



The influence of country-of-origin and need for uniqueness on luxury fashion purchases

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Background. The marketing of luxury brands often sets the pace for other brands. The luxury fashion industry is composed of a relatively small number of companies but is outsized in terms of revenues and popular culture influence. The country with which consumers associate a product or brand is among the criteria that consumers use to choose among luxury brands (Pappu et al., 2007). Country-of-origin (CoO) image often shapes consumers' perceptions and product evaluations (Pappu et al., 2007). For example, consumers often perceive that Italian leathers are the best, that Swiss watches are reliable, and that Japanese electronics are efficient. It is widely acknowledged that CoO significantly influences consumers' purchase decision-making (Roth & Romeo, 1992; Yasin et al., 2007). However, even though CoO is one of the most widely studied factors in international marketing and consumer behavior (Bloemer et al., 2009; Papadopoulos & Heslop, 2003), the theoretical structure and the effects of CoO on consumer evaluations and purchase decisions are still unclear (Bloemer et al., 2009; Godey et al., 2012). Piron (2000) provided evidence that CoO plays an important role in consumer decision-making for conspicuous products. The relative importance of CoO appears to vary for consumers making decisions in a multicultural context (Godey et al., 2012), but few CoO studies have focused on luxury fashion brands (Esmailpour & Abdolvand, 2016; Usunier, 2006). Thus, the purpose of this study is to examine differences in the impact of attitudinal motivations on the CoO effect and the influence of the CoO effect on purchase intentions for luxury fashion brands. The moderating effect of need for uniqueness (NFU) is incorporated into the model. To test this conceptualization, we specifically consider young adult consumers in the U.S. and China.

Theoretical framework. The study relies on the Elaboration Likelihood Model (ELM; Petty & Cacioppo, 1986) and Functional Theories of Attitudes (Grewal et al., 2004; Katz, 1960). The ELM, a theory of attitudinal change, suggests that an individual's motivation and ability can influence the cognitive processing involved in a decision (Petty & Cacioppo, 1986). In the present context, when consumers are strongly motivated and have time to evaluate a product, they tend to engage in more elaborate cognitive processing. For more valuable products, like luxury fashion products, consumers consider more information and think more carefully about the purchase. CoO then serves as an additional piece of information and may be more valuable for some consumers while less valuable to others (Schade et al., 2016). The Functional Theories of Attitudes provides attitudinal motivations that include social-adjustive, value-expressive, hedonic, and utilitarian motivations. In the present study, higher levels of motivation through any of these sources should be related to increased elaboration in cognitive processing. To extend the scope of study, NFU is included in the framework (Figure 1) as an additional influence on consumers' motivations in luxury consumption (Bian & Forsythe, 2012).

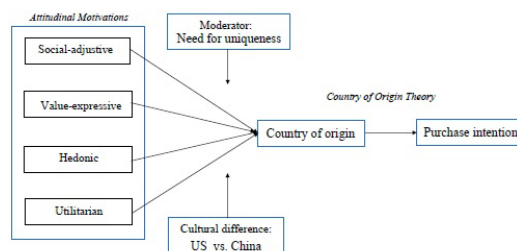


Figure 1. The Research Model.

Method. To test hypotheses for the proposed model, we gathered responses from an online survey distributed in two countries: the U.S. and China. The survey was initially written in English and then translated into Mandarin by a bilingual researcher. At the beginning of the survey, participants were asked to indicate one luxury fashion brand name that immediately came to mind. Participants were then asked to answer the survey questions about the key variables considering the luxury fashion brand they indicated. Scale items were adapted from previous studies to measure the seven constructs. All scale items except demographic information were measured using 7-point Likert scales. All measures indicated satisfactory levels of reliability and validity. Responses from U.S. luxury consumers (N=381) were collected at a public university in the Midsouth. Responses from Chinese luxury consumers (N=283) were collected through a professional survey firm. Analysis of the data employed two-step analytical procedures with a separate evaluation of the measurement and structural models (Hair et al., 2017), such that partial least squares-based structural equation modeling was conducted for two different datasets.

Results and Discussion. Participants in both groups had purchased luxury fashion brands. The majority of U.S. consumers were 20 to 23 years old (90%), female (78%), and white (80.5%). The majority of Chinese consumers were 20 to 25 years old (82%) and female (71%). The top three luxury fashion brand names immediately come to mind reported by US participants were Gucci, Louis Vuitton, and Chanel; those reported by Chinese participants were Chanel, Louis Vuitton, and Dior. Convergent and discriminant validity were confirmed ($\alpha > .70$, AVE $> .15$, HTMT $< .90$; Hair et al., 2017). We examined a goodness-of-fit measure for PLS-SEM; SRMR values were less than the threshold of .08 (Henseler & Sarstedt, 2013). We also assessed that the model is free of common method bias (VIF < 3 ; Kock, 2015). Path coefficients for both groups showed that social-adjustive ($\beta_{US} = .27, p < .001$; $\beta_{China} = .16, p < .05$) and hedonic motivations ($\beta_{US} = .31, p < .01$; $\beta_{China} = .38, p < .01$) positively explained the effect of CoO for luxury fashion brands, while value-expressive motivation did not explain the effect of CoO. Utilitarian motivation was a positive significant predictor of CoO in the Chinese sample ($\beta_{China} = .22, p < .01$). In the U.S. sample, hedonic motivation had a direct effect on purchase intention ($\beta_{US} = .30, p < .001$). Value-expressive motivation had a direct effect on purchase intention in the Chinese group ($\beta_{China} = .24, p < .05$). In both groups, the positive effect of CoO on purchase intention was significant. Additionally, the NFU positively moderated the influence of value-expressive motivation on CoO in the U.S. group ($\beta_{US} = .17, p < .05$). The moderating effect of

NFU was negative on the influence of utilitarian motivation on CoO in the Chinese group ($\beta_{\text{China}} = -.17, p < .05$).

This test of the Elaboration Likelihood Model provides evidence that the CoO is personally relevant to the consumer participants in the study, and this can be an important factor in the luxury fashion purchase in both developed and emerging markets. Overall, results indicated that social-adjustive and hedonic motivations led to the CoO effect for luxury fashion brands in the U.S. and China. The young adult consumers who tended to use luxury fashion brands to gain social approval and sensory pleasure considered CoO to be important in their choices. In the Chinese group, utilitarian motivations led to the CoO effects, suggesting that CoO plays a role in the decisions of consumers who wear luxury fashion products for usefulness. The model also showed that, among Chinese consumers, self-identity expressiveness was a strong motivating factor in the purchase of luxury fashion brands. In contrast, in the U.S. sample, hedonic motivation had a strong impact on purchase intention, suggesting that those consumers purchased luxury brands in order to realize positive emotions. The inclusion of NFU as a moderator in the model produced differential results between the two countries. The U.S. consumers with higher levels of NFU tended to wear luxury fashion brands to express self-identity. Chinese consumers with lower NFU tended to wear luxury fashion brands for utilitarian value.

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