for future empirical examination.

3. RESULTS AND DISCUSSION

As digital natives, Gen Z consumers are highly engaged with streaming services, social media platforms, online gaming, and content creation activities, all which rely heavily on audio experiences. Recent technological developments, including wireless technology, active noise cancellation, and immersive listening experiences have accelerated consumer interest in premium audio products (Bhide, 2025). For many Gen Z consumers, premium headphones are valued not only for sound quality but also for what they communicate about personal style and identity. Collectively, these factors make premium headphones an appropriate context for examining willingness to pay premium. According to Keller (1993), strong brands shapes consumer perceptions by reducing uncertainty and signaling quality and reliability. As a result, consumers are more likely to develop favorable evaluations of the brand. Emotional brand attachment reflects the strength of the emotional bond connecting consumers with a brand, such attachment is more likely to emerge when brands possess strong symbolic meaning and recognition (Thomson et al., 2005). Previous studies indicate that emotionally attached consumers demonstrate stronger commitment and resistance to competing alternatives (Park et al., 2010)

P1: Brand strength positively influences emotional brand attachment.

Strong brands also foster brand loyalty by creating favorable experiences and long-term commitment (Chaudhuri & Holbrook, 2001; Tang et al., 2026).

P2: Brand strength positively influences brand loyalty.

In addition, strong brand may directly increase consumers' willingness to pay premium prices because they signal superior quality, innovation, and prestige (Laradi et al., 2024).

P3: Brand strength positively influences willingness to pay premium.

Consumers who are emotionally attached to a brand tend to be less price-sensitive because the relationship itself creates value.

P4: Emotional brand attachment positively influences willingness to pay premium.

Loyal consumers often perceive lower purchase risk and greater value, increasing their acceptance of premium prices.

P5: Brand loyalty positively influences willingness to pay premium.

Consumers who repeatedly choose and trust a brand tend to perceive greater value and lower risk, increasing their willingness to pay premium prices.

Need for Uniqueness (NFU) refers to an individual's desire to differentiate oneself through the acquisition and use of consumer products (Tian et al., 2001). Previous studies show that consumers high in NFU have stronger preference for prestige-oriented and symbolically meaningful product (Asshidin et al., 2016; Oh, 2021).

P6: Need for Uniqueness positively influences willingness to pay premium

Need for uniqueness may be expressed through distinctive designs, limited editions, premium aesthetic, and brands that embody specific lifestyles will increase their willingness to pay premium price.

P7: Emotional value positively influences willingness to pay premium.

Emotional value presents the utility derived from feelings and affective experiences through product ownership and usage (Sweeney & Soutar, 2001). Positive emotional experiences strengthen perceived value and increase consumers' acceptance of premium prices.

P8: Emotional value positively influences purchase intention

Consumers who experience positive emotions from using or owning a product are more likely to develop favorable attitudes towards those products and show stronger intentions to purchase Intention to Buy.

Previous studies indicate that willingness to pay premium is influenced by perceived value, product quality, trust, and favorable product-related beliefs. Readiness to pay higher prices because they perceive additional value from a product. (Masud et al., 2024; L. Zhang, n.d.).

P9. Willingness to pay premium positively influences purchase intention.

Consumers who perceive superior performance, emotional experiences, brand reputation, and symbolic benefits justify higher prices and intend to purchase.

4. CONCLUSION

The growing integration of digital audio into Gen Z's daily lives, together with the premiumization of the headphone market, has created a relevant context for examining willingness to pay premium prices. Existing research has examined branding, consumer value, and premium consumption separately, limited attention has been given to how these perspectives explain premium headphones consumption among Generation Z. This conceptual paper addresses the gap by proposing an integrated framework that combines brand-related, emotional value, need for uniqueness influence customer willingness to pay and purchase intention.

The proposed framework offers insight into why Generation Z consumers may be willing to pay premium prices for headphones and suggest several directions for future empirical research. From a managerial perspective, the findings suggest that premium headphones brands should move beyond technical specifications and price-based competition. Instead, firms should focus on strengthening brand distinctiveness, fostering emotional attachment and loyalty, creating products and communications that reflect Gen Z's desire for uniqueness and emotional value.

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