

## **EFFECT OF LUXURY BRAND PERCEIVED VALUE, BRAND ATTACHMENT ON PURCHASE INTENTION: STUDIES ON LUXURY BAG**

**Muhammad Cahyo Anggoro Putra, Auliya Saviranti, Tio, Tea Naraya Kirana Hartono and Rini Setiowati.**  
Management Department, BINUS Business School Master Program, Bina Nusantara University, Jakarta Indonesia,  
10270.

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### **ABSTRACT**

(1) Background: The study adds to the literature on luxury brand perceived value dimensions as independent factors on the indirect influence on purchase intention via brand attachment. This study also became one of the few to research specific categories of fashion which is bag. (2) Methods: This research used a quantitative method approach and was distributed to 290 respondents in Indonesia via online platforms. This study used Partial Least Squares Structural Equation Model (PLS-SEM). (3) Results: We discovered that only experiential value has a significant and positive relationship with purchase intention. (4) Conclusions: Implications for the results are discussed based on the findings.

**Keywords:** luxury bag; brand attachment; Indonesia.

### **1. INTRODUCTION**

The globalization era can provide changes in all aspects that are synonymous with modern society and technological developments that have ensured a borderless world. The transformation of the luxury industry and the advent of the emerging market are also in part driven by globalization (Nuzula & Wahyudi, 2022). One of the factors driving interest in buying luxury goods has been the emerging global luxury market (Petračiūtė et al., 2021). The tides turned when the COVID-19 Pandemic inevitably coerced everyone to isolate and do their shopping online.

The pandemic has certainly shaken up some fundamental aspects of the luxury goods industry. Even before the pandemic hit, the independent luxury retailers in European countries (many of which are small family-owned boutiques) and some of the largest luxury department stores in North America were suffering primarily as a result of the growth of e-commerce in 2020 and the situation of vertical integration over the past 20 years. More than 40% of the world's luxury goods production takes place in Italy. Several factories in Italy, including small and family-owned factories, were temporarily closed during the pandemic (McKinsey and Company, 2020).

Some well-known brands are referred to as luxury brands mainly for their exclusive products hence when a person purchases luxury goods, it can enhance and indicate social status, success, wealth, prosperity, or even other factors (Mamat et al, 2016). Such a concept has become the democratization of luxury, nevertheless, the concept of luxury has evolved rapidly where in the current era luxury goods are easily accessible, affordable, and even mass-produced in the market (Lim et al., 2022). In addition, the understanding of luxury is still limited to what situations and trends are happening at the time. The concept of luxury has changed and evolved over the years (Lim et al., 2022). Due to the ambiguous concept and different understandings, luxury brands have become a well-known topic of research.

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In addition, studies on luxury brands themselves are specialized in specific categories such as luxury cars (Petravičiūtė et al., 2021), luxury restaurants (Lim et al., 2022; Bonfanti et al., 2023), and others. Research that generally examines luxury brands involves fashion brands or the fashion industry (Salem, Chaichi, 2018; Salem F., Salem O, 2018; Jansom, Pongsakornrungsilp, 2021) although not specific to one type of goods.

Some studies that discuss luxury brands are often associated with marketing variables (purchase intention, perceived value, brand attachment), but indeed dimensions such as functional value, and symbolic value (Hung et al., 2011; Cheah et al., 2015) of these variables have different influences on purchase intention. (Petravičiūtė et al., 2021) Research on luxury brands also tends to be related to sustainability, behavior, social media, and corporate social responsibility (CSR). This leaves more diverse variables and more focus on specific pieces of fashion goods to better understand the underlying determinants of purchase intention. This study aims to find out how these variables have the relationship in the context of luxury brands, with the variables of functional value, experiential value, symbolic value, brand attachment, and purchase intention. It also identifies the effect of luxury brand functional value, experiential value, and symbolic value on brand attachment and purchase intention. By concentrating on one type of product, specifically bags, this study also benefits premium brands. This study also focuses on the relationship between factors by examining post-pandemic situations, which are those that exist after a pandemic. This study continues to track the situation during the pandemic and is based on earlier research that concentrates on luxury automobiles.

## **2. LITERATURE REVIEW**

### **2.1. Luxury Brand**

Over the past decade, luxury brands have grown rapidly, especially in the fashion industry. Luxury brands are defined by price, quality, and aesthetic characteristics. Luxury comes with scarcity and exclusivity. (Marsasi & Yuanita, 2023). (De Silva et al., 2020) define luxury brands as those that emphasize rarity and have the highest monetary value. It shows that luxury is seen from the consumer's perspective, which is based not only on the physical quality of the product but also on the feelings, emotions, and thoughts about the brand. Luxury brand products are manufactured according to high prices and exclusivity, and luxury brands signify wealth, achievements, success, and social status in society. (Wang Y., 2022).

### **2.2. Perceived Value**

Consumer Perceived Value is defined as a customer's perception of the value of a product. Within marketing, it indicates the advantages and disadvantages of a product or service that customers evaluate according to how it can fulfill their needs or expectations. (Hafifah et al., 2019). Perceived value can be defined as the consumer's perception of a product and whether the product can satisfy the needs and expectations of consumers. In the context of luxury consumption, the realization of this value evokes the prestige of the owner. (Wen & Huang, 2021). In identifying the perceived value to evolve the meanings further, (Petravičiūtė et al., 2021) develops perceived value into three dimensions:

**(1) Functional Value**

Functional value is often associated with task-related and rational aspects of purchases. Functional value refers to the degree to which a product (goods or services) has desirable characteristics, is useful, or performs a desirable function. (Zhang & Zhao, 2019).

**(2) Experiential Value**

Experiential value reflects the potential enjoyment and emotional value of shopping from the consumer's perspective. Experiential value refers to the extent to which a product evokes corresponding experiences, sensations, and emotions in consumers. (Zhang & Zhao, 2019).

**(3) Symbolic Value**

Symbolic value refers to the extent to which consumers attach or associate psychological meaning with a product. Psychological benefits are considered the most important factor that distinguishes luxury from non-luxury products. (Zhang & Zhao, 2019).

**2.3. Brand Attachment**

Brand attachment is defined as an emotional connection between consumers and certain brands that reflects their feelings towards the brand (Petravičiūtė et al., 2021). Meanwhile, according to (Marsasi & Yuanita, 2023) brand attachment is a psychological trait that represents a person's attachment to a brand, expressing a person's irreversible emotional attachment to the brand and psychological closeness to the brand. Consumers who have the perception in which the brand is part of their personality have a strong connection that drives purchase intention towards the brand. According to (Petravičiūtė et al., 2021): two dimensions can influence brand attachment, namely:

**(1) Brand prominence****(2) Brand-self connection****2.4. Purchase Intention**

The behavioral intention of a consumer towards a brand functionally has a connection with the perception and brand evaluation of the brand. This shows that a person's intended behavior is dependent on their attitude, therefore purchase intention becomes an outcome that consumers have towards the brand (Nuzula & Wahyudi, 2022). Purchase intention is part of consumer cognitive behavior which describes a certain intention to purchase a particular product (Octalina et al., 2023). Yasu (2021) adds that consumer purchase intentions are very important for brands.

**2.5 Effect of Luxury Brand Perceived Value on Purchase Intention**

Perceived value is based on the consumer perceptions of the service offered and delivered; consumers evaluate their utility, which may also be related to the exchange between the perceived benefits and costs. Consumers' decision-making is heavily influenced by perceived value, which has an important role in purchase intention. Consumer perceived value is also measured as value, which implies whether the customer receives from the purchase exceeds or fails to exceed their expectations, and therefore the cost they sacrifice to obtain it (Brandão, Cupertino de Miranda,

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2022). According to previous findings, luxury brand's perceived practical and experiential have a positive impact on the purchase intention of luxury brands. Therefore, luxury brands need to be capable of providing excellent quality and craftsmanship in accordance with the luxury provided by the brand. Different aspects of luxury brand perceived value impact (or not) purchase intention differently, implying an underlying causal mechanism (Petravičiūtė et al., 2021). Holt (1995) also mentioned that consumers distinguish themselves from others by buying luxury goods as a result of the perceived value and symbolic meaning of the luxury goods. The value of a luxury brand also has different effects depending on the culture diversion and countries or nations, based on the previous research. Thus, it is hypothesized as such:

- H1a. Luxury brand functional value has a significant and positive effect on purchase intention.
- H1b. Luxury brand experiential value has a significant and positive effect on purchase intention.
- H1c. Luxury brand symbolic value has a significant and positive effect on purchase intention.

## **2.6 Effect of Brand Attachment on Purchase Intention**

In particular, research inspired by attachment theories connects brand attachment to buying behavior. For example, Schmalz and Orth (2012) conducted a study on purchasing behavior and discovered that brand attachment significantly enhanced buying behavior. Another study found that brand attachment greatly influences purchase intention for the original brand. Brand attachment is a crucial motivator of buying behavior, according to a new study relating brand attachment and purchase intention. (Gilal et al., 2020). Empirical research indicates a link between brand attachment and customer purchase intent (Cheah et al., 2015; Kaufmann et al., 2016; Ku and Lin, 2018; Saeed et al., 2013). As a result, the following is hypothesized:

- H2. Brand attachment has a significant and positive effect on purchase intention.

## **2.7 Effect of Luxury Brand Functional Value, Experiential Value, and Symbolic Value on Brand Attachment**

There has been a little study linking brand attachment to the practical, experiential, and symbolic value of premium brands. Brand attachment, according to Park et al. (2010), arises when a brand stays in the consumer's subconscious, forming a link between the brand and the consumer's self-concept. The research also underlined a clear relationship between perceived brand value and brand attachment, although they did not advocate it empirically (Petravičiūtė et al., 2021). Cheah et al. (2015), on the other hand, investigated the relationship between functional, experiential, and symbolic luxury brand values and brand prominence, which is also a component of brand attachment. Customers, according to the study, frequently attempt to associate their self-concept with brand prestige, exclusivity, and fashion; hence, symbolic advantages are important for socially identifiable brands. Brand satisfaction is proposed as a precursor to luxury brand attachment and has a favorable relationship with the latter. The perceived value anticipated or experienced is the source of brand satisfaction. Furthermore, when brands supply hedonic, symbolic, or functional resources that enable the customers to satisfy, enhance, or even help themselves, consumers build deep relationships with brands. Current empirical research supports such a relationship pattern (however, it is not in the context of luxury brands). Thus, we finally

hypothesize it as

H3a. Luxury brand functional value has a significant and positive effect on brand attachment.

H3b. Luxury brand experiential value has a significant and positive effect on brand attachment.

H3c. Luxury brand symbolic value has a significant and positive effect on brand attachment.

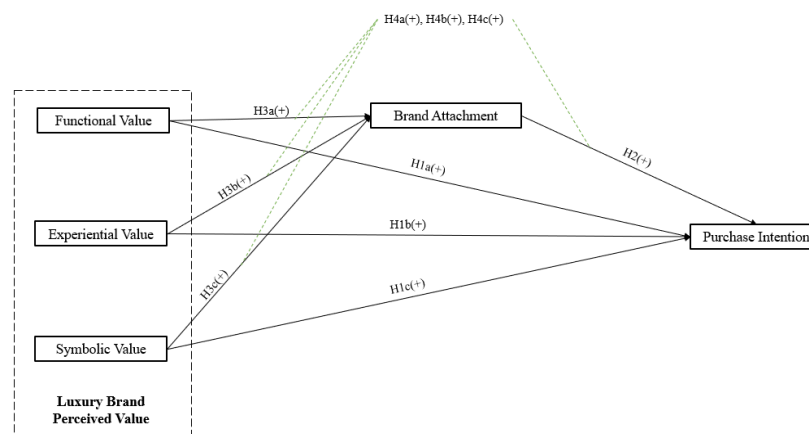
## 2.8 Relationship between Luxury Brand Functional Value, Experiential Value, Symbolic Value, Brand Attachment and Purchase Intention

Perceived Value refers to the consumer's perception of a product and whether the product can meet consumer needs and expectations, on the other hand, brand attachment describes the strength of the bond between a brand and consumers and thus this relationship encourages a person to consider purchasing an item or referred to as purchase intention. As a result of the previous reasoning, we believe that brand attachment can explain the relationship between the perceived value of luxury brands and purchase intention (Petravičiūtė et al., 2021). Thus, we conclude our hypothesis as below:

H4a. Brand attachment mediates the relationship between luxury brand functional value and purchase intention so that luxury brand functional value has a significant and positive effect on brand attachment, which in turn, has a positive effect on purchase intention.

H4b. Brand attachment mediates the relationship between luxury brand experiential value and purchase intention so that luxury brand experiential value has a significant and positive effect on brand attachment, which in turn, has a positive effect on purchase intention.

H4c. Brand attachment mediates the relationship between luxury brand symbolic value and purchase intention so that luxury brand symbolic value has a significant and positive effect on brand attachment, which in turn, has a positive effect on purchase intention.



**Figure 1.** Conceptual Framework

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### **3. RESEARCH METHODOLOGY**

#### **3.1 Measurement**

To ensure content validity, the online questionnaire for this study included 18 questions across four sections measuring functional value, experiential value, symbolic value, purchase intention, and brand attachment (Petravičiūtė et al., 2021). The first part of the survey asked questions about the respondent's profile, and demographics, and the researcher asked whether the respondent had ever purchased a luxury brand bag, i.e. the luxury brand that the respondent found most relevant to luxury from their point of view. To ascertain whether there was any difference in the relationship between the constructs for the two collections of respondents, this question was asked. The second section includes three questions that individually measure functional value, experiential value and symbolic value. The third section includes four question items that measure the brand attachment variable. The fourth section also includes five question items that measure the purchase intention variable. A 7 Likert scale was used in this study for the second, third, and fourth sections.

**Table 1. Questionnaire development.**

Measures adapted from	Variable	Items	Scale
Petraviciute et al. (2021)	Functional Value	<ul style="list-style-type: none"><li>- (Luxury brand) has good quality</li><li>- (Luxury brand) has advantages compared to other brands</li><li>- (Luxury brand) is made to meet my needs</li></ul>	Strongly disagree (1)- Strongly Agree (7)
	Experiential Value	<ul style="list-style-type: none"><li>- (Luxury brand) is an exclusive brand</li><li>- (Luxury brand) is a unique brand</li><li>- (Luxury brand) has beauty in every product</li></ul>	Strongly disagree (1)- Strongly Agree (7)
	Symbolic Value	<ul style="list-style-type: none"><li>- (Luxury brand) is a leading brand</li><li>- (Luxury brand) has the strength to compete in the luxury goods market</li><li>- (Luxury brand) has useful products</li></ul>	Strongly disagree (1)- Strongly Agree (7)

	Brand Attachment	<ul style="list-style-type: none"><li>- My ideas and sentiments about (Luxury brand) frequently come to mind on their own.</li><li>- My ideas and sentiments regarding (Luxury brand) are spontaneous and immediate.</li><li>- Luxury Brand is a part of who I am.</li><li>- I feel intimately attached to (Luxury Brand) since it is a part of me.</li></ul>	Very infrequent (1)- Very frequently (7)
Petraviciute et al. (2021), Rao et al. (2021), Wang et al (2022)	Purchase Intention	<ul style="list-style-type: none"><li>- I will buy a luxury bag from (Luxury brand)</li><li>- I will make considerations to buy a luxury bag from (Luxury brand)</li><li>- I am willing to buy a luxury bag (luxury brand) if the brand is famous.</li><li>- I intend to buy a luxury bag (luxury brand) if I see a lot of positive feedback on the luxury brand's web page.</li><li>- I intend to buy a luxury bag after seeing the information on the luxury brand's web page.</li></ul>	Strongly disagree (1)- Strongly Agree (7)

### 3.2 Data Collection and Analysis

A survey method was used to gather the data for this study, and Google forms were distributed both online and offline on social media sites. When researchers need immediate feedback on the given question items, offline data collecting is done for quick validity. In order to develop conclusions that corroborate and validate the degree of alignment between the current theory and



the data obtained and processed, data is collected to explore the hypotheses that have been formulated in the prior literature review.

Non-probability sampling with a convenience sampling method was the strategy utilized to sample this study. All of the data was gathered by the researchers during April and May 2023. The questionnaires were completed by 290 individuals in total, however, 9 respondents' comments were disregarded since they responded "yes" to the filter question. There were 280 respondents in the final samples used. The analysis used in this study is partial least squares structural equation modeling (PLS-SEM), which employs the Smart PLS-4 application to test the reliability of each indicator of each variable, a regression test to find the influence of the independent variables on the dependent variable and a reliability test to check the consistency of the data.

## **4. RESULT AND DISCUSSION**

### **4.1 Pre-test and Respondents Profile**

In the early stages of this research, a pre-test was conducted with 50 respondents. Based on the pre-test calculations, valid results were obtained on all indicator variables with Outer Loading results of 0.789 to 1.000. In addition, reliable results were obtained on all indicators with a Cronbach's Alpha value of 0.872 to 0.996, a Composite Reliability value of 0.880 to 0.999, and an Average Variance Extracted (AVE) value of 0.739 to 0.992. With valid and reliable results in this pre-test, a full-scale test will be carried out with 280 respondents.

The researcher distributed the questionnaires very evenly, meaning that the results of this distribution were not the most dominant, but this study did not balance the gender of the respondents because the purpose of this study was to identify behavioral factors of customer purchase intentions. towards luxury brands and not assessing how gender affects them. The results of the questionnaire show that the profile of the majority of respondents is aged 30-35 years (26.9%), and the majority work as private employees (35.5%) with a monthly income of IDR 11,000,000 - IDR 20,999,999 (28.3%).

Researchers distributed questionnaires to respondents who were over 18 years old, had never bought a luxury bag, and had the intention to buy a luxury bag. The respondents of this study varied greatly, Table 2 explains the results of distributing the questionnaires.

**Table 2. Respondents Profile**

<b>Respondents</b>	<b>Number (%)</b>
<b>Age</b>	
18-23	50 (17,2%)
24-29	66 (22,8%)
30-35	78 (26,9%)
36-41	48 (16,6%)

42-47	28 (9,7%)
>48	20 (6,9%)
<b>Occupation</b>	
Student	51 (17,6%)
Private Employee	103 (35,5%)
Government Employee	46 (15,9%)
Self-employed	79 (27,2%)
Housewife	8 (2,7%)
Retired	2 (0,7%)
Neighborhood Head	1 (0,3%)
<b>Income</b>	
< Rp 5.000.000	42 (14,5%)
Rp 5.000.001 - Rp 10.999.999	57 (19,7%)
Rp 11.000.000 - Rp 20.999.999	82 (28,3%)
Rp 21.000.000 - Rp 30.999.999	79 (27,2%)
Rp 31.000.000 - Rp 40.999.999	20 (6,9%)
> Rp 50.000.000	10 (3,4%)
<b>Luxury bag brands according to respondents</b>	
Chanel	26 (9%)
Hermes	102 (35,2%)
Gucci	51 (17,6%)
Dior	41 (14,1%)
Louis Vuitton	67 (23,1%)

Longchamp	1 (0,3%)
Goyard	1 (0,3%)
Prada	1 (0,3%)

#### 4.2 Validity and Reliability

The validity of the items measured was tested by seeing the average variance extracted (AVE) which was higher than 0,5. The accepted and recommended composite reliability and Cronbach's alpha values are more than 0.7 (Purwanto et al., 2021; Satıcı et al., 2020) The results of the reliability test in this study show that the composite reliability and Cronbach's alpha values are greater than the recommended value (0.7) so that all construct reliabilities in this study have met the reliability requirements.

The discriminant validity of each idea was further investigated, which specified that the square root of each construct's AVE should be greater than the correlations with other latent constructs. Even with cross-loading, the construct's factor-loading indications should be bigger than all other loadings, with a factor-loading cutoff value greater than 0.07. All factor loadings are discovered to be greater than their cross loads, indicating discriminant validity (Hair et al., 2021; Cheung et al., 2023). The cross-loading of all the items of constructs results higher than the value of 0.07, therefore it can be concluded that the discriminant validity of constructs was sufficient and suitable. The cross-loading of each item in the constructs are shown in Table 3 along with Cronbach's Alpha and AVE results.

**Table 3. Mean, SD, internal consistencies, and item loadings.**

Construct	Item	Mean	SD	Loading	Cronbach's Alpha	Composite Reliability	(AVE)
Functional Value	FV 1	5,357	1,422	0,991	0,990	0,990	0,981
	FV 2	5,350	1,456	0,985			
	FV 3	5,364	1,433	0,995			
Experiential Value	EV 1	6,307	0,978	0,897	0,838	0,864	0,760
	EV 2	6,457	0,909	0,946			
	EV 3	6,343	0,856	0,760			
Symbolic	SV 1	5,475	0,982	0,969	0,980	0,982	0,961

Value	SV 2	5,482	0,982	0,981			
	SV 3	5,504	0,952	0,991			
Brand Attachment	BA 1	5,736	1,063	0,847			
	BA 2	5,807	1,158	0,854			
	BA 3	5,339	1,484	0,911	0,900	0,905	0,769
	BA 4	5,486	1,396	0,892			
Purchase Intention	PI 1	5,839	1,137	0,861			
	PI 2	6,143	0,964	0,799			
	PI 3	6,107	1,243	0,863	0,920	0,924	0,760
	PI 4	6,107	1,181	0,898			
	PI 5	5,829	1,121	0,933			

Fornell and Larcker proposed a criteria for determining discriminant validity of two measures when the average variance extracted (AVE) of each measure exceeds the squared correlation coefficient between them. Because the correlation coefficient in question quantifies the amount of shared variance, this theory is known as AVE/SV. Discriminant validity issues are infrequent in applied research when using the AVE/SV criterion, but misapplication is common. The most prevalent error is comparing AVE values with the square of the scale score correlation instead of the factor correlation's square. Another misapplication is comparing AVEs with the .5 rule-of-thumb cutoff, which Fornell and Larcker introduced as a convergent validity standard. Other misuses include that the SV should be less than only one of the two AVE values or the average of the two AVE values. The original criterion states that both AVE values should exceed the SV. Lastly, calculating the AVE statistic from a partial least squares analysis (AVEPLS) results in overestimated indicator reliabilities and cannot identify severe issues. (Rönkkö, M. & Cho, E, 2020; Cheung et al., 2023). Thus the results for the Fornell-Larcker criterion are shown in Table 4.

**Table 4. Discriminant validity using the criteria of Fornell and Larcker.**

	Brand Attachment	Experiential Value	Functional Value	Purchase Intention	Symbolic Value
Brand Attachment	0,877				
Experiential Value	0,548	0,872			
Functional Value	0,807	0,457	0,990		
Purchase Intention	0,822	0,649	0,677	0,872	
Symbolic Value	0,557	0,410	0,647	0,499	0,980

### 4.3 Structural Model

The hypothetical relationship was tested using structural equation modeling (PLS-SEM). According to Hair et al. (2021),  $R^2$  values of 0.75, 0.50, or 0.25 for endogenous latent variables in the structural model in marketing research studies can be classified as considerable, moderate, or weak, respectively. According to Table 5, 69.2% of this study explains the brand attachment variable and 73.2% explains the purchase intention variable. Every  $R^2$  score was statistically significant.

**Table 5. Evaluation of the structural model**

Construct	$R^2$	Adjusted $R^2$	p-Value	$Q^2$
Brand Attachment	0,692	0,688	0,000	0,682
Purchase Intention	0,732	0,728	0,000	0,590

To determine the significance of the path's coefficients, PLS-SEM uses bootstrapping. The minimum number of bootstrap samples is 5.000, and the number of cases should be equal to the original sample's number of observations. The 95% confidence interval for the mediating effects was created using the Bootstrapping method with 5.000 samples. If the 95% Bootstrap confidence interval did not include zero, an indirect mediation effect was deemed significant at the 5% level (Hair et al., 2021; Soares et al, 2022). Of all the hypotheses tested, six are positive and significant. In addition, there are four rejected hypotheses which can be seen in Table 6 which summarizes the

results of the analysis.

**Table 6. Path Coefficients**

Hypothesis	Relationship	$\beta$ -Value	T-Statistic	p-Value	
H1a	Functional Value $\rightarrow$ Purchase Intention	0,023	0,368	0,713	Rejected
H1b	Experiential Value $\rightarrow$ Purchase Intention	0,282	5,704	0,000	Supported
H1c	Symbolic Value $\rightarrow$ Purchase Intention	0,010	0,181	0,856	Rejected
H2	Brand Attachment $\rightarrow$ Purchase Intention	0,643	9,561	0,000	Supported
H3a	Functional Value $\rightarrow$ Brand Attachment	0,694	13,046	0,000	Supported
H3b	Experiential Value $\rightarrow$ Brand Attachment	0,224	5,359	0,000	Supported
H3c	Symbolic Value $\rightarrow$ Brand Attachment	0,017	0,250	0,803	Rejected
H4a	Functional Value $\rightarrow$ Brand Attachment $\rightarrow$ Purchase Intention	0,446	6,995	0,000	Supported
H4b	Experiential Value $\rightarrow$ Brand Attachment $\rightarrow$ Purchase Intention	0,144	5,285	0,000	Supported
H4c	Symbolic Value $\rightarrow$ Brand Attachment $\rightarrow$ Purchase Intention	0,011	0,249	0,803	Rejected

This study rejects the relationship between functional value and purchase intention (H1a), this result is not in line with Petravičiūtė et al.'s finding, in which that functional value became the highest effect on purchase intention. In this case, the cause of this result might be due to the low product quality of the luxury brands that are chosen for this study. Asian markets tend to buy luxury brands and evaluate the functional value which willingly buy at a high and premium price. This thing contradicts with our result, thus we proposed that it depends on the luxury brand which differs in terms of quality and easily-used functionality (Shukla et al., 2015). In contrast, the relationship between experiential value and purchase intention was supported (H1b), according to a previous study (Petravičiūtė et al., 2021) that experiential value positively impacts the purchase intention of luxury brands. Therefore, luxury brands need to be capable of providing excellent quality and craftsmanship in accordance with the luxury provided by the brand (Jain, 2020; Petravičiūtė et al., 2021). This study also rejects the relationship between symbolic value to purchase intention (H1c). A study of antecedents of luxury brand purchase intention (Hung et al., 2011) also supports this conclusion. They proposed that the present literature on luxury brands and symbolic consumption may not be culturally transferrable without qualification. The research

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concluded that since luxury fashion labels may be further subdivided, it is most likely that some of the participants did not believe the brands chosen for this study were symbolic enough to satisfy their demand for sensation (Hung et al., 2011). This contradicts Zhang, L. and Zhao, H. (2019) findings that certain part of other countries such as Chinese consumers were found to be quite embedded with the symbolic and functional value of luxury brands, which they paid attention to as Chinese consumers are found to be perfectionists and carefully paid specific attention to the symbolic value.

A positive relationship between brand attachment and purchase intention (H2) is supported in this study. Many researchers say that brand attachment has a positive effect on purchase intention. One of them that links brand attachment and purchase intention concludes that brand attachment is a key driver of purchase behavior especially for purchase intention. (Gilal et al., 2020).

A positive relationship between functional value and brand attachment (H3a) was supported in this study. Functional positioning can generate higher consumer loyalty (Ugalde et al., 2023), the consumers that are loyal will most likely be attached to the brand. The relationship between experiential value and brand attachment was also supported in this study (H3b). But, the relationship between symbolic value and brand attachment (H3c) was rejected. A study of brand attachment toward functional, symbolic, and hedonic brands that use symbolic as a moderator variable also supported our result, that paper considers three different scenarios for launching a new product such as hedonic, functional, and symbolic then the result is symbolic seems to be the less useful option in terms of desired effect (Ugalde et al., 2023).

According to this study, brand attachment mediates the relationship between luxury brand functional value and luxury brand experiential value on purchase intention (H4a) and (H4b), so that functional value and experiential value have a significant effect on brand attachment, which in turn also has a significant effect on purchase intention. These hypotheses are supported in this study and support previous research by Petravičiūtė et al., 2021. These results prove that functional value and experiential value will have a significant impact on purchase intention if the customer already has a brand attachment to a particular brand. Otherwise, this study contradicts the hypothesis that brand attachment mediates the relationship between luxury brand symbolic value and purchase intention so that luxury brand symbolic value has a significant and positive effect on brand attachment, which in turn has a positive effect on purchase intention (H4c).

To support the results of this study, researchers conducted interviews with five interviewees who had previously filled out the google form that was distributed. The results obtained support the research results where the interviewees agree that functional value does not directly affect purchase intention on luxury goods products, they say that there is still a possibility for them to buy other products that are not included in the luxury goods product category to meet their needs. However, if buyers who already have an attachment to the brand, are used to using products from luxury brands, and familiar with the brand, interviewees agree that functional value will affect purchase intention on luxury goods products because they consider the brand to be their needs. Respondents also stated that they are more concerned with experiential value than symbolic value because they are more concerned with unique brands, beauty products, and including exclusive brands compared to well-known brands in the luxury goods market.

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## **5. CONCLUSION**

This research utilized a survey method to investigate the relationship between perceived value, brand attachment, and purchase intention toward luxury brands, specifically focusing on luxury bags in Indonesia. This study included 280 respondents and employed partial least squares structural equating modeling (PLS-SEM) for the data analysis.

Depending on the perspective of utility, pleasure, or symbolism, the perceived value of a luxury brand may or may not have a favorable impact on purchase intention. In addition, luxury bag brand attachment shows that it has a favorable and substantial effect on purchase intention among consumers who are attached to the brand. This study concludes that experiential value can affect purchase intention and brand attachment while functional value can affect purchase intention if you already have an attachment to the brand. However, it is different from symbolic value which does not affect purchase intention or brand attachment.

The focus on functional and experiential value in Indonesia, rather than symbolic value, may be influenced by cultural and market factors difference. Indonesian consumers may prioritize the tangible benefits and emotional experiences associated with luxury products, such as the quality, utility, and enjoyment derived from using the products on the store or seeing it online. Additionally, the emphasis on functionality and experiential value could be attributed to the growing of middle-class population in Indonesia, where consumers may place more importance on the practical aspects and personal enjoyment of luxury bags rather than the symbolic value associated with them.

Moreover, the cultural context and consumer behavior in Indonesia may differ from other countries, leading to greater emphasis on experiential value, following functional value on brand attachment. This supported by the findings that certain aspects of luxury brands and symbolic value in the consumption of luxury bags may not be culturally transferrable without qualifications, indicating that Indonesia consumers may have different priorities and perceptions regarding luxury goods compared to those in other countries.

### **5.1 Theoretical Implications**

This study adds to the literature regarding the relationship between perceived value of luxury brands, brand affiliation, purchase intention. This research contributes to the study of Indonesians' purchase intention towards luxury goods, especially luxury bags. The results of this study also provide guidelines for future research that can add strengths and close weaknesses in this study. Previous research shows that the perceived practicality and experiential value of luxury brands have a favorable influence on the purchase intention of their consumers (Petravičiūtė et al., 2021). This study found that of the three perceived value variables that have the most significant effect on purchase intention is experiential value. Not only that, but experiential value also has a significant effect on brand attachment, so that if customers who have an attachment to the brand or not, it will still affect purchase intention, in this study exclusivity, uniqueness, and beauty of the product are important factors for purchase intention and brand attachment in luxury bag products.

### **5.2 Practical Implications**

The results of this study can help luxury goods marketers to attract Indonesians to buy luxury products, especially luxury bags. The results of this study can also help the luxury goods market



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to provide the value expected by the public for the luxury bag products it sells so that it is efficient in terms of production and marketing costs. According to the findings of this study, premium brand experience value has the greatest influence on purchase intention. As a result, marketers should aim to promote the brand's characteristics that express exclusivity, distinctiveness, look in order to retain existing customers, and the most important thing in the results of this study is uniqueness, where uniqueness in luxury bags is the main thing to increase purchase intention and brand attachment in potential customers.

Functional value does not have a significant effect directly on purchase intention, but according to this study functional value has a significant effect on brand attachment, thus market players must be aware that when customers have an attachment to luxury goods, they will make these products a necessity. In addition, to increase purchase intention, market players must also increase brand attachment to customers, where market players must make the popularized brand part of the customers so that they will be loyal to the luxury brand and have the intention to buy the product because the results of this study also say that brand attachment has a significant influence on purchase intention.

### **5.3 Limitations and Suggestions**

The study has a number of restrictions. Because only those responses are required who have never purchased a luxury bag but intend to do so. Future recommendations for new research can begin with the selection of other dependent variables concentrating on the intention to repurchase the luxury bag and employ more varied pricing of luxury bags. In order to provide a more thorough explanation of which dimensions affect other factors, this study modifies prior research by including the dimensions of perceived value as a variable. Only six of the ten hypotheses are validated by the test results, thus more research is required to provide a more thorough justification for purchasing luxury bags. Further research, according to researchers, can add variables or dimensions to existing variables, such as brand prominence and brand-self connection, which are dimensions of brand attachment. In order to better understand consumer purchase intentions for luxury bags, the researcher advised future studies to distribute questionnaires over an extended period of time to a large number of respondents spread throughout Indonesia, or at least across major cities. This was because the study obtained the data a lot faster than intended, which can't be claimed as a representation to all Indonesia luxury customers. The high fashion categories of bags were considered when conducting this analysis. The conceptual model that was established might also be tested on other high-end fashion categories like shoes, jewelry, cosmetics, and clothings. (Kapferer, J. N., & Michaut, 2015)

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