

### 3. Conceptual Framework and Hypotheses

#### 3.0. Introduction

Previous chapters were a comprehensive study on the prior literature of quiet and loud luxury brands, which were concluded by purchasing attitudes and behaviour. Subsequent chapter begins with the introduction of the hypotheses, presenting the hypotheses and then elaborating the conceptual framework which includes independent, dependent and mediating variables.

#### 3.1. Conceptual Framework

In the current study three types of variables including dependent, mediating and independent have been constructed. There are two sets of independent variables namely, Social and Personality Factors which include Information Susceptibility, Normative Susceptibility, Collectivism, Personal Gratification, Status Consumption, Novelty Seeking and Brand Conscious. Attitudes towards luxury brands play as the mediating variables along with the purchase intention of quiet and loud brands as the dependent variable.

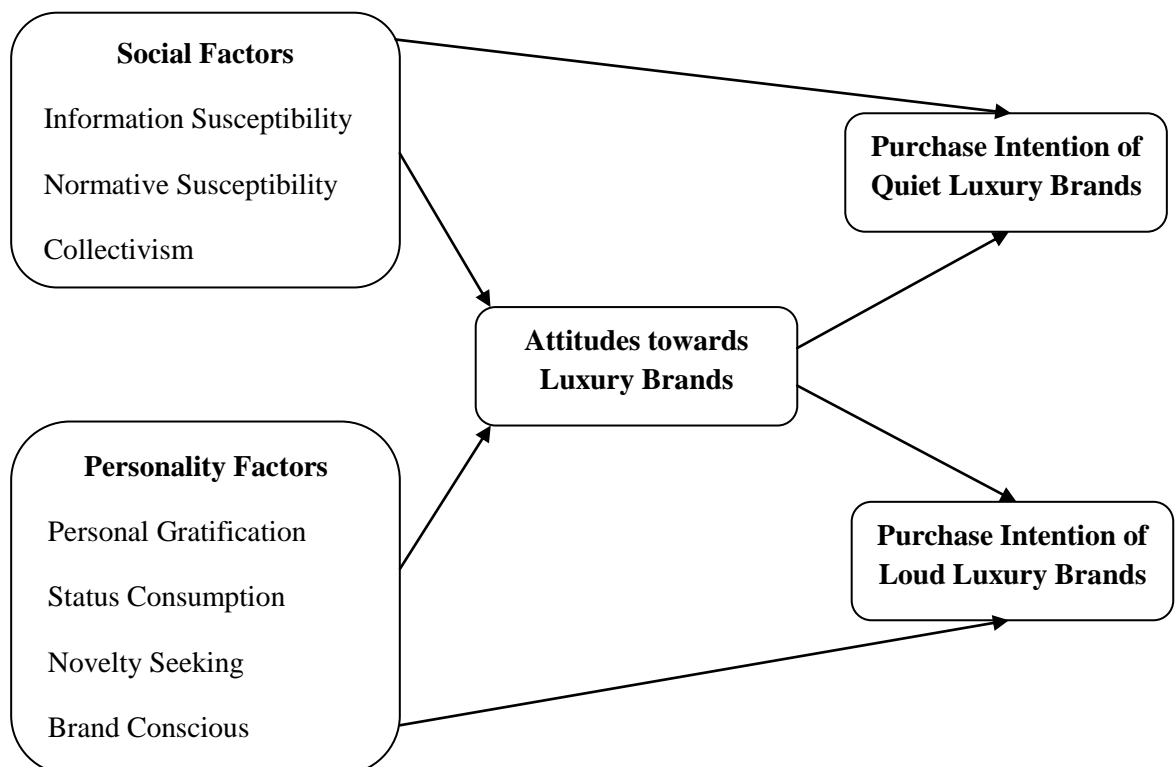


Figure 3.1. Model of Consumer's Attitudes towards Quiet and Loud Luxury Brands

The illustrated model in figure 3.1. is adapted and extended from the model of Phau & Teah (2009) with eight constructs which were information susceptibility, normative susceptibility, collectivism, value consciousness, novelty seeking, integrity, personal gratification and status consumption. The combination of these variables and the evidence of the significance of brand conscious based on the provided literature in the context of the luxury shopping derived a model with seven constructs which is illustrated in figure 3.1.

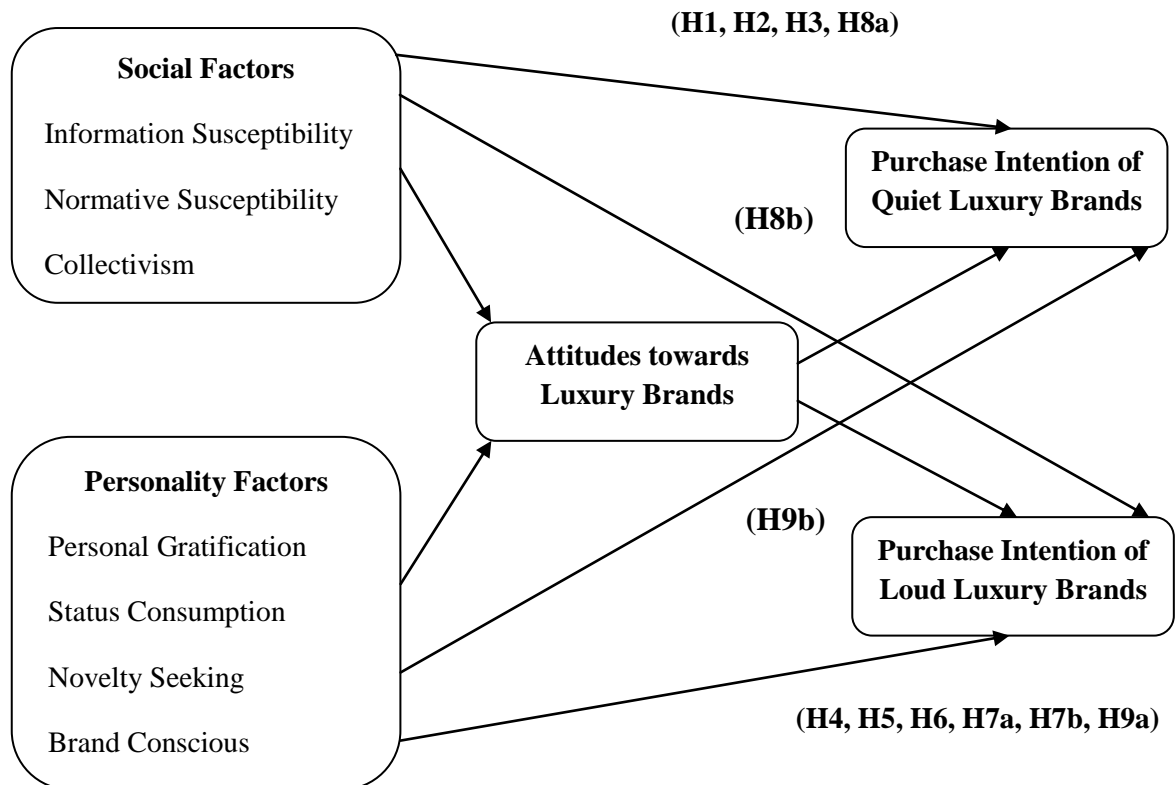
Information susceptibility and normative susceptibility was adopted from Bearden et al. (1989), personal gratification was adopted from Vinson et al. (1977), status consumption was adopted from Eastman et al. (1997), novelty seeking was adopted from Wee et al. (1995), brand conscious was adopted from Nelson & Macleod (2005), brand prestige was adopted from Baek et al. (2010), materialism was adopted from Sirgy et al. (1998), collectivism was adopted from Kongsompong, Green & Paterson (2009), attitudes was adopted from Han et al. (2010), and finally purchase intention was adopted from Zeithmal, Berry & Parasuraman (1996) and Baek et al., (2010).

Since there are page and time limitation for this research, the two factors namely brand prestige and materialism were just highlighted in the scope of the literature review and not in the framework. A pilot test was done by considering these two variables, but the questionnaire was so long that the respondents were hesitant to participate.

After the discussion and consultation with the supervisors, it was decided to eliminate these two variables (brand prestige and materialism) from the main data collection. Reason being, brand conscious, brand prestige and materialism were having relatively the same concept and their questions raising more or less the same issues, so the last two variables were removed from the framework and the main data collection.

### 3.2. Hypotheses

Based on the provided literature, some hypotheses will be developed and discussed in this section which then will be tested in the following sections to come.



**Figure 3.2. Hypotheses Development**

#### 3.2.1. Social Factors (Independent Variables)

Social influence plays an undeniable role in the consumers' decision making process. Based on the past literature (Bearden et al., 1989; Wang et al., 2005; Phau & Teah, 2009) social influence signifies the impact that others such as family members and/or friends have on an individual consumer's attitude.

There are two forms of consumer susceptibility to social influence, information susceptibility and normative susceptibility (Bearden et al., 1989; Wang et al., 2005; Phau and Teah, 2009).

### *Information Susceptibility and Normative Susceptibility*

Bearden et al. (1989) introduced two forms of consumer susceptibility to social influence which were information susceptibility and normative susceptibility. Information susceptibility is when the buying behaviour is derived from the professional opinion of others (Ang et al., 2001; Wang et al., 2005). Such cases take place when the quality and the wise purchasing decisions are dependent on the view of others. It arises in the situation where consumers are not knowledgeable of the product category.

While normative susceptibility is purchase decision based on the expectation of what would impress others and not based on the opinion of others (Ang et al., 2001; Wang et al., 2005). As self-image plays an important role in making a purchase decision, buying quiet or loud brands are relatively crucial factors in the final decision. Reason being, people are living in a community which enforce some kind of pressure on individuals to build up an image of themselves.

Hence, it is assumed that purchasing logoed items have a positive social image, so the consumers with higher susceptibility to social influence may present negative attitudes toward non-logoed items and will tend to buy logoed items. It will be argued that high susceptibility to social influences brings loud brands to the closet of the consumer rather than quiet ones.

Thereof, it is hypothesised that:

*H1: There is a significant relationship between “Information Susceptibility” and “Purchase Intention of Loud Luxury Brands”.*

*H2: There is a significant relationship between “Normative Susceptibility” and “Purchase Intention of Loud Luxury Brands”.*

### *Collectivism*

Burns & Brady (1992) study revealed that the US students have less concern for others ideas and actions rather than their Malay counterparts. Besides, Triandis (1989) remarked that individuals are characterized by the tendency to give priority to individual goals over group goals. Yamaguchi (1994) also characterized a person's collectivism as the tendency to give priority to the collective self over the private self, especially when the two come into conflict. Triandis (1995) carried on by mentioning that collectivism stresses conformity and in-group harmony and defines the self in relation to the group. By the consideration of the collectivists' characteristics, it can be postulated that collectivists are more subject to social influence in their purchasing behaviour than the individualists.

Kongsompong, Green, & Paterson (2009) study across Thailand, Singapore, USA and Australia declared that consumers with a collectivist orientation are more susceptible to social influence in their purchase behaviour than the individualistic orientated consumers. It was concluded that social influence appears more prevalent among those with a collectivist orientation, regardless of nationality (Kongsompong, Green, & Paterson, 2009).

Based on the Burns & Brady (1992) and Bochner (1994) which showed that Malaysia represents a collectivist culture, we conclude that Malaysia has a collectivist orientation. Derived from the collectivist culture which has susceptibility to social influence and enforce the group values to its members, it is presumed that purchasing logoed items which have a positive social image is the attitude and intention of the collectivist-oriented consumers compared with the individualist-oriented consumers that have their self-oriented opinions which play the crucial role in their buying decision.

In this manner, it is hypothesized that:

*H3: There is a significant relationship between “Collectivism” and “Purchase Intention of Loud Luxury Brands”.*

### **3.2.2. Personality Factors (Independent Variables)**

Not being relied on the opinion of others or be compliant with the expectation of others is the individual's interpersonal influence which is termed personality influence.

#### *Personal Gratification*

Ang et al. (2001) and Wang et al. (2005) defined personal gratification as the need for a sense of accomplishment, social recognition and to enjoy the finer things in life. Consumers who have high sense of personal gratification would be more mindful of the look and visibility of fashion goods (Phau & Teah, 2009). Based on Phau & Teah (2009) research, consumer with high sense of personal gratification are likely less prone to accept products of slightly substandard quality.

Bloch et al. (1993) also examined buyers of counterfeit with non-buyers of counterfeits and came to the conclusion that non-buyers of counterfeit relative to buyers were more confident, more successful and had higher perceived status. These characteristics are often associated with individuals who are seeking accomplishment, comfortable life style and social recognition.

For this reason and based upon these premises, it is assumed that consumer with low personal gratification will buy logoed or loud brands to concur the social recognition in the public. But individuals who own higher level of personal gratification are the consumers of non-logoed items or quiet luxury brands.

In this way, it is conjectured that:

*H4: There is a significant relationship between “Personal Gratification” and “Purchase Intention of Quiet Luxury Brands”.*

#### *Status Consumption*

Veblen observation (1899) demonstrated the conspicuous consumption for the clothes of the high ranked people and nobilities in that period. Conspicuous consumption was further examined by Packard (1959) and Mason (1982, 1992) to leverage the economic idea of Veblen, and it was proposed that people often consume products to demonstrate superiority of status to themselves and to others; which is known as status consumption. Furthermore, Eastman et al. (1999) labelled “status consumption” as the motivational process by which individuals strive to improve their social status via conspicuous consumption of consumer goods that can grant and symbolize status for the individual. In another study, Eastman et al. (1997) observed that status consumption belongs to consumers who are seeking self-satisfaction and desire to display their prestige and status to surrounding others usually through visible evidence. Also it has been observed that status consumers are after attaining items that convey brand symbols that exhibit their self-identity.

This posts that the desire of consumers for gaining more self-identity and showing off their wealth is proclaimed by the consumption of status goods and loud brands rather than quiet brands.

In a nutshell, it is hypothesized that:

*H5: There is a significant relationship between “Status Consumption” and “Purchase Intention of Loud Luxury Brands”.*

### *Novelty seeking*

The interest of people to hunt for diversity and difference is called novelty seeking (Hawkins et al., 1980; Wang et al., 2005). In a study on the purchasing pirated software done by Wee et al. (1995), the results showed that novelty seeking is a significant factor in purchasing pirated software in the students group, while it was not a noteworthy reason in the working adults' samples. Thus, consumers who like keeping up-to-date with new fashion and designs would very much likely purchase the latest launched products and brands which their logo are noticeable to everyone. As a matter of fact, it can be assumed that a consumer who intends to try new things has probably more tendency towards logoed items rather than non-logoed items in the context of luxury brands.

In addition, Synovate study (2010) showed that 45% of respondents in Canada would like to try different luxury brands which show the novelty seeking and high interest of Canadians in having varieties of brands. Hence, it is assumed that novelty seekers have positive intention in buying loud luxury brands, rather than quiet brands.

Hence, it is postulated that:

*H6: There is a significant relationship between “Novelty Seeking” and “Purchase Intention of Loud Luxury Brands”.*

### *Brand conscious*

Lachance et al. (2003) indicated that brand conscious or brand sensitivity is “the notion that brands play an important role in the psychological process that proceeds to the buying act”. Based on the survey of Lachance et al. (2003) on brand conscious or brand sensitivity on apparel among French-Canadian adolescent, it divulged that peer influence was considerably and positively related to the brand sensitivity of both girls



and boys. Simply put, Lachance et al. (2003) concluded that “wearing prestigious brand names seem to be very important for adolescents”.

Likewise, Bush et al. (1989) research revealed that the impression which individuals make on others is the usual concern of the publicly self-conscious consumers. These types of consumers (publicly self-conscious consumers) are more concerned about their fashion and style in the public and are more acquiescent with the standards and trends in society and more sensitive to interpersonal rejection (Phau, Teah & Lee, 2009). Besides, Grossman and Shapiro (1988b) indicated that principally consumers buy luxury product to consume or to illustrate the prestige it brings to the owner, these two factors are apart from any functional utility of the good.

As a result, it can be assumed that consumers are brand conscious and like to wear branded items regardless of showing off their strong financial status by its big logos and badges or wearing a non-logoed item that merely the brand knower knows.

Thereof, it can be concluded that consumers have positive attitudes to luxury brand products whether to be a loud buyer or quiet buyer of luxury brands. As a matter of fact, it is speculated that there is relationship between brand conscious and purchase intention of quiet and loud luxury brands.

In fact, it is hypothesized that:

*H7a: There is a significant relationship between “Brand conscious” and “Purchase Intention of Quiet Luxury Brands”.*

*H7b: There is a significant relationship between “Brand conscious” and “Purchase Intention of Loud Luxury Brands”.*

### **3.2.3. Attitudes toward Luxury Brands (Mediating Variable)**

Based on Kongsompong, Green, & Paterson (2009) study, purchasing decision are not made without any impact from the surroundings; the influence of family, friends, associates, salespeople and even strangers have impact on the consumers buying decision. Furthermore, social influence has been considered in one of the most crucial theories of the consumer behaviour namely Theory of Reasoned Action (TRA). The theory of reasoned action (TRA) was proposed by Ajzen and Fishbein (1975 & 1980). According to the Ajzen & Fishbein (1975, 1980), a person's voluntary behaviour is predicted by his/her attitude toward that behaviour and how he/she thinks other people would view them if they performed the behaviour. A person's attitude, combined with subjective norms, forms his/her behavioural intention (Ajzen & Fishbein, 1975, 1980).

Moreover, purchase decision and intention can also be described by the Theory of Planned Behaviour. Fishbein and Ajzen (1975) defined Theory of Planned Behaviour (TPB), “the purchase behaviour determined by the purchase intention which is in turn determined by attitudes”. Further studies revealed that attitudes towards behaviour instead of towards the product are noted to be a better predictor of behaviour (Fishbein, 1967; Fishbein and Ajzen, 1975; Penz & Stottinger, 2005).

Wee et al. (1995) discovered that “the more favourable consumer attitudes towards counterfeiting are, the higher the chances that consumers will purchase counterfeit brands. Similarly, the more unfavourable consumer attitudes towards counterfeiting are, the less likely are the chances of purchase”. By the same token, in the context of luxury brands the more favourable consumer attitudes toward loud brands are, the higher the chance that consumer will buy the loud brands. Likewise, the more unfavourable consumer attitudes towards loud brands, the less likely are the chances of buying loud brands.

In addition, the more favourable consumer attitudes toward quiet brands are, the higher the chance that consumer will buy quiet brands. Correspondingly, the more unfavourable consumer attitudes towards quiet brands, the less likely are the chances of buying quiet brands. In a nutshell, it is hypothesized that:

Additionally, Miniard and Cohen (1983) study disclosed that social and personality antecedents have been established to have an influence on consumer decision making towards purchase intention.

Thereafter, it can be hypothesized that:

*H8a: There is a significant relationship between “Social Factors” (Information Susceptibility, Normative Susceptibility and Collectivism) and “Purchase Intention of Quiet Luxury Brands”.*

*H8b: There is a significant relationship between “Social Factors” (Information Susceptibility, Normative Susceptibility and Collectivism) and “Purchase Intention of Loud Luxury Brands”.*

Furthermore, it can be hypothesized that:

*H9a: There is a significant relationship between “Personality Factors” (Personal Gratification, Status Consumption, Novelty Seeking and Brand Conscious) and “Purchase Intention of Quiet Luxury Brands”.*

*H9b: There is a significant relationship between “Personality Factors” (Personal Gratification, Status Consumption, Novelty Seeking and Brand Conscious) and “Purchase Intention of Loud Luxury Brands”.*

### **3.3. Summary**

Purchasing brands have been the centre of much research in recent years but in the counterfeiting industry and it had received less attention from the attitudes and perception of consumer towards the brand. Through the proposed conceptual framework and nine hypotheses that were forwarded from the framework, the relationship between independent variables and the dependent variable namely the purchase intention of quiet and loud luxury brands are measured.

In addition, the proposed framework provides a unique opportunity to understand the antecedents of purchasing quiet or loud luxury brands- which is either bearing a quiet discrete logo or a loud conspicuous logo- on luxury buying behaviour of citizens in Malaysia.

