INTERNATIONAL JOURNAL OF
EDUCATION, PSYCHOLOGY
AND COUNSELLING
(IJEPC)
www.ijepc.com

# BRAND AWARENESS, BRAND CREDIBILITY, BRAND SELF-CONGRUITY AND PURCHASE INTENTION FOR LUXURY BRANDS (I.E. HANDBAG): AN EMPIRICAL STUDY OF CHINESE CONSUMERS

Hanpu Chen[1*], Salmi Mohd Isa[2], Shaohua Yang[3]

[1] Business School, Newcastle University, Newcastle upon Tyne NE1 7RU, UK
Shaoxing Vocational and Technical College, China
Email: 1966741960@qq.com

[2] Graduate School of Business, Universiti Sains Malaysia, Malaysia
Email: salmi.mohd.isa@usm.my

[3] Graduate School of Business, Universiti Sains Malaysia, Malaysia
Adam Smith Business School, University of Glasgow, United Kingdom
Email: samuelyang0713@hotmail.com

[*] Corresponding Author

**Article Info:**

**Abstract:**

The aim of this paper is to examine the determinants of Chinese consumers' purchase intention for luxury brands (i.e. handbag) by testing a theoretical model. Quantitative method was adopted to confirm each hypothesis. A random sample of 231 Chinese consumers who have purchased luxury handbags was invited to complete survey form. The findings of this study revealed that brand awareness, brand credibility and brand self-congruity have a direct impact on Chinese consumers' purchase intention for luxury handbags. The results of this study are beneficial not only to marketing scholars for understanding a theoretical model on the Chinese consumers' purchase behaviour in luxury handbags but also to luxury brand (i.e. handbag) retailers for offering suggestions which help them develop marketing strategies to achieve more revenues.

**Keywords:**

Brand Awareness, Brand Credibility, Brand Self-Congruity, Luxury Brand, Purchase Intention, Chinese Consumers

## Introduction

In the present era, the consumption of luxury brand has increased dramatically and the overall amount almost tripled in the last twenty years (Ko *et al*., 2019). China became one of the largest luxury brand consumers in the word. China luxury report (2019) predicted that the luxury brand consumption would reach 3.117 billion RMB (around £ 0.4 billion) in 2025. With this trend of remarkable growth in the consumption of luxury products, studies about purchase behaviour in terms of luxury brands also flourished (Truong, 2010). Unlike previous studies concentrating on the luxury brand market in the most developed countries, increasing number of studies have contributed to the body of knowledge on purchase intention for luxury products in China (i.e. Mo, Roux and Cergam, 2009; Li, Li and Kambele, 2012; Chen and Kim, 2013; He and Wang, 2017). This implied that manufacturing and retailing sectors were seeking advice from researchers as identifying and studying Chinese consumers' behaviour could help them survive in the growingly competitive market. Since consumers are the target of all marketing mix activities- 4Ps (Kolter and Amstrong, 2006), understanding consumers' behaviour is key to successful marketing (Ko and Megehee, 2012).

The luxury brand is a term that is difficult to define as its nature constantly changes according to the person, place, or time involved (Hudders, Pandelaere and Vyncke, 2013). Some researchers conceptualised luxury brand as two components: physical characteristics and psychological characteristics. Physical characteristics include expensiveness, rarity, exclusivity, uniqueness, durability, and superb craftsmanship. And psychological characteristics include sophistication, innovativeness, elegance, reputation, high recognition, and a clear illustration of social status (Li, Robson and Coates, 2013; Hudders *et al*., 2013; Zhang and Kim, 2013; Zhang and Cude, 2018; Zhang, Cude and Zhao, 2020). Despite various categories of products of luxury brands in daily life, the present study only focused on luxury handbags (i.e. Hermes, Louis Vuitton, Gucci, Christian Dior). The handbags were chosen because they are more highprofile and less affordable, and symbolise higher social status compared with other categories of luxury products.

Based on existing literature on consumers' behaviour, models which involve brand awareness, brand credibility, brand self-congruity and purchase intention (i.e. Gogoi, 2013; Das, 2014; Jeng, 2016; Shahid *et al*., 2017; Kim and Kim, 2016; Laksamana, 2018; Martins *et al.*, 2019) remained a widespread research agenda. Yet, there still lacked researches unravelling factors that influence the purchase intention of luxury brands (i.e. handbag), especially those utilizing elements such as brand awareness, brand credibility, and brand self-congruity as exogenous variables to predict endogenous variables (i.e. purchase intention). Chinese consumers' purchase intention of handbags always relies on the brand (Iglesias *et al*., 2011). Chinese consumers are willing to spend money over one-month wage to purchase Louis Vuitton handbag, which aims to integrate yet not to distinct. Owning handbags with reputed brands implies their higher social status, which composes Chinese' dream life (Zhang and He, 2012; Luxury China, 2016). Therefore, the present study aims to examine the influence of brand awareness, brand credibility and brand self-congruity on purchase intention of luxury brands (i.e. handbag).

### *Hypothesis Development*

#### *Brand Awareness and Purchase Intention*

Wells *et al.* (2011) stated that it is a mental process from a customer has a will to purchase to actually takes action. And the more familiar the customer is with the brand, the more likely they will buy it (Hoyer and Brown, 1990). There are considerable number of studies which support that brand awareness will influence customers' purchase intention (Hutter *et al.*, 2013; Shahid *et al.*, 2017; Martins *et al.*, 2019). The importance of brand awareness relies in that it exercises impact throughout the purchasing process and is reflected in the final decision. Hence, arguments above lead to the following hypothesises:

Hypothesis 1: Brand awareness has a positive impact on purchase intention

#### *Brand Credibility and Purchase Intention*

Brand credibility can be a factor that influences a product via elements such as price (Erdem *et al.*, 2002). Maathuis *et al.* (2004) explained that brand credibility can highly influence customers' decision-making process and purchase behaviour. Jeng (2016) also stated that the credibility of a product is able to affect customers' attitude.

Meanwhile, Wang and Yang (2010) confirmed that there exists a positive correlation between brand credibility and purchase intention. Afterwards, several researches supported the hypothesis that customers might desire to buy a product more if its brand has a higher credibility (Mainolfi, 2019; Kao *et al.*, 2020). Hence, above-mentioned arguments entail the following hypothesis:

Hypothesis 2: Brand credibility has a positive impact on purchase intention

#### *Brand Self-Congruity and Purchase Intention*

Brand self-congruity works as a crucial factor when customers choose a specific brand from various options (Sirgy *et al.*, 1997). Besides, Sirgy (1982) and Sirgy *et al.* (1997) formulated the self-congruity theory that there exists a correlation between the perceived image of a brand and customers' self-image, to be specific, the more customers appreciate a brand, the more likely they tend to purchase products of this brand. In addition, some studies found that brand self-congruity has a significant influence on customers' purchase behaviour, which have been applied to different contexts (Aguirre-Rodriguez *et al.*, 2012; Das, 2014). Meanwhile, brand self-congruity was also used in the tourism marketing. Specifically speaking, several studies confirmed that brand self-congruity has a positive influence on purchase trip (Liu *et al.*, 2019; Luna-Cortés *et al.*, 2019). Hence, those arguments lead to the following hypothesis:

Hypothesis 3: Brand self-congruity has a positive impact on purchase intention

The current study developed a research model based on evidence available in the literature above. The outcome variable is purchase intention and independent variables are brand awareness, brand credibility and brand self-congruity. The model, which indicates the connection between these variables, is presented in Figure 1.
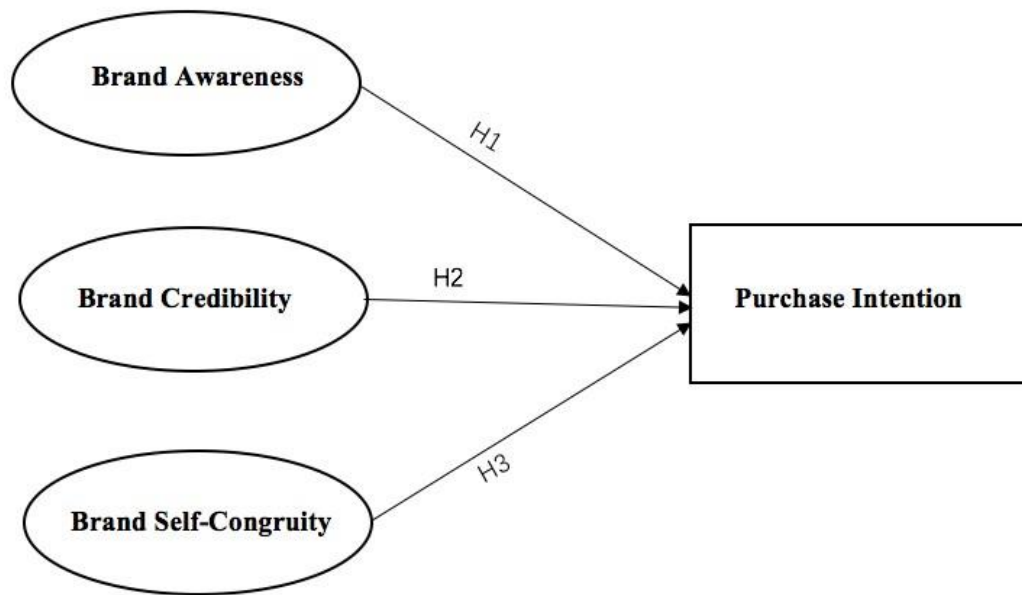
**Figure 1: Research Model**

## Research Methodology

### Sample and Procedure
Data were collected via an online survey platform (WeChat/ QQ) in China. A random sample of 231 Chinese consumers were selected. Researchers recruited Chinese consumers who have purchased luxury handbags. The questionnaire written in English was translated into Chinese by professional translators before its distribution. As to size, we obtained a data set of 231 cases. The questionnaires were personally administered to the participants.

### Instrument Development
The model includes four constructs, of which each was measured via multiple items. All items were adapted from previous studies with some adjustments. All constructs were measured via a seven-point Likert scale ranging from strongly disagree (1) to strongly agree (7). The current study selected a scale of four-items adapted from (Hutter *et al.*, 2013) to measure brand credibility. A seven-item scale was adapted from (Chin *et al*., 2019) to measure brand credibility. Four-item scale was adapted from (Kim and Joung, 2016) to measure brand self-congruity. Purchase intention was measured through a three-item scale adapted from (Iglesias *et al*., 2011).

### Statistical Analysis
After the completed data collection, data analysis was conducted via using structural equation modelling (SEM) by the software of SmartPLS. The SmartPLS algorithm is able to conduct the Confirmatory Factor Analysis (CFA) and The Smart PLS bootstrapping evaluate structural models (i.e. Path Coefficient) (Hair *et al*., 2017).

### Results
The CFA was checked by using the Cronbach's alpha, loading factor, average variance extracted (AVE) and convergent validity (CR) (see Table 1). As observed, all constructs indicated a value of alpha over the threshold of 0.70. CR exceeds 0.7 and AVE over 0.5 was

highly acceptable (Gefen, Straub and Boudreau, 2000; Hur, Ahn and Kim, 2011). Table 1 illustrated that all constructs in current study fulfil the requirement of measurement model.

**Table 1: Results of Confirmatory Factor Analysis (CFA)**

| Variables | Items | Loading | Alpha | AVE | CR |
|---|---|---|---|---|---|
| Brand awareness | BA1 | 0.803 | 0.903 | 0.777 | 0.933 |
| | BA2 | 0.921 | | | |
| | BA3 | 0.910 | | | |
| | BA4 | 0.888 | | | |
| Brand credibility | BC1 | 0.848 | 0.957 | 0.797 | 0.965 |
| | BC2 | 0.925 | | | |
| | BC3 | 0.927 | | | |
| | BC4 | 0.920 | | | |
| | BC5 | 0.868 | | | |
| | BC6 | 0.854 | | | |
| | BC7 | 0.904 | | | |
| Brand self-congruity | BSC1 | 0.909 | 0.922 | 0.811 | 0.945 |
| | BSC2 | 0.891 | | | |

Note: BA = brand awareness; BC = brand credibility; BSC = brand self-congruity; PI = purchase intention

The results of hypotheses test were analysed through the Smart PLS which allows scholars to assess structural path coefficients. After checking the CFA, the regression coefficients and t statistics are used to confirm the hypotheses testing. To examine the significant hypotheses, the t-value was referred to. The summary in table 2 presented results from bootstrapping, which was performed to test statistical significance of each path coefficients (b) via t-value. As illustrated in Table 2, the association between brand awareness and purchase intention was significant (t = 5.478, β=0.295), which supports H1. This finding suggested that brand awareness is a highly significant predictor of purchase intention. Furthermore, the path coefficients from brand credibility to the purchase intention was also significant: social value (t = 2.744, β=0.192), which supports H2. The finding suggested that increasing brand credibility level will enhance purchase intention. Besides, brand self-congruity has a highly significant influence on purchase intention (t = 5.706, β=0.425), which supports H3. The finding implied that perception of higher brand self-congruity will lead to customers' more willingness to purchase luxury bands (i.e., handbag).

**Table 2: Result of Hypotheses Test**

| Relationship | Path | Beta Value | t-value | Result |
|---|---|---|---|---|
| H1 | BA -PI | 0.295 | 5.478 | Supported |
| H2 | BC- PI | 0.192 | 2.744 | Supported |
| H3 | BSC-PI | 0.425 | 5.706 | Supported |

## Discussion and Conclusion

To achieve the research objectives, the current study examined the relationship between brand awareness, brand credibility, brand self-congruity and purchase intention, for which SEM was used to analyse the results. The result indicated that there is a positive relation between brand awareness and purchase intention, this is in line with previous studies (i.e. Wells et al., 2011; Hutter et al., 2013). The result also indicated that Chinese consumers rely on brand awareness when they make decision to purchase handbags. Moreover, the study also suggested that brand awareness has a positive influence on purchase intention. This was also supported by Kao et al., (2020) and Mainolfi (2019) who indicated that when brand credibility is high, the Chinese consumers are more likely to purchase handbags. Interestingly, this study revealed that Chinese consumers are more likely to purchase products of higher brand self-congruity. Sirgy (1982) and Sirgy et al. (1997) agreed that Chinese consumers prefer brands which match their self-concept. Hence, the model on relationship between brand awareness, brand credibility, brans self-congruity and purchase intention was confirmed in terms of luxury brands (i.e., handbag) through the case study of Chinese consumers' purchasing behaviour.

### *Study Contribution*

This study has made several academic contributions. First, it substantiated the conceptualization that brand awareness, brand credibility and brand self-congruity are influencers of purchase intention. Second, this study attempted to bridge the gap by integrating all constructs into a single framework. Through this, the study tested a theoretical model by validating previous findings related connection between these constructs. Additionally, from the managerial standpoint, the present study offered a guideline for practitioners to better understand Chinese consumers' behavior of purchasing luxury brands (i.e., handbag). Luxury brand retailers and marketers could develop more effective mixed promotion strategies based on Chinese consumers' expectation on the brand. To maintain the competitive advantages for luxury brands (i.e., handbag market), it is necessary for parties involved to understand the connection between brand and Chinese consumers' purchasing behavior. For instance, retailers could emphasize the distinctiveness of their brands to stimulate Chinese consumers' purchasing behavior.

### *Limitation and Further Study*

The limitations of the present research are listed below. First, this study mainly on focused on luxury brands (i.e., handbag). There are many categories of products of luxury brands unlimited to handbags should be researched. Chinese's purchasing behavior might vary when they purchase clothes or perfumes of luxury brands. We suggest that further study should apply this model in context of purchasing luxury clothes or perfumes. Second, this study did not analyze the gender factor in the model. Female and male could have different purchase behavior for luxury handbags. Therefore, we would like to call for further studies to take gender as a variable and test its moderator effect on brand concepts and purchase intention.

### Acknowledgement

## References

Aguirre-Rodriguez, A., Bosnjak, M. & Sirgy, M. J. (2012). Moderators of the self- congruity effect on consumer decision-making: A meta-analysis, *Journal of Business Research, 65* (8), 179-1188.

Chen, J., & Kim, S. (2013). A comparison of Chinese consumers' intentions to purchase luxury fashion brands for self-use and for gifts. *Journal of International Consumer Marketing, 25*(1), 29-44.

Chin, P. N., Isa, S. M., & Alodin, Y. (2019). The impact of endorser and brand credibility on consumers' purchase intention: the mediating effect of attitude towards brand and brand credibility. *Journal of Marketing Communications, 1-17.*

China Luxury Report. (2019). *How young Chinese consumers are reshaping global luxury.* Retrieved from https://www.mckinsey.com/~/media/mckinsey/featured%20insights/china/how %20young%20chinese%20consumers%20are%20reshaping%20global%20luxu ry/mckinsey-china-luxury-report-2019-how-young-chinese-consumers-arereshaping-global-luxury.ashx

Das, G. (2014). Impacts of retail brand personality and self- congruity on store loyalty: The moderating role of gender. *Journal of Retailing and Consumer Services 21*(2), 130–8.

Erdem, T., Swait, J., & Louviere, J. (2002). The impact of brand credibility on consumer price sensitivity. *International Journal of Research in Marketing, 19,* 1–19.

Gefen, D., Straub, D., & Boudreau, M. C. (2000). Structural equation modelling and regression: guidelines for research practice. *Communications of the Association for Information Systems 7* (7), 1–78.

Gogoi, B. (2013). Study of antecedents of purchase intention and its effect on brand loyalty of private label brand of apparel. *International Journal of Sales & Marketing Management Research & Development. 3*(2), 73-86.

Hair Jr, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2017*). A primer on partial least squares structural equation modelling (PLS-SEM).* Sage Publications.

He, J., & Wang, C. L. (2017). How global brands incorporating local cultural elements increase consumer purchase likelihood. *International Marketing Review, 34*(4), 63-479.

Hoyer, W. D., & Brown, S. P. (1990). Effects of brand awareness on choice for a common, repeat-purchase product. *Journal of consumer research, 17*(2),141-148.

Hudders, L., Pandelaere, M., & Vyncke, P. (2013). Consumer meaning making: The meaning of luxury brands in a democratised luxury world. *International Journal of Market Research, 55,* 391–412.

Hur, W. M., Ahn, K. H. & Kim, M. (2011). Building brand loyalty through managing brand community commitment. *Management Decision 49* (7),1194–1213.

Hutter, K., Hautz, J., Dennhardt, S., & Füller, J. (2013). The impact of user interactions in social media on brand awareness and purchase intention: the case of MINI on Facebook. *Journal of Product & Brand Management, 22* (5/6), 342-351.

Iglesias, O., Singh, J. J., Casabayó, M., Hung, K. P., Chen, A. H., Peng, N., & Chou, C. L. (2011). Antecedents of luxury brand purchase intention. *Journal of Product & Brand Management. 34*(4), 463-479.

Jeng, S. P. (2016). The influences of airline brand credibility on consumer purchase intentions. *Journal of Air Transport Management, 55*, 1-8.

Kao, G. H. Y., Wang, S. W., & Farquhar, J. D. (2020). Modeling Airline Crisis Management Capability: Brand attitude, brand credibility and intention. *Journal of Air Transport Management*, *89*, 101894.

Kim, D. K., & Kim, M. (2016). Influence of brand awareness and brand attitude on purchase. *Journal of Marketing thought, 3*(1), 16-27.

Kim, J. and Joung, H., (2016). Psychological underpinnings of luxury brand goods repurchase intentions: Brand–self congruity, emotional attachment, and perceived level of investment made. *Journal of Global Scholars of Marketing Science, 26*(3), 284-299.

Ko, E., and Megehee, C. (2012). Fashion marketing of luxury brands: Recent research issues and contributions. *Journal of Business Research 65*(10), 1395–1398.

Ko, E., Costello, J. and Taylor, C. (2019). What is a luxury brand? A new definition and review of the literature. *Journal of Business Research, 99,* 405-413.

Kolter, P., & Amstrong, G. (2006). Marketing management. *ShangHai: People's Publishing Agency.*

Laksamana, P. (2018). Impact of social media marketing on purchase intention and brand loyalty: Evidence from Indonesia's banking industry. *International Review of Management and Marketing, 8*(1), 13-18.

Li, G., Li, G., & Kambele, Z. (2012). Luxury fashion brand consumers in China: Perceived value, fashion lifestyle, and willingness to pay. *Journal of Business Research, 65(*10), 1516-1522.

Li, N., Robson, A., & Coates, N. (2013). Chinese consumers' purchasing: Impact of value and affect. Journal of Fashion Marketing and Management: *An International Journal, 17,* 486–508.

Liu, Z., Huang, S., & Liang, S. (2019). Does Brand Personification Matter in Consuming Tourism Real Estate Products? A Perspective on Brand Personality, Self- congruity and Brand Loyalty. *Journal of China Tourism Research, 15*(4), 435454.

Luna-Cortés, G., López-Bonilla, J. M., & López-Bonilla, L. M. (2019). Self-congruity, social value, and the use of virtual social networks by generation y travelers. *Journal of Travel Research, 58*(3), 398-410.

Luxury China. (2016). *Why the Chinese are buying luxury goods ?* Retrieved from https://www.marketingtochina.com/chinese-buying-luxury-goods/

Maathuis, O., Rodenburg, J., & Sikkel, D. (2004). Credibility, emotion, or reason? *Corporate Reputation Review, 6*(4), 333–345.

Mainolfi, G., (2019). Exploring materialistic bandwagon behaviour in online fashion consumption: A survey of Chinese luxury consumers. *Journal of Business Research*, Article in press.

Martins, J., Costa, C., Oliveira, T., Gonçalves, R., & Branco, F. (2019). How smartphone advertising influences consumers' purchase intention. *Journal of Business Research, 94,* 378-387.

Mo, T., Roux, E., & Cergam, I. (2009). Exploring Chinese consumer values and attitudes towards luxury brand consumption. *European Journal of Marketing, 38*(2), 423432.

Shahid, Z., Hussain, T., & Zafar, F. (2017). The impact of brand awareness on the consumers' purchase intention. *Journal of Marketing and Consumer Research, 33, 34*-38.

Sirgy, M. J. (1982). Self-concept in consumer behavior: A critical review. *Journal of consumer research, 9*(3), 287-300.

Sirgy, M.J., Grewal, D., Mangleburg, T.F., Park, J., Chon, K., Claiborne, C.B., Johar, J.S., & Berkman, H. (1997). Assessing the predictive validity of two methods of measuring self-image congruence. *Journal of the Academy of Marketing Science, 25*(3), .229-241.

Truong, Y. (2010). Personal aspirations and the consumption of luxury goods. *International Journal of Market Research, 52,* 655–673.

Wang, X., & Yang, Z. (2010). The effect of brand credibility on consumers' brand purchase intention in emerging economies: The moderating role of brand awareness and brand image. *Journal of Global Marketing, 23*(3), 177-188.

Wells, J. D., Valacich, J. S., & Hess, T. J. (2011). What signal are you sending? How website quality influences perceptions of product quality and purchase intentions. *MIS quarterly,* 373-396.

Zhan, L., & He, Y. (2012). Understanding luxury consumption in China: Consumer perceptions of best- known brands. *Journal of Business Research, 65,* 1452– 1460.

Zhang, B., & Kim, J. H. (2013). Luxury fashion consumption in China: Factors affecting attitude and purchase intent. *Journal of Retailing and Consumer Services, 20,* 68–79.

Zhang, L., & Cude, B. (2018). Chinese consumers' purchase intentions for luxury clothing: A comparison between luxury consumers and non-luxury consumers. *Journal of International Consumer Marketing, 30,* 336–349.

Zhang, L., Cude, B. J., & Zhao, H. (2020). Determinants of Chinese consumers' purchase intentions for luxury goods. *International Journal of Market Research, 62*(3) 369–385.