

Values as Drivers of Luxury Brand Consumption for Young MAC Consumers

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ABSTRACT

As middle and affluent class consumers continue to demonstrate an affinity for luxury brands, luxury brand owners need to understand common factors that drive these consumers to a purchase decision. This paper examines the relationship between consumer values (such as functional, symbolic, and experiential value) and affective attitudes, purchase intention and willingness to pay a premium price, especially in Indonesia. Using a survey, data was collected from 401 respondents online and analyzed using AMOS. The findings revealed that functional value had a significant positive relationship with affective attitude and purchase intention, but not with willingness to pay. Symbolic value was found to drive affective attitude, purchase intention, and willingness pay. Experiential value was confirmed only to have positive relationship with affective attitude; whereas affective attitude was revealed to be a driver to purchase intention, but not to willingness to pay.

Keywords: MAC consumers, luxury brands, values

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INTRODUCTION

In 2015, international analysts stated their optimistic prediction on the growth of the Indonesian luxury goods sector. In 2017, luxury goods in Indonesia had gained stronger growth, with larger consumer base in Indonesia, allowing luxury brands to continue rising consistently. In the past few years, the number of middle-class and

affluent consumers (MAC) in Indonesia has risen significantly. According to The Jakarta Post (2016) in 2014, Indonesia had about 88 million of people labeled as MACs. MACs have been an interesting segment to pursue for marketers of luxury brands. Boston Consulting Group (BCG) predicted that, in Indonesia, the segment would continue growing around by 8-9 million people each year until 2020 and would reach approximately 141 million in 2020 (Rastogi et al., 2013). The growth of the MAC population continues to occur throughout the country. From 25 locations with MAC populations exceeding 500,000 people, the number of locations is expected to reach 52 in 2020. At the same time, the consumer spending accrues 7.7% per year; thus, providing opportunities for companies that serve consumer goods, especially luxury goods.

About 50% of the population in Indonesia is made up by people below 30 years old (Guharoy & Morgan, 2010). This indicates that Indonesia population composition is made up of younger segment. What is interesting is that this age category has already established personal opinions and attitudes towards luxury brands. Most of them believe that luxury brand is a symbol of wealth and prosperity; in fact, they see luxury brands as proof of achievements, even had some numerous brands that considered as a symbol of prosperity (Chan, 2006). This younger generation consumer group has strong potential purchasing power with slightly different preferences compared to their older counterparts.

While they may spend on luxury goods and brands, it is important to note, however, that these young consumers will turn into more reasonable, conscious consumers in the future (Kowalska, 2012). The growing affluent market in Indonesia reflects that more consumers have the capacity to purchase and consume luxury goods. Age-wise, the segment has become younger - with as young as 21 years old starting to buy luxury goods. In China, for example, the major consumers of luxury products are becoming younger - the minimum age of China's luxury consumers has dropped to 25 in 2010 from 35 in 2007 (WLA Report, 2011). In Asia, 62% of online luxury goods transaction (topping brands such as Balenciaga, Fendi, and Longchamp) was made up by Indonesian consumers. This makes Indonesia one of the top priority countries in the luxury brand market due to the growing numbers of consumers who can afford the high-end goods (Chu, 2012).

Considering this recent phenomenon, there is a big opportunity for marketers to explore the behavior of these young, middle affluent consumers. Eddy and Pratignyo (2012) stated that 88% of young MAC were at the stage of exploring brands, which would lead to the use of branded products. Therefore, marketers need to understand common factors that attract young MAC to purchase luxury brands. Our study examines factors that influence the young MACs to purchase luxury brands. More specifically, we examine whether functional, symbolic, and experiential values have relationships with consumers' purchase intentions and

willingness to pay more, as well as their affective attitude toward the brand itself, especially in the case of young MACs in Indonesia.

LITERATURE REVIEW

Luxury Brands

The word 'luxury' originates from the Latin word 'luxus', which describes the softness or a lavish lifestyle (Brun & Castelli, 2013). The word is similar to 'luxuria', which means excessive or self-indulgent, but with a more negative connotation (Dubois et al., 2005). The shift of the negative connotation to a more positive tone occurred after the industrial revolution, more precisely at the end of the 19th century. Moreover, since then, luxuries have been interpreted as something fun that provides comfort above just the necessities of life (Brun & Castelli, 2013). Symbolization of status, personal gratification, and time to relax also emerged as other interpretations of luxury (Okonkwo, 2007).

A luxury brand is a branded product or service that consumers perceive to: 1) be high quality; 2) offer authentic value via desired benefits, whether functional or emotional; 3) have a prestigious image within the market built on qualities such as artisanship, craftsmanship, or service quality; 4) be worthy of commanding a premium price; and 5) be capable of inspiring a deep connection, or resonance, with the consumer (Ko et al., 2017). Luxury brands have three facets: the impressive-functional, impressive-emotional, and expressive consisting of many attributes

(Hudders et al., 2013). Wetlaufer (2001) stated that "a luxury brand is timeless, modern, fast-growing and highly profitable". Another important attribute of luxury brands is the prestige of being associated with those brands and the uniqueness or exclusivity (O'Cass & Frost, 2002).

Luxury Category. Levels of luxury brands are interpreted differently by different researchers or authors. Alleres (1990), and Silverstein and Fiske (2003) used the Social Economic Status (SES) dimension in defining the three levels of luxury. In 2008, Silverstein et al. (2008) redeveloped the division of luxury brand based on the dimension of time, dividing luxury into old and new luxury. From a production point of view, Kapferer (2004) separated luxury brands into three different categories: (1) griffe, (2) middle luxury, and (3) upper range brands. The last categorization of the luxury brands is based on prestige. D'Arpizio (2007) classified luxury brands into three different levels as well: (1) absolute luxury, (2) aspirational luxury, and (3) accessible luxury.

Values

Values held by consumers act as drivers for the rise in the level of willingness to pay a premium (Li et al., 2013). Several views related to value grouping exist. These views include instrumental and terminal (Peter & Olson, 2010), internal and external (Amatulli & Guido, 2012; Kapferer & Bastein, 2009), as well as functional, experiential, and symbolic. The third category will help provide insights

related to any values that will be associated with the use of a luxury brand.

According to Berthon et al. (2009), the luxury brand component is divided into three parts, namely functional, experiential and symbolic. Functional dimensions include the physical attributes of the products offered by the brand, which is objective in nature. Contrary to the functional dimension is experiential dimension. This dimension is more of a subjective nature, in that it is the embodiment of the value of individual subjectivity (Choo et al., 2012), judging from how the brand is meaningful to a particular consumer. Symbolic dimension is a manifestation of how the brand is viewed by others (Choo et al., 2012); thus, making it have a social aspect in its nature. Conclusions of three dimensions of the luxury brand by Berthon et al. (2009) was the result of quoting and adapting an understanding of the 'Three Worlds' concept by Karl Popper in 1979 and the view of Keller (1993) on the benefits of a brand a brand to consumers. This study used the view of Berthon et al. (2009) with regards to the values that would trigger positive consumer attitude towards the brand, purchase intention, as well as willingness to pay more.

Functional Value. Keller (2001) stated functional brand value as one of the three values that affected purchase intention and that had a relationship with a brand's ability to satisfy the functional needs of consumers. This was disclosed by Chitturi et al. (2007), who defined the utilitarian/functional value as something related to the instrumental and

functional advantages compared to luxury. This is in line with Sweeney and Sountar (2001) with regards to the utility value of the brand. Consumers often emphasize aspects such as quality, skills, and performance (Atsmon et al., 2011), though some associate it with quality, skill, design, and aesthetics (Amatulli & Guido, 2011).

Symbolic Value. Luxury brands are identical with conspicuousness and the amount of costs incurred to acquire the brand (Hung et al., 2011). The measurement of symbolic value includes achievement of finance, sophistication, social status, and feelings of being respected, which have a relationship with the brand to become a symbol of the self-identity that plays a role in the dimension value (Wiedmann et al., 2009). This value exists as result of the purpose of using luxury brands, that is, not only for personal gratification, but also for social status (Vigneron & Johnson, 2004). A brand whose symbolic value is consistent with a consumer's self-concept provides symbolic benefits that leads to social acceptance and increases self-esteem of the user (Liang & Wen-Hung, 2004).

Experiential Value. Businesses not only focus on the functional value of the goods they sell, but also the experiential value, which is better known as the hedonic value (Choo et al., 2012; Schmitt & Zarantonello, 2013). Experiential value reflects an assessment of consumer experience with a certain brand that can produce an entirely different experience from another brand (Seligman et al., 2005). Aspects of experiential value

include hedonism, beauty, and experience (Choo et al., 2012; Tynan et al., 2010). These values are classified as subjective values (Choo et al., 2012; Hirschman & Holbrook, 1982; Reyneke et al., 2011), which means that every individual would feel differently toward one entity, in this case, a certain luxury brand.

Affective Attitude

In general, people will form an attitude as their first response when they are doing something. Attitude, whether something is positive or negative, will be reflected in psychological reactions (Maio & Haddock, 2010). Kotler and Armstrong (1996) mentioned that the attitude towards a brand could be interpreted as an expression of an individual or a feeling of like or dislike towards a brand. An attitude is also based on a belief or automatic response, which is an affective reaction, that occurs unconsciously. Birgelen et al. (2003) stated that the attitude was a great encouragement expressed through such a process and results in a feeling of like or dislike.

Purchase Intentions

Contingencies that can affect real behavior are the best measurements of where purchase intention was portrayed by past-purchase consumers (Solomon, 2013). In this regard, the purchase intention can have great influence in consuming. Purchase intention illustrates the measurement of a long-term bond with the brand through additional or repetitive purchases, which represents one of the results of consumer behavior based on a set of beliefs (Li et al., 2013). Consumers

use this as a rationale to possess a product in the future and to make repeat purchases toward it (Fandos & Flavian, 2006). Thus, the intention to purchase is significant enough to be connected in the context of brand consumption (Yoo & Lee, 2009).

Willingness to Pay

Willingness to pay refers to the nominal amount of money consumers are willing to pay for a product, service, or other offers (Homburg et al., 2005). When the willingness to pay is higher than the price offered (Braidert, 2007), it shows an indication of a real purchase. Willingness to pay is one of the key drivers of their buying behavior because it refers to the behavior of a real purchase (Li et al., 2012). In this case, it can also be known how much the consumer appreciates the value of the luxury brands' products (Keller, 1993). Thus, we can infer that there is a relationship between the creation of value with a willingness to pay, in which positive values toward the brand would encourage consumers' willingness to pay more.

Hypotheses

Research conducted by Li et al. (2013) revealed an association between the functional, social, and symbolic values with attitudes, intention to buy, and willingness to pay. On the other hand, Hung et al. (2011) argued that the values embraced by consumers in driving a purchase intention towards a luxury brand were functional value, experiential, and symbolic. In their study, social value associated with the influence of social views against oneself is

treated as part of a symbolic value. Then, the experiential value in this case refers to the views on the importance of the consumer experience because of its role in predicting the behavior of a real purchase (Brakus et al., 2009). In this study, consumer values used to influence affective attitude, purchase intention, and the willingness to pay are functional, experiential, and symbolic.

Functional Value towards Willingness to Pay and Purchase Intention, and Affective Attitude

Li et al. (2008) showed a relationship between functional value of a brand and the willingness to pay. The research explained that customer satisfaction for the quality of a brand in the future would encourage the willingness to pay a higher cost depending on the brand concerned. Therefore, the following hypothesis is presented as follows:

H1. Functional values of luxury brands have a significant positive relationship with a consumer's willingness to pay premium prices.

Based on research conducted by Hung et al. (2011), Shukla (2012), and Shukla and Purani (2012), there was a relationship between the functional value and purchase intentions. They found their functional abilities of a person's value as a driving force for future repurchases. Okazaki et al. (2010), Samuelsen and Olsen (2010), and Zarantonello and Schmitt (2013) also stated the same findings in their research. The usability factor or functionality of the product will affect the attitudes, preferences, and buying intentions of consumers. The following hypothesis is presented.

H2. Functional values of luxury brands have a significant positive relationship with consumers' purchase intention.

The relationship between the functional value offered by a brand with an attitude of consumers was conducted by Li et al. (2013). They found that there was a positive influence of the brand's quality on the affective attitude. Therefore, the following hypothesis is as follows.

H3. Functional values of luxury brands have a significant positive relationship with consumers' affective attitude.

Symbolic Value Towards Willingness to Pay, Purchase Intention, and Affective Attitude

Symbolic value holds a significant proportion of encouragement for consumers to pay a premium price (van Kempen & Wissink, 2014) and is influenced by the market of luxury goods and consumer elite. In addition, a higher willingness to pay is also a result of the role of status (O'Cass & Choy, 2008). The big picture within the scope of luxury fashion is that the status obtained from the glitz and messages from the brand is proof of success, which then positively encourages consumers to pay more compared to similar competitor products. Therefore, the following hypothesis is presented.

H4. Symbolic values of luxury brands have a significant positive relationship with consumers' willingness to pay premium prices.

The significant relationship between the symbolic value and consumer purchase intention has been examined and approved by Tsai (2005). This is in line with Zhang

and Kim (2013), who stated that, in the world of luxury fashion, the role of social encouragement and comparison as well as views of the reference group can provide a strong influence on purchase intention, especially in the world of luxury fashion (Lascu & Zinkhan, 1999).

H5. Symbolic values of luxury brands have a significant positive relationship with consumers' purchase intention.

Research by Netemeyer et al. (2004) showed a significant relationship between the application of symbolic value with a positive impact on future consumer behavior. This was also corroborated by the appearance of an affective attitude of their positive associations on consumer self-expressions that consists of images and self-presentation. Therefore, the following hypothesis is as follows:

H6. Symbolic values of luxury brands have a significant positive relationship with consumers' affective attitude.

Experiential Value towards Willingness to Pay, Purchase Intention, and Affective Attitude

Experiential value is a consumer's consent about the definition of perfection, aesthetic, and pleasure for a service perceived by consumers (Wu & Liang, 2009). Perceived experience will enter the mind of the consumer and settle as values held as a backrest. When the real experience can be easily forgotten, experiential value will be difficult to forget (Schroeder, 2012). Moreover, Holbrook (2000) stated that the consumption experience had a major role in consumer decision making. Based on

this, it can be deduced that the experiential value has a relationship that encourages consumers to have a willingness to pay.

H7. Experiential values of luxury brands have a significant positive relationship with a consumer's willingness to pay.

Kim et al. (2012) confirmed the relationship of experiential value with attitude and found that any real evidence regarding the hedonic/experiential benefit would affect consumers' attitudes, preferences, and intention to buy (Okazaki et al., 2010; Samuelsen & Olsen; 2010; Zarantonello & Schmitt, 2013).

H8. Experiential values of luxury brands have a significant positive relationship with consumers' affective attitude.

The role of experiential value in the formation of consumers' positive attitude can lead to purchase intention (Kim et al., 2012). When experiential value meets the needs of consumers, it will have an impact on the incidence of individual enjoyment. The pleasure is important because it can be a precursor to a positive brand attitude. Therefore:

H9. Experiential values of luxury brands have a significant positive relationship with consumers' purchase intention.

Affective Attitudes towards Purchase Intention and Willingness to Pay

Positive relationship between attitude and purchase intention was confirmed in Li et al. (2013). Further, in the researches of Bian and Forsythe (2012), and Zhan and He (2012), they also showed the importance of a positive emotional bond that gave consumers reason to encourage themselves

in the future and to repurchase from a brand.

H10. Affective attitude towards luxury brands has a significant positive relationship with consumers' purchase intention.

O'Cass and Choy (2008) stated that the result of the attitudes held by consumers and the associations of the status from a product not only form purchase intention but also willingness to pay.

H11. Affective attitude towards luxury brands has a significant positive relationship with consumers' willingness to pay premium prices.

In summary, the relationships among concepts and variables stated in the hypotheses are described by the following conceptual model in Figure 1.

METHOD

Our respondents were recruited mainly from Jakarta and other major cities in Indonesia. The decision to concentrate on major cities was based on the nature of the research scope that focused on the young MACs. Data was collected using an online survey to accommodate ease of collection process

from multiple major cities in Indonesia. A screening procedure was done to ensure that the recruited respondents had at least three shopping experiences of luxury brand (Choo et al., 2012). Respondents were also asked whether they had previously purchased certain products of a luxury brand (at least 1 within the past 1 year) (see Table 1).

Subjects of this study were limited to young MACs within the age bracket of 19-28 years old. This age group was chosen as representative because of the adaptation from the interpretations of young consumers, namely those within the age range of 17-28 years (Kowalska, 2012). Another reason to define the respondents to this age group was because of similarity in educational level: graduated from high school and/or in early years of college (above 19 years old). Therefore, additional screening question was added by asking their monthly household expenditures (i.e. food, utilities, communication, regular household supplies, excluding entertainment, restaurant dining, and similar categories), to ensure they were considered as young MACs (those

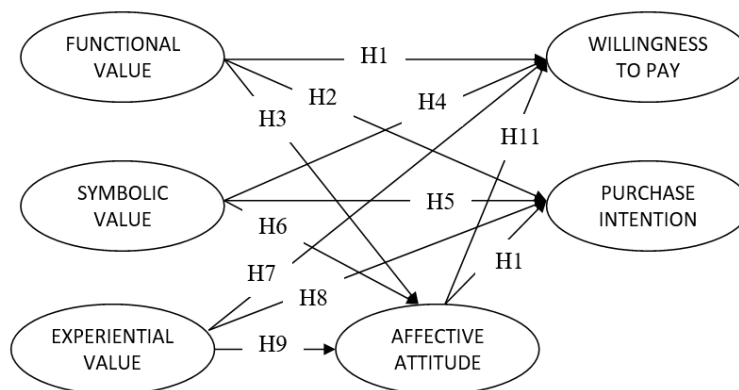


Figure 1. Research model

with monthly expenditures between IDR 2-7.5 million). To ensure a fit between the respondents' and middle-class to affluent consumers' characteristics, this research used judgment sampling technique, utilizing our personal networks and social circles.

This research used brands that had a variety of products, similar to Okonkwo's research (2007). This research uses aspirational luxury as the category for luxury brands. Accessible luxury was not used because prices are too affordable and there is a great ease for acquiring these products and brands. The luxury brands used in this research included Dior (Paris), Givenchy (Paris), Yves Saint Laurent (Paris),

Giorgio Armani (Italia), and other brands. This is because these brands have met the requirements needed for this research, aside from having been used in other researches. The list of brands is presented in Table 1. All variables in this research were measured using 7-point Likert scale and were adapted from previous research. The variables are operationalized as described in Table 2.

RESULTS

From 430 responses, 29 cases were excluded due to incomplete answers, resulting in only 401 subjects were used for further data analysis. Among 401 subjects, 74% were females (vs. 26% males), 93% single,

Table 1
List of brands

Researched Brands	
1.	Burberry
2.	Chanel
3.	Gucci
4.	Dior
5.	Givenchy
6.	Yves Saint Laurent
7.	Giorgio Armani

Table 2
Variable operationalization

Variable	Conceptual Definition	Item
Functional Value (Alimen & Cerit, 2010; Choo et al., 2012)	Consumer's assessment towards a brand based on usefulness and superior quality owned by the product of the brand	<ol style="list-style-type: none"> 1. The products offered by this brand are excellent 2. The products of this brand are sophisticatedly made 3. This luxury brand performs as expected

Table 2 (Continued)

Variable	Conceptual Definition	Item
Experiential Value (Choo et al., 2012)	Consumer's assessment based on what is perceived through his experience when using a products and services, where also deals with product-related attributes.	<ol style="list-style-type: none"> 1. The products of this brand are aesthetically superior 2. The products of this brand are well designed 3. The products of this brand are special 4. The products offered by this brand have strong sensory appeal 5. This brand competes mainly by offering a desired experience to their customers
Symbolic Value (Choo et al., 2012)	Consumer's assessment towards symbolic benefits which deals with social acceptance and improving self-esteem of its user (Keller, 1993).	<ol style="list-style-type: none"> 1. The products of this brand have strong personal meaning to me 2. The products of this brand help me to express myself 3. A main benefit of the products of this brand is the ability for customers to express their own beliefs, values, or personalities 4. This brand is considered by many as a symbol of success 5. The brand name of this brand is considered by many to be reflective of social status (**reversed) 6. This brand is considered as a symbol of the prestige 7. The products of this brand are for the selected few
Affective Attitude	Individual reaction based on the evaluation of attributes that overcome a positive or negative expression.	<ol style="list-style-type: none"> 1. This luxury brand makes me feel better 2. This luxury brand makes me feel good 3. This luxury brand makes me want to use it

Table 2 (Continued)

Variable	Conceptual Definition	Item
Purchase Intention (Bian & Forsythe, 2012)	Consumer's tendency to buy a brand or take action that related to the purchase (Assael, 1998)	<ol style="list-style-type: none"> 1. If I was going to purchase a luxury product within the next 12 months, I would consider buying this luxury brand 2. If I was shopping for a luxury brand within the next 12 months, the likelihood I would purchase 3. My willingness within the next 12 months to buy this luxury brand is high 4. The probability that I would buy this luxury brand within the next 12 months is high
Willingness to Pay (Netemeyer et al., 2004)	Consumer willingness to pay higher prices over a value of goods more than other similar alternatives. (Li et al., 2013)	<ol style="list-style-type: none"> 1. The price of this luxury brand would have to increase significantly before I would switch to competitors' brands 2. I am willing to pay a higher price for this luxury brand compared with substitute brands 3. I am willing to pay a lot more for this luxury brand than competitor brands

and mostly were between age 19-22 (78%). All respondents have luxury goods that reflect their level of wealth; however, not all of them have a similar background. Screening questions were asked to ensure representativeness for this research. The questions included possession of luxury brands and luxury goods. Results from the data collection showed that Chanel was the favorite brand for young consumers (22%), followed by YSL and Gucci (19% and 18%, respectively). In terms of type of possessions, leather goods, such as bags, shoes, or wallets, were the top product category owned by young consumers (32%), followed by perfume and cosmetics (25%

and 19%, respectively). Pricewise, leather goods and perfumes purchased and owned by the young consumers cost around \$2,000 and \$250, respectively. This shows that young consumers do have an interest in purchasing and using luxury goods.

Model Fit Analysis

Model fit analysis was done to see if the proposed research model had established unity. Model fit was done by looking at Goodness of Fit and Badness of Fit from Absolute Fit and Incremental Fit. An acceptable level for the Goodness of Fit (GFI) index and Adjusted Goodness of Fit Index (AGFI) were set to be between 0.800-

0.900 (Ghozali, 2005). A perfect fit should be between 0-1 (Malhotra, 2010). These indexes are used to measure how well the model is. Badness of Fit is measured using Root Mean Square Error of Approximation (RMSEA), which indicates the difference in every degree of freedom. Browne and Cudeck (1993) stated standards used for RMSEA are 0.05-0.08 (*acceptable*), 0.08-0.10 (*mediocre*), and >0.10 (*poor fit*). Furthermore, the Chi-Square Statistic (CMN/DF) is considered good if it is less than 2, 3, 4, and 5.

Table 3 exhibits that a model is a good model as all measures meet the standards. The GFI and AGFI score were above 0.800, which means that it is lenient toward perfect fit, while RMSEA was found to be 0.067 (acceptable). The Comparative Fit Index (CFI) was found to be 0.884 (considered as perfect fit). This means that the development of the model is almost 90% as compared to the null model. The CMIN/df score also indicates a good result, as the standard should be greater than 3.000.

Hypotheses Analysis. The SEM analysis shows that out of 11 hypotheses, seven were supported while four were rejected. The four rejected hypotheses were relationships between functional value to willingness to pay (H1); experiential value to willingness to pay (H7); experiential value to purchase intention (H8); and affective attitude to willingness to pay (H11). Table 4 and Table 5 exhibit the majority of the hypotheses that have shown their significance. Structural equation modeling (SEM) was used to test our hypotheses. Results of our SEM path analysis are depicted in Figure 2.

DISCUSSION

We rejected our hypothesis on the relationship between functional value and willingness to pay. Apparently, young consumers are not willing to pay higher prices for a luxury brand, despite its functional value. One of the drivers that limits their willingness to pay higher prices is that their purchase decision still depends on their family (i.e., parents). There is a likelihood that the young

Table 3

Result from model fit analysis

MODEL FIT	STANDARD	SKOR
GFI	0.800 – 0.900	0.866
AGFI	≥ 0.800	0.833
CFI	0-1	0.884
RMSEA	0.05 – 0.08 → ACCEPTABLE	0.067
	0.08 – 0.10 → MEDIOCRE	
	> 0.10 → POOR FIT	
CMIN/df	≤ 3.000	2.794

Table 4

Result from regression weight

	Estimate	S.E.	C.R	P
Functional WTP	0.229	0.152	1.512	0.130
Functional →Purchase Intention	0.377	0.109	3.455	***
Functional →Attitude	-0.252	0.107	-2.350	0.019
Symbolic →WTP	0.796	0.132	6.048	***
Symbolic →Purchase Intention	0.418	0.087	4.832	***
Symbolic →Attitude	0.602	0.077	7.851	***
Experiential →Attitude	0.481	0.132	3.642	***
Experiential →WTP	-0.297	0.190	-1.564	0.118
Experiential →Purchase Intention	-0.195	0.133	-1.458	0.145
Attitude →WTP	0.126	0.106	1.195	0.232
Attitude →Purchase Intention	0.340	0.074	4.568	***

Table 5

Result from hypothesis analysis

Hypothesis	Result
H1 (Functional → WTP)	REJECTED
H2 (Functional → Purchase Intention)	ACCEPTED
H3 (Functional → Affective Attitude)	ACCEPTED
H4 (Symbolic → WTP)	ACCEPTED
H5 (Symbolic → Purchase Intention)	ACCEPTED
H6 (Symbolic → Affective Attitude)	ACCEPTED
H7 (Experiential → WTP)	REJECTED
H8 (Experiential → Purchase Intention)	REJECTED
H9 (Experiential → Affective Attitude)	ACCEPTED
H10 (Affective Attitude → WTP)	REJECTED
H11 (Affective Attitude → Purchase Intention)	ACCEPTED

consumers would shift to another brand when the luxury brand in consideration drastically raises prices.

Functional value was found to have a significant effect on consumers' affective attitudes toward their luxury brand spending. The knowledge of good quality, sophisticated production process, and satisfying performance from the luxury

brand will lead to personal enjoyment or pleasure. Although functional value is not the main selling proposition of luxury brands, this value cannot be ignored, especially if the brand is targeting the young consumer.

Functional values also lead directly to purchase intention without having to go through certain personal feelings. The nature

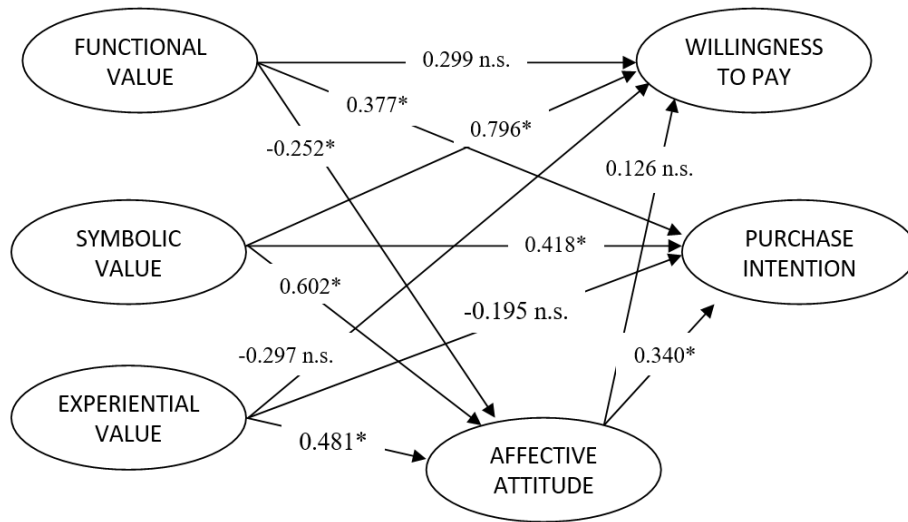


Figure 2. SEM results

of the functional value is objective, so that when the products of luxury brands have good functions such as excellent quality, consumers do not have to spend too much time on thinking or cognitive processing in order to feel a desire to acquire the product, even the urge to repurchase (Hung et al., 2011; Shukla & Purani, 2012).

It should be stressed that the aspirations of young consumers are very significant not only regarding material goods, but also their lifestyle. Such perspectives are able to provide a specific symbolic meaning. The symbolic value holds a significant proportion to encourage consumers to pay premium prices. In contrast to the functional value, symbolic value is a very important aspect of luxury brands due to the environmental opinion capable of influencing their purchasing decisions. Therefore, if a luxury brand can provide a personal meaning, it helps consumers to express themselves to have a high

social status in the society. Consequently, consumers would be willing to pay a higher price to have all these advantages.

Similarly, the symbolic value has a significant positive relationship with purchase intention. Consumers who possess many luxury brands will continue to satisfy their desire to make a purchase simply due to human material desires and psychological satisfaction. In addition, the prestige and desire to be viewed as someone who is prosperous in encouraging the emergence of a desire to buy luxury brands where costs need to be incurred is not insignificant. When a consumer finds a brand that is congruent with his or her self-image and is also congruent with the public's evaluation toward the brand image, this consumer would develop a sense of absolute liking with the brand.

In contrast to the two previous values that have a significant positive relationship with purchase intention, experiential value

has a significant relationship only with affective attitudes. Our hypothesis on the significant positive relationship between experiential value and purchase intention was therefore rejected. Consumers may not have an intention to purchase simply just because the product is considered by the public to be beautiful. What is considered beautiful by the public may not necessarily be so in the eyes of these young consumers, because it is the experience that they value. Similar to purchase intention, experiential value has no significant effect on consumers' willingness to pay a higher price. The main cause is simply due to financial limitations. On the contrary, experiential value has a significant positive relationship with affective attitude. This is evident from the emergence of feelings of pleasure or love of a good value attributed to beauty and enjoyment of the goods (Kim et al., 2012).

Through this study, we have confirmed that affective attitude is proven to be an evaluation toward values of the luxury brand, which gives rise to the feelings of pleasure (Li et al., 2012). This sense of pleasure shapes an attitude and behavior in the form of consumers' willingness to make luxury purchases. As we found no support for a hypothesized relationship between affective attitude and willingness to pay a higher price. Perhaps this is simply due to the age factor. Any decision about luxury brands is still influenced by many things, one of which is family, which would make young consumers consider many things in their purchase decision.

LIMITATIONS AND FUTURE RESEARCH

There are some limitations of this research. The fact that the luxury products presented in this study were highly varied in terms of product form and price points provides the possibility that each luxury product category may be driven by certain values that are different among product categories. The same is true for the brand. We suspect that the proportion of each value offered by different brands within the same luxury product category may be different. Second, this research did not examine the possibility of affective attitude as a moderating or mediating variable. The affective attitude in this research was treated as an independent variable to purchase intention and willingness to pay for higher price. These research limitations provide further research opportunities to expand the knowledge of purchase intention in the domain of luxury brand consumption.

Limitations of this research provide several future research opportunities. First, investigating the absorption of consumer value to each product will be an interesting research venue to pursue. By knowing more specific types of consumer values absorbed in apparel, perfume, cosmetics, leather goods, and accessories products, marketers will get the benefit of designing the right strategy to reach out to young MACs. Second, further research exploring affective attitude as moderating or mediating variables in the relationship between values and purchase intention and willingness to pay is another research venue worth pursuing.

Third, with regards to the significant effects of symbolic value found in this study, it would be interesting to examine whether certain drivers, such as sales promotion, would boost sales more than price. Lastly, future research should explore and examine how influential the parents are on young consumers' decision-making process in the context of luxury brand purchase and consumption.

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