

**School of Marketing  
Curtin Business School**

**Conceptualizing 'Country-of-Origin-Authenticity' for Luxury Brands**

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**This thesis is presented for the Degree of  
Doctor of Philosophy  
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## Statement of Original Authorship

### Declaration

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.



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30-April-2015

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## Abstract

The study investigates the influence of “consumers’ need for ingredient authenticity” towards product and brand evaluations of luxury brands and ultimately how these constructs influence the willingness to buy and recommend luxury brands with multi country affiliations. A specific scale to measure and conceptualize ‘consumer needs for ingredient authenticity’ will be developed to test the model and a new construct ‘country-of-ingredient-authenticity’ was created. The scale development process consisted of four studies starting from scale generation and purification, validation, confirmation and ending with scale generalizability. The main methodology of this study entails a 3X2X2 factorial experimental design to examine the effects of three different country of origins of luxury brands from two levels of country image (high vs low) and two authenticity cues (raw materials or artisan skills). The cross-sectional strategy for data collection resulted in 1400 usable responses. Structural equation modelling supports the model and shows that consumers do seek for ingredient authenticity when they look for cues when evaluating luxury branded products. The findings revealed that certain country-of-ingredient-authenticity acts as a stronger quality indicator for raw materials as opposed to artisan skills (i.e. Alpaca wool from Peru). Therefore, this finding suggests that there is a significant impact on consumer buying decisions when it comes to luxury brands marketing or outsourcing their production overseas. Consistent with literature, the study found that consumers still place an importance on country-of-origin when they evaluate luxury branded products. Consumers’ product knowledge and status-seeking behaviours were also tested to evaluate their motivations to seek ingredient-authentic products. Specifically, the results showed that status-seeking consumers make the instant connection between Chikan-embroidery to India and kilt tartans to Scotland whereas consumers with product knowledge still relied on brand effects to evaluate and favour the ingredient-authentic product.

Keywords: Country-of-Origin, Country-of-Ingredient-Authenticity, Consumers’ Need for Ingredient Authenticity, Scale Development, Product and Brand Evaluations, Willingness to Buy, Willingness to Recommend.

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# Chapter 1

## INTRODUCTION

### 1.1 Introduction

This chapter will set the foundation of this research by presenting a general introduction. This will be followed by a more extensive problem analysis, where the significance of the problem area will be acknowledged. Thus, this problem is clearly identified. The research questions, hypotheses and justification for the study, and the key literature and gaps were also presented. In addition, the problem defined will be supported with the information needed to uncover the answers. In conclusion, a summary of the key concepts will be provided; an overview of the research design will be presented; and the organization of this research will be delineated.

### 1.2 Background of the Study

#### 1.2.1 Outsourcing of Manufacturing Locations

With rising costs of production, most luxury brands are outsourced to developing countries (Okonkwo, 2007). As a result, it downplays the country-of-origin where such brands was manufactured while accentuating the country of branding (for example, Gucci which is made in China is being marketed as an Italian brand). Luxury brands such as Burberry and Prada have received negative publicity due to their strategic outsourcing to developing countries such as China, Vietnam, Turkey, and Romania (Cadwaladr, 2012; Passariello, 2011). Manufacturing in China could backfire on these luxury brands especially when these brands are trying to appeal to the Asian markets. However, the Chinese consumers are willing to pay higher prices for luxury brands, but not for products made in China (Passariello, 2011).



Figure 1: Prada Spring/Summer 2011 campaign: 'Made in Peru' sweaters and fur coats (WearesoDroeë, 2011)



Figure 2: Prada Spring/Summer 2011 campaign: 'Made in India' shoes (WearesoDroeë, 2011)

This study was partly inspired by Prada's 2011 'Made In' campaign. Prada launched a "Made In" Campaign that showcases products manufactured or sourced from places such as India, Peru, Japan, and Scotland. The reason for choosing those geographic locations not only relies on lowering production costs, but also to obtain the best raw materials and artisan skills. India produces the unique and rare skill of Chikan embroidery (dress), while Japan was picked because it housed the most technologically advanced denim jeans manufacturing plants. In Peru, Alpaca wool is harvested to make high quality sweaters, whereas in Scotland lies the origin of tartan kilts and the artisan skill mastered to weave it. Hence, the product choice selected for the research framework was based on their superior authenticity and their being synonymous to the specific geographic location. Very little has been done in the way of consumer research to explore the specific country of origin effect, in this case, country of ingredient authenticity as a potential cue that may influence consumer's product judgement, attitude towards brand, brand attachment, and how it can result to willingness to buy and recommend.

With the present globalized competition, many marketing managers and businesses can seek to leverage the effects of countries' positive image to indicate product quality (Gürhan-Canli and Maheswaran, 2000a, 2000b; Chailan and Illle, 2015). With the increasing growth in international trade, businesses are operating in immense competition and challenge (Zhou et al., 2010). At the same time, due to the increased levels of global trade liberalization, consumers are increasingly exposed to products from different countries; and as such, the role of country of origin cues are more prominent (Garma, Polonsky and Wong, 2008; Pappu et al., 2007). Studies by Reiersen (1996) and Saimee (1994) have found that many products and brands signal brand country or cultural origins. For example, luxury brands like Gucci (Italian), Louis Vuitton (French), and Burberry (British) whose brand origins are well known by consumers even though the products may not be made in the home country of the brand. Other brands such as 'Donna Karen New York (DKNY)' and 'Pierre Cardin Paris' explicitly inform consumers of the cities associated with the brand names. Therefore, simply manipulating the different aspects of the country of origin construct does not eliminate the effect of these cues. The perceived origin of a brand and the country indicated on the 'made in' label does not need to be similar. With the luxury brand association to a specific country-of-origin, there are also certain products that can benefit from the connection (Phau and Prendergast, 2000). The brands or products are often communicated through terms such as South Sea pearls, French lace, English cotton, and Belgian chocolates. Therefore, being

produced in another country cannot eliminate the ‘nationalities’ of these products (Phau and Prendergast, 2000). Levitt (1983) and Sheth’s (1998) concept of ‘convergence of culture’ may improve the image of these products’ nationalities and origins. Gürhan-Canli and Maheswaran (2000a, 2000b) also noted that COO effect on evaluations vary across countries and cultures involved.

With reference to luxury brands, the combined effects of country-of-origin and country-of-manufacture are very significant (Chung, Pysarchik and Hwang, 2009). Luxury brands are always under pressure to achieve congruency between COO and COM. COO-COM incongruence may affect consumers’ perceptions and overall evaluations of the brand. When Burberry made the headlines of outsourcing some of its production to China, there was uproar amongst its consumers (Cadwalladr, 2012). Koschate-Fischer, Diamantopoulos and Oldenkotte (2012) posited that consumers are more willing to pay for products from a favourable country’s image than a less favourable country’s image.

In order to lower the cost of production, many luxury brands from developed countries are outsourcing manufacturing to developing countries. ‘Incongruence’ can occur when COO and COM are different. On the other hand, when COO and COM are ‘congruent’, effects on pricing and price premiums are vital in impacting consumers’ purchase intentions (Saxena-Arora et al., 2015). Thus, consumers are sensitive to issues of where the luxury brand is designed and manufactured because these brands signify quality, status, and prestige.

Made-in labels are gaining importance as there have been reported problems with certain products made overseas (e.g. China tainted milk scandal in 2008 (Lim, 2013) and Bangladeshi garment manufacturing building collapse in 2013 (Labour behind the label, 2013)). Hence, many companies are revealing both the country-of-origin and the country-of-manufacture. Apple is famous for its ‘Designed by Apple in California, Assembled in China’ tag. This approach of revealing country-of-manufacture has not latched on in the luxury branding industry. Luxury brands are often modulating their country-of-manufacture and emphasizing the country-of-branding. Country of brand of the product is reflected in country-of-origin (Phau and Prendergast, 2000). Brand association with country implies that the brand is of higher quality because the country has a reputation of producing the best within its product class (Amine, Chao and Arnold, 2005). Phau and Prendergast (2000) noted that country of brand in consumer choice behaviour may provide valuable information about the

various positive brands attributes which consumers develop over time. Capturing Han (1989) halo and summary cue, country of brand can act as a centre of disseminating positive attributes of the brand over time. According to Aaker (1996), if consumers have confidence in the quality of the brand, the image of the brand is upheld and will be consistently evaluated. Hence, this research proposes to conceptualize the term ‘country-of-ingredient-authenticity’ where it suggests that country-of-ingredient-authenticity is born out of the notion of raw materials and/or artisan skills that are superior, authentic, and synonymous to a specific geographic location.

### **1.2.2 Ingredient Branding**

Ingredient branding is not new, but it is an innovation in the context of country of origin literature. However, it can be exploited in the marketing and advertising initiatives. The basic motivation for implementing ingredient branding is that it enhances the differentiation of the host brand from competition by characterizing the ingredient attribute in the host brand more prominently (e.g. Intel Inside chip processors in computers) (Desai and Keller, 2002). This will enhance the competitiveness of the host brand. Moreover, ingredient branding could elevate the equity of the host brand by sending a strong message to consumers that the host product offers the combined benefits of two quality brands together. The impact of ingredient branding, however, will depend on the importance of the ingredient itself. Branding which is a very important ingredient (e.g. Intel Inside chip processor versus generic chip processor) should facilitate the host brand’s differentiation and evaluations to a greater extent (Desai and Keller, 2002). In a study done by Sivaramakrishnan and Carvalho (2012) based on COO effects of an ingredient brand on the host brand, the study looked into 2 airline host brands: (Air Canada (Canada) vs TAM (Brazil)) X 2 ingredient brands (Bombardier (Canadian aircraft) vs Embraer (Brazilian aircraft)) X 2 (pre-and post-measures). Canada was seen as a country with a favourable image, while Brazil was seen as a country with unfavourable image. Brazilian consumers were used for this study. The results showed that Brazilian’s evaluation of TAM’s safety were up significantly when they were told that TAM was using Bombardier aircraft, whereas the perception of Air Canada’s safety remained unchanged by using Bombardier. Perceptions of TAM’s safety were not significantly affected by using Embraer as the ingredient brand, whereas the perception of Air Canada’s safety rose significantly when Embraer was the ingredient brand.

When a local host brand from an unfavourable image country uses an ingredient brand from a favourable image country, the evaluation of the host brand goes up. Also, when a foreign host brand uses a local ingredient brand from a relatively favourable image country, the evaluation of the host brand goes up (Sivaramakrishnan and Carvalho, 2012). Hence, a strong ingredient brand from a favourable image country can elevate the perceptions of a brand from an unfavourable image country in terms of aircraft carriers.

Apart from examples indicated in the fashion apparel and luxury branding context, ingredient authenticity is applied in many other scenarios. In the food industry for example, the best beef is sourced from Kobe, Japan, sushi from Japan, salmon from Alaska, strawberries from Korea, and tea from Sri Lanka. In the jewellery sector, 80% of the world's diamond resources come from Africa, but pink diamonds are prototypical to Western Australia. Even though some of these countries may not hold a positive country image, they are still regarded in producing high quality products and the artisan skills are highly sought after. This is known as the 'hierarchy of biases' where a positive relationship is expected between the product evaluations from a country and the economic development of the country (Schooler, 1971). Consequently, the distinction between low country image and high country image is blurred when each country is well known for different products and specialties (e.g. France for luxury, Sri Lanka for tea) regardless of its economic stability (Pappu et al., 2007).

### **1.2.3 The Authenticity Concept**

Authentic products can be defined as those that refer to "an imaginary located in ancient times or in exotism" (Lunardo and Guerinet, 2007). Any definition of authenticity must be done with reference to any place, time, or product (Warnier, 1994). When the American fashion industry initiated the authenticity campaign in 2011, brands are looking to reassure consumers that the merchandise they are purchasing is genuinely American made. True Religion's spring/summer 2012 campaign was about The True American, while Joseph Abboud's autumn/winter 2011/12 campaign was entitled Made In The New America (American Made Matters, 2011). Furthermore, the most popular messaging practice is through point-of-sale collateral, namely; in-store signage, swing-tags, and labels. Gap stores throughout the US display "Designed in Los Angeles" signage, complete with the design studio address. While consumers are drawn in by American luxury, the various stopovers in the form of collaterals – from in-store signage and store bags to hang-tags and labels – keeps

them connected to the authentic feeling that they get from their purchase (American Made Matters, 2011).

Tag Heuer has collaborated with Intel and Google to launch a luxury smartwatch by the end of 2015. The smartwatch will be powered by an Intel-designed chipset and run Android Wear, Google's modified version of its Android mobile operating system. Tag Heuer will design the watch itself, bringing the prestige and skill of Swiss watchmaking to the venture (Poeter, 2015). Therefore, the notion of Swiss watchmaking expertise combined with the technology from Silicon Valley can result in a high quality and luxurious smartwatch. The pairing of Tag Heuer with Intel and Google ensures that even if the wearable technology fad has passed, the consumer still possessed a classic and timeless Tag Heuer watch that can be handed down as an heirloom.

Burj Al Arab, deemed as the most luxurious hotel in the world has provided a real-life example of incorporating ingredient-authenticity in a luxury setting. The Jumeirah experience by the Burj Al Arab with the tagline 'stay different' encompasses having a 'brigade of butlers at your service in Dubai' or 'be served at a table shaped by hand in the Maldives'. The atmosphere was described as 'every breath you take is scented with citrus in Mallorca,' and '40,000 bees make your breakfast honey on the roof in Frankfurt' (Burj Al Arab, 2015). Therefore this portrays that in order to provide a first class and luxurious experience, the hotel recognizes the need to serve its customers with ingredients from authentic locations.

Hence, the effects of the authenticity of raw materials and artisan skills can be examined to evaluate the consumers' perception of a strong brand linked to a specific country-of-origin to raw materials/artisan skills which is also equally linked strongly to its country-or-origin. (e.g. Hermes from France using cashmere is imported from Mongolia and weaved by a Scottish garment manufacturer) (Towers, Perry and Chen, 2013). Luxury brands can acquire an aura of authenticity through a "...commitment to traditions, a passion for craft and production excellence, and the public disavowal of the role of modern industrial attributes and commercial motivations" (Beverland, 2005, p. 1008). They are perceived by consumers to be made or manufactured by artisans (Beverland, 2006; Fine, 2003) using time honoured

traditions (Postrel, 2003), hand-made methods, and/or natural ingredients (Carroll and Swaminathan, 2000).

#### **1.2.4 Research Gaps**

Despite the extant literature on country of origin and authenticity, the literature identifies four major shortcomings:

- 1) Great potential in incorporating country of origin literature with ingredient authenticity literature.

Newman and Dhar (2014) suggested that streams of authenticity literature can be developed with links from country-of-origin. COO effects on perceived quality have always been examined through manufacturing locations (Maheswaran, 1994; Thakor and Kohli, 1996; Thakor and Lavack, 2003). With the advent of outsourcing and globalization, there is an increased need to test for authenticity in the context of country-of-origin, especially in a luxury branding context where prestige and status are integral (Beverland, 2006; Gundlach and Neville, 2012; Joy et al., 2012; Sarasin, 2012).

- 2) Develop an index or scale to measure the opinion of audiences, publics, or consumers about the extent of authenticity elements included in strategic communication tactics and its association with their perception of corporate reputation.

Authenticity, being a socially constructed phenomenon has been repeatedly explored through in-depth qualitative explorations (Cohen, 1988; Adams, 1996; Littrell et al., 1993; Peterson, 1997; Holt, 1998; Beverland, 2006; Gundlach and Neville, 2012). Although this style of research has allowed for rich data related to the meaning of authenticity, quantitative measurements of authenticity are needed to determine its use and impact in developing future campaign strategies (Molleda and Roberts, 2008; Knight and Kin, 2007).

- 3) There is a need to expand existing authenticity literature to other industries to identify sources of authenticity, widening the range, and thereby providing a more holistic view of the construct.

Authenticity research has been relatively thin (Beverland, 2005; Beverland and Farrelly, 2010; Gundlach and Neville, 2012). Hence there is a need for a deeper understanding of how consumers perceive authenticity. The driving and mediating factors of authenticity and their relative importance are still not known. The importance of these factors would vary across different product categories (Gundlach and Neville, 2012; Swaminathan et al., 2012; Beverland and Farrelly, 2010; Lewis and Bridger, 2001, pg. 22; Holt, 1998).

- 4) There is a need to test effect of country of ingredient authenticity on product/brand evaluations and purchase/forwarding outcome.

More attributes may have to be determined and tested for further research to better understand the role of authenticity (Lunardo and Guerinet, 2007). Authenticity could be linked to other variables, such as attitude which is being seen as a powerful predictor of behavior (Fishbein, 1980). Understanding perceptions of authenticity may help explain consumers' brand attitudes together with their degree of brand attachment which can lead to a more effective approach of market segmentation (Molleda, 2010; Kuusela, 2003; Alahunta, 2005).

This research proposes that luxury brands can choose to identify the strengths of countries with materials, products or artisan skills that are deemed to be synonymous with superiority or authenticity of the country where it is famed. For instance, pashmina wool from Tibet, fine cotton from Egypt, and artisan skills of carpet weaving from Iran can potentially be used as 'superior' cues of country of material or ingredients for a luxury brand. That is, a 'Made in Tibet' Gucci pashmina may potentially accentuate the quality and image of the luxury product than a 'Made in Italy' Gucci pashmina. Anholt (2003) emphasizes the potentially pivotal role to be played by high quality branded exports in improving the overall country's image perceptions. Most critically is the case of developing nations that are yet to acquire positive reputations on the global economic stage. The key notion here is the superiority of the country of origin of the 'ingredient' obtained to produce/manufacture the product. However, no empirical research have been done to study the effects of this new construct, and how it may influence the image of the brand, the quality of the product, emotional factors, and willingness to buy and recommend.

### **1.3 Research Objectives**

1. To develop a theoretical framework that holds relevant theoretical bases or individual theories to rationalise or explain the key constructs and their relationships. (Gap 1 and 3)
2. To conceptualize the concept of ‘country-of-ingredient-authenticity’, COIA. (Gap 1 and 3)
3. To develop and validate a scale for Consumer Needs for Ingredient Authenticity (CNIA) to test consumers’ ingredient-authentic-seeking tendencies. (Gap 2 and 3)
4. To empirically determine whether different COO cues (i.e. CNIA) would influence product and brand evaluations (product judgements, attitude towards brand, and brand attachment) and willingness to buy and recommend luxury brands and test for its relationships (if any). (Gap 4)
5. To establish whether consumers perceive luxury brands, outsourcing their manufacturing capabilities and/or acquisition of materials differently from 2 luxury brands. Within this, it examines the relationships (if any) between explored reactions (see objective 3) in a multi-cue setting. (Gap 4)
6. To test the moderating effects of consumer fashion knowledge and status-seeking consumption towards ingredient authenticity. (Gap 2 and 3, RQ1 and RQ2)

#### **1.3.1 Research Questions**

Research questions were formulated in this study to explore and compare consumers’ personality traits when buying ingredient-authentic luxury branded products. The study aims to compare consumers with high versus low levels of status-seeking consumption and subjective consumer fashion knowledge and their need for ingredient authenticity in luxury brands. Two research questions were created to study the effect:

- (1) Will status-seeking consumers be more likely to seek luxury brand names as signal for status rather than the needs for ingredient authenticity?*

- (2) *Will consumers who are more knowledgeable in terms of the fashion industry and luxury brands be more likely to be influenced by consumer needs for ingredient authenticity?*

#### **1.4 Delimitations and Scope**

This study will develop and further validate the concept of country-of-ingredient-authenticity and consumers' product and brand evaluations in conjunction with its effect on the willingness to buy and recommend luxury branded products. No information will exist as to whether the respondents did actually purchase the products, and this is not within the scope of the study. Respondents are sampled in the Australian market. In addition, gender and ethnicity did not limit the scope of this study. Respondents will be subjected to one single advertisement containing Prada (Made in), Prada (Made in Italy) or Touchè (Made in) stimulus. The 'made in' stimulus will include the 'country-of-ingredient-authenticity' of the product (i.e. Peru, India, Scotland, Japan). The product categories included in the stimuli are denim jeans for Japan, dress for India, wool sweater for Peru, and kilt tartans for Scotland. Finally, the type of product brand will be luxury brands such as Prada and Touchè, a fictitious luxury brand. During the scale development stage (Chapter 5), there will be a variation in the sample to establish the generalizability of the studies. This process limits the findings to luxury brands and product categories of similar levels of involvement. However, future research can further explore the findings of the study under different conditions.

#### **1.5 Key Constructs and Definitions**

Presented below are the key constructs and definitions used throughout this study.

**Authenticity of Raw Materials** (ingredients, resources, supplies or components) -This refers to the materials or substances used in the primary production or manufacturing of goods (products). Raw materials are often referred to as commodities, which are bought and sold on commodities exchanges around the world. Raw materials are so important to the production process that the success of a country's economy can be determined by the amount of natural resources the country has within its own borders. A country that has abundant natural resources does not need to import many raw materials, and has the opportunity of exporting the materials to other countries (Investopedia, 2014).

**Authenticity of Artisan Skills** - This refers to the techniques, skills or expertise that an individual/specialized business has mastered or perfected to create a unique and authentic product. Historically, the term 'artisan' was given to skilled craftspeople. Today, the term artisan refers to unique goods produced by hand. Typically, these goods are produced in small batches, in contrast to mass-produced mainstream brands. While mass-produced goods are standardized, artisans are believed to impart individual qualities to each product or batch because these outputs are subjected to the differences that come with handcrafted production (Beverland, 2009, pg. 66).

**Sustainability and Ethical Considerations** – 'Sustainability' has several definitions, with the three most common being an activity that can be continued indefinitely without causing harm; doing unto others as you would have them do unto you; and meeting a current generation's need without compromising those of future generations (Fletcher, 2008; Partridge, 2011; Report of the World Commission on Environment and Development, 1987). Sustainability involves complex and changing environmental dynamics that affect human livelihoods and well-being with intersecting ecological, economic, and socio-political dimensions, both globally and locally (Joy *et al.*, 2012).

**Product Judgment** - Quality perception is treated as a multi-dimensional concept including appearance, colour and design, durability, fashion, functionality, prestige, reliability, technical advancement, value for money, and workmanship (Darling and Arnold, 1988; Darling and Wood, 1990; Klein *et al.*, 1998). According to Aaker (1991), perceived quality highlights a point of differentiation and can induce purchase.

**Attitude Towards Brand** - According to Keller (1993), brand attitude refers to consumers' complete assessments of a brand and is a function of the prominent attributes and benefits associated with the brand.

**Brand Attachment** - Brand attachment is defined as the strength of the relationship between the brand and consumer self (Park, MacInnis, Priester, Eisingerich and Iacobucci, 2010). Brand attachment is considered as an important factor in consumer-brand relationship (Park *et al.*, 2010) by fostering favourable behaviours such as positive brand attitudes and brand loyalty towards consumers (Thomson, MacInnis and Park, 2005).

**Willingness to Buy** - The willingness of consumers to pay for products or services reflects their purchasing intentions. Consumer willingness to buy is one of the strongest indicators of brand loyalty, and may be the most reasonable summary measure of overall brand equity (Aaker, 1991; Netemeyer et al., 2004).

**Willingness to Recommend (WTR)**– Willingness to recommend can be seen as an increased likelihood of an “informal communication between private parties concerning evaluations of goods and services” (Anderson, 1998, pg. 6). When a customer is satisfied with a product, he or she would be more likely to recommend it to peers, relatives and colleagues.

**Status-Seeking Consumption** - Donnenwerth and Foal (1974, p. 786) defined status as “an expression of evaluative judgement that conveys high or low prestige, regard or esteem”. Status is a form of power that consists of respect, consideration, and envy from others, and they represents the goals of a culture (Eastman et al., 1999).

**Consumer Fashion Knowledge** - It has been generally accepted that subjective knowledge, or what the consumer thinks he or she knows, has a more direct influence on consumer behaviour than actual consumer knowledge content (Brucks, 1985; Raju et al., 1995). Perceived product category knowledge is related directly to fashion research because it is an outcome of involvement with fashion, opinion leadership for fashion, and fashion innovativeness (Bloch, 1986). It is denoted that consumers who have a strong involvement with fashion are more likely to read fashion magazines, attend fashion shows, and spend more time shopping for apparel (Goldsmith et al., 1996).

## **1.6 Key Theories**

### **1.6.1 Overarching Theories**

In order to develop the hypotheses for this current research study, several key and relevant theoretical and conceptual underpinnings have been introduced to this study. While the significance of these theories will be discussed in detailed in later chapters, there are briefly explained below:

**Categorization Theory** - Categorization theory is used as the first theoretical basis for this study as it has been applied to similar studies in the context of product branding (Samiee et al., 2005). Categorization theory refers to the process of determining what things ‘belong

together' (Zentall et al., 2002). Categorization theory suggests that if information is new, it is likely to be linked with existing knowledge (Cohen & Basu, 1997).

**Confirmation Bias Theory** - Confirmation bias denotes the seeking or interpreting of evidence in ways that are partial to existing beliefs, expectations or a hypothesis in mind (Nickerson, 1998). Confirmation bias theory also explains that decision makers actively seek out and assign more weight to evidence that confirms their hypothesis and ignore or underweigh evidence that could disconfirm their hypotheses (e.g. Nickerson, 1998).

**Brand Strength Hypothesis** - The brand strength hypothesis is a common theoretical way to explain why significant brand-by-country-of-origin interaction effects exist (Perrouy et al., 2006). According to this hypothesis, products carrying a weak brand name will have a stronger country of origin effect as compared to those with strong brand names.

### **1.6.2 Supporting Theories**

**Associative Network Theory** - Anderson (1993) suggests that the associative network memory model postulates a good foundation for explaining the relationships between country-of-origin and consumer-based brand equity. Country of origin is known to induce associations in the minds of consumers (Aaker, 1991; Keller, 1993).

**Theory of Cognitive Consistency** - The theory of cognitive consistency suggests that consistency among an individual's beliefs about an object is desirable and associated with positive affect (Heider, 1946; Osgood and Tannenbaum, 1955). Applied to consumers' product quality judgments, this theory postulates consumers perceive products favourably when the brand and country of manufacture are in congruence.

**Theories of Attitude** - Fishbein (1967, 1980) proposed that this theory is based on the assumption that individuals are usually quite rational and make systematic use of the information available to them. According to this theory, attitude is determined by the perceived consequences people associate with behaviour (i.e.: willingness to buy and willingness to recommend) and their evaluations of those consequences (Min Han, 1994). The theory offers some understanding on how the relations among one's beliefs about an object affect the overall evaluation of that object.

**Self-Expansion Theory** - Aron et al. (2005) posits that the self-expansion theory explains that individuals possess an innate drive for self-expansion, or a desire to incorporate others (brands) into their conception of “self”. The more an entity (brand) is included in the “self”, the closer is the bond that connects them (Mittal, 2006).

## **1.7 Significance of the Study**

### **1.7.1 Conceptual Significance**

Essentially, the study reflected that consumers’ need for ingredient authenticity in luxury brands can be attributed to their interpretation of the country-of-origin information/cues (i.e. country-of-brand or country-of-ingredient-authenticity cues) when evaluating luxury product brands. This validated the existence and importance of COIA cues in consumer preference.

- This study also looked into the behaviour of status-seeking consumers and consumer fashion knowledge. Such implications signal that markets can be potentially segmented on the basis of the two types of consumer.
- Consumers’ need for ingredient authenticity does influence product and brand evaluations, and willingness to buy and recommend according to the specific studies. The influence can be both direct and indirect.
- Several theoretical underpinnings were also used to justify the theoretical relationships between the key constructs (Zentall et al., 2002; Samiee et al., 2005; Cohen and Basu, 1997; Nickerson, 1998; Perrouty et al., 2006).

### **1.7.2 Methodological Significance**

The most significant methodological contribution is the development and validation of a three dimensional scale to measure consumers’ need for ingredient authenticity.

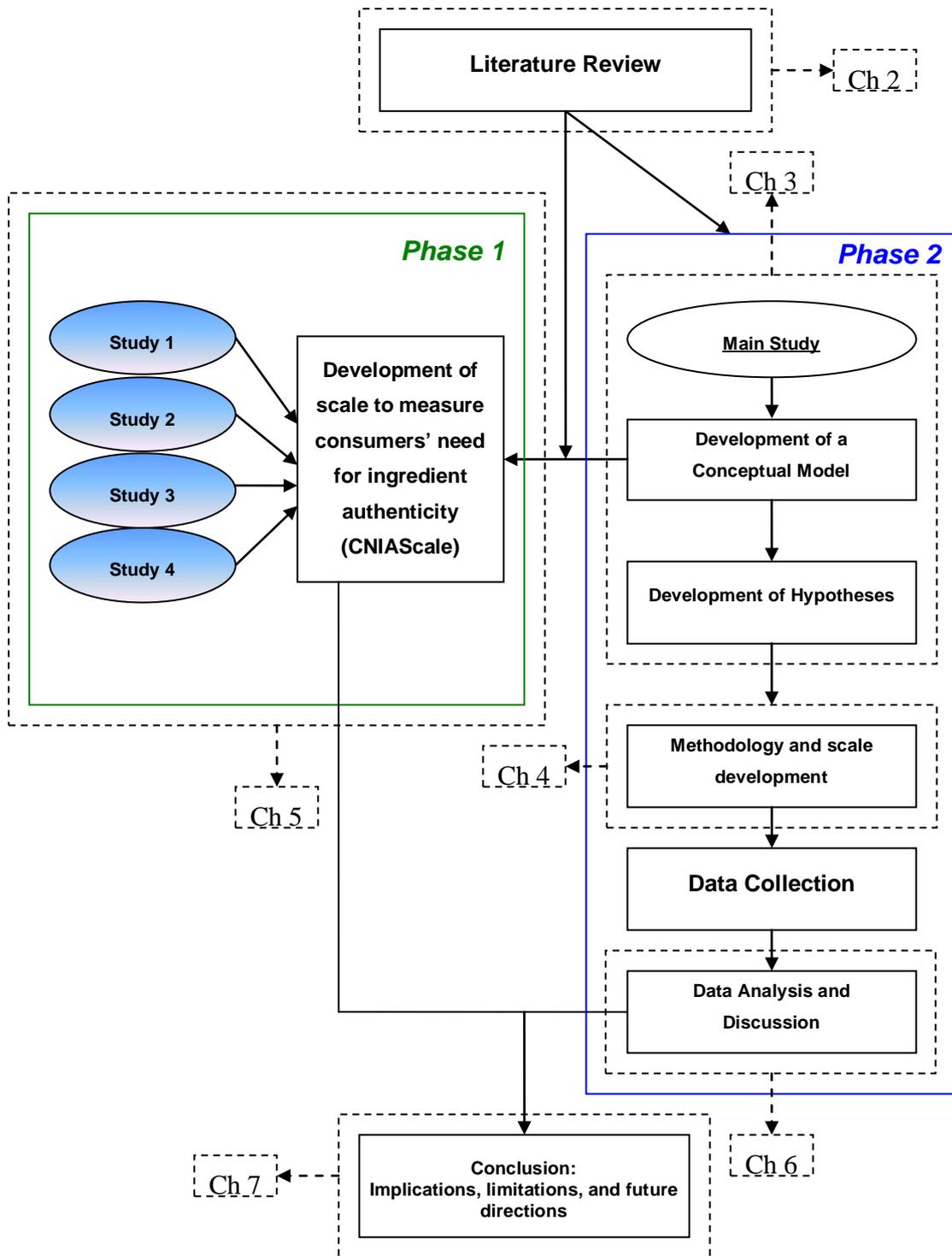
- The studies and instruments used to develop and validate the scale include a sound methodology developed predominantly based on previous methods (Churchill and DeVellis, 2012). The present research is also based on a modelling concept that identifies a multi country-of-origin cues research design that involves product and brand evaluation constructs with regards to willingness to buy and recommend luxury brands. Furthermore, the study has utilized a more in-depth measure of analyses such as structural equation modelling techniques in AMOS.

### **1.7.3 Managerial Significance**

The practical/managerial significance is clear as the findings of the study may prove to be insightful for luxury brands.

- The country-of-ingredient-authenticity as manufacturing location for luxury brands, and the acceptance of the ‘Made in’ campaign.
- Marketing to the ‘status’ and ‘fashion knowledgeable’ consumer.
- Introduction of country-of-ingredient-authenticity in luxury labelling laws have been discussed as sound and valuable implications for luxury branding marketers and policymakers. The strategies suggested can provide luxury brand marketers who are planning to enter new markets to make appropriate and sound decisions towards the importance and acceptance of the ‘made in’ campaign.
- This study also delineates what aspects of ingredient authenticity each of the tested countries should highlight in order to increase product and brand evaluations, as well as willingness to buy and recommend their luxury brand.

Figure 3: Schematic overview of the research process



## **1.9 Concluding Comments**

This work will present an alternative perspective on the concept of ‘authenticity’ by conceptualizing ‘ingredient authenticity’ into marketing. As seen in Figure 3, the dissertation is structured as follows; Chapter 2 will discuss the relevant literature exploring ingredient authenticity in the luxury brand industry. Chapter 3 will present the theoretical framework and development of the hypotheses for this study. Chapter 4 will highlight the methodology used in this study. Chapter 5 will develop and validate the scale used to test for consumers’ need for ingredient authenticity. Chapter 6 will include 12 studies denoting in-depth results from the data analysis, discussions, and findings. Finally, Chapter 7 will conclude with the implications of this research, the limitations, and the suggestions for the future directions of this research.

## Chapter 2

### RELEVANT LITERATURE

#### 2.1 Introduction

This chapter fundamentally reviews the relevant research areas pertaining to this study. As country of origin is the overarching literature for this study, the chapter opens with an overview discussion of the research in this area. In addition, it reviews past studies as related to the variables that will be tested in this study. Specifically, this review is divided into four sections. Country-of-origin is first reviewed as a broad concept, including definitions before the scope of the review is narrowed to specifically country-of-origin effects on consumer behaviour and/or response. Secondly, country's image is discussed to highlight the direct and indirect effects of the COO relationships. Thirdly, ingredient branding is reviewed as an introduction towards developing the concept of 'ingredient authenticity'. Lastly, the authenticity concept is incorporated in this study to build on the area of 'ingredient authenticity'. Specifically, authenticity on self, products, and luxury brands are discussed in this review. However, this creates a structure and understanding for this study. The chapter also explores several branding strategies, namely; ingredient branding and corporate social responsibility that can affect consumer's preference for ingredient authentic products. Various product and brand evaluations such as product judgement, attitudes towards brand, and brand attachment are discussed, as well as the willingness to buy and recommend the luxury brands. Social and psychographic variables such as status-seeking consumption and consumer fashion knowledge explored the possible motivations behind consumers seeking ingredient-authenticity. The trend of ingredient-authenticity is emerging as brands are seeking means of product differentiation in a time of massive consumerism. The notion of ingredient authenticity also suggests that brands are outsourcing certain aspects of the manufacturing process to find the best quality 'ingredient' to develop the end product. This study fringes on the luxury branding industry; and hence, ingredient authenticity is highly relevant. Finally, in the conclusion of the chapter, the gaps relating directly to the purpose of this study was reviewed and summarized.

## **2.2 Country-of-Origin (COO)**

### **2.2.1 Definition and Progression of Country-of-origin**

With the increase in economic globalization and development, there is an influx in the trade of foreign products and services across borders (Dinnie, 2004). Moreover, country-of-origin acts as an integral basis for evaluating products (Hong and Wyer, 1989). An extensive amount of research has provided empirical evidence of consumer evaluations of product quality according to national origin (Jaffe & Nebenzahl, 2001; Pharr, 2005).

Schooler (1965)'s pioneer work on the subject matter concluded that the country of origin of a product can have an effect on a consumer's opinion of the product. Since then, the notion of country of origin has resulted in a plethora of country effects being tested. Dinnie (2004) reviewed a timeline for the progression of country of origin and have deduced three periods of advancement.

The first period covers from 1965 – 1982 beginning with Schooler (1965) and ending with the work of Bilkey and Nes (1982). In this time, country-of-origin was seen as simple single-cue studies where country of origin is the only product cue to be manipulated. The second period, 1983 – 1992, documented a further increase in the array of country-of-origin studies. Johansson et al. (1985) questioned the findings of earlier studies and noted that country-of-origin effects could have multi-attribute dimensions. Conjoint analysis by Ettenson et al. (1988) supported the Johansson et al.'s (1985) notion that product cues such as price and quality may have a stronger effect on consumer product evaluations than country-of-origin information.

The third period spanning from 1993 – present is denoted by a multiplicity of different streams of research; many of which seek to reconceptualise country-of-origin in terms of brand origin (Thakor and Kohli, 1996), product-country image (Papadopoulos and Heslop, 1993), contextualized product-place image (Askergaard and Ger, 1998), COO effects in services context (Harrison-Walker, 1995; Javalgi, Cutler and Winans, 2001; Laing, Lewis, Foxall and Hogg, 2002), country of assemble and country of design (Chao, 1993), country-of-manufacture (Ahmed and D'Astous, 1996; Lee and Ganesh, 1999; Insch, 2003), country 'made in' cue (Amine, Arnold and Chao, 2005), country-of-origin affect (Maheswaran and Chen, 2006), country-related product associations (Swaminathan, Page and Gürhan-Canli,

2007), country-of-origin national stereotypes (Chattalas, Kramer and Takada, 2008), and origin-bounded brands (Spielmann, 2014).

Research in psychological tendencies such as consumer ethnocentrism and animosity also has strong connotations with country-of-origin. Therefore, both ethnocentrism and animosity are variables associated with the origin of a product (Cheah and Phau, 2008; Jimenez and San Martin, 2010). Chattalas, Kramer and Takada (2008) researched on the impact of national stereotypes on the country-of-origin effects. The adaptation of authenticity into country-of-origin context has snowballed in recent times with studies from Grayson and Martinec (2004), Beverland and Farrelly (2010), and Newman and Dhar (2014).

### 2.2.2 Country-of-Origin Brief Review

Next, Table 2-1 provides a brief summary of past research and the findings outlined in this section. Given the vast amount of country-of-origin related literature available, this is not meant to be a comprehensive review, but rather an overview that provides the background for the subsequent development of the conceptual framework and research propositions.

**Table2-1: Country-of-origin Effect Conceptualizations**

<b>Reference</b>	<b>Findings</b>
Schooler (1965) and Nagashima (1970)	COO effects on consumer product evaluations (single-cue construct).
Narayana (1981)	Consumer profiling based on different semantic responses to products made in US and Japan, utilizing 20 attitudinal variables.
Schooler (1971), Narayana (1981), Papadopoulos and Heslop (1993), and Gürhan-Canli and Maheswaran (2000a, 2000b)	COO effect on product evaluations varies across countries and cultures.
Bilkey and Nes (1982)	Noted that COO is an extrinsic cue that is used by consumers to evaluate foreign products.
Johansson et al. (1985), Wall et al. (1991), Cordell (1991), and Agrawal and Kamakura (1999)	Multi informational cues that effect COO (brand, price etc)
Johansson, Douglas and Nonaka (1985)	Examined impact of COO on product evaluation by means of simultaneous equations.
Parameswaran and Yaprak (1987)	Developed an approach to ensure reliability and validity of COO measurements in cross cultural studies. Study found that the same

	scales may have different reliabilities in different countries and when used by the same individual in evaluating foreign products.
Ettenson, Wagner and Gaeth (1988)	COO effects on 'Made in USA' campaign were examined.
Hooley, Shipley and Krieger (1988)	Qualitative and quantitative approach used together to examine COO effects.
Han (1989)	COO operates on the basis of 'halo' or 'summary' construct, depending on information and familiarity. (consumer knowledge effects)
Han and Terpstra (1988) and Tse and Gorn (1993)	When concurrently presented, country-of-manufacture cue has a more significant effect on evaluations than the country-of-brand cue.
Liefield and Wall (1991)	COO effects has greater importance to consumers than price or brand when assessing and comparing the quality of products from certain developed countries
Roth and Romeo (1992)	COO effects on evaluation vary by product type (product type effects). Purchase intention of a foreign product will increase when country's image has relevance to product category.
Papadopoulos and Heslop (1993)	Product-country image was developed. (PCI)
Chao (1993)	Country of Assembly (COA) and Country of Design (COD) dimensions of COO were suggested.
Samiee (1994)	Study investigated standardization of marketing and corporate communications with regards to COO stereotyping effects.
Maheswaran (1994)	COO effect on national stereotype towards consumer expertise and attribute strength on product evaluations
Ahmed and D'Astous (1996)	Examines COA and COD effects on foreign products.
Thakor and Kohli (1996) and LeClerc et al. (1989)	Products with French association are perceived to be more hedonic than products that lack this association.
Askegaard and Ger (1998)	Extending Papadopoulos and Heslop (1993) product-country image to contextualized-product-place-image (CPPI). Incorporated semiotic theory on the research of COO.
Phau and Prendergast (1998a, 1998b)	Looks into product ethnicity and effects on COO.
Amonini, Keogh and Sweeney (1998)	Studies effects of country macro and micro image on Australian consumers.
Gürhan-Canli and Maheswaran (2000a, 2000b)	Higher consumer involvement reduces COO effects.
Phau and Prendergast (2000)	Country-of-origin of brand (COB) as a product evaluation tool in luxury branding context. Study posited that COO effects have shifted from 'product level' to 'brand level' for most organizations.
Piron (2000)	COO effect as it is explored with respect to consumers' purchasing intentions of inconspicuous products.
De Wet, De Wet and Pothas (2001)	Studied effects of COO on South African consumers. Study found that South African consumers view Europeans and Americans as

	image and brand conscious and associate brands from those origins to be of similar quality and standard.
Javalgi, Cutler and Winans (2001)	COO effects on services marketing. (intangible products)
O’Cass and Lim (2002)	COO effects on Singaporean consumers on western versus eastern brands.
Kaynak and Kara (2002)	Study on product-country image and ethnocentrism on consumers’ perception of foreign products.
Hui and Zhou (2003); Insch (2003) and Thakor and Lavack (2003)	Country-of-manufacture effects on products and perception of quality. Study found that country-of-manufacture exhibited smaller effect as compared to country-of-brand.
Mort and Duncan (2003)	‘Owned by’ cue established
Cheng and Zhen (2004)	Study on consumer ethnocentrism and willingness to buy domestic products in developing country setting (China).
Srinivasan, Jain and Sikand (2004)	Tested two dimensions of COO (COM and COB) using extrinsic and intrinsic cues.
Amine, Arnold and Chao (2005)	Study explored COO effects on consumer animosity and price cues. Study found that brand association with country implies higher quality if the country has a reputation of producing the best within its product class.
Jo (2005)	Examined the variation of COO effects on product quality evaluations.
Pappu, Quester and Cooksey (2006)	Studied consumer-based brand equity and COO relationships.
Phau and Suntornnond (2006)	Study looks into how different dimensions of consumer knowledge may affect XOO cues in Australian sample.
Phau and Yip (2008)	Study provides insight on consumer attitudes towards domestic and foreign luxury brand apparel.
Chattalas, Kramer and Takada (2008)	Study looks into the impact of national stereotypes on COO effects on consumers’ perceptions.
Garma, Polonsky and Wong (2008)	Study looks into the impact of consumer ethnocentrism and COO cues on high involvement products among young Chinese consumers.
Chung, Pysarchik and Hwang (2009)	Study looks on the effects of COM and brand image interaction among Korean consumers and their purchase intentions.
Jimenez and San Martin (2010)	Study delves into the role of COO, consumer ethnocentrism, and animosity in promoting trust.
Hamzaoui-Essoussi (2010)	Studied COO effects and technological complexity on binational products in an emerging market.
Usunier (2011)	Noted that the shift of COO has moved from COO to COM and now to COB.
Diamantopoulos et al. (2011) and Hamzaoui-Essoussi et al. (2011)	Studied on the effects of COO and brand image as drivers of purchase intention.
Koschate-Fischer et al. (2012)	Study depicts that consumers are more willing to pay more for products originating from a country with favourable image.
Cheah and Phau (2012)	Study looks into the role of consumer knowledge towards effects of COO in Australian wines.
Sivaramakrishnan and	Studied effects of country’s disposition and ethnocentric bias in

Carvalho (2012)	perception of host and ingredient brands in aircrafts. Study shows that host brand from a home country with favourable image (Canada) is unaffected by an ingredient brand from a country with an unfavourable image (Brazil).
Uddin, Parvin and Rahman (2013)	Factors influence COB and COM in Bangladeshi consumers were examined.
Spielmann (2014)	Origin-bounded brands (OBBs) were highlighted. Study posits that OBBs are created when manufacture, production, assembly, and design all occur in the same place.
Newman and Dhar (2014)	Merged COO literature with effects of authenticity and contagion.
Saxena-Arora et al. (2015)	Studied effects of COO and COM on diffusion brand and luxury brands.
Zhukov et al. (2015)	COO implications on product crisis management.

### **2.2.3 Effects of Country-of-origin as a Quality Indicator**

Country-of-origin (COO) is used as a quality indicator, and there seems to be a positive correlation between product evaluations and the level of the economic development of a country (Bilkey & Nes, 1982; Han, 1989; Han and Terpstra, 1988; Baughn and Yaprak, 1993). Consequently, for many consumers, a product's country-of-origin can be an important cue in evaluating domestic as well as foreign products (Hamzaoui-Essoussi, 2010). Literature on country-of-origin commonly uses the stereotyping process to explain how consumers react to COO information (Maheswaran, 1994; Harrison-Walker, 1995; Chattalas, Kramer and Takada, 2008). These stereotypes can be positive or negative, and can influence the evaluation of products from different countries.

Consumers can also rely on their perceptions of product quality from a specific country, and use them to evaluate other products from the same country (Hong and Wyer, 1989). Roth and Romeo (1992) posited that the close association between country-of-origin and consumers' perception of product quality is due to the consumers' knowledge of the particular country, and the level of the country's economic development in certain cases. Brouthers (2000) found that not all organizations within the same industry from the same country-of-origin are perceived equally by consumers as producing quality products. However, these organizations still have to aggressively strive to earn consumer's trust and confidence. Hence in this study, a luxury fashion brand and fictitious brand will be used to test for brand and country-of-origin effects.

#### **2.2.4 Effects of Country-of-origin on Developed vs Less Developed Countries**

Liefield and Wall (1991) found that information on country-of-origin was of greater importance to consumers than price or brand when assessing and comparing the quality of products from certain developed countries. Uddin, Parvin and Rahman (2013) stated that consumers from less developed countries, such as Bangladesh, rated high involvement consumer durable products from developed countries to be of better quality compared to products from emerging economies. It is not unusual to know that there are certain less developed countries that possess a history of producing high quality, world renowned products. For example, Afghanistan is seen as a less developed country, but their rugs are considered to be the best quality in the world (Phau and Suntornmond, 2006).

#### **2.2.5 Effects of Country-of-origin on Domestic and Global Brands**

Ahmed and D'Astous (1996) argued that as globalization continues, country-of-origin would have less influence on consumer's perception than brand and price. Baker and Ballington (2002) also proved that powerful domestic and global brands would diminish effect of country-of-origin on consumer perceptions of product quality. Darling and Wood (1990) mitigated country-of-origin as a significant variable in consumers' perception of quality, by compiling ten years of research on Finnish consumers that revealed growing confidence in Japanese products and declining confidence in American-made products, specifically on consumer electronics (Baker and Ballington, 2002).

Many consumers preferred products from developed countries, such as Europe and the United States, as they believed that products from Europe and the United States are of higher quality (Kalicharan, 2014). De Wet, De Wet and Pothas (2001) highlighted that consumers in South Africa perceived that Americans and Europeans are very concerned with beauty and image, and therefore, apparel and other wearable goods would be manufactured to meet the standard requirement of these consumers. Also, products from industrialized nations were favoured based on the belief that these countries have a long history in manufacturing; hence they have to constantly improve their quality to be competitive (Garma, Polonsky and Wong, 2008).

### **2.2.6 Country-of-Manufacture (COM)**

According to Tse and Gorn (1993), products produced in one country and branded in another country is a common phenomenon of economic globalization. As a result of such activities, country-of-manufacture and country-of-brand plays an integral role in consumer product evaluations of quality and decision making (Maheswaran, 1994; Thakor and Kohli, 1996; Thakor and Lavack, 2003). Therefore, researchers have argued the dominance of one over the other. Han and Terpstra (1988) and Tse and Gorn (1993) reported that country-of-manufacture has a larger effect on product evaluations than country-of-brand. Hui and Zhou (2003) and Srinivasan et al. (2004) found that country-of-brand has a greater effect on product evaluations than COM. Usunier (2011) endorsed the importance of country of origin information by consumers, and noted the shift extending from country-of origin and country of manufacture to country of brand. For instance, the country-of-brand of 'Apple' is very well known around the world, but is produced and/or assembled in China.

Cordell (1991) and Liefeld and Well (1991) stated that products manufactured in less developed countries lack the quality of materials, design, and workmanship found in products from developed countries. On that note, brands considering or planning to move their manufacturing facilities overseas to capitalize on low labour costs as a means of increasing their profit margins should be wary. Therefore, consumers' perception of quality based on country-of-origin is an important consideration when choosing an offshore location (Thakor and Katsanis, 1997).

Schweiger, Otter and Strebinger (1997) also noted that throughout their studies, even the strongest brand names severely suffer from a relocation of production to a low-image country. The most negative impact of a relocation of production occurs when a brand name is tightly connected to a specific country-of-origin. Studies by Häubl (1995a, 1995b) and Schweiger and Häubl (1995) noted that the full value of the Mercedes brand could only be derived from its connection with the country-of-origin, Germany, which is famous for high quality automotive production. Hence, this notion can be extended to luxury brands as well where most of the brands are sacrosanct to a specific location (e.g. Louis Vuitton with Paris, Burberry with United Kingdom, Prada with Italy).

### **2.2.7 Country-of-Manufacture of Luxury Brands**

With reference to luxury brands, the combined effects of country-of-origin and country-of-manufacture are very significant (Chung, Pysarchik and Hwang, 2009). Luxury brands are always under pressure to achieve congruency between COO and COM. COO-COM incongruence may affect consumers' perceptions and the overall evaluations of the brand. When Burberry made the headlines of outsourcing some of its production to China, there was uproar amongst its consumers (Cadwalladr, 2012). Koschate-Fischer, Diamantopoulos and Oldenkotte (2012) posited that consumers are more willing to pay for products from a favourable country image than a less favourable country image.

In order to lower production costs, many luxury brands from developed countries are outsourcing manufacturing to developing countries. This is defined as 'incongruence' when COO and COM are different. On the other hand, when COO and COM are 'congruent', effects on pricing and price premiums are paramount in impacting consumers' purchase intentions (Saxena-Arora et al., 2015). Consumers are sensitive to issues of where the luxury brand is designed and manufactured because these brands signify quality, status, and prestige.

Made-in labels are gaining importance as there have been reported problems with certain products made overseas (e.g. China tainted milk scandal and Bangladeshi garment manufacturing building collapse). Many companies are revealing both country-of-origin and country-of-manufacture. Apple is famous for its 'Designed by Apple in California, Assembled in China' tag. Thus, this approach of revealing country-of-manufacture has not latched on in the luxury branding industry. Luxury brands are often downplaying their country-of-manufacture and are emphasizing on the country-of-branding.

### **2.2.8 Country-of-Branding (COB)**

Johansson et al. (1985) definition of COO refers to the country where the corporate headquarter of the company marketing the product or brand is located. Country of brand of the product is reflected in the country-of-origin (Phau and Prendergast, 2000). Brand association with country implies that the brand is of higher quality because the country has a reputation of producing the best within its product class (Amine, Chao and Arnold, 2005). Phau and Prendergast (2000) noted that country of brand in consumer choice behaviour may provide valuable information about the various positive brand attributes that consumers develops over time. Capturing Han (1989) halo and summary cue, country of brand can act as

a centre of disseminating positive attributes of the brand over time. According to Aaker (1996), if consumers have confidence in the quality of the brand, the image of the brand is upheld and will be evaluated consistently.

### **2.2.9 Country-of-Branding of Luxury Brands**

Studies by Reiersen (1996) and Saimee (1994) have found that many products and brands signal brand country or cultural origins. For example, luxury brands like Gucci (Italian), Louis Vuitton (French), and Burberry (British) whose brand origins are well known by consumers even though the products may not be made in the home country of the brand. Other brands such as 'Donna Karen New York (DKNY)' and 'Pierre Cardin Paris' explicitly inform the consumers of the cities associated with the brand names. Thus, merely manipulating the different dimensions of the country of origin construct does not eliminate the effect of these cues. The perceived origin of a brand need not be the same with the country shown on the 'made in' label. With the luxury brand association to a specific country-of-origin, there are also certain ethnic products that can benefit from the linkage (Phau and Prendergast, 2000). The brands or products are often communicated using terms such as South sea pearls, French lace, English cotton, and Belgian chocolates. However, being produced in another country cannot eliminate the 'nationalities' of these products (Phau and Prendergast, 2000). The notion of 'convergence of culture' suggested by Levitt (1983) and Sheth (1998) may in fact boost the profile of these products' nationalities. Gürhan-Canli and Maheswaran (2000a, 2000b) also noted that COO effect on evaluations vary across countries and cultures involved.

### **2.2.10 Conceptualizing 'Country-of-Ingredient-Authenticity'**

As previous studies have shown, country of origin is an essential cue for product quality judgment (Bilkey & Nes, 1982; Han, 1989; Han and Terpstra, 1988; Baughn and Yaprak, 1993). Country-of-manufacture has also shown to be of importance in this day and age, with outsourcing happening in countries different from the host country (Maheswaran, 1994; Thakor and Kohli, 1996; Thakor and Lavack, 2003). While country-of-manufacture is essential, the notion of country-of-brand can be accentuated if consumers are familiar and if they associate the country with the brand (Phau and Prendergast, 1998a, 1998b, 2000). However, there is a lack of research specifically looking at the authenticity of country-of-origin of ingredients/raw materials that go into making a product, especially in the luxury branding context (Newman and Dhar, 2014). Hence, country-of-ingredient-authenticity is

born out of the notion of raw materials and/or artisan skills that are superior, authentic, and synonymous to a specific geographic location. In 2011, Prada launched a 'Made in' campaign that proudly labels its garments as 'Made in Japan', 'Made in Peru', 'Made in India', and 'Made in Scotland' (Goldberg, 2011). This move of recognizing the origin of the specific raw materials and/or artisan skills is still underdeveloped. Newman and Dhar (2014) observed whether products from a brand's original factory are preferred to identical products made elsewhere (e.g. Louis Vuitton original factory in Paris vs new location in San Dimas, California). Consumers in that study noted that products (bag and chocolates) from the original factory are more authentic than the identical products from the new factory. Hence, this study aims to investigate whether the authenticity of the ingredients/skills can improve product and brand evaluations of the luxury brand.

## **2.3 Country Image (CI)**

### **2.3.1 Definitions and Effects of Country Image**

Nagashima (1970) conducted a pioneer study on country image, and defined it as 'the picture, the reputation, and the stereotype that businessmen and consumers attach to products of a specific country. This image is created by such variables such as representative products, national characteristics, economic and political background, and history and traditions'. From a marketing standpoint, Roth and Romeo (1992) defined country image as the overall perception that consumers form for products from a particular country, based on their prior perception of the country's production and marketing strengths and weaknesses. Bilkey and Nes (1982) and Han (1989) defined country image as consumers' general perceptions of the quality of products made in a given country.

Close examination of country image literature revealed certain overlapping dimensions across the studies. Nagashima (1970, 1977) cited 5 country image dimensions that comprise of price and value, service and engineering, advertising and reputation, design and style, and consumers' profile. Johansson and Nebenzahl (1986) noted that economy and status as dimensions of country image, while Han and Terpstra (1988) highlighted 5 country image dimensions: technical advancements, prestige, workmanship, economy and serviceability. Roth and Romeo (1992) summarised the different country image dimensions into 4 themes: innovation, design, prestige, and workmanship. In addition, Han (1990) identified cultural considerations as another dimension of country image.

### **2.3.2 Product-Country Image**

Papadopoulos and Heslop (1993) proposed the term 'product country image' to account for the multidimensional character of the images of products/brand on one hand and of the multiple places potentially involved in a global production system with increasingly mobile products on the other hand. For instance, the well-known districts of Champagne and Cognac in France have been relatively successful in protecting their specific regional products from becoming generic product names used for products originating outside the region. From the tourist industry, we know how places revert to highly distilled and simplified stereotypes (Belk 1996), which is evident; for instance, in Japanese tourists' desire for omiyage gifts that capture meibutsu, or the essence of the place (Graburn 1987).

Roth and Romeo (1992)'s study on matching product category and country image perceptions cited that a product-country match should occur when important dimensions for a product category are also associated with a country's image. When there is no such association, a mismatch occurs between product category and country image. The results concluded that for product categories like automobiles, consumers are more likely to prefer Japanese or German automobiles, leather shoes from Italy, and crystals from Ireland. It is apparent as each of those countries are experts and well known for producing goods of the relevant product category.

Askegaard and Ger (1998) suggested a more specific term, conceptualized product-place image (CPPI) which takes into consideration the richness and diversity of connotations and stereotypes in analysing the images attached to specific product and places.

### **2.3.3 High versus Low Country Image**

Country-of-origin associations may refer to the economic stage of the country (macro) or products produced in the country (micro) (Pappu et al., 2007). Country macro and micro images affect perceived product quality differently, depending on the product category (Amonini *et al.*, 1998; Pappu et al., 2007). Hamzaoui-Essoussi *et al.* (2011) noted that the COO micro image is relative to a given product category (e.g., Italy and shoes) and reflects beliefs about the relationship between the country and the product category.

It is well documented that France is highly associated with prestige, luxury, and good design, and has a high country image in terms of luxury goods, agriculture, hospitality and much

more. Even though the economy has waned in recent times, France is still highly associated with those product categories. For example, consumers appreciate a perfume that originates from France, and may benefit from positive associations linked to the French perfume industry in general. Thakor and Kohli (1996) recommend that products with French brand names lead to significant differences in product ratings than products with brands in another language. Leclerc et al. (1989) also posit that a French pronunciation accentuates the hedonic characteristics of the product.

An example is that even though Sri Lanka might seem to be a low image country in terms of economic development, it is still respected and sought after for its “world class” tea (Shimp *et al.*, 1993). This is described as a concept called ‘hierarchy of biases’ where a positive relationship is expected between the product evaluations from a country and the economic development of the country (Schooler, 1971). Therefore, the distinction between low country image and high country image is blurred when each country is well known for different products and specialties (e.g. France for luxury, Sri Lanka for tea) regardless of its economic stability.

### **2.3.4 Country Image as a Halo Construct**

This perception denotes that consumers use country image in product evaluation because they often are not capable to perceive the true quality of a country’s products before purchase (Han, 1989). Due to consumers’ inability to detect true quality, they may turn to country image to infer the quality of unknown products (Huber and McCann, 1982). This view parallels the role of price in product evaluation. Studies have depicted that price serves as a proxy for other information, and consumers are more likely to use price in product evaluation when product information is lacking (Jacoby, Olsen and Haddock, 1971), when they are not familiar with a product (Monroe, 1976), and when information about the purchase context is lacking (Belk, 1975). If country image acts as a halo, it will not have substantial effect on product evaluations when consumers are familiar with products from the country (Johansson, Douglas and Nonaka, 1985). Han (1989) suggested that the halo hypothesis followed this structural relationship: country image → beliefs → brand attitude.

### **2.3.5 Country Image as a Summary Construct**

The summary construct view maintains that consumers recode and place individual aspects of information into ‘chunks’ (Simon, 1974). This is beneficial for consumers as information

chunks are easier to store and recall from memory (Simon, 1974). The process of ‘information chunking’ may evolve around brand name. Brand image can contain substantial product information that acts as a summary construct (Jacoby, Olsen and Haddock, 1971). For example, being told that ‘this perfume is Chanel no. 5’, transfers much more meaning to a luxury-seeking consumer than being told ‘this perfume is by Britney Spears’. Thus, country image like brand image, can be perceived as a summary construct. Consumers may extract information about a country’s products because brands with identical country of origin have very similar product attributes (Han, 1989; Swaminathan, Page and Gürhan-Canli, 2007). For instance, the famous fashion brand in Asia, British India, may imply British origins but it is actually a Malaysian brand. The image created by the brand showcasing classic lounge wear with clean cut designs and high quality fabrics may have consumers perceiving the brand as a high quality foreign brand. Hence, a summary construct exists around the brand image as well as the country image of British India and Great Britain. Han (1989) suggested that the halo hypothesis follows this structural relationship: belief → country image → brand attitude.

High and low country image can infer quality and status towards consumers and this often leads to the sequential decision making of the individual resulting in a direct (halo) or indirect (summary construct) effect towards product and brand evaluations of a product originating from a high or low image country.

## **2.4 Ingredient Branding**

### **2.4.1 Ingredient Branding Definition**

The key notion here is the superiority of the country of origin of the ‘ingredient’ obtained to produce the product. Ingredient branding is not new, but it is an innovation in the context of country of origin literature, and can be exploited in the marketing and advertising initiatives. Ingredient branding occurs when key attributes of one brand are incorporated into another brand as ingredients (Desai and Keller, 2002). Michel and Cegarra (2003) further state that, apart from collaboration on physical attributes, ingredient branding can also be a combination of two recognized know-how or expertise to manufacture the co-branded product. Recent research illustrates that ingredient branding offers the potential for successful brand management and increased profits for companies along with product offerings that create added value for the customer (Havenstein, 2004; McCarthy and Norris, 1999). If the customer understands and knows the function, features, and the benefits of a component

(ingredient), he or she will pay more attentions to this offering; and if it creates a unique product offering, it can lead to loyal and profitable customer relationships (Desai and Keller, 2002). This approach surpasses the limitations and dangers of a too narrow and single-sided customer-supplier relationship (Kleinaltenkamp, 2001).

#### **2.4.2 Ingredient Branding Effects**

The basic motivation for implementing ingredient branding is that it enhances the differentiation of the host brand from competition by characterizing the ingredient attribute in the host brand more prominently (e.g. Tide ‘with anti-bacterial properties’ versus the regular Tide) (Desai and Keller, 2002). This will enhance the competitiveness of the host brand. Moreover, ingredient branding could elevate the equity of the host brand by sending a strong message to consumers that the host product offers the combined benefits of two quality brands together. The impact of ingredient branding, however, will depend on the importance of the ingredient itself. Branding which is a more important ingredient (e.g. Tide anti-bacteria versus new packaging) should facilitate the host brand’s differentiation and evaluations to a greater extent (Desai and Keller, 2002).

Ingredient branding modifies an existing attribute in the host category, often to help the host brand improve perceptions of performance on that attribute. Firstly, Desai and Keller (2002) noted that ingredient brand can help the host brand introduce a completely new attribute (from the ingredient category) into the host category that can expand the usage of the host brand and lead to a point of differentiation advantage. Secondly, by combining two brand with complimentary attributes, a composite brand extension has a better attribute profile in the consumers’ minds than either a direct extension of dominant brand or an extension that consists of two highly favourable, but not complementary brands.

#### **2.4.3 Co-branded Ingredient Branding Strategy and Effects**

As co-branding strategies develop, Simonin and Ruth (1998) wrote that ‘research focused on consumer perceptions becomes even more critical for academics and practitioners alike’. Ingredient branding is not a one size fits all. It is not suited for all companies or brands. If implemented successfully, this strategy can be very beneficial to both partner brands (Norris, 1992), and it does pose some risks (Boad, 1999). Host brand managers have to choose the correct partner to be the ingredient brand. Moreover, Simonin and Ruth (1998) noted that alliance between brands have a spillover effects on attitudes towards each partner brand.

Therefore, ingredient branding may alter consumers' evaluations and perceptions of the brands involved.

According to Swaminathan, Reddy and Dommer (2012), behavioural spillover effect is defined as the purchase of either the host or ingredient brand following trial of the co-branded product. Research on the spillover effect of co-branded strategies has been primarily focusing on brand attributes. For example, Park et al. (1996) found that there was a differential spillover effect of the alliance on the partner brands with the dominant partner brand receiving a greater impact than the less dominant partner in a cobranded relationship. Simonin and Ruth (1998) observed that the brand alliance showed greater spillover effects on the unfamiliar brand than on the familiar brand.

#### **2.4.4 Self-Branded Ingredient Branding Strategy**

Desai and Keller (2002) investigated another option – self-branded ingredient branding strategy, in which the host brand brands the ingredient with a new name, logo, symbol, and so forth that is proprietary to the company and the marketing of the host brand; that is, the host brand owns the new self-brand.

A classic example of self-branded ingredient branding could be seen in 1991 when Intel launched the successful co-op program in which they convinced manufacturers to place the "Intel inside" logo unit in their advertising and other marketing material (Whitwell, 2005). The name "Intel Inside" became the first trademark in the electrical component industry. This campaign focused the entire organization around the brand and created a highly effective advertising campaign. The Intel Inside campaign aimed to "educate both the retail sales associates and the consumers about the value of Intel microprocessors, and to explain to them the differences between the microprocessors" - without the technical jargon. Many consumers were uncertain about the quality and reliability of microprocessors, and Intel found a way of taking away the mystery of the product, thereby gaining the confidence of the end consumer that "Intel Inside" represents quality and reliability. Ten years into the campaign, products that did not boast the presence of "Intel inside" are bound to arouse suspicion among consumers. "People will wonder, "Why don't they use Intel chips? Are they using something cheaper, or not as good?" (Whitwell, 2005).

## **2.4.5 Ingredient Branding in Luxury Brands**

An example of the luxury industry embracing this strategy include luxury mobile phone brand Vertu and luxury sports car brand Ferrari, co-branded for a limited edition Vertu Ferrari phones. The partnership has been considered a success for both brands in terms of reaching luxury seeking consumers (King, 2013). Another example would be Bentley Motors luxury cars and Breitling watches. In one advertising campaign, they advertised both products together, although they have two different products. The commonality these brands shared is that of the same image and similar messages. When portrayed together, they help each other strengthen respective brands, while simultaneously staying distinct from each other (Kotler and Pfoertsch, 2010). Rob Langtry, Chief Strategy and Marketing Officer of Australian Wool Innovation (AWI) launched an integrated campaign, 'Merino. No Finer Feeling' in 2010. Mostly aimed at luxury brand apparels, the campaign generated increased consumer demand and consumer confidence (Internationalist Magazine, 2012).

## **2.5 The Authenticity Concept**

### **2.5.1 Definition and Effects of Authenticity**

Authentic products can be defined as those that refer to “an imaginary located in ancient times or in exotism” (Lunardo and Guerinet, 2007). This definition provided by Warnier (1994) encompasses what many others are discussing about authenticity postulates. However, any definition of authenticity must be done with reference to any place, time, or product. Indeed, behind any definition of authenticity lie assumptions about the significance of content, immutability, consistency of reference, provenance, and context (Lunardo and Guerinet, 2007). Authenticity can be defined as being original or staying faithful to an original source. It can mean uncorrupted, but also of clear and known provenance. It demands that sources, forms, style, language, and symbol are all derived from a supposedly homogeneous and unbroken tradition (Rushdie, 1991: 67). Following these considerations, a marketing definition of authenticity given by Camus (2004: 41) is retained as the characteristic of the product which reflects an origin, distinguishes itself because of the need that it fulfills, and it reinforces a part of the identity of the consumer.

McLeod (1999) posits that authenticity in general can be defined as the fact of being original. Past research has proved a correlation between authenticity and tradition. Rushdie (1991) proposed that ‘authenticity demands that sources, forms, style, language, and symbol are all

derived from a supposedly homogenous and unbroken tradition'. Marianna (1997) defines authenticity as 'a declaration of belonging to, identity with, knowledge about, respect for, and responsibility towards the product'. These views posit that authenticity is intrinsic to the object and must prevent any alterations against history, quality, or art (Postrel, 2003). This respect for tradition helps to create an image around the product that differentiates it from mass-market products by appearing to be committed to values far from commercial considerations. In addition to values such as respect for tradition, authenticity has been conceptualized as a form of self-expression. Following this, a product is seen authentic because it is a genuine expression of our own personality – what Postrel (2003) defined, as 'I like this because I am like that'. Hence, authenticity relates to what the image luxury brands wants to project and how that image may be associated to consumers' own drives. The distinction between the authentic and inauthentic tends to be subjective and socially or personally constructed (Grayson and Martinec, 2004; Leigh et al., 2006). It is a behaviour experienced by an individual (Sheldon, Ryan, Rawsthorne and Ilardi, 1997) that is self-authored (Wild, 1965) and self-determined (Deci and Ryan, 1991).

In the case of the alpine skis, countries of origin producing Alpine skis include Austria (Tyrolia), France (Rossignol), Germany (Völkl), and Slovenia (Elan). The French brand, Rossignol, ranked first as the most competent producer of Alpine skis. In second place came Elan and Tyrolia. Hence, the Völkl brand ranked last. It was noted that the brand image of the Austrian Tyrolia brand was not as good as the French Rossignol brand due to its competency in producing Alpine skis.

In general, there is a strong predisposition to evaluate a brand-country combination better, if the combination is correct (Rossignol – France, Tyrolia – Austria). In cases where a brand and a certain product origin are closely linked schematically, the association between this brand and another product origin results in a high schema incongruity, leading to a substantially poorer evaluation of the new brand-country of origin.

Hence, the effects of the authenticity of raw materials and artisan skills can be examined to evaluate consumers' perception of a strong brand, linked to a specific country-of-origin to raw materials/artisan skills which is also equally linked strongly to its country-or-origin. (Towers, Perry and Chen, 2013).

### **2.5.2 Authenticity on Self**

Understanding the outcomes of authenticity for a consumer is important because the search for authenticity is part of a consumer's identity project and is thus goal-driven (Grayson and Martinec, 2004; Arnould and Price, 2000; Belk, Wallendorf and Sherry, 1989; Gergen, 1991; Goffman, 1959; Lifton, 1993; McCracken, 2005; Thompson, 2000). For example, consumers may desire clear connections between perceptual product cues when forced to quickly make a correct decision (Beverland et al., 2008). Or, certain brand cues may be used when consumers attempt to fit in with a wider subcultural community to express their sense of belonging or social affiliations (Beverland, Farrelly, and Quester, 2006; Kates, 2004). Thus, enhancing authenticity cues and choosing or rejecting brands is part of an authenticating act (a self-referential act) of authoritative performance (a collective expression) (Arnould and Price, 2000).

### **2.5.3 Authenticity on Products**

According to Cova and Cova (2001), when authenticity is associated to a product, a four-dimension concept can be applied. The dimensions are history, space, socialization, and naturalization. Additional two dimensions were added to form the "six worlds of authenticity" in a consumption context. These include the archaeological world, the spaciological world, the ritualized world, the natural world, the inspired world, and the technical world (Cova and Cova, 2002). These findings mirror the findings of Beverland (2006) who studied the attributes of authenticity for luxury brands of wine. The author identified six attributes of authenticity: heritage and pedigree, stylistic consistency, quality commitments, relationship to place, method of production, and downplaying commercial motives.

Heritage and pedigree refer to the history of the brand; hence, this attribute is close to the origin suggested by Camus (2003). Quality commitments for brands can also be signified by awards and certification of authenticity. This attribute of authenticity is a major one. In Camus (2003) and Beverland (2006)'s studies, origin and history were attributes of authenticity.

### **2.5.4 Authenticity on Luxury Brands**

Authentic brands are scarce and hence desirable (Holt, 2002; Brown et al., 2003). In today's consumer environment, the need for authenticity can override consumption factors such as

price and product availability (Gundlach and Neville, 2012). Luxury brands can acquire an aura of authenticity through a "...commitment to traditions, a passion for craft and production excellence, and the public disavowal of the role of modern industrial attributes and commercial motivations" (Beverland, 2005, p. 1008). They are perceived by consumers to be made or manufactured by artisans (Beverland, 2006; Fine, 2003) using time honoured traditions (Postrel, 2003), hand-made methods, and/or natural ingredients (Carroll and Swaminathan, 2000). Luxury brands with a sense of history and connection with traditional cultures, customs, regions and beliefs acquire a distinctive identity and nostalgic aura that adds to its authenticity (Napoli et al., 2012; Brown et al., 2003; Chhabra, Healy and Sills, 2003; Penaloza, 2000; Postrel, 2003). Consumers may suspend disbelief (Grayson and Martinec, 2004), negotiate paradox (Rose and Wood, 2005), or creatively recombine cues to gain a sense of authenticity (Beverland et al., 2008; Postrel, 2003). Luxury brands possessing a strong heritage may become equivocal to certain cultural values and symbolic meaning beyond the original identity. This extension aids in fostering a sense of authenticity and legitimacy among its target consumers (Napoli et al., 2012; Kates, 2004).

### **2.5.5 Authenticity and Sustainability in Luxury (Fashion) Brands**

There is much debate in the literature on what constitutes a "luxury brand" (Gorp et al., 2012; Vickers and Renand, 2003; Vigneron and Johnson, 1999; Jackson, 2004; Alleres, 2003). The scope of this study adopts Fionda and Moore's (2009) definition, which postulated that a luxury fashion brand embodies 9 dimensions, namely: an all-encompassing marketing communications strategy, product integrity that signals innovation and creativity, clear and iconic brand signature, premium pricing, exclusivity, brand authentic heritage, environment, experience that mirrors luxury, and lastly, the expertise behind the brand that embodies the culture of the brand. As can be observed, the dimensions of luxury do overlap with dimensions of authenticity. In fact, authenticity is one of the dimensions that make up luxury. This signifies a double emphasis on country-of-origin, provenance, time period, artisan skills, and raw materials used to construct a luxury branded product.

Shakur (2013) also believes there is no reason that luxury fashion cannot become a more sustainable industry especially when there are so many similarities between luxury and sustainability. Shakur (2013) outlined in the table below that sustainability and luxury share similar characteristics and outcome.

**Table 2.4: Dimensions of sustainability versus luxury**

<b>Sustainability</b>	<b>Luxury</b>
<ul style="list-style-type: none"> <li>• Capacity to endure</li> <li>• Reduced impact on planet</li> <li>• Basic quality of life</li> <li>• Stewardship</li> <li>• Long-live ecosystems</li> <li>• Ethical consumerism</li> <li>• Innovations to reduce consumption</li> </ul>	<ul style="list-style-type: none"> <li>• Long-lasting</li> <li>• Superior quality</li> <li>• Exclusivity</li> <li>• Heritage</li> <li>• Craftsmanship</li> <li>• Authenticity</li> <li>• Provenance</li> <li>• Purity</li> <li>• Innovative</li> </ul>

Having the need for the sustainability industry to have products that can last long so as to reduce the impact on the planet and ecosystems does reflect on the role of luxury items being characterized as long-lasting, superior quality, and full of heritage.

In the context of this research, the country-of-origin of the raw materials, artisan skills, and/or labour force has an impact on the branded product. It allows the luxury industry to signal to the consumers that the raw materials and skills to produce the exclusive branded items originate from countries that are well known to produce or acquire the raw materials and skills; for example, Burberry producing a ‘Made in Tibet’ pashmina scarf. A pashmina made in Tibet serves as ingredient branding to Prada as well as the country of origin. The luxury brand industry could also work together with the sustainability industry in ensuring that the raw materials and skills, artisan, and labour do not get abused and exploited. The need for exclusivity, craftsmanship, and superior quality of the luxury industry guarantees that the labour skills acquired are highly trained and considered artisans. Through this, it is highly imperative that luxury brands are accountable for their supply chain management. Hence, luxury brands need creativity beyond the inherited authentic image. Authentic luxury items in the 21<sup>st</sup> century are shifting towards sustainability, along with prestigious aesthetic design and high quality craftsmanship (Sarasin, 2012)

## **2.5.6 Corporate Social Responsibility**

Corporate social responsibility (CSR) is a growing area of concern in an increasingly globalized supply chains (WBCSD, 1999, p.3). With regard to the luxury fashion industry, this can be defined in terms of environmental responsibility, which mainly relates to the textile pipeline with issues of pollution, depletion of natural resources, and social responsibility which is more applicable to the garment manufacturing function and handles issues of wages, working hours, and working conditions.

Manufacturing practices within the luxury industry are evolving with social responsibility emerging as a vital criterion (Brun and Moretto, 2012). In their report on sustainability in the luxury industry, Bendell and Kleanthous (2007) noted that consumers' increasing concerns with environmental and social problems are the greatest cultural shift of the twenty-first century; and hence, scholars conclude that luxury brands should seek to ensure sustainability as part of their authenticity (Patsy and Chen, 2013). Since the early 2000s, luxury brands such as LVMH and Tiffany have begun implementing sustainable practices within their supply chains and are engaging in CSR initiatives. In a study done by Patsy and Chen (2013), a private label brand manufacturing Scottish cashmere for luxury brands, agreed that CSR is a positive factor and supports key brand values of authenticity, heritage, and craftsmanship. In addition, it has adopted an international strategy development through sustainability. Given the increased need for supply chain transparency, there is a need to understand how sustainability is perceived within the luxury industry (Sanderson, 2013; Patsy and Chen, 2013).

## **2.6 Consumers' Need for Ingredient Authenticity (CNIA) Construct**

### **2.6.1 Definition of CNIA**

The researchers had defined it as the trait (seeking/pursuing/consuming) (product/materials/goods/artistry skills) that is deemed to be superior, authentic, and synonymous to a specific location in the pursuit of one's self-image and social standing.

### **2.6.2 Consumers' Need for Ingredient Authenticity Scale (CNIA Scale)**

Being a socially constructed phenomenon, authenticity has been repeatedly explored through in-depth qualitative explorations (Cohen, 1988; Adams, 1996; Littrell et al., 1993; Peterson,

1997; Holt, 1998; Penaloza, 2000; Chhabra, Healy and Sills, 2003; Postrel, 2003; Beverland, 2006; Gundlach and Neville, 2012). The development of a unique scale is needed as current scales such as consumers' need for uniqueness by Tian, Bearden and Hunter (2001), the dream formula to the Rarity Principle (Dubois and Paternault, 1995), the food authenticity measure (Camus, 2004), and consumer-based brand authenticity (Napoli et. al., 2012) do not clearly constitute consumers' needs for ingredient authenticity towards luxury products and/or brands.

In developing the new measurement, the newly formed tendencies can measure consumers' perception and motivation towards authentic ingredients and sustainability and ethical efforts from various country-of-origins. Bloch (1995) proposes that individual differences in the need for uniqueness influence consumers' product selections through its effect on affective and cognitive responses to the exterior design. As an extension, the scale developed can propose the differences between consumers displaying a low need for ingredient authenticity versus a high need for ingredient authenticity. Various psychographic segments can then be profiled for each type of consumer. The theoretical bases are derived from categorization theory (Zentall et al., 2002) and confirmation bias (Nickerson, 1998) theory.

## **2.7 Product and Brand Evaluations of Luxury Brands**

### **2.7.1 Consumer Attitudes towards Product Judgment/Quality of Luxury Brands**

### **2.7.2 Consumer Attitudes for Products from Micro versus Macro Image Countries**

As indicated by Sivaramakrishnan and Carvalho (2012), consumers' perception of foreign and local host brand improve when an ingredient from a favourable country is included. Hence, country image is an important driver in determining the superiority and authenticity of an ingredient. According to Amonini *et al.* (1998) and Pappu et al. (2007), country macro and micro images affect perceived product quality differently, depending on the product category. Typically, products from developing countries can be perceived as inferior (Han, 1988). However, this research is highly criticised on the grounds that only 'made in' cue is exploited to assess consumer intents, whereas in reality, they are typically faced with many more cues. In addition, it was argued that consumers were typically not aware of a product's country of origin (Bilkey and Nes, 1982). Thus, consumer attitudes toward products have a

major influence on purchase behaviour. In addition, consumer attitudes toward products from different countries can be a major factor in determining successful marketing strategies.

Previous studies on the country-of-origin effect, of which most were conducted in the context of developed countries, have found that consumers have a general preference for domestic over foreign merchandise, particularly when they lack information about the product (Bilkey and Nes, 1982; Damanpour, 1993; Elliot and Camoron, 1994; Hong and Kang, 2006). A reason for this preference could be the consumers adopting a risk-reducing bias towards merchandise made in developing countries (Cheng and Zhen, 2004).

### **2.7.3 Product Judgement/Quality of Luxury Brands**

In this literature, quality perception is treated as a multi-dimensional concept including appearance, colour and design, durability, fashion, functionality, prestige, reliability, technical advancement, value for money, and workmanship (Darling and Arnold, 1988; Darling and Wood, 1990; Klein et al., 1998). As a product consists of different physical and symbolic attributes, the country-of-origin is considered as an extrinsic cue often used by consumers in the process of evaluation (Bilkey and Nes, 1982; Cordell, 1992; Elliot and Camoron, 1994). According to Aaker (1991), perceived quality highlights a point of differentiation and can induce purchase.

Authenticity of raw materials and artisan skills from developed and developing countries can be investigated. According to the Human Development Index (HDI) by the United Nations (2014), Scotland and Japan were countries that are classified as having 'very high human development index', whereas Peru has 'high human development index' and India has 'medium human development index'. The HDI measures development by combining indicators of life expectancy, education attainment, and income. Hence, Peru and India can be considered as developing nations. On the other hand, Scotland and Japan were regarded as developed nations.

However, each country has a distinct country image. Peru is known for their alpaca wool. Alpaca is a soft, luxurious fiber and is used to weave fine items such as blankets and scarves. The Alpaca was once considered 'the gold of the Andes' 3000 years ago and is the most colour diverse fiber-producing animal on earth (Threads of Peru, 2014). India is famously known for their magnificent workmanship and produced beautiful and detailed handspun and

woven textiles. The different embroideries of India were appreciated by many visitors, tourists, and travellers. Each Indian embroidery is unique and do not duplicate with others (Naik, 1996). Japan is known for their technological advancements and creativity. An example is a denim jeans producer, Dova, considered as the ‘Rolls Royce of denim makers’ producing selvedge denim on traditional shuttle looms, which weave the fabric in one continuous thread. The jeans themselves can be customised with four varieties of cloth, and seven different washes to choose from; and they all feature a printed history of the garment, from the treatment of the fabric and the type of workmanship to the names of those who created it, and the region of provenance (Thorpe, 2010). Scotland is synonymous to the kilt tartans where the kilts are still being made in workshops that use original weaving and manufacturing techniques (Goldberg, 2011). When luxury brands collaborate with these countries to produce a garment, it is expected that the quality and exclusivity of the product would be superior if the products were to be sourced from the luxury host brand country (Towers, Perry and Chen, 2013).

## **2.8 Attitude towards Brands**

### **2.8.1 Definition and Effects of Attitude**

According to Keller (1993), brand attitude refers to consumers’ complete assessments of a brand and is a function of the prominent attributes and benefits associated with the brand. Several researchers have supplemented the traditional concept of luxury consumption (Wong and Ahuvia, 1998; Vigneron and Johnson, 1999, 2004; Wiedmann et al., 2009). In this modern paradigm, two types of luxury consumption orientation (social and personal) must be considered in the management of luxury brands. Wong and Ahuvia (1998) were the first to show that the personal orientation towards luxury brands was more important for consumers than others. When these consumers choose a luxury brand, there are usually utilitarian, emotional, and symbolic dimensions that underlie their personal orientation. Regardless of the perspective used, previous research in the field of luxury showed the particular importance played by the brand as cues used by consumers in their decision making process (Kapferer, 1997, 1998; Vigneron and Johnson, 1999, 2004; Dubois et al., 2005).

### **2.8.2 Consumer Attitudes towards Luxury Brands**

Dubois and Laurent (1994) explored consumers’ attitudes towards the concept of luxury and have drawn a number of conclusions: (1) two basic reasons underlying the lack of interest in

luxury. The first one is a negative perception of the luxury world. Those who adopt this perspective tend to describe luxury goods as useless, old-fashioned, too expensive, and flashy; (2) second reason is more linked to a perceived lack of fit between individual and luxury; (3) people who like luxury are also people who feel knowledgeable about it, both in terms of expertise and familiarity (Alba and Hutchinson, 1987); and (4) sees luxury as a source of fascination and enlightenment. Thus, luxury products made them dream and contribute their own opinion to a more beautiful life.

Kaynak and Kara (2002) and O’Cass and Lim (2002) have indicated that products from developed countries were perceived as expensive luxury items when the brand name is prominent and well known and are technologically superior. Consumers have positive attitudes toward products from developed countries and the bias on products from developing countries may be compensated by price concessions (Patterson and Tai, 1998). Mohamad et al. (2000) posit that consumers’ positive attitudes towards more expensive designer products appear to be influenced by country-of-origin and brand status rather than price and availability. Having a favourable attitude towards the brand is also a vehicle for creating an emotional bond with the consumer (Phau and Yip, 2008).

## **2.9 Brand Attachment Towards Brands**

### **2.9.1 Definition and Effects of Brand Attachment**

Traditionally, luxury brand suppliers have differentiated their brand identities using high-status brand names (Choo et al., 2012). However, this branding strategy is less effective with today’s luxury customers as customers are placing more emphasis on the emotional value, such as closeness and memorable ownership experience during brand consumption (Brun et al., 2008). Luxury firms are increasingly changing their corporate branding focus from ‘building social status’ to ‘customer emotional attachment’ in an effort to promote lasting loyalty (Cailleux et al., 2009).

Recently, there is a focus on investigating the concept of attachment in order to build stronger relationships between consumers and brands (Mende and Bolton, 2011; Malär, Krohmer, Hoyer and Nyfenegger, 2011). Brand attachment is defined as the strength of the relationship between the brand and the consumer self (Park, MacInnis, Priester, Eisingerich and Iacobucci, 2010). Brand attachment is considered as an important factor in consumer-brand

relationship (Park et al., 2010) by fostering favourable behaviours such as positive brand attitudes and brand loyalty towards consumers (Thomson, MacInnis and Park, 2005). Researchers suggest that both brand attachment and brand attitude are similar in that they are psychological constructs that include assessment of strength, and capture a consumer's share of mind with which they carry out behaviours towards a brand (Park et al., 2010). This indicates that if consumers are attached to a brand, they will portray positive attitudes towards the brand which could lead to long-term brand loyalty.

### **2.9.2 Brand Attachment Towards Luxury Brands**

Consumers who are highly attached to a brand are more motivated to expend resources. Such resources include the allocation of (1) social resources, such as defending the brand to others and abandoning alternatives (Johnson and Rusbult, 1989); (2) financial resources, as evidenced by a willingness to pay a higher price for the brand (Thomson et al., 2005) or the willingness to devote a greater share of expenditures to the brand (rather than to other brands in the same or related product categories); and (3) time resources, as illustrated by involvement in brand communities and brand promotion through social media (Muñiz and O'Guinn, 2001; Schouten and McAlexander, 1995). For instance, in the retailing context, it was predicted that brand loyalty and positive word-of-mouth (WOM) are the outcomes of emotional attachment towards a brand (Vlachos, Theotokis, Pramataris and Vrechopoulos (2010)). Further studies suggest that brand attachment contributes to the success of brand extensions (Fedorikhin et al., 2008). In addition, brand attachment can minimize the effects of negative information or the effects of unethical firm behavior (Schmalz and Orth, 2012).

Godey et al. (2013) noted in the study that for luxury brands, components of decision-making generate a brand attachment higher across all their respondents from Russia, Italy, United States, China, and France. Consumers who are more emotionally bonded to a brand are more likely to make a favourable purchase decision. Previous research has also demonstrated the importance of luxury brands creating a strong and lasting emotional bond with consumers (Lacoeuilhe, 2000).

## **2.10 Outcome Variables**

### **2.10.1 Definition and Effects of Willingness to Buy**

When purchasing products, consumers face many decisions related to the product, its purchase, and intended usage. Consumer researchers have extended considerable effort to better understand how decisions are made (Piron, 2000). The willingness of consumers to pay for products or services reflects their purchasing intentions. Consumer willingness to buy is one of the strongest indicators of brand loyalty and may be the most reasonable summary measure of overall brand equity (Aaker, 1991; Netemeyer et al., 2004). Perceived quality, perceived value cost, and brand uniqueness may be the direct antecedents of a consumer's willingness to buy a premium-priced product (Netemeyer et al., 2004). A consumer's willingness to pay a premium price may be a direct antecedent of brand purchasing behaviour (Li, Li and Kambele, 2012).

Willingness to buy (Purchase intention) has wider implications and will often have a positive impact on individual's actions (Pierre et al., 2005; Schlosser et al., 2006). This has been supported by many researchers who have studied the significance of willingness to buy in the context of brand consumption (e.g. Dubois and Paternault, 1995; Yoo and Lee, 2009). Antecedents of willingness to buy luxury brands have been investigated by Berthon et al. (2009), Tsai (2005), and Vigneron and Johnson (2004). Berthon et al. (2009), Tsai (2005), and Vigneron and Johnson (2004) all referred to the influence of the self and external world on luxury brand consumption.

### **2.10.2 Willingness to Buy Luxury Brands**

In a study on the value associated with luxury brands, Berthon et al. (2009) suggested that it is characterized by three worlds of consumer experience. World one focuses on functional value as perceived by consumers. For consumers operating under this category, quality can be important because it signals what an object does and how well this object can perform (Sweeney and Soutar, 2001; Vigneron and Johnson, 2004). World two focuses on experiential value of consumer's individual thoughts and feelings toward the luxury brand because it is often perceived to be rare, precious, and unique. These can be classified into hedonic and uniqueness-seeking motivations (Kuang-peng Hung et al., 2011). World three emphasizes a luxury brand's symbolic value, which indicates conspicuousness,

expensiveness, and wealth. Within the symbolic dimension, possession of luxury brands could provide a signal to others as well as the user (Belk, 1988; O’Cass, 2004).

Godey et al. (2013) posited that when consumers have a favourable perception about luxury brands, they are more likely to make a purchase decision. Sarasin (2012) also indicated that consumers are willing to pay a significant premium for the trust they have on the brand, rather than for purely the product itself. Morton et al (2004)’s study on perceptions of Champagne among Australian consumers denote that overall country image affects consumers’ purchases, that is, buying Champagne because it is French, and because the French are renowned for good quality wine. In relation to willingness to buy ingredient-authentic products, Leclerc et al. (1994) also suggested that ‘Frenchness’ has been identified as a ‘rich network of associations related to aesthetic sensitivity, refined taste and sensory pleasure, and in some instances – elegance, flair, and sophistication. ‘Frenchness’ was also linked to hedonic product perceptions which are thought to be aligned with the importance of pleasure in French culture (Leclerc et al., 1994). Hence, the Australian consumer expects a level of quality and sensory pleasure when buying champagne as opposed to Australian sparkling wine.

## **2.11 Willingness to Recommend (WTR) Brands**

### **2.11.1 Definition and Effects of Willingness to Recommend**

Willingness to recommend can be seen as an increased likelihood of an “informal communication between private parties concerning evaluations of goods and services” (Anderson, 1998, pg. 6). When a customer is satisfied with a product, he or she would be more likely to recommend it to peers, relatives and colleagues. Literature supports that perceived service quality can act as a marker to predict willingness to recommend (Otani et al., 2005; Tung and Chang, 2009). This is especially important in the absence or lack of information and data regarding a specific product. Recommendations from friends and family become an important source of information before making a purchase decision (Haywood, 1989).

Spreading positive word of mouth (WOM) about brands and products constitutes as a form of willingness to recommend to peers and family (Molinari, Abratt and Dion, 2008). With a great number of product information from a range of sources, consumers have become less

attuned to traditional advertising (Soh, Reid and King, 2009). Accordingly, many organizations have decreased spending on traditional advertising and shifted to word-of-mouth (WOM) as a power marketing tool (Kilby, 2007). WOM can affect trust and other associated outcomes (DeCarlo et al., 2007). Several studies have documented the proven credibility of WOM (Brown et al., 2005; Harrison-Walker, 2001; Maxham and Netmeyer, 2003).

WOM implications apply commonly in the service industry where service encounters and personnel are equipped and trained with a service recovery programme should a negative feedback arise (Maxham and Netemeyer, 2003, Haywood, 1989). The typical characteristics of services; intangibility, inseparability, perishability, and heterogeneity, has led consumers to rely more on the opinion of others before making a purchase decision (Haywood, 1989). The WOM definition has sparked many scholars to measure WOM in terms of its frequency and the number of people who receives it (e.g. Westbrook, 1987; Bowman and Naryandas, 2001; Godes and Mayzlin, 2004; Liu, 2006). However, there is also an increased recognition of the importance of message characteristics including their rational and emotional dimensions (Allsop et al., 2007) and the importance of words, content, body language, and expressiveness in WOM messages (Gremler, 1994; Gabbott and Hogg, 2000).

### **2.11.2 Willingness to Recommend Luxury Brands**

WOM givers often enhance their messages through richness, which is related to a message's depth, intensity, and vividness. This richness component embraces the language used in the message, which may be vivid, evocative, and detailed. According to Mazzarol et al. (2007, pg. 1481), respondents tends to use highly descriptive and evocative terms to describe their own or others' WOM activities. This is consistent with the findings of Herr et al. (1991) and Kiselius and Sternthal (1986) suggesting that vivid information that is inherently interesting, thought-provoking or attention-drawing is more accessible in memory, weighs more heavily in cognitive judgement, and has more impact on judgements. WOM is partly responsible for both the emotional appeal and the reputation of an organization (Sweeney, Soutar and Mazzarol, 2012).

Sundaram et al. (1998) categorized a range of consumption experiences that describe message content according to performance, response to problems, and price-value perceptions, thereby indicating the notion that WOM has a rational dimension. In a service

context, service quality is known for its cognitive or rational aspect (Dabholkar, 1993). Consumers relay detailed product or service-related messages through WOM, and in turn, a receiver develops rational perceptions of product or service attributes, which have key influences on the perceptions of an organisational reputation (Allsop et. al, 2007).

In the context of ingredient authenticity in luxury brands, it is a concept that has just been recently adopted by the industry. Consumers who are emotionally attached to the brand may deliver a rich WOM message about the new products using ingredient authentic elements and the new sustainable effort the luxury brand may be implementing. Consumers who are more rational would evaluate the new ingredient authentic product in terms of quality and consistency with the brand, and this may elicit a cognitive aspect of WOM. Both these approaches have an impact on the reputation of the luxury brand in this new approach of ingredient authenticity.

## **2.12 Background Variables**

### **2.12.1 Definition and Effects of Status-Seeking Consumption**

Status is the position or rank in a society or group awarded to an individual by others (Dawson and Cavell, 1986). Donnemwerth and Foal (1974, p. 786) defined status as “an expression of evaluative judgement that conveys high or low prestige, regard, or esteem”. Status is a form of power that consists of respect, consideration, and envy from others and represents the goals of a culture (Eastman et al., 1999). Status can be consumed either publicly or privately.

Products can exhibit a certain image towards its user (Levy, 1978). Consumers acquire, own, consume, and display certain goods and services to enhance their sense of self, to present an image of what they are like, to represent what they feel and think, and to bring about the types of social relationships they wish to have (Goffman, 1959; Braun and Wicklund, 1989). Some of the meaning of products can be found in the status value the product conveys about the owner. This is why some purchases are referred to as ‘status symbols’ (Eastman et al., 1999).

Thorstein Veblen (1899) first discussed the phenomenon in his Theory of the Leisure Class describing the upper class and its extravagant behaviour as ‘the higher stages of the barbarian

culture'. Conspicuous consumption refers to consumers' desire to provide prominent visible evidence of their ability to afford luxury goods (Piron, 2000). Conspicuous consumption is a fairly universal phenomenon: while possibly more prevalent in developed countries, it has been observed among the growing middle classes of developing countries as well (Jayasankaran, 1998). Yet, it is probably more pervasive in cultures that stimulate materialism.

### **2.12.2 Motivations for Status-Seeking Behaviour**

Motivated by a desire to impress others, conspicuous consumers are willing to pay particularly high prices for prestige products. These conspicuous consumers may be driven by the social or symbolic gratification, rather than the economic or physiological function of the purchase (Mason, 1981). Conspicuous consumption is not restricted to the leisure class, but can be found in all social and income groups from the richest to the poorest. By publicizing their wealth, people who engage in conspicuous consumption thereby achieve greater social status (Bagwell and Bernheim, 1996; Basmann et al., 1988; Mason, 1981). Bourne (1957) investigated the impact of reference groups on product and brand decisions and offered that such decisions are a function of two forms of conspicuousness: (1) exclusiveness and (2) visibility, seen or identified by others or peers. Exclusivity can be high for products categorized as luxuries possessed by few or low, or even nonexistent for products categorized as commonly-owned by the masses. Visibility refers to where a product is usually consumed or used. Hence, products can either be used publicly or privately.

Berger and Ward (2010) also demonstrated that inconspicuous consumption exists among consumers. Inconspicuous consumption is the use of subtle signals that are only observable to people with the requisite knowledge to decode their meaning. Visibility also plays an important role in communicating inconspicuous consumption. Explicit markers (large logos or brand names) signal consumers' conspicuous consumption. Inconspicuous consumption denotes that products portray subtle signals of luxury and consumers' belonging to an in-group. People often aspire to be like particular groups (Englis and Solomon, 1995). Consequently, they may adopt the preferences and tastes of the aspiration groups to construct a desired social identity or to be seen as part of that group (Simmel, 1904/1957).

## **2.13 Consumer Fashion Knowledge**

### **2.13.1 Definition and Effects of Consumer Fashion Knowledge**

It has been generally accepted that subjective knowledge, or what the consumer thinks he or she knows, has a more direct influence on consumer behaviour than actual consumer knowledge content (Brucks, 1985; Raju et al., 1995). Early marketing research done in the economics field posits consumer knowledge as a construct of some importance (Katona and Mueller, 1955; Stigler, 1961). The concept is also included in classic models of consumer behaviour (Howard and Sheth, 1969; Engel et al., 1990).

Perceived product category knowledge is related directly to fashion research because it is an outcome of involvement with fashion, opinion leadership for fashion, and fashion innovativeness (Bloch, 1986). It is denoted that consumers who have a strong involvement with fashion are more likely to read fashion magazines, attend fashion shows, and spend more time shopping for apparel (Goldsmith et al., 1996). Thus they acquire a higher level of perceived knowledge than their less fashion-involved counterparts (Flynn et al., 2000). Knowledge of fashionable clothing and trends may play a major role in consumer reactions to new fashions and how consumers interact regarding new fashions (Midgley and Dowling, 1978).

### **2.13.2 Product Knowledge**

Especially in the context of fashion clothing, product knowledge is viewed as knowledge of brands in the product class, product attribute knowledge, frequency of use, and experience with fashion clothing (Johnson and Russo, 1981, 1984; Raju and Reilly, 1979). Knowledge can come from product experiences, ad exposure, interactions with sales people or media, friends, previous decision-making or previous consumption, and usage experiences held in memory (O’Cass, 2004; Johnson and Russo, 1981, 1984; Park, 1976; Tan and Dolich, 1981).

In a general sense, one would assume that fashion clothing familiarity will result in consumers increased expertise and experience. In this regard, apart from examining central issues, such as memory, one can also look at the impact of constructs such as fashion clothing involvement on the development of fashion knowledge and expertise. Fashion knowledge is developed when consumers combine separate meaning concepts into larger and more abstract categories of fashion clothing knowledge (O’Cass, 2004). When dealing with comparisons of

standards, consumers with prior knowledge and experience may tend to use such standards when making a choice than consumers with no existing knowledge. The inexperience and less knowledgeable consumers may need to spend some time developing the standards. This can be seen in the higher adoption rates of new fashions among highly knowledgeable consumers, considered as fashion innovators/leaders than their lesser knowledgeable counterparts (Goldsmith and Clark, 2008).

A number of researchers suggested that COO is frequently used as a cue when evaluating products that may affect consumers' perceptions about imported products and the product attributes (Chao, 2005). For example, France is synonymous with wine and cosmetics, Japan is with cars and electronics, Switzerland is with watches, China is with silk, Germany is with engineering, and Italy is synonymous with fashion design. When consumers have inadequate or lack of knowledge and understanding of the product, COO becomes more apparent. This is especially valid when consumers are dealing with more expensive and complicated products (Hill and McKaig, 2012).

According to Gürhan-Canli and Maheswaran (2000)'s study, the less motivated consumers who are involved in the purchasing process, the greater the possibility where COO is used to interpret and evaluate the product attributes and quality; whereas the highly motivated consumers tend to emphasize product attributes because COO is perceived as an informational cue, and not as an overall product quality criteria. These are because (a) the more important the product is to consumers, the stronger impact the COO is; and (b) the more information available that can be referenced for consumer product evaluation, the less influential the country-of-origin effects will be on consumer brand selection (Lin and Kao, 2004). This denotes that the more fashion knowledge a consumer has, the more likely the consumers will use that knowledge to evaluate a country-of-origin of the product and its attributes.

## **2.14 Research Gaps**

As the literature expands and cultures merge, COO information is becoming less dominant, as it is becoming increasingly difficult for consumers to extract the multiplicity of country information embedded in the product. A review of past literature has indicated several key areas that have not been introduced or studied in a comprehensive manner that this study

aims to address and investigate. Therefore, the areas are referred to as gaps and are discussed below:

- 1) Great potential in incorporating country of origin literature with ingredient authenticity literature.

Even though a plethora of country-of-origin literature has been highlighted from Schooler (1965) to Zhukov et al. (2015), there is still room for more exploration. Newman and Dhar (2014) suggested that streams of authenticity literature can be developed with links from country-of-origin. COO effects on perceived quality have always been examined through manufacturing locations (Maheswaran, 1994; Thakor and Kohli, 1996; Thakor and Lavack, 2003). With the advent of outsourcing and globalization, there is an increased need to test for authenticity in the context of country-of-origin; especially in a luxury branding context where prestige and status are integral. Prior research has also demonstrated that in order to be authentic, consumers may prioritize connections with the source (Beverland, 2006; Gundlach and Neville, 2012). Newman and Dhar (2014)'s research only looks at the COO effects on authenticity for brands with factories in the original factory versus a new factory location overseas. Ingredient authenticity is highly applicable to luxury brands as they are not pressured to mass produce at a fast rate (Joy et al., 2012).

Currently, there are no stringent 'country of origin' rules for luxury goods under the EU and other international laws when production is outsourced to other countries (Sarasin, 2012). None of the luxury brands have a public policy for defining the 'country of origin' of their products (Sarasin, 2012). In Italy, only 10% of the product needs to be assembled in Italy for it to bear the 'Made in Italy' label. There is a gap found where authentic country-of-origin of specific ingredients/skills can be examined to evaluate consumers' perceptions on quality, price, and brand image. The managerial and policy-making implications of this study can potentially alter the landscape of luxury fashion brands and their future branding strategies.

- 2) Develop an index or scale to measure the opinion of audiences, publics, or consumers about the extent of authenticity elements included in strategic communication tactics and its association with their perception of corporate reputation.

Authenticity, being a socially constructed phenomenon, has been repeatedly explored through in-depth qualitative explorations (Cohen, 1988; Adams, 1996; Littrell et al., 1993; Peterson, 1997; Holt, 1998; Beverland, 2006; Gundlach and Neville, 2012). Although this style of research has allowed for rich data related to the meaning of authenticity, qualitative measurements of authenticity are needed to determine its use and impact in developing future campaign strategies (Molleda and Roberts, 2008). Molleda and Roberts (2008) noted that authenticity is a mixture of reality and myth. However, by operationalizing the construct, researchers and practitioners can identify the use and power of authenticity to create more convincing and sustainable stories and identities.

Specifically, Sanderson (2013) and Patsy and Chen (2013) highlighted the increased need to understand how sustainability is perceived within the luxury industry (Sanderson, 2013; Patsy and Chen, 2013). Perceived authenticity may be correlated to specific attitudinal and behavioural responses from consumers involved or affected by organizational policies, campaigns, and/or operations. Babin and Babin (2001) and Knight and Kim (2007) also suggested a call for research to test for consumer's psychographic profiles towards decision making on country-of-origin issue.

To address this, a full scale development and validation process will be conducted and consumer's need for ingredient authenticity will be further discussed. The multi-dimensionality of the scale will also be discussed in the scale development chapter.

- 3) Expanding existing authenticity literature to other industries to identify sources of authenticity, widening the range, and thereby providing a more holistic view of the construct.

Authenticity research has been relatively thin (Beverland, 2005; Beverland and Farrelly, 2010; Gundlach and Neville, 2012). Hence, there is a need for a deeper understanding of how consumers perceive authenticity. The driving and mediating factors of authenticity and their relative importance are still not known. The importance of these factors would vary across different product categories (Beverland and Farrelly, 2010; Gundlach and Neville, 2012). Also, more research is needed to examine the differences between perceptions of authenticity held by consumers (e.g. low versus high cultural capital consumers) (Holt, 1998; Lewis and Bridger, 2001, pg. 22).

Swaminathan et al. (2012) noted that there is a bulk of cobranding research being conducted in a lab setting using hypothetical examples (Park et al., 1996; Simonin and Ruth, 1998; Rao et al., 1999; Desai and Keller, 2002; Voss and Gammoh, 2004; Kumar, 2005). The disadvantage of this approach is that it does not include the ability to examine both long-run and short-run consequences of cobranded alliances.

To address this issue, authenticity will be explored in the context of luxury fashion brands and its implications towards consumers' perceptions. The main study is conducted via 3X2X2 exploratory study into Prada's 2011 'Made in' campaign with a comparison to Prada 'Made in Italy' and a fictitious brand adopting a similar 'Made in' campaign. Status-seeking consumption and consumer fashion knowledge will act as a background variable in justifying consumers' need for ingredient authenticity.

- 4) Call for research to test the effect of country of ingredient authenticity on product/brand evaluations and purchase/forwarding outcome.

More attributes may have to be determined and tested for further research to better understand the role of authenticity (Lunardo and Guerinet, 2007). Indeed, there may be other factors than the ones determined in this study that could have a potential influence on authenticity. Our qualitative study brought some interesting results, but these results should be measured in order to confirm if attributes of authenticity found out in this study really increase the perception of authenticity. Authenticity could be linked to other variables, such as attitude, which is being seen as a powerful predictor of behavior (Fishbein, 1980).

Understanding perceptions of authenticity may help explain consumers' brand attitudes together with their degree of brand attachment which can lead to a more effective approach of market segmentation (Kuusela, 2003; Alahunta, 2005). Moreover, the development of an authenticity scale will enable the relationship between this and other marketing constructs to be assessed. Combined, such insights will provide brand managers with a means to assess the efficacy of strategic communication messages designed to establish a perception of authenticity in the minds of external stakeholders, including consumers (Molleda, 2010).

Hence, the theoretical model of this study delves into testing the effects of consumer's need for ingredient authenticity of product and brand evaluations such as product judgement, attitude towards brands, and brand attachment. Outcome variables including willingness to buy and recommend luxury brands will also be operationalized (Frisk, 2008; Ruuskanen, 2008).

## **2.15 Concluding Comments**

This chapter has elaborated on the past relevant literature of several key constructs of the study as well as the identification of several research gaps to spearhead the research. Next is the chapter on theoretical framework and hypothesis where theories and application will be merged to deduce several hypotheses and the development of the theoretical model for this study.

## Chapter 3

### Theoretical Framework and Hypotheses Development

#### 3.1 Introduction

This chapter will examine the underpinning theories and hypotheses formation for this study. As elaborated in the previous chapter, the area of ingredient authenticity is still underdeveloped. Hence, established theoretical frameworks will be utilized to explain the relationship between the need for ingredient authenticity with the respective product, brand evaluations, and outcome variables of luxury brands. The purpose of this study is to develop knowledge and supplement it with theories to fill in the research gaps.

The chapter will discuss several and relevant sociological and psychological theories that highlight the inception and development of the theoretically driven conceptual framework. The theoretical validations are supported with the relevant literature to form the hypotheses of the study and depicted within this chapter. The proposed conceptual model of the study is illustrated with a summary of the hypotheses and the relationships between the underlying constructs. The research model is fully illustrated in Figure 3-1. The focus of this study circulates around the conception of six main objectives/issues as follows:

1. To develop a theoretical framework that holds relevant theoretical bases or individual theories to rationalise or explain the key constructs and their relationships.
2. To conceptualize the concept of ‘country-of-ingredient-authenticity’, COIA.
3. To develop and validate a scale for Consumer Needs for Ingredient Authenticity (CNIA) to test consumers’ ingredient-authentic-seeking tendencies.
4. To empirically determine whether different COO cues (i.e. CNIA) would influence product and brand evaluations (product judgements, attitude towards brand, and brand attachment) and willingness to buy and recommend luxury brands and test for its relationships (if any).
5. To establish whether consumers perceive luxury brands, outsourcing their manufacturing capabilities and/or acquisition of materials differently from 2 luxury

brands. Within this, examine the relationships (if any) between explored reactions (see objective 3) in a multi-cue setting.

6. To test the moderating effects of consumer fashion knowledge and status-seeking consumption towards ingredient authenticity.

### **3.2 Overview**

There are a number of underlying theoretical frameworks available from various marketing literature that must be examined in order to gain an understanding of the knowledge base thus far. For ingredient authenticity being a new construct and an underdeveloped area, there is an absence of theoretical frameworks being linked to the construct. Hence, several sociological and psychological theoretical frameworks have been adopted in this study to provide an understanding to the determinants of consumer needs for ingredient authenticity and its relationships and effects to product and brand evaluation and outcome variables of luxury brands. Hence, there is a need to have the rationale behind ingredient-authentic-seeking behaviours or attitudes for the hypotheses of the study to be theoretically justified. The three overarching theories that encompass this study are: Categorization theory, Confirmation Bias theory, and Brand Strength Hypothesis. In addition, there are four supporting theories which aid in the development and formation of the hypotheses.

It is imperative to note that these core constructs facilitated and applied interchangeable to the theories. Specifically, there are relative similarities and differences between the theories used, particularly in justifying the cognitive approach that holds the most relevance in determining a specific behavioural outcome. On the other hand, certain theoretical aspects supported an interdependent rationale, hence ensuring an inherent sense of validity and generalizability within the discussion. For instance, “product judgment”, “attitudes towards brand”, and “brand attachment” are common constructs when it comes to explanation about product and brand evaluations. The relationships and effects between CNIA, product and brand evaluations, and outcome variables of the luxury brands can vary depending on the relevant theories applied.

Given this perspective, the social and psychological tendencies under scrutiny will address the possible effects towards attitudes, behaviours, and cognitive outcomes. However, such representation is imperfect and does not relate to attitudes and behaviours entirely. As discussed, the interdependent processes in rationalizing consumers’ need for ingredient

authenticity do not develop in isolation, but are rather part of a bigger picture depicted by social, psychological, and demographic influences.

As such, each hypothesis is outlined in the ensuing sections with the theoretical basis for each being examined.

## **Overarching Theories**

### **3.3 Categorization Theory**

Categorization theory is used as the first theoretical basis for this study as it has been applied to similar studies in the context of product branding (Samiee et al., 2005). Categorization theory refers to the process of determining what things ‘belong together’ (Zentall et al., 2002). Categorization theory suggests that if information is new, it is likely to be linked with existing knowledge (Cohen & Basu, 1997). ‘If a new stimulus can be categorized as an example of a previously defined category, then the affect associated with the category can be quickly retrieved and applied to the stimulus’ (Sujan, 1985, p. 31). Therefore, consumers are likely to associate language and new sounds of a ‘foreign brand’ to prior information on country of origin. Such information generates positive consumer attitudes and enables individuals to categorize products according to their relative hedonic/utilitarian nature (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). COO can also be utilized as a proxy for judging quality when other information about the product is lacking.

‘Made In’ labels also play a part in generating consumer perception and information processing. From the categorization theory perspective, a country name serves as a categorical cue for consumer information processing. Upon seeing a country of origin label, consumers are likely to draw an affective judgment associated with the country name. If the country is associated with a positive image, attitudes towards the brand are likely to be positive. On the contrary, if it is associated with a negative image, negative attitudes are likely to result (Hadjimarcou and Hu, 1999). Thus, when displayed along with a brand from Paris, a dress may be categorized as being more fashionable than if it were compared alongside with another dress made in another country less known for its fashion industry (Mittal & Tsiras, 1995). This study suggests that luxury brands handcrafting and outsourcing their ingredients/materials and skills to countries which are known to produce high quality

ingredients/materials and skills will be perceived more favourably compared to countries that are not known to produce high quality ingredients/materials and skills.

### **3.4 Confirmation Bias Theory**

Confirmation bias denotes the seeking or interpreting of evidence in ways that are partial to existing beliefs, expectations, or a hypothesis in mind (Nickerson, 1998). Confirmation bias theory also explains that decision makers have been shown to actively seek out and assign more weight to evidence that confirms their hypothesis, and ignore or underweigh evidence that could disconfirm their hypotheses (e.g. Nickerson 1998). Philosophers have long believed that motivated confirmation bias is a key basis of thought and behaviour. For this instance, when an ingredient-authentic-seeking consumer has been introduced to a product with ingredients or skills originated and manufactured in a country not known to produce fashion but is branded by a well-known luxury brand, the consumer would then unknowingly seek evidence to confirm rather than to deny their hypotheses. In other words, the consumers would resist changing or adjusting their cognitive structures or prior knowledge about that product brand and simply accept their “new idea or perception” by ignoring the fact that the product is part foreign (Cheah and Phau, 2008).

Usunier (2011) suggests that brand names work better than manufacturing origins because, among the many stimuli that can activate origin recognition, marketers are always willing to put the brand on the forefront. Because the brand is clearly displayed, it is a visually salient cue that does not require much effort on the part of the consumers, much less trying to find a ‘Made in’ label.

An example would be a fine dining restaurant promoting the beef they serve which are sourced from Kobe, Japan. The ‘Made in’ cue of Kobe, Japan beef can signal consumers that it is good quality beef. Even if the beef does not taste succulent, consumers may tend to reject the fact that it is not, due to the quality of the beef, and would attribute it to other external factors such as cooking method or time.

### **3.5 Brand Strength Hypothesis**

The brand strength hypothesis is a common theoretical way to explain why significant brand-by-country-of-origin interaction effects exist (Perrouy et al., 2006). According to this hypothesis, products carrying a weak brand name will have a stronger country of origin effect

as compared to those with strong brand names. In this instance, when consumers seek to find information about products carrying a weak brand name, they will tend to pay more attention to or seek for the country of origin of the product as compared to products with a strong brand name. In support of the brand strength hypothesis, other empirical evidence is available on other dependent variables, such as willingness to pay (Cordell, 1993), perceived quality (Han & Terpstra, 1988; Johansson and Nebenzahl, 1986), product performance attributes (Tse & Lee, 1993) or purchase intentions (Wall, Liefeld, & Heslop, 1991). In this study, the brand strength hypothesis supports the notion that a luxury brand name can potentially alleviate the overall country and image perception of the origin of the 'ingredient(s)' of the product. This is done by reducing the country of origin effect and portraying the country-of-ingredient in a better light as a high quality producer or manufacturer of authentic ingredients. Hence, the three theories will be used to support the following hypotheses:

**H<sub>1</sub> = Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive**

- (a) product judgement of luxury brands,**
- (b) attitude towards luxury brands,**
- (c) brand attachment towards luxury brands.**

**H<sub>2</sub> = Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive**

- (a) product judgement of luxury brands,**
- (b) attitude towards luxury brands,**
- (c) brand attachment towards luxury brands.**

**H<sub>3</sub> = Consumer Needs for Ingredient Authenticity (sustainability/ethical considerations) will lead to a positive**

- (a) product judgement of luxury brands,**
- (b) attitude towards luxury brands,**
- (c) brand attachment towards luxury brands.**

## Supporting Theories

### 3.6 Associative Network Theory

Anderson (1993) suggests that the associative network memory model postulates a good foundation for explaining the relationships between country-of-origin and consumer-based brand equity. Both country of origin and brand name are known to influence consumers' perceptions and lead consumers to cognitive elaboration (Hong and Wyer, 1989) due to both constructs serving as an extrinsic cue of a product (Thorelli et al., 1989). Country of origin is known to induce associations in the minds of consumers (Aaker, 1991; Keller, 1993). Country image and attitude towards brand are assumed to have direct and possibly compensatory effects on outcome variables, such as purchase intentions and word of mouth. This implies that consumers' perceptions of countries and brand images are developed independently of each other (Diamantopoulos et al., 2011). In another study employing brand familiarity (famous versus obscure brands), Cordell (1992) hypothesized that the decline in evaluation associated with less developed countries is lower with well-known brand names than with unfamiliar brand names. As such, there may be a possibility that consumers' prior knowledge and perception of the product coupled with the need for ingredient authenticity may influence purchase and forward intentions directly. Thus, the following hypotheses were presented:

**H<sub>4</sub> = Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive**

- (a) willingness to buy luxury brands,**
- (b) willingness to recommend luxury brands.**

**H<sub>5</sub> = Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive**

- (a) willingness to buy luxury brands,**
- (b) willingness to recommend luxury brands.**

**H<sub>6</sub> = Consumer Needs for Ingredient Authenticity (sustainability/ethical considerations) will lead to a positive**

- (a) willingness to buy luxury brands,**
- (b) willingness to recommend luxury brands.**

### **3.7 Theory of Cognitive Consistency**

The theory of cognitive consistency suggests that consistency among an individual's beliefs about an object is desirable and associated with positive affect (Heider, 1946; Osgood and Tannenbaum, 1955). Applied to consumers' product quality judgments, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture congruity. Both the higher degree of cognitive consistency and the lower processing effort in the case of brand-country of manufacture congruity should result in positive affect associated with a product that, in turn, will increase the product's attractiveness (Garbarino and Edell, 1997, p. 147). In order to stimulate perceived country of origin associations, many brands use cues that are implied in the brand name or in the promotional appeals (Agrawal and Kamakura, 1999). This is particularly true within categories in which perceived origin or national identity is exceptionally important to their image. These perceived origin associations are a powerful source of brand appeal (Thakor and Lavack, 2003). Hence, consumers who hold favourable judgments and attitudes towards the product are more likely to buy or recommend the product. As such, the following hypotheses were proposed:

**H<sub>7</sub> = Product judgement of luxury brands will lead to a positive**

- (a) willingness to buy luxury brands,**
- (b) willingness to recommend luxury brands.**

### **3.8 Theories of Attitude**

Fishbein (1967, 1980) proposed that this theory is based on the assumption that individuals are usually quite rational and make systematic use of the information available to them. According to this theory, attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to buy and willingness to recommend) and their evaluations of those consequences (Min Han, 1994). The theory offers some understanding on how the relations among one's beliefs about an object affect the overall evaluation of that object. Lack of consistency among the beliefs an individual holds about a particular object leads to ambivalence, which results in less favourable and less stable attitudes towards the brand

(Eagly and Chaiken, 1993, p. 124). Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not (Min Han, 1994). With favourable and stable attitude towards the brand, this may result in consumers making a purchase decision or willingness to recommend. As such, the following hypotheses were proposed:

**H<sub>8</sub> = Attitude towards (luxury) brands will lead to a positive**

- (a) willingness to buy luxury brands,**
- (b) willingness to recommend luxury brands.**

### **3.9 Self-expansion Theory**

Aron et al. (2005) posits that the self-expansion theory explains that individuals possess an innate drive for self-expansion, or a desire to incorporate others (brands) into their conception of “self.” The more an entity (brand) is included in the “self”, the closer is the bond that connects them. Over time, attachment develops as relationships between the self and the entity progress. A cognitive reorganization takes place over time such that the “self” expands to incorporate the entity. People develop a positive feeling of “oneness” with the entity (Aron et al., 1992) and tend to view the entity’s resources as their own (Mittal, 2006). Park et al. (2010) added to the self-expansion theory by proposing that consumers who are attached to brands are not just recipients of the brand’s resources (i.e., consumers come to regard the brand’s resources as their own); they also actively invest their own resources in the brand to maintain their brand relationship. Thus, consumers who are highly attached to a brand are more motivated to expend resources of their own in the process of self-expansion. Such resources include the allocation of (1) social resources, such as defending the brand to others and abandoning alternatives (Johnson and Rusbult, 1989); (2) financial resources, as evidenced by a willingness to pay a higher price for the brand (Thomson et al., 2005) or the willingness to devote a greater share of expenditures to the brand (rather than to other brands in the same or related product categories); and (3) time resources, as illustrated by involvement in brand communities and brand promotion through social media (Muñiz and O’Guinn, 2001; Schouten and McAlexander, 1995). The more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. financial and word-of-mouth) with the brand. As such, the following hypotheses were proposed:

**H<sub>9</sub> = Brand attachment towards luxury brands will lead to a positive**

- (a) willingness to buy luxury brands,**
- (b) willingness to recommend luxury brands.**

### **3.10 Consumer Choice and Decision Making**

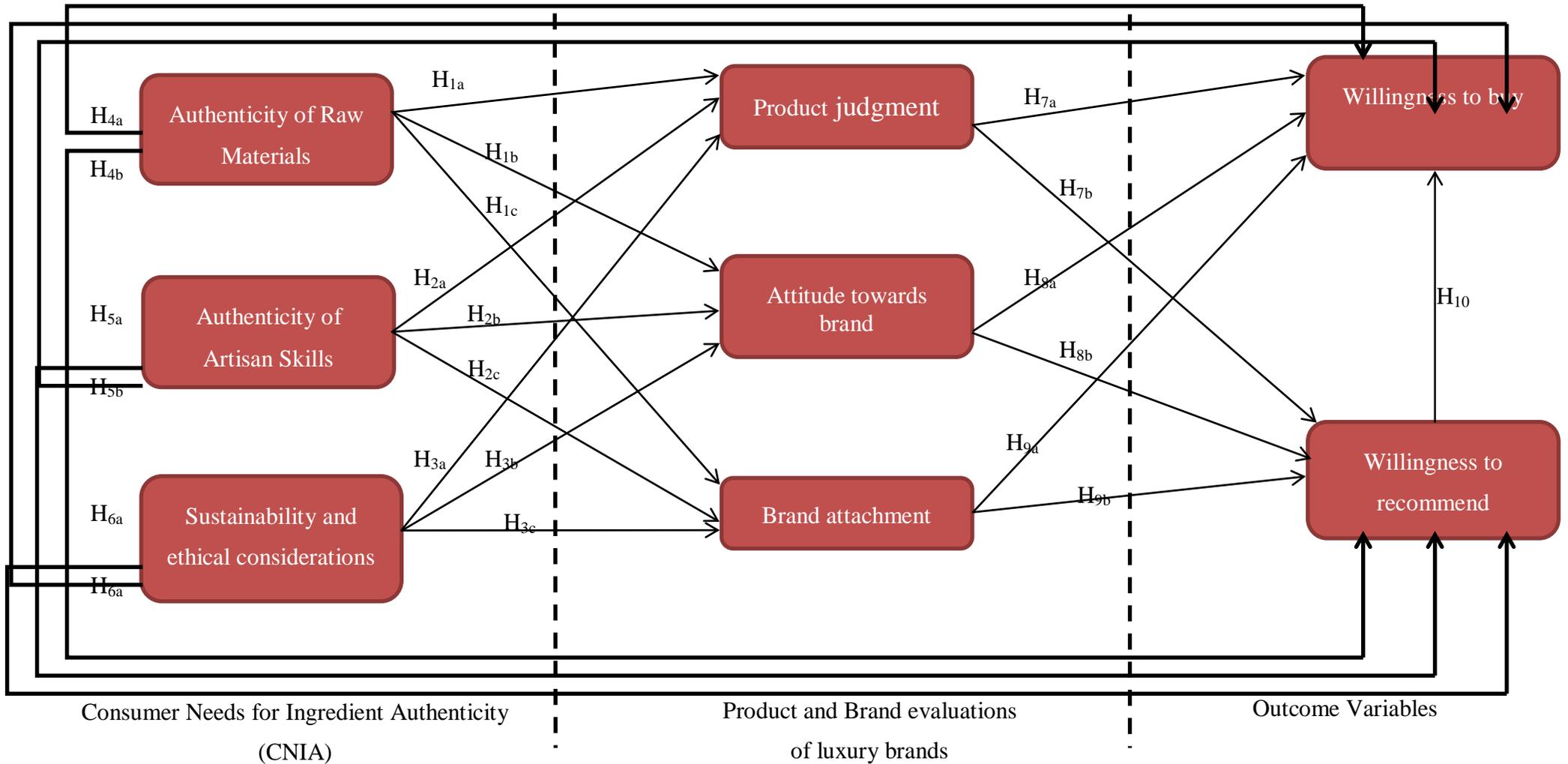
It has been shown that recommendations have a strong influence on consumer choice, particularly in the pre-purchase stage (East et al., 2005). It stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives (Biyalogorsky et al., 2001). Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services (Chen, Huang & Chou, 2008). Consumers will look for the ‘summary statistics’ of the product and can relay the message on as positive word of mouth as the consumer would have been exposed to the product. Hence:

**H<sub>10</sub> = Willingness to recommend luxury brands will lead to a positive willingness to buy luxury brands.**

### **3.11 Proposed Conceptual Model and Summary**

Based on the research gaps identified earlier and the development of the ten hypotheses supported by the theoretical background, the measurement model for this study is presented in Figure 3-1. The following is an illustration of the six constructs/hypotheses, and the relationships for each hypothesis have been delineated. Lastly, the summary of the model and research questions are also highlighted and supported by the relevant theoretical reasoning.

Figure 3-1 denotes the research model that will be used in this study



Moderating variables (contextual/background)

Status-seeking consumption

Consumer fashion knowledge

(All hypotheses have positive relationships)

As depicted in the research model, Consumer Needs for Ingredient Authenticity (CNIA) has been identified to possess 3 dimensions, namely; artisan skills, raw materials/ingredients, and sustainability/ethical considerations. For each CNIA hypothesis, the study perceives that it will lead to a positive relationship with the product and brand evaluations of luxury brands, as well as the outcome variables (**H<sub>1</sub> – H<sub>6</sub>**). The study expects that consumers will perceive the ingredient authentic product favourably as the product was manufactured and/or ingredients outsourced from a country known for its ingredient authenticity with sustainable and ethical standards. Based on literature, brand and product authenticity is a better predictor of purchase intentions compared to brand trust or love. The domino effect continues when under favourable perceptions for product and brand evaluations, it is possible that the American consumers are more likely to both buy and/or recommend the ingredient-authentic product. Hence, if the consumer holds a positive product judgment about the ingredient-authentic product, he/she is more willing to buy and/or recommend the product. These assumptions are delineated in **H<sub>7</sub> - H<sub>9</sub>**.

Lastly, the study postulates that a higher willingness to recommend can contribute to consumer's willingness to buy as the power of a positive word-of-mouth can play an important and a beneficial role to the success and proliferation of the product in the market. This assumption is highlighted in **H<sub>10</sub>**.

### **3.12 Research Questions**

The formulation of two research questions involving status consumption and consumer fashion knowledge has been incorporated within the study. The two psychographic dimensions aim to explore and compare consumers' personality traits when buying ingredient-authentic luxury branded products. The study aims to compare consumers with high versus low levels of status-seeking consumption and subjective consumer fashion knowledge and their need for ingredient-authenticity in luxury brands. Studying the psychographic nature of consumers allows significant managerial implications for luxury brands to consider should they aim to adopt the ingredient authentic route. These findings allow distinct groups of consumers to be identified for their need for ingredient authenticity towards luxury brands. Two research questions were created in this section to uncover the phenomenon.

### **3.12.1 Research Question One**

The concept of congruity is when consumers' product evaluations are affected by the relationship between a product's feature and a set of associations and expectations about the product category (Haubl and Elrod, 1999). This relates to the status-seeking consumption as a moderator, as consumers would seek the ingredient authentic luxury product as a way to enhance self-image and social standing. As status conscious consumers, they would signal their wealth and social standing via the procurement or usage of the ingredient authentic luxury product; and the looking glass self plays a part whereby the self is a result of the social process and whereby consumers learn to see themselves as others sees them (Yeung and Martin, 2003). The looking glass self and concept of congruity can play an interdependent role on status-seeking consumers. The more the people around view the individual as being status conscious, the more the individual will strive to portray the ideal image of a person with a certain level of class and sophistication through the purchase or consumption of branded-name products compared to seeking an ingredient authentic luxury product. The first research question seeks to discover the following:

*Will status-seeking consumers be more likely to seek luxury brand names as signal for status rather than the needs for ingredient authenticity?*

### **3.12.2 Research Question Two**

The Schema theory, outlining to the second question, strives to explain how knowledge is created and used by learners. According to Schema Theory, people organize everything they know into schemas or knowledge structures. An important characteristic of Schema Theory is that everyone's schemas are individualized (Tracey and Morrow, 2006, pg 51). A person who is exposed to a great deal of luxury fashion brands will have a more elaborated schema for fashion knowledge than someone who is not interested in luxury fashion brands. For instance, the largest manufacturer of denims originates from America; however, the most unique and better fades denims come from Japan. Jeans that are made in Japan from Japanese denim are known for their top-quality construction and incredible attention to detail. Hence, they are considered the best jeans in the market (Lalier, 2013). Individuals with prior fashion knowledge would know that the best denim originated from Japan and hence, the scheme theory would lead them to perceive and evaluate the ingredient authentic product (Japanese

denim jeans) differently from someone who is motivated by self-image and social standing. The second research question seeks to discover the following:

*Will consumers who are more knowledgeable in terms of the fashion industry and luxury brands be more likely to be influenced by consumer needs for ingredient authenticity?*

### **3.13 Concluding Comments**

The relevant hypotheses and research model have been highlighted in this current chapter. The conception of the hypotheses and research model was supported by the relevant theories that have also been outlined and established in this chapter. By providing the theoretical concepts surrounding this study, its aims, directions, and research propositions are better understood. In addition, by listing the individual hypotheses, specific research objectives, and research questions, a good understanding of the study has been accomplished. The theoretical basis is further built upon in the subsequent chapters, which elaborates on the methodological design and aspect of this study.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 Introduction**

This chapter expounds the methodology used in the main study (Phase Two). Please refer to Chapter 5 for in-depth explanation of Phase one of the study (scale development). This chapter starts with the outline of the research objectives and design. This chapter continues with a section on pre-testing which includes the pre-determining of luxury brands and products, as well as the preparation of the advertisements and their pre-testing. Information on the target research participants ensues. Next, scale instruments used in the study are discussed with justification. Specific methodology of the study's data collection technique follows, and finally, analyses methods and statistical techniques for Phase Two of the research was explored.

#### **4.2 Purpose of the Research and Objectives**

Based on the conceptual framework in Figure 3-1 (Chapter 3), the purpose of the research is to validate the significant differences in consumer responses in the process of their product judgement, attitude towards brands, brand attachment, and willingness to buy and recommend ingredient authentic luxury brands and products as a result of the specific raw materials and artisan skills portrayed and induced through country of origin cues.

In clarifying the purpose of the study, the principal objective is to verify whether perceptions based on ingredient authenticity will lead to the perceived product judgement of luxury brands which in turn initiates willingness to buy and/or recommend ingredient authentic luxury brands and products. Other objectives involve examining consumer fashion knowledge and consumer status-seeking consumption as a background/contextual variable for consumers' need for ingredient authenticity of luxury brands and products. Overall, this research aims to establish a 'cause and effect' relationship in terms of the proposed hypotheses and therefore would be characterized as causal in nature.

The following sections will outline the research design as a model that 'represents the 'design-in-use' of a study, the actual relationships among the components of the research, as

well as the intended (or reconstructed) design’ (Maxwell 2013, pg. 3). Additionally, for other components such as the nature of investigation and sample, the activities of collecting and analysing data as well as the identification of the appropriate methods of analysis for treating the data collected will be elaborated.

### 4.3 Research Design

#### 4.3.1 Setting up the Experimental Designs

Experimental research allows a researcher to control the research situation so that causal relationships among variables may be evaluated. The goal in conducting an experimental research design is to determine whether changing an experimental independent variable causes changes in an important dependent variable. Events may be controlled in an experiment to a degree not possible in a survey. Due to lack of quantitative research in the fields of ingredient authenticity, an experimental design approach is used to create an environment that reflects all the different products to be tested in ways that are advantageous, rather than accepting the particular combinations of the levels of the independent variables which has already occurred in the marketplace (Wyner, 1997).

**Table 4-0: Suggested 3 (COO of luxury brands) X 2 (high and low country image) X 2 (authenticity cues) research design**

<b><u>Study 1</u></b> Prada Denim Cut jeans Made in Japan	<b><u>Study 2</u></b> Prada Chikan Embroidery dress Made in India	<b><u>Study 3</u></b> Prada Alpaca Wool sweater Made in Peru	<b><u>Study 4</u></b> Prada Kilt Tartans Made in Scotland
<b><u>Study 5</u></b> Prada Denim Cut jeans Made in Italy	<b><u>Study 6</u></b> Prada Chikan Embroidery dress Made in Italy	<b><u>Study 7</u></b> Prada Alpaca Wool sweater Made in Italy	<b><u>Study 8</u></b> Prada Kilt Tartans Made in Italy
<b><u>Study 9</u></b> Touchè Denim Cut jeans Made in Japan	<b><u>Study 10</u></b> Touchè Chikan Embroidery dress Made in India	<b><u>Study 11</u></b> Touchè Alpaca Wool sweater Made in Peru	<b><u>Study 12</u></b> Touchè Kilt Tartans Made in Scotland

As illustrated in figure 4-0, a between subjects factorial research design was devised for this research. The country of ingredient authenticity will look into two levels, namely; raw materials (R) (Alpaca wool and Kilt tartans) versus artisan skills (A) (Denim cut and Chikan embroidery) and two levels of “made in” with high (Japan and Scotland) versus low (India and Peru) country image. The 3 luxury brands based on three levels of country of branding are Prada (Made in), Prada (Made in Italy), and Touchè (Made in) which is a fictitious brand from France. Prada was chosen as it has come up with the “Made In” campaign and it provides ecological validity towards the study. Prada (Made in Italy) was chosen to act as a control for consumers’ perception on the original ‘Made in Italy’ label. The fictitious brand is added to act as a control to test for brand effects to see if consumers are bias towards the luxury brand or are genuinely authenticity-seeking. Advertisement stimuli based on the respective luxury brands, country of ingredient authenticity, and raw material/artisan skill are used to test for the product and brand evaluations, as well as the willingness to buy and recommend the luxury products.

#### **4.4 Pretests**

The following sections will examine a number of pretest issues and components that are instrumental to the current research and methods. The procedures in determining the product choice and luxury brand selection will be explored first and will be followed by the preparation and pretesting of advertisements and final survey instruments

#### **4.5 Product Choice**

##### **4.5.1 Setting Up the Criteria**

The decision to present this type of product was based on two criteria: (1) the brands chosen are realistic and products used in the stimuli portray an array of artisan skills and raw materials craftsmanship, and (2) the product brand mimics the ingredient branding concept presented in the study providing the theoretical underpinning for this study, and contributing to the degree of replication to provide additional research support for current findings.

##### **4.5.2 Rationale Toward Setting Up the Criteria**

It is no secret that outsourcing is a major component of the globalization of the fashion industry, and luxury fashion houses are no exception. In recent years, many high-end brands

have started outsourcing the manufacturing of their products in order to keep up with the increasing demand while keeping production costs low. The practice of outsourcing not only has the potential to compromise the quality and reputation of the brand itself, but it also contributes to greenhouse gas emissions and environmental issues (Shakur, 2013).

Luxury brand retailers are among most international companies (Moore et al., 2010). Luxury brands play a role in supporting foreign market growth (Wigley et al., 2005). This is particularly evident in fashion retailer cases studies, such as Per Una in Taiwan (Wigley and Chiang, 2009); the now defunct childrens' wear brand Adams in Spain (Johnson and Allen, 1994); the expansion of Debenhams in the Middle East (Jones, 2003) and Marks and Spencer in Hong Kong (Jackson and Sparks, 2005). The influence of the brand to consumer perceptions of internationalising retailers' market entry is also recognised in most recent studies (Alexander et al., 2010). Many researchers are concerned with retail market structures in places such as India (Halepete and Seshadri Iyer, 2008), Spain (Gold and Woodliffe, 2000); Korea (Choi and Park, 2006), Brazil (Alexander and de Lira e Silva, 2002), and in particular, the features of the fashion retailing environment in these markets.

In 2011, Prada launched a "Made In" Campaign which showcases products manufactured or sourced from places such as India, Peru, Japan, and Scotland. The reason for choosing those geographical locations not only relies on lowering production costs, but also to obtain the best raw materials and artisan skills. India produces the unique and rare skill of Chikan embroidery (dress), while Japan was picked as it housed the most technologically advanced denim jeans manufacturing plant. In Peru, Alpaca wool is harvested to make high quality sweaters, whereas in Scotland lies the origin of tartan kilts and the artisan skill mastered to weave it. Hence, the product choice selected for the research framework was based on their superior authenticity and their being synonymous to the specific geographic location. Very little has been done in the way of consumer research to explore the specific country of origin effect. This include the case of country of ingredient authenticity as a potential cue that may influence consumer's product judgement, attitude towards brand and brand attachment, and how it can lead to willingness to buy and recommend.

## **4.6 Luxury Brands Selection**

### **4.6.1 Overview**

The purpose of this procedure was to select three luxury brands, two real luxury brands, and one fictitious brand. The real brands were used so that consumers' existing quality perceptions, attitudes, brand attachment, level of fashion knowledge, and status-seeking consumption can be evaluated. The fictitious brand is used as a test for brand effects to detect whether consumers' need of ingredient authenticity is caused by the luxury brands or the imperative need for ingredient authenticity regardless of the brand name. At the same time, the brands selected had to display significant awareness, characteristics of luxury brands or purchase desirability. The following sections will discuss the selection procedures used in details.

### **4.6.2 Generate a List of Luxury Brands**

Firstly a large set of pool items (luxury brands and names) was developed (Heine, 2011). Forty respondents of various demographics (age >18) were asked to answer a short survey. However, they were asked to list as many luxury brands at the 'top of the mind' as possible and each brand's purchase desirability. Next, the list of luxury brands was cross referenced with brands that outsource most of their manufacturing and raw materials. The luxury brand, Prada, was listed to be one of the highest 'top of mind' luxury brand. The brand also garnered attention for its recent 'Made in' campaign (Passariello, 2015).

It was imperative that Prada was used as one of the brands on the advertisement as the brand was the one that spearheaded the 'Made in' Campaign, hence providing ecological validity. Thus, a fictitious brand name needs to be picked. The researchers decided to select 2 different brands from 2 different luxury capitals of Europe to accurately document consumers' perceptions on quality, attitude towards brand, and brand attachment in relation to the country of ingredient authenticity. The 2 locations are Italy (Prada), France (Fictitious Brand).

### **4.6.3 Generating Fictitious Luxury Brand Name**

Once again, a large set of pool items (fictitious luxury brands and names) was developed. Thirty respondents of various demographics (age >18) which possess a working knowledge of luxury brands were asked to rate 10 French sounding luxury fashion brands (Appendix D).

The survey was administered via the online survey website, Qualtrics. Respondents were asked to rate the best French sounding luxury fashion from 1 to 10, with 1 being the “most preferred” and 10 the “least preferred”. The data collection was conducted over a one day period. On average, the survey took 3 minutes to complete.

For the purpose of this study, the final results indicate that Touchè received the highest rating for French sounding luxury fashion brand name. Therefore, Touchè was confirmed as a desirable brand for the current study as the fictitious brand name. Lastly, another forty respondents were asked to rate which logo they thought best suited the French luxury brand name, Touchè, in order to determine the brand logo used for the fictitious brand.

#### **4.7 Preparation of Advertisements**

The hypotheses in this study were tested through an empirical research design. However, still shots of the final advertisements used in this study can be seen in Appendix E. These adverts were shown in the form of a conceptual print style advert. Twelve adverts were created to portray 4 different kinds of stimuli (two artisan skills (high versus low country image) and two raw materials (high versus low country image)) and were replicated three times for the 3 different luxury brands. The adverts designed were of an identical size, with the same product or brand mirror in all three types of country of origin adverts.

As discussed in section 4.6.2 and 4.6.3, Prada and Touchè were the luxury brand labels selected for this study. These brands have been carefully selected through a pre-test process (see 4.5) which considers all the luxury fashion apparel brands available in the markets (Heine, 2011). The photographs and background design used in the advertisements were found on public Internet sites. Pictures and copy were manipulated in each of the adverts; in particular, additional information was added to evoke and arouse consumers’ need for ingredient authenticity given the study’s experimental rationale. Copy varied according to each advert, although the length, size, and font were kept consistent. The advert contained relevant references to the specific artisan skills or raw materials used in the making of the garment. The information included the country of ingredient authenticity and the perceived value and rarity of each type of artisan skill and raw material.

## **4.8 Pre-tests of Advertisements and Final Survey Instrument**

A mixture of undergraduate and postgraduate Australian students at a large university in Western Australia was used in the pre-tests of the advertisements. This was conducted in a classroom setting and was completed in the same fashion as was intended for the main study. Prior to the data collection, the final questionnaire was administered to a panel of six people with both academic and industry experience in order to make certain the soundness of the survey instrument. After this, an open discussion on the aspects of the test was allowed in order to identify any problems with survey instructions, layout, and procedure.

### **4.8.1 Pre-tests Results**

A total of 50 questionnaires were collected. Although the data collected from the pre-test sample size were insufficient for meaningful analysis, a general examination to get the feel for the data was conducted. The overview of the descriptive results from the pre-test did not reveal any abnormality; hence, the response range was generally satisfactory over the scales with the presence of variability, central tendency, and dispersion (Sekaran, 2003). Similarly, respondents were also asked to provide any feedback for improvement. Based on the discussion and examination of pre-test data, no further changes were required for the main study. From this point onwards, the research participants (sample) for the study will be explored, and will be followed by an in-depth outline of the final survey instrument and discussions on the main data collection and procedures.

## **4.9 Research Participants (Sample)**

As the focus of the study is aimed at understanding the reactions and changes to the buying behaviour towards ingredient authentic luxury brands and products, the homogenous sample population make up consumers who are aware, and who possess a working knowledge of luxury brands. The sample used to obtain results for the scale development process was obtained from several major Australian shopping malls. The respondents consist of men and women aged between 17 – 55 who were approached randomly in busy entrances and walkways outside the shopping malls.

This cross sectional approach was done in order not to procure a bias selection, but to obtain equal and appropriate data that can be analysed. This reflected similar sampling and data

collection methods as Sharma, Shimp and Shin (1995), Howes and Mailoux (2001), Pappu, Quester and Cooksey (2006), and Heslop, Cray and Armenakyan (2010).

#### **4.9.1 Justification of Sample Size**

A sample size of 1200 respondents was proposed for the study. The justification for the sample size is pre-determined by the application of Structural Equation Modelling (SEM) as the method of data analysis in this study. Though SEM techniques (including Confirmatory Factor Analysis – CFA) have been considered as the most appropriate techniques for measurement and theory testing than traditional statistical techniques as competing theoretical models can be evaluated, large sample sized are required to obtain reasonable stability in the parameter estimates (Kline, 2005).

As a general rule, sample sizes in excess of 200 have been recommended for SEM analyses (Kline, 2005). While there are no definitive guidelines for sample size, Kline (2005) proposed 20:1 as the optimal ratio for the number of respondents to the number of parameters. Furthermore, Kline (2005) also suggested the 10:1 ratio to be a more realistic target. In particular, when the ratio is less than 5:1, the resulting parameter estimates tend to be very unstable.

As the research model consists of eight variables (three observed exogenous variables, three unobserved exogenous variables and two unobserved endogenous variables) and sixteen pathways, the sample has been tailored to provide consideration for the sensitive nature of SEM's application: particularly on model misspecification, model size, departure from normality, and estimation procedure (Hair et al., 1998; Holmes-Smith et al., 2004; Kline, 2005).

#### **4.10 Survey Instrument**

The measures included in the survey are discussed in this section. As mentioned, the study utilises a 3 X 2 X 2 research design that translates into two questionnaires sets in order to independently evaluate the relative constructs of the study. The eight-page questionnaire begins with an introductory section on a number of explanatory statements to respondents, highlighting the research focus, guidelines, and confidentiality issues.

This was followed by nine sections that addresses the five main constructs (i.e. consumers' need for ingredient authenticity, product judgement, attitudes towards brand, brand attachment, willingness to buy and willingness to recommend) of the research undertaken in this study, as well as the corresponding luxury brand and product advertisements pertaining to each survey set (one luxury brand advertisement per survey set). The questionnaire concludes with two conceptual/background variables (i.e. status consumption and consumer fashion knowledge) briefly assessing consumer varying degree of status conscious and knowledge about fashion as a measure of the consumers' need for ingredient authenticity construct. Respondents demographic were also included at the start of the questionnaire. A sample of each of the survey instrument set can be found in Appendix F.

#### **4.10.1 Demographics**

##### *Section A – Respondent Profile*

At the start of the questionnaire, respondents were asked general demographic and background questions on their gender, age group, level of education, occupation, and income level. These questions aids in providing a representation of the population sampled, as well as to identify the relationships between variables and to compare directly with other studies. The marital status of respondents was not included in the questionnaire as it was deemed not necessary based on the literature review.

#### **4.10.2 Measures: Consumers' Need for Ingredient Authenticity**

##### *Section B – CNIA*

An entirely new scale is developed to measure respondent's need for ingredient authenticity. The measure for this multidimensional construct is a 10-item scale with particular reference to previous scales such as product (food) authenticity (Liao and Ma, 2009), brand authenticity (Coary, 2013; Beverland, 2005; Napoli, Dickinson and Beverland, 2012) and self-authenticity (Wood et al, 2008). Of the ten questions, three measured ingredient authenticity towards raw materials (i.e. seeking ingredient authentic raw materials reflects certain characteristics), three measured ingredient authenticity towards artisan skills (i.e. the perceptions of quality of the ingredient authentic artisan skills), and the remaining four measured sustainability and ethical considerations of ingredient authenticity (i.e. the working conditions of the workers providing ingredient authentic raw materials and artisan skills). The respondents would

answer a 7-point likert scale where 1 rates as “strongly disagree” and 7 rates as “strongly agree”.

### **4.10.3 Preview of the Scale Development Process**

One of the research objectives was to develop an appropriate psychometrically valid and reliable ingredient authenticity measure to be used as an authenticity measure in future parts of the research. Therefore, one scale to measure the consumers’ need for ingredient authenticity was required. For the purpose of this study, the process of scale development encompasses a number of studies, books, and articles. However, in regards to the process undertaken, those of particular importance are Churchill (1979), DeVellis (1991, 2003), Li, Edwards and Lee (2002), Nunnally (1978), Oh (2005), Spector (1992), and Wells, Leavitt and McConcille (1971). The process undertaken involved a total of six respective studies spread over four different stages as per the suggested procedure for ‘developing better measures’, as set out by Churchill (1979). Confirmatory Factor Analysis (CFA) would be undertaken using the AMOS 21 programme as test for unidimensionality. Other statistical techniques were also consulted at various stages within the scale development process. A full coverage of the scale development including an in-depth explanation and discussions of the respective studies and various stages can be viewed in the following Chapter 5.

### **4.10.4 Measures: Product Judgement**

#### *Section C – Product Judgement of Luxury Brands*

The measure for this construct is a 6-item scale modified and adopted from Darling and Arnold (1988), Darling and Wood (1990), and Wood and Darling (1993). Of the six questions, one is reversely scored. The respondents would answer a 7-point Likert scale where 1 rates as ‘strongly disagree’ and 7 rates as ‘strongly agree’. The questions are related to the evaluations of the luxury brands that measures a person’s quality-related attitude about ingredient authentic products produced from countries such as India, Peru, Japan, Scotland, and its effect on the French or Italian or British brand.

### **4.10.5 Measures: Attitudes Towards Brand**

#### *Section D – Attitudes towards Luxury Brands*

The measure for this construct is a 4-item scale adopted from Zhang and Schmitt (2001). The respondents would answer a 7-point Likert scale where 1 rates as ‘strongly disagree’ and 7

rates as 'strongly agree'. The statements are used to assess a person's opinion of the likelihood that a particular name for a brand would be successful in the marketplace. This measure looks into the product's success in the marketplace as well as its brand name. This pertains to the research as a fictitious brand (French brand, Touchè) is used as one of the stimuli.

#### **4.10.6 Measures: Brand Attachment**

##### *Section E – Brand Attachment of Luxury Brands*

The measure for this construct is a 4-item scale adopted from Park *et al.* (2010). The respondents would answer a 7-point Likert scale where 1 rates as 'strongly disagree' and 7 rates as 'strongly agree'. The statements are used to assess a person's attachment, feelings, and thoughts towards the luxury brand and product. Park *et al.* (2010) posits that the closer the brand is included in the self, the closer the bonds that connects them.

#### **4.10.7 Measures: Willingness to Buy**

##### *Section F – Willingness to Buy Luxury Brands*

The measure for this construct is a 6-item scale adopted from Bower (2001) and Bower and Landreth (2001). The respondents would answer a 7-point Likert scale where 1 rates as 'strongly disagree' and 7 rates as 'strongly agree'. The statements are used to measure a person's stated interest in buying a product. Given the phrasing in the statements, the full six scale item scale is most suited for a product that has been presented in an advertisement which the consumer has been exposed to and is something that would affect the viewer's appearance (e.g. clothes, jewelry, cosmetics, exercise equipment) (Bower, 2001).

#### **4.10.8 Measures: Willingness to Recommend**

##### *Section G – Willingness to Recommend Luxury Brands*

The measure for this construct is a 3-item scale adopted from Maxham and Netemeyer (2003). The respondents would answer a 7-point Likert scale where 1 rates as 'strongly disagree' and 7 rates as 'strongly agree'. The statements are used to measure a person's likelihood to recommend the luxury product and/or brand after seeing the advertisement.

#### **4.10.9 Measures: Conceptual Variables**

##### *Section H – Status Consumption*

The measure for this construct is a 5-item scale adopted from Eastman *et al.* (1999). The respondents would answer a 7-point Likert scale where 1 rates as ‘strongly disagree’ and 7 rates as ‘strongly agree’. The statements are used to measure status consumption, i.e. the tendency to purchase goods and services for the status or social prestige that they confer on their owners. This construct serves as a background variable for this study.

#### *Section I – Consumer Fashion Knowledge*

The measure for this construct is a 6-item scale adopted from Flynn *et al.* (2000). The respondents would answer a 7-point Likert scale where 1 rates as ‘strongly disagree’ and 7 rates as ‘strongly agree’. The statements are used to measure the consumers’ perception of the amount of information they have stored in their memory. This construct also serves as a background variable for this study.

### **4.11 Survey Instrument – A Summary of Scales and Measurements**

The table below (Table 4-1) provides the number of items in each scale, as well as the reliability from the original studies of the established scales that are used in this study’s survey instrument. The  $\alpha$  value of the CNIASCALE were obtained from the scale development procedures conducted in Chapter 5.

**Table 4-1: Summary of Scales and Measurements**

<b>Section</b>	<b>General and Unobserved Latent Variable</b>	<b>Items</b>	<b><math>\alpha</math></b>	<b>References</b>
A	Demographic Background	5	N.A.	See section 4.5 for a detailed overview on research sample
B	Consumers’ Need for Ingredient Authenticity (CNIASCALE)	10	.84	Development of CNIASCALE. See Chapter 5
C	Product Judgement	6	.72	Darling and Arnold (1988); Darling and Wood (1990); Wood and Darling (1993)
D	Attitude Towards Brands	4	.95	Zhang and Schmitt (2001)
E	Brand Attachment	4	.90	Park <i>et al.</i> (2010).

F	Willingness to Buy	6	.90	Bower (2001); Bower and Landreth (2001)
G	Willingness to Recommend	3	.91	Maxham and Netemeyer (2003)
H	Status Consumption	5	.86	Eastman <i>et al.</i> (1999)
I	Consumer Fashion Knowledge	6	.92	Flynn <i>et al.</i> (2000)

## 4.12 Data Collection and Procedure

### 4.12.1 Overview

Data were collected in this study via systematic sampling. As discussed in section 4.9, in order to ensure a good representation of the population sample as well as ecological validity, this study adapted a cross sectional approach based on a self-administered data collection technique (see, e.g. Sharma, Shimp and Shin, 1995). Thus, with the survey instrument sound, the data collection could be conducted. It was determined that the use of self-administered questionnaire would be deemed the most appropriate method for data collection of the 1200 sample respondents required.

## 4.13 Self-Administered Survey Collection

### 4.13.1 Self-Administered Survey Procedures

Data was collected at several large Western Australia shopping malls. Every 5<sup>th</sup> shopper was approached to complete the survey (Sharma, Shimp and Shin, 1995). The respondents were also informed of the nature and purpose of the research, should they choose to be of assistance (Fernández-Ferrín and Bande-Vilela, 2013). Before completing the surveys, the respondents were briefed on their right to anonymity and other ethic related matters, such as right to discontinue the survey at any point in time. Instructions on the conduction of the experiment also took place at this time, such as the need for no interaction with other respondents. Participants were then given the survey forms face down and instructed to leave them in the same condition until instructed. The respondents were given 15 minutes each to complete the questionnaire. A pre-screening of the respondents was carried out to ensure that

no respondent attempted the survey more than once. For participating in the study, the respondents received a complimentary pen.

#### **4.13.2 Data Collected from Self-Administered Surveys**

The whole process of collecting the data took approximately three months. Approximately 3123 respondents took part in the survey. The screening of the data led to 1698 usable and completed surveys. This yielded a net response rate of 54.4%. All usable data were entered into Statistical Package for the Social Sciences (SPSS) version 21.0.

#### **4.14 Discussion on Response Rate and Quality**

The decision to adopt the paper-and-pencil data collection approach as respondents to the paper-and-pencil survey was viewed to be better at memorizing the brand advertisement, and the number of informative elements was remembered to be significantly higher than the respondents to the online version of the questionnaire. This suggests that when respondents answer a paper-and-pencil survey, they focus more on the content of the questions than on what the questionnaire tries to show. In other words, they take care of providing responses that truly corresponds to what they think and they more extensively process each piece of information (Butori and Parguel, 2010). Hence, this can lead to a better quality questionnaire results.

It is also alleged that because of the more rigorous screening process in place, data has been further refined so as to provide a more conducive and statistically sound platform for data analysis to be done.

#### **4.15 Analysis Methods/Statistical Techniques**

All statistical data were analysed using Statistical Package for Social Science (SPSS) version 21.0 and Analysis of Moment Structures (AMOS) version 21.0. Relevant items of the constructs that require reverse coding have been carried out prior to statistical analysis to ensure meaningful interpretation.

#### **4.16 Structural Equation Modelling Procedures**

To ensure that the analyses of the current study were appropriately undertaken and adequately interpreted, a logical procedure using Structural Equation Modelling (SEM) techniques was applied (Schumacker and Lomax, 2004; Holmes-Smith *et al.*, 2004).

Systematically, this study carried out its analyses in order of model specification, model identification, model/parameter estimation, model testing, and model modification/re-specification (Hair et al., 1998; Schumacker and Lomax, 2004). The data were initially screened using the SPSS program (Version 21.0). A listwise deletion of missing cases was used and outliers were examined to ensure extreme values did not influence the results. The assumptions of normality, linearity, and homoscedasticity were assessed by examining skewness and kurtosis values and scatter plot diagrams (Tabachnick and Fidell, 1989). The validation of measure used in the study was performed by the use of one-factor congeneric models. A one-factor congeneric model is 'the simplest form of a measurement model, and it represents the regression of a set of observed indicator variables on a single latent variable' (Holmes-Smith and Rowe, 1994, p.6). Therefore, that model provides a realistic interpretation of the data by considering the varying degrees to which each item contributes to the overall measure and is a quasi-test of validity. For a model to fit, individual items must all measure a 'composite variable' of the same kind, and therefore, must be a valid measure of the single latent trait (Holmes-Smith and Rowe, 1994). In order to evaluate simultaneously the hypothetical relationships, and to evaluate the measurement properties of the important factors in the model so that the findings of the study could be applied more widely, confirmatory factor analysis (CFA) using AMOS 21.0 programme was decided upon to be used (Arbuckle, 1999). The analysis will consist of two major steps starting with first validating the measurements of each constructs, and then examining the hypothesized relationships. The techniques of estimating the parameters and the criteria for the assessment of model fit would be elaborated in greater detail in the subsequent sections. A systematic and conforming approach of model testing and model modification or re-specification was undertaken to report the results of the analyses encompassed by this study.

#### **4.16.1 Estimation Procedures and Methods**

The study employed Maximum Likelihood (ML) estimation as the estimation procedure, which assumes continuous and multivariate data that follows a chi-square ( $\chi^2$ ) distribution (Hair *et al.*, 1998). According to Bollen (1989), when models are well-specified with adequate sample size and have their data derived from a multivariate normal distribution, ML estimation would provide an asymptotically unbiased, consistent, and efficient analysis of parameter estimates and standard errors. If non-normality was assumed present, multivariate

normality would be tested by examining Mardia's coefficient for multivariate kurtosis (Mardia, 1970).

#### **4.16.2 Assessing Goodness-of-Fit for Measurement and Structural Models**

Although the fit of such a model to observed data can be examined in a number of ways (Byrne, 1998), the assessment of model's fit would be determined by the  $\chi^2$  test and an array of measure indices that were recommended by the current literature (Churchill, 1979; Byrne, 1994; Browne & Cudeck, 1993; Bollen, 1989; Schumacker and Lomax, 2004). The non-significance in the  $p$ -value of the  $\chi^2$  statistic will indicate that there is no significant difference between the model-implied variance/covariance matrix and the sample variance/covariance matrix, therefore suggesting a good model fit of the data (Byrne, 2001; Cunningham, 2007). However, some have speculated the adequacy of this statistic terming its sufficiency as a fit statistic in structural equation modelling "unknown" (Hu, Bentler and Kano, 1992). For example, the failure to obtain a non-significant chi-square may reflect a number of limitations such as a poorly specified model, the power of the test or a failure to satisfy assumptions underlying the statistical test (Marsh, 1994). Furthermore, while the  $\chi^2$  test is used to assess the statistical fit, it is sensitive to sample size and deviations from normality (MacCallum and Austin, 2000; Kline, 2005). In an effort to overcome those limitations, additional measures such as the practical indices (based on absolute fit indices and incremental fit indices) will also be used to assess the models (Hair et al., 1998; Hu and Bentler, 1998).

To assess the degree to which the specified models would reproduce the sample data, absolute fit indices based on Root-Mean-Square Error of Approximation (RMSEA), Standardised Root-Mean-Square Residual (SRMR), Goodness-of-Fit Index (GFI), and Adjusted Goodness-of-Fit Index (AGFI) would be reported (Schumacker and Lomax, 2004; Cunningham, 2007). The incremental indices that compare the null model as the nested baseline model with the specified model for better model fit improvement would be reported with Tucker Lewis Index (TLI) and Comparative Fit Index (CFI) (Hair et al., 1998; Hu and Bentler, 1998). Standardised residual covariance matrix and modifications indices (MI) would also be assessed in the process of determining model fit (Schumacker and Lomax, 2004; Cortina, Chen and Dunlap, 2001).

To consider the models as acceptable fit of the sample data, the following indices criteria denotes: RMSEA < .05 as a close or good fit (Byrne, 1998), while values up to .08 indicate

reasonable fit, and values between .08 and .10 indicate mediocre or acceptable fit (see Browne and Cudeck, 1993; Kline, 2005; Vandenberg and Lance, 2000, p. 44); SRMR < .05, and GFI, AGFI, TLI and CFI > .95 as good fit and > .90 as satisfactory fit (Schumacker and Lomax, 2004; Hair et al., 1998; Cunningham, 2007).

#### **4.17 Multi-Group Analyses**

Another type of analysis that can employ standard errors for path coefficients is often referred to as a multi-group analysis. One of the main aims of this type of analysis is to compare pairs of path coefficients for identical models but based on different samples (Kock, 2014). An example would be the analysis of the same model but with data collected within two different contextual variables. To examine whether the difference in results between two models were significant, the approach to multigroup analysis proposed by Chin and Dibbern (2010) was followed. This approach was also used by Eberl (2010) and Navarro et al. (2011) to assess group differences. A multigroup analysis can be divided in two steps. First, a sample of each subpopulation is analyzed, resulting in groupwise parameter estimates. Then, the significance of the differences between groups is evaluated. Both Chin and Dibbern (2010) and Keil et al. (2000) propose to use a t-test or ANOVA based on the pooled standard errors obtained via a re-sampling procedure. That is, bootstrapping from each sample is made to test whether there is a significant difference between two group-specific parameters. Using this method to assess significance in group differences can cause problems if similar sample size is not tenable (Chin and Dibbern, 2010). However, if the size of the two samples of the study is equal, it can be concluded that there is no reason for us to believe that measurement problems are an issue in the analysis (Flores, Antonsen and Ekstedt, 2014).

#### **4.18 Ethics**

The University's Human Research Ethics Committee has approved survey instruments used in the study to have met the ethical standards and recognises the study as minimal risk. Advice regarding ethical and legal implications was also made with the assisting university prior to administration of the surveys.

#### **4.19 Concluding Comments**

The research methodology adopted in this study has been documented in this chapter. While each of the measures in the survey instrument is detailed, the discussion on the process and

rationale of the study's sampling and collection method prior to pre-testing provides the fundamental basis for the analysis of the study. As discussed in the research objectives, there is a need for a scale to be developed before any further analysis of the relationships among the key constructs to be performed. As such, this research develops a single scale where the procedure and results of this scale development is provided next in chapter 5. The following chapters, 5 and 6, deals with the scale development process undertaken, as well as provide in-depth coverage on the main study of the research, including analyses of results and discussion concerned with the remaining hypotheses.

## CHAPTER 5

### PHASE ONE: SCALE DEVELOPMENT

#### 5.1 Introduction

The purpose of this chapter is to elaborate on the process taken to develop and validate a single scale that can be used as a manipulation check or consumer psychographic profiling in future parts of the research. One scale to measure consumers' need for ingredient authenticity was required. This was undertaken in a total of four respective studies. This chapter is divided into four stages, with a number of studies occurring under each phase relating to 'ingredient-authentic seeking behaviour' within the developing scale. Table 5-1 denotes a brief overview of the structure of this scale development process and chapter. A more complete overview of the studies, their purpose, and results will be concluded and appear at the end of this chapter.

**Table 5-1: Structure of Scale Development Chapter**

STAGE	CNIAScale Studies
1	Study 1: Exploratory Factor Analysis (EFA)
2	Study 2: Confirmatory Factor Analysis (CFA)
3	Study 3: Validation of CNIAScale
4	Study 4: Generalizability of CNIAScale

#### 5.2 Definition of Terms

Firstly, the following definitions have been implemented for the use of this scale development and its purpose in evaluating consumers' need for ingredient authenticity.

**Ingredient authenticity** relates to raw materials (ingredients, resources, supplies or components) and artisan skills (expertise, techniques or patterns) or skilled craftsmen that are deemed to be superior and authentic (real, genuine, accurate, traditional or original) to a specific geographical location. The researchers had defined consumers' need for ingredient authenticity as the trait (seeking, pursuing or consuming) (raw materials, artisan skills or

skilled craftsmen) that are regarded to be superior, authentic, and synonymous to a specific geographical location in the pursuit of one's self image and social standing (McLeod, 1999; Marianna, 1997; Tian *et al.*, 2001).

Marianna (1997) defines authenticity as a declaration of belonging to, and identifying with knowledge about respect for, and responsibility towards the product. This respect for tradition helps to create an image around the product that differentiates it from mass-market products by making it appear to be committed to values far from commercial considerations. In addition to a conceptualization as a value of respect of tradition, authenticity has been conceptualized as a self-expression (Canavari *et al.*, 2009). Following this, a product is seen as authentic because it is a genuine expression of our own personality – what Postrel (2003) defines as 'I like this because I'm like that.'

Researchers have studied and uncovered preference and consumption behaviour for those consumers who seek authenticity, as authenticity is an essential aspect in consumption (Crosby and Johnson, 2003). According to Grayson (2002), consumers seek authenticity in products they purchase and consume; hence, the nature and meaning of authenticity may vary depending on what product is being evaluated and how it is being consumed. Researchers have demonstrated that authenticity is critical in both product consumption and the role consumers play within many subculture and communal consumption experiences (Holt, 1997; Muniz and O'Guinn, 2001; Penaloza, 2000). Consumers continue their search for authenticity in many of their purchases and procurements, from functional products such as clothing to more experiential products, including restaurants and vacation spots (Costa and Bamossy, 1995; Thompson and Tambyah, 1999; Grayson and Shulman, 2000; Kozinets, 2002). Whether it is experiencing a fantasy outdoor event in a primitive and natural setting (Belk and Costa, 1998) or dining at an ethnic food restaurant (Lu and Fine, 1995), an authentic experience is sought for by event attendees or consumers, as they seek for a natural, untouched setting, free from the reach of the outside, and mass-marketed mainstream culture (Coary, 2013).

As discussed, the term 'ingredient authenticity' is initially coined to define raw materials, artisan skills or skilled craftsmen that are deemed to be superior and authentic to a specific geographical location. Hence, the researchers are borrowing the terms 'authenticity' to best describe the consumer behaviour construct that we will be measuring and the term

‘ingredient’ as an all-encompassing reference to raw materials, artisan skills or skilled craftsmen. For the purpose of this research, three dimensions have been identified and explored to accurately define the consumers’ need for ingredient authenticity scale.

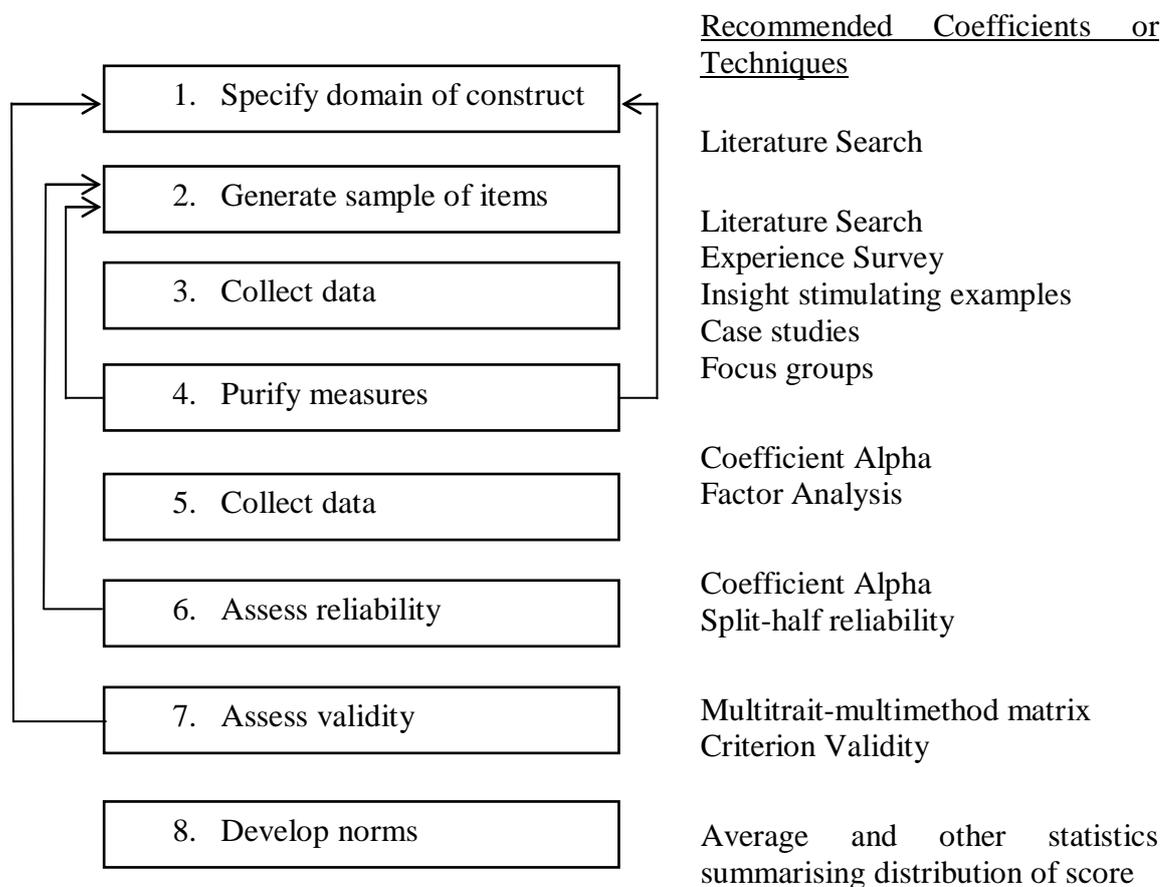
- **Authenticity of raw materials** (ingredients, resources, supplies or components) refers to materials or substances used in the primary production or manufacturing of a goods (product). Before being used in the manufacturing process, raw materials are often altered to be used in different processes. Raw materials are often referred to as commodities, which are bought and sold on commodities exchanges around the world. Raw materials are sold in what is called the factor market. This is because raw materials are factors of production along with labour and capital. Raw materials are so important to the production process that the success of a country's economy can be determined by the amount of natural resources the country has within its own borders. A country that has abundant natural resources does not need to import many raw materials, and has an opportunity to export the materials to other countries (Investopedia, 2014).
- **Authenticity of artisan skills or skilled craftsmen** refers to techniques, skills or expertise that an individual/specialized business has mastered or perfected to create a unique and authentic product. Historically, the term ‘artisan’ was given to skilled craftspeople. In the middle ages, artisans could earn higher wages than unskilled labourers because of their ability to produce unique high-quality objects. Today, the term artisan refers to unique goods produced by hand. Typically, these goods are produced in small batches, in contrast to mass-produced mainstream brands. While mass-produced goods are standardized, artisans are believed to impart individual qualities to each product or batch because these outputs are subjected to the differences that come with handcrafted production (Beverland, 2009, pg. 66). In this research, the artisan skills or skilled craftsmen will indicate the technological advancements an organization has created, innovated, and perfected to produce top quality one-of-a-kind, and unique products as well as the languishing or dying form of trade such as spinning silk or cotton by hand. There is a growing consumer preference for authentic, hand-made, eco-friendly products, and the recognition of certain qualities that are often taken for granted in crafts – qualities of timelessness and permanence, the adaptability of artisans and their materials to changing needs, as well as the spiritual dimensions. The emergence of global and highly competitive brands

has simultaneously created a niche for creativity, innovation and uniqueness, and an increasing demand for well-applied designs (Anheier and Isar, 2008, pg. 277).

- **Sustainability and ethical considerations** is a primary issue of the twenty-first century, which is often paired with corporate social responsibility (Aguilera et al., 2007), informed purchase decisions, and an emerging green orientation in some companies (Bansal and Roth, 2000). ‘Sustainability’ has several definitions, with the three most common being an activity that can be continued indefinitely without causing harm; doing unto others as you would have them do unto you; and meeting a current generation’s needs without compromising those of future generations (Fletcher, 2008; Partridge, 2011; Report of the World Commission on Environment and Development, 1987). Sustainability involves complex and changing environmental dynamics that affect human livelihoods and well-being, with intersecting ecological, economic, and socio-political dimensions, both globally and locally (Joy *et al.*, 2012).

The following process of scale development entails a number of studies, books, and articles. However, with regards to the process undertaken, those of particular importance are Churchill (1979), DeVellis (1991, 2012), Li, Edwards and Lee (2002), Nunnally (1978), Oh (2005), Spector (1992), Wells, Leavitt and McConville (1971), Eastman, Goldsmith and Flynn (1999), and Tian *et al.* (2001). The suggested procedure for ‘developing better measures’ as outlined by Churchill (1979) is included in Figure 5-1 to assist in clarifying the procedures and techniques undertaken.

**Figure 5-1: Suggested procedures for developing better measures**



Source: Adapted from Churchill (1979)

## **Stage One: Developing Scale Items**

### **5.3.1 Study One**

#### **5.3.2 What Are We Trying to Achieve?**

Based on the previous explanations of ingredient authenticity, the study (as per Li, Edwards and Lee, 2002; Eastman, Goldsmith and Flynn, 1999) uses three approaches to generate a set of potential scale items that can be included in the scale: literature reviews (Churchill, 1979), thesaurus searches (Wells, Leavitt and McConville, 1971), and experience surveys (Chen and Wells 1999; Churchill, 1979). In addition, the study follows the steps for scale development outlined by DeVellis (2012).

#### **5.3.3 What Is It We Want to Measure?**

The phenomena researchers try to measure in this social science measure often derived from theory. Theory plays an important role in how measurement problems are conceptualized (DeVellis, 2012). Lord and Novick (2008) ascribe theoretical issues as a vital role in the development of measurement theory. Consequently, developing a measure that is optimally suited to the research question requires understanding the subtleties of the theory (DeVellis, 2012). Much of the required theory for this portion of the process has been explained in the literature review chapter on ingredient authenticity, specifically ingredient branding, the authenticity concept, consumer evaluations, and outcomes. Specific attention was given to the literature of Desai and Kellar (2002), Michel and Cegarra (2003), Anheier and Iser (2008), and Beverland (2005, 2009).

In instances when researchers cannot rely on behaviour as an indication of a phenomenon, it may be more useful to assess the construct by means of a carefully constructed and validated scale (DeVellis, 2012). In this case, while product and brand authenticity (i.e. Liao and Ma, 2009; Beverland, 2005) are a widely researched area, ingredient authenticity remains a niche that researchers have yet to fully discover and evaluate consumers attitudes and behaviour towards the construct. Thus, at this stage, it was made clear that the scale needs to measure consumers' ingredient authentic seeking behaviour and delineate the dimensions that make up the scale. This would require using terms or words that help to focus on the scope of the construct. An appropriate way to do this would be in ensuring the contexts or dimensions in which terms were added such as product quality, sense of style, prestige, heritage (Darling

and Arnold, 1988; Gorp et al., 2012; Fionda and Moore, 2009) – an affective component, consumer trust, willingness to pay, and willingness to recommend (Bower, 2001; Bower and Landreth, 2001; Maxhan and Netemeyer, 2003) – a behavioural component; and lastly, brand image, brand authenticity, and brand attachment (Darling and Wood, 1990; Wood and Darling, 1993; Park et al., 2010; Zhang and Schmitt, 2001) – a cognitive component for the expected ingredient authenticity measure.

### **5.3.4 Generate an Item Pool**

The first step in any scale development is to use the definition to generate a number of items designed to capture the conceptual and logical true variance present in the construct (Eastman, Goldsmith and Flynn, 1999). The definition of ingredient authenticity to begin with is very broad. A literature review of the concepts and theories surrounding ingredient authenticity, along with thesaurus searches and experience surveys, needs to be outlined as suggested from Li, Edwards and Lee (2002).

### **5.3.5 Literature Reviews**

The purpose of the literature review is to establish a theoretical framework for the constructs and theories that may prove useful as an independent or dependent variable. A range of key terms, definitions, and terminology can be identified through the process of reviewing literature. In doing so, a more accurate representation and conceptualization of the construct, its dimensions, boundaries and content domain, as well as the possible antecedents and significance can be uncovered. A robust literature review will indicate previous efforts at measuring the construct and the strengths and weaknesses of such efforts (Netemeyer, Bearden and Sharma, 2003).

Firstly, previous studies on the application of authenticity were explored. It should be noted that there are a few scales specifically designed for use in sociological and psychological theoretical framework. Those scales that exist do explore authenticity mainly in terms of product (food) authenticity (Liao and Ma, 2009), brand authenticity (Coary, 2013; Beverland, 2005; Napoli, Dickinson and Beverland, 2012), and self-authenticity (Wood et al., 2008). Consumer-based brand authenticity scale devised by Napoli, Dickinson and Beverland (2012) outlined quality commitment, heritage, and sincerity as dimensions of brand authenticity. However, it was conceptualized in association to any brands that consumers feel are

authentic, regardless of the product category. The self-authenticity scale as posited by Wood et al. (2008) highlights a more psychological aspect of authenticity towards self which is separated in three dimensions: self-alienation, accepting external influence, and authentic living. A qualitative study was done by Liao and Ma (2009) in product authenticity that investigates the perceived characteristics of product authenticity and the idiosyncrasies and propensities of consumer who express a need for such authenticity. Their study identified six characteristics: originality, quality commitment and credibility, heritage and style persistence, scarceness, sacredness, and purity. The study also denotes that consumers with a high need for authenticity will consume authentic products deliberately, remain loyal to authentic products, and refuse to consume imitation goods which coincide with the direction of this proposed study (Liao and Ma, 2009). DeVellis et al. (1990) suggests that different measures capturing distinct aspects of the same general phenomenon may not yield convergent results. In essence, the measures are assessing different variables despite the use of a common variable name in their descriptions. The items of these past scales could also be made referenced to the current scale as they contain thoughts and perceptions about ‘raw materials’, ‘artisan skills’, and the authenticity-seeking behaviour.

The CNIAScale aims to look into consumers’ motivations and inclinations for seeking/pursuing/consuming products/materials/goods/artistry skills that are deemed to be superior, authentic, and synonymous to a specific location. Building and maintaining authenticity is a key issue to brand managers. New products can struggle under the idea that only old items can have authenticity (Lowenthal, 1975). Thus, firms seeking a genuine form of authenticity can directly manipulate the environment to create new attitudes (Suchman, 1995). Therefore, it is clear that the items to be included in the initial item pool for the scale could reference the attitudes and thoughts of the respondents about authenticity. However, research suggests that it is unwise to overly manipulate authenticity (Grayson and Martinec, 2004; Beverland and Luxton, 2005; Beverland, 2006) as consumers can become wary if they feel that the standards for authenticity have been manipulated for the purpose of gaining profit. Other researchers suggest that products can possess emergent authenticity (Cohen, 1988), whereby ‘inauthentic’ offerings gain acceptance as authentic offerings over time, particularly through interaction with local culture (Deephouse, 1996, 1999).

The reputation of luxury brands are often tainted with the same stereotype as fast fashion and other types of disposable fashion (Kapferrer and Bastien, 2009). However, because of their

long-standing concern for quality and craft, luxury brands could effectively counteract some of the problems endemic to fast fashion, and provide leadership on issues relating to sustainability (Annamma et al., 2012). Some consumer researchers may refer to this as ‘ethical mainstreaming’ defined as the process whereby consumers are willing to pay a premium for ethical or sustainable products (Thompson and Coskuner-Balli, 2007). Annamma et al. (2012) refers to this as promoting sustainability via artisanship appreciation. Boyle (2003) listed 10 authenticity elements that when displayed appropriately and correctly on a product, it could steer a revolution in the way many people want to live. He characterises the authenticity element as (1) real means ethical, (2) real means natural, (3) real means honest, (4) real means simple, (5) real means unspun, (6) real means sustainable, (7) real means beautiful, (8) real means rooted, (9) real means three-dimensional, and (10) real means human. In support of this, sustainability and ethical considerations can be added as reference to the initial pool set to test the emergence and existence of ‘ethical mainstreaming’ in consumers.

The various authenticity scales mentioned previously along with the motivations towards sustainability and ethical consumption (Annamma et al., 2012) will be consulted to provide a more rigorous understanding for the potential scale items. However, these items will be included with slight variation to better reflect the intended responses.

### **5.3.6 Theoretical Underpinnings**

Apart from the literature reviews, the proposed measure will include a principle theoretical framework, namely the Categorization Theory (Zentall et al., 2002) to better conceptualize the construct. Confirmation Bias Theory (Nickerson, 1998) and Brand Strength Hypothesis (Perrouy et al., 2006) will be used in conjunction to add clarity in defining and delineating the content domain of ingredient authenticity.

In measurement and validity studies, Cronbach and Meehl (1955) and Loevinger (1957) recognizes the importance of theory in the conceptualization of measurement. Cronbach and Meehl’s (1955) ‘nomological net’ concept suggested that a latent construct’s applicability to the social sciences depends highly on the theories in which it is based upon. Previous measures of authenticity have required the future research of the construct to be theoretically and conceptually defined (Gundlach and Neville, 2012). Even now, literature highlights the

deficient theoretical contributions made in developing an ingredient authenticity measure (Beverland, 2005; Beverland and Farrelly, 2010).

Categorization theory is used as the first theoretical basis for this study as it has been applied to similar studies in the context of product branding (Samiee et al., 2005). Consumers are likely to associate language and new sounds of a ‘foreign brand’ to prior information on country of origin. Such information can generate positive consumer attitudes and enable individuals to categorize products according to their emotional/rational nature (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993).

Confirmation bias denotes the seeking or interpreting of evidence in ways that are partial to existing beliefs, expectations or a hypothesis in mind (Nickerson, 1998). For instance, when an ingredient-authentic-seeking consumer has been introduced to a product with ingredients or skills originated and manufactured in a country not known to produce fashion but is branded by a well-known luxury brand, the consumer would then unknowingly seek evidence to confirm rather than to deny their hypotheses.

The brand strength hypothesis is a common theoretical way to explain why significant brand-by-country-of-origin interaction effects exist (Perrouy et al., 2006). According to this hypothesis, products carrying a weak brand name will have a stronger country of origin effect as compared to those with strong brand names. In this study, the brand strength hypothesis supports the notion that a luxury brand name can potentially alleviate the overall country and image perception of the origin of the ‘ingredient(s)’ of the product. This is done by reducing the country of origin effect and portraying the country-of-ingredient in a better light as a high quality producer or manufacturer of authentic ingredients.

### **5.3.7 Thesaurus Searches**

For the purpose of a thesaurus search, the construct ‘ingredient authenticity’ is deconstructed into two separate words. The items expected to reflect ‘ingredient authenticity’ can also be anointed with thesaurus terms such as ‘element, component, part, constituent, fundamental, making, part’ and ‘genuineness, dependability, truth, legitimacy, purity, and credibility’. A broader search using these terms revealed items such as ‘basic, composing, original, sustaining and indispensable’ and ‘substance, strength, endurance, honesty, principle, and

uniformity'. The thesaurus used in addition to the literature review provides a solid starting point for the scale.

### **5.3.8 Experience Surveys**

Finally, a panel of ten people with both academic and industry experience were consulted regarding the words derived from the thesaurus search, and a list of adjectives was developed. Relevance of items, clarity and conciseness, and ways of tapping into the phenomenon that were not yet included were discussed. Furthermore, this process was used to provide insights into item wording and response formats. This practice has been used to develop several scales in the marketing literature, both to help define the construct and to generate items (Zaichowsky, 1985; Babin and Burns, 1998; Bearden et al., 2001; Sweeney and Soutar, 2001). Items that are seven or more than the 10 judges classified as representative of a specific value were kept for further scale development. This resulted in eighty-seven items being retained from the one hundred and seventeen originally assessed. The high proportion retained, suggests that the experts had little difficulty in classifying the various items into common value dimensions (Sweeney and Soutar, 2001). Of interest, all judges categorized the item 'I will only seek for (luxury) brands made from authentic raw materials that reflects my personality' into the purchase behaviour/ownership dimension of ingredient authenticity. Using DeVellis's (2012) process again, items were developed from an initial paraphrase of the constructs he was trying to measure, and extended to additional statements of the same ideas and replacement of phrases. Items were then looked at critically for any appearance of ambiguity, exceptional length, multiple negatives, double-barrelled, and loaded items.

### **5.3.9 Determine Format of Measurement**

Past authenticity scales (e.g. Napoli, Dickinson and Beverland, 2012; Wood et al., 2008) have successfully used 7-point Likert scale, and this format will also be used in this study. The scale will be anchored by 'strongly disagree' at the 1-point and 'strongly agree' at the other end of the 7-point.

### **5.3.10 Initial Item Pool Reviewed by Experts**

The pool of items was then reviewed by a group of experts enlisted earlier to help generate the most appropriate scale items and to aid in maximising the content validity of the scale. The experts were first supplied with working definition of the constructs and asked to rate

how relevant they felt each item was to what the study is intending to measure. They were also asked to indicate whether the items belong to the right constructs they were grouped in. Comments on the individual items were also considered. The experts were again asked to provide feedback about clarity and conciseness of the scale items, as well as any other suggestions that may be useful to the refinement of the scale items. This process was as suggested by DeVellis (2012).

### **5.3.11 Consideration of Inclusion of Validation Items**

DeVellis (2012) posited that validity relates to whether the variable is the underlying cause of item covariation. This is discussed in relation to other motivations influencing response; for example, in a case of social desirability. There was not any fear of social desirability or similar issue for the development of this scale, given the anonymity and nature of the questions. The second suggestion was to include items to assist in measuring construct validity of the scale. It was later felt that any additional items in the initial pool would affect the accuracy of findings; and hence, it was not carried out in a true extent as there was concern over the already large number of scale items (see Appendix A).

### **5.3.12 Administer Items to a Development Sample**

The pool of items needed to be clarified in order to conceptualize the construct ingredient authenticity and develop the Consumers' Needs for Ingredient Authenticity (CNIA) Scale. This meant that the working definitions of the construct(s) had to be explained to capture the conceptual and logical true variance present. The scale was then administered to a sample size of 300 respondents. The demographics and characteristics of the respondents were representative to that of the future samples. After proper checks of each survey, 250 valid and usable responses were received. The exercise was undertaken in a classroom setting at a large Australian university.

### **5.3.13 Evaluate the Items**

The researchers' previous research suggested that three dimensions would be derived from the pool of items. Churchill (1979) suggests that the next step in scale purification is to examine the dimensionality of the items. Exploratory Factor Analysis (EFA) was done to purify the scale (DeVellis, 1991, 2012; Spector, 1992; Eastman et al., 1999). EFA was also undertaken to allow the reduction of items. Although coefficient alpha is often calculated

first, it is conceded that performing exploratory factor analysis is initially satisfactory during the early stages of research on a construct (Churchill, 1979). Exploratory factor analysis (Principle Component Analysis, Varimax with Kaiser Normalization) of the 87 items revealed three factor structures with eigenvalues 38.5, 26.8, and 13.4. Examination of the factors revealed dimensions that looked into the aspects of ‘raw materials’, ‘artisan skills’, and ‘sustainability/ethical considerations’ of ingredient authenticity as what the researchers have first hypothesized. Ingredient authenticity involving raw materials evoked attitudes of reflection of personality, uniqueness, and sense of style by the consumers. Ingredient authenticity involving artisan skills looks into consumers’ perception whether ingredient authentic products made by artisan skilled craftsmen are more prestigious, high quality, and more exclusive. Lastly, ingredient authenticity involving sustainability/ethical considerations investigates consumers’ perception as of whether products made by ingredient authentic raw materials and artisan skills provide a safe and humane working environment.

#### **5.3.14 Optimize Scale Length**

The initial EFA deduced the pool of scale items to a constructs measuring 3 dimensions with a total of 10 items. The length of the scale was deemed appropriate for this first study of scale development. The coefficient alphas ( $\alpha$ ) for all the items also fall within the acceptable range (Nunnally, 1978) of between .695 - .882. The coefficient alphas ( $\alpha$ ) for the dimensions are also acceptable. ‘Raw materials’ with 3 items scored  $\alpha = .883$ , ‘Artisan skills’ with 3 items scored  $\alpha = .814$ , and ‘Sustainability/ethical considerations’ with 4 items scored  $\alpha = .941$ . However, the final factor analysis for Study One can be seen in Table 5-2

## Stage One: Developing Scale Items (EFA)

**Table 5-2: Rotated Component Matrix for Scale Development Test 1**

	Component		
	1	2	3
Q1_5 I will only seek for products made from authentic raw materials that reflect my personality.	.746		
Q1_6 I will only seek for products made from authentic raw materials that reflect my uniqueness.	.845		
Q1_7 I will only seek for products made from authentic raw materials that reflect my sense of style.	.854		
Q2_4 I often think products made by authentic artisan skilled craftsmen are more prestigious.		.724	
Q2_11 I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.705	
Q2_12 I often think products handmade by authentic artisan skills are of better quality.		.695	
Q3_13 I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.873
Q3_14 I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.882
Q3_15 I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.858
Q3_16 I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.867
Cronbach's $\alpha$	.883	.814	.941
Eigenvalues (% of Variance)	38.5	26.8	13.4
KMO	.847		
Bartlett's Test of Sphericity	Approx. Chi-squared = 2207.020 Df. = 91, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization

- a. Rotation converged in 4 iterations.

### **5.3.15 Stage One Conclusion**

Three distinct dimensions with 10 items were purified from a pool of 117 scale items. These items represent the factors of ingredient authenticity and consumers' need for ingredient authentic products. From this point, Study Two of the scale development can commence. This includes the collection of new data sets for the validation of the item sets.

## **5.4 Stage Two: Purify the Measure/CFA**

### **5.4.1 What Are We Trying To Achieve?**

This stage was performed to examine the unidimensionality of the scales developed in Stage One, and if necessary, to further purify items. The content validity of the scale would also be examined by comparing the remaining items with the working definition of the ingredient authenticity construct.

### **5.4.2 Setting Up the Measures**

A new survey was produced consisting of the 10 items depicting consumers' need for ingredient authenticity, as well as demographics collected in Study One. A pre-test was conducted to ensure no errors and proper understanding of the survey and its items. Although in reality, the surveys were basically a smaller version of the surveys used in Study One.

### **5.4.3 Intended Analysis**

Confirmatory factor analysis (CFA) would be used to test for unidimensionality (Wood et al., 2008) which is considered by some superior techniques over EFA (O'Leary-Kelly and Vokurka, 1998). In CFA, hypothesized models reflect approximations to reality so that any model can be rejected if the sample is large enough (Marsh, Balla and McDonald, 1988). Cudeck and Browne (1983) argued that it is preferable to depart from the unrealistic assumption of the hypothesis-testing approach that any model will exactly fit the data. Instead, it proposed that a given target model 'be regarded as one of many formulations for describing behavioural theory' (Cudeck & Brown, 1983). CFA has been shown as a method to reduce the scale by identifying what items may be trimmed from the scale, in addition to confirming the scale's final form (Marsh, Balla and McDonald, 1988). Confirmatory Factor Analysis (CFA) would be undertaken using AMOS 22.0 software. The content validity of the scale could also be observed by comparing the remaining items with the working definition of the ingredient authentic construct.

### **5.4.4 Data collection**

New data was collected for this study. Respondents were given explanations about the working definitions of the constructs before commencement of survey. This study is also

conducted in a classroom style setting with respondents similar to those used previously. The valid and usable data for this study was  $n = 180$ .

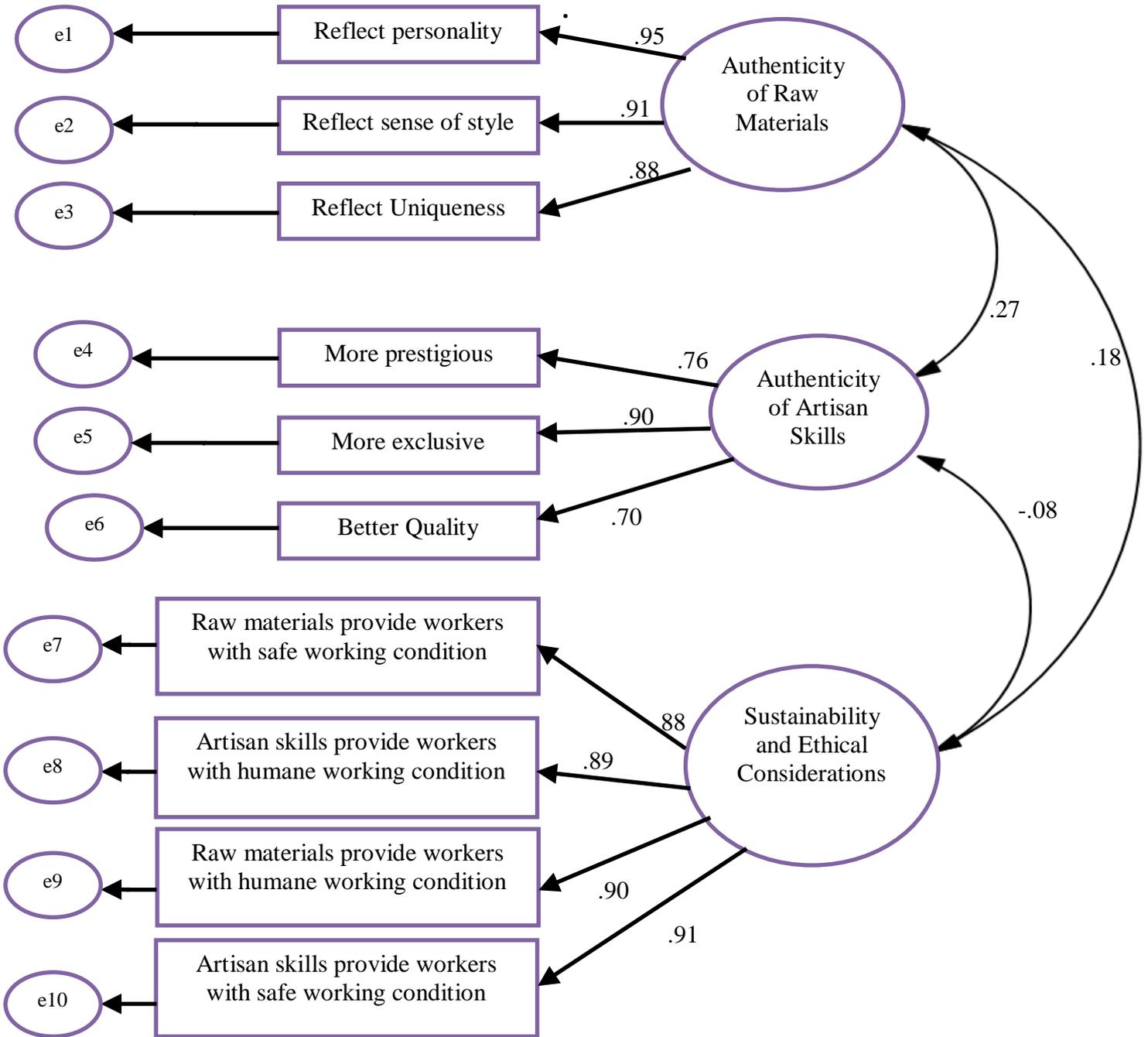
#### **5.4.5 Analysis and Results of CFA for CNIAScale**

Covariance structural equation modelling was performed with the AMOS software (Byrne, 2004), using the maximum likelihood model of estimation. As the scales showed some negative skew, the researcher(s) applied the Satorra-Bentler (Satorra & Bentler, 2001) correction for non-normality (as seen on Wood *et al.*, 2008).

According to Wood *et al.* (2008), the CFA was conducted to examine the fit and sample invariance of the three-factor model. Three latent dimensions were indicated, corresponding to raw materials, artisan skills, and sustainability/ethical considerations. Each of these latent dimensions was defined by the items of the subscales. The researcher(s) also identified that the latent dimensions correlate as part of the dimensions/factors of the intended scale. No error variances were allowed to correlate in the model.

Additionally, CFA refined the scales resulting and confirming the 10 items for CNIAScale with acceptable measures of model fit (Hu and Bentler, 1999). Model fit was tested with the chi-squared test of the difference between the implied and reproduced correlation matrices, the standardized root-mean-square residual (SRMR), the comparative fit index, and the root-mean-square-error of approximation (RMSEA). Based on their Monte Carlo analyses, Satorra & Bentler (2001) suggested that good model fit is individually indicated with approximate values for  $SRMR \leq .08$ ,  $CFI \geq .95$  and  $RMSEA \leq .06$ . Also, conventional values for accepting good models are substantially more lenient than these values are (Hu and Bentler, 1999).

**Figure 5-2: Confirmatory Factor Analysis for CNIAScale**



#### 5.4.6 Comparing One and Three-Factor models

The results of the CFA suggested that the three-factor model provides a good-fit for the data. Although this is consistent with each factor being representative of ingredient authenticity, it poses the question of whether a one-factor model would provide an equally good fit for the

data. The researcher(s) compared the three-factor model with a second one-factor model where all items were loaded on one single factor. As can be seen in Table 5-3, the one-factor model provided a poor fit of data. The chi-squared value showed that that three-factor model provided a significantly better fit than the one-factor model did. On this basis, the one-factor model was rejected. This basis, along with the CFA, also confirmed the initial EFA results of the CNIA scale corresponding to three latent factors/dimensions: raw materials, artisan skills, and sustainability/ethical considerations.

The table below denotes the difference between the goodness-of-fit values of the three-factor CFA model and the one-factor CFA model:

**Table 5-3: Results of three-factor vs one-factor CFA CNIA scale**

	Model 1: Three factors	Model 2: One factor
Chi-square	55.317	369.026
Degree of freedom	32	35
Probability level	.006	.000
GFI	.946	.705
AGFI	.908	.537
RMSEA	.064	.231
SRMR	.0482	.1315
CFI	.978	.721

On face value , the CNIA scale still encompassed the character of the definition (content validity) (Cheah & Phau, 2008). The remaining items, in their three dimensions, continue to suit the definition of the construct that the scale is intended to measure (content/face validity).

#### **5.4.7 Study Two Conclusion**

The initial 10 items in the CNIA scale have been subjected to the refining process of the CFA, and it was found that there was no need to eliminate any remaining items. These items also show to have acceptable unidimensionality. From this point, further tests on reliability and validity can be carried out.

## **5.5 Stage Three: Validation**

### **5.5.1 What Are We Trying To Achieve?**

At this stage, the researchers aim to establish the scale's criterion (predictive) validity and construct / trait validity (nomological, discriminant, and convergent). Studies by Churchill (1979), Campbell and Fiske (1959), Oh (2005), and Svensson (2011) were used as guides for this stage. For this to be achieved, new survey forms and collection of new data was required. This is explained in the following sections.

### **5.5.2 Setting Up the Measures**

#### **5.3.1.1 Criterion (Predictive) and Construct (Nomological) Validity**

This criterion validity refers to the conformity of a scale to a true state or a gold standard, and depending on the purpose of the study, sub concepts like clinical, predictive, and concurrent validity will be used (Svensson, 2011). According to Eastman, Goldsmith and Flynn (1999), criterion validity is the “extent to which a measure is related to actual behaviours or other real life outcomes” (Anastasi, 1986; Nunnally, 1978). Criterion validity also “concerns the ability of the scale to predict something that should theoretically be related or have the ability to predict” (Oh, 2005, pp. 301).

Construct validity refers to the consistency between scales having the same theoretical definition in the absence of a true state or a gold standard (Svensson, 2011). Sub concepts like convergent, descriptive, discriminant, nomological, divergent, factorial, translation validity, and parallel reliability have been used in studies (Svensson, 2011). Nomological validity is the extent to which the measurement instrument correlates in theoretically predictable ways with measures of different but related constructs (Nunnally, 1978).

In assessing the nomological validity of the CNIAScale, four consequences of consumer ingredient authenticity tendencies highlighted from the review of literature will be investigated. Following Eastman, Goldsmith and Flynn (1999) example of the addition of the attitude towards (luxury) brands scale adapted from Zhang and Schmitt (2001), a Likert-type scale (7-point) which is made up of 4-items was used to measure a respondent's attitude towards the brand and whether the brand name can facilitate the success of the product in the marketplace. The scale possesses a Cronbach's alpha of 0.95 which indicates high reliability.

Willingness to buy (luxury brands) (Bower, 2001; Bower and Landreth, 2001) and willingness to recommend (luxury brands) (Maxham and Netmeyer, 2003) were included to test for nomological validity. Both scales consist of a Likert-type scale (7-point) and are made up of 6-items and 3-items respectively. The willingness to buy (luxury brands) scale measures respondent's willingness and likelihood to check out, try, and/or purchase the luxury product after being exposed to the product's advertisement. Thus, the Cronbach's alpha for this scale is 0.90. The willingness to recommend (luxury brands) scale measures respondent's readiness to spread positive word of mouth and recommendation to other consumers. The Cronbach's alpha for this scale is 0.91.

Lastly, the brand extension scale (Brakus, Schmitt and Zarantonello, 2009) is also included. This scale is also a Likert-type scale (7-point) and is made up of 12-items which measures the respondent's sensory, affective, behavioural, and intellectual reactions towards the brands they have experienced. Each of the dimensions measured a Cronbach's alpha of 0.83, 0.81, 0.76, and 0.79 respectively. The original items in the attitude towards (luxury) brand, willing to buy and recommend (luxury brands), and brand experience scale were adapted for this study in order to highlight the importance of the 'ingredient authentic cue' in product attitude, purchase intention, and brand experience.

Results obtained using these attitudes scales in conjunction with the development of the CNIAScale could also move towards establishing nomological validity. Initially discussed in the 'nomological network' by Cronbach and Meehl (1955), nomological validity (a sub concept of construct validity) should be taken into account. Evidence of nomological validity is provided by a "construct's possession of distinct antecedent causes, consequential effects or modifying conditions, and quantitative differences in the degree to which a construct is related to antecedents or consequences or varies across conditions in exhibiting consequential effects" (Iacobucci, Ostrom and Grayson, 1995). Churchill (1995, pp. 538) dictates that nomological validity is established if the instrument behaves as expected with respect to some other construct to which it is theoretically related (Churchill, 1995, pp. 538). The link between this form of construct validity and the criterion (predictive) validity being measured can be seen in Dröge's (1997) explanation of nomological validity as "...the degree to which the construct as measured by a set of indicators, predicts other constructs that past theoretical and empirical work says it should predict". It differs from trait validity (i.e., convergent and discriminant validity) as it involves the empirical relationship between measures of different

constructs (Peter, 1981). In testing nomological validity, our aim is not to develop a comprehensive model of the outcomes of consumers' need for ingredient authentic tendencies, but simply to test a few theory-driven hypotheses as part of a validation measure (Cheah and Phau, 2008). Thus, the formal theoretical network containing the concepts should be under scrutiny (Campbell, 1960).

As discussed extensively in the review of literature leading to this chapter, understanding the outcomes of authenticity for a consumer is important because the search for authenticity is part of a consumer's identity project and is thus goal-driven (Arnould & Price, 2000; Belk, Wallendorf & Sherry, 1989; Gergen, 1991; Goffman, 1959; Lifton, 1993; McCracken, 2005; Thompson, 2000). This relates to the categorization theory (Samiee et al., 2005), confirmation bias theory (Nickerson, 1998), and brand strength hypothesis (Perrouy et al., 2006) which induces the operationalization of CNIA as a construct empirically to test for ingredient authentic tendencies in consumers.

Therefore, as hypothesized in chapter 3 of this study, the researchers expect the positive relationship between CNIA and attitude towards (luxury) brands and willingness to buy and recommend (luxury brands) to correlate stronger under those who are more motivated by ingredient authentic tendencies. As such, this will support the nomological validity of the scale by identifying its correlation with theoretically accepted behaviours. The use of correlation of behavioural or attitudinal reactions with scale items have been used in past studies (Eastman, Goldsmith and Flynn, 1999; Tian, Bearden and Hunter, 2001; Wood et al., 2008; Pollack and Alexandrov, 2013).

### **5.5.2.1 Trait Validity (Discriminant and Convergent)**

Convergent validity refers "to the degree to which two measures designed to measure the same constructs are related" (Churchill, 1979; Bearden, Netemeyer and Haws, 2011). Convergence is derived if the two measures are highly correlated. Discriminant validity assesses 'the degree to which two measures designed to measure similar but conceptually different constructs, are related' (Bearden, Netemeyer and Haws, 2011). A low to moderate correlation is often reflected as a sign of discriminant validity. This can be undertaken with convergent and discriminant tests (Campbell and Fiske, 1959). Intercorrelations among established related measures may be used to determine these measures of validity. Inclusion of such measures in a survey synchronically with the developed scales can provide results

presented in a Pearson-Correlation Matrix (PCM) as suggested by Eastman, Goldsmith and Flynn (1999).

### **5.5.2.2 Discriminant Validity**

In line with Churchill's (1979) belief that a fundamental principle in science is that a particular construct or trait should be measured against different methods and traits, the Consumer Fashion Knowledge Scale was included in the survey. The consumer fashion knowledge scale was developed by Flynn et al. (2000) and consists of 6 items. These items reflect on the respondent's level of knowledge on fashion and current trends. The Cronbach's alpha for this scale is 0.92. This scale was originally developed to measure consumer's subjective knowledge on fashion research, and can be used in the context of luxury branding. It is expected that the scale will, however, not measure the same traits as the intended scale, although will weakly correlate due to their theoretical and conceptual connection, suggesting discriminant validity of the developing scale.

### **5.5.2.3 Convergent Validity**

Camus (2004) devised the Food Authenticity Scale. However, it is a 12-item likert scale (7-point) designed to measure statements such as ".....is a little like a reflection of my personality" and ".....defines me" to be used in the food and beverage industry and context. These items in the Camus (2004) scale are expected to be closely related to the CNIA items in the developing scale. This being the case, as discussed, a strong correlation between the scales being developed and the existing scales in measuring the traits of the CNIA are expected (see Appendix B).

## **5.5.3 Intended Analysis**

### **5.5.3.1 Criterion (Predictive) and Construct (Nomological) Validity**

Previous studies have demonstrated that brands with a sense of history and connection with traditional cultures, customs, regions, and beliefs adds to its authenticity (Brown et al., 2003; Chhabra, Healy and Sills, 2003; Penaloza, 2000; Postrel, 2003). These brands have been tapped into a wider cultural zeitgeist and as a result, it has attained market share, institution-like status, and legitimacy (Holt, 2004). This suggests that respondents are more likely to have favourable attitudes towards luxury brands with ingredient authentic products and more

willing to buy or recommend the ingredient authentic products. Hence at this stage, willingness to buy and recommend (luxury brands) will be measured with attitudes towards (luxury) brands and brand experience scale to test for criterion validity. As discussed, these instruments will be administered via a likert-type scale (7-point). Justification of these instruments has been previously discussed in this chapter. The data will be tested via Pearson Correlation Analysis (2-tailed) to determine the 'predictive' levels of the corresponding ingredient authentic tendencies toward 'attitude', 'willingness to buy and recommend', and 'brand experience' variable. At this stage, it is noted that this may considerably evoke a form of 'concurrent validity' as part of the initial testing procedures. Thus, this validity test describes the operationalization's ability to distinguish between groups that should theoretically be able to distinguish between (Trochim, 2006).

As discussed earlier, theory and previous studies reveal that, as the level of CNIA increases, so should the positive attitudes of the corresponding respondent. Thus, if the scale being developed is measuring what it intended to measure, there should be a significant increase in attitude for those indicated by the scale as experiencing higher levels CNIA (Cheah and Phau, 2008). In terms of nomological validity, this indicates that the constructs the developing scales are measuring are shown as being related empirically to different constructs.

### **5.5.3.2 Discriminant and Convergent Validity**

As conferred previously, PCM will be used to analyse discriminant and convergent validity. The 'rules' of a PCM analysis showing successful validity is discussed under the study as follows.

## **5.5.4 Study Three – CNIA Scale**

### **5.5.4.1 Data Collection**

A new survey was pre-tested using respondents similar to the intended sample. After completion of the survey, a focus group-like scenario was conducted to obtain feedback regarding any possible or potential issues on the survey (e.g. comprehension of instructions, duration of survey, readability etc.). This test showed the survey to be appropriate for further use. This survey can be seen at Appendix C. Hence, the main data collection using the new survey will now begin. This was conducted on a new set of respondents not previously

exposed to any ingredient authentic scale development procedures. Furthermore, 180 valid and usable survey respondents were acquired.

## **5.5.4.2 Analysis and Results**

### **5.5.4.2.1 Criterion (Predictive) and Construct (Nomological) Validity – Analysis**

The criterion (predictive) validity of the scale was supported; and those experiencing high CNIA (measured by the scale in development) has a significantly higher correlation score of willingness to recommend (luxury brands) (WTR = .336\*\*,  $p < .01$ ) than the lower CNIA counterpart. Likewise, they also had a significantly greater attitudes towards (luxury) brands (ATB = .343,  $p < .01$ ) than their lower CNIA respondents. The PCM results incorporating the CNIAScale are shown in Table 5.4.

As discussed previously, using the correlation of behavioural or attitudinal reactions with scale items have been used in past studies (Wood et al., 2008; Tian, Bearden and Hunter, 2001; Eastman, Goldsmith and Flynn, 1999). In investigating nomological validity of a measure, it is essential to focus on a pattern of results between criterion and predictors, and not just the significance of the results (Cronbach and Meehl, 1955). Although the nomological validity has been proven, further research would need to be done before robustly justifying the scales as having strong nomological validity as patterns need to be shown. However, at this stage and with the support of the previous results, the scales are continuing their line of positive results towards validation.

As discussed, a PCM was carried out to indicate nomological validity. The PCM results including the CNIAScale are depicted in Table 5.4. Discussion of the table ensues.

**Table 5-4: CNIAScale Pearson Correlation Matrix Results**

Consumer Needs for Ingredient Authenticity (Authenticity of Raw Materials) [CNIA(AuRM)]	1						
Consumer Needs for Ingredient Authenticity (Authenticity of Artisan Skills) [CNIA(AuAS)]	.275**	1					
Consumer Needs for Ingredient Authenticity (Sustainability and Ethical Considerations) [CNIA(SusEthical)]	.175*	-.045	1				
Willingness to Buy Scale (WTB)	.276**	.167*	.163*	1			
Willingness to Recommend Scale (WTR)	.336**	.150*	.254**	.521**	1		
Attitude Towards Brand Scale (ATB)	.271**	.239**	.180*	.443**	.638**	1	
Brand experience Scale (BE)	.224**	.266**	.176*	.546**	.533**	.571**	1

\*\* Correlation is significant at the 0.01 level (2-tailed) \*Correlation is significant at the 0.05 level (2-tailed)

At this stage, the evidence of nomological validity is demonstrated by significant correlations of the scale with measures of other constructs of which it is expected to be related (Churchill, 1979; Svensson, 2010). Results found the CNIAScale constructs to be positively related to each of the constructs, namely; willingness to buy (WTB = .276\*\*, .167\*, .163\*,  $p < .01$ ) and brand experience (BE = .224\*\*, .266\*\*, .176\*,  $p < .01$ ). As previously noted, the measures of attitude towards (luxury) brands (ATB = .271\*\*, .239\*\*, .180\*,  $p < .01$ ) and willingness to recommend (luxury brands) (WTR = .336\*\*, .150\*, .254\*\*,  $p < .01$ ) were also positively correlated. These results indicate that the CNIAScale constructs are performing as it might 'be expected' with the associated constructs.

#### 5.5.4.2.2 Discriminant and Convergent Validity – Analysis

As discussed, PCM was used to show discriminant and convergent validity. The following section looks into the PCM in regards to the various scales including the CNIA. The results for the PCM are delineated clearly in Table 5-5. The table shows that the basic principles and rules were met.

**Table 5-5: CNIAScale Pearson Correlation Matrix Results**

CNIARM	1							
CNIAAS	.275**	1						
CNIASE	.175*	-.045	1					
FAS	.352**	.361**	.055	1				
BEA1	-.137	.096	-.190*	.003	1			
BEA2	-.139	-.020	-.093	-.112	.290**	1		
BEA3	.101	.239**	.040	.248**	.318**	.173*	1	
BEA4	.323**	.269**	.294**	.319**	.091	-.123	.260**	1

\*\* Correlation is significant at the 0.01 level (2-tailed)

\*Correlation is significant at the 0.05 level (2-tailed)

The following points show the analysis of the basic principle of a valid PCM in relation to testing discriminant and convergent validity:

1. ‘Correlation Coefficient indicating *discriminant validity* is the degree to which two measures designed to measure similar but conceptually different constructs, are related’:

This is explored as the constructs, showing a lack of correlation with the developing CNIAScale dimensions as compared to the other scale (Eastman, Goldsmith and Flynn, 1999). This can be seen as the brand extension authenticity dimension ‘avoiding brand exploitation’ which has a lack of correlation with the CNIA dimensions (BEA2 = -.139, -.020, -.093). The CNIAScale measures a latent construct, different from avoiding brand exploitation.

2. ‘Correlation Coefficient indicating *convergent validity* is the degree to which two measures designed to measure the same constructs, are related’:

This can be seen where there is a higher correlation between the CNIAScale, in dimensions ‘authenticity of raw materials’ and ‘authenticity of artisan skills’, and food authenticity scale (FAS = .352\*\*, .361\*\*,  $p < .01$ ) as compared to the status-seeking consumption scale. There is also a higher correlation between the CNIAScale, in dimension ‘Sustainability and Ethical Considerations’ and brand experience authenticity scale, especially to the dimension of ‘avoiding brand exploitation’ (BEA4 = .294\*\*,  $p < 0.05$ ) as compared to the status-seeking consumption scale. This coincides with the CNIA dimension primarily looking at the sustainability and ethical considerations of the trained workers in acquiring the raw materials and artisan skills.

This significant result indicates that the construct are performing as it might be expected with related constructs, thus establishing convergent validity. DeVellis (2012) indicate that there is no cut-off that defines construct validity. It is important to recognize that two measures may

share more than construct similarity. Specifically, similarities in the way constructs are measured may account for some covariation in scores independent of construct similarity (DeVellis, 2012).

By examining the data in the Pearson Correlation, the CNIA Scale being developed fulfills the tests of convergent and discriminant validity. At this stage, Cronbach's alpha shows the continued acceptable reliability of the Raw Materials ( $\alpha = .94$ ), Artisan Skills ( $\alpha = .83$ ), and Sustainability/Ethical Considerations ( $\alpha = .95$ ) dimensions which contributes to the overall CNIA Scale ( $\alpha = .80$ ).

### **5.5.5 Study Three Conclusion**

From this study, it can be seen that the proposed CNIA Scale performed successfully in the predictive, nomological, convergent, and discriminant validity tests.

### **5.5.6 Discussion on Stage Three**

This stage of the scale development process has effectively shown that the CNIA Scale has discriminant, convergent, predictive, and nomological validity as compared to existing established measures in the literature. From this stage, generalizability of the scale can be tested and thus further testing the scale's validity to confirm the suitability of the scale use (Eastman, Goldsmith and Flynn, 1999).

## **5.6 Stage Four: Validation and Generalizability**

### **5.6.1 What Are We Trying to Achieve?**

Although the suggested factorial structure has a good fit with data (Table and Figure 5-2), the researchers recognize that the results could be specific to this particular sample. Hence, the generalizability of the CNIA Scale to other respondents is still unexplored. A replicative study on a wider scale with a different sample is vital in providing confirmation on scale generalizability of CNIA. The intent of this study was to increase the generalizability of the scales by conducting a confirmatory factor analysis (CFA) on the previously validated items in each of the scales using a variation in sample respondents (adult respondents as compared to students) (Eastman, Goldsmith and Flynn, 1999). At this stage, an assessment of generalizability, coefficient alpha, and a confirmatory factor analysis are included and undertaken.

## **5.6.2 Setting Up the Measures**

### **5.6.2.1 Generalizability**

A scales' ability to remain functional and replicable under varying situations is of importance to its effective implementation in both academic and managerial circumstances. To assist in showing the generalizability of the scale, a variation in sample respondent was applied; adults respondents who are also business professionals carrying blue/white collar job profession, were the main respondents of the study as opposed to the original sample consisting of university students. The respondents came from a wide range of income groups and educational backgrounds. In the attempt to achieve this, confirmatory factor models were examined using responses obtained from a sample of business professionals from different industries.

## **5.6.3 Study Four – CNIA Scale**

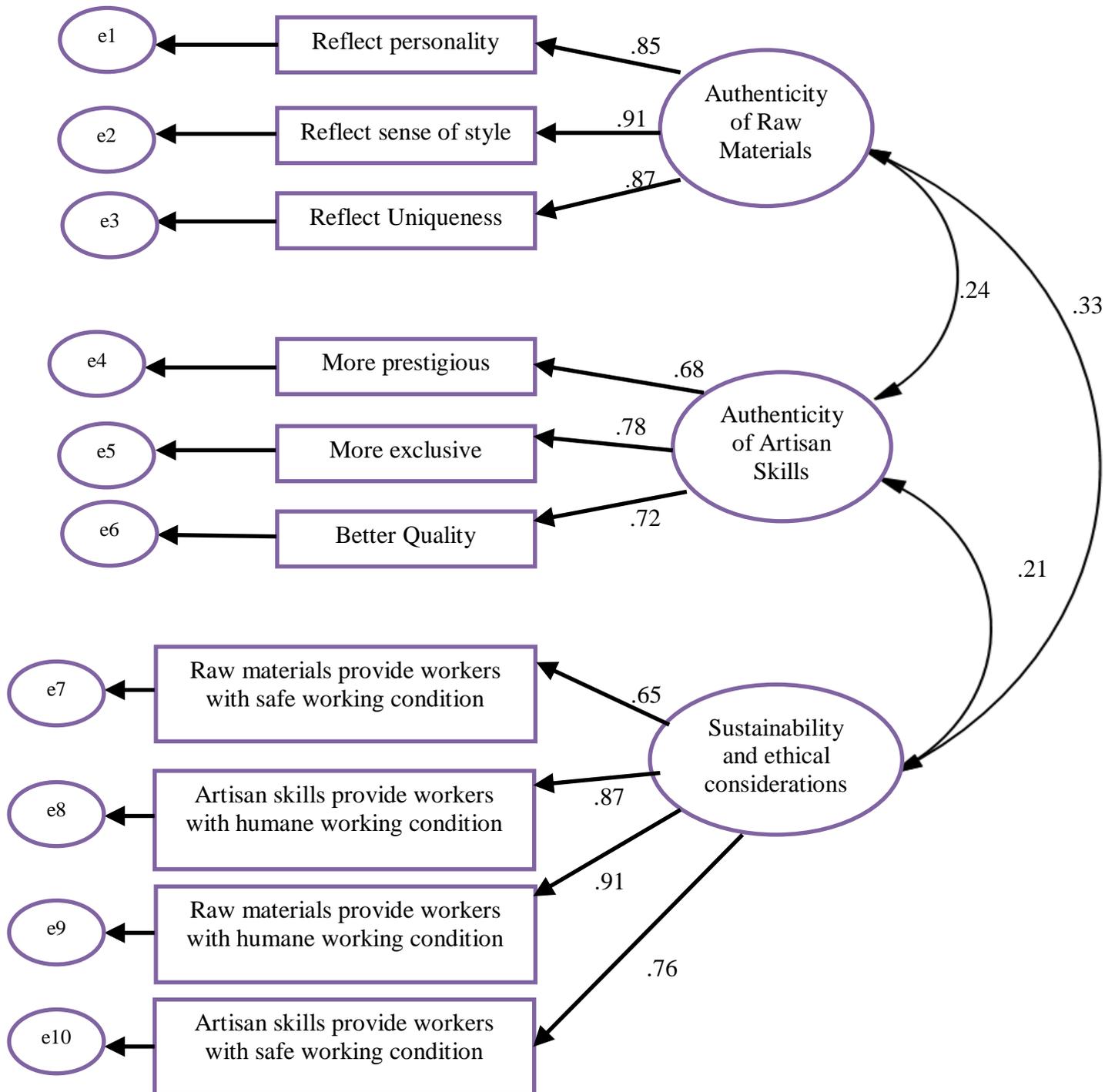
### **5.6.3.1 Pre-test and Data Collection**

To validate our findings, data in this study was gathered in a small seminar, on 'Trends in Luxury Branding'. This created sufficient relevance to the study as implications pertaining to the marketing of luxury brands and products, and also, the collapse of the Bangladesh sweatshops producing luxury brands were discussed, thus ensuring the elicitation of the appropriate response to which the scale was designed to measure (see Appendix C). It was observed that all participants were working professionals, some being middle or top management executives. During the seminar, a questionnaire on ingredient authenticity in luxury branded goods and products was distributed to each of the respondents to elicit their responses. A total of 200 completed questionnaires were collected in this study. However, the response rate is about 98 percent.

### **5.6.3.2 Analysis and Results**

AMOS 22.0 was again used to complete the CFA. The CFA for this test can be seen in Figure 5-3.

**Figure 5-3: Confirmatory Factor Analysis for CNIAScale under new conditions**



Selected important statistics of the CFA include; Chi-square = 50.169, df.= 31, Probability level = .016, GFI= .955, AGFI = .920, RMSEA = .056, and  $\alpha = .819$ .

#### **5.6.4 Study Four Conclusion**

The CFA showed suitability of the scale under differing conditions with acceptable results (Hu and Bentler, 1999). This assists in the generalizability of the scale. Reliability was assessed two ways in this study; a high coefficient alpha of .81 was established in addition to the three week test-retest reliability of the mean scores between each administration (1<sup>st</sup> study; M = 4.67, SD = .81. 2<sup>nd</sup> study: M = 4.36, SD = .98). This shows continuing reliability of the CNIA Scale.

#### **5.6.5 Discussion of Stage Four**

This stage indicates the CNIA Scale success in terms of generalizability by utilizing the scales under an alternative sample. At this stage, the results are encouraging in terms of scale generalizability; not only can the 10-item CNIA scale be applied to an alternative sample, it can also be generalized to a wide array of context: sweatshops to high end artisan skilled craftsmen. However, the scale would benefit from additional test of generalizability, especially in terms of other alternative product categories (fast moving consumer goods, technology, middle range luxury brands etc.) to ensure their appropriateness under a variety of conditions.

#### **5.7 Concluding Comments of Chapter Five**

This chapter has explained the process taken in developing a multidimensional scale, one intended to measure the tendencies of consumers' need for ingredient authentic products, skills and expertise, as well as their motivations towards that need. As revealed in the body of the chapter, the research has used previously proven methods through the four studies. The study has generated and purified the items through EFA and CFA (Study One and Two), shown content validity and unidimensionality using CFA (Study Two and Three), confirmed the scale's convergent, discriminant, and predictive (criterion) validity (Study Three), and lastly examined the generalizability and concurrent (criterion) validity (Study Four). The study also ensured the scale's ability to measure its intended purpose (Study Three and Four). As mentioned in the introduction of the chapter, a summary of the steps undertaken for each scale developed is shown in Table 5-6. Also, the final items in their complete form appears in Figure 5-4.

**Table 5-6: Summary of Scale Development for the CNIAScale**

Study 1	Purpose	Generate pool of items that relate to CNIA
	Items	87
	Respondents	250
	Stimuli	Explained working definitions of concepts
	Methods	Exploratory Factor Analysis (EFA), Reliability Analysis (Cronbach's)
	Results	EFA revealed 3 factors that highly relates to consumer needs for ingredient authenticity. 3 items relate to 'Raw materials (RM)' ( $\alpha = .883$ ), 3 items relate to 'Artisan Skills (AS)' ( $\alpha = .814$ ). 4 items relate to 'Sustainability/ethical considerations (SE)' ( $\alpha = .941$ )
Study 2	Purpose	Test the unidimensionality of the items developed in Study 1
	Items	3 items for RM, 3 items for AS, and 4 items for SE
	Respondents	180
	Stimuli	Explained working definition of concepts
	Methods	Confirmatory Factor Analysis with AMOS 22.0
	Results	CFA further refined the scale resulting in goodness-of-fit: Chi-square = 55.317, df. = 32, Probability level = .006, GFI = .946, AGFI = .908, RMSEA = .064, SRMR = .0482, CFI = .978, and $\alpha = .796$ .
Study 3	Purpose	Criterion, face, concurrent, convergent, discriminant, and nomological validity
	Items	10 items
	Respondents	180
	Stimuli	Explained working definitions of concepts
	Other utilised scales	CNIAScale, Willingness to buy and recommend scale, ATB scale, Brand experience scale, Fashion knowledge scale, food authenticity scale.
	Methods	Pearson Correlation Matrix (PCM), median split, T-test, reliability alpha (Cronbach's)
Results	The PCM for the scale being developed was considered successful, showing convergent and discriminant. The PCM analysis (2-tailed) also showed that each scale was (as theoretically expected) linked to ATB and WTB constructs. Reliability shows the continued high reliability of the CNIAScale ( $\alpha = .800$ ).	
Study 4	Purpose	Perform validity tests (concurrent) and increase generalizability of the scales by performing a CFA on the study 3 results using a variation in sample respondents.
	Items	10 items
	Respondents	197
	Stimuli	Explained working definitions of concepts
	Methods	Confirmatory Factor Analysis with AMOS 22.0
	Results	CFA showed continued unidimensionality and the generalizability of the CNIAScale ( $\alpha = .819$ ) under new conditions of sample respondents. The six week test-retest reliability of the mean scores between each administration (1 <sup>st</sup> study; M = 4.67, SD = .81. 2 <sup>nd</sup> study: M = 4.36, SD = .98). This shows continuing reliability of the CNIAScale.

### **Figure 5-4: CNIA Scale**

10 items appear as a 7-point Likert scale anchored at one by 'strongly disagree' and 7 by 'strongly agree'.

#### Authenticity of Raw Materials

1. I will only seek for products made from authentic raw materials that can reflect my personality.
2. I will only seek for products made from authentic raw materials that can reflect my sense of style.
3. I will only seek for products made from authentic raw materials that can reflect my uniqueness.

#### Authenticity of Artisan Skills

1. I often think products made by authentic skilled craftsmen are more prestigious.
2. I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.
3. I often think products that are handmade by authentic artisan skills are of better quality.

#### Sustainability and Ethical Considerations

1. I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working condition.
2. I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a humane working condition.
3. I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.
4. I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a safe working condition.

### **5.7.1 Contributions of the CNIAScale**

The development of a unique scale is needed as current scales such as consumers' need for uniqueness by Tian, Bearden and Hunter (2001), the dream formula to the Rarity Principle (Dubois and Paternault, 1995), and the food authenticity measure (Camus, 2004) which do not constitute clearly consumers' needs for ingredient authenticity towards luxury products. In developing the new measurement, the newly formed tendencies can measure consumers' perception and motivation towards authentic ingredients from various country-of-origins. Bloch (1995) proposes that individual differences in the need for uniqueness, influence consumers' product selections through its effect on affective and cognitive responses to the exterior design. As an extension, the scale developed can propose the differences between consumers displaying a low need for ingredient authenticity versus high need for ingredient authenticity. Understanding perceptions of authenticity may help explain consumers' brand attitudes together with their degree of brand loyalty and also lead to a more effective approach of market segmentation. Moreover, the development of an authenticity scale will enable the relationship between this and other marketing constructs to be assessed. Combined, such insights will provide brand managers with a means to assess the efficacy of strategic communication messages designed to establish a perception of authenticity in the minds of external stakeholders, including consumers (Molleda, 2010).

### **5.7.2 Future Directions for the CNIAScale**

As a whole, the CNIAScale has undoubtedly more room and potential for further refinement based on continued research and changes in the marketplace, emerging industries, cultural environments, or even through longitudinal research. Such refinements and modifications could necessitate the addition of new items, or the removal of original ones. Although the researchers aim to cover all relevant aspects of ingredient authenticity by carefully establishing the literature, it can be noted that there may have been aspects or factors overlooked or that have become relevant due to new and emerging trends in the marketplace. To keep abreast with the evolving marketplace and trends in ingredient authenticity, researchers are encouraged to incorporate the relevant aspects of the scale into their future studies. However, this is a universal theoretically and methodological-driven approach for the measurement of ingredient authenticity, and its dimensions can be kept consistent and relevant in an ongoing basis.

As highlighted in the section above, the scale is an important contribution to marketing practitioners and academic literature. This scale will also be further utilized in the development of this PhD dissertation (Chapter 6) as an appropriate measure of ingredient authentic tendencies. In order to test for the hypotheses, multiple and moderated regression as well as a number of correlation tests will be used for analysis. These methods are considered suitable as regression analysis will successfully examine any significant pathways or relationships by measuring and subsequently comparing the variance between constructs. Finally, as discussed, Structural Equation Modelling (SEM) will be used to examine the entire model and relationships between measures.

Furthermore, the analysis and results of the hypotheses will be discussed in the next chapter (Chapter 6 -Phase Two of the research).

## CHAPTER 6

### PHASE TWO: MAIN STUDY – RESULTS AND ANALYSES

#### 6.1 Introduction

The main focus of the research is to determine the impact consumers' need for ingredient authenticity (CNIA) will have on product judgment, brand image, brand attachment, as well as willingness to buy and recommend the luxury brand. The study is conducted using a 12 cell factorial experimental design approach. The 3 X 2 X 2 design explores 3 different country-of-origins of luxury brands X 2 high versus low ingredient authentic country image X 2 authenticity cues. The advert stimuli will prompt an explicit approach in representing the country of origin information/cues. A brief description/story of the ingredient (raw material/artisan skill) is woven into the advert alongside the image of the product and the brand logo of each different luxury brand (Prada/Touchè). The rationale was to identify any significant differences in consumer behaviour between the country of (luxury) brand and the associated country of ingredient authenticity. That is, identifying whether or not country of origin cues such as the indicated 'Made in' label stimulates or dampens consumers' perception and behavioural outcome towards the luxury brand. Exploration of the effects will also consider the contextual variable of status consumption and consumer fashion knowledge.

This chapter will first explore the analyses methods and statistical techniques, and will be followed by the demographic profile of the sample. To test the hypotheses, the chapter will systematically discuss the results from the analyses of the single-construct measurement models, which is subsequently followed by the examination of the full measurement model and the hypothesized structural model.

## 6.2 Overview of Analysis and Discussion

This chapter reports the findings of the 12 studies that employ the 3 x 2 x 2 (3 COO of luxury brands x 2 high versus low country image x 2 authenticity cues).

**Table 6.1: Stimulus for experimental study**

<p style="text-align: center;"><b>STUDY ONE</b></p> <p style="text-align: center;">Prada Denim cut jeans Made in Japan</p>	<p style="text-align: center;"><b>STUDY TWO</b></p> <p style="text-align: center;">Prada Chikan embroidery dress Made in India</p>	<p style="text-align: center;"><b>STUDY THREE</b></p> <p style="text-align: center;">Prada Alpaca wool sweater Made in Peru</p>	<p style="text-align: center;"><b>STUDY FOUR</b></p> <p style="text-align: center;">Prada Kilt tartans Made in Scotland</p>
<p style="text-align: center;"><b>STUDY FIVE</b></p> <p style="text-align: center;">Prada Denim cut jeans Made in Italy</p>	<p style="text-align: center;"><b>STUDY SIX</b></p> <p style="text-align: center;">Prada Chikan embroidery dress Made in Italy</p>	<p style="text-align: center;"><b>STUDY SEVEN</b></p> <p style="text-align: center;">Prada Alpaca wool sweater Made in Italy</p>	<p style="text-align: center;"><b>STUDY EIGHT</b></p> <p style="text-align: center;">Prada Kilt tartans Made in Italy</p>
<p style="text-align: center;"><b>STUDY NINE</b></p> <p style="text-align: center;">Touchè Denim cut jeans Made in Japan</p>	<p style="text-align: center;"><b>STUDY TEN</b></p> <p style="text-align: center;">Touchè Chikan embroidery dress Made in India</p>	<p style="text-align: center;"><b>STUDY ELEVEN</b></p> <p style="text-align: center;">Touchè Alpaca wool sweater Made in Peru</p>	<p style="text-align: center;"><b>STUDY TWELVE</b></p> <p style="text-align: center;">Touchè Kilt tartans Made in Scotland</p>

**Table 6.1.1: Visual stimuli for experimental study**

 <p>Denim cut jeans</p>	 <p>Chikan embroidery dress</p>
 <p>Alpaca wool sweater</p>	 <p>Kilt tartans</p>

Each of these parts will start with a recap of the definition of consumers' need for ingredient authenticity and its dimensions along with the accompanying hypotheses. Next, the findings of all the respective studies are presented. Finally, it ends with the conclusion which summarized the key findings within each type of study/brand.

### 6.3 Overview of Statistical Techniques

A number of statistical techniques were used to test the hypotheses H1 to H10. They are applied across the twelve main studies.

First, a reliability test using Cronbach's alpha test for internal consistency is used to ensure that all the constructs within the study is deemed reliable. The reliabilities indicate a measure of above .06 in accordance to Nunnally (1967, 1970). The scales used for the 12 studies are indicated below in Table 6-3. The Cronbach's alphas are all within the acceptable range suggested by Nunnally (1967, 1970).

**Table 6.2: Summary of scale reliabilities for all 12 studies**

Section	General and Unobserved Latent Variable	Items	$\alpha$	References
A	Product Judgement	6	.62 - .84	Darling and Arnold (1988); Darling and Wood (1990); Wood and Darling (1993)
B	Attitude Towards Brands	4	.70 - .89	Zhang and Schmitt (2001)
C	Brand Attachment	4	.78 - .95	Park <i>et al.</i> (2010).
D	Willingness to Buy	6	.80 - .94	Bower (2001); Bower and Landreth (2001)
E	Willingness to Recommend	3	.76 - .95	Maxham and Netemeyer (2003)
F	Status Consumption	5	.78 - .93	Eastman <i>et al.</i> (1999)
G	Consumer Fashion Knowledge	6	.80 - .92	Flynn <i>et al.</i> (2000)

Second, a descriptive statistical analysis was conducted in SPSS to profile the respondent. Based on the percentages of each group, the respondents are likely to be aged between 19 - >50 years of age. This scale serves as an important contribution and indicator not only to practitioners and the marketing literature, but will also be further utilized in the remaining PhD dissertation (Chapter 6) as an appropriate measure for consumers' need for ingredient

authenticity as well as a manipulation check to ensure the advertisements used are eliciting the correct response and that the expected form of CNIA and country of ingredient authenticity cues are in fact present.

Lastly, to test for the hypotheses (Table 6-3), Structural Equation Modelling (SEM) will be used to examine the entire model and relationships between measures, as performed in previous studies (Heimbach, Johansson & MacLachlan, 1989; Knight & Kim, 2007; Chung, Pysarchik & Hwang, 2009; Newman & Dhar, 2014). SEM is a statistical methodology that takes a confirmatory (i.e., hypothesis-testing) approach to the analysis of a structural theory bearing on some phenomenon (Byrne, 2013). The basic approach to performing a SEM analysis is as follows: Theory, Model Construction, Instrument Construction, Data Collection, Model Testing, Results, and Interpretation (Bollen, 1989; Hoyle, 1995). This chapter addresses the model testing, results, and interpretation portion of the approach.

Each study will begin with a discussion of the demographic profile of the respondents. This is followed by an exploratory factor analysis of the Consumers' Need for Ingredient Authenticity scale which will be conducted via SPSS. It is then followed by conducting confirmatory factor analysis, analysed through AMOS, on all the constructs and scales to ensure no overlapping. Next, the results of the hypotheses and research questions will be discussed in two sections (a) Structural Equation Modelling (H1 – H10), (b) Multi-Group analysis via independent samples t-test (RQ1 – RQ2). A summary and discussion of findings will be provided at the end of each study. In addition, an overall conclusion and summary of the chapter will serve to conclude the chapter.

**Table 6.3: Hypotheses and Research Questions**

	<b>HYPOTHESES</b>
<b>H1a</b>	Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.
<b>H1b</b>	Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.
<b>H1c</b>	Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.
<b>H2a</b>	Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.
<b>H2b</b>	Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.
<b>H2c</b>	Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.
<b>H3a</b>	Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.
<b>H3b</b>	Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.
<b>H3c</b>	Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.
<b>H4a</b>	Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.
<b>H4b</b>	Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.
<b>H5a</b>	Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.
<b>H5b</b>	Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.
<b>H6a</b>	Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.
<b>H6b</b>	Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.
<b>H7a</b>	Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.
<b>H7b</b>	Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.
<b>H8a</b>	Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.
<b>H8b</b>	Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.
<b>H9a</b>	Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.
<b>H9b</b>	Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.
<b>H10</b>	Willingness to recommend luxury brand will lead to a positive effect towards willingness to buy luxury brand.

	<b>RESEARCH QUESTIONS (BACKGROUND/CONTEXTUAL VARIABLES)</b>
<b>RQ1</b>	Will status-seeking consumers be more likely to seek luxury brand names as signal for status rather than the needs for ingredient authenticity?
<b>RQ2</b>	Will consumers who are more knowledgeable in terms of the fashion industry and luxury brands be more likely to be influenced by consumer needs for ingredient authenticity?

## **6.4 Study One – Prada (Denim Cut Jeans Made in Japan)**

Based on Table 6.1, Study One will be testing the hypothesized effects of Prada Denim cut jeans that is ‘Made in Japan’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.4.1 Profile of Respondents**

The total usable number of respondents for Study One is 177 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 49.2% male and 50.8% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 73.4% are between 18 - 24 years old, 13.6% are 25 - 34 years old, 7.4% are 35 – 49 years old, and only 5.7% are 50 years and above. As for education, 52.6% completed higher education (undergraduate and above), 36.1% received a medium level of education (certificate or diploma), and 11.4% lower education (high school or not completed). Furthermore, approximately 43% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.4.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.4.2 shows that there are three dimensions that consist of 10 items that accounts for 80.81% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of Raw Materials’, ‘Authenticity of Artisan Skills’, and ‘Sustainability and Ethical Considerations’ which will be referred to as indicated in further analysis.

**Table 6.4.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.919		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.929		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.884		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.853	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.881	
3) I often think products handmade by authentic artisan skills are of better quality.		.850	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.894
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.883
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.899
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.864
Cronbach's $\alpha$	.921	.850	.909
Overall Cronbach's $\alpha$	.810		
Eigenvalues (% of Variance)	28.36	15.35	37.06
KMO	.799		
Bartlett's Test of Sphericity	Approx. Chi-squared = 1146.46 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 b. Rotation converged in 4 iterations.

### **6.4.3 Measurement Models – Fit Statistics**

The research consists of five single-construct measurement models, namely: (1) Product Judgement, (2) Attitudes towards brand, (3) Brand attachment, (4) Willing to Buy Luxury Brands, and (5) Willingness to Recommend Luxury Brands. The research also consists of the 3 dimensions Consumers' Need for Ingredient Authenticity. As the measurement models were specified earlier, a series of confirmatory factor analysis (CFA) were conducted and respecified if theoretically sound, before a full measurement model was being tested.

The confirmatory factor analysis tested in this section will reflect the steps undertaken for all the 12 exploratory studies. The five single-construct measures are all adapted from published scales; hence the EFA and CFA were established. The EFA and CFA for Consumers' Need for Ingredient Authenticity have also been verified in Chapter 5. This next section outlines the general fit indices of the measurement model that the constructs possess in the model.

#### **6.4.3.1 Consumers' Need for Ingredient Authenticity**

The confirmatory factor analysis of the Consumers' Need for Ingredient Authenticity scale proved to have good fit with  $\chi^2(32) = 30.608$ , SRMR = .0330, GFI = .967, AGFI = .943, TLI = 1.002, CFI = 1.000, RMSEA = .000, and PCLOSE = .935 (Refer to Figure 6.4.3.1 in Appendix). The examination confirmed the 10-item scale construct to fit into a 3-dimensional scale in support with the results from the exploratory factor analysis done in Section 6.4.2.

#### **6.4.3.2 Product Judgement**

The  $\chi^2$  test of the 6-item scale indicated poor fit with  $\chi^2(9) = 46.672$ , and a significant p-value = .000. Even though GFI = .924 and AGFI = .823 indicated good fit, other indicators (SRMR = .0849, CFI = .788, TLI = .647, RMSEA = .154, and PCLOSE = .000) showed poor fit. Further examination of the modification indices denote that two items, "PdtJ3 - High degree of technology" and "PdtJ4 - clever use of colour and design" are strongly correlated. After correlation of the two items, model fit was achieved with  $\chi^2(8) = 8.088$ , SRMR = .0301, GFI = .985, AGFI = .962, TLI = .999, CFI = .999, RMSEA = .008, and PCLOSE = .705 (Refer to Figure 6.4.3.2 in Appendix). The examination confirmed the 6-item scale construct to fit into a one-factor solution.

#### **6.4.3.3 Attitude Towards (Luxury) Brand**

The confirmatory factor analysis of the attitude towards (luxury) brand construct proved to have good fit with  $\chi^2(2) = 2.646$ , SRMR = .0178, GFI = .993, AGFI = .964, TLI = .992, CFI = .997, RMSEA = .043, and PCLOSE = .410 (Refer to Figure 6.4.3.3 in Appendix). The examination confirmed the 4-item scale construct to fit into a one-factor solution.

#### **6.4.3.4 Brand Attachment**

The  $\chi^2$  test of the 6-item scale indicated poor fit with  $\chi^2(2) = 124.492$ , and a significant p-value = .000. Other indicators (SRMR= .1024, GFI = .755, AGFI = .225, CFI = .762, TLI = .285, RMSEA = .590, and PCLOSE = .000) showed poor fit. Further examination of the modification indices denote that two items, “BrA3 – feelings are automatic” and “BrA4 – feelings come naturally” are strongly correlated. After correlation of the two items, model fit was achieved with  $\chi^2(1) = .212$ , SRMR = .0019, GFI = .999, AGFI = .994, TLI = 1.009, CFI = 1.000, RMSEA = .000, and PCLOSE = .711 (Refer to Figure 6.4.3.4 in Appendix). The examination confirmed the 6-item scale construct to fit into a one-factor solution.

#### **6.4.3.5 Willingness to Buy Luxury Brand**

The  $\chi^2$  test of the 6-item scale indicated poor fit with  $\chi^2(9) = 29.862$ , and a significant p-value = .000. Even though indicators (SRMR= .1024, GFI = .950, AGFI = .884, CFI = .968, TLI = .947) showed good fit, RMSEA = .115 and PCLOSE = .010 indicated poor fit and model can be further respecified. Further examination of the modification indices denote that two items, “WTB4– plan on buying product” and “WTB6 – consider purchasing product” are strongly correlated. After correlation of the two items, model fit was achieved with  $\chi^2(8) = 16.878$ , SRMR = .0242, GFI = .970, AGFI = .922, TLI = .975, CFI = .987, RMSEA = .079, and PCLOSE = .157 (Refer to Figure 6.4.3.5 in Appendix). The examination confirmed the 6-item scale construct to fit into a one-factor solution.

#### **6.4.3.6 Willingness to Recommend Luxury Brand**

The  $\chi^2$  test of the 3-item scale is not possible because the congeneric model must have at least 4 items to test for CFA. The measurement model had zero degrees of freedom and was completely identified. Hence, model fit indices could not be computed. However, the model did indicate that all three items were significantly related ( $p < .001$ ) to the construct with standardized factor coefficients of .738, .904, and .831 (Refer to Figure 6.4.3.6 in Appendix).

### 6.4.3.7 Full Measurement Model

After the goodness-of-fit and unidimensionality of each constructs were analysed through a series of CFA, a full measurement model was tested to ensure discriminant validity. Even though discriminant validity was the chief objective of testing the full measurement model, a statistical and practical test on the model was again conducted to ensure that there was no significant misfit and that no further modifications to the model were needed.

The initial test of the measurement model produced  $\chi^2(467) = 925.443$ . The other indices suggested poor fit, SRMR = .0704, GFI = .753, AGFI = .704, TLI = .853, CFI = .870, RMSEA = .075, and PCLOSE = .000. An assessment of the modification indices revealed possible model improvement if the correspondent error terms between the constructs were co-varied (see Table 6.4.3.7). Notably, covariances of error terms are between e23 and e24 (MI =93.791), e13 and e14 (MI = 28.937), and e28 and e30 (MI = 10.607)

**Table 6.4.3.7 Modification Indices: Covariances of Error Terms for Measurement Model**

Corresponding Items	Error Terms	M.I.	Par Change
‘BrA3 – feelings are automatic’ and ‘BrA4 – feelings come naturally’	e23<-->e24	93.791	.895
‘PdtJ3 – high degree of technology’ and ‘PdtJ4 – clever use of colour and design;	e13<-->e14	28.937	.484
‘WTB4 – plan on buying this product’ and ‘WTB6 – consider purchasing product’	e28<-->e30	10.607	.302

According to Cunningham (2007), unless the study is of longitudinal nature, the literature had disputed against the co-variation of error terms based on the modification indices as the generated indices are statistically-driven and should not be co-varied for the purpose of achieving better model fit. In fact, many researchers have considered such co-variation to be a serious theoretical violation if there is no substantive need to co-vary (Maruyama, 1998).

In view of these implications, substantial considerations have been given to the scales similarities as well as to the specified context under which the co-varied items are operating. It can be seen that all the constructs that were co-varied all fall under the same scale that differed only in the item’s wordings as they were contextually specified (i.e. of being

originating from Prada or Touchè). It is reasonable to assume their corresponding error terms to be related (See Appendix – Survey Instrument – for comparison of the scales). Husman et al. (2004) also denote that each hypothesized latent factor was allowed to covary, since they are presumed to represent related though not synonymous constructs. The modification indices suggested that by adding covariances between them, the model fit would improve, and also, covariances between these items were included in the model. With these changes, the model proved to be an optimal manipulation of the data as all items loaded significantly onto their respective latent constructs. Furthermore, no major violations of normality were reported in generated skewness and kurtosis statistics and stem-leaf plots (Husman et al., 2004).

The test of the re-specified model produced  $\chi^2(464) = 758.692$ . The other indices suggested adequate fit, SRMR = .0716, GFI = .800, TLI = .905, CFI = .916, RMSEA = .060, and PCLOSE = .018.

#### **6.4.4 Structural Model**

##### **6.4.4.1 Converting Measurement Models to Composites**

In specifying the structural models in all the 12 studies, the partial aggregation approach is adopted. The approach involves the aggregation of the indicators of each dimension of the overall construct, whereby each separate underlying factor is retained (Bagozzi and Heatherrington, 1994). The partial aggregation approach was considered most appropriate for two reasons: (1) it retained the separate dimensions of the constructs; (2) It provided an assessment of the final model that was less distracted by accumulated error, due to the large number of items used in the model (Von Der Heidt and Scott, 2007). According to Loehlin, 1992 and Bentler and Wu (1995), this approach to model assessment provides greater substantive content for each variable within a smaller matrix, less distraction from accumulated errors and thereby, greater reliability. Baumgartner and Homberg (1996) recommend that these composites should be created from scales for which unidimensionality and reliability are established. Partial aggregation is frequently used to assess complex model (i.e: Morgan and Hunt, 1994).

Each of the eight constructs was operationalised using a multi-item scale. Unidimensionality was assessed at the facet (first-order construct) level. Following scale purification, validation

(evidence of unidimensionality, convergent and discriminant validity), and cross-validation of the construct or measurement model, all of the variables loading highly on each of the measurement models were combined using the single average unit weighting (Von Der Heide and Scott, 2007).

#### **6.4.4.2 Composite Weighting Schemes**

Combining component variables into a composite involves deciding: (1) how multiple criterion measures are to be weighted and combined into a composite criterion measure, (2) how symptoms and signs are to be weighted and combined into a clinical judgement (Einhorn and Hogarth, 1975). These authors examined two weighting schemes – linear multiple regression and unit- (or average-) weighting: Linear regression models yield weights that are optimal in terms of minimising squared error, but consumer degrees of freedom in the estimation of those weights. Both predicting a criterion and for representing the overall evaluations of raters, unit-weighted additive linear models (linear composites) have been found to be a viable alternative to standard regression methods because unit weights (1) are not estimated from the data and therefore do not ‘consume’ degrees of freedom, (2) are estimated without error (have no standard error), (3) cannot reverse the ‘true’ relative weights of the variables, and (4) incorporate prior knowledge into the analysis. Also, the unit-or average-weighted scheme has the appeal of a democratic procedure which would be particularly suited to pooling the judgements of experts (Einhorn and Hogarth, 1975).

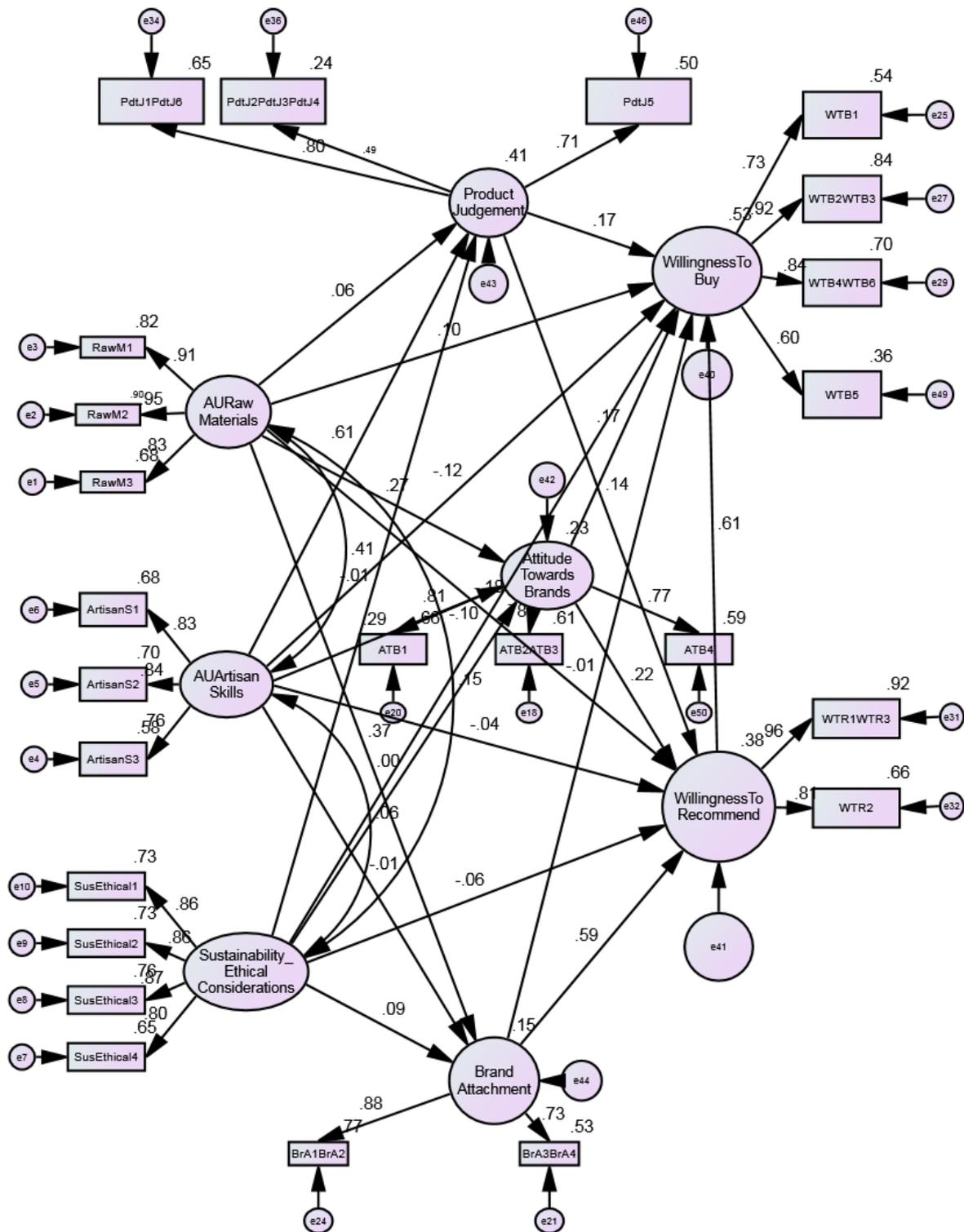
#### **6.4.4.3 Final Structural Model**

The overall structural model to be tested contained a total of eight composites:

- Five composites for the three second-order constructs (2 composites each for Product Judgement and Brand Attachment and 1 composite for Attitude towards Brand).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.4.4) has achieved an adequate model fit with indices of  $\chi^2(227) = 405.459$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0676**, **GFI = .844**, **IFI = .930**, **TLI = .913**, **CFI = .928**, and **RMSEA = .067**.

**Figure 6.4.4: Final SEM Model for Study One**



### **6.4.5 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.4.4, only **Hypotheses 1b, 1c, 2a, 2b, 8a, 8b, 9b, and 10 were accepted**. Hence, the rest of the hypotheses (H1a, H2c, H3a-c, H4a-b, H5a-b, H6a-b, H7a-b, and H9a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

#### **6.4.5.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada jeans, manufactured by a Japanese denim manufacturer, Dova, using high technological and cutting edge capabilities, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the jeans are labelled 'Made in Japan'. Consumers still associate the 'Made in Japan' jeans as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar &

Wertebroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1b is accepted.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada jeans, manufactured by a Japanese denim manufacturer, Dova, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the jeans are labelled 'Made in Japan'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada jeans, manufactured by a Japanese denim manufacturer, Dova, using high technological and cutting edge capabilities, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the jeans are labelled 'Made in Japan'. Consumers still associate the 'Made in Japan' jeans as high quality and reliable because these consumers possess a positive attitude towards the luxury brand,

Prada, as supported by hypothesis 2b. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Prada. The consumers also associate Prada as a brand name that can facilitate the success of the product in the marketplace even if it is a 'Made in Japan' denim jeans. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsiras, 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the denim jeans manufacturer, Dova, to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a

strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin and brand attachment towards luxury brands. Hence, hypothesis 3c is rejected.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to

induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is a negative and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brand. This indicates that consumers are not willing to recommend a luxury brand with ingredient authentic raw material elements. In the case of Prada 'Made in Japan' denim jeans, consumers will not recommend the raw materials that the manufacturing company uses to make the jeans. This could be because consumers view denim from Japan not as superior as compared to other famous denim producing countries such as USA, where the blue denim jeans trend was popularized (Levi Strauss Co., 2015). This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 4b is rejected.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or

country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

**H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between product judgement and willingness to buy luxury brand. Consumers' product judgement did not lead to a positive effect towards willingness to buy luxury brand. This indicates that product judgement is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is rejected.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brand and willingness to buy luxury brand. This supports studies from Min Han, 1994; Eagly and Chaiken 1993, p. 124 noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to buy) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8a is accepted.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han, 1994; Eagly and Chaiken 1993, p. 124 noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between brand attachment and willingness to buy luxury brand. Consumers' brand attachment did not lead to a positive effect towards willingness to buy luxury brand. This indicates that brand attachment is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Johnson and Rusbult, 1989; Thomson et al., 2005; Muñiz and O'Guinn, 2001; and Schouten and McAlexander (1995). Hence, hypothesis 9a is rejected.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table 6.4.5.1: Summary of Results for H1-10 based on Final SEM Model (Figure 6.4.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.059	.504 <sup>ns</sup>	Reject
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.273	.003**	Accept
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.371	***	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.614	***	Accept
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.292	.002**	Accept
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.014	.888 <sup>ns</sup>	Reject
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	-.006	.941 <sup>ns</sup>	Reject
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.001	.986 <sup>ns</sup>	Reject
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.085	.308 <sup>ns</sup>	Reject
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.103	.199 <sup>ns</sup>	Reject
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.179	.043*	(Reject)
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.120	.259 <sup>ns</sup>	Reject
H5b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	-.040	.738 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.099	.135 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.056	.432 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.173	.105 <sup>ns</sup>	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.217	.218 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.167	.046*	Accept
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.221	.014*	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	-.008	.939 <sup>ns</sup>	Reject
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.590	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.611	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		405.459		
<b>DF</b>		227		
<b>Ratio chi-square/df</b>		1.786		
<b>ρ</b>		.000		
<b>SRMR</b>		.0676		
<b>GFI</b>		.844		
<b>IFI</b>		.930		
<b>TLI</b>		.913		
<b>CFI</b>		.928		
<b>RMSEA</b>		.067		
* $p < 0.05$ , ** $p < 0.01$ , *** $p < 0.001$ ; ns = not statistically significant				

## **6.5 Study Two – Prada (Chikan Embroidery Dress Made in India)**

Based on Table 6.1, Study Two will be testing the hypothesized effects of Prada Chikan embroidery dress that is ‘Made in India’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.5.1 Profile of Respondents**

The total usable number of respondents for Study Two is 160 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 43.8% male and 56.3% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 71.8% are between 18 - 24 years old, 16.9% are 25 - 34 years old, 9.4% are 35 – 49 years old, and only 1.9% are 50 years and above. As for education, 42.6% completed higher education (undergraduate and above), 20.6% received a medium level of education (certificate or diploma), and 66.9% lower education (high school or not completed). Furthermore, approximately 36.9% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.5.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.5.2 shows that there are three dimensions that consist of 10 items that accounts for 63.06% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘Sustainability and Ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.5.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.754		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.855		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.826		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.702	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.811	
3) I often think products handmade by authentic artisan skills are of better quality.		.766	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.688
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.754
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.751
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.799
Cronbach's $\alpha$	.777	.658	.755
Overall Cronbach's $\alpha$	.715		
Eigenvalues (% of Variance)	19.83	13.68	29.55
KMO	.699		
Bartlett's Test of Sphericity	Approx. Chi-squared = 432.256 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 4 iterations.

### 6.5.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 963.539$ . The other indices did not suggest good fit, SRMR = .0911, GFI = .743, AGFI = .693, TLI = .724, CFI = .754, RMSEA = .081, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

#### 6.5.3.1 Final Structural Model

The overall structural model to be tested contained a total of nine composites:

- Six composites for the three second-order constructs (2 composites each for Product Judgement, Attitude towards Brand, and Brand Attachment).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.5.3) has achieved an adequate model fit with indices of  $\chi^2(145) = 239.927$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0754, GFI = .875, IFI = .914, TLI = .882, CFI = .910, and RMSEA = .064.**



#### **6.5.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion of the findings. Based on the results of the final SEM model in Figure 6.5.3, only **Hypotheses 1c, 2b, 3a, 3c, 4a, 7a, 8b, and 9b were accepted**. The rest of the hypotheses (H1a-b, H2a, H2c, H3b, H4b, H5a-b, H6a-b, H7a, H8a, H9a, and H10) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.5.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1b is rejected.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada Chikan-embroidered dress, made in India, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the dress is labelled 'Made in India'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of artisan skills. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of artisan skills from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 2a is rejected.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada Chikan-embroidered dresses to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the dress is labelled 'Made in India'. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2b is accepted.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the art of Chikan embroidery to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada with high sustainable and ethical practices when employing its artisan skilled labour. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards

product judgement was seen even though the dress is labelled 'Made in India'. Consumers still associate the 'Made in India' dress as high quality and reliable because these consumers perceive that the artisan skilled labours were given a safe and humane working conditions to excel on their overall work quality and produce a high quality end product. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 3a is accepted.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and brand attachment towards luxury brand. When applying the categorization theory (Zentall et al., 2002), consumers will perceive that Prada upholds a high sustainable and ethical workplace environment. This will lead to a positive brand attachment towards Prada. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 3c is accepted.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brand. This indicates that there is a positive effect towards willingness to buy with the

presence of an ingredient-authentic raw material element. Consumers could perceive the raw material to produce the Chikan-embroidered dress to be superior and of a high quality as Prada signals luxury and exclusivity. Both country of origin and brand name are known to influence consumers' perceptions and lead consumers to cognitive elaboration (Hong and Wyer, 1989) due to both constructs serving as an extrinsic cue of a product (Thorelli et al., 1989). Country of origin is known to induce associations in the minds of consumers (Aaker, 1991; Keller, 1993). Country image and attitude towards brand are assumed to have direct and possibly compensatory effects on outcome variables, such as purchase intentions. This implies that consumers' perceptions of countries and brand images are developed independently of each another (Diamantopoulos et al., 2011). Hence, hypothesis 4a is accepted.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between product judgement and willingness to buy luxury brand. Following the theory of cognitive consistency (Heider, 1946) when applied to product quality judgements, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture congruity. This supports studies from Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is accepted.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han (1994) and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brand and willingness to buy luxury brand. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between brand attachment and willingness to buy luxury brand. Consumers' brand attachment did not lead to a positive effect towards willingness to buy luxury brand. This indicates that brand attachment is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Johnson and Rusbult, 1989; Thomson et al., 2005; Muñiz and O'Guinn, 2001; and Schouten and McAlexander (1995). Hence, hypothesis 9a is rejected.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stilley & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between willingness to recommend and willingness to buy luxury brand. This finding does not support studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Consumers' willingness to recommend did not lead to a positive effect towards willingness to buy luxury brand. There may be other extrinsic product, brand, and/or country cues in order to induce this relationship. It could be due to the Prada Chikan-embroidered dress originating from India; and it may raise some doubts in consumers' mind about the product judgement and the quality of the dress. This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 10 is rejected.

**Table 6.5.4.1: Summary of Results for H1-10 based on Final SEM Model (Figure 6.5.3)**

		<b>Standardized Beta</b>	<b>P-value</b>	<b>Conclusion</b>
<b>H1a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.073	.544 <sup>ns</sup>	Reject
<b>H1b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	-.004	.974 <sup>ns</sup>	Reject
<b>H1c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.453	***	Accept
<b>H2a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.327	.127 <sup>ns</sup>	Reject
<b>H2b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.383	.016*	Accept
<b>H2c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.076	.479 <sup>ns</sup>	Reject
<b>H3a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.456	.003**	Accept
<b>H3b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.017	.879 <sup>ns</sup>	Reject
<b>H3c</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards (luxury) brand.</b>	.303	.007**	Accept
<b>H4a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.251	.019*	Accept
<b>H4b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.086	.507 <sup>ns</sup>	Reject
<b>H5a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.219	.134 <sup>ns</sup>	Reject
<b>H5b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	.224	.065 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.072	.561 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.049	.681 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.451	***	Accept
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	-.124	.297 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	-.015	.859 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.279	.003**	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.197	.151 <sup>ns</sup>	Reject
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.565	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.159	.225 <sup>ns</sup>	Reject
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		239.927		
<b>DF</b>		145		
<b>Ratio chi-square/df</b>		1.655		
<b>ρ</b>		.000		
<b>SRMR</b>		.0754		
<b>GFI</b>		.875		
<b>IFI</b>		.914		
<b>TLI</b>		.882		
<b>CFI</b>		.910		
<b>RMSEA</b>		.064		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

## **6.6 Study Three – Prada (Alpaca Wool Sweater Made in Peru)**

Based on Table 6.1, Study Three will be testing the hypothesized effects of Prada Alpaca wool sweater that is ‘Made in Peru’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.6.1 Profile of Respondents**

The total usable number of respondents for Study Three is 200 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 41.5% male and 58.5% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 62% are between 18 - 24 years old, 21.5% are 25 - 34 years old, 8.5% are 35 – 49 years old, and only 8.0% are 50 years and above. As for education, 50% completed higher education (undergraduate and above), 15.5% received a medium level of education (certificate or diploma), and 34.5% lower education (high school or not completed). Furthermore, approximately 49.5% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.6.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.6.2 shows that there are three dimensions that consist of 10 items that accounts for 71.50% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.6.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.835		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.853		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.826		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.781	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.858	
3) I often think products handmade by authentic artisan skills are of better quality.		.729	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.790
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.895
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.891
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.828
Cronbach's $\alpha$	.817	.714	.882
Overall Cronbach's $\alpha$	.790		
Eigenvalues (% of Variance)	21.03	14.58	35.89
KMO	.760		
Bartlett's Test of Sphericity	Approx. Chi-squared = 855.828 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 4 iterations.

### 6.6.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 1192.773$ . The other indices did not suggest good fit, SRMR = .1054, GFI = .731, AGFI = .679, TLI = .769, CFI = .794, RMSEA = .088, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

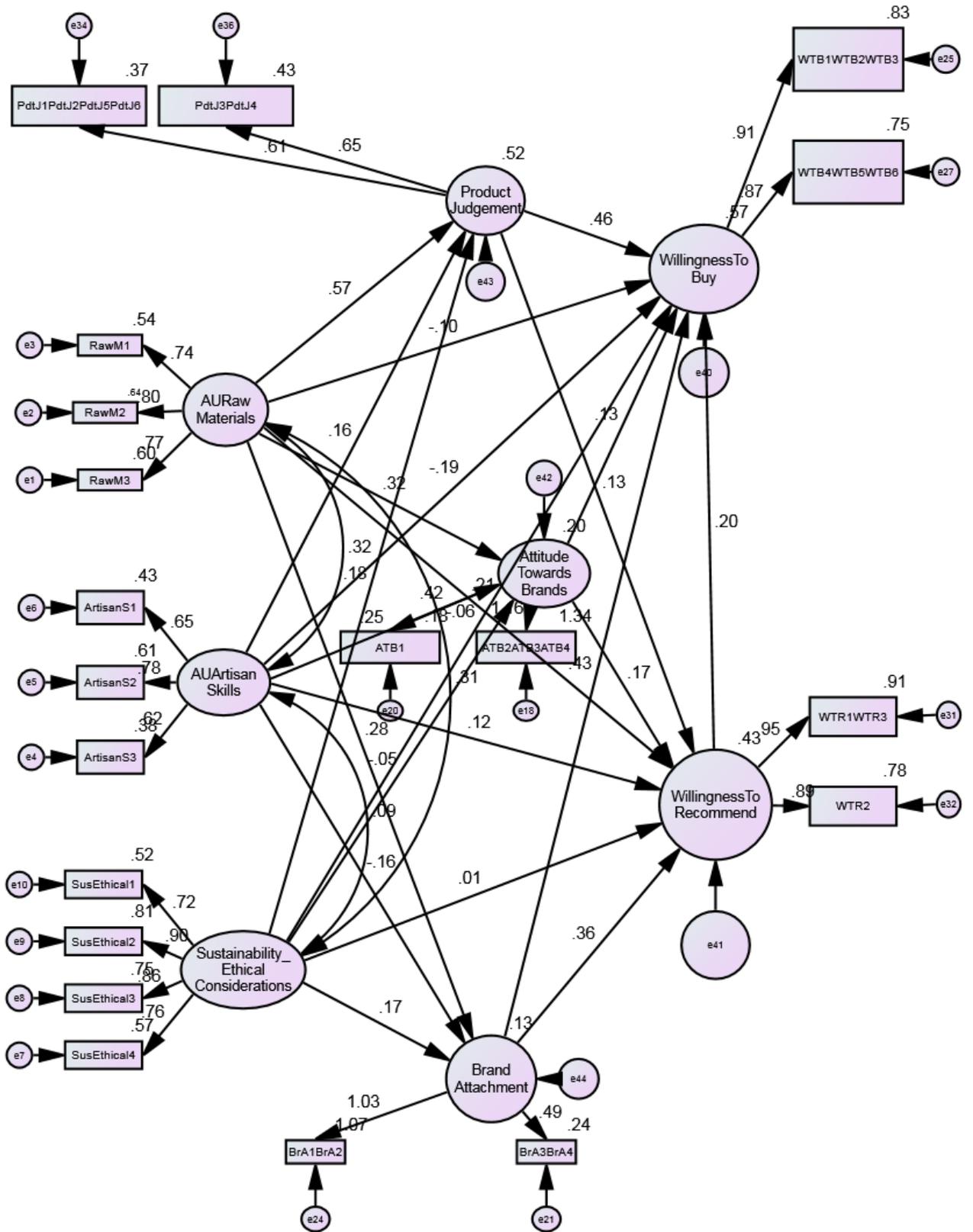
#### 6.6.3.1 Final Structural Model

The overall structural model to be tested contained a total of eight composites:

- Five composites for the three second-order constructs (2 composites each for Product Judgement and Brand Attachment and 1 composite for Attitude towards Brand).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.6.3) has achieved an adequate model fit with indices of  $\chi^2(145) = 320.913$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0674, GFI = .866, IFI = .910, TLI = .879, CFI = .908, and RMSEA = .078.**

**Figure 6.6.3: Final SEM Model for Study Three**



#### **6.6.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.6.3, only **Hypotheses 1a-1c, 2b, 3c, 7a, 8a-b, and 9a-b were accepted**. The rest of the hypotheses (H2a, H2c, H3a-b, H4a-b, H5a-b, H6a-b, H7b, and H10) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.6.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada wool sweaters, made in Peru, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the wool sweaters are labelled ‘Made in Peru’. Consumers still associate the ‘Made in Peru’ wool sweaters as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1a is accepted.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada wool sweaters, made in Peru, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards attitude towards Prada was seen even though the wool sweaters are labelled ‘Made in Peru’. Consumers still associate the ‘Made in Peru’ wool sweaters as high quality and reliable. Several studies support this finding (Batra &

Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1b is accepted.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada wool sweaters, made in Peru, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the wool sweaters are labelled 'Made in Peru'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of artisan skills. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of artisan skills from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 2a is rejected.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Prada. The consumers also associate Prada as a brand name that can facilitate the success of the product in the marketplace even if it is a 'Made in Peru' wool sweaters. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsiros, 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the wool sweater workmanship to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and brand attachment towards luxury brand. When applying the categorization theory (Zentall et al., 2002), consumers will perceive that Prada upholds a high sustainable and ethical workplace environment. This will lead to a positive brand attachment towards Prada. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 3c is accepted.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a negative and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. This indicates that consumers are not willing to buy a luxury brand with authenticity of artisan skills elements. In the case of Prada 'Made in Peru' alpaca wool sweaters, consumers may perceive that workmanship of the sweaters is not of utmost quality and luxury. This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 5a is rejected.

H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between product judgement and willingness to buy luxury brand. Following the theory of cognitive consistency (Heider, 1946) when applied to product quality judgements, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture congruity. This leads to a positive effect towards willingness to buy luxury brand. This

supports studies from Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is accepted.

**H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

**H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brand and willingness to buy luxury brand. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to buy) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8a is accepted.

**H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between willingness to recommend and willingness to buy luxury brand. This finding does not support studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Consumers' willingness to recommend did not lead to a positive effect towards willingness to buy luxury brand. There may be other extrinsic product, brand, and/or country cues in order to induce this relationship. It could be due to the Prada alpaca wool sweaters originating from Peru; and it may raise some doubts in consumers' mind about the product judgement and quality of the wool sweaters. This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 10 is rejected.

**Table 6.6.4.1: Summary of Results for H1-H10 based on Final SEM Model (Figure 6.6.3)**

		<b>Standardized Beta</b>	<b>P-value</b>	<b>Conclusion</b>
<b>H1a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.571	***	Accept
<b>H1b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.317	.008**	Accept
<b>H1c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.280	.008**	Accept
<b>H2a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.164	.129 <sup>ns</sup>	Reject
<b>H2b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.247	.048*	Accept
<b>H2c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.160	.077 <sup>ns</sup>	Reject
<b>H3a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.184	.057 <sup>ns</sup>	Reject
<b>H3b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	-.051	.412 <sup>ns</sup>	Reject
<b>H3c</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards (luxury) brand.</b>	.173	.031*	Accept
<b>H4a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.100	.453 <sup>ns</sup>	Reject
<b>H4b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.211	.071 <sup>ns</sup>	Reject
<b>H5a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.195	.034*	(Reject)
<b>H5b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	.119	.160 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.063	.411 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.014	.841 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.464	.012*	Accept
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.130	.353 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.128	.029*	Accept
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.174	.008**	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.430	***	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.363	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.196	.061 <sup>ns</sup>	Reject
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		320.913		
<b>DF</b>		145		
<b>Ratio chi-square/df</b>		2.213		
<b>P</b>		.000		
<b>SRMR</b>		.0674		
<b>GFI</b>		.866		
<b>IFI</b>		.910		
<b>TLI</b>		.879		
<b>CFI</b>		.908		
<b>RMSEA</b>		.078		
*p<0.05, **p<0.01, ***p<0.001; ns = not statistically significant				

## **6.7 Study Four – Prada (Kilt tartans Made in Scotland)**

Based on Table 6.1, Study Four will be testing the hypothesized effects of Prada Kilt tartan that is ‘Made in Scotland’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.7.1 Profile of Respondents**

The total usable number of respondents for Study Four is 160 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a slight skew in gender, with 38.1% male and 61.9% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 68.1% are between 18 - 24 years old, 22.5% are 25 - 34 years old, 5.7% are 35 – 49 years old, and only 3.8% are 50 years and above. As for education, 59.4% completed higher education (undergraduate and above), 21.3% received a medium level of education (certificate or diploma), and 19.4% lower education (high school or not completed). Furthermore, approximately 38.1% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.7.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.7.2 shows that there are three dimensions that consist of 10 items that accounts for 59.25% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.7.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.787		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.825		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.729		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.727	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.869	
3) I often think products handmade by authentic artisan skills are of better quality.		.798	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.654
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.745
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.782
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.646
Cronbach's $\alpha$	.703	.736	.670
Overall Cronbach's $\alpha$	.611		
Eigenvalues (% of Variance)	14.10	20.70	24.45
KMO	.601		
Bartlett's Test of Sphericity	Approx. Chi-squared = 357.689 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 4 iterations.

### 6.7.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 1041.282$ . The other indices did not suggest good fit, SRMR = .1015, GFI = .702, AGFI = .644, TLI = .696, CFI = .729, RMSEA = .087, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

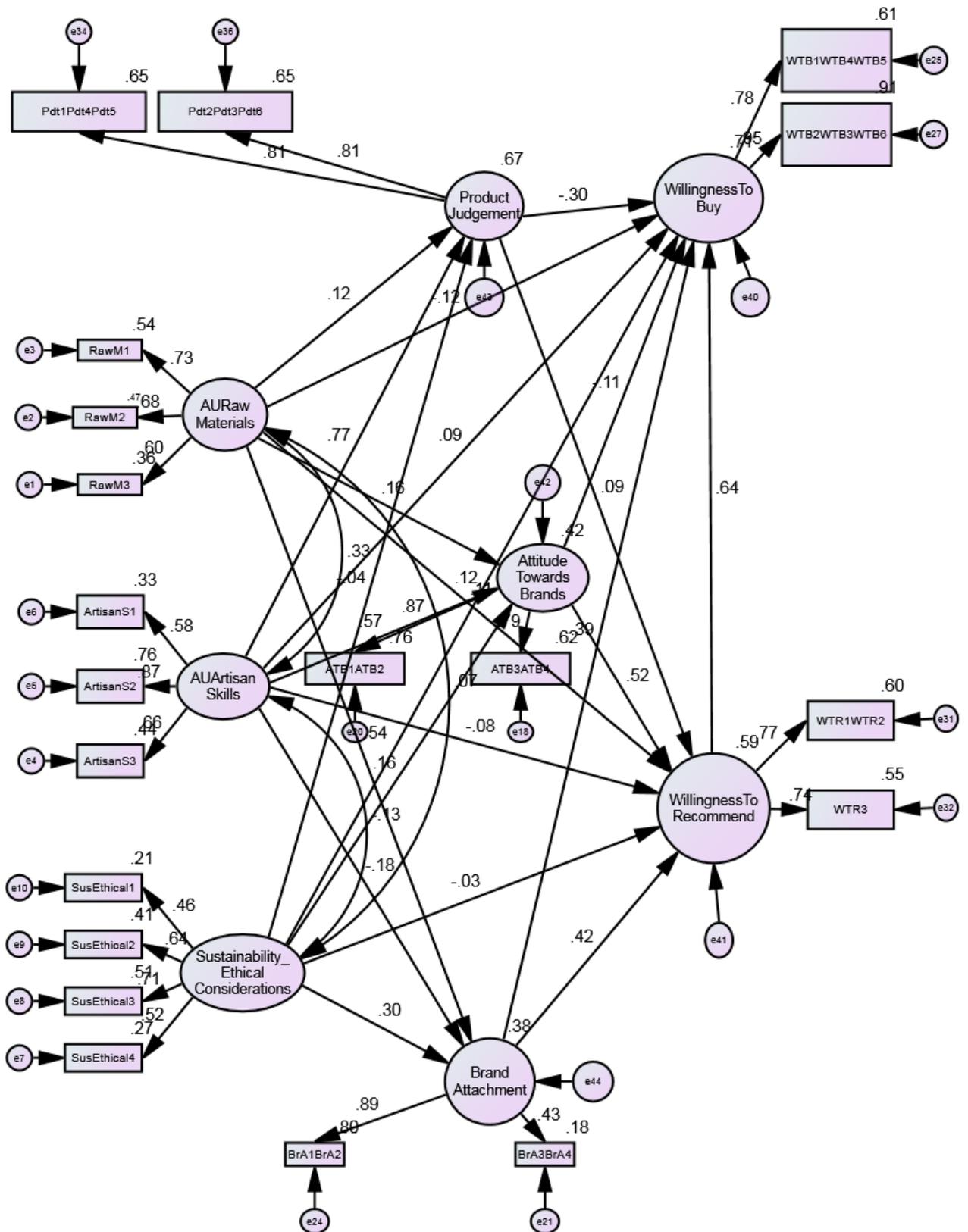
#### 6.7.3.1 Final Structural Model

The overall structural model to be tested contained a total of nine composites:

- Six composites for the three second-order constructs (2 composites each for Product Judgement, Attitude towards Brand, and Brand Attachment).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.7.3) has achieved an adequate model fit with indices of  $\chi^2(145) = 257.190$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0711, GFI = .867, IFI = .906, TLI = .873, CFI = .903, and RMSEA = .070.**

**Figure 6.7.3: Final SEM Model for Study Four**



#### **6.7.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.7.3, only **Hypotheses 1c, 2a-b, 3c, 8b, 9a, 9b, and 10 were accepted**. The rest of the hypotheses (H1a-b, H2c, H3a-b, H4a-b, H5a-b, H6a-b, H7a-b, and H8a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.7.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 1b is rejected.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada kilt tartans, made in Scotland, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the kilt tartans are labelled 'Made in Scotland'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada kilt tartans, made in Scotland, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the kilt tartans are labelled 'Made in Scotland'. Consumers still associate the 'Made in Scotland' kilt tartans as high quality and reliable because these consumers possess a positive attitude towards the luxury brand, Prada. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Prada. The consumers also associate Prada as a brand name that can facilitate the success of the product in the marketplace even if it is a 'Made in Scotland' kilt tartans. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsiros 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences hence consumers may not be completely aware or familiar with the kilt tartan workmanship, to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and brand attachment towards luxury brand. When applying the categorization theory (Zentall et al., 2002), consumers will perceive that Prada upholds a high sustainable and ethical workplace environment. This will lead to a positive brand attachment towards Prada. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 3c is accepted.

H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between product judgement and willingness to buy luxury brand. Consumers' product judgement did not lead to a positive effect towards willingness to buy luxury brand. This indicates that product judgement is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is rejected.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chan (2011) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.7.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.7.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.116	.205 <sup>ns</sup>	Reject
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.160	.104 <sup>ns</sup>	Reject
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.537	.006**	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.765	***	Accept
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.575	***	Accept
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.181	.081 <sup>ns</sup>	Reject
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	-.044	.608 <sup>ns</sup>	Reject
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.163	.084 <sup>ns</sup>	Reject
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.302	.018*	Accept
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.115	.379 <sup>ns</sup>	Reject
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.108	.491 <sup>ns</sup>	Reject
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.094	.617 <sup>ns</sup>	Reject
H5b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	-.082	.725 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.121	.198 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.030	.790 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	-.303	.079 <sup>ns</sup>	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.093	.648 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	-.108	.463 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.521	***	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.386	.024*	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.417	.009**	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.639	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		257.190		
<b>DF</b>		145		
<b>Ratio chi-square/df</b>		1.774		
<b>ρ</b>		.000		
<b>SRMR</b>		.0711		
<b>GFI</b>		.867		
<b>IFI</b>		.906		
<b>TLI</b>		.873		
<b>CFI</b>		.903		
<b>RMSEA</b>		.070		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

## **6.8 Study Five – Prada (Denim cut jeans Made in Italy)**

Based on Table 6.1, Study Five will be testing the hypothesized effects of Prada Denim cut jeans that is ‘Made in Italy’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.8.1 Profile of Respondents**

The total usable number of respondents for Study Five is 146 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 51.4% male and 48.6% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 30.1% are between 18 - 24 years old, 46.6% are 25 - 34 years old, 21.2% are 35 – 49 years old, and only 2.1% are 50 years and above. As for education, 47.3% completed higher education (undergraduate and above), 10.3% received a medium level of education (certificate or diploma), and 42.5% lower education (high school or not completed). Furthermore, approximately 97.9% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.8.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.8.2 shows that there are three dimensions that consist of 10 items that accounts for 80.62% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.8.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.857		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.865		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.892		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.797	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.908	
3) I often think products handmade by authentic artisan skills are of better quality.		.763	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.761
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.869
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.848
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.888
Cronbach's $\alpha$	.909	.858	.903
Overall Cronbach's $\alpha$	.892		
Eigenvalues (% of Variance)	17.18	12.07	51.37
KMO	.802		
Bartlett's Test of Sphericity	Approx. Chi-squared = 1069.567 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 5 iterations.

### 6.8.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 1007.819$ . The other indices did not suggest good fit, SRMR = .0980, GFI = .722, AGFI = .668, TLI = .775, CFI = .800, RMSEA = .082, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

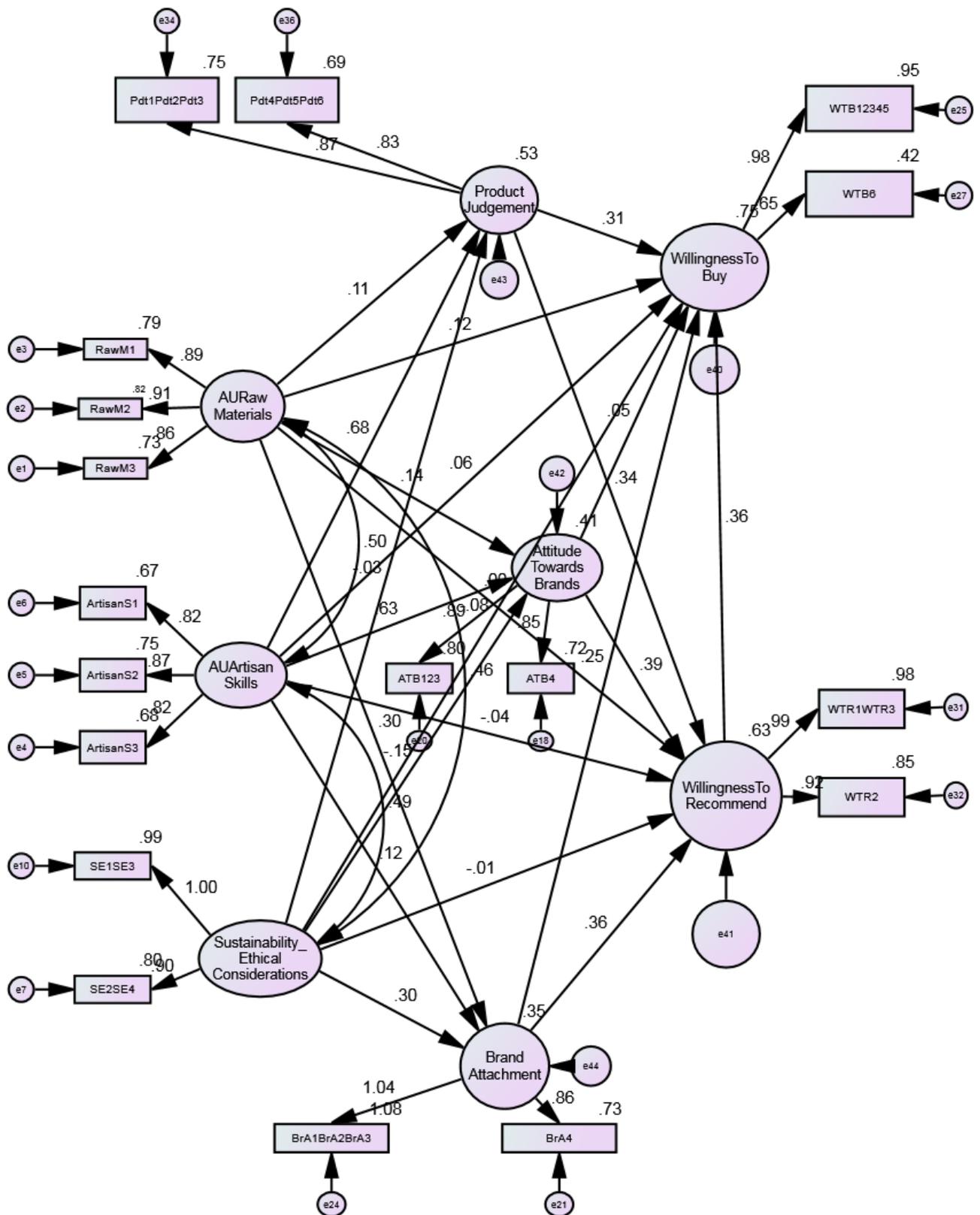
#### 6.8.3.1 Final Structural Model

The overall structural model to be tested contained a total of nine composites:

- Two composites for the three first-order constructs (1 composite for Authenticity of Artisan Skills and 2 composites for Sustainability and Ethical considerations)
- Four composites for the three second-order constructs (2 composites for Product Judgement and 1 composite each for Attitude towards Brand, and Brand Attachment).
- Two composites relating to third-order constructs (1 composite each for Willingness to Buy and Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.8.3) has achieved an adequate model fit with indices of  $\chi^2(110) = 207.217$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0728, GFI = .861, IFI = .954, TLI = .935, CFI = .953, and RMSEA = .08.**

**Figure 6.8.3: Final SEM Model for Study Five**



## 6.8.4 Results and Discussion for H1 – H10

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.8.3, only **Hypotheses 1c, 2a-b, 3c, 7a-b, 8b, 9a, 9b, and 10 were accepted**. The rest of the hypotheses (H1a-b, H2c, H3a-b, H4a-b, H5a-b, H6a-b, and H8a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

### 6.8.4.1 Findings

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 1b is rejected.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada jeans, manufactured by a Japanese denim manufacturer, Dova, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen as the jeans are labelled 'Made in Italy'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate products containing authentic raw materials 'made in Italy' to be a strong indicator of product success. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada jeans, manufactured by a Japanese denim manufacturer, Dova, using high technological and cutting edge capabilities, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen as the 'Made in Italy' jeans. Consumers associate the 'Made in Italy' jeans as high quality and reliable because these consumers possess a positive attitude towards the luxury brand, Prada. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Prada. With the presence of authentic artisan skills elements, the consumers associated Prada as a brand name that can facilitate the success of the product in the marketplace. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsiros, 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the denim jeans manufacturer, Dova, to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and brand attachment towards luxury brand. When applying the categorization theory (Zentall et al., 2002), consumers will perceive that Prada products made in Italy upholds a high sustainable and ethical workplace environment. This will lead to a positive brand attachment towards Prada. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 3c is accepted.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between product judgement and willingness to buy luxury brand. Following the theory of cognitive consistency (Heider, 1946) when applied to product quality judgements, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture congruity. This leads to a positive effect towards willingness to buy luxury brand. This

supports studies from Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is accepted.

**H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is a positive and significant relationship between product judgement and willingness to recommend luxury brand. Following the theory of cognitive consistency (Heider, 1946) when applied to product quality judgements, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture congruity. This leads to a positive effect towards willingness to recommend luxury brand. This supports studies from Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is accepted.

**H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken, 1993, p. 124. Hence, hypothesis 8a is rejected.

**H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes

when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

**H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

**H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

**H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.8.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.8.3)**

	<b>Hypothesis</b>	<b>Standardized Beta</b>	<b>P-value</b>	<b>Conclusion</b>
<b>H1a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.111	.264 <sup>ns</sup>	Reject
<b>H1b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.138	.194 <sup>ns</sup>	Reject
<b>H1c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.298	.001 <sup>**</sup>	Accept
<b>H2a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.678	***	Accept
<b>H2b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.629	***	Accept
<b>H2c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.118	.191 <sup>ns</sup>	Reject
<b>H3a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	-.026	.783 <sup>ns</sup>	Reject
<b>H3b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	-.147	.131 <sup>ns</sup>	Reject
<b>H3c</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.299	***	Accept
<b>H4a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.116	.087 <sup>ns</sup>	Reject
<b>H4b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.002	.981 <sup>ns</sup>	Reject
<b>H5a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.060	.548 <sup>ns</sup>	Reject
<b>H5b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	-.035	.759 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.077	.253 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.010	.902 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.311	.004**	Accept
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.341	.003**	Accept
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.049	.603	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.395	***	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.251	***	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.360	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.357	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		207.217		
<b>DF</b>		110		
<b>Ratio chi-square/df</b>		1.883		
<b>P</b>		.000		
<b>SRMR</b>		.0728		
<b>GFI</b>		.861		
<b>IFI</b>		.954		
<b>TLI</b>		.935		
<b>CFI</b>		.953		
<b>RMSEA</b>		.08		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

## **6.9 Study Six – Prada (Chikan Embroidery Dress Made in Italy)**

Based on Table 6.1, Study Six will be testing the hypothesized effects of Prada Chikan embroidery dress that is ‘Made in Italy’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.9.1 Profile of Respondents**

The total usable number of respondents for Study Six is 158 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a slight skew in gender, with 58.2% male and 41.8% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 29.1% are between 18 - 24 years old, 46.8% are 25 - 34 years old, 21.5% are 35 – 49 years old, and only 2.5% are 50 years and above. As for education, 44.3% completed higher education (undergraduate and above), 18.3% received a medium level of education (certificate or diploma), and 37.3% lower education (high school or not completed). Furthermore, approximately 93.7% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.9.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.9.2 shows that there are three dimensions that consist of 10 items that accounts for 86.40% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.9.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.856		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.860		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.861		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.868	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.903	
3) I often think products handmade by authentic artisan skills are of better quality.		.853	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.841
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.900
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.890
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.864
Cronbach's $\alpha$	.938	.896	.948
Overall Cronbach's $\alpha$	.920		
Eigenvalues (% of Variance)	17.35	10.59	58.47
KMO	.866		
Bartlett's Test of Sphericity	Approx. Chi-squared = 1467.062 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 5 iterations.

### 6.9.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 883.334$ . The other indices did not suggest good fit, SRMR = .0749, GFI = .788, AGFI = .747, TLI = .834, CFI = .852, RMSEA = .069, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

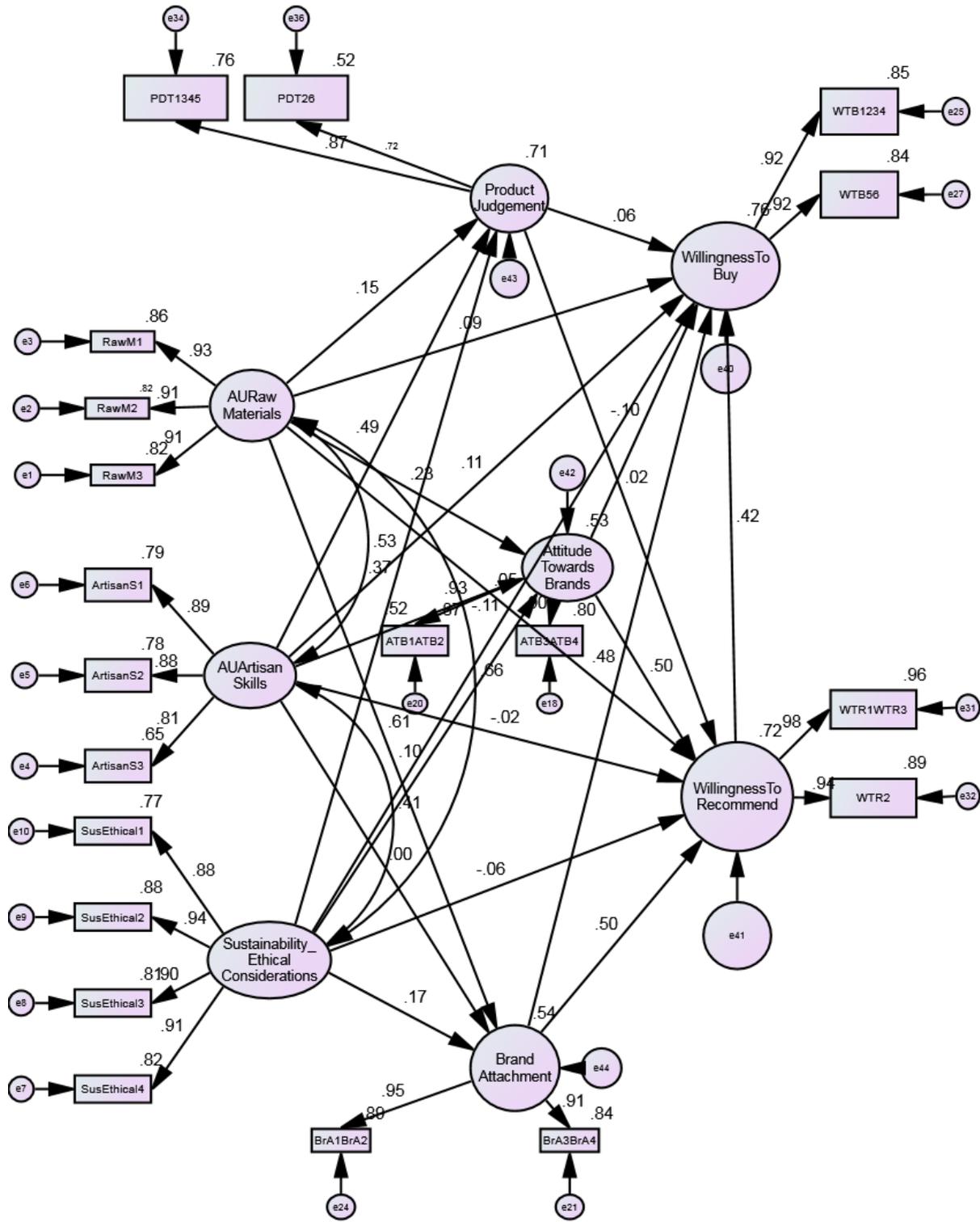
#### 6.9.3.1 Final Structural Model

The overall structural model to be tested contained a total of nine composites:

- Six composites for the three second-order constructs (2 composites each for Product Judgement, Attitude towards Brand, and Brand Attachment).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.9.3) has achieved an adequate model fit with indices of  $\chi^2(145) = 281.940$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0527, GFI = .855, IFI = .958, TLI = .944, CFI = .957, and RMSEA = .078.**

**Figure 6.9.3: Final SEM Model for Study Six**



#### **6.9.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.9.3, only **Hypotheses 1b-c, 2a-b, 3a, 8b, 9a, 9b, and 10 were accepted**. The rest of the hypotheses (H1a, H2c, H3a, H3c, H4a-b, H5a-b, H6a-b, H7a-b, and H8a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.9.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authentic raw materials from Prada ‘Made in Italy’ to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada chikan embroidered dress, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards attitude towards Prada as the dress is labelled ‘Made in Italy’. Consumers associate the ‘Made in Italy’ dress as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1b is accepted.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen as the jeans are labelled 'Made in Italy'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate products containing authentic raw materials 'made in Italy' to be a strong indicator of product success. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada chikan embroidered dress, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen as the 'Made in Italy' chikan embroidered dress. Consumers associate the 'Made in Italy' dress as high quality and reliable because these consumers possess a positive attitude towards the luxury brand, Prada. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Prada. With the presence of authentic artisan skills elements, the consumers associated Prada as a brand name that can facilitate the success of the product in the marketplace. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsikos, 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with Chikan-embroidery workmanship, to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada 'Made in Italy' with high sustainable and ethical practices when employing its skilled labour. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen. Consumers associate the 'Made in Italy' dress as high

quality and reliable because these consumers perceive that the skilled labours were given a safe and humane working conditions to excel on their overall work quality and produce a high quality end product. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 3a is accepted.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin and brand attachment towards luxury brands. Hence, hypothesis 3c is rejected.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that

authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or

country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

**H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between product judgement and willingness to buy luxury brand. Consumers' product judgement did not lead to a positive effect towards willingness to buy luxury brand. This indicates that product judgement is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is rejected.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.9.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.9.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.148	.118 <sup>ns</sup>	Reject
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.230	.027*	Accept
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.609	***	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.494	***	Accept
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.516	***	Accept
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.002	.981 <sup>ns</sup>	Reject
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.373	***	Accept
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.104	.242 <sup>ns</sup>	Reject
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.170	.056 <sup>ns</sup>	Reject
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.090	.335 <sup>ns</sup>	Reject
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.047	.618 <sup>ns</sup>	Reject
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards	.110	.276 <sup>ns</sup>	Reject

	<b>willingness to buy luxury brand.</b>			
<b>H5b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.025	.804 <sup>ns</sup>	Reject
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.112	.186 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.060	.474 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.065	.609	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.017	.892 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	-.099	.361 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.504	***	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.475	***	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.505	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.416	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		281.940		
<b>DF</b>		145		
<b>Ratio chi-square/df</b>		1.944		
<b>P</b>		.000		
<b>SRMR</b>		.0527		
<b>GFI</b>		.855		
<b>IFI</b>		.958		
<b>TLI</b>		.944		
<b>CFI</b>		.957		
<b>RMSEA</b>		.078		
*p<0.05, **p<0.01, ***p<0.001; ns = not statistically significant				

## **6.10 Study Seven – Prada (Alpaca wool sweater Made in Italy)**

Based on Table 6.1, Study Seven will be testing the hypothesized effects of Prada Alpaca wool sweater that is ‘Made in Italy’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.10.1 Profile of Respondents**

The total usable number of respondents for Study Seven is 147 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 52.4% male and 47.6% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 36.7% are between 18 - 24 years old, 49% are 25 - 34 years old, 13.6% are 35 – 49 years old, and only 0.7% are 50 years and above. As for education, 49.7% completed higher education (undergraduate and above), 16.4% received a medium level of education (certificate or diploma), and 35.4% lower education (high school or not completed). Furthermore, approximately 95.9% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.10.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.10.2 shows that there are three dimensions that consist of 10 items that accounts for 84.59% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.10.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
4) I will only seek for products made from authentic raw materials that reflect my personality.	.916		
5) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.936		
6) I will only seek for products made from authentic raw materials that reflect my sense of style.	.871		
4) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.795	
5) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.932	
6) I often think products handmade by authentic artisan skills are of better quality.		.853	
5) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.864
6) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.909
7) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.931
8) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.926
Cronbach's $\alpha$	.923	.864	.942
Overall Cronbach's $\alpha$	.867		
Eigenvalues (% of Variance)	23.13	15.40	46.07
KMO	.805		
Bartlett's Test of Sphericity	Approx. Chi-squared = 1189.320 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 5 iterations.

### 6.10.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 1384.289$ . The other indices did not suggest good fit, SRMR = .1000, GFI = .678, AGFI = .616, TLI = .738, CFI = .766, RMSEA = .105, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

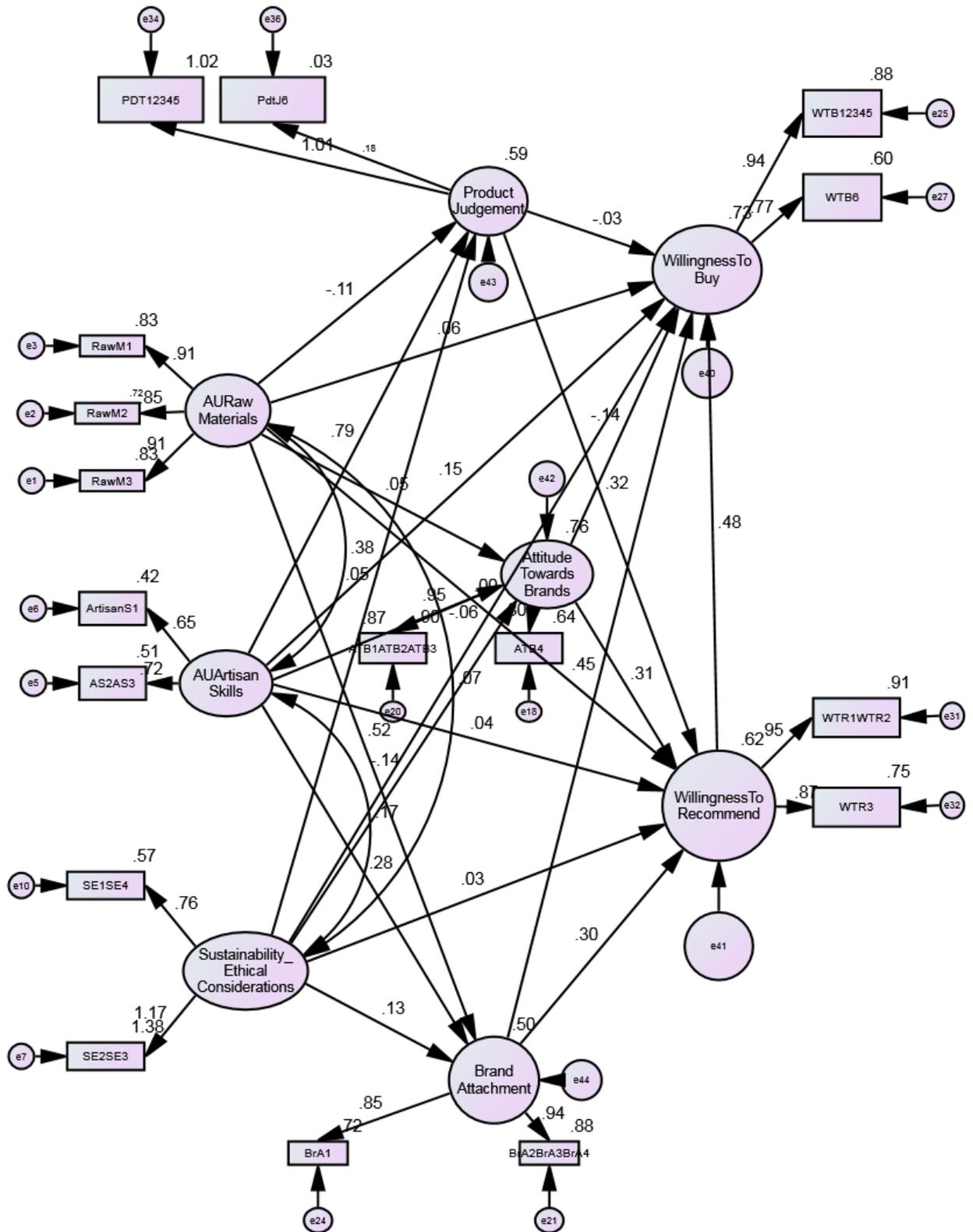
#### 6.10.3.1 Final Structural Model

The overall structural model to be tested contained a total of seven composites:

- Three composites for the three first-order constructs (1 composite for Authenticity of Artisan Skills and 2 composites for Sustainability and Ethical Considerations)
- Three composites for the three second-order constructs (1 composite each for Product Judgement, Attitude towards Brand, and Brand Attachment).
- Two composites relating to third-order constructs (1 composite each for Willingness to Buy and Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.10.3) has achieved an adequate model fit with indices of  $\chi^2(94) = 165.317$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0821, GFI = .874, IFI = .955, TLI = .933, CFI = .954, and RMSEA = .076.**

**Figure 6.10.3: Final SEM Model for Study Seven**



#### **6.10.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.10.3, only **Hypotheses 1c, 2a-c, 9a, 9b, and 10 were accepted**. The rest of the hypotheses (H1a-b, H3a-b, H4a-b, H5a-b, H6a-b, H7a-b, and H8a-b) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.10.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 1b is rejected.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada alpaca wool sweaters, made in Italy, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen as the sweater is labelled 'Made in Italy'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate products containing authentic raw materials 'made in Italy' to be a strong indicator of product success. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada alpaca wool sweaters, made in Italy, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen as 'Made in Italy' alpaca wool sweater. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Prada. With the presence of authentic artisan skills elements, the consumers associated Prada as a brand name that can facilitate the success of the product in the marketplace. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsiros, 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada alpaca wool sweater, made in Italy, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment for the alpaca wool sweater 'Made in Italy' can be seen. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 2c is accepted.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin and brand attachment towards luxury brands. Hence, hypothesis 3c is rejected.

H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between product judgement and willingness to buy luxury brand. Consumers' product judgement did not lead to a positive effect towards willingness to buy luxury brand. This indicates that product judgement is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is rejected.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to recommend luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8b is rejected.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stilley & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stilley & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.10.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.10.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	-.105	.243 <sup>ns</sup>	Reject
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.047	.619 <sup>ns</sup>	Reject
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.524	***	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.795	***	Accept
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.866	***	Accept
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.276	.006**	Accept
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.050	.393 <sup>ns</sup>	Reject
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	-.137	.059 <sup>ns</sup>	Reject
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.132	.090 <sup>ns</sup>	Reject
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.063	.475 <sup>ns</sup>	Reject
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.001	.989 <sup>ns</sup>	Reject
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.153	.582 <sup>ns</sup>	Reject
H5b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	.043	.916 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.065	.222 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.033	.582 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	-0.31	.799 <sup>ns</sup>	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.316	.427 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	-.140	.500 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.309	.138 <sup>ns</sup>	Reject
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.454	***	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.296	.005**	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.483	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		165.317		
<b>DF</b>		94		
<b>Ratio chi-square/df</b>		1.759		
<b>ρ</b>		.000		
<b>SRMR</b>		.0821		
<b>GFI</b>		.874		
<b>IFI</b>		.955		
<b>TLI</b>		.933		
<b>CFI</b>		.954		
<b>RMSEA</b>		.076		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

## **6.11 Study Eight – Prada (Kilt tartans Made in Italy)**

Based on Table 6.1, Study Eight will be testing the hypothesized effects of Prada Kilt tartan that is ‘Made in Italy’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.11.1 Profile of Respondents**

The total usable number of respondents for Study Eight is 151 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 47.7% male and 52.3% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 30.5% are between 18 - 24 years old, 32.5% are 25 - 34 years old, 33.8% are 35 – 49 years old, and only 3.3% are 50 years and above. As for education, 60.9% completed higher education (undergraduate and above), 14.6% received a medium level of education (certificate or diploma), and 24.5% lower education (high school or not completed). Furthermore, approximately 94.7% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.11.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.11.2 shows that there are three dimensions that consist of 10 items that accounts for 83.36% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.11.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.906		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.901		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.820		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.842	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.907	
3) I often think products handmade by authentic artisan skills are of better quality.		.838	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.911
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.874
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.907
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.922
Cronbach's $\alpha$	.889	.867	.946
Overall Cronbach's $\alpha$	.879		
Eigenvalues (% of Variance)	19.54	15.32	48.50
KMO	.801		
Bartlett's Test of Sphericity	Approx. Chi-squared = 1217.179 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 5 iterations.

### 6.11.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 858.294$ . The other indices did not suggest good fit, SRMR = .0930, GFI = .773, AGFI = .729, TLI = .811, CFI = .831, RMSEA = .068, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

#### 6.11.3.1 Final Structural Model

The overall structural model to be tested contained a total of eight composites:

- Three composites for the three first-order constructs (1 composite for Authenticity of Raw Materials and 2 composites for Sustainability and Ethical Considerations)
- Six composites for the three second-order constructs (2 composites each for Product Judgement, Brand Attachment and Attitude towards Brands).
- Two composites relating to third-order constructs (1 composite each for Willingness to Buy and Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.11.3) has achieved an adequate model fit with indices of  $\chi^2(94) = 169.213$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0693, GFI = .882, IFI = .954, TLI = .932, CFI = .953, and RMSEA = .073.**



#### **6.11.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.11.3, only **Hypotheses 1a-c, 2a, 8b, 9a, 9b, and 10 were accepted**. The rest of the hypotheses (H2b-c, H3a-c, H4a-b, H5a-b, H6a-b, H7a-b, and H8a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.11.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada kilt tartans, made in Italy, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen for the ‘Made in Italy’ kilt tartans. Consumers still associate the ‘Made in Italy’ kilt tartans as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1a is accepted.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will associate Prada kilt tartans, made in Italy, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards attitude towards Prada as the kilt tartan is labelled ‘Made in Italy’. Consumers associate the ‘Made in Italy’ kilt tartan as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1b is accepted.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will associate Prada kilt tartans, made in Italy, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen as the kilt tartan is labelled 'Made in Italy'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate products containing authentic raw materials 'made in Italy' to be a strong indicator of product success. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Prada kilt tartans, made in Italy, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when there is a positive effect towards product judgement of the 'Made in Italy' kilt tartans. Consumers associate the 'Made in Italy' kilt tartan as high quality and reliable because these consumers possess a positive attitude towards the luxury brand, Prada. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of artisan skills. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 2b is rejected.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the kilt tartans workmanship, to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Prada, to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.

Based on the SEM model, there is a negative and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. This indicates that there is a negative relationship between sustainability and ethical considerations of Prada 'Made in Italy' with the attitude towards (luxury) brand. This could be the result of luxury brands being seen as outsourcing their production in cheaper locations to maximize profits as those being done by Burberry (Cadwalladr, 2012). In consequence, consumers may associate Prada kilt tartans, made in Italy using ingredient authentic elements from Scotland as an outsourcing strategy which could lead to negative attitude towards the brand. Categorization theory (Zentall et al., 2002) plays an effect in this situation. Hence, hypothesis 3b is rejected.

H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Prada to be a strong indicator of product success as opposed to finding cues about its country of origin and brand attachment towards luxury brands. Hence, hypothesis 3c is rejected.

H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to

induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between product judgement and willingness to buy luxury brand. Consumers' product judgement did not lead to a positive effect towards willingness to buy luxury brand. This indicates that product judgement is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is rejected.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of: Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chan (2011) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.11.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.11.3)**

	<b>Hypothesis</b>	<b>Standardized Beta</b>	<b>P-value</b>	<b>Conclusion</b>
<b>H1a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.299	.010*	Accept
<b>H1b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.473	***	Accept
<b>H1c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.795	***	Accept
<b>H2a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.335	.018*	Accept
<b>H2b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.171	.078 <sup>ns</sup>	Reject
<b>H2c</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.089	.274 <sup>ns</sup>	Reject
<b>H3a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.150	.115 <sup>ns</sup>	Reject
<b>H3b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	-.225	.002**	(Reject)
<b>H3c</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.003	.956 <sup>ns</sup>	Reject
<b>H4a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.049	.691 <sup>ns</sup>	Reject
<b>H4b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.104	.466 <sup>ns</sup>	Reject
<b>H5a</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.075	.347 <sup>ns</sup>	Reject
<b>H5b</b>	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	.127	.176 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.108	.070 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.046	.503 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	-.003	.978 <sup>ns</sup>	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.202	.101 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.065	.435 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.185	.043*	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.287	.022*	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.568	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.519	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		169.213		
<b>DF</b>		94		
<b>Ratio chi-square/df</b>		1.800		
<b>ρ</b>		.000		
<b>SRMR</b>		.0693		
<b>GFI</b>		.882		
<b>IFI</b>		.954		
<b>TLI</b>		.932		
<b>CFI</b>		.953		
<b>RMSEA</b>		.073		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

## **6.12 Study Nine – Touchè (Denim cut jeans Made in Japan)**

Based on Table 6.1, Study Nine will be testing the hypothesized effects of Touchè Denim cut jeans that is ‘Made in Japan’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.12.1 Profile of Respondents**

The total usable number of respondents for Study Nine is 163 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a slight skew in gender, with 51.6% male and 48.5% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 66.8% are between 18 - 24 years old, 17.8% are 25 - 34 years old, 10.5% are 35 – 49 years old, and only 5% are 50 years and above. As for education, 52.7% completed higher education (undergraduate and above), 22% received a medium level of education (certificate or diploma), and 25.1% lower education (high school or not completed). Furthermore, approximately 43.5% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.12.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.11.2 shows that there are three dimensions that consist of 10 items that accounts for 69.03% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.12.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.858		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.828		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.749		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.808	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.855	
3) I often think products handmade by authentic artisan skills are of better quality.		.796	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.827
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.819
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.865
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.803
Cronbach's $\alpha$	.748	.776	.852
Overall Cronbach's $\alpha$	.754		
Eigenvalues (% of Variance)	15.10	21.93	32.00
KMO	.739		
Bartlett's Test of Sphericity	Approx. Chi-squared = 578.466 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 5 iterations.

### 6.12.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 915.715$ . The other indices did not suggest good fit, SRMR = .0821, GFI = .758, AGFI = .711, TLI = .782, CFI = .806, RMSEA = .077, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

#### 6.12.3.1 Final Structural Model

The overall structural model to be tested contained a total of seven composites:

- Four composites for the three second-order constructs (2 composites each for Product Judgement and 1 composite each for Brand Attachment and Attitude towards Brand).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.12.3) has achieved an adequate model fit with indices of  $\chi^2(184) = 317.039$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0645, GFI = .855, IFI = .913, TLI = .888, CFI = .911, and RMSEA = .067.**



#### **6.12.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.12.3, only **Hypotheses 1a-c, 2a, 3a-c, 7b, 9a, and 10 were accepted**. The rest of the hypotheses (H2b-c, H4a-b, H5a-b, H6a-b, H7a, H8a-b, and H9b) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.12.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè jeans, manufactured by a Japanese denim manufacturer, Dova, using high technological and cutting edge capabilities, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the jeans are labelled ‘Made in Japan’. Consumers still associate the ‘Made in Japan’ jeans as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1a is accepted.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè jeans, manufactured by a Japanese denim manufacturer, Dova, using high technological and cutting edge capabilities, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards attitude towards Touchè was seen even though the jeans

are labelled 'Made in Japan'. Consumers still associate the 'Made in Japan' jeans as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertebroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1b is accepted.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè jeans, manufactured by a Japanese denim manufacturer, Dova, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the jeans are labelled 'Made in Japan'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Japan to be a strong indicator of product success. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè jeans, manufactured by a Japanese denim manufacturer, Dova, using high technological and cutting edge capabilities, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the jeans are

labelled 'Made in Japan'. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of artisan skills. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Touchè to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 2b is rejected.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the denim jeans manufacturer, Dova, to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè with high sustainable and ethical practices when

employing its skilled labour. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the jeans are labelled 'Made in Japan'. Consumers still associate the 'Made in Japan' jeans as high quality and reliable because these consumers perceive that the skilled labours were given a safe and humane working conditions to excel on their overall work quality and produce a high quality end product. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 3a is accepted.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè with high sustainable and ethical practices when employing its skilled labour. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards attitude towards Touchè was seen even though the jeans are labelled 'Made in Japan'. Consumers still associate the 'Made in Japan' jeans as high quality and reliable because these consumers perceive that the skilled labours were given a safe and humane working conditions to excel on their overall work quality and produce a high quality end product. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 3b is accepted.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and brand attachment towards luxury brand. When applying the categorization theory (Zentall et al., 2002), consumers will perceive that Touchè upholds a high sustainable and ethical workplace environment. This will lead to a positive brand attachment towards Touchè. Several studies

support this finding (Perrouty et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 3c is accepted.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a negative and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. This indicates that consumers are not willing to buy a luxury brand with authenticity of artisan skills elements. In the case of Touchè 'Made in Japan' jeans, consumers may perceive that workmanship of the jeans is not of utmost quality and authenticity. This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between product judgement and willingness to buy luxury brand. Consumers' product judgement did not lead to a positive effect towards willingness to buy luxury brand. This indicates that product judgement is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is rejected.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between product judgement and willingness to recommend luxury brand. Following the theory of cognitive consistency (Heider, 1946) when applied to product quality judgements, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture congruity. This leads to a positive effect towards willingness to recommend luxury brand. This supports studies from Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is accepted.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to recommend luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8b is rejected.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between brand attachment and willingness to recommend luxury brand. Consumers' brand attachment did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that brand attachment is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Johnson and Rusbult, 1989; Thomson et al., 2005; Muñiz and O'Guinn, 2001; and Schouten and McAlexander (1995). Hence, hypothesis 9b is rejected.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.12.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.12.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.273	.008**	Accept
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.295	.014*	Accept
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.178	.040*	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.217	.035*	Accept
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.170	.137 <sup>ns</sup>	Reject
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.017	.844 <sup>ns</sup>	Reject
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.465	***	Accept
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.486	***	Accept
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.619	***	Accept
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.146	.155 <sup>ns</sup>	Reject
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.134	.245 <sup>ns</sup>	Reject
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.312	.004**	(Reject)
H5b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	-.105	.357 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.017	.897 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.056	.700 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.011	.943 <sup>ns</sup>	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.455	.005**	Accept
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.274	.071 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.251	.101 <sup>ns</sup>	Reject
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.286	.012*	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.070	.564 <sup>ns</sup>	Reject
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.348	.009**	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		317.039		
<b>DF</b>		184		
<b>Ratio chi-square/df</b>		1.723		
<b>P</b>		.000		
<b>SRMR</b>		.0645		
<b>GFI</b>		.855		
<b>IFI</b>		.913		
<b>TLI</b>		.888		
<b>CFI</b>		.911		
<b>RMSEA</b>		.067		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

### **6.13 Study Ten – Touchè (Chikan Embroidery Dress Made in India)**

Based on Table 6.1, Study Ten will be testing the hypothesized effects of Touchè Chikan embroidery dress that is ‘Made in India’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

#### **6.13.1 Profile of Respondents**

The total usable number of respondents for Study Ten is 160 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 50% male and 50% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 68.1% are between 18 - 24 years old, 22.5% are 25 - 34 years old, 7.5% are 35 – 49 years old, and only 1.9% are 50 years and above. As for education, 52.6% completed higher education (undergraduate and above), 36.1% received a medium level of education (certificate or diploma), and 11.4% lower education (high school or not completed). Furthermore, approximately 43% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

#### **6.13.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.13.2 shows that there are three dimensions that consist of 10 items that accounts for 67.42% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.13.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.830		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.841		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.806		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.778	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.889	
3) I often think products handmade by authentic artisan skills are of better quality.		.737	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.787
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.791
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.824
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.792
Cronbach's $\alpha$	.791	.744	.824
Overall Cronbach's $\alpha$	.773		
Eigenvalues (% of Variance)	19.26	14.92	33.24
KMO	.728		
Bartlett's Test of Sphericity	Approx. Chi-squared = 532.413 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 b. Rotation converged in 5 iterations.

### 6.13.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 806.465$ . The other indices did not suggest good fit, SRMR = .0803, GFI = .780, AGFI = .737, TLI = .795, CFI = .817, RMSEA = .067, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

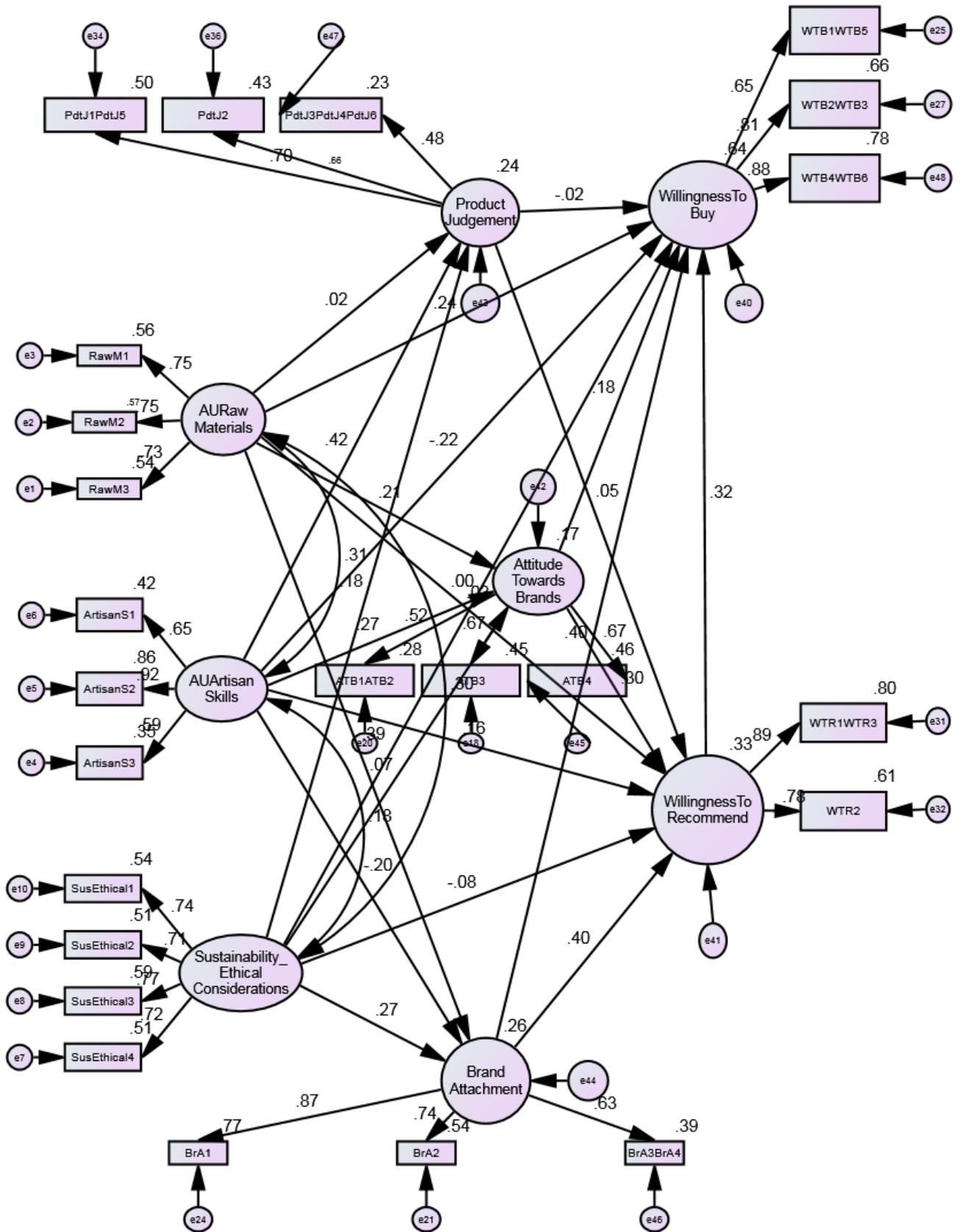
#### 6.13.3.1 Final Structural Model

The overall structural model to be tested contained a total of eight composites:

- Four composites for the three second-order constructs (2 composites each for Product Judgement and 1 composite each for Brand Attachment and Attitude Towards Brand).
- Four composites relating to third-order constructs (3 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.13.3) has achieved an adequate model fit with indices of  $\chi^2(227) = 317.454$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0663, GFI = .864, IFI = .935, TLI = .918, CFI = .933, and RMSEA = .050.**

Figure 6.13.3: Final SEM Model for Study Ten



#### **6.13.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.13.3, only **Hypotheses 1c, 2a-b, 3c, 4a, 7b, 8b, 9a, 9b, and 10 were accepted**. The rest of the hypotheses (H1a-b, H2c, H3a-b, H4b, H5a-b, H6a-b, H7a, and H8a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.13.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Touchè to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Touchè to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 1b is rejected.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè Chikan-embroidered dress, made in India, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the dress is labelled 'Made in India'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from India to be a strong indicator of product success as opposed to finding cues about its country of origin. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè Chikan-embroidered dress, made in India, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the dress is labelled 'Made in India'. Consumers still associate the 'Made in India' dress as high quality and reliable because these consumers possess a positive attitude towards the luxury brand, Touchè. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Touchè. The consumers also associate Touchè as a brand name that can facilitate the success of the product in the marketplace even if it is a 'Made in India' dress. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsikos, 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a negative and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that authenticity of artisan skills will lead to a negative effect towards brand attachment. Due to the nature of Touchè being a fictitious brand, it could be seen that an authenticity of artisan skills may affect its brand attachment. This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Touchè, to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Touchè, to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and brand attachment towards luxury brand. When applying the categorization theory (Zentall et al., 2002), consumers will perceive that Touchè upholds a high sustainable and ethical workplace environment. This will lead to a positive brand attachment towards Touchè. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 3c is accepted.

H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brand. This indicates that there is a positive effect towards willingness to buy with the presence of an ingredient-authentic raw material element. Consumers could perceive the raw material to produce the Chikan-embroidered dress to be superior and of a high quality as consumers believe the Indian embroidery is of a high quality raw material. Both country of origin and brand name are known to influence consumers' perceptions and lead consumers to cognitive elaboration (Hong and Wyer, 1989) due to both constructs serving as an extrinsic cue of a product (Thorelli et al., 1989). Country of origin is known to induce associations in

the minds of consumers (Aaker, 1991; Keller, 1993). Country image and attitude towards brand are assumed to have direct and possibly compensatory effects on outcome variables, such as purchase intentions. This implies that consumers' perceptions of countries and brand images are developed independently of each another (Diamantopoulos et al., 2011). Hence, hypothesis 4a is accepted.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al. 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a negative and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. This indicates that consumers are not willing to buy a luxury brand with authenticity of artisan skills elements. In the case of Touchè 'Made in India' Chikan-embroidered dress, consumers may perceive that workmanship of the dress is not of utmost quality and luxury. This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or

country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

**H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a positive and significant relationship between product judgement and willingness to buy luxury brand. Following the theory of cognitive consistency (Heider, 1946) when applied to product quality judgements, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture

congruity. This leads to a positive effect towards willingness to buy luxury brand. This supports studies from Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is accepted.

**H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

**H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

**H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stille & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.13.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.13.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.017	.885 <sup>ns</sup>	Reject
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.206	.105 <sup>ns</sup>	Reject
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.388	***	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.419	***	Accept
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.273	.020*	Accept
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.203	.035*	(Reject)
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.176	.105 <sup>ns</sup>	Reject
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.066	.546 <sup>ns</sup>	Reject
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.270	.007**	Accept
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.244	.010*	Accept
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.028	.803 <sup>ns</sup>	Reject
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.218	.033*	(Reject)
H5b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	.165	.150 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.005	.953 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.078	.429 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	-.023	.811 <sup>ns</sup>	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.046	.689 <sup>ns</sup>	Accept
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.179	.093 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.300	.013*	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.404	***	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.395	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.322	.002**	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		317.454		
<b>DF</b>		227		
<b>Ratio chi-square/df</b>		1.400		
<b>P</b>		.000		
<b>SRMR</b>		.0663		
<b>GFI</b>		.864		
<b>IFI</b>		.935		
<b>TLI</b>		.918		
<b>CFI</b>		.933		
<b>RMSEA</b>		.050		
* $p < 0.05$ , ** $p < 0.01$ , *** $p < 0.001$ ; ns = not statistically significant				

## **6.14 Study Eleven – Touchè (Alpaca Wool Sweater Made in Peru)**

Based on Table 6.1, Study Eleven will be testing the hypothesized effects of Touchè Alpaca wool sweater that is ‘Made in Peru’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.14.1 Profile of Respondents**

The total usable number of respondents for Study Eleven is 171 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a balance in gender, with 46.2% male and 53.8% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 64.9% are between 18 - 24 years old, 28.6% are 25 - 34 years old, 4.1% are 35 – 49 years old, and only 2.4% are 50 years and above. As for education, 46.9% completed higher education (undergraduate and above), 20.5% received a medium level of education (certificate or diploma), and 29.2% lower education (high school or not completed). Furthermore, approximately 43% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.14.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.14.2 shows that there are three dimensions that consist of 10 items that accounts for 68.93% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.14.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.794		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.883		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.829		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.807	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.824	
3) I often think products handmade by authentic artisan skills are of better quality.		.841	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.806
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.752
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.825
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.826
Cronbach's $\alpha$	.805	.777	.822
Overall Cronbach's $\alpha$	.748		
Eigenvalues (% of Variance)	22.13	15.54	31.27
KMO	.726		
Bartlett's Test of Sphericity	Approx. Chi-squared = 601.309 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 5 iterations.

### 6.14.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 910.820$ . The other indices did not suggest good fit, SRMR = .0884, GFI = .763, AGFI = .717, TLI = .817, CFI = .837, RMSEA = .074, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

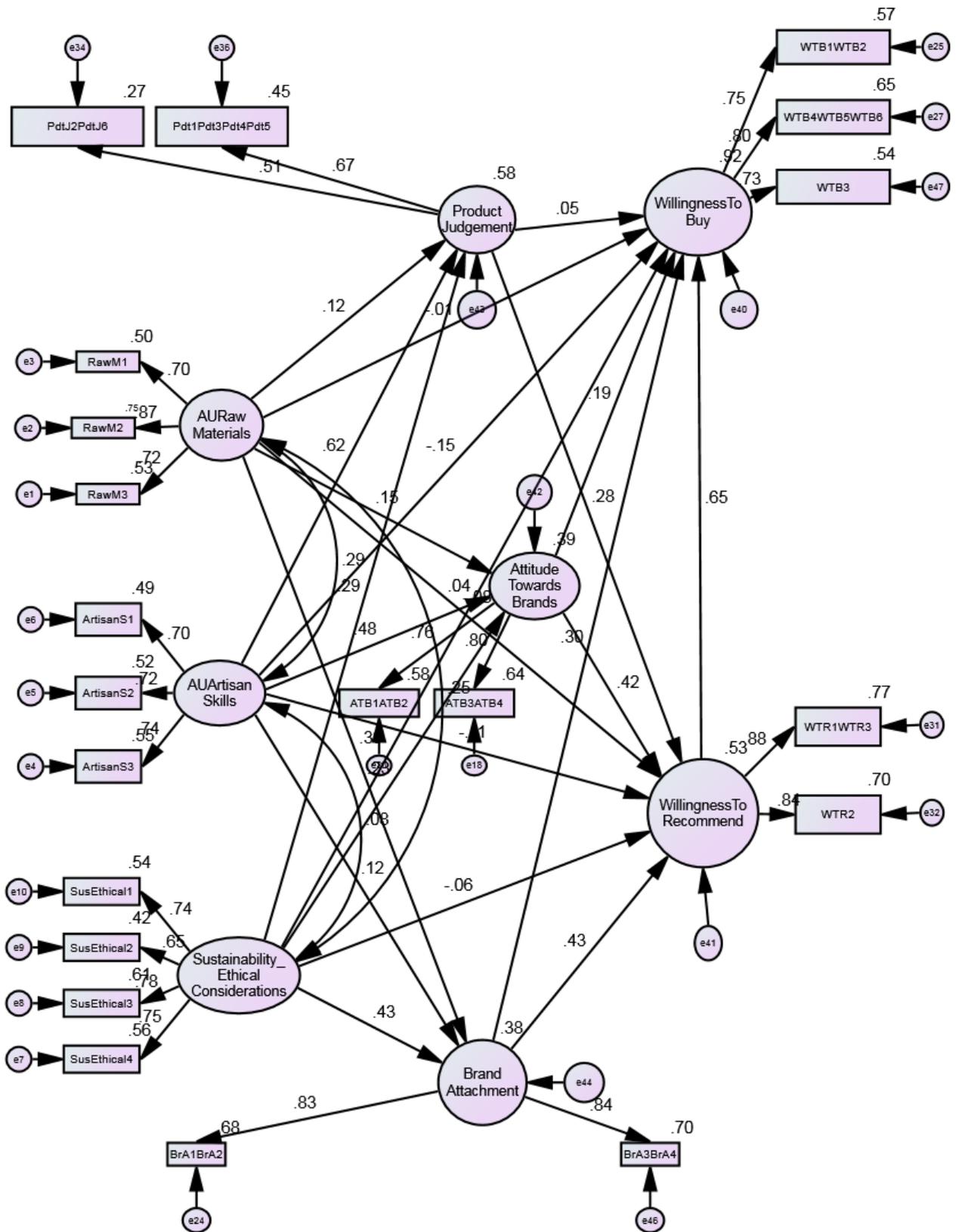
#### 6.14.3.1 Final Structural Model

The overall structural model to be tested contained a total of nine composites:

- Six composites for the three second-order constructs (2 composites each for Product Judgement, Brand Attachment and Attitude Towards Brand).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.14.3) has achieved an adequate model fit with indices of  $\chi^2(164) = 331.129$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0759, GFI = .843, IFI = .901, TLI = .870, CFI = .900, and RMSEA = .077.**

Figure 6.14.3: Final SEM Model for Study Eleven



#### **6.14.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.14.3, only **Hypotheses 1c, 2a, 2b, 3a-c, 8b, 9a, 9b, and 10 were accepted**. The rest of the hypotheses (H1a-b, H2c, H4a-b, H5a-b, H6a-b, H7a-b, and H8a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.14.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Touchè to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 1a is rejected.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of raw materials. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Touchè to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 1b is rejected.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè alpaca wool sweaters, made in Peru, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the wool sweaters are labelled 'Made in Peru'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Peru to be a strong indicator of product success as opposed to finding cues about its country of origin. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè alpaca wool sweaters, made in Peru, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the wool sweaters are labelled 'Made in Peru'. Consumers still associate the 'Made in Peru' wool sweaters as high quality and reliable because these consumers possess a positive attitude towards the luxury brand, Touchè. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 2a is accepted.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers have a positive effect towards the luxury brand name, Touchè. The consumers also associate Touchè as a brand name that can facilitate the success of the product in the marketplace even if it is a 'Made in Peru' wool sweaters. Several studies also support this finding (Samiee et al., 2005; Hadjimarcou and Hu, 1999; Mittal & Tsiros, 1995; Usunier, 2011). Hence, hypothesis 2b is accepted.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the wool sweaters workmanship, to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè with high sustainable and ethical practices when employing its skilled labour. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the wool sweaters are labelled 'Made in Peru'. Consumers

still associate the ‘Made in Peru’ wool sweaters as high quality and reliable because these consumers perceive that the skilled labours were given a safe and humane working conditions to excel on their overall work quality and produce a high quality end product. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 3a is accepted.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè with high sustainable and ethical practices when employing its skilled labour. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards attitude towards Touchè was seen even though the wool sweaters are labelled ‘Made in Peru’. Consumers still associate the ‘Made in Peru’ wool sweaters as high quality and reliable because these consumers perceive that the skilled labours were given a safe and humane working conditions to excel on their overall work quality and produce a high quality end product. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 3b is accepted.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and brand attachment towards luxury brand. When applying the categorization theory (Zentall et al., 2002), consumers will perceive that Touchè upholds a high sustainable and ethical workplace environment. This will lead to a positive brand attachment towards Touchè. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 3c is accepted.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of raw materials is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4b is rejected.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to buy. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between product judgement and willingness to buy luxury brand. Consumers' product judgement did not lead to a positive effect towards willingness to buy luxury brand. This indicates that product judgement is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is rejected.

H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between attitude towards (luxury) brands and willingness to buy luxury brands. This supports studies from Min Han (1994); Eagly and Chaiken (1993, p. 124) noting that attitude is determined by perceived consequences people associate with behaviour (i.e.: willingness to recommend) and their evaluations of those consequences. Cognitions play a greater role in brand attitudes when consumers are familiar with the products than when they are not. Hence, hypothesis 8b is accepted.

H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to buy luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. willingness to buy) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9a is accepted.

H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stillely & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.14.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.14.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.119	.330 <sup>ns</sup>	Reject
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.149	.151 <sup>ns</sup>	Reject
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.296	.003**	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.621	***	Accept
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.482	***	Accept
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.121	.189 <sup>ns</sup>	Reject
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.295	.013*	Accept
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.232	.018*	Accept
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.429	***	Accept
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.009	.902 <sup>ns</sup>	Reject
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.084	.369 <sup>ns</sup>	Reject
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.148	.225 <sup>ns</sup>	Reject
H5b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	-.112	.531 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.035	.676 <sup>ns</sup>	Reject
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.056	.631 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.053	.746 <sup>ns</sup>	Reject
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.279	.212 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.192	.076 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.417	.001 <sup>**</sup>	Accept
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.303	.002 <sup>**</sup>	Accept
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.433	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.650	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		331.129		
<b>DF</b>		164		
<b>Ratio chi-square/df</b>		2.020		
<b>P</b>		.000		
<b>SRMR</b>		.0759		
<b>GFI</b>		.843		
<b>IFI</b>		.901		
<b>TLI</b>		.870		
<b>CFI</b>		.900		
<b>RMSEA</b>		.077		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

## **6.15 Study Twelve – Touchè (Kilt Tartans Made in Scotland)**

Based on Table 6.1, Study Twelve will be testing the hypothesized effects of Touchè Kilt tartan that is ‘Made in Scotland’ towards consumers evaluations and behavioural outcome. Respondent profiles are first discussed, followed by the hypotheses denoted in Chapter 3.

### **6.15.1 Profile of Respondents**

The total usable number of respondents for Study Twelve is 150 respondents. The responses that were incomplete or had missing values were considered invalid and were not used for the purpose of the analysis.

The profile of the respondents shows that there is a slight skew in gender, with 40% male and 60% female respondents. In terms of the remaining demographic variables, there is an over-representation of younger and higher educated respondents. For example, 52.6% are between 18 - 24 years old, 24.7% are 25 - 34 years old, 14.3% are 35 – 49 years old, and only 8% are 50 years and above. As for education, 57.3% completed higher education (undergraduate and above), 20.6% received a medium level of education (certificate or diploma), and 22% lower education (high school or not completed). Furthermore, approximately 50.7% have an annual income of above AUD\$20,000. This composition of the sample is consistent with the prescribed sampling method, where the proposal was to survey samples of luxury brand consumers and consumers in major shopping malls.

### **6.15.2 Factor Analysis – Consumers’ Need for Ingredient Authenticity Scale**

Prior to analysing the full model, factor analysis was conducted on the consumers’ need for ingredient authenticity scale that was developed for this study (see detailed scale development procedure in Chapter 5). Results from Table 6.15.2 shows that there are three dimensions that consist of 10 items that accounts for 77.76% of cumulative variance. The Cronbach alpha coefficients achieved 0.6 and above which is deemed reliable and suitable for further analysis (Nunnally, 1967; 1970). The three factors are namely; ‘Authenticity of raw materials’, ‘Authenticity of artisan skills’, and ‘sustainability and ethical considerations’ which will be referred to as indicated in further analysis.

**Table 6.15.2: Factor Analysis of the Consumers' Need for Ingredient Authenticity Scale**

	Factor Loadings		
	Authenticity of Raw Materials	Authenticity of Artisan Skills	Sustainability and Ethical considerations
1) I will only seek for products made from authentic raw materials that reflect my personality.	.915		
2) I will only seek for products made from authentic raw materials that reflect my uniqueness.	.875		
3) I will only seek for products made from authentic raw materials that reflect my sense of style.	.908		
1) I often think products made by authentic artisan skilled craftsmen are more prestigious.		.780	
2) I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.		.849	
3) I often think products handmade by authentic artisan skills are of better quality.		.885	
1) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working environment.			.846
2) I often think products made by authentic skilled artisans from less developed countries are providing trained workers with a humane working environment.			.840
3) I often think products made from authentic skilled artisans from less developed countries are providing the trained workers with a safe working environment.			.847
4) I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.			.818
Cronbach's $\alpha$	.912	.837	.875
Overall Cronbach's $\alpha$	.847		
Eigenvalues (% of Variance)	21.00	14.36	42.40
KMO	.800		
Bartlett's Test of Sphericity	Approx. Chi-squared = 859.674 Df. = 45, Sig. = .000		

Extraction Method: Principle Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 5 iterations.

### 6.15.3 Structural Model

Following the establishment of the measurement models, the hypothesized pathways between the constructs in the study were specified in the full structural model and evaluated through SEM analyses. Path analysis in SEM provides a more effective and direct way of modelling mediation, indirect effects, and other complex relationship among variables. Path analysis can be considered a special case of SEM in which structural relations among observed (vs. latent) variables are modelled. Structural relations are hypotheses about directional influences or causal relations of multiple variables (Lei and Wu, 2007). The a priori theoretical framework model comprising of the hypothesized causal relations among the latent variables had been specified and the goodness-of-fit of the hypothesized model to the sample variance-covariance were assessed.

Based on the theoretical framework model, an initial structural model was analysed and the  $\chi^2$  test yielded a result of  $\chi^2(470) = 954.364$ . The other indices did not suggest good fit, SRMR = .0971, GFI = .723, AGFI = .669, TLI = .857, CFI = .872, RMSEA = .083, and PCLOSE = .000. Model re-specification can be done to achieve a better model fit.

#### 6.15.3.1 Final Structural Model

The overall structural model to be tested contained a total of nine composites:

- Six composites for the three second-order constructs (2 composites each for Product Judgement, Brand Attachment and Attitude Towards Brand).
- Three composites relating to third-order constructs (2 composite for Willingness to Buy and 1 composite for Willingness to Recommend)

After adopting the partial aggregation approach, the conceptual model (refer to Figure 6.15.3) has achieved an adequate model fit with indices of  $\chi^2(145) = 269.339$ ,  $p = .000$ . The other indices suggest adequate fit, **SRMR = .0818, GFI = .853, IFI = .939, TLI = .918, CFI = .938, and RMSEA = .076.**



#### **6.15.4 Results and Discussion for H1 – H10**

The following sections will discuss the results of the hypothesis with the discussion on the findings. Based on the results of the final SEM model in Figure 6.15.3, only **Hypotheses 1a-c, 4b, 7a, 9b, and 10 were accepted**. The rest of the hypotheses (H2a-c, H3a-c, H4a, H5a-b, H6a-b, H7b, H8a-b, and H9a) were rejected. Findings will now be elaborated and discussed, supported with studies when applicable.

##### **6.15.4.1 Findings**

**H1a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards product judgement of luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and product judgement of luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè kilt tartans, made in Scotland, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards product judgement was seen even though the kilt tartans are labelled ‘Made in Scotland’. Consumers still associate the ‘Made in Scotland’ kilt tartans as high quality and reliable. Several studies support this finding (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1a is accepted.

**H1b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards attitude towards (luxury) brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and attitude towards (luxury) brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè kilt tartans, made in Scotland, to be of high quality and reliability. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards attitude towards Touchè was seen even though the kilt tartans are labelled ‘Made in Scotland’. Consumers still associate the ‘Made in Scotland’ kilt tartans as high quality and reliable. Several studies support this finding (Batra

& Ahtola, 1990; Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Hence, hypothesis 1b is accepted.

**H1c: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards brand attachment towards luxury brand.**

Based on the SEM model, there is a positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and brand attachment towards luxury brand. As supported by the overarching theories in the theoretical framework section (Chapter 3), categorization theory (Zentall et al., 2002) predicts that consumers will still associate Touchè kilt tartans, made in Scotland, to facilitate the success of the product in the marketplace and lead to a positive effect towards brand attachment. Confirmation bias theory (Nickerson, 1998) and brand strength hypothesis (Perrouy et al., 2006) come into play when a positive effect towards brand attachment was seen even though the kilt tartans are labelled 'Made in Scotland'. Products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Scotland to be a strong indicator of product success as opposed to finding cues about its country of origin. Several studies support this finding (Perrouy et al., 2006; Han & Terpstra, 1988; Johansson and Nebenzahl, 1986; Japutra, 2014). Hence, hypothesis 1c is accepted.

**H2a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and product judgement of luxury brand. This indicates that consumers do not see product judgement as an indicator to perceive authenticity of artisan skills. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of artisan skills from Touchè to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 2a is rejected.

**H2b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and attitude towards (luxury) brand. This indicates that consumers do not see attitude towards the brand as an indicator to perceive authenticity of artisan skills. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Touchè to be a strong indicator of product success as opposed to finding cues about their attitudes towards the brand. Hence, hypothesis 2b is rejected.

**H2c: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and brand attachment towards luxury brand. This indicates that consumers do not see being attached to the brand as an indicator to perceive authenticity of artisan skills. Japutra (2014) posits that brand attachment is based on experiences; hence consumers may not be completely aware or familiar with the kilt tartans workmanship to have a positive effect towards its authenticity of artisan skills. Hence, hypothesis 2c is rejected.

**H3a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards product judgement of luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and product judgement of luxury brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Touchè, to be a strong indicator of product success as opposed to finding cues about its product judgement. Hence, hypothesis 3a is rejected.

**H3b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards attitude towards (luxury) brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate the name, Touchè, to be a strong indicator of product success as opposed to finding cues about their attitude towards (luxury) brand. Hence, hypothesis 3b is rejected.

**H3c: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards brand attachment towards luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and attitude towards (luxury) brand. Confirmation bias theory (Nickerson, 1998) comes into effect as products carrying a strong brand name will have a weaker country of origin effect as compared to those with weak brand names. In this instance, when consumers seek to find information about products carrying a strong brand name, consumers associate authenticity of raw materials from Touchè to be a strong indicator of product success as opposed to finding cues about its country of origin and brand attachment towards luxury brands. Hence, hypothesis 3c is rejected.

**H4a: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to buy luxury brands. Authenticity of raw materials did not lead to a positive effect towards willingness to buy. This indicates that authenticity of raw materials is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 4a is rejected.

**H4b: Consumer Needs for Ingredient Authenticity (authenticity of raw materials) will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is positive and significant relationship between Consumer Needs for Ingredient Authenticity (authenticity of raw materials) and willingness to recommend luxury brand. Consumers could perceive the raw material to produce the kilt tartans to be superior and high quality as Touchè signals luxury and exclusivity. Both country of origin and brand name are known to influence consumers' perceptions and lead consumers to cognitive elaboration (Hong and Wyer, 1989) due to both constructs serving as an extrinsic cue of a product (Thorelli et al., 1989). Country of origin is known to induce associations in the minds of consumers (Aaker, 1991; Keller, 1993). Country image and attitude towards brand are assumed to have direct and possibly compensatory effects on outcome variables, such as willingness to recommend. This implies that consumers' perceptions of countries and brand images are developed independently of each other (Diamantopoulos et al., 2011). Hence, hypothesis 4b is accepted.

**H5a: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to buy luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to buy. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to buy the product. Consumers are still governed by certain product or country cues in order to induce willingness to buy. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5a is rejected.

**H5b: Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (authenticity of artisan skills) and willingness to recommend luxury brand. Authenticity of artisan skills did not lead to a positive effect towards willingness to recommend. This indicates that authenticity of artisan skills is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or

country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 5b is rejected.

**H6a: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a negative and significant relationship between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to buy luxury brand. This indicates that consumers are not willing to buy a luxury brand with sustainable and ethical elements. In the case of Touchè 'Made in Scotland' kilt tartans, consumers will not buy the kilt tartans because they may question the sustainability and ethical considerations of producing the kilt tartans, seeing how Touchè is an unknown (fictitious) brand. This sheds light on new country-of-ingredient-authenticity findings. Hence, hypothesis 6a is rejected.

**H6b: Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations) and willingness to recommend luxury brand. Sustainability and ethical considerations did not lead to a positive effect towards willingness to recommend. This indicates that sustainability and ethical considerations is not a key factor that leads to willingness to recommend the product. Consumers are still governed by certain product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011 and Cordell, 1992. Hence, hypothesis 6b is rejected.

**H7a: Product judgement of luxury brand will lead to positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a positive and significant relationship between product judgement and willingness to buy luxury brand. Following the theory of cognitive consistency (Heider, 1946) when applied to product quality judgements, this theory predicts that consumers view congruity between brand and country of manufacture as an attractive property. In addition, consumers may find that a product that is associated with congruent brand and country of manufacture cues is less difficult to evaluate, thus requiring less

cognitive effort than the evaluation of an alternative that lacks brand-country of manufacture congruity. This leads to a positive effect towards willingness to buy luxury brand. This supports studies from Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7a is accepted.

**H7b: Product judgement of luxury brand will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between product judgement and willingness to recommend luxury brands. Consumers' product judgement did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that product judgement is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to recommend. This contradicts the studies of Diamantopoulos et al., 2011; Cordell, 1992; Garbarino and Edell, 1997, p. 147; and Agrawal and Kamakura (1999). Hence, hypothesis 7b is rejected.

**H8a: Attitude towards (luxury) brand will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to buy luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to buy luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8a is rejected.

**H8b: Attitude towards (luxury) brand will lead to a positive effect towards willingness to recommend luxury brand.**

An insignificant relationship was seen between attitude towards (luxury) brand and willingness to recommend luxury brand. Consumers' attitude towards (luxury) brand did not lead to a positive effect towards willingness to recommend luxury brand. This indicates that attitude towards (luxury) brand is not a factor that leads to willingness to recommend the product or brand. There may be other extrinsic product, brand, and/or country cues in order to

induce willingness to recommend. This contradicts the studies of Min Han, 1994 and Eagly and Chaiken (1993, p. 124). Hence, hypothesis 8b is rejected.

**H9a: Brand attachment towards luxury brand will lead to a positive effect towards willingness to buy luxury brand.**

An insignificant relationship was seen between brand attachment and willingness to buy luxury brand. Consumers' brand attachment did not lead to a positive effect towards willingness to buy luxury brand. This indicates that brand attachment is not a factor that leads to willingness to buy the product or brand. There may be other extrinsic product, brand, and/or country cues in order to induce willingness to buy. This contradicts the studies of Johnson and Rusbult, 1989; Thomson et al., 2005; Muñiz and O'Guinn, 2001; and Schouten and McAlexander (1995). Hence, hypothesis 9a is rejected.

**H9b: Brand attachment towards luxury brand will lead to a positive effect towards willingness to recommend luxury brand.**

Based on the SEM model, there is a positive and significant relationship between brand attachment and willingness to recommend luxury brands. This indicates that the more attached a person is to the brand, the more likely he or she is to move from an egocentric to a more reciprocal brand relationship that involves sharing resources (i.e. word-of-mouth) with the brand. This finding corroborate with many studies that support brand attachment and purchase intent (Paulsson, 2009; Thomson et al., 2005; Thomson and Johnson, 2002; Swaminathan, Stilley & Ahluwalia, 2009). Hence, hypothesis 9b is accepted.

**H10: Willingness to recommend luxury brands will lead to a positive effect towards willingness to buy luxury brand.**

Based on the SEM model, there is a positive and significant relationship between willingness to recommend and willingness to buy luxury brand. This finding supports studies from Biyalogorsky et al. (2001) and Chen, Huang and Chou (2008) that it stands to reason that in a purchase decision-making context, consumers rely more on customer recommendations rather than exposure to various marketing or advertising initiatives. Therefore, since existing customers can be good sales people, customer recommendations must be considered as an important driver for diffusing products and services. Hence, hypothesis 10 is accepted.

**Table: 6.15.4.1: Summary of Results for H1-H10 on Final SEM Model (Figure 6.15.3)**

	Hypothesis	Standardized Beta	P-value	Conclusion
H1a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.408	***	Accept
H1b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	.433	***	Accept
H1c	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.358	***	Accept
H2a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.028	.811 <sup>ns</sup>	Reject
H2b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	-.032	.765 <sup>ns</sup>	Reject
H2c	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	-.078	.453 <sup>ns</sup>	Reject
H3a	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>product judgement of luxury brand.</b>	.190	.081 <sup>ns</sup>	Reject
H3b	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>attitude towards (luxury) brand.</b>	-.086	.397 <sup>ns</sup>	Reject
H3c	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>brand attachment towards luxury brand.</b>	.166	.084 <sup>ns</sup>	Reject
H4a	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.000	.997 <sup>ns</sup>	Reject
H4b	<b>Consumer Needs for Ingredient Authenticity (authenticity of raw materials)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	.210	.024*	Accept
H5a	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	.095	.172 <sup>ns</sup>	Reject
H5b	<b>Consumer Needs for Ingredient Authenticity (authenticity of artisan skills)</b>	-.005	.956 <sup>ns</sup>	Reject

	will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>			
<b>H6a</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to buy luxury brand.</b>	-.137	.047*	(Reject)
<b>H6b</b>	<b>Consumer Needs for Ingredient Authenticity (sustainability and ethical considerations)</b> will lead to a positive effect towards <b>willingness to recommend luxury brand.</b>	-.141	.102 <sup>ns</sup>	Reject
<b>H7a</b>	<b>Product judgement</b> of luxury brand will lead to positive effect towards <b>willingness to buy</b> luxury brand.	.265	.002**	Accept
<b>H7b</b>	<b>Product judgement</b> of luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.165	.098 <sup>ns</sup>	Reject
<b>H8a</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.101	.120 <sup>ns</sup>	Reject
<b>H8b</b>	<b>Attitude towards (luxury) brand</b> will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.180	.079 <sup>ns</sup>	Reject
<b>H9a</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.064	.405 <sup>ns</sup>	Reject
<b>H9b</b>	<b>Brand attachment</b> towards luxury brand will lead to a positive effect towards <b>willingness to recommend</b> luxury brand.	.456	***	Accept
<b>H10</b>	<b>Willingness to recommend</b> luxury brand will lead to a positive effect towards <b>willingness to buy</b> luxury brand.	.682	***	Accept
<b>Goodness of fit indices</b>				
<b>Chi-square</b>		269.339		
<b>DF</b>		145		
<b>Ratio chi-square/df</b>		1.858		
<b>P</b>		.000		
<b>SRMR</b>		.0818		
<b>GFI</b>		.853		
<b>IFI</b>		.939		
<b>TLI</b>		.918		
<b>CFI</b>		.938		
<b>RMSEA</b>		.076		
* $\rho < 0.05$ , ** $\rho < 0.01$ , *** $\rho < 0.001$ ; ns = not statistically significant				

## **6.16 Multi-group Analysis**

### **6.16.1 One-way ANOVA**

In order to test for the multigroup analysis between status-seeking consumers and consumers' fashion knowledge and consumers' need for ingredient authenticity, a one-way ANOVA is used. One-way ANOVA tests the significance of group differences between two or more groups. In this case, status-seeking and consumer fashion knowledge construct is split into high and low using a median split. One-way ANOVA determines whether there is a difference between the groups. ANOVA allows the evaluation of all the mean differences in a single hypothesis test using a single  $\alpha$ -level, and thereby minimising the risk of Type I error regardless of the number of means being compared. The assumption of one-way ANOVA include: (1) the data are randomly sampled, (2) the variances of the populations are equal, and (3) the distribution of the scores in each population are normal in shape.

### **6.16.2 Research Question One**

The first research question aims to find out:

*Will status-seeking consumers be more likely to seek luxury brand names as signal for status rather than the needs for ingredient authenticity?*

The one-way ANOVA (Table 6.16.1) revealed that there are significant differences between high and low status-seeking consumers when seeking ingredient authenticity in luxury branded products. The studies are compared across the same stimuli. For example, Prada Made in Japan is compared together with Prada Made in Italy (with Japanese ingredient authentic elements) and Touchè Made in Japan. This is replicable towards the India, Peru, and Scotland sample (refer to Table 6.16.1). For the sake of explanation, each group is referred to their country-of-ingredient-authenticity.

**Table 6.16.1: Group Means and Significance Values for Consumer Needs for Ingredient Authenticity dimensions and scale for high and low status seeking consumers between 12 studies**

Studies	Authenticity of Raw Materials			Authenticity of Artisan Skills			Sustainability and ethical considerations			CNIASCALE		
	Low status	High status	Sig.	Low status	High status	Sig.	Low status	High status	Sig.	Low status	High status	Sig.
Prada Made in Japan	3.64	4.66	.000**	4.64	5.32	.000**	3.69	4.00	.068	3.96	4.60	.000**
Prada Made in Italy (Japan)	4.31	5.29	.000**	5.05	5.44	.075	4.12	4.68	.002**	4.46	5.09	.000**
Touchè Made in Japan	4.13	4.77	.002**	4.42	4.82	.042*	3.64	3.89	.222	4.02	4.43	.002**
Prada Made in India	4.25	4.28	.883	4.67	4.55	.531	3.55	3.87	.092	4.10	4.20	.461
Prada Made in Italy (India)	3.95	5.54	.000**	5.29	5.70	.029*	3.96	4.92	.000**	4.35	5.34	.000**
Touchè Made in India	4.05	4.71	.001**	4.41	4.99	.002**	3.97	4.06	.605	4.12	4.54	.002**
Prada Made in Peru	3.84	4.41	.003**	5.08	5.11	.864	3.39	3.55	.352	4.03	4.28	.045*
Prada Made in Italy (Peru)	4.33	5.59	.000**	5.42	5.67	.228	4.24	4.57	.185	4.62	5.20	.000**
Touchè Made in Peru	4.00	4.29	.115	4.54	5.04	.011*	3.67	4.17	.003**	4.03	4.47	.000**
Prada Made in Scotland	3.67	3.98	.127	4.50	4.66	.490	3.53	3.64	.522	3.86	4.05	.130
Prada Made in Italy (Scotland)	4.44	5.71	.000**	5.62	5.76	.443	4.38	4.83	.050*	4.77	5.37	.000**
Touchè Made in Scotland	3.95	4.80	.002**	4.63	5.22	.015*	3.60	3.80	.338	4.01	4.52	.003**

\*p<0.05, \*\*p<0.005

### **6.16.2.1 Country-of-Ingredient-Authenticity: Japan**

In this group, there are significant differences reported across the board for Prada Made in Japan, Prada Made in Italy (Japan), and Touchè Made in Japan. Particularly, the highest mean difference is recorded amongst the status-seeking consumers in Prada Made in Japan and Prada Made in Italy (Japan) sample ( $d = 0.64, 0.63$ ) as opposed to Touchè Made in Japan ( $d = 0.41$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in well-established luxury brand names as opposed to a less established luxury brand name when it comes to Japanese denim jeans. This assumption supports the studies from Goffman, 1959; Braun and Wicklund, 1989; Eastman et al., 1999; and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image.

### **6.16.2.2 Country-of-Ingredient-Authenticity: India**

In this group, there are significant differences in consumers of Prada Made in Italy (India) and Touchè Made in India. The mean difference for Prada Made in Italy (India) is higher than Touchè Made in India ( $d = 0.99, 0.42$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Indian chikan-embroidered dresses. This assumption supports the studies from Goffman, 1959; Braun and Wicklund, 1989; Eastman et al., 1999; and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Prada Made in India sample. The implications of this lack of significance will be discussed in the final chapter.

### **6.16.2.3 Country-of-Ingredient-Authenticity: Peru**

In this group, there are significant differences reported across the board for Prada Made in Peru, Prada Made in Italy (Peru), and Touchè Made in Peru. Particularly, the highest mean difference is recorded amongst the status-seeking consumers in Prada Made in Italy (Peru) sample ( $d = 0.58$ ) as opposed to Touchè Made in Peru and Prada Made in Peru ( $d = 0.44, 0.25$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in well-established luxury brand names as opposed to a less established luxury brand name when it comes to alpaca wool sweaters from Peru. This assumption supports the

studies from Goffman, 1959; Braun and Wicklund, 1989; Eastman et al., 1999; and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image. It could also be inferred from the lowest mean difference in Prada Made in Peru sample ( $d = 0.25$ ) to be attributed that status-seeking consumers do not see Peru as an ingredient-authentic location for wool.

#### **6.16.2.4 Country-of-Ingredient-Authenticity: Scotland**

In this group, there are significant differences in consumers of Prada Made in Italy (Scotland) and Touchè Made in Scotland. The mean difference for Prada Made in Italy (Scotland) is higher than Touchè Made in Scotland ( $d = 0.60, 0.51$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Scottish kilt tartans. This assumption supports the studies from Goffman, 1959; Braun and Wicklund, 1989; Eastman et al., 1999 and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product for Prada Made in Scotland sample. The implications of this lack of significance will be discussed in the final chapter.

#### **6.16.3 Research Question Two**

The second research question aims to find out:

*Will consumers who are more knowledgeable in terms of the fashion industry and luxury brands be more likely to be influenced by consumer needs for ingredient authenticity?*

The one-way ANOVA (Table 6.16.2) revealed that there are significant differences between high and low consumer fashion knowledge when seeking ingredient authenticity in luxury branded products. The studies are compared across the same stimuli. For example, Prada Made in Japan is compared together with Prada Made in Italy (with Japanese ingredient authentic elements) and Touchè Made in Japan. This is replicable towards the India, Peru, and Scotland sample (refer to Table 6.16.2). For the sake of explanation, each group is referred to their country-of-ingredient-authenticity.

**Table 6.16.2: Group Means and Significance Values for Consumer Needs for Ingredient Authenticity dimensions and scale for high and low fashion knowledge consumers between 12 studies.**

Studies	Authenticity of Raw Materials			Authenticity of Artisan Skills			Sustainability and ethical considerations			CNIASCALE		
	Low fashion knowledge	High fashion knowledge	Sig.	Low fashion knowledge	High fashion knowledge	Sig.	Low fashion knowledge	High fashion knowledge	Sig.	Low fashion knowledge	High fashion knowledge	Sig.
Prada Made in Japan	3.88	4.44	.013*	4.88	5.10	.223	3.79	3.89	.545	4.15	4.42	.033*
Prada Made in Italy (Japan)	4.47	5.16	.003**	4.87	5.62	.000**	4.26	4.56	.120	4.51	5.06	.001**
Touchè Made in Japan	4.22	4.68	.022*	4.59	4.67	.674	4.00	3.59	.054	4.24	4.24	.965
Prada Made in India	3.76	4.65	.000**	4.34	4.80	.018*	3.60	3.80	.293	3.87	4.36	.000**
Prada Made in Italy (India)	4.08	5.56	.000**	5.09	5.96	.000**	3.96	4.01	.000**	4.34	5.46	.000**
Touchè Made in India	4.11	4.71	.004**	4.46	4.99	.006**	4.18	3.86	.095	4.24	4.46	.120
Prada Made in Peru	3.78	4.42	.001**	4.93	5.24	.042*	3.47	3.47	.996	4.00	4.29	.018*
Prada Made in Italy (Peru)	4.59	5.26	.010*	5.28	5.76	.022*	4.31	4.48	.481	4.68	5.10	.012*
Touchè Made in Peru	4.13	4.20	.721	4.81	4.83	.925	3.94	3.95	.966	4.26	4.29	.813
Prada Made in Scotland	3.65	4.05	.048*	4.31	4.89	.010*	3.63	3.56	.701	3.84	4.11	.027*
Prada Made in Italy (Scotland)	4.51	5.62	.000**	5.48	5.89	.023*	4.41	4.80	.097	4.76	5.37	.000**
Touchè Made in Scotland	4.42	4.37	.859	4.95	4.93	.941	3.86	3.55	.138	4.35	4.21	.418

\*p<0.05, \*\*p<0.005

### **6.16.3.1 Country-of-Ingredient-Authenticity: Japan**

In this group, there are significant differences in consumers of Prada Made in Japan and Prada Made in Italy (Japan). The mean difference for Prada Made in Italy (Japan) is higher than Prada Made in Japan ( $d = 0.55, 0.27$ ) as opposed to the lack of significance in Touchè Made in Japan. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Japanese denim jeans. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005; and Hill and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Touchè Made in Japan sample. The implications of this lack of significance will be discussed in the final chapter.

### **6.16.3.2 Country-of-Ingredient-Authenticity: India**

In this group, there are significant differences in consumers of Prada Made in India and Prada Made in Italy (India). The mean difference for Prada Made in Italy (India) is higher than Prada Made in India ( $d = 1.12, 0.49$ ) as opposed to the lack of significance in Touchè Made in India. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Indian chikan-embroidered dresses. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005; and Hill and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Touchè Made in India sample. The implications of this lack of significance will be discussed in the final chapter.

### **6.16.3.3 Country-of-Ingredient-Authenticity: Peru**

In this group, there are significant differences in consumers of Prada Made in Peru and Prada Made in Italy (Peru). The mean difference for Prada Made in Italy (Peru) is higher than Prada Made in Peru ( $d = 0.42, 0.29$ ) as opposed to the lack of significance in Touchè Made in Peru. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Peruvian alpaca wool sweaters. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005; and Hill and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Touchè Made in Peru sample. The implications of this lack of significance will be discussed in the final chapter.

### **6.16.3.4 Country-of-Ingredient-Authenticity: Scotland**

In this group, there are significant differences in consumers of Prada Made in Scotland and Prada Made in Italy (Scotland). The mean difference for Prada Made in Italy (Scotland) is higher than Prada Made in Scotland ( $d = 0.61, 0.27$ ) as opposed to the lack of significance in Touchè Made in Peru. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Scottish kilt tartans. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005; and Hill and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Touchè Made in Scotland sample. The implications of this lack of significance will be discussed in the final chapter.

## **6.17 Concluding Comments**

This chapter has elaborated on the 12 exploratory studies undertaken in this CNIA research. Additionally, the multi-group analysis was carried out to study the effects of different motivations within consumer groups. In the next and final chapter, a summary of findings will be highlighted. This is followed by a discussion on conceptual, methodological, and managerial implications of this research. The limitations and future directions of this research will also be delineated in the final chapter.

## Chapter 7

### CONCLUSION

#### 7.1 Introduction

In this concluding chapter, the significance of the present research findings of the original research objectives, propositions, and existing literature within the field are discussed, along with the implications of the findings of the body of the literature to the policy and practice. The limitations of the current study are delineated, in addition to the justifications for the existence of these limitations within the research. This chapter provides a general discussion of conceptual, methodological, and managerial contributions. This chapter concludes with the outline of future research directions uncovered both during the start of the current study, and as a result of its findings.

#### 7.2 Summary of Findings

Based on the hypotheses discussions denoted in Chapter 6, a number of comparisons with the findings and results were apparent. Table 7-1 provides a summary of the hypotheses with their results respectively. While acceptance of some of the hypotheses provided confirmation towards the current research objectives, there are hypotheses that had to be rejected. The overall research considers these important findings that may warrant further insights to current literature. As previously discussed, the dominant research objective was to conceptualize ‘country-of-ingredient-authenticity’, COIA, in luxury brands. The concept, COIA, was then empirically tested to examine the effects toward consumers’ product judgement, attitude towards brand, and brand attachment. Effects of COIA towards willingness to buy and willingness to recommend luxury brands were also analysed within the research model. The consumer responses were interpreted as a result of the respective country-of-ingredient-authenticity effects elicited through country-of-origin cues. The twelve studies were conducted via a multi-cue framework; also, it has allowed some comparison and implications to be drawn. The overall observation is that consumers still perceive luxury brands branded by the COIA favourably in certain aspects of product judgment, attitude towards brand, and brand attachment. Even though consumers are aware that the luxury product is made from a different country-of-brand, positive associations with the brand still remain and consumers were willing to buy and recommend the luxury brand to their peers.

The fictitious brand, Touchè, also yielded positive results as consumer responses indicated that the country-of-ingredient-authenticity does lead to positive effects toward product judgement, attitude towards brand, brand attachment, as well as willingness to buy and recommend the luxury brand and product.

### **7.3 Summary**

The results of the studies have shown some hypotheses being supported and in most instances, these hypotheses had been either well-supported by the literature or were substantiated with sound arguments. Table 7.1 provides the summary of the hypotheses and results for the twelve studies. Both accepted and rejected hypotheses are regarded as important findings and can lead to insightful implications. Some of these may warrant further insights to the current literature. Understanding these country-of-origin associations will assist managers in evaluating their own assessments and developing potentially successful strategies that can be leveraged in an international environment. The findings will be compared within the country-of-ingredient-authenticity and overall, between the countries-of-ingredient-authenticity similar to the multi-group analysis discussion.

**Table 7.1: Summary of Hypotheses Results for the 12 studies**

	Prada Made in Japan	Prada Made in Italy (Japan)	Touchè Made in Japan	Prada Made in India	Prada Made in Italy (India)	Touchè Made in India	Prada Made in Peru	Prada Made in Italy (Peru)	Touchè Made in Peru	Prada Made in Scotland	Prada Made in Italy (Scotland)	Touchè Made in Scotland
<b>H1a</b>	R	R	Accept	R	R	R	Accept	R	R	R	Accept	Accept
<b>H1b</b>	Accept	R	Accept	R	Accept	R	Accept	R	R	R	Accept	Accept
<b>H1c</b>	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept
<b>H2a</b>	Accept	Accept	Accept	R	Accept	Accept	R	Accept	Accept	Accept	Accept	R
<b>H2b</b>	Accept	Accept	R	Accept	Accept	Accept	Accept	Accept	Accept	Accept	R	R
<b>H2c</b>	R	R	R	R	R	(Reject)	R	Accept	R	R	R	R
<b>H3a</b>	R	R	Accept	Accept	Accept	R	R	R	Accept	R	R	R
<b>H3b</b>	R	R	Accept	R	R	R	R	R	Accept	R	(Reject)	R
<b>H3c</b>	R	Accept	Accept	Accept	R	Accept	Accept	R	Accept	Accept	R	R
<b>H4a</b>	R	R	R	Accept	R	Accept	R	R	R	R	R	R
<b>H4b</b>	(Reject)	R	R	R	R	R	R	R	R	R	R	Accept
<b>H5a</b>	R	R	(Reject)	R	R	(Reject)	(Reject)	R	R	R	R	R
<b>H5b</b>	R	R	R	R	R	R	R	R	R	R	R	R
<b>H6a</b>	R	R	R	R	R	R	R	R	R	R	R	(Reject)
<b>H6b</b>	R	R	R	R	R	R	R	R	R	R	R	R
<b>H7a</b>	R	Accept	R	Accept	R	R	Accept	R	R	R	R	Accept
<b>H7b</b>	R	Accept	Accept	R	R	Accept	R	R	R	R	R	R
<b>H8a</b>	Accept	R	R	R	R	R	Accept	R	R	R	R	R
<b>H8b</b>	Accept	Accept	R	Accept	Accept	Accept	Accept	R	Accept	Accept	Accept	R
<b>H9a</b>	R	Accept	Accept	R	Accept	Accept	Accept	Accept	Accept	Accept	Accept	R
<b>H9b</b>	Accept	Accept	R	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept
<b>H10</b>	Accept	Accept	Accept	R	Accept	Accept	R	Accept	Accept	Accept	Accept	Accept

R = Rejected hypothesis  
 (Reject) = Negative significance

### **7.3.1 Country-of-ingredient-authenticity: Japan**

#### **High and low Country Image**

Positive relationships between ‘authenticity of raw materials and brand attachment’ and ‘authenticity of artisan skills and product judgement’ can be noted for all three studies. Even though Japan is not synonymous to the Prada brand and is not regarded as a high fashion producing country, consumers responded positively to the authenticity of raw materials and artisan skills of the denim jeans. The quality of the artisan skills were deemed as authentic which led to a positive product judgement of the denim jeans. The authenticity of the raw materials for the jeans also positively impacted consumers’ brand attachment towards Prada. It was noted that authenticity of raw materials positively effects consumers’ attitudes towards Prada and Touchè (Made in Japan) as opposed to Prada (Made in Italy).

For all three studies, a summary construct effect exists as consumers perceived that the country image label, improves product and brand evaluations (beliefs) before making a purchase or recommendation outcome (attitude) (Min Han, 1989). In further support of this effect, a negative relationship was noted between ‘authenticity of artisan skills and willingness to recommend’ and ‘sustainability and ethical considerations and willingness to buy’ in Prada and Touchè (Made in Japan).

#### **Positive Brand Effects and Influence of Ingredient Authenticity on Product and Brand Evaluations**

Positive relationships between ‘authenticity of artisan skills and attitudes towards brand’, ‘attitudes towards brand and willingness to recommend’, and ‘brand attachment and willingness to buy’ were seen in Prada (Made in Japan) and Prada (Made in Italy). Positive brand effects come into play as consumers responded positively towards the jeans’ artisan skills resulting in positive attitudes towards brand and brand attachment which in turn led to the willingness to buy and recommend the Prada denim jeans. This indicated that the strong brand name coupled with the country-of-ingredient-authenticity signalled a high quality

product. Schweiger, Otter and Strebinger (1997) posited that when the consumer is familiar with the country of origin that is attached to the product, the country of origin becomes much less significant. Hence, the luxury product branded in Japan was still perceived favourably.

### **Influence of Willingness to Recommend Towards Willingness to Buy**

Positive relationships can be seen for 'willingness to recommend and willingness to buy' in all three studies. The halo effect that consumers undergo to evaluate the denim jeans results in a positive willingness to recommend which leads to the willingness to buy the jeans. After establishing the standards of product judgement, attitudes towards brand, and brand attachment, consumers are more willing to recommend and purchase the ingredient authentic luxury product.

### **7.3.2 Country-of-Ingredient-Authenticity: India**

#### **High and Low Country Image**

Country of ingredient authenticity is seen to influence the perception of the general 'made in'-image of the country (expertise of country in manufacturing or producing Chikan embroidered products). Sustainability and ethical considerations of the Chikan-embroidered dress positively effects brand attachment towards Prada and Touchè (Made in India). This indicates that consumers believe that the working conditions of the artisan skilled craftsmen in India are humane and safe; and this leads to a positive brand attachment towards both brands as opposed to Prada (Made in Italy). In cases where the consumer is familiar with the country of origin that is attached to the product, the country of origin becomes much less significant (Schweiger, Otter and Strebinger, 1997).

It is interesting to note that consumers do not perceive the authenticity of raw materials from India to improve the product judgement as evident in the lack of significance in the consumer responses. It can be inferred that the cotton used to make the Chikan-embroidered dress may not be prototypical and authentic to India. However, cotton is commonly known to be ingredient authentic to China or Egypt.

In the context of the Prada and Touchè (Made in India) studies, a halo effect exists as consumers' positive inference (belief) of India's country image (authenticity of raw materials) significantly leads to willingness (attitude) to buy (Min Han, 1989). The halo effect of 'Made in India' provides a good indication that the Chikan-embroidery is recognized by consumers to be prototypical of India, thus leading to a direct effect of purchase intentions.

For Prada (Made in Italy), a summary construct effect exists as consumers perceived that a 'Made in Italy' (country image) label improves product and brand evaluations (beliefs) before making a purchase or recommendation outcome (attitude) (Min Han, 1989).

### **Positive Brand Effects**

Results from Prada (Made in India) and (Made in Italy) indicated that sustainability and ethical considerations positively effects product judgement. Consumers may draw multiple cues to evaluate a brand origin. Gürhan-Canli and Maheswaran (2000a, b) denoted that country of origin is more important for fashion and hedonistic products. This is where foreign branding comes into play. H3a indicates that consumers have a positive effects towards sustainability and ethical considerations of Prada (Made in India) and Prada (Made in Italy) as opposed to Touchè (Made in India). Prada is synonymous to Italy, one of the famous fashion capitals in the world. Consumers are more likely to perceive that Prada will have a better sustainability and ethical programme in place as opposed to a brand whose origin is not familiarly known. The inclusion of a known city or region, as well as a country cue influences consumers' perception of the brand (Thakor and Lavack, 2003).

### **Influence of Ingredient Authenticity Towards Brand Evaluations**

A positive relationship between 'authenticity of raw materials and brand attachment' and 'authenticity of artisan skills and attitude towards brand' for all the three studies were reported. This indicates that ingredient authenticity positively effects brand attachment and attitude towards brand. Specifically, authenticity of raw materials leads to a positive brand

attachment and authenticity of artisan skills leads to a positive attitude towards brand. This corroborates with the categorization theory (Zentall et al., 2002) where ingredient authenticity can improve or elevate consumers' perceptions, in this case, brand attachment and attitude towards brand.

### **Influence of Product Judgement Towards Willingness to Buy**

A positive relationship between product judgement and willingness to buy for Prada (Made in India) study was reported. This indicates that product judgement leads to a positive effect towards willingness to buy. An ingredient authentic product is not about decreasing the value or quality of the product. This approach aims to celebrate the strengths and expertise of niche artisan skilled craftsmen and producers of high quality raw materials around the world. With a better understanding and appreciation of the ingredient authentic product that is 'Made in India', paired with a strong brand name, it has a positive impact towards willingness to buy. Therefore, brand strength hypothesis comes into play to influence this relationship (Perrouy et al., 2006).

### **Influence of Product and Brand Evaluations Towards Willingness to Recommend**

A positive relationship between 'attitudes towards brand' and 'brand attachment' towards willingness to recommend' for all the 3 studies respectively was reported.

It could be attributed to the fact that consumers recognise that Chikan embroidery is authentic to India and this influences the positive attitudes and brand attachment leading to the willingness to recommend the product. Cognitions play a greater role in brand attitudes when consumers are familiar with the products or country-of-origin (Min Han, 1994). However, consumers who are attached to the brand are more likely to share their knowledge and resources of the Chikan embroidery's ingredient authenticity towards India.

### **7.3.3 Country-of-Ingredient-Authenticity: Peru**

#### **High and Low Country Image**

Country of ingredient authenticity is seen to influence the perception of the general 'made in'-image of the country (expertise of country in manufacturing or producing alpaca wool sweaters). Positive relationships can be seen between 'authenticity of raw materials' and 'product judgement', 'attitudes towards brand', and 'brand attachment' for Prada (Made in Peru). Even though Peru is not synonymous to the Prada brand and is not known to be a high fashion producing country, consumers regard the alpaca wool as an authentic raw material that boosts the luxury products' judgement, evoked positive attitudes towards the brand, and increased brand attachment. The authenticity of the alpaca wool was also seen to elicit positive brand attachment towards all three studies. This can indicate that consumers perceive the alpaca wool to be synonymous to Peru and regard it as a high quality ingredient to incorporate in a luxury product.

Positive relationships were noted in 'authenticity of artisan skills' towards 'product judgement', 'attitudes towards brand', and 'brand attachment' in Prada (Made in Italy). These findings denote that consumers perceive positive product and brand evaluations towards the authenticity of artisan skills towards Prada (Made in Italy). This could be attributed to consumers preferring Italian weaving than Peruvian weaving. It can deduced as a negative relationship was seen between 'authenticity of artisan skills and willingness to buy' for Prada (Made in Peru).

It is interesting to note that Touchè (Made in Peru) yielded positive relationships for 'sustainability and ethical considerations' towards 'product judgement', 'attitudes towards brand', and 'brand attachment. In the event of an unknown brand, consumers perceived that if there are sustainability and ethical consideration programmes in place within the brand, it can potentially elevate the product and brand evaluations towards the unknown brand.

For all three studies, a summary construct effect exists as consumers perceived that the country image label, improves product and brand evaluations (beliefs) before making a

purchase or recommendation outcome (attitude) (Min Han, 1989). Hence, indirect effects of country image towards purchase and recommendation outcomes are applicable to the three studies.

### **Influence of Brand Attachment Towards Willingness to Buy and Recommend**

Positive relationships were recorded between ‘brand attachment’ towards ‘willingness to buy’ and ‘willingness to recommend’ for all three studies. It could be attributed to the fact that consumers recognise the authenticity of the Peruvian alpaca wool and its artisan skills, and this influences the positive brand attachment leading to the willingness to recommend and to buy the sweater. Cognitions play a greater role in brand attitudes when consumers are familiar with the products or country-of-origin (Min Han, 1994). However, consumers who are attached to the brand are more likely to share their knowledge and resources of the ingredient authenticity of the Peruvian alpaca wool.

### **7.3.4 Country-of-Origin-Authenticity: Scotland**

#### **High and Low Country Image**

Positive relationships were recorded between ‘authenticity of raw materials and brand attachment’, ‘authenticity of artisan skills and product judgement’, and ‘authenticity of artisan skills and attitudes towards brand’ in Prada (Made in Scotland). It can be inferred that consumers perceive the raw materials and artisan skills to produce kilt tartans as authentic to Scotland. Consumers regard the artisan manufacturing of the Scottish kilt tartan as a boost towards positive product judgement for Prada (Made in Scotland).

For Prada (Made in Scotland) and (Made in Italy) studies, a summary construct effect exists as consumers perceived that the country image label, improves product and brand evaluations (beliefs) before making a purchase or recommendation outcome (attitude) (Min Han, 1989). Hence, indirect effects of country image towards purchase and recommendation outcomes are applicable to the three studies.

For Touchè (Made in Scotland) study, a halo effect exists as consumers' positive inference (belief) of Scotland's country image (authenticity of artisan skills) significantly leads to willingness (attitude) to buy (Min Han, 1989). The halo effect of 'Made in Scotland' provides a good indication that the kilt tartan weaving is recognized by consumers to be prototypical of Scotland, thus leading to a direct effect of purchase intentions.

### **Country of Origin Effects**

In the case of Prada (Made in Italy), positive relationships were noted between 'authenticity of raw materials' towards 'product judgment', 'attitudes towards brand', 'brand attachment', as well as 'authenticity of artisan skills towards product judgement'. It can be inferred that consumers would prefer ingredient authentic products originating from Scotland to have the 'Made in Italy' affinity. A country of origin effect exists as the same positive relationships between 'authenticity of raw materials' were seen towards all three product and brand evaluations for Touchè (Made in Scotland). It can be inferred that consumers recognize the authenticity of kilt tartans' raw materials to be synonymous to Scotland. Hence, it increases consumers' product and brand evaluations of the kilt tartans.

### **Positive Brand Effects**

Positive relationships were noted between 'authenticity of artisan skills and product judgment', attitudes towards brand and willingness to recommend', and 'brand attachment and willingness to buy' in Prada (Made in Scotland) and Prada (Made in Italy). Consumers may draw multiple cues to evaluate a brand origin. Gürhan-Canli and Maheswaran (2000a, b) denoted that country of origin is more important for fashion and hedonistic products. This is where foreign branding comes into play. H3a indicates that consumers have positive effects towards sustainability and ethical considerations of Prada (Made in India) and Prada (Made in Italy) as opposed to Touchè (Made in India). Prada is synonymous to Italy, one of the famous fashion capitals in the world. Hence, the inclusion of the country-of-ingredient-authentic cues serves as a support to Prada's strong brand name to lead to positive brand evaluations and purchase and recommendation outcomes.

## **Influence of Brand Attachment and Willingness to Recommend Towards Willingness to Buy**

Positive relationships were noted between ‘brand attachment and willingness to recommend’ and ‘willingness to recommend and willingness to buy’ for all three studies. As kilt tartan can be considered as a niche fashion product where it is not widely used, possessing a positive brand attachment is imperative towards willingness to recommend and buy. This can be inferred that consumers who are more inclined towards wearing the kilt tartans would have a higher brand attachment and thus leading to a positive willingness to recommend and buy the Scottish kilt tartan within the niche community.

### **7.3.5 Country-of-Ingredient-Authenticity: Overall**

There is an overall consensus that the authenticity of raw materials does lead to a positive effect towards brand attachment in all twelve studies. This is a good step in the direction of promoting ingredient-authenticity in luxury brands. The presence of ingredient-authentic raw materials elevates the brand attachment consumers have towards luxury brands. The findings also suggest that less-established or unknown brands can highlight the authenticity of the raw materials in order to increase brand attachment and create an emotional bond with the consumers.

## **7.4 Research Question One (Status-seeking Consumers)**

### **7.4.1 Country-of-Ingredient-Authenticity: Japan**

There are significant differences reported across the board for Prada Made in Japan, Prada Made in Italy (Japan) and Touchè Made in Japan. Particularly, the highest mean difference is recorded amongst the status-seeking consumers in Prada Made in Japan and Prada Made in Italy (Japan) sample ( $d = 0.64, 0.63$ ) as opposed to Touchè Made in Japan ( $d = 0.41$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in well-established luxury brand names as opposed to a less established luxury brand name when it comes to Japanese denim jeans. This assumption supports the studies from Goffman,

1959; Braun and Wicklund, 1989; Eastman et al., 1999; and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image.

#### **7.4.2 Country-of-Ingredient-Authenticity: India**

There are significant differences in consumers of Prada Made in Italy (India) and Touchè Made in India. The mean difference for Prada Made in Italy (India) is higher than Touchè Made in India ( $d = 0.99, 0.42$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Indian chikan-embroidered dresses. This assumption supports the studies from Goffman, 1959; Braun and Wicklund, 1989; Eastman et al., 1999; and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Prada Made in India sample. The lack of significance will be discussed in the managerial implications.

#### **7.4.3 Country-of-Ingredient-Authenticity: Peru**

There are significant differences reported across the board for Prada Made in Peru, Prada Made in Italy (Peru), and Touchè Made in Peru. Particularly, the highest mean difference is recorded amongst the status-seeking consumers in Prada Made in Italy (Peru) sample ( $d = 0.58$ ) as opposed to Touchè Made in Peru and Prada Made in Peru ( $d = 0.44, 0.25$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in well-established luxury brand names as opposed to a less established luxury brand name when it comes to alpaca wool sweaters from Peru. This assumption supports the studies from Goffman, 1959; Braun and Wicklund, 1989; Eastman et al., 1999; and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image. It could also be inferred from the lowest mean difference in Prada Made in Peru sample ( $d = 0.25$ ) to be attributed that status-seeking consumers do not see Peru as an ingredient-authentic location for wool.

#### **7.4.4 Country-of-Ingredient-Authenticity: Scotland**

There are significant differences in consumers of Prada Made in Italy (Scotland) and Touchè Made in Scotland. The mean difference for Prada Made in Italy (Scotland) is higher than Touchè Made in Scotland ( $d = 0.60, 0.51$ ). This denotes that high status-seeking consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Scottish kilt tartans. This assumption supports the studies from Goffman, 1959; Braun and Wicklund, 1989; Eastman et al., 1999; and Piron, 2000 where status-seeking consumers consume certain prestige goods to enhance their sense of self and image. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product for Prada Made in Scotland sample. The lack of significance will be discussed in the managerial implications.

### **7.5 Research Question Two (Consumer Fashion Knowledge)**

#### **7.5.1 Country-of-Ingredient-Authenticity: Japan**

There are significant differences in consumers of Prada Made in Japan and Prada Made in Italy (Japan). The mean difference for Prada Made in Italy (Japan) is higher than Prada Made in Japan ( $d = 0.55, 0.27$ ) as opposed to the lack of significance in Touchè Made in Japan. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Japanese denim jeans. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005 and Hill; and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Touchè Made in Japan sample. The lack of significance will be discussed in the managerial implications.

### **7.5.2 Country-of-Ingredient-Authenticity: India**

There are significant differences in consumers of Prada Made in India and Prada Made in Italy (India). The mean difference for Prada Made in Italy (India) is higher than Prada Made in India ( $d = 1.12, 0.49$ ) as opposed to the lack of significance in Touchè Made in India. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Indian chikan-embroidered dresses. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005; and Hill and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Touchè Made in India sample. The lack of significance will be discussed in the managerial implications.

### **7.5.3 Country-of-Ingredient-Authenticity: Peru**

There are significant differences in consumers of Prada Made in Peru and Prada Made in Italy (Peru). The mean difference for Prada Made in Italy (Peru) is higher than Prada Made in Peru ( $d = 0.42, 0.29$ ) as opposed to the lack of significance in Touchè Made in Peru. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Peruvian alpaca wool sweaters. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005; and Hill and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive

ingredient authenticity in the luxury branded product in Touchè Made in Peru sample. The lack of significance will be discussed in the managerial implications.

#### **7.5.4 Country-of-Ingredient-Authenticity: Scotland**

There are significant differences in consumers of Prada Made in Scotland and Prada Made in Italy (Scotland). The mean difference for Prada Made in Italy (Scotland) is higher than Prada Made in Scotland ( $d = 0.61, 0.27$ ) as opposed to the lack of significance in Touchè Made in Peru. This denotes that high fashion knowledgeable consumers place more importance on ingredient authenticity in a well-established brand as opposed to a less established brand name when it comes to Scottish kilt tartans. Specifically, these consumers perceive ingredient authenticity to be more important when it comes to evaluating a luxury brand branded with its own country of brand as opposed to country of ingredient authenticity. This assumption supports the studies from O’Cass, 2004; Goldsmith and Clark, 2008; Chao, 2005; and Hill and McKaig, 2012 where consumers with more fashion knowledge will attach more importance on COO when evaluating imported products and the product attributes. There are no significant differences between how the high and low status consumers perceive ingredient authenticity in the luxury branded product in Touchè Made in Scotland sample. The lack of significance will be discussed in the managerial implications.

### **7.6 Contributions/Implications**

Several conceptual, methodological, and managerial contributions can be made from the undertaking of this research. Supporting, and in cases contradicting literature as well as providing new findings previously unknown or not empirically tested, will be discussed.

#### **7.6.1 Conceptual Contributions**

This research and the theoretical underpinnings on which it is conducted hold valuable implications for the growing literature on consumer’s need for ingredient authenticity towards the product and brand evaluations and its purchase and recommend outcomes. The newly created construct, country-of-ingredient-authenticity, provides a better understanding

of country-of-origin cues in the marketing context. This research contributes substantively by clarifying specific theoretical meaning and roles that each studied construct plays.

#### **7.6.1.1 Conceptualizing the Concept of ‘Country-of-Ingredient-Authenticity’**

One of the research objectives was to introduce and conceptualize the concept of ‘country-of-ingredient-authenticity’. In the context of this research, the concept was developed around the scope of luxury branding. In identifying and distinguishing the effects of the present country cues, this research explores the notion of ingredient authenticity through the dimensions of authenticity of raw materials, artisan skills, and sustainability and ethical considerations. The application of this construct in the marketing context is widely used, but it has yet to be empirically and theoretically developed.

Essentially, the study reflected that consumers’ need for ingredient authenticity in luxury brands can be attributed to their interpretation of country-of-origin information/cues. (i.e. country-of-brand or country-of-ingredient-authenticity cues) when evaluating luxury product brands. This validated the existence and importance of COIA cues in consumer preference. This study also looked into the behaviour of status-seeking consumers and consumer fashion knowledge. Such implications signal that markets can be potentially segmented on the basis of the two types of consumer. Implications can also be deduced based on the groups preferring country-of-ingredient-authenticity or country-of-branding combined with country-of-ingredient-authenticity (as explained by categorization theory and confirmation bias theory). Given that segmentation using country of origin has not been extensively developed, this study contributes by drawing the fact that segmentation can be undertaken based on the two different types of country-of-origin cues (Cheah and Phau, 2008).

#### **7.6.1.2 Empirically Determine whether CNIA would Influence Product and Brand Evaluations and Willingness to Buy and Recommend Luxury Brands**

As indicated from the summary of findings, CNIA does influence product and brand evaluations and willingness to buy and recommend according to the specific studies. The

influence can be both direct and indirect. Han (1989) posits this direct and indirect COO influence as halo effect and summary construct effect. The findings denote that for most studies, CNIA takes an indirect or summary construct effect towards purchase and recommend outcomes except for Prada (Made in India), Touchè (Made in India), and Touchè (Made in Scotland). The summary construct view maintains that consumers recode and place individual aspects of information into 'chunks' (Simon, 1974). This is beneficial for consumers as information chunks are easier to store and recall from memory (Simon, 1974). The process of 'information chunking' may evolve around brand name. Brand image can contain substantial product information that acts as a summary construct (Jacoby, Olsen and Haddock, 1971; Swaminathan, Page and Gürhan-Canli, 2007). Consumers will evaluate the product based on the information they deduce from product quality, attitudes, and emotional bond with the brand before arriving to a purchase or recommend decision. For Prada (Made in India), Touchè (Made in India), and Touchè (Made in Scotland), a halo effect comes into play as consumers use country image to infer quality of unknown products (Huber and McCann, 1982). This halo effect can be attributed that consumers see Chikan-embroidery and kilt tartans as prototypical and authentic to India and Scotland respectively. Mohamad et al. (2000) posit that consumers' positive attitudes towards more expensive designer products appear to be influenced by country-of-origin and brand status rather than price and availability. Having a favourable attitude towards the brand is also a vehicle for creating an emotional bond with the consumer (Phau and Yip, 2008).

#### **7.6.1.3 Test the Moderating Effects of Consumer Fashion Knowledge and Status-seeking Consumption Towards Ingredient Authenticity**

In the study of testing the background effects of status-seeking consumers and consumer fashion knowledge towards consumers' needs for ingredient authenticity, it was highlighted that high status-seeking consumers place more importance on needs for ingredient authenticity in all studies except for Prada (Made in India) and Prada (Made in Scotland). This denotes that the status-seeking consumers regard ingredient-authenticity as an important evaluation cue to verify product judgement, attitudes towards the brand, and brand

attachment. It can be inferred that due to the lack of significance for Prada (Made in India) and Prada (Made in Scotland), status-seeking consumers view the countries-of-ingredient-authenticity as true representation of authentic raw materials and artisan skills from India (i.e. Indian cotton and Chikan embroidery) and Scotland (i.e. kilt tartans and Scottish weaving craftsmanship). These status-seeking consumers are exhibiting inconspicuous consumption as Berger and Ward (2010) suggested as the use of subtle signs that are only observable to people with the requisite knowledge to interpret the meaning. Inconspicuous consumers will look for products that portray subtle signals of luxury and consumers' belonging to an in-group. Ingredient-authenticity is an example of an inconspicuous consumption where only certain consumers can detect the nuances.

In the context of consumer fashion knowledge, consumers possessing high fashion knowledge place more importance on needs for ingredient authenticity in all studies except for Touchè (Made in Japan, India, Peru, and Scotland). This denotes that consumers with high fashion knowledge evaluate an ingredient-authentic product based on the brand name to determine whether the product is high quality. In a general sense, one would assume that fashion clothing familiarity will result in consumers increased expertise and experience. In this regard, apart from examining central issues, such as memory, one can also look at the impact of constructs such as fashion clothing involvement on the development of fashion knowledge and expertise (O'Cass, 2004). It can then be inferred that consumer fashion knowledge may regard the notion of ingredient-authenticity as part of a current fashion trend and would seek the brand name cue to support their idea of quality on an ingredient-authentic product.

#### **7.6.1.4 Develop a Theoretical Framework to Rationalize or Explain Key Constructs and their Relationships**

Several theoretical underpinnings can outline and rationalize the key constructs used in this study and the observed relationships. The theoretical frameworks are outlined:

- 1) The theoretical rationale of categorization theory (Zentall et al., 2002; Samiee et al., 2005; Cohen and Basu, 1997) were established in the study through the indications of respondents' product and brand evaluations and willingness to buy and recommend luxury brand products.
  - Consumers expressed positive product judgments, attitudes towards brand, and brand attachment towards 'Made in' labels indicating country-of-ingredient-authenticity and country-of-brand with country-of-ingredient-authenticity cues (also associative network theory).
  - Consumers expressed synonymous associations towards certain country-of-ingredient-authenticity to the authentic raw materials and artisan skills. (i.e Chikan embroidery with India and manufacturing of denim jeans with Japan).
  - Country-of-origin is viewed as a 'heuristic' for making inferences about product quality (Eagly and Chaiken, 1993; Maheswaran, 1994; Maheswaran, 2006). Heuristic processing occurred when consumers expressed positive perceptions on product made from low image countries such as Peru and India (Papadopoulos and Heslop, 1993; Chang, 2004).
  - Consumers recognizing specific raw materials and/or artisan skills authentic to the countries tested. This is described as 'hierarchy of biases' where a positive relationship is expected between the product evaluations from a country and the economic development of the country (Schooler, 1971).
- 2) The theory of confirmation bias (Nickerson, 1998) underpinned the variations between perceptions of country-of-ingredient-authenticity between luxury brands.
  - When consumers were shown country of brand alongside country-of-ingredient-authenticity cues, they signalled their resistance to compromise on their beliefs and opinions as supported by confirmation bias theory where

consumers believe the strong brand name is a good indicator of the validity of the ingredient-authentic product (Nickerson, 1998; Cheah and Phau, 2008; Usunier, 2011). Consumers categorize Prada as a high end Italian luxury brand and will associate the ingredient-authenticity aspect of the product as a quality improvement.

3) The theory of brand strength hypothesis (Perrouy et al., 2006) underpinned consumers' acceptance of ingredient-authentic luxury product from a less-established and unknown brand.

- Luxury products carrying a weak brand name will have a stronger country of origin effect as compared to those with strong brand names. In this instance, when consumers will seek to find information about products carrying a weak brand name, they will tend to pay more attention to, or seek for the country of origin of the product as compared to products with a strong brand name. Consequently, the presence of the 'country-of-ingredient-authenticity' cue has allowed consumers to evaluate the less-established and unknown brand favourably based on the authenticity and prototypically of the country-of-ingredient-authenticity to the specific raw materials or artisan skills. Consumers may also derive information from other dependent variables such as willingness to pay (Cordell, 1993), perceived quality (Han & Terpstra, 1988; Johansson and Nebenzahl, 1986), product performance attributes (Tse & Lee, 1993), or purchase intentions (Wall, Liefeld, & Heslop, 1991).

## **7.7 Methodological Contributions**

### **7.7.1 Overview**

The most significant methodological contribution is the development and validation of a three dimensional scale to measure consumers' need for ingredient authenticity. The studies and instruments used to develop and validate the scale include a sound methodology developed predominantly based on previous methods (Li, Edwards and Lee, 2002; Eastman, Goldsmith and Flynn, 1999; Churchill, 1979; Wells, Leavitt and McConville, 1971; and DeVellis, 2012).

The present research is also based on a modelling concept that identifies a multi country-of-origin cues research design that involves product and brand evaluation constructs with regards to willingness to buy and recommend luxury brands. Furthermore, the study has utilized a more in-depth measure of analyses such as structural equation modelling techniques in AMOS. One of the benefits of using structural equation modelling is that it allows the creation of composite variables in order to better facilitate and measure constructs (i.e consumers' need for ingredient authenticity) as a congeneric measurement model, rather than a parallel or higher order measurement model in adhering to overall structural model fit. As it is becoming apparent that emerging research in country-of-origin has drawn on such rigorous analytical techniques, methodological processes in this research could be used or adapted in future studies to diversify the scale to other product categories in luxury brands.

### **7.7.1 Scale Development: CNIAScale**

The four studies conducted to develop and validate the CNIAScale include EFA, CFA, validity tests, and generalizability. This resulted in a three dimensional scale consisting of ten-items looking into the authenticity of raw materials, authenticity of artisan skills, and sustainability and ethical considerations. Previous measures of authenticity have required the future research of the construct to be theoretically and conceptually defined (Gundlach and Neville, 2012). Even now, literature highlights the deficient theoretical contributions made in developing an ingredient authenticity measure (Beverland, 2005; Beverland and Farrelly, 2010). Recently, Newman and Dhar (2014)'s research only looks at the COO effects on

authenticity for brands with factories in the original factory versus a new factory location overseas. Swaminathan et al. (2012) noted that there is a bulk of cobranding research being conducted in a lab setting using hypothetical examples (Park et al., 1996; Simonin and Ruth, 1998; Rao et al., 1999; Desai and Keller, 2002; Voss and Gammoh, 2004; Kumar, 2005). The disadvantage of this approach is that it does not include the ability to examine both long-run and short-run consequences of cobranded alliances. To address this issue, authenticity will be explored in the context of luxury fashion brands and its implications towards consumers' perceptions. The main study is conducted via 3X2X2 exploratory study into Prada's 2011 'Made in' campaign with a comparison with Prada 'Made in Italy' and a fictitious brand adopting a similar 'Made in' campaign. However, there is an element of ecological validity in this study as Prada had launched the 'Made in' campaign in 2011.

## **7.8 Managerial Contributions**

### **7.8.1 Overview**

This study holds several managerial implications for marketing and public policy practices in the luxury branding industry. Once empirically verified, the research propositions advanced in this paper provide importance insights to consumers' response to product brand associated with various country-of-ingredient-authenticity cues. The insights from this study can lead luxury branding marketers towards a better understanding of ingredient-authenticity and its applicability. Overall, the results indicate that the decision to inform consumers about the country-of-ingredient-authenticity is an important one in terms of its effect on the evaluation of luxury brands.

### **7.8.2 Significance of Ingredient Authenticity to Luxury Brand Marketers**

#### **7.8.2.1 Country-of-ingredient-authenticity as Manufacturing Locations for Luxury Brands**

Luxury brands have always emphasized on their country of brand (i.e. France, Italy, London etc). As the luxury market expands and globalizes, manufacturing and sourcing of materials

can be transferred overseas. The repercussions of relocating or outsourcing production overseas can have detrimental effects on the brand. Several positive manufacturing implications can be drawn from this study.

- **Country-of-Ingredient-Authenticity: Japan**

Overall, consumers perceived the authenticity of artisan skills from the Japanese denim manufacturer, Dova, improved product judgement for Prada (Made in Japan), Prada (Made in Italy), and Touchè (Made in Japan). Additionally, the authenticity of the artisan skills has positively enhanced the product judgement and attitudes towards brand for Prada (Made in Japan) and Prada (Made in Italy). This indicates that consumers view the weaving techniques for denim jeans as ingredient authentic to Japan. Hence, luxury brands expanding their denim range can consider branding their product line as 'Made in Japan' by highlighting the positive effects of Dova's leading technology for denim manufacture.

Momotaro's G001-T Gold Label jeans are considered the zenith of denim artistry. Priced at around \$2,000, the jeans are made entirely by hand and dyed using natural indigo from the *indigofera tinctoria* plant. Woven by hand on a loom that is used to weave Kimono silks, the denim itself takes up to 8 hours for every 3 feet of material. The fastening button is made of silver and silk lines the back of each pair. Once finished, the jeans are washed in Seto Sea water. Each pair can take up to a year to produce and even becomes a community event with locals involved in each pair's creation (Cardiner, 2012). This intricate and detailed process that the jeans undergo indicates the level of skill and craft utilized to produce a high quality product.

- **Country-of-Ingredient-Authenticity: India**

Overall, consumers perceived the authenticity of raw materials from India improved brand attachment for Prada (Made in India), Prada (Made in Italy), and Touchè (Made in India). Consumers who are more emotionally bonded to a brand are more likely to make a favourable purchase decision. Previous research has also demonstrated the importance of luxury brands creating a strong and lasting emotional bond with consumers (Lacoeuilhe,

2000). However, authenticity of raw materials was not seen to improve the product judgment on all three studies. This could be due to consumers not associating cotton to be ingredient-authentic to India. Cotton is more famously known to originate from Egypt or China.

The authenticity of artisan skills was perceived to improve attitudes towards brands for all three studies. Consumers perceive Chikan-embroidery is authentic to India, thus leading to positive attitudes towards brands. Hence, it is recommended that luxury brands showcase the authenticity of artisan skills of the 'Made in India' embroidery instead of Indian cotton to elicit favourable attitudes towards brands and ingredient authentic product.

Chanel's recent Indian inspired *Mètiers d'Art* (artisanal businesses) collection shows the fusion of Karl Lagerfeld's vision with Indian embroidery and craftsmanship in a fashion show entitled 'Paris-Bombay 2011/2012'. This collection incorporates Indian roots to show nose rings, *bindis*, *sari* fabric, and *salwar kameezes* (Atwal and Jain, 2012). This is aligned to the findings where the Indian embroidery and craftsmanship should be emphasized.

- **Country-of-Ingredient-Authenticity: Peru**

Overall, consumers indicated that authenticity of raw materials enhanced the brand attachment towards the luxury brands in all three studies. It is worthy to note that for Prada (Made in Peru), consumers perceived the authenticity of raw materials to improve product judgement, attitudes towards brand, and brand attachment. On the other hand, Prada (Made in Italy) elicited positive responses for product judgement, attitudes towards brand, and brand attachment with the presence of authenticity of artisan skills. Hence, a 'Made in Peru' product should highlight on the utilization of alpaca wool in its production and de-emphasize on the Peruvian weaving techniques.

Currently, Armani Exchange sources for cotton and wool raw materials from Peru to produce soft and luxurious t-shirts. The brand uses pima cotton which is a type of cotton grown primarily in Peru. The texture of the shirt is 'ultra-soft' and can be used 'all year long' (Armani Exchange, 2015). The country-of-ingredient-authenticity of Peru was not explicitly stated on the t-shirts; however there was an emphasis on the Pima cotton. This reinforces the

findings that Peru is known for its wool and cotton. It could also be suggested that Armani Exchange incorporate a 'Made in Peru' cue to highlight the authenticity of the cotton used.

- **Country-of-Ingredient-Authenticity: Scotland**

Overall, consumers indicated that authenticity of artisan skills enhanced the brand attachment towards the luxury brands in all three studies. As discussed earlier, the kilt tartan is a niche fashion product. Consumers distinguished that the authenticity of the artisan skills is synonymous to Scotland, hence resulting in the positive brand attachment. Consumers noted that the authenticity of artisan skills improved product judgement and attitudes towards brand for Prada (Made in Scotland), whereas the authenticity of raw materials positively affected product judgement, attitudes towards brand, and brand attachment for Prada (Made in Italy). It can be inferred that Scotland is known for its authenticity of artisan skills as opposed to the raw materials. Consequently, a 'Made in Scotland' product should highlight on the Scottish craftsmanship of the weaving and manufacturing techniques of the kilt tartans as opposed to the woven materials of the kilt tartans.

Lochcarron of Scotland is a British brand that offers kilt tartans, highland wear, knitwear, and bespoke accessories (Lochcarron, 2015). The brand proudly claims that their fabrics and accessories are prepared, weaved, and finished in Scotland. This is aligned to the findings where the Scottish craftsmanship should be highlighted.

### **7.8.2.2 Acceptance of 'Made in' Campaign**

This study has highlighted several options and alternatives for luxury brands to venture or initiate a 'Made in' campaign. There is general consensus that ingredient-authenticity has improved product and brand evaluations of the luxury brand and induced willingness to buy and recommend the brand and product. Specifically, this study has looked into status-seeking consumers and consumers' fashion knowledge.

- **Marketing to the ‘Status’ Consumer**

As denoted earlier, status-seeking consumers did not perceive any differences in ingredient-authenticity of products from India and Scotland. Efforts could be made to highlight and emphasize on the artisan skills and raw materials from these countries, especially the authenticity of artisan skills from India and authenticity of raw materials from Scotland. These status-seeking consumers consume their luxury inconspicuously; hence consumers will look for products that portray subtle signals of luxury and consumers’ belonging to an in-group. These consumers would be able to tell the difference between a Prada ‘Made in Italy’ Chikan embroidered dress as opposed to Prada ‘Made in India’ Chikan embroidered dress (Berger and Ward, 2010). Status consumers are more inclined to look for products that signal their wealth and luxury in-group association (Eastman et al., 1999).

- **Marketing to the ‘Fashion Knowledgeable’ Consumer**

Consumers possessing high fashion knowledge place more importance on needs for ingredient authenticity in all studies except for Touchè (Made in Japan, India, Peru, and Scotland). It can be inferred that consumers possessing fashion knowledge may regard the notion of ingredient-authenticity as part of a current fashion trend and would seek the brand name cue to support their idea of quality on an ingredient-authentic product.

This does not mean that marketers of less-established or unknown brands should opt out of the ingredient-authenticity route. The association between a less-established brand and a well-established brand needs to be forged. Diffusion brands could appeal to these ‘fashion knowledgeable’ consumers where subbrands and nested brands can act as suitable substitutes for the luxury parent brand for these brand-loyal shoppers (Phau and Cheong, 2009). Examples of diffusion brands are Marc by Marc Jacobs, Armani Exchange for Armani, Miu Miu for Prada, and Pink for Paul Smith. They are considered as step-down line extensions of existing luxury brands, normally less expensive than the main-line range (Beaudoin, Lachance and Robitaille, 2003). This also allows the luxury brands to distance any parent-brand associations without affecting the existing brand image.

A good example of a brand championing the causes of ingredient-authenticity is Shang Xia, which is a Hermès' Chinese brand that showcases authentic raw materials and artisan skills from China (Shang Xia, 2014). Shang Xia represents a new approach by Hermès to tackle the Chinese luxury-goods market hit by the crackdown on official corruption and brand fatigue. Luxury brands invested heavily into the China market (Burkitt, 2014). Smaller, more individualistic labels are slowly gaining their appeal in the Chinese market. Shang Xia is adopting an ingredient authentic approach, proclaiming China as the country-of-ingredient-authenticity for cashmere felt, zitan wood, eggshell porcelain, and bamboo weaving, to capture the hearts of the Chinese while Hermès' European reputation remains untarnished.

#### **7.8.4 Significance of Ingredient-authenticity to Luxury Branding Policymakers**

##### **7.8.4.1 Introduction of Country-of-Ingredient-Authenticity in Luxury Branding Labelling**

Currently, there are no stringent 'country of origin' rules for luxury goods under the EU and other international laws when production is outsourced to other countries (Sarasin, 2012). None of the luxury brands have a public policy for defining the 'country of origin' of their products (Sarasin, 2012). In Italy, only 10% of the product needs to be assembled in Italy for it to bear the 'Made in Italy' label. With this study, luxury brands now have a reference as to what is deemed as authentic in non-fashion producing countries such as Peru, Scotland, India, and Japan. Countries with low country image (i.e. Peru and India) have also proven to boost consumers' affective and cognitive behaviours towards luxury brands.

#### **7.9 Limitations and Future Research Directions**

With the existing limitations in this study, subsequent future research directions have also been highlighted.

Firstly, the study is based on a cross-sectional perspective, rather than on a longitudinal approach. This limits the information of a long term impact of the variables and factors reviewed. Several studies such as Balabanis et al. (2001), Mort and Duncan (2003), and

Akhter (2007) explain that there exists a probability of significant differences observed between longitudinal and cross-sectional studies. A longitudinal study conducted by Darling (1990) among Finnish consumers revealed that the already poor evaluation of Russian products had worsened since 1975. This trend can be tested towards the countries-of-ingredient-authenticity to determine whether the product evaluations of the authentic raw materials or artisan skills have deteriorated or improved through the years. Through the measurement of consumers' need for ingredient authenticity, consumers' perception can also be tracked over time on socioeconomics, behavioural, and preferences.

Secondly, the study only looks between status-seeking behaviour and fashion knowledge as consumers' motivations towards ingredient authenticity (Eastman et al., 1999; Flynn et al., 2000). Consumers are increasingly looking for the meaning and stories behind the products that they seek. Hopkins (2014) denotes that for aspiring craft brands, a compelling story provides a point of differentiation towards consumers. Future studies could uncover other motivations that could lead to consumers' seeking ingredient authenticity. Studies could look into how 'promiscuous' customers perceive ingredient-authenticity in a product and devise a marketing strategy towards these consumer groups. 'Promiscuous' consumers do not display obvious loyalty, instead choosing to shop around for the best options (The Logic Group, 2013).

Thirdly, the study is conducted within Perth; hence caution should be used in adopting the current results to other national context. Consumer's tendency to differentiate between country of origin effects and product type varies across nations (Wang and Yang, 2008). Cultural and societal values could be attributed to this variations (Hofstede, 2001), and greater knowledge and experience with product purchase due to product availability and variety in the marketplace (Phau and Cheong, 2009). Thus, advances in consumer research require the validity of existing theories and their degree of generalisation to be examined in non-Western emerging consumer market contexts (Magni and Atsmon, 2012). It would be meaningful to test the notion of ingredient-authenticity in the Chinese market where consumers' loyalty and brand preferences are shifting with new and upcoming luxury brands

(Burkitt, 2014). For example, Hermès' Chinese brand, Shang Xia, could be used as a potential luxury brand to test the product and brand evaluations of the Chinese markets towards ingredient-authentic products made in China.

Fourthly, the study is only explored within the luxury branding context. The scope of this research is very limited and narrow and may not provide valuable implications in other industries. Future research could look into other industries where authenticity and craftsmanship are important in consumers' product evaluation such as wines and spirits (Hopkins, 2014). The luxury brands tested within this study was only Prada. Prada is considered within the top 10 luxury brands in the world (Roy, 2013). Provisions should be made to look into the differences in ingredient-authenticity perception between a top-tier luxury brand compared to a middle-tier luxury brand (i.e. Prada vs Michael Kors). The effects of adopting a subbrand or nested brand to incorporate an ingredient-authentic approach can also be tested (i.e. Miu Miu by Prada vs Shang Xia by Hermès).

Lastly, a potential shortcoming is that socio-demographic effects were not tested in the current findings and model. The nature of the study conforms to a homogenous sample population for the main analysis and scale development. Future research should attempt to account for socio economic or demographic factors such as age, income, and education levels. These factors are bound to have an impact on the proposed research hypotheses. This also emphasizes the need for careful control for other social and economic characteristics of respondents.

## **7.10 Concluding Comments**

This chapter has delineated the summary of the findings concluded within this study. The conceptual, methodological, and managerial implications were also discussed and extrapolated. The limitations and future research directions have also been outlined towards the next step in the research of ingredient-authenticity.

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## Appendix A: Survey Instrument: Phase One, Study One

Note: survey has been reformatted to fit margins of the thesis. This has resulted in smaller font size than the original. Readability of original survey was superior.

**Rate how strongly you agree or disagree with the following statements. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree			Strongly Agree			
	1	2	3	4	5	6	7
1. I actively seek for products made from authentic raw materials.	1	2	3	4	5	6	7
2. I actively seek for products made from authentic artisan skills.	1	2	3	4	5	6	7
3. I often think products made from authentic raw materials are one-of-a-kind.	1	2	3	4	5	6	7
4. I often think products made from authentic raw materials are exclusive.	1	2	3	4	5	6	7
5. I often think products made from authentic raw materials are more prestigious.	1	2	3	4	5	6	7
6. I often think products made by authentic artisan skilled craftsmen are one-of-a-kind.	1	2	3	4	5	6	7
7. I often think products made by authentic artisan skilled craftsmen are exclusive.	1	2	3	4	5	6	7
8. I often think products made by authentic artisan skilled craftsmen are more prestigious.	1	2	3	4	5	6	7
9. I will only seek for products made from authentic raw materials that reflect my personality.	1	2	3	4	5	6	7
10. I will only seek for products made by authentic artisan skilled craftsmen that reflect my personality.	1	2	3	4	5	6	7
11. I will only seek for products made from authentic raw materials that can reflect my sense of style.	1	2	3	4	5	6	7
12. I will only seek for products made from authentic artisan skilled craftsmen that can reflect my sense of style.	1	2	3	4	5	6	7
13. I will only seek for products made from authentic raw materials that can reflect my uniqueness.	1	2	3	4	5	6	7
14. I will only seek for products made from authentic artisan skilled craftsmen that can reflect my uniqueness.	1	2	3	4	5	6	7
15. I will only seek for brands made from authentic raw materials.	1	2	3	4	5	6	7
16. I will only seek for brands crafted from authentic artisan skills.	1	2	3	4	5	6	7
17. I often think that products made from authentic raw materials are of better quality than those made from generic raw materials.	1	2	3	4	5	6	7

18. I often think that products made by authentic artisan skilled craftsmen are of better quality than those made from generic raw materials.	1	2	3	4	5	6	7
19. I can tell the difference between products made from authentic raw materials and generic raw materials.	1	2	3	4	5	6	7
20. I can tell the difference between products made by authentic artisan skilled craftsmen and factory mass produced.	1	2	3	4	5	6	7
21. I often think products made from authentic raw materials from less developed countries are improving the economies of those countries.	1	2	3	4	5	6	7
22. I often think products made by authentic skilled artisans from less developed countries are improving the economies of those countries.	1	2	3	4	5	6	7
23. I often think products made from authentic raw materials from less developed countries are creating more jobs in those countries.	1	2	3	4	5	6	7
24. I often think products made by authentic skilled artisans from less developed countries are creating more jobs in those countries.	1	2	3	4	5	6	7
25. I often think products made from authentic raw materials from less developed countries are more environmentally friendly.	1	2	3	4	5	6	7
26. I often think products made by authentic skilled artisans from less developed countries are more environmentally friendly.	1	2	3	4	5	6	7
27. I often think products made from authentic raw materials from less developed countries are improving the livelihood of the communities in those countries.	1	2	3	4	5	6	7
28. I often think products made by authentic skilled artisans from less developed countries are improving the livelihood of the communities in those countries.	1	2	3	4	5	6	7
29. I often think products made from authentic raw materials from less developed countries are supporting the fair trade in those countries.	1	2	3	4	5	6	7
30. I often think products made by authentic skilled artisans from less developed countries are supporting the fair trade in those countries.	1	2	3	4	5	6	7
31. I often think products made from authentic raw materials from less developed countries are supporting the local industries in those countries.	1	2	3	4	5	6	7
32. I often think products made by authentic skilled artisans from less developed countries are supporting the local industries in those countries.	1	2	3	4	5	6	7
33. I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working condition.	1	2	3	4	5	6	7
34. I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a humane working	1	2	3	4	5	6	7

condition.							
35. I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working condition.	1	2	3	4	5	6	7
36. I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a humane working condition.	1	2	3	4	5	6	7
37. I often think products made from authentic raw materials from less developed countries are exploiting the cheap raw materials in those countries.	1	2	3	4	5	6	7
38. I often think products made by authentic skilled artisans from less developed countries are exploiting the cheap labour in those countries.	1	2	3	4	5	6	7
39. I often think products made from authentic raw materials are crafted by skilled craftsmen.	1	2	3	4	5	6	7
40. I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.	1	2	3	4	5	6	7
41. I often think products made from authentic raw materials are of better quality.	1	2	3	4	5	6	7
42. I often think products handmade by authentic artisan skills are of better quality.	1	2	3	4	5	6	7
43. I often think the heritage of the brand guarantees that the products are made from authentic raw materials.	1	2	3	4	5	6	7
44. I often think that the heritage of the brand guarantees that the products are made by authentic artisan skilled craftsmen.	1	2	3	4	5	6	7
45. I often think that the prestige of the brand guarantees that the products are made from authentic raw materials.	1	2	3	4	5	6	7
46. I often think that the prestige of the brand guarantees that the products are made by authentic artisan skilled craftsmen.	1	2	3	4	5	6	7
47. I often think it is acceptable for brands to utilize authentic raw materials from a less developed country.	1	2	3	4	5	6	7
48. I often think it is acceptable for brands to utilize authentic artisan skills from a less developed country.	1	2	3	4	5	6	7
49. I often think authentic raw materials from a less developed country have poor quality.*	1	2	3	4	5	6	7
50. I often think authentic artisan skills from a less developed country have poor quality.*	1	2	3	4	5	6	7
51. I often think authentic products should be assembled in its home country.	1	2	3	4	5	6	7
52. I often think products using authentic raw materials should be manufactured in its home country.	1	2	3	4	5	6	7
53. I often think authentic products are only crafted by skilled artisans from its home country.	1	2	3	4	5	6	7

54. I would pay a premium price for a product made with authentic raw materials.	1	2	3	4	5	6	7
55. I would pay a premium price a product made by authentic artisan skills.	1	2	3	4	5	6	7
56. I often think using authentic raw materials from a less developed country will not affect the quality of the product	1	2	3	4	5	6	7
57. I often think using authentic artisan skills and craftsmanship from a less developed country will not affect quality of the product.	1	2	3	4	5	6	7

## Part 2: Demographics

1.	What is your gender? (Please tick one) a) Male [ <input type="checkbox"/> ]                      b) Female [ <input type="checkbox"/> ]
2.	What is your age group? (Please tick one) a) Under 18 [ <input type="checkbox"/> ]    b) 18 – 24 [ <input type="checkbox"/> ]    c) 25 – 34 [ <input type="checkbox"/> ]    d) 35 – 49 [ <input type="checkbox"/> ]    e) 50 or over [ <input type="checkbox"/> ]
3.	What is your primary occupation? (Please tick one) a) Student [ <input type="checkbox"/> ]    b) Self employed [ <input type="checkbox"/> ]    c) Professional [ <input type="checkbox"/> ]    d) Unemployed [ <input type="checkbox"/> ] e) Retired [ <input type="checkbox"/> ]    f) Skilled Worker [ <input type="checkbox"/> ]    g) Home maker [ <input type="checkbox"/> ]    h) Other (specify) _____
4.	What is your highest level of education? (Please tick one) a) Not completed [ <input type="checkbox"/> ]    b) High School/College [ <input type="checkbox"/> ]    c) Certificate [ <input type="checkbox"/> ] d) Diploma/advance diploma [ <input type="checkbox"/> ]    e) Undergraduate [ <input type="checkbox"/> ]    f) Postgraduate [ <input type="checkbox"/> ] g) Masters or doctorate [ <input type="checkbox"/> ]    h) Other (please specify) _____
5.	What is your annual income level? a) Under \$20,000 [ <input type="checkbox"/> ]    b) \$20,001 - \$40,000 [ <input type="checkbox"/> ]    c) \$40,001 - \$60,000 [ <input type="checkbox"/> ] d) \$60,001 - \$80,000 [ <input type="checkbox"/> ]    e) \$80,001 - \$100,000 [ <input type="checkbox"/> ]    f) \$100,001 - \$120,000 [ <input type="checkbox"/> ] g) \$120,001 - \$140,000 [ <input type="checkbox"/> ]    h) \$140,001 - \$160,000 [ <input type="checkbox"/> ]    i) \$160,001 or more [ <input type="checkbox"/> ]

**Thank you for your participation.**

## **Appendix B: Scales used in Convergent and Discriminant Validity Analysis**

### **Food Authenticity Scale (Camus, 2004)**

1. It is natural.
2. It is made from natural stuffs only.
3. It is not made from natural stuffs.
4. I know how it has been produced.
5. I know where it comes from.
6. It can reflect my personality.
7. It can define me.
8. It can help me be myself.
9. It is my style.
10. It is unique.
11. It is one-of-a-kind.
12. There is no other like it.

### **Brand Extension Authenticity Scale (Spiggle, Nguyen and Caravella, 2012)**

#### Honouring Brand Heritage

1. This extension appears to connect with what I know about (brand)'s origins.
2. There is no link between this extension and what I know about (brand)'s legacy.
3. (Brand) seems to have abandoned its roots with this extension.

#### Avoiding Brand Exploitation

1. The extension likely trades off the essence of (brand) strictly for profit.
2. This extension likely sacrifices what I think makes (brand) special in exchange for commercial gain.
3. With this extension, it seems that (brand) was more concerned about preserving the brand rather than growing the market.

#### Preserving Brand Essence

1. This extension is not consistent with my image of (brand).
2. This extension preserves what (brand) means to me.

3. This extension captures what makes (brand) unique to me.

#### Maintaining Brand Standards and Style

1. The standards of (brand) are apparently contained in this extension.
2. The style of this extension seems to reflect that of (brand).
3. This extension appears to reflect the quality I associate with (brand).

## Appendix C: Survey Instrument: Phase One, Study Four

Note: survey has been reformatted to fit margins of the thesis. This has resulted in smaller font size than the original. Readability of original survey was superior.

**Rate how strongly you agree or disagree with the following statements. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree						Strongly Agree
<b>Authenticity of Raw Materials</b>							
1. I will only seek for products made from authentic raw materials that can reflect my personality.	1	2	3	4	5	6	7
2. I will only seek for products made from authentic raw materials that can reflect my sense of style.	1	2	3	4	5	6	7
3. I will only seek for products made from authentic raw materials that can reflect my uniqueness.	1	2	3	4	5	6	7
<b>Authenticity of Artisan Skills</b>							
1. I often think products made by authentic skilled craftsmen are more prestigious.	1	2	3	4	5	6	7
2. I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.	1	2	3	4	5	6	7
3. I often think products handmade by authentic artisan skills are of better quality	1	2	3	4	5	6	7
<b>Sustainability and Ethical Considerations</b>							
1. I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working condition.	1	2	3	4	5	6	7
2. I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a humane working condition.	1	2	3	4	5	6	7
3. I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.	1	2	3	4	5	6	7
4. I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a safe working condition.	1	2	3	4	5	6	7

## Part 2: Demographics

1.	What is your gender? (Please tick one) a) Male [ <input type="checkbox"/> ]                      b) Female [ <input type="checkbox"/> ]
2.	What is your age group? (Please tick one) a) Under 18 [ <input type="checkbox"/> ]    b) 18 – 24 [ <input type="checkbox"/> ]    c) 25 – 34 [ <input type="checkbox"/> ]    d) 35 – 49 [ <input type="checkbox"/> ]    e) 50 or over [ <input type="checkbox"/> ]
3.	What is your primary occupation? (Please tick one) a) Student [ <input type="checkbox"/> ]    b) Self employed [ <input type="checkbox"/> ]    c) Professional [ <input type="checkbox"/> ]    d) Unemployed [ <input type="checkbox"/> ] e) Retired [ <input type="checkbox"/> ]    f) Skilled Worker [ <input type="checkbox"/> ]    g) Home maker [ <input type="checkbox"/> ]    h) Other (specify) _____
4.	What is your highest level of education? (Please tick one) a) Not completed [ <input type="checkbox"/> ]    b) High School/College [ <input type="checkbox"/> ]    c) Certificate [ <input type="checkbox"/> ] d) Diploma/advance diploma [ <input type="checkbox"/> ]    e) Undergraduate [ <input type="checkbox"/> ]    f) Postgraduate [ <input type="checkbox"/> ] g) Masters or doctorate [ <input type="checkbox"/> ]    h) Other (please specify) _____
5.	What is your annual income level? a) Under \$20,000 [ <input type="checkbox"/> ]    b) \$20,001 - \$40,000 [ <input type="checkbox"/> ]    c) \$40,001 - \$60,000 [ <input type="checkbox"/> ] d) \$60,001 - \$80,000 [ <input type="checkbox"/> ]    e) \$80,001 - \$100,000 [ <input type="checkbox"/> ]    f) \$100,001 - \$120,000 [ <input type="checkbox"/> ] g) \$120,001 - \$140,000 [ <input type="checkbox"/> ]    h) \$140,001 - \$160,000 [ <input type="checkbox"/> ]    i) \$160,001 or more [ <input type="checkbox"/> ]

**Thank you for your participation.**

## Appendix D: Generation of Fictitious Brand Name

Note: survey has been reformatted to fit margins of the thesis. This has resulted in smaller font size than the original. Readability of original survey was superior.

**Please rank these French-sounding luxury brand names from 1 (most preferred) to 10 (least preferred).**

- 1) Touché
- 2) à la mode
- 3) Christian Nouveau
- 4) Cerise
- 5) Noir
- 6) prêt-à-porter
- 7) soirée-la-fleur
- 8) Antoine Badeaux
- 9) Fleur-de-lis
- 10) Corinne Monét

### Part 2: Demographics

1.	What is your gender? (Please tick one) a) Male [ ]                      b) Female [ ]
2.	What is your age group? (Please tick one) a) Under 18 [ ]    b) 18 – 24 [ ]    c) 25 – 34 [ ]    d) 35 – 49 [ ]    e) 50 or over [ ]
3.	What is your primary occupation? (Please tick one) a) Student [ ]    b) Self employed [ ]    c) Professional [ ]    d) Unemployed [ ] e) Retired [ ]    f) Skilled Worker [ ]    g) Home maker [ ]    h) Other (specify) _____
4.	What is your highest level of education? (Please tick one) a) Not completed [ ]    b) High School/College [ ]    c) Certificate [ ] d) Diploma/advance diploma [ ]    e) Undergraduate [ ]    f) Postgraduate [ ] g) Masters or doctorate [ ]    h) Other (please specify) _____
5.	What is your annual income level? a) Under \$20,000 [ ]    b) \$20,001 - \$40,000 [ ]    c) \$40,001 - \$60,000 [ ] d) \$60,001 - \$80,000 [ ]    e) \$80,001 - \$100,000 [ ]    f) \$100,001 - \$120,000 [ ] g) \$120,001 - \$140,000 [ ]    h) \$140,001 - \$160,000 [ ]    i) \$160,001 or more [ ]

**Thank you for your participation.**

## Appendix E: Advert: Phase Two (Original Print)

This is a scaled down version of the print adverts shown to respondents containing the explicit 'country-of-ingredient-authenticity' cue.

### Study One



*The Story of Authenticity*

The Prada Made in Japan collection of jeans is made by Dova, a world renowned leading Japanese manufacturer of jeans. The interior of the jeans are inked with a portrait of a tiger, and various other Japanese inspired designs such as scrawled calligraphy and dragon motifs. They all feature a printed history of the garment, from the treatment of the fabric and the type of workmanship to the names of those who created it and the region of provenance.

**PRADA**

### Study Two



*The Story of Authenticity*

This collection of Prada dresses is Made in India using the finest white cotton and showcases the ancient art of Chikan embroidery from Lucknow, India. The dresses are designed by traditional embroiders who take at least fifteen years to master the third century B.C. Chikan art of floral stitching.

**PRADA**

### Study Three



#### *The Story of Authenticity*

This special and unique collection of alpaca wool Prada sweater is  
**Made in Peru.**

The sweater is crafted from the most traditional workshops in Peru. Alpaca wool was considered to be the “gold of the Andes” by the Inca civilization. The knitwear is woven and spun in Peruvian campesinos (artisan workshops), spanning into twenty-two different hues.

# PRADA

### Study Four



#### *The Story of Authenticity*

This collection of Prada tartan wool kilts is **Made in Scotland** using only traditional woven materials and manufacturing techniques. The navy blue kilts are crafted in Scottish workshops by traditional kilt makers who are experts with the early 18<sup>th</sup> century weaving and manufacturing techniques. The navy blue kilts have slightly frayed edges and feature the traditional and simple belt buckles. The wool tartan prototypes are crafted from the 1819 Wilson's Key Pattern book.

# PRADA

## Study Five



### *The Story of Authenticity*

The Prada **Made in Italy** collection of jeans is made by Dova, a world renowned leading Japanese manufacturer of jeans. The interior of the jeans are inked with a portrait of a tiger, and various other Japanese inspired designs such as scrawled calligraphy and dragon motifs. They all feature a printed history of the garment, from the treatment of the fabric and the type of workmanship to the names of those who created it and the region of provenance.

# PRADA

## Study Six



### *The Story of Authenticity*

This collection of Prada dresses is **Made in Italy** using the finest white cotton and showcases the ancient art of Chikan embroidery from Lucknow, India. The dresses are designed by traditional embroiders who take at least fifteen years to master the third century B.C. Chikan art of floral stitching.

# PRADA

## Study Seven



### *The Story of Authenticity*

This special and unique collection of alpaca wool Prada sweater is **Made in Italy.**

The sweater is crafted from the most traditional workshops in Peru. Alpaca wool was considered to be the “gold of the Andes” by the Inca civilization. The knitwear is woven and spun in Peruvian campesinos (artisan workshops), spanning into twenty-two different hues.

# PRADA

## Study Eight



### *The Story of Authenticity*

This collection of Prada tartan wool kilts is **Made in Italy** using only traditional woven materials and manufacturing techniques from Scotland. The navy blue kilts are crafted in Scottish workshops by traditional kilt makers who are experts with the early 18<sup>th</sup> century weaving and manufacturing techniques. The navy blue kilts have slightly frayed edges and feature the traditional and simple belt buckles. The wool tartan prototypes are crafted from the 1819 Wilson’s Key Pattern book.

# PRADA

## Study Nine



### *The Story of Authenticity*

The Touché Made in Japan collection of jeans is made by Dova, a world renowned leading Japanese manufacturer of jeans. The interior of the jeans are inked with a portrait of a tiger, and various other Japanese inspired designs such as scrawled calligraphy and dragon motifs. They all feature a printed history of the garment, from the treatment of the fabric and the type of workmanship to the names of those who created it and the region of provenance.

# T o u c h é

## Study Ten



### *The Story of Authenticity*

This collection of Touché dresses is **Made in India** using the finest white cotton and showcases the ancient art of Chikan embroidery from Lucknow, India. The dresses are designed by traditional embroiders who take at least fifteen years to master the third century B.C. Chikan art of floral stitching.

# T o u c h é

## Study Eleven



### *The Story of Authenticity*

This special and unique collection of alpaca wool Touché sweater is **Made in Peru.**

The sweater is crafted from the most traditional workshops in Peru. Alpaca wool was considered to be the “gold of the Andes” by the Inca civilization. The knitwear is woven and spun in Peruvian campesinos (artisan workshops), spanning into twenty-two different hues.

# T o u c h é

## Study Twelve



### *The Story of Authenticity*

This collection of Touché tartan wool kilts is **Made in Scotland** using only traditional woven materials and manufacturing techniques. The navy blue kilts are crafted in Scottish workshops by traditional kilt makers who are experts with the early 18<sup>th</sup> century weaving and manufacturing techniques. The navy blue kilts have slightly frayed edges and feature the traditional and simple belt buckles. The wool tartan prototypes are crafted from the 1819 Wilson's Key Pattern book.

# T o u c h é

## Appendix F: Final Survey Instrument: Phase Two

Note: survey has been reformatted to fit margins of the thesis. This has resulted in smaller font size than the original. Readability of original survey was superior. The visual stimuli is inserted after Section A.

### **Section A: Demographics**

**The following section contains some demographic questions to help us classify your responses. Please write your answer in the space provided or tick the box as applicable.**

1.	What is your gender? (Please tick one) a) Male [ <input type="checkbox"/> ]                      b) Female [ <input type="checkbox"/> ]
2.	What is your age group? (Please tick one) a) Under 18 [ <input type="checkbox"/> ]    b) 18 – 24 [ <input type="checkbox"/> ]    c) 25 – 34 [ <input type="checkbox"/> ]    d) 35 – 49 [ <input type="checkbox"/> ]    e) 50 or over [ <input type="checkbox"/> ]
3.	What is your primary occupation? (Please tick one) a) Student [ <input type="checkbox"/> ]    b) Self employed [ <input type="checkbox"/> ]    c) Professional [ <input type="checkbox"/> ]    d) Unemployed [ <input type="checkbox"/> ] e) Retired [ <input type="checkbox"/> ]    f) Skilled Worker [ <input type="checkbox"/> ]    g) Home maker [ <input type="checkbox"/> ]    h) Other (specify) _____
4.	What is your highest level of education? (Please tick one) a) Not completed [ <input type="checkbox"/> ]    b) High School/College [ <input type="checkbox"/> ]    c) Certificate [ <input type="checkbox"/> ] d) Diploma/advance diploma [ <input type="checkbox"/> ]    e) Undergraduate [ <input type="checkbox"/> ]    f) Postgraduate [ <input type="checkbox"/> ] g) Masters or doctorate [ <input type="checkbox"/> ]    h) Other (please specify) _____
5.	What is your annual income level? a) Under \$20,000 [ <input type="checkbox"/> ]    b) \$20,001 - \$40,000 [ <input type="checkbox"/> ]    c) \$40,001 - \$60,000 [ <input type="checkbox"/> ] d) \$60,001 - \$80,000 [ <input type="checkbox"/> ]    e) \$80,001 - \$100,000 [ <input type="checkbox"/> ]    f) \$100,001 - \$120,000 [ <input type="checkbox"/> ] g) \$120,001 - \$140,000 [ <input type="checkbox"/> ]    h) \$140,001 - \$160,000 [ <input type="checkbox"/> ]    i) \$160,001 or more [ <input type="checkbox"/> ]

**Section B: Consumers' Need for Ingredient Authenticity**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

Strongly  
Disagree

Strongly  
Agree

Authenticity of Raw Materials		1	2	3	4	5	6	7
1.	I will only seek for products made from authentic raw materials that can reflect my personality.							
2.	I will only seek for products made from authentic raw materials that can reflect my sense of style.							
3.	I will only seek for products made from authentic raw materials that can reflect my uniqueness.							

Strongly  
Disagree

Strongly  
Agree

Authenticity of Artisan Skills		1	2	3	4	5	6	7
1.	I often think products made by authentic skilled craftsmen are more prestigious.							
2.	I often think products that are handmade by skilled craftsmen are more exclusive than machine manufactured.							
3.	I often think products handmade by authentic artisan skills are of better quality							

Strongly  
Disagree

Strongly  
Agree

Sustainability and Ethical Considerations		1	2	3	4	5	6	7
1.	I often think products made from authentic raw materials from less developed countries are providing the trained workers with a safe working condition.							
2.	I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a humane working condition.							
3.	I often think products made from authentic raw materials from less developed countries are providing the trained workers with a humane working condition.							
4.	I often think products made by authentic skilled artisans from less developed countries are providing the trained workers with a safe working condition.							

**Section C: Product Judgement**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree							Strongly Agree
1. The (jeans made by the Italian brand, Prada, manufactured by Dova) are carefully produced and have fine workmanship.	1	2	3	4	5	6	7	
2. The (jeans made by the Italian brand, Prada, manufactured by Dova) are generally of a lower quality than similar products available from other countries.	1	2	3	4	5	6	7	
3. The (jeans made by the Italian brand, Prada, manufactured by Dova) show a very high degree of technological advancement.	1	2	3	4	5	6	7	
4. The (jeans made by the Italian brand, Prada, manufactured by Dova) show a very clever use of colour and design.	1	2	3	4	5	6	7	
5. The (jeans made by the Italian brand, Prada, manufactured by Dova) are usually quite reliable and seem to last the desired length of time.	1	2	3	4	5	6	7	
6. The (jeans made by the Italian brand, Prada, manufactured by Dova) are usually a good value for money.	1	2	3	4	5	6	7	

**Section D: Attitude towards Brand**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree							Strongly Agree
1. This brand name will facilitate the success of the product in the marketplace	1	2	3	4	5	6	7	
2. I would select this brand in order for the product to be successful in the marketplace	1	2	3	4	5	6	7	
3. This brand name is judged favourably in the marketplace	1	2	3	4	5	6	7	
4. I will be satisfied with this brand name	1	2	3	4	5	6	7	

**Section E: Brand attachment**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree						Strongly Agree
1. (Prada) is part of me and who I am.	1	2	3	4	5	6	7
2. I feel personally connected to (Prada).	1	2	3	4	5	6	7
3. My thoughts and feelings towards (Prada) are often automatic, coming to mind seemingly on their own.	1	2	3	4	5	6	7
4. My thoughts and feelings towards (Prada) come to me naturally and instantly.	1	2	3	4	5	6	7

**Section F: Willingness to Buy**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree						Strongly Agree
1. I am eager to check out the (jeans) because of the advertisement.	1	2	3	4	5	6	7
2. I intend to try the (jeans).	1	2	3	4	5	6	7
3. I am interested in seeing how the (jeans) look on me.	1	2	3	4	5	6	7
4. I plan on buying the (jeans).	1	2	3	4	5	6	7
5. It is likely that I will buy the (jeans) when it becomes available.	1	2	3	4	5	6	7
6. I would consider purchasing the (jeans).	1	2	3	4	5	6	7

**Section G: Willingness to Recommend**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree						Strongly Agree
1. I would spread positive word of mouth about Prada.	1	2	3	4	5	6	7
2. I would recommend Prada for authentic products to my friends.	1	2	3	4	5	6	7
3. If my friends were looking to purchase authentic products, I would tell them to try Prada.	1	2	3	4	5	6	7

**Section H: Status-seeking Consumption**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

	Strongly Disagree				Strongly Agree		
1. I would buy a product just because it has status.	1	2	3	4	5	6	7
2. I am interested in new products with status.	1	2	3	4	5	6	7
3. I would pay more for a product if it has status.	1	2	3	4	5	6	7
4. The status of a product is irrelevant to me.	1	2	3	4	5	6	7
5. A product is more valuable to me if it has some snob appeal.	1	2	3	4	5	6	7

**Section I: Consumer Fashion Knowledge**

Please indicate your level of agreement with each of the statements in response to the advertisement you have just seen. Please take your time to carefully consider the advert. There are no right or wrong answers. **Please DO NOT MISS ANY ITEMS. Circle 1 for strongly disagree and 7 for strongly agree.**

Strongly

	Disagree				Agree		
1. I know pretty much about fashion.	1	2	3	4	5	6	7
2. I do not feel very knowledgeable about fashion.	1	2	3	4	5	6	7
3. Among my circle of friends, I'm one of the experts on fashion.	1	2	3	4	5	6	7
4. Compared to most other people, I know less about fashion.	1	2	3	4	5	6	7
5. When it comes to fashion, I really don't know a lot.	1	2	3	4	5	6	7
6. I have heard most of the fashions that are around.	1	2	3	4	5	6	7

**Thank you for your participation ☺**