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## Purchase intention for luxury brands: A cross cultural comparison<sup>☆</sup>

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#### ABSTRACT

This cross-cultural study examines the effects of individual characteristics (i.e., consumers' need for uniqueness and self-monitoring) and brand-associated variables (i.e., social-function attitudes toward luxury brands and affective attitude) on U.S. and Chinese consumers' purchase intention for luxury brands. A total of 394 college students in U.S. and China participated in the survey. Using structural equation modeling (SEM), this study finds that U.S. and Chinese consumers' self-monitoring positively influences social-function attitudes toward luxury brands. Social-function attitudes toward luxury brands positively influence consumers' purchase intention through affective attitude. Attitude plays an important mediating role between social-function attitudes toward luxury brands and purchase intentions. The article closes with theoretical and practical implications.

motivation to purchase luxury brands.

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#### 1. Introduction

Luxury brands represent substantial consumer product sales worldwide; global sales of high-end apparel, accessories, watches and jewelry, and other products are projected to rise to 170 billion Euros (\$236 billion) in 2009 (Roberts, 2010). Major markets for luxury brands are no longer limited to developed countries in the West, but have expanded to "new rich" markets in the East (Sherman, 2009). However, the factors driving luxury brand purchase behavior among consumers in individualistic versus collectivist cultures differ considerably. Because a clear understanding of the factors that influence consumers to purchase luxury brands is necessary to inform marketing strategies for global luxury brands, understanding how consumers' underlying motivations to purchase luxury brands differ by culture and what accounts for those differences is important.

Most studies on cultural comparison are limited to examining the impact of cultural differences on purchase intention for luxury brands (Li & Su, 2007; Wong & Ahuvia, 1998). The current study responds to Wilcox, Kim, and Sen's (2009) call for research into the relationship between attitude and cultural identity both within and across cultures, aiming at a richer understanding of purchase intention formation for luxury brands by examining how need for uniqueness, self-monitoring, social-function attitudes, and affective attitude impact purchase intentions for luxury brands among consumers in Eastern

and Western cultures. The U.S. and China, two major luxury brand markets, are good examples of individualistic and collectivist cul-

tures, respectively, and thus, may differ considerably with respect to

motivations to purchase luxury brands, this study contributes to the

literature on the role of need for uniqueness, self-monitoring, social-

functional attitudes, and affective attitude on consumers' purchase

intention in two different cultures (collectivist versus individualist).

Findings support the functional theory of attitude showing that atti-

tudes serve important social-functions as they impact both affect

and behavior. This study also shows that emotions are linked to cen-

tral attitudes and play an important role in purchase intention forma-

tion. Furthermore, the findings expand previous research and theory

development by examining purchase intention formation for luxury

brands' branding strategies both within and across cultures. Only by

These findings also provide important implications for luxury

By examining cross cultural differences in consumers' underlying

brands across cultures.

Luxury brands provide consumers with a sense of indulgence and are expensive for the individual (Nueno & Quelch, 1998). Although luxury brands possess characteristics of premium quality, a heritage of craftsmanship, recognizable style, premium price, uniqueness, and global reputation (Nueno & Quelch, 1998), consumers buy luxury brands primarily for symbolic reasons to reflect their individual or

understanding the underlying purchase motivations among consumers in each market segment can marketers most effectively appeal to those motivations in their marketing campaigns.

<sup>2.</sup> Conceptual background

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social goals (Wilcox et al., 2009). However, perceptions of luxury brands are not consistent across market segments, because luxury is a subjective concept (Phau & Prendergast, 2000) that depends on each consumer's perception of indulgent value.

Consumption of luxury brands is largely determined by social-function attitudes (i.e. self-expression attitude and self-presentation attitude) as consumers express their individuality (e.g., need for uniqueness) and exhibit their social standing (e.g., self monitoring) through luxury brands (Wilcox et al., 2009). Consumers in both Western and Eastern cultures seek to purchase luxury brands to portray their individuality and/or social standing (Nueno & Quelch, 1998; Vigneron & Johnson, 2004).

Luxury brands' distinctive image, along with their scarcity value, can meet consumers' need for uniqueness (Vigneron & Johnson, 2004), thereby arousing a self-expression attitude (Katz, 1960). Furthermore, the ability of luxury brands to symbolize social classifications and group affiliations can strengthen social image, arousing a self-presentation attitude (Park, Rabolt, & Jeon, 2008; Snyder & DeBono, 1985).

Regardless of whether consumption of luxury brands differs by culture, underlying motivations to purchase the same luxury brand may differ by culture. Those in collective societies are more closely bound together sharing common values and norms such as emotional predispositions, common interests, and mutually agreed upon social practices (Etzioni, 1968). Therefore, people in collective societies may perceive self in a depersonalized way through which individual personalities are blurred (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). Thus, collectivist consumers are likely to engage in more self-monitoring and display a stronger self-presentation attitude to portray their individuality and/or their social standing. By contrast, people in individualist societies emphasize I consciousness, emotional independence, and individual initiative (Hofstede, 1980) which may strengthen their need for uniqueness and bolster their self-expression attitude (c.f., Hofstede, 1991).

These largely cultural differences (between the U.S. and China) suggest motivations to purchase luxury brands will differ for consumers in these two cultures. For example, collectivism may result in greater self-monitoring among Chinese consumers that will intensify their self-presentation attitude and thus their desire for luxury brands to enhance their self presentation. By contrast, individualism may strengthen U.S. consumers' need for uniqueness and bolster their self-expression attitude (c.f., Hofstede, 1991) prompting these consumers to desire luxury brands to emphasize their individuality.

Both self-expression and self-presentation attitudes can lead to affect – one's feelings or emotions – a powerful predictor of behavior. In addition to the social-function of self-expression and self-presentation attitudes, consumers choose luxury brands as a result of their affective attitude (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000) because luxury brands provide hedonic rewards and sensory fulfillment (Vigneron & Johnson, 2004). Thus social-function attitudes (self-expression and self-presentation attitude) may impact purchase intentions either directly or indirectly through affective attitude.

#### 2.1. Theoretical framework

This study draws on the functional theory of attitude (Katz, 1960; Shavitt, 1989; Smith, Bruner, & White, 1956), showing that attitudes serve important social-functions such as facilitating self-expression and self-presentation (DeBono, 1987; Grewal, Mehta, & Kardes, 2004; Katz, 1960; Shavitt, 1989). A self-expression attitude toward luxury brands is defined as an orientation to respond toward luxury brands so as to display individual identity and underlying values (Shavitt, 1989) and communicate central beliefs (Katz, 1960; Wilcox et al., 2009). A self-presentation attitude toward luxury brands is defined as a predisposition to use luxury brands to convey social image

(Wilcox et al., 2009). Consumers may purchase a luxury brand because it reflects their central values and beliefs (self-expression) or because it reflects the social image they wish to convey (self-presentation) or both (Shavitt, 1989; Wilcox et al., 2009).

However, those central values and beliefs (self-expression and self-presentation) probably differ for consumers in Eastern versus Western cultures as reflected in the growing interest in understanding the influence of culture on how people think, feel and behave (e.g., Brewer & Chen, 2007). The influence of individualism and collectivism has received much attention as a fundamental dimension of cultural variation influencing consumer behavior; many published studies in cross-cultural research cite individualism and collectivism as at least a partial explanation for observed differences across cultures (Hui & Yee, 1994). Although not without criticisms, the individualism versus collectivism framework for examining cross cultural consumer behavior (typically attributed to Hofstede although the concept predates that work) is supported by considerable research over the past 30 years. An understanding of individualism and collectivism is critical to better understand consumers' characteristics, attitudes and behavior in a changing society.

The power of attitude is reflected in both cognitive (what we think and believe) and affective (what we feel and experience) responses (Keller, 2001; Morris, Woo, Geason, & Kim, 2002; Petty, Wegener, & Fabrigar, 1997). Both self-expression and self-presentation attitudes reflect consumers' cognitive responses toward luxury brands, given that consumers attempt to communicate both their central beliefs and social status through luxury brands. Consumers' affective attitude also plays an important role in their cognitive-affective purchase intention formation (Kumar, Lee, & Kim, 2009; Lee, Kim, Pelton, Knight, & Forney, 2008; Zajonc & Markus, 1982); this recognition is based on the understanding that consumers are both rational and emotional (Zajonc & Markus, 1982). Consumers' affective attitude toward luxury brands is derived from the feelings generated by the luxury brands (Sweeney & Soutar, 2001). Prior cognitive-affective models suggest that affect also impacts consumers' purchase intentions (Li, Monroe, & Chan, 1994) and that affect has a stronger association with purchase intention toward fashion products than cognition. For example, affective attitude, but not cognition, positively influences purchase intentions for an apparel brand among both Mexican and Indian consumers (Kumar et al., 2009; Lee et al., 2008). Affect may explain why consumers are willing to pay a premium price for luxury brands even though they can achieve equal functional benefits through less expensive non-luxury brands.

The theory of reasoned action is based on the assumption that individuals are rational and make systematic use of the information available to them (Fishbein & Ajzen, 1975); that is, the individual's attitude affects a person's behavioral intention. Given that attitude has a direct impact on intention toward a behavior (Eastlick & Lotz, 1999; Penz & Stottinger, 2005; Szymanski & Hise, 2000), both self-expression attitude and self-presentation attitude toward luxury brands predict purchase intentions for luxury brands.

This study examines (a) whether need for uniqueness is antecedent to consumers' self-expression attitude toward luxury brands, (b) whether self-monitoring is antecedent to self-presentation attitude toward luxury brands, (c) and whether self-expression attitude and self-presentation attitude impact affective attitude and purchase intention for luxury brands — either directly or indirectly through their impact on affective attitude (Fig. 1).

#### 3. Hypotheses

#### 3.1. Need for uniqueness and self-expressive attitude

Need for uniqueness (NFU) may be thought of as an individual characteristic to pursue brands and products to convey an individual identity that will distinguish oneself from others (Tian, Bearden, &

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