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The contribution of consumer values and a country's image to luxury brand equity:

The case of the Indonesian middle-class woman

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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.

The research presented and reported in this thesis was conducted in accordance with the National Health and Medical Research Council National Statement on Ethical Conduct in Human Research (2007) – updated March 2014. The proposed research study received human research ethics approval from the Curtin University Human Research Ethics Committee (EC00262), Approval Number #RDBS-38-16

Signature [redacted]

Date 31 March [redacted]

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In the name of Allah, the Beneficent, the Merciful. All praise is due to Allah, the Lord of the worlds.

This thesis is dedicated to my beloved son, Muhammad Faishal Mufiid: to inspiring and motivating you. Whatever challenges coming to your life, don't give up. Confront them and stay strong. Because life is a journey, not a destination.

PhD has been a long, up and down journey… The writing phase came at the same time I experience one of the painful moment of my personal life. Alhamdulillah, this work completed.

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Abstract

Brand equity (BE) is recognized as an important aspect in marketing, because strong BE is expected to deliver strong consumer preferences on the respective brands. The importance of BE applies for all brands including luxury brands, especially in view of the growing luxury market in the emerging markets of Asia, such as Indonesia, the empirical setting for this research. The rise of an affluent middle-class because of the recent increases in the household income levels and modern lifestyles, is fuelling the demand for luxury brands in Asia, because as consumers move from functional to "emotional" needs, luxury brands are seen as one of the most appropriate tools to fulfil these new needs.

This study adopts the consumer-based brand equity (CBBE) perspective, which is said to be the result of differential effects of brand knowledge that consumers acquire during their interactions with the brand. The relationship between consumers and brands is shaped by brand's ability to fulfil consumers' desire and values. The growing Asian middle-class blends their traditional values, particularly consumption values and country image perception, with their newly acquired knowledge and experience, to construct their perceptions and attitudes towards luxury brands, including brand image and brand knowledge, which in turn drive luxury brand equity. In this context, this thesis aims to explore the influence of consumption values and country image perception of Indonesian middle-class women toward brand equity of luxury brands.

Specifically, this research considers consumers' personal values of hedonism, social values of face-saving and group-orientation; and functional values of uniqueness, exclusivity and quality. Country image is considered in terms of the country/brand origin and manufacture. CBBE is measured directly and indirectly using the dimensions of brand awareness, brand meaning, brand response and brand loyalty. This study applies a mixed methods sequential explanatory design in three integrated phases. The first phase is a quantitative study aiming to develop and testing the research model, the second phase is a qualitative study to further explain the results of the first phase, and the third phase is an integrated analysis of these two studies.

The data was collected using an online survey and in-depth interviews with luxury handbag users in Indonesia. To analyse the data, structural equation modelling is used. The

results confirm that consumption values and country image perception affect brand equity of luxury brands, however it happens through different paths. For example, hedonism and functional values affect brand equity indirectly through each of the dimensions of CBBE. In contrast, face-saving, functional values, country origin and country manufacture influence the CBBE directly.

This study proposes a new research model and offers a deeper understanding of luxury brand consumption by the middle-class consumers in an emerging market like Indonesia. The effect of hedonism validates the enhancement of personal pleasure from the consumption of luxury brands. However, consumers seem to be simply indulged by luxury brands and unable to compare between their favourites brands and others, which may explain the absence of a direct relationship between hedonism and CBBE. With regards to the 'face' consumption, the combination of consumption needs, social obligation and financial pressure creates 'urgency effect', which may explain the direct effect of face-saving. The positive result of country of origin confirms the importance of country image to the brands and its role as an important brand attribute.

On the other hand, consumers consider the country of manufacture less important than the country of origin, which may be a result of the globalisation process that has narrowed the gap in manufacturing quality between the developed and the emerging markets with the rise in OEM factories and outsourcing. Interestingly, the relationship between group orientation and CBBE shows an unexpected result. The strong role of the reference group appears only as an advisor of the style or updated information of luxury handbags, rather than inducement to use the same brands. Consumers stay with their preferred brand, indicating that the need to show self-identity may override the group identity. As long as they are using the luxury brands, consumers may still consider themselves as part of the group. Hence, the construct of group orientation was removed from the model.

Finally, this study shows that the Indonesian middle-class women cherish the strong image of luxury brands. Consumers exhibit the resilience of self, self-directed symbolism, and tendency not to be "fully" compliant within their social hierarchy. They have a clear concept of self, hold on religiosity and upbringing values. These characteristics affect the way they perceive the luxury brands and influence overall results of this study. All of these insights can be drawn to strategies in Indonesian luxury market, nevertheless the generalisability may limited within the context of luxury handbags.

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List of Abbreviations

Abbreviation	Term	Definition
AMOS	Analysis of a Moment Structures	Statistical software used for analysis of structural equation modelling
AVE	Average Variance Extracted	Measurement of convergent validity
BA	Brand Awareness	The ability of consumers to identify the brands within a different situation, by recognition or recall (Keller, 1993).
BE	Brand Equity	A set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or that firm's customers (Aaker, 1991).
BL	Brand Loyalty	A consumers' deep commitment to rebuy or re-patronize a particular brand in the future, consistently, despite the environment which may influence them to switch to other brands (Oliver, 1997).
BM	Brand Meaning	The meaning of brands to consumers, part of the lower level brand image (Keller, 2013).
BR	Brand Response	The higher level of the brand image, consist of brand judgement and brand feeling (Keller, 2013).
CBBE	Consumer-Based Brand Equity	Brand equity from the consumers' perspective.
CFA	Confirmatory Factor Analysis	One of procedures of factor analysis to confirm the relationship between observed and unobserved variables.
CI	Country Image	The picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history, and traditions (Nagashima, 1970).
COO	Country Of Origin	The origin country of the brands.
COMa	Country Of Manufacture	The country where the products are manufactured.
CR	Composite Reliability	The extent to which sets of indicators of a latent construct share in the measurement of the construct.
GDP	Gross Domestic Product	A monetary measure of the market value of all the final goods and services in a country, produced annually (IMF).
The US	United States	United States of America.
FS	Face-Saving	The urgency to maintain one's appropriate level within his society (Ho, 1976).
GO	Group Orientation	The extent of demand incremental due to others are also consuming the same commodity (Leibstein, 1950) and emphasizes the importance of groups as a point of reference.

Abbreviation	Term	Definition
GOF	Goodness Of Fit	The “fit” between the theoretical model and the data collected from the survey, to ensure the validity of model.
MM	Measurement Model	The measurement model specifies the rules of correspondence between measured variables and constructs, whether the model specified correctly and fit the data (Anderson & Gerbing, 1988)
MMLV	Multidimensional Model of Luxury Values	The model of luxury values perception which synthesized all relevant consumers’ cognitive and emotional dimension into a multidimensional model (Wiedmann, Hennigs, & Siebels, 2009)
MSV	Maximum Shared squared Variance	Measurement of discriminant validity.
OBE	Overall Brand Equity	The constructs represent CBBE direct measurement approach.
RO	Research Objective	The objective of the research.
RQ	Research Question	The question arise from the research objective.
SEM	Structural Equation Modelling	Technique of multivariate analysis to describe the relationship among multiple variables by assessing the structure of interrelationships expressed in a series of equations (Hair et al, 2014).
SM	Structural Model	Represent the structural relationship between constructs, aims to tests the hypotheses.
SMC	Squared Multiple Correlation	The index proportion of variance of the endogenous variable that is calculated by the exogenous variables.
SPSS	Statistical Package for Social Science	Software to perform statistical analysis.

CHAPTER 1. The background of the study

"Luxury is about pleasing yourself, not dressing for other people."

Marc Jacobs

1.1. Introduction

In response to the quote of Marc Jacobs, is it so?

This chapter describes the consumers of and current trends in luxury marketing. It explains why these subjects are worthy of exploration. Brand equity is recognized as an important subject in marketing. The topic is influenced by consumer's psychological perspective. Consumer's values and country image perception presume to be related with brand equity. In particular, this research focuses on the Indonesian middle-class, an affluent segment which drives the economic growth. This class holds certain values and beliefs, a mixture of their traditional way of life and the current life-changing circumstances. This mixture may relate to the brand equity of the luxury goods they are now consuming. This phenomenon is what has led to the objectives of this study.

1.2. Trends of the luxury brand market

During the last decade, the driver of global economic growth has moved from the West to the East (Chadha & Husband, 2010). Asia is becoming this new economic centre of gravity. The lead comprises China, India, Japan, and Indonesia. So does the luxury market. Bain & Company (2019) report that the global personal goods luxury market in 2018 was estimated around €260 billion; an increase of 6%; with 54% of the share contributed by Asian nations. The growth of the rest of the Asia(n) market – excluding Japan, is expected to rise to 11%, representing €39 billion. This is higher than Japan at 3% and Europe at 1%, while other regions are experiencing minus growth. This Asia market is being supported by online retail. Online shopping has grown by 22% and has contributed to a 10% increase in sales, far above the growth of general retail, at 4%. Generation X and Y make up 47% of luxury consumers (D"Arpizio, Levato, Zito, & de Montgolfier, 2014). There haven a growing market of modest luxury fashion – used by Muslims, which has reached 40% contribution in the luxury ready-to-wear market (D"Arpizio et al., 2014).

The Asian market, including Indonesia, is now a massive source of growth for luxury brands (Kapferer, 2012). Current trend indicates that the Indonesian market for luxury brands is achieving prominence. During 2012, sales reached USD 742million and current growth prediction is for 40% - 60% annually; much higher than other Asian markets (NewYorkTimes, 2013). As of 2020, luxury revenue in Indonesia is estimated at USD 2,488 million (Statista, 2019).

The major segments within the luxury industry are luxury cars, personal goods and hospitality. Those contribute 80% to the total market of €1,171 billion. Among this segment, personal goods are the second contributor after luxury cars, accounting for 22%. Handbags are the second fastest growing segment by 5% and represent 22% of the total luxury personal goods market of €260 billion (D"Arpizio et al., 2014).

The rise of the middle-class has induced luxury companies to enter in the market of so-called "new luxury". They offer the same sense of luxury as the common luxury brands and they display a similar image of quality, but they are far cheaper than the highest price level within a certain product category. However, they are still priced higher than mass consumption products. In this way a high volume of product can be generated despite the high price when compared to "regular" or non-luxury brands. One of the market segments relevant to this study is termed mass prestige or *masstige* (Silverstein & Fiske, 2003). These segments deliver the same level of attractiveness specifically to the middle-class. To name the brands would be Coach and Kate Spade handbags.

1.3. Brand equity and brand image of the luxury brands

A brand is perceived as superior and preferable if consumers perceive it has high brand equity. In simple term, brand equity refers to the strength of a brand, the value added entitled by brand over other competing brands (Aaker, 1991; Keller, 1993). This equity triggers consumer's intention to purchase. It also influences consumer's willingness to pay (Kotler & Armstrong, 2010). High brand equity also leads to customer's loyalty and attachment to the brand (Keller, 1993). Brand equity is found to have a positive influence on consumer willingness to pay a premium price, consumers' attitude towards brand extensions, brands preference and purchase intention (Buil et al., 2013). The higher the equity of a luxury brand, the higher the success is expected.

Success in the luxury industry is defined by a strong brand image and consumer awareness (Keller, 2009). These two constructs, brand image and awareness recognized as the brand knowledge. Brand equity defines as difference of consumer responses as the result of their understanding of brand knowledge (Keller, 1993). Hence, brand knowledge known as the antecedent of brand equity. Brand knowledge conceptualised *as a brand node in memory to which a variety of associations have been linked* (Christodoulides & De Chernatony, 2010 p.47). The brand node came from various sources of information and reinforced as the result of the interaction between consumers and the brands. This consumers-brands relationship may come from their individual experience such as sensory, affective and cognitive, as well as share experience of act and relate activities (Schmitt, 1991). Consumer experience positively influence brand image and later on contribute to develop the consumer-brand relationship (Chang & Chieng, 2006). Brand image entitle of three main categories within their level of abstraction, namely brand attribute, benefit and attitude (Keller, 1993)

One of the important aspects affecting brand image is the consumption value, i.e. representation of consumer's expectation over a brand during consumption (Sheth, et al, 1991). This value is oftentimes influenced by individual values (Park & Rabolt, 2009). The individual values are used as a standard to drive action and influence their needs (Franzen & Moriarty, 2015). The consumer's values are linked to brand benefit which is one of categories in brand image (Keller, 1993). Brand benefit refer to the individual value attached to the brand. Consumers tend to attach their individual values to a brand and think how the ability of the brand to fulfil their needs (Keller, 1993). Brands and products deliver the benefit that able to fulfil desire of consumers, which occur from the adherence of their values (Flint et al, 1997).

Another aspect of brand image is brand attitude. It refers to consumers' overall evaluation of a brand in relation to their beliefs over the product-related and symbolic attributes (Keller, 1993). Attitude of consumers towards a brand may be influenced by their perception of the country image (Pappu, Quester, & Cooksey, 2007). Country image refers to the image associating between the brand and the country (Thakor & Katsanis, 1997). Countries have particular characteristics or perceived identities, such as an economical and/or historical background of luxury, which leads to particular consumer perceptions. Each brand possesses its own country's image related to the origin country. Hence the country's image serves as one of the brand's features. Along with the brand name, the country's image in the form of design and country of origin, serves as an element that differentiates it among luxury and non-luxury brands (Godey et al., 2012). It also has a medium strength impact when assessing luxury products and making purchase decisions (Aiello et al., 2009). Brand knowledge which comprises of brand awareness and brand image is affected by consumers' values and country image. Hence, brand equity presume have relationship with consumers' values and country image.

1.4. Characteristic and consumption behaviour of the affluent Indonesian middle-class.

One of the causes of the economic shift to Asia appears to be the rise of the Asian middle-class (Kharas, 2010). The increasing number of middle class is becoming the foundation for economic survival, particularly in Asia. The "middle-class' refers to consumers with per capita consumption of USD 7.75-38 per day (Worldbank, 2020). With the general rise in wealth, they now have increased savings and purchasing ability. This has led to a change in purchasing behaviour from functional consideration or basic needs, to additional value to convenience needs (Andrew & Yali, 2012).

McKinsey characterises the affluent Indonesian middle-class segment by their orientation towards family, financial conservatism, and a high level of self-awareness. The significant difference between this segment and their western counterparts rests in the priority of putting on the family and respect toward traditional values/culture in their purchasing decisions (Budiman, Chhor, Razdan, & Sohoni, 2012). The aspects of prestige and exploitation of brands that align with the expression of personal identity are considered important. The Indonesian middle-class are considered to have a strong brand consciousness (Budiman et al., 2012). They are more likely to trust multinational well-known brands which offer a wide range of products. In comparison to consumers in China and the US, Indonesians have a strong faith in brands. They believe that a well-known brand and an expensive product deliver better quality (Rastogi et al., 2013). In addition, Indonesian consumers are consciousness with the values associated with a brand. A brand which sets a trend and a positive user experience is preferred (Andrew & Yali, 2012).

The Indonesian middle-class express feeling positive and optimistic about their financial security. Nielsen's global consumer confidence survey highlights Indonesia as one of the top three most optimistic nations in terms of being more positive about the financial situation compared to five years ago, below Vietnam and China (Nielsen, 2019). They feel optimistic about their improved quality of life. They believe that they have experienced a better life than their parents and they predict that this will continue for their children (Rastogi et al., 2013).

Increased income affects consumption: spending starts to increase as wealth becomes greater. This then relates to consumption of a product category characterised more by an "emotional" reward, rather than a functional one (Rastogi et al., 2013). Consumption then aims beyond material satisfaction, and is practiced more to enhance individual self-identity and social status (Andrew & Yali, 2012). Indonesians generally spend money on new products which boost their status and symbolise self-achievement, rather than saving for their retirement (Kapferer, 2012). The influence of their religious beliefs combined with lifestyle manifests in consumption, range from Muslim fashion into halal travelling (Yuswohadi, Herdiansyah, & Alim, 2014).

Indonesians are starting to be recognised as global shoppers. They increased their spending in terms of sales in store by 14% during 2017, compared to 2018, and they contributed to 17% of South East Asian spending in Europe. They also recorded the fastest growth in tax free shopping across APAC, above and beyond Japanese and Chinese shoppers. The average spending per transaction was recorded at 506 euros, only slightly below the Chinese at 533 euros (Global Blue, 2019). As part of their economic recovery package, the Indonesian government issued new regulations at the end of 2015 for tax exemption on some luxury products such as leather goods. This regulation reduced the tax on luxury goods which previously was up to 200% (Liputan6, 2015). Along with the trends in increasing consumption, changes in regulations are expected to fuel consumer buying (TheJakartaPost, 2015).

1.5. The middle-class values and country image perception in luxury brand equity

The affluent middle-class serves as the backbone of economic growth because of their financial ability and global lifestyle. The combination of financial and lifestyle influences the need of advanced levels of consumption, more than it used to be. The need for self-identification and the social status symbols add up. Luxury brands serve as an appropriate tool to fulfil those needs. Middle-class values and cultural facets bond tightly and contribute to the consumption pattern. The mixture of buying ability, global mindset, lifestyle and consumer values creates their perception of, and views about a luxurious brand.

Indonesian middle-class is characterised by young age, well-educated, professionals, modern and active in the cultural sphere (Hasbullah, 2000). The class has also a strong connection with their religious beliefs as part of their cultural identities (Yuswohadi et al., 2014). They hold certain values which may affect the diverse aspects with regard to consumption (Kahle & Kennedy, 1988).

To understand what drives luxury consumption, it is important to explore the meaning of luxury for an individual. Overall there are two aspects to consume a luxury brand for the class. First, luxury brands represent authenticity and quality, along with particular product features attached to the brand. Second, a luxury brand plays a role as a symbol for individuals; they identify themselves with the brand (Dubois & Duquesne, 1993). Hence, the compatibility of consumer values with their chosen brand is crucial. As argued by Torelli et al (2012) a brand is a representation of human values. Consumer values and the image of a particular country provide a foundation upon which the individual forms a particular view around a brand, leading to certain intentions.

1.6. Objective and approach of this study

The question arises whether consumer values and country image perception altogether affect brand equity. This study aims to explore the influence of values, particularly in consumption; and country image perception of Indonesian middle-class toward brand equity. Because brand equity comprises of multidimensional constructs and each of constructs serve as basis in forming brand equity (Aaker, 1991), therefore, the exploration involves each of the dimensions of brand equity. The context of this study particularly is women and luxury handbags. Research objectives is elaborated upon in more specific detail, along with the research questions, in the chapter 3.

To achieve the objectives, this research followed a mixed-methods approach, i.e. a combination of quantitative and qualitative strands (Teddlie & Tashakkori, 2003). This approach gathers different but complementary data. The preliminary research model inspired by recent development in the literature was tested using a quantitative method and followed by explanation and exploration of the findings using a qualitative method. The different strands aim to explain the phenomenon in a comprehensive manner. A mixed-methods study allows to enlighten the social subject, which is subjective in nature, by combining the reliance on statistical data of a quantitative method and in-depth insight using a qualitative one (Jogulu & Pansiri, 2011). A description of methodology is elaborated in more detail in the chapter 3.

1.7. Structure of this thesis.

This thesis will be presented to follow the structure as in Table 1.1

Table 1.1. Structure of thesis

Chapter	Description	Output
1. Introduction	- The current trends of the luxury market. - Brand equity, consumer values and a country's image. - The affluent Indonesian middle-class. - The research objectives and research approaches.	Background of the study.
2. Literature review	- Theoretical foundation. - Introduction and explanation of each of the terminologies and concepts/constructs. - Summary of the literature and research gaps.	Theoretical foundation and research gap.
3. Research methodology	- Specific research questions and research objective. - Theory and rationale behind the chosen research philosophy, approach and phases. - The selection of explanatory mixed methods and description of 3 phases of research design.	Research objectives 1 and 2 Research questions 1 and 2 Methodology of the study
4. Phase 1. The development of hypotheses and preliminary research model.	The development of hypotheses and preliminary research model to be tested in phase 1.	6 (six) hypotheses The preliminary research model
5. Phase 1. Testing and validating the preliminary research model	Description of phase 1: the quantitative study - Steps of quantitative study - Results of phase 1	Results of hypothesis testing. Final research model.
6. Phase 2. Exploring and explaining the research model	Description of phase 2: the qualitative study - The steps of qualitative study - Results of phase 2.	3 (three) categories of interviews analysis.
7. Phase 3. Integration of results of phase 1 and 2	Description of phase 3: the discussion Analysis and discussion of the overall findings of phase 1 and 2.	Consumers journey in luxury handbags Discussion of each hypotheses result
8. Conclusions	- Summary of the recent study - Theoretical and managerial contributions - The opportunities for further study.	Conclusions and contributions of the study.

CHAPTER 2. Literature Review

2.1. Introduction

This chapter presents a review of the literature on four topics i.e. consumer value, consumption value, country image and brand equity. The chapter also describes each of the terminologies or constructs used. To understand the context of the study, this chapter begins to explain the middle-class consumer and the values they hold; combined with an introduction to Indonesian culture. The change in consumption patterns towards luxury goods is explained by the illustration of how luxury market has been growing in Asia. The rise of the middle-class brings a broader landscape of luxury business into the segment of "accessible" luxury. Consumers' values in relation to luxury consumption, and each relevant values involved are elaborated upon. Further this chapter shows that brand equity is one of the important factors in brand management, particularly in the luxury market.

2.2. The Indonesian middle-class consumer

Worldbank (2020) classifies Indonesian middle-class based on the economic security and assign per capita consumption of USD 7.75/day as the economic security line. Consumption distribution of Indonesian consumers divided into 5 (five) segments, namely poor who spent USD 2.2/day/person; vulnerable USD 2.2-3.3/person/day; affluent middle-class USD3.3-7.75/person/day; middle-class USD 7.75-38/person/day; and upper-class who spent above USD 38/person/day. The middle-class consider as a segment which already secure economically and has small chance to fall into poverty level. Further, the middle-class itself divided into 2 (two) sub-segments: per capita expenditure of USD 7.75-20/day and USD 20-30/day based on the consumption behaviour in the recent time and the future if their prosperity evolves.

Indonesia is the fourth most populated country, with over 262 million citizens. Approximately 60% of the population are of working age i.e., between 20-54 years old and 56% reside in urban areas (CIA, n.d.). The middle-class consumers reach 52 million in 2016 and represent 20% of total population, or it can be said that one in every five Indonesian is middle-class (Worldbank, 2020). This number is exceeding the combined population of

Thailand, Malaysia and Singapore, reflects a large and potential market size (Rastogi, Tamboto, Tong, & Sinburimsit, 2013). The Indonesian middle-class is concentrating in certain area: three quarter of the middle-class live in the urban area and two third in Java island. Jakarta itself is occupied by 13 million of the middle-class which represents 24% of national middle-class inhabitants (Worldbank, 2020).

The rise of the middle-class in Indonesia started in the 1980s as a result of various developments in the economy and education as well as the political situation (Dick, 1985). During the “Orde Baru” era, Indonesia successfully increased its GDP from below $420 to $4500 and recorded an average GDP growth rate of more than 7.5% annually (Gerke, 2002). The development in industrialization induced urbanization (Hasbullah, 2000). The middle-class start living in urban housing complexes, resulting in an increasing number of motorcycles and cars; which in turn represented a better economic situation. These conditions caused changes in consumption patterns (Gerke, 2002). The new middle-class embraced Western lifestyles with regard to such aspects as fashion and overseas travelling (Dick, 1985). Gerke (2002), called the phenomena “life-styling”, which represented symbolic consumption as the effect of economic well-being. Apart from consumption, education is also acknowledged as one of the important tools for achieving a better economic condition (Dick, 1985) and English language is an important consideration and seen to be part of life-styling (Dick, 1985; Gerke, 2002).

Indonesia also known as the world’s largest archipelago, consisting of more than 13,466 islands and multi-ethnic cultures (CIA, n.d.). The majority of its citizens, around 87%, are Muslims, with the dominant cultures of Javanese and Sudanese making up 50% of the population (Pekerti & Sendjaya, 2010). In general, Indonesians embrace the concept of social harmony. They give emphasis to mutual respect, politeness, group conformity and social hierarchy (Magnis-Suseno, 1997; Pekerti, 2008). Indonesians are regarded as part of a collectivist culture and mostly have an interdependent self-concept (Magnis-Suseno, 1997). This society is generally recognised as containing sociable individuals – who tend to be kind to others. It emphasises the importance of the community rather than the individual. In practice, the needs of the community are put before the needs of the self. There is a greater emphasis on interdependence such as relying on older relatives as well as helping them, and assisting the younger, and more vulnerable (Noesjirwan, 1978). Although it may demonstrate the tendency to interact with diverse individuals, there is less establishment of close friendships in comparison to western culture. This aspect differs from the common concept of collectivist culture (French, Pidada, & Victor, 2005).

Past research describes the behaviour of Indonesian middle class as follows. Indonesian middle-class values the importance of family. Family is considered to be a major influence, and the needs of family often overcome the needs of individual and influence the purchase decisions. With regards to buying expensive or luxurious goods can still generate a guilty feeling in the Indonesian consumer's mind. Hence, they feel it is important to justify their decision. They often reason on the functionality of the goods. Although the middle-class earn a high level of income, they enjoy hunting for bargains. Buying at bargain prices is oftentimes favourable (Rastogi et al., 2013). The middle-class do not have the same amount of "dollar" wealth as the amount they wish to spend. They have a deep concern about their status. Thus, symbolic consumption is important to them in that it communicates their self-identity and social status (Andrew & Yali, 2012). They also have a high level of financial awareness, from bank accounts to mortgages. In comparison to the average urban consumer, they demonstrate a 30% higher penetration of financial services and double penetration with their credit card usage (Budiman et al., 2012). This is combined with life-styling trends, but the main difference rests in the type of products and brands they consume.

As the wealth of the Indonesian middle-class increases, they set their standard of living higher. Looking at the consumption pattern of the Indonesian middle class, they spend less on food, more spending goes into entertainment, cars, more convenience durable households such as air-conditioner and water heater, and stuff that provide a high emotional payoff such as the luxurious goods of fashion, travel, education and insurance (Worldbank, 2020). Impressively, the consumption growth of the Indonesian middle-class is about 12% annually since 2002. It represents about half of national household expenditure.

Apart from the type of products, the name of a brand is extremely important as consumers believe a brand name demonstrate self-expression (Rastogi et al., 2013). This is where luxury brands play their part. The middle-class is particularly concerned about values associated with brands, because they reflect quality, trends and user experience (Budiman et al., 2012). The target of the luxury brand is the consumer who enjoys their privileged economic status. These brands serve as a symbol for the individual of an expression of their social and personal values (Dubois & Duquesne, 1993).

2.3. The spread of accessible luxury

The rise of the middle-class has stimulated the need for types of products considered as luxury items. Luxury brands serve as the answer to this new way of life. They particularly address the great emotional and symbolic needs of the individual, which go beyond utilitarian demand (Andrew & Yali, 2012).

There are various definitions of "luxury" produced by scholars with relatively little consensus on the definition (Heine, 2012). Despite different definitions, there are two similarities noted. Firstly, luxury is always defined using multiple dimensions. Depending on the specific definition it ranges from two to ten dimensional aspects including quality and premium price. Secondly, "luxury" also ultimately relies on the *perception* of the consumer as to whether or not certain brands are considered as luxury (Ko, Costello, & Taylor, 2017). The major difference between luxury and non-luxury brands rests on the feeling of esteem delivered to the consumer owning the luxury, rather than the function (Vigneron & Johnson, 2004). The perception of the consumer plays a vital role.

In general, this study adopts the definition proposed by Ko et al. (2017) which combined various definitions and set standard criteria. *A luxury brand is a branded product or service that consumers perceive to be high quality; offer authentic value via desired benefits, whether functional or emotional; have a prestigious image within the market built on qualities such as artisanship, craftsmanship, or service quality; be worthy of commanding a premium price; and be capable of inspiring a deep connection, or resonance, with the consumer* (Ko et al., 2017, p. 2).

Luxury goods used to be characterized by high price and exclusivity. However, many are now "going mass', allowing access to larger groups of consumers (Seo & Buchanan-Oliver, 2015). While the definition remains the same, the concept is no longer the same as in the early era of luxury. The changes in this landscape are driven by several trends. Firstly, the wealthy consumer is nowadays found all over the world. This has been stimulated by the rise of consumer buying ability, such as that of the middle-class, that has risen due to positive global economic situation. Secondly, the lower entry barrier to luxury has occurred as the result of consumer demand. It expands the possibilities for more people to afford luxuries; it is now sometimes called *luxury for the masses*. Thirdly, the rapid development of communication, information and digital technology has allowed consumers to get access to luxury trends. They can see the latest trends from fashion centres, and these trends influence the consumer to express their style by following the current trends. The fourth factor in this change is the change of ownership luxury corporations into major conglomerate groups. Some of the holding companies may not base their businesses on luxury business. Their major concern is to increase the profit margin, which can possibly be achieved by tapping into the mass market, while still remaining in the luxury sector (Okonkwo, 2016).

The above reflects changes in the luxury "battlefield". Nowadays, luxury brands are not the same as they used to be. More luxury brands are introducing the so-called "new luxury". This offers the same luxury feel and outward prestige as luxury but has a more affordable price. According to Silverstein & Fiske (2003), luxury branding can be seen as having three tiers or levels of strategy:

- The accessible super premium: This refers to products considered as a "low-ticket" items in which pricing is at the top edge of mass products. The price is still within reach of many consumers but requires more financial outlay from them. For example: Starbucks coffee pricing is $1.50 per cup versus Dunkin Donuts coffee is $1.10 a cup.
- Old-luxury brand extension: The same (luxury) brand name is used for different types of products, and they are given a lower price than their "mother" brands. For example, in the BMW series range of cars, they target different segments of the market from the super-rich to the moderately well-off with a range of differently priced cars, using the same BMW brand name.
- Mass prestige or "masstige": This refers to "affordable luxury" where goods are mass produced but are marketed as luxury goods. The price level is far below the highest level within a certain product category, however it still remains higher than other mass products. For instance, the price of a Coach handbag is below that of a Gucci, but it is still far above Mossimo, a brand of handbag that sells in Target (economy) chain stores (Silverstein & Fiske, 2003).

Moreover, luxury brands have improved their accessibility by becoming widely available in many shopping malls in big cities worldwide. Indeed, many department stores have now transformed into highly integrated luxury brand "malls", hosting the brand owners' products directly in their shops. This trend is particularly prevalent in most Asian big cities.

The spread of luxury brands in Asia is explained by Chadha and Husband (2010), who introduced the "spread of luxury" model. The model explains sequential stages, indicating how some Asian countries undergo the change into luxury consumption.

Figure 2.1 Spread of luxury model (Chadha & Husband, 2007)

Almost all Asian countries undergo the subjugation stage, such as Indonesia by the Dutch and Singapore under the British. Subjugation may appear in different forms in different countries. It results in difficulties for the lives of the people living there, leaving them without money or dignity. These people have desires and dreams like everyone, and deprivation can make those ideals stronger. When a subjugated country gains its freedom or is "given back" and the pressure has gone, there is a burnout stage, a time to gather oneself together (Chadha & Husband, 2010). Then can come the stage of "the start of money", and the economic situation seems to get better. Consumers have money and start spending. They fulfil their dreams by buying expensive items, which are still considered essential, things such as TVs and fridges. Further desire grows, and non-essential luxuries come into the picture and are sought and bought (Chadha & Husband, 2010). Then comes the need to display their wealth and symbolise their success and achievement. Conspicuous consumption plays a role here (Veblen, 1899) and luxury serves as a symbol and a status marker. The need for luxury spreads into bigger markets and is adopted by the majority of consumers in a particular country. This eventually leads to the final stage, where luxury become a way of life for most people (Chadha & Husband, 2010).

This model is useful for predicting what the next stage or trend will be. It helps luxury brand companies to prepare their strategies. By 2007, the Indonesian market was said to be in the stage of "the start of money" (Chadha & Husband, 2010). The rise of the middle-class has promoted the 'show off" stage and if the current trend continues, Indonesia may reach a different stage according to the model. Indonesian consumers generally spend money on new products which boost their status and represent symbols of self-achievement, rather than saving for their retirement (Kapferer, 2012).

2.4. Consumer values and consumption value

The Indonesian middle-class is characterised as being influenced by global trends, enjoying spending consumption (Gerke, 2002). However, they are different to their Western counterparts in that they hold strong certain values and religious beliefs (Hasbullah, 2000; Yuswohadi et al., 2014). These values are manifested in their motivation towards consumption and the meaning of consumption to them. Learning about the individual's value systems should help to understand the drivers of luxury consumption (Dubois & Duquesne, 1993).

2.4.1. Theory of values

During 1970, Rokeach (1974) introduced a list of values of the residents of the US. He defines values as "*an enduring belief that a particular mode of conduct or that a particular end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence"* (Rokeach, 1968, p. 550). Values serve as standard of individual of the important purposes in his/her life. He argued that values which have been learned by individuals will be stored in their value system, and these will serve as tools to help the individual in their decision-making. An individual's self-esteem is maintained or enhanced depending on his or her value system introduces. There are two kind of values: instrumental and terminal values. Instrumental values refer to the mode of conducts to achieve the end of state. Terminal values refer to the desirable end-states of human existence (Rokeach, 1968 p.551). Further, he also introduces a concept of value system to signify the hierarchy of human values according to the order of importance. It is important tools to help an individual in the decision making, because usually more than one values involved in this process. The value systems assist to understand motivation of consumers that drive to behaviour, belief and attitude (Schwartz & Bilsky, 1987). However, Rokeach (1974) acknowledged that his study was limited, being empirical in foundation: it's applicability to other cultures and its time frame are questionable.

In response to these concerns, Schwartz and Bilsky (1987) proposed the definition of values which incorporated five formal features. Values: *(1) are a concept or belief (2) pertain* *to desirable end states or behaviours, (3) transcend to specific situations, (4) guide selection or evaluation of behaviour and events, and (5) are ordered by relative importance* (Schwartz & Bilsky, 1987, p. 551). This is called the tentative theory of human values in the context of universal content and structure. Schwartz (1992) then modified and extended this initial study and introduced a values measurement system, known as the Schwartz Values Survey. It consists of ten motivational values recognized universally by respondents from twenty countries (Schwartz, 1994). This study is considered complementary to the initial research of Rokeach (1973), which addressed the concerns of multi-cultures and time frames. Schwartz human's values system is said to affect consumer behaviour, rather than Rokeach's list of human values (Kamakura & Novak, 1997).

Values are known as part of a complicated cognitive structure that leads to behaviour (Kamakura & Novak, 1992). The choices that people make are not only influenced by values, there are also other factors such as instinct, needs, personality, emotions, and physical and social environment which also play important roles. However, to some extent, the choices driven by consumer values generate specific needs, motivate behaviour and influence the choice process. According to Franzen & Moriarty (2015), values serve as a framework for consumer decisions as in the following:

1. Values are beliefs that influence a person. When they are activated, it is mixed with human feelings. A person who values a certain aspect will be happy if their values are met positively and feel threatened if stimulated negatively.
2. Values refer to certain standards or criteria, which guide a person to evaluate or select an action. They will justify whether or not the person will do the action by considering the consequences which may follow the action. However, in daily life, it usually works automatically whenever there is no conflict. A person is aware only of their values when they experience a conflict between the values they hold and the consequences which ensue.
3. Values refer to desirable aims that motivate actions. When a person is motivated by values, (s)he will pursue relevant goals or behaviours. The combination of important values held by an individual will lead to actions. As a specific example, the selection of luxury brands indicates a combination of values, such as hedonism and benevolence. Values work in a sequential order based on importance. An individual holds various values

and (s)he will prioritize which values are considered important to them compared to other values in certain situations (Franzen & Moriarty, 2015).

Within the academic context, ***values*** and ***value*** refer to the different conceptual (Day and Crask, 2000; Oliver, 1996; Woodruff, 1997). Based on the above description, *values* refer to certain **standards, norms, or criteria** that a person holds as a basis for evaluative judgement (Sánchez-Fernández & Iniesta-Bonillo, 2007). Individual values reflect their 'ultimate end-states of existence' (Flint et al., 1997 p.169).

Value or perceived value refers to the **outcome** of an evaluative judgement, which entails a trade-off between benefits and sacrifice (Holbrook, 1999) and involves the interaction between consumer and products/or service (Sánchez-Fernández & Iniesta-Bonillo, 2007). Consumer perceived value reflects a comprehensive measure of consumer's evaluation of service (Bolton & Drew, 1991 p.383). A broad and rich construct is related to the utility, monetary and quality when consumer expose to the products (Zeithaml, 1988).

In particular, the difference between (individual) values and (perceived) value rest on some aspects. First is level of abstraction, values entitle of abstract, centrally held and desired end states of the individual; while (perceived) value offer a less abstract and emphasize on the trade-off between benefits and sacrifice. Second, values are sourced from specific individual; while value is the result of interaction between the individual and products. Third, level of permanence of values are enduring; while value is transient over occasions (Flint, et al, 1997). Because value refer to the result and evaluation based on the expectation of consumers over the feature and benefit can be delivered by the brands, it is useful to predict the choice of brands. Values in the other side is are useful to explain the 'why' consumers evaluate brands differently and choose their brands of preference over the others preferred brands (Vinson et al, 1977). Nevertheless, values and value are found to have relationship with consumer behaviour (Sheth et al, 1991; Batra et al, 2001).

2.4.2. Consumption value

The concept of value has been recognized as one of the important aspect in marketing (Holbrook, 1994; 1999). Nowadays, the understanding of consumer behaviour is more complex than before. In the 1970s, it was common to simplify the basis of consumer selection based merely on "rational" economic considerations. Consumer selection is also called "machinery background", the aim of which is to achieve maximal utility. It has few cognitive considerations (Holbrook, 2006). This perspective is considered unfit for examining the consumption of consumers comprehensively, as the point of view is taken only from the aspect of the expenditure sacrificed. On the other hand, the *cost* should also generate intangible and emotional benefits, which, in machinery background, seem to be overlooked (Havlena & Holbrook, 1986).

In the early 1980s, researchers began to explore different approaches, positing that consumers might go beyond the rational considerations in their behaviour. Holbrook and Hirschman (1982) introduced the 3Fs, which are ***fantasies, feelings and fun***, as key aspects of the consumer experience. The 3Fs covers fantasies of imagination, feelings of joy or happiness and hedonic pleasure as the manifestation of fun. Since then, research into consumer behaviour has expanded from the simple "rational" background to the so-called consumer experience (Holbrook & Hirschman, 1982). Hence, consumption behaviour and consumer attitude toward brands are basically driven by two distinct factors: namely hedonic and utilitarian components (Batra & Ahtola, 1991). The hedonic factor refers to the 3F's as the manifestation of sensory attributes: fantasies, feelings and fun (Holbrook & Hirschman, 1982). The utilitarian factors include non-sensory attributes and functional aspects, and refer to "rational" considerations (Batra & Ahtola, 1991).

Generally, consumption is driven by emotional aspects beyond the utility factor. Consumer behaviour is influenced by emotional needs, not just functional, physical and economical aspects (Babin, Darden, & Griffin, 1994). Hedonic and emotional aspects are included within the rational decision making models of consumer behaviour (Havlena & Holbrook, 1986). This offers a wider perspective from which to explain consumer choice in general. Further, Babin et al. (1994) found different aspects between utilitarian and hedonic types of consumption. They argued that to understand and appreciate the consumption experience, both types should be understood. The main objective of shopping, which is to acquire a product or service, should be combined with the subjective and enjoyment aspects (Babin et al., 1994). Although hedonic and utilitarian are two distinct dimensions and seemingly opposite, they do not preclude one another. High (or low) levels of hedonic behaviour may go together with high (or low) levels of utilitarian practice (Triandis, 1977).

Studies on utilitarian and hedonic values serve as a foundation for further research into consumer value (Sánchez-Fernández & Iniesta-Bonillo, 2007). Sheth et al. (1991) introduced the broader concept of consumption value, incorporating multidimensional aspects and going beyond the dichotomy of utilitarian-hedonic; this is recognized as the theory of consumption value (Sweeney & Soutar, 2001). The theory of consumption values (TCV) emphasizes five value that contribute to consumer behaviour. They are functional, social, emotional, epistemic and conditional value.

1. Functional value refer to *the perceived utility acquired from an alternative's capacity for functional, utilitarian, or physical performance. An alternative acquires functional value through the possession of salient functional, utilitarian, or physical attributes. Functional value is measured on a profile of choice attributes* (Sheth, Newman, & Gross, 1991, p.160). Functional value are acknowledged as the basic reason for consumption. They address the product attributes to fulfil consumers' needs.
2. Social value refer to *the perceived utility acquired from an alternative's association with one or more specific social groups. An alternative acquires social value through association with positively or negatively stereotyped demographic, socioeconomic, and cultural-ethnic groups. Social value is measured on a profile of choice imagery* (Sheth et al., 1991, p.161). It addresses the consumption of highly visible or "possible to be seen" types of products. Usually, it related to symbolic consumption.
3. Emotional value are defined as *the perceived utility acquired from an alternative's capacity to arouse feelings or affective states. An alternative acquires emotional value when associated with specific feelings or when precipitating or perpetuating those feelings* (Sheth et al., 1991, p.161). *Emotional value is measured on a profile of feelings associated with the alternative.* The emotional factor plays an important role during the selection of products, apart from the consideration of utilitarian or functional benefit. This emotive aspect overrides consumer decisions. Consumer preferences toward products are dominated by emotional desire rather than utilitarian motives (Holbrook & Hirschman, 1982). Hence, consumers infuse products with subjective qualities beyond the actual attribute and function delivered (Hirschman & Holbrook, 1982). It highlights the importance of subjective attributes as the key determinants of product and brand selection.

4. Epistemic value refer to *the perceived utility acquired from an alternative's capacity to arouse curiosity, provide novelty, and/or satisfy a desire for knowledge. An alternative acquires epistemic value by questionnaire items referring to curiosity, novelty, and knowledge* (Sheth et al., 1991, p.162).
5. Conditional value are defined as *the perceived utility acquired by an alternative as the result of the specific situation or set of circumstances facing the choice maker. An alternative acquires conditional value in the presence of antecedent physical or social contingencies that enhance its functional or social value. Conditional value is measured on a profile of choice contingencies* (Sheth et al., 1991, p.162).

There are three fundamental propositions that are axiomatic to TCV: that multiple consumption value form the consumers' choice; that any choice of situation will contribute to consumption value, and that consumption value are independent (Sheth et al., 1991). Hence, every decision made by the consumer is a result of one or more combination of these values, with different levels of contribution. It depends on the situation.

Sheth et al., (1991) demonstrated that consumer consumption of cigarettes at three different levels. The first is at the buying decision level; whether or not consumers will buy. It demonstrates the purchase decision by smoking and non-smoking consumers. The second is at the product category level. It reviews consumer selections in the product category, whether they choose filtered or non-filtered cigarettes. The third is at the brand selection level. It addresses consumer selection of the brand of cigarettes. The results indicate consumer selection in all levels is influenced by the combination of consumption values. Each value contributes differently at each level. TCV has been tested in more than 200 applications, and exhibit good validity (Sheth et al., 1991). A scale to measure TCV was developed by Sweney and Soutar (2001), adopting three out of the five values which are relevant to their study: functional, emotional and social values.

In recent study, **values** and **value** related with consumption. Values serve as the 'why' and value as the 'result' of consumption judgement. In their empirical study, Tse et al. (1988) demonstrated that consumption value affect each of individual differently, and one of the reasons because of the differences of individual values. Common structure exist within some cultures. However, consumers exhibit their own pattern of consumption value unique to themselves (Tse et al., 1988). Many scholar refer to the same terminology to recognize values and value (Batra & Ahtola, 1991; Holbrook & Hirschman, 1982; Schwartz, 1994; Rokeach, 1974). As an example is hedonic terminology. An individual who holds hedonic values will choose the brands that (s)he perceived to deliver the hedonic value. Within the context of luxury brands, Vigneron & Johnson (1999; 2004) deploy the same terminology of values that consumers subscribed into and the perceived value they generated from consumption of the prestigious products (Vigneron & Johnson, 1999; 2004).

2.5. Consumer values in luxury studies

The adoption of Theory of Consumption Value (TCV) also applicable in luxury studies. Traditionally, luxury goods were consumed as consumers' manifestation of "buying to impress others'. One of the most cited theories on luxury is from Veblen (1899) on the theory of the leisure class. He extended the consumer behaviour perspective, which formerly focused only on the utility objective, into a new meaning of consumption as a social phenomenon. Specifically, it addressed conspicuous consumption in which individuals may utilise other products that will deliver similar functions at lower prices, but they prefer to consume more expensive or luxury items. This is considered "wasteful" consumption from the perspective of functional objectives. However, this type of consumption delivers symbolic meanings such as communicating one's identity and promotes interactions with like-minded others.

Conspicuous consumption aims to display status and power as one's signal of wealth (Veblen, 1899). Social influence is an important aspect of consumption, specifically regarding luxury products (Han, Nunes, & Drèze, 2010; Mason, 1992). In relation to social influence, Leibenstein (1950) argued that one of the motivating factors behind consumer demand was non-functional, namely the external effects on utility. This refers to demands due to aspects other than the quality of the products. It consists of the bandwagon effect, snob effect and Veblen's effect. These effects are incorporated within purchase and consumption behaviour patterns: displays of wealth, "in-group" emulation and value of scarcity. They form a conceptual model of status-seeking consumers. Above all, conspicuous consumption requires that the products be socially visible to be effective and to fulfil the needs of the status-seeking consumer (Mason, 1992).

Vigneron and Johnson (1999) combined and expanded various models of perceived values of luxury (Dubois & Paternault, 1997; Leibenstein, 1950; Mason, 1992; Veblen, 1899; Wong & Ahuvia, 1998) into a single framework. This framework combines the "traditional" social function of consumption or the interpersonal effect with two factors of personal effect. The interpersonal effect consists of the effect of Veblen, snob and bandwagon (Leibenstein, 1950); and personal effect consists of hedonism and perfectionism. The hedonic effect occurs in a situation when consumption value aims to arouse feelings and affective states, as well as to emphasize the fulfilment of personal values, and be non-susceptible to interpersonal influence (Vigneron & Johnson, 1999). Research on the management of luxury brands has started to consider the aspect of social and personal orientations (Wong & Ahuvia, 1998).

The hedonistic aspect is recognized as one factor in the exploratory research on attitudes toward the concept of luxury. It addresses consumers' personal values (Dubois & Laurent, 1994). Luxury consumption is also a matter of the fulfilment of individuals' personal needs, not merely social needs (Tsai, 2005). The framework proposed by Vigneron and Johnson (1999) introduced a balance between the personal and interpersonal factors in the study of luxury motivation, which at that time was dominated by the interpersonal perspective. Vigneron & Johnson (2004) refined their initial framework and developed the Brand Luxury Index, aims to measure the dimensions of luxury perceptions. This index claimed applicability at the brand level, rather than measuring consumers' perceptions of luxury in the general concept. It assist to understand how consumers view each luxury brands, which is useful for market segmentation and positioning (Vigneron & Johnson, 2004).

The framework from Vigneron & Johnson (2004) has since been modified in a more structured manner by the addition of other relevant values, namely psychological and functional factors which were considered deficient. Wiedmann, et al. (2007) introduced a multidimensional model of consumer luxury values perception, consists of four dimensions: personal, social, functional and financial dimensions (Wiedmann, Hennigs, & Siebels, 2007). The personal dimension refers to the previous personal values. The social dimension is similar to interpersonal values. The additional factors are financial values, which refer to the value of the product in terms of price (Ahtola, 1984). Functional values refer to the basic utility and core benefit offered by the products (Sheth et al., 1991). The social, personal and functional values are important dimensions in this model, while financial value plays a moderating role in the empirical study (Wiedmann et al., 2009). Further, this multidimensional model has demonstrated stability across cultures and industries (Hennings & Wiedmann, 2013; Wiedmann et al., 2007). The personal, social and functional factors considered in this multidimensional model of consumer luxury values (MMLV) perception (Wiedmann et al., 2007) share similarity as emotional, social and functional values in TCV (Sheth et al., 1991) but are especially important for luxury product purchases.

Similarly, Berthon et al. (2009) conceptualize luxury value dimension based on Karl Popper's three world hypotheses, refer the relationship between people, product and brand. Within the context of luxury brands, it translates into world 1: the functional dimension as manifestation of a product and service; world 2: the experiential dimension refers to individual emotion and perception; and world 3: the symbolic dimension refers to collective narrative, image and symbol. The world 2 and 3 in the concept of Berthon et al (2009) share similarities with MMLV, namely the world 2 address social values while the world 3 refer to personal value. The difference of rest on the world 1. In Berthons' conceptualization, the world 1 embodies of what the luxury brand does rather than what the brand represent. Emphasize is on functionality of the physical manifestation of the products. In the other side, MMLV put the functional dimension is beyond the physical. Functional dimension placed in the broader concept of the function of the brands, what is represent to the owner (Wiedmann et al, 2007; 2009).

Table 2.1. Summary of consumers values in luxury study (Vigneron & Johnson, 2004; Tsai, 2005; Wiedmann et al, 2009; Shukla, 2012; Hennigs et al, 2015)

Study	Independent Variables	Measured elements	Findings
Vigneron & Johnson 2004	- Non personal oriented perceptions: conspicuousness, uniqueness, quality - Personal oriented perceptions: hedonic, extended self.	Luxury perception Brand Luxury Index	- The concept of luxury is multi-dimensional and substantiated by these five-factors model. - Brand Luxury Index (BLI) assist to measure value of luxury comprised in a luxury brand
Tsai 2005	- Self-directed pleasure - Self-gift giving - Congruity with internal self - Quality assurance	Luxury consumption Re-purchase intention	The consumer behaviour in the international market, social orientation and personal orientation are supposed to be considered simultaneously, and the traditional notion of 'buying to impress others' has to be revised.
Wiedmann et al 2009	- Financial: price value - Functional: usability, quality & uniqueness value - Individual: Self-identity, hedonic & materialistic value - Social: conspicuousness & prestige value	Luxury value	- Functional, individual and social are the major determination for consumers' value perceptions, while financial work as moderating variable. - Market segmented into 4 clusters, which address consumers' different value perception.
Shukla 2012	- Social: conspicuousness & status - Personal: hedonism & materialism - Functional: uniqueness & price quality	Purchase intention in developed vs emerging market	This study provides empirical evidence that personal pleasure seeking and the symbolic benefits relating to hedonism are important to consumers in western developed markets, but not in eastern emerging markets.
Hennigs et al 2015	- Financial: price, value for money - Functional: quality, workmanship, durability - Social: acceptable, good impression, social approval	Individual luxury value perception on: - Purchase Intention - Recommendation Behaviour - Willingness to pay premium price	Consumers' subjective expectation and individual value perception are the significant driver during consumption of luxury brands.

2.5.1. The roles of self-concept in consumers values and luxury consumption

To understand the collective outcomes of consumer behaviour on luxury consumption, the underlying individual-level personality factors that drive consumers need to be explored (Kastanakis & Balabanis, 2014). Consumer motives and perceptions toward luxury items are influenced by values, cultures and the meaning of luxury (Bian & Forsythe, 2012; Shukla, 2011, 2012). Studies on consumer values in luxury brands have been undertaken since the 1980's, initially mostly involving Western consumers where the term "luxury" was introduced. Studies then expanded to Eastern cultures (Hirschman & Holbrook, 1982; Li & Su, 2007; Wong & Ahuvia, 1998) as the Asian market in particular, became a source of growth for luxury businesses. Moreover, cultural trends were considered to be one of the factors influencing luxury consumption (Seo & Buchanan-Oliver, 2015; Shukla, 2012; Wiedmann et al., 2009).

An individual develops their values from unique personal experiences and also acquires them from their social-environment (Schwartz, 1994). The concept of independent and interdependent self-construal (Gudykunst & Lee, 2003; Markus & Kitayama, 1991) contributes to generating relevant values related to personal and interpersonal motives underlying the consumption of luxury (Kastanakis & Balabanis, 2012; Tsai, 2005; Vigneron & Johnson, 1999). The self signifies *"a developmental formation in the psychological make-up of the individual consisting of interrelated attitudes which are acquired in relation to body, objects, family, persons, groups, social values and institutions and which define and regulate his relatedness to them in concrete situations"* (Sherif & Sherif, 1956, p. 581). This definition emphasizes the relationship of an individual to themselves, as well as to their important surroundings. Individual behaviour is said to be significantly determined from the influence of others (Bearden, Netemeyer, & Teel, 1989).

Self-concept is related to how individuals perceive themselves and their attitudes, and one relevant aspect addresses how a person perceives themselves in relation to their surroundings (Ross, 1971). Self-concept is found to affect the consumption of products (Sirgy, 1985) especially those for symbolic use (Levy, 1959). An individual's self-concept is related to their self-image/perception. By consuming a product that is relevant to their self-concept, the product is then recognized as one of the manifestations that embodies their feelings and thinking (Ewen, 1988). This product also maintains or enhances their sense of self and image (Belk, 1988; Kastanakis & Balabanis, 2014). An individual's self-concept is found to be related to conspicuous and status consumption, the type of consumption related with luxury products (Mason, 1992; Veblen, 1899). An individual's self-concept serves as one of the antecedents of conspicuous luxury consumption (Kastanakis & Balabanis, 2012, 2014; O"cass & McEwen, 2004) and is also associated positively with status consumption (Kastanakis & Balabanis, 2012).

Self-concept consists of the independent and interdependent self, highlighting the focus of the perceived self within themselves or their surroundings (Markus & Kitayama, 1991). An independent-self refers to "*a bounded, unique, more or less integrated motivational and cognitive universe, a dynamic center of awareness, emotion, judgment, and action organized into a distinctive whole and set contrastively both against other such wholes and against a social and natural background*" (Geertz, 1975, p.48). It emphasizes the importance of an individual's "inner" attributes rather than their response to the social environment to regulate his behaviour (Markus & Kitayama, 1991). While an interdependent-self is described as '*seeing oneself as part of an encompassing social relationship and recognizing that one's behaviour is determined, contingent on, and, to a large extent organized by what the actor perceives to be the thoughts, feelings, and actions of others in the relationship"* (Markus & Kitayama, 1991, p. 227). It emphasizes the strong connection of a person to others (Singelis, 1994). These two sides of the individuals exist within everyone (Aaker & Lee, 2001). The differences between individuals are caused by the relative dominance of either the independent or interdependent self-concept over the other (Singelis, 1994).

The majority of Asian cultures are characterised by interdependent self-construal (Markus & Kitayama, 1991); including Indonesians who are characterised by a strong desire to maintain social harmony (Magnis-Suseno, 1997), leading to a strong interdependent self-construal (Pekerti & Sendjaya, 2010). This self-concept affects consumer's values and their perceptions of luxury (Shukla, Singh, & Banerjee, 2015; Wong & Ahuvia, 1998).

2.5.2. The personal value of hedonism: consumers' emotive responses as a key indicator

Personal values in luxury research started to gain attention following the exploratory study of Dubois and Laurent (1994). They argued that the aspect of hedonism had a strong connection with pleasure in the perception of luxury. It stimulated feelings of happiness, and luxury was acknowledged as a source of enlightenment and inspiration (Dubois & Laurent, 1994). Personal values emphasize consumer needs for individual pleasure and obtaining an enjoyable experience of product usage for themselves, personally (Wong & Ahuvia, 1998). The arousal of feeling is related to the personal pleasure of the individual, rather than the inter-personal. Evaluations of criteria and benefits acquired by the consumption of luxury brands are dedicated to the fulfilment of one's indulgence, rather than to please others (Tsai, 2005).

In the area of luxury studies, the dimensions of personal values that have been studied include: hedonism (Dubois & Laurent, 1994; Vigneron & Johnson, 1999); perfectionism (Vigneron & Johnson, 1999); materialism (Richins & Dawson, 1992; Wiedmann et al., 2007); extended-self or self-identity (Tsai, 2005; Vickers & Renand, 2003) and self-gift giving (Tsai, 2005). Among these dimensions, hedonistic behaviour is suspected to be a key salient reasons underlying the personal value of luxury brand consumption (Shukla, 2012; Tsai, 2005; Vigneron & Johnson, 2004; Wiedmann et al., 2007).

Hedonic consumption is related to *multi-sensory, fantasy and emotive aspects when consumers experience the products* (Hirschman & Holbrook, 1982, p. 92). The multisensory addresses the multiple senses that consumers experience when consuming products, such as visual, scent, sounds, and taste. Multisensory imagery ranges from the historical memory, which is related to previous experience, to fantasy imagery, which is unrelated to previous experience. The individual's external and internal experience will stimulate both types of memories (Hirschman & Holbrook, 1982).

Fantasy fulfilment serves as one indication of hedonic shopping (Bloch & Richins, 1983; Hirschman, 1983). Some fundamental aspects of hedonism are the expression of enjoyment, excitement, and feelings of escapism, which are contrary to merely accomplishing the "task to be done" feeling (Babin et al., 1994). Fischer and Arnold (1990), in their qualitative study, found that consumers' excitement feeling is similar to that of children, like "a kid in the candy store" or "because of the little kid in me". It is totally different when they describe their feelings about Christmas shopping, which is claimed as the "task of this year that should be done". It is considered as an "obligation" instead of enjoyment.

Hedonism is considered as an emotional manifestation of individuals (Hirschman & Holbrook, 1982). The emotional aspects include various feelings such as joy and pleasure (Freud, 1955). Hedonic consumption related to subjective feeling as a result of emotional enhancement. It is indicated by escalated arousal, escapism and intensified involvement (Bloch & Richins, 1983; Hirschman, 1983). Mano & Oliver (1993) found hedonism have a strong relationship, exhibits positive impacts, and has a strong correlation with arousal (Mano & Oliver, 1993). Hence, hedonism is acknowledged as one of the emotional aspects behind consumption (Hirschman & Holbrook, 1982). Emotional factor found as one of the values within TCV (Sheth et al., 1991). This values are sometimes related to aesthetic alternatives (Sheth et al., 1991) such as luxury brands.

Hedonic consumption is related to the affective facet when a consumer experience the products (Hirschman & Holbrook, 1982). The experience included in the product experience refers to the several aspects. It relates to the interaction of consumers with products; the searching, examination and evaluation; shopping and service experience such as consumer interaction with the store and its sales persons; and the consumption experience namely consuming and using the products (Brakus, Schmitt, & Zarantonello, 2009). Hence, the experience takes place in various settings. Consumers undergo these feelings, behaviours and outcomes hence explained by the concept of brand experience. Brand experience conceptualized as *subjective consumer responses that are evoked by specific related experiential attributes in such settings* (Brakus et al., 2009, p. 53). The experiential addresses the subjective preference of individual, in which the hedonistic values are fulfilled from the consumption of brands by an individual (Berthon, Pitt, Parent, & Berthon, 2009). The experience consists of 4 four dimensions: sensory, affective, intellectual and behavioural; which are evoked by various brands in different ways (Brakus et al., 2009).

Using a hedonic perspective may change the way to view products and consumers. Products are not merely seen as objective entities, but as subjective symbols especially in such categories as luxury. The central focus is on the product image, and consumer emotive responses are the key indicator (Hirschman & Holbrook, 1982). A hedonic person values the result of playful and fun feelings (Holbrook & Hirschman, 1982). Hedonics induce a feeling of perceived freedom and fulfilment of fantasy (Hirschman, 1983). Moreover, it enhances consumer escapist feelings, because it helps consumers "escape" and forget their problems (Babin et al., 1994). It works as a kind of therapy when it comes to self-gratification and reward behaviour, enabling the stimulation of mood management (Baumann, Cialdini, & Kendrick, 1981). Vigneron and Johnson (2004) found the adjectives of exquisite, tasteful, stunning and memorable used to describe hedonic dimensions.

2.5.3. Social values: status and conspicuous consumption as key indicator

Social values emphasize the perceived utility of consumption associated with social groups (Sheth et al., 1991). Values refer to personal consciousness over public observation, mostly escorted by outer-directed consumption preferences (Shukla, 2012). Social aspects are acknowledged as the initial factors that motivated luxury consumption, long before the multi-dimensional perspective used to understand luxury buying. They are the "traditional" reason to consume luxury, recognized as buying to impress others (Veblen, 1899).

Social values are rooted in the individual's self-concept (Wong & Ahuvia, 1998). The relevant one to social values is the interdependent self-concept. The interdependent self-concept explains the strong influence of others, because an individual becomes an integral part within the groups in which they assimilate, connect and fit with (Markus & Kitayama, 1991). The interdependent construal of self considers human relationships between one another as the primary foundation (Wong & Ahuvia, 1998). It is important to consider other feelings, thoughts and action in their relationship. A simple example would be when someone who has this self-construal asks: “who are you?” the person will talk about their family relationships, social roles or ethnic affiliations, rather than about internal attributes such as creativity or intelligence (Markus & Kitayama, 1991). This self-concept also promotes harmony, cooperation and unity among individuals (Triandis & Gelfand, 1998).

People surrounding the interdependent-self person are important. An individual’s consumption is strongly influenced by the “standards” or “expectations” of others. This person will use their possessions as symbols to communicate her status by carefully taking consideration of preferences or responses in her surroundings. Individual legitimacy develops from identity and positive acceptance from one’s chosen groups (Wong & Ahuvia, 1998). Luxury brands are acknowledged as appropriate when they need to signal a high status image (Leibenstein, 1950; Mason, 1992). Hence, the interdependent self-concept is considered as one of the aspects in the social function of consumption (Kastanakis & Balabanis, 2012).

Conspicuous consumption and status consumption are two aspects used to operationalize social values (Leibenstein, 1950; Mason, 1992; Wiedmann et al., 2007). They are often used interchangeably as they share some similarities. However, they are different but related (O”cass & McEwen, 2004).

Status represents the position of an individual in society. Social status is rooted in ancient times, and scholars recognize three kinds of status: status by definition, by achievement and by consumption (Hayakawa, 1963). This study refers to status by consumption. Status consumption refers to *the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others* (Eastman, Goldsmith, & Flynn, 1999, p. 42). It conveys the meaning of identity (Blumer, 1969), showing their sense of self and displaying their expected image because of their concerns around social comparison (Kastanakis & Balabanis, 2012) and their “position” in comparison to others. For the individual, it is considered important that their belongings are observable by the public. The products or brands represent their personal identity and mark their social category which is considered important in their culture (Wong & Ahuvia, 1998).

Status consumption is related to symbolic types of product (Kastanakis & Balabanis, 2012). What individuals obtain from status is evidence of wealth, rather than the "actual" accumulation of wealth. It is exhibited in a conspicuous manner (Veblen, 1899).

Conspicuous consumption is one of the most cited theories in the study of luxury (Gurzki & Woisetschläger, 2017). It refers to *the tendency for individuals to enhance their image, through overt consumption of possessions, which communicates status to others* (O"cass & McEwen, 2004, p. 34). It highlights an individual's likelihood of displaying consumption considered "wasteful", in order to demonstrate prestige, and as the evidence of wealth. Conspicuous consumption also aims to inflate the ego of individuals (Veblen, 1899) and ostentatiously display their wealth (Mason, 1984). The basic nature of conspicuous consumption appears to be associated with the benefits gathered from the relationship between a person and their possession(s). Individuals communicate their identity as an outcome of their consumption (O"cass & McEwen, 2004).

The similarity of both status and conspicuous consumption is related to the status of individuals. Hence, more status image that is carried by the brands, the more it will be used conspicuously. Status does not merely reflect high status, but it signifies the individual's desired social position. Consumption is also influenced by reference groups (O"cass & McEwen, 2004). It would be useless without the presence of others, because the motive for wealth-signalling requires observation from others (Veblen, 1899). Finally, both types of consumption serve as an instrument to communicate the identity of individuals.

The difference between status and conspicuous consumptions rests on the self-monitoring aspect, which influences status consumption but is not conspicuous consumption. Self-monitoring refers to consumer consideration and how they are able to accord with certain situations which require them to display their status. They will not use the same brands or products on different occasions, if they feel that they do not need to demonstrate prestige. Hence, motive is the aspect that creates the differences. Status consumption addresses the needs of an individual to "fit in", allowing the individual to be perceived at the level of status they expect. Meanwhile, conspicuous consumption motives refer to inflating the ego of an individual and showing wealth (O"cass & McEwen, 2004). Motives will influence consumption, on the status that an individual wishes to develop, which reference groups or surroundings are involved, and what kind of identity needs to be demonstrated.

South East Asian consumers hold collectivist views in terms of consumption and preserve an interdependent construal of the self (Wong & Ahuvia, 1998). This includes those in Indonesia. Hofstede (2001) categorizes Indonesia as a "highly collectivist" culture, in which individuals value intense engagement and interdependence among their groups such as family, relatives, and friends (Triandis, 2001). Indonesian culture emphasizes maintaining the social hierarchy, interpersonal harmony, and group conformity (Magnis-Suseno, 1997). To understand the Indonesian consumer better, the two constructs of face-saving and group orientation were adopted for this study. These two constructs represent status and conspicuous consumption within the Asian context. It is expected that they will offer an effective approach in explaining the influence of the culture on Indonesian women. Both constructs are expected to be accurately representative of Indonesians, exhibiting the manifestation of maintaining a social hierarchy and possessing a group conformity culture.

2.5.3.1. Face-saving (FS)

Status consumption aims to communicate one's personal identity to mark one's social category where the culture focuses on economic status differences. The concept of face-saving is adopted as the first construct within social values. The consumption stemming from face-saving is closely related to status consumption. However, the difference rests in the cultural meaning of face-saving, which portrays the behaviour of Indonesian consumers. In the following subsection the concept of 'face' and face-saving is described, how it is different from status consumption and its applicability in Indonesia.

The concept of 'face' and face-saving

'Face' is defined as *the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact. 'Face' is an image of self, delineated in terms of approved social attribute* (Goffman, 1955, p. 213). In simple terms, it stands for an individual's assessment based on a judgment concerning the internal self and external social aspects (Ting-Toomey & Kurogi, 1998). The concept of 'face' (quoted through this thesis to differentiate it from the more common use of the word) originated from Chinese society; a literal translation of *lien* and *mien-tzu*. Lien represents *"the confidence of society in the integrity of the ego's moral character, the loss of which makes it impossible for him to function properly within the community"* and it serves as a social sanction to obliging moral standards and internalized sanction (Hu, 1944, p. 45). *M*ien-tzu stands for *"the kind of prestige that is emphasized in this country [America]; a reputation achieved through getting on in life, through success and ostentation"* (Hu, 1944, p. 45). These two meanings differ in the criteria of judging the conduct of an individual and sometimes both terms are used interchangeably (Ho, 1976). Despite the different meanings, they are related to one another. It may be said that if a person loses 'face' [mien-tzu], he also loses the confidence of the society in his moral integrity [lien] (Lee, 1991).

The concept of 'face' is strongly related to gaining and losing 'face'. These two concepts are said to be important aspects of the concept of 'face' (Ting-Toomey & Kurogi, 1998). Gaining 'face' is not really a consideration as much as losing 'face'. Someone is said to gain 'face' when they "deserve" for various reasons, an increase in status because of more prestigious work roles or more wealth. It is not something that everyone is eager to strive for, because it occurs automatically following achievement (Ho, 1976). On the other hand, losing 'face' is something that almost everyone will care about. It is critical for everyone who cares about maintaining his/her minimum level of effective social role that his/her 'face' or reputation or image is protected from being lost. Losing 'face' may occur when someone is behaving in a way that is below acceptable levels, or where essential requirements are not met as the function of an individual's position (Ho, 1976). Losing 'face' may affect a person in a situation, to the extent of questioning their suitability as a member of society. If an individual is unable to fulfil the social expectations put upon them, they may put their social life at risk. They will lose 'face' and their moral integrity will be questioned (Lee, 1991). Hence, not losing 'face' is considered more important than gaining 'face' (Ho, 1976). Face-saving is a term used in this research to characterise the act of avoiding losing 'face'. The concept of face-saving is established by the urgency to maintain one's position within society (Ho, 1976).

The concept is applied universally, regardless of culture. 'Face' is distinctively human (Ho, 1976). Some cultures may exhibit a higher tendency toward face-saving than others. Specifically, 'face' is regarded as one of the fundamental components of social-self construction. An individual's assessment is based on a judgment concerning the internal self and external social aspects (Ting-Toomey & Kurogi, 1998). However, the heavier weight rests on social encounters where an individual is evaluated as to their suitability as a member and representative of their society. Hence, face-saving is part of the social value system.

Face-saving and consumption

‘Face’ is not standard across the board. To judge the extent of losing or gaining ‘face’, one uses standards based on certain criteria, rooted in the particular values adhered to in each respective culture, within a period of time. The changing of criteria may occur as result of social transformation, and is said to be significant when rapid social changes are happening (Ho, 1976). It is related to the context of this study. The adjustment taking place among middle-class consumers influences their consumption pattern.

One of the manifestations of face-saving is exhibited via consumption. Li and Su (2007) proposed the term “*‘face’ consumption”* which refers to *the motivational process by which individuals try to enhance, maintain or save self-face, as well as show respect to other’s ‘face’ through the consumption of products* (Li & Su, 2007, p. 242). Face-saving is dedicated to maintaining dignity over the self-image one projects to the public, with the purpose of obtaining admiration from others, and it serves as the underlying motivation for consumption. ‘Face’ consciousness has proven to be one of the cultural dimensions that affect consumer behaviour, such as brand consciousness and price-quality dimensions (Bao, Zhou, & Su, 2003).

As part of social values, ‘face’ consumption is closely related to the status dimension of luxury. Status serves as a main determinant in the amount of mien tzu that a person has (Ho, 1976). Consumers tend to consume ostentatious luxuries to impress others, regardless of their income level. To save ‘face’, a person makes extra efforts to exhibit that (s)he is “worth” enough to command the respect. This is demonstrated by consumption of conspicuous expensive items (Le Monkhouse, Barnes, & Stephan, 2012). The similarities of ‘face’ and status consumption are that they both exploit luxury products; and showing off is carried out to increase the distinctions in consumers’ social status and prestige (Li & Su, 2007).

However, ‘face’ and status consumption have differences, which refer to different motivations and intentions. Face-saving consumers are driven to purchase conspicuous types of products not just because they are willing to, but also because they have the “obligation” to do so. Their main goal is to maintain ‘face’ rather than just to show off. Sometimes it is not just for their own ‘face’, it is also dedicated to respecting other’s ‘face’ (Li & Su, 2007). This aspect emphasizes the use of the face-saving construct to operationalize social values in this study.

Face-saving in Indonesia

In general, 'face' relates to the importance of someone's role in their social functioning. It is fundamental for everyone to be aware of how one person's self-presentation is, compared to others. The concept of 'face' is very human and has universal values (Wong & Ahuvia, 1998). It is applicable to various types of cultures and almost everybody is unable to avoid this feeling, no matter their culture (Ho, 1976). In Western society, the avoidance of embarrassing people in front of others, or, in the 19th century, a challenge to a gun-duel, are examples of behaviour related to the concept of 'face'. However, the concept may be more salient in one culture compared to another (Wong & Ahuvia, 1998). Research on the concept of 'face' has been mostly conducted in China or in Confucian cultures (Ho, 1976; Lee, 1991; Li & Su, 2007), because this culture may hold the concept more strongly than other cultures, due to the degree of sensitivity they have (Lee, 1991). Eastern cultures generally exhibit more 'face' consciousness than Western cultures (Bao et al., 2003).

South East Asian culture is said to place great importance on saving 'face', hence the emphasis on public consumption and ownership of visible possession. Behind this is a concern on how the individual will be perceived by others. For example, Japanese people are found to have higher social anxiety compared to Americans (Abe, Bagozzi, & Sadarangani, 1996). Face-saving also aims to maintain one's status within the social hierarchy (Wong & Ahuvia, 1998). Consumption conveys the meaning of social values and aspects of identity (Belk, 1988; Blumer, 1969). It is considered important for an individual that their belongings are observable by others because they represent the owner's personal identity, exploited to mark their category within a social hierarchy. It is particularly important in the culture that focuses on economic status differences. These cultures engage with symbolic products which indicate difference in rank and position (Wuthnow, Hunter, Bergesen, & Kurzweil, 1984). There are two key factors affecting Southeast Asia consumers, specifically Indonesian consumers, in terms of economic hierarchy. Firstly there is the need to mark their position within the social hierarchy by displaying their wealth as an important social indicator. The second is the new phenomenon of affluence, with economic achievement becoming a cultural obsession (Wong & Ahuvia, 1998).

Indonesia consists of thousands of cultures. These cultures celebrate diversity as well as similarity, specifically where some cultures are rooted in traditional values. One of them is syncretism, a value that underlies myriad cultures in Indonesia. While articulated in Malaya or Java, its meaning is around being civilized, humble, cultured and courageous. It refers to the attitude of being humble and the ability to refine everything based on whatever is given. In order to make syncretism meaningful, it requires a sense of purpose to build the dignity and respect of the individual and to form harmony in society (Wiryomartono, 2014). The majority culture in Indonesia emphasizes social hierarchy (Magnis-Suseno, 1997) including economic ability which represents status differences. Aiming to communicate one's identity and position within the social environment, the consumer will evaluate the social meaning of brands they consume. To retain their social hierarchy, Indonesian consumers embrace the "modern" lifestyle in the consumption of products that they consider to be luxuries (Gerke, 2002). Wealth serves as one of the references to an individual's self-identity, representing the attainment of high social status (Wiryomartono, 2014).

2.5.3.2. Group orientation (GO)

Apart from status consumption, another type of consumption that explains social values is conspicuous consumption. It includes the "bandwagon effect" and 'snob effect" (Kastanakis & Balabanis, 2012). The interdependent self-concept found as an antecedent of the bandwagon effect and is mediated by the consumer susceptibility to normative influence. On the opposite side, the independence self-concept serves as an antecedent of the snob effect and is mediated by the consumer need for uniqueness (Kastanakis & Balabanis, 2014). Due to the social values derived from the interdependent self-concept, the bandwagon effect serves as the baseline from which to operationalize the second construct of social values.

The bandwagon effect refers to the extent to which the demand for a commodity increases due to the fact that others are also consuming the same commodity (Leibenstein, 1950). It refers to the consumption pattern of following others. A person feels a heightened impulse or push to use similar products, in this case, luxury brands, when their community or people around them also use luxury brands. This study also adopts the construct of group orientation (GO), rooted in the bandwagon effect and emphasizes the importance of others or groups as a point of reference. This reference group refers to a group or members who are "*psychologically significant to one's attitudes and behaviour*" (Turner, 1991, p. 5), especially when the groups are regarded as important to that individual, such as friends and community. From a psychological perspective, conformity with majority groups is considered essential in shaping the attitude of a person (Festinger, 1954). As social creatures, consumers are frequently influenced by their groups (Bearden & Etzel, 1982). If there is any discrepancy between the desire of the self and the group, someone is expected to put aside his/her self-impulse and internal feeling to follow the needs of the group. Harmony is essential for social survival (Wong & Ahuvia, 1998).

Group pressure may feel amplified because of the influence of culture. Most Eastern cultures are interdependent in their self-construal and under "pressure" to harmonize with their group. Every decision taken is not simply about the autonomy of the individual, rather it is the reflection of the in-group (Wong & Ahuvia, 1998). Hofstede (2001) argues that Indonesia is recognized as a highly collectivist culture country in extensive global cultural studies. The collectivist ideal is rooted in interdependence self-construal, intense engagement and interdependence within the groups of family, relatives, and friends. It is valued by the individual (Triandis, 2001). Moreover, the majority of Indonesian cultures emphasize maintaining interpersonal harmony and group conformity (Magnis-Suseno, 1997). Hence, the construct of GO represents the bandwagon effect for Indonesians.

The changing lifestyle of the middle-class has led to different trends around the consumption of luxury brands. The motive to inflate individuals' ego and show their wealth is demonstrated via the conspicuous consumption of luxury items. Because a degree of conformity to the social environment is necessary, an individual does not want to be left behind by their groups. S(he) consumes or follows the same trends as their groups. Purchasing and using luxury brands are said to represent an individual obligation to fulfil the standard "norm" expected by their group (Wong & Ahuvia, 1998). The need for luxury increases due to its popularity and thus stimulates further demand (Chaudhuri & Majumdar, 2006; Vigneron & Johnson, 1999). This popularity suggests a prestigious image and shows it is a "must have item" to the consumer. Consumers feel the heightened need to be "in the swim of things' or to become "one of the boys" (Kastanakis & Balabanis, 2012) by consuming the same brands.

For Indonesians, GO also serves as an indication of self-identity as well as a collective identity (Gerke, 2002). Individual legitimacy is gained from group identification. Individuals feel a sense of security and collective identity by being dependent on the group (Escalas & Bettman, 2003). They wish to be seen as staying in the same group of people with whom they wish to be identified. They do not want to feel left behind and so they consume the same luxury brands that reflect the same prestigious level as their groups. It allows them to be recognized as part of their group (Belk, 1988). They wish to develop a prestigious identity by conspicuously consuming the same luxury brands as their group.

2.5.4. Functional values: the objective and subjective judgments

Functional values are the last of the values adopted from the TCV and MMLV. Within the traditional economic perspective, this value serves as the major reason for product consumption. It refers to the rational background (Marshall, 1961), which represents the ability of products to meet the utilitarian needs of consumers and is derived from the product's attributes (Sheth et al., 1991; Smith & Colgate, 2007). With regard to luxury brands specifically, when the prices are high, the utilitarian function expands into a wider concept of objective and subjective judgement. Objective judgement rests on the basic function of the product, initially known as the rational background, such as what the product does, how it operates, the benefit it brings, the practical need it fulfils. Subjective judgement refers to the roles of products to consumers beyond the functional or operational (Wiedmann et al., 2007), such as enhancing one's individual personality. The functional values of luxury are expected to be unique and usable, and deliver good quality (Shukla, 2012; Wiedmann et al., 2007).

An important example to illustrate this principle may be found in the product, the handbags. The main function of the handbag is to carry one's personal belongings in one vessel, allowing for ease of transportation and containment of what are seen as essential items. As a fashion item, the design of the handbag is seen to be important. It serves as one of the attributes that drives consumer selection of the brand. Both the design and the brand name should represent various meanings behind the handbags, beyond objective judgement. Personal belongings are seen to serve as an extension of the self (Belk, 1988). One of the meanings of the design and brand name is that is supposedly reflects personal uniqueness and difference from others (Shukla, 2012; Vigneron & Johnson, 1999; Wiedmann et al., 2007).

"Useability" is a construct coming from the product's attributes and the needs of consumers around their handbags (Wiedmann et al., 2007). The expected performance basically refers to the item's ability to serve its function properly and be of good quality. Other attributes of luxury handbags refer to the high price level, at least double that of "regular" handbags sold in department stores. This high price level gives the individual higher expectations of the brand, such as exclusivity and that it be exceptional in quality. Hence, this study chose handbags particularly as they purport to be designed to represent the three important values of uniqueness, exclusive and quality.

The need for uniqueness and exclusivity is explained by the snob effect. This effect is recognized as part of conspicuous consumption (Kastanakis & Balabanis, 2012). The snob effect refers to *declining demand due to increased consumption of similar products* (Leibenstein, 1950, p. 189). Hence, exclusivity is an important aspect for the snob. The level of consumer need for uniqueness is found to mediate the relationship between independent self-concept and the snob effect (Kastanakis & Balabanis, 2014). Snob consumption is considered a complicated concept, for it combines the personal and interpersonal needs of the consumer (Mason, 1992). The utility of products or brands heightens its value for the snob when the scarcity rule is applied. The more scarce the brand, the more the desire increases. This highlights the consumer's personal need. Scarcity serves as a heuristic for brand selection (Kastanakis & Balabanis, 2014). However, the scarcity may not last because the reputation increases. At the moment the brand increases its popularity among consumers, the more they wish to buy and more consumers enter the market. The snobs perceive their item/brand to be of diminished value. In this case, the aspect of the interpersonal plays a role. The snobs is concerned at how popular the respective brands are, and is in opposite to the "bandwagoners". The more popular it is, the less attractive it becomes (Leibenstein, 1950). Moreover, the snob effect serves as a motivation for individual's to make a purchase due to quality and scarcity (Mason, 1992).

Regarding the concept of functional values, Woodruff (1997) proposed three important aspects which work in the hierarchical approach. They are the product's features, the performance of the product, and appropriate outcomes or consequences. Specifically with regard to luxury handbags, product attributes refer to the design, colour, and price level. The performance of these attributes refers to the ability of the attributes to meet the expectation of consumers; also sometimes influenced by specific occasions of using the handbag. Finally, a consumer's perception on the brand's uniqueness, exclusivity and quality serve as expected outcomes or consequences.

2.5.4.1. Uniqueness

Uniqueness refers to a striving for difference relative to others, derived from the theory of uniqueness (Vigneron & Johnson, 1999) is explains the needs of an individual to demonstrate personal difference. They do not value any similarity of their possessions to other people's possessions, as this is considered threatening to their self-image. They need to distinguish themselves to demonstrate that they are "unique" and so they may reclaim their self-esteem (Snyder & Fromkin, 1977). The theory of uniqueness is said to be the result of the social comparison process (Festinger, 1954) where a person tends to compare themselves to others and aspires to be different from them (Vigneron & Johnson, 1999).

Individuals strive to demonstrate their uniqueness in various ways. One of the manifestations appears in their consumer behaviour (Lynn & Harris, 1997). Owning unique products represents individual difference, as possessions serve as a form of the extended-self (Belk, 1988). In relation to consumption, the needs of uniqueness are defined as *the traits pursing differentness relatives than others through the acquisition of goods, with the purposes to developing and enhancing his self-image and social image* (Tian, Bearden, & Hunter, 2001, p. 52). It emphasizes consumption based on individual uniqueness, and the boosting of one's personal image.

A possession is used as a symbol to develop a unique, personal image, to convey an individual's idea of their own personality. It is also known as self-directed symbolism (Shukla et al., 2015). The symbolic values refer to *the extent to which people attach or associate a psychological meaning with or to a product* (Smith & Colgate, 2007, p. 10). The self-directed symbolism is rooted in independent self-construal, in which an individual sees themselves as an autonomous entity and as self-contained. It is common to Western culture, while the Eastern culture is more geared toward other-directed symbolism due to interdependent self-construal (Markus & Kitayama, 1991). However, globalization is promoting the rise of self-directed symbolism in Asian consumers (Tsai, 2005), as well as in Indonesian consumers (Shukla et al., 2015).

Self-directed symbolism in Eastern culture is explained through the lens of horizontal collectivism (Shukla et al., 2015). Within the dichotomy of independent-interdependent self-construal or the individualist-collectivist, there is a more specific category, namely vertical values in hierarchy and horizontal values in equality (Singelis, 1994; Triandis & Gelfand, 1998). In their meta-analysis, Oyserman et al. (2002) argued that the concept of individualist-collectivist needed to be defined explicitly. It allowed the concept to be operationalized, manipulated and assessed for holistic evaluation. They opine that "*the scientific value of these* *constructs is seriously compromised*". Therefore, the perspective of vertical and/or horizontal serves as an additional value affecting the individualist-collectivist concept, to have a more distinctive meaning. Specifically, the authors highlight the aspect of independence and uniqueness within the individualist who follows the in-group and maintains harmony within the collectivist group (Oyserman, Coon, & Kemmelmeier, 2002). Horizontal collectivism is the perspective of the individual who is collectivist and perceives equality with others, whilst still emphasizing the expression of the individual's uniqueness rather than standing out to accentuate the status. It is the opposite view of the hierarchical society. This type of motive is characterized by benevolent relationships, social appropriateness and cooperation (Shavitt, Lalwani, Zhang, & Torelli, 2006).

The consumer's need for uniqueness is conceptualized by incorporating three dimensions, namely creative choice conformity, unpopular choice conformity and avoidance similarity (Tian et al., 2001). Creative choice counter-conformity refers to the behaviour of the consumer in crafting their personal style through consumption of the novel, possession of unique goods (Kron, 1983) and in the display of their possessions (Belk, 1988). Despite representing difference from the "common" taste, selection of the products also demonstrates positive acceptance by the public that these are "good" products. Unpopular choice conformity refers to the consumer tendency to deviate from the "norm" applicable in the market, hence there is a social risk of disapproval from those surrounding one (Tian et al., 2001). However, this difference may enhance personal and social image (Gross, 1977). If later it receives positive acceptance, this innovative taste is likely to become a trendsetter and/or trend leader. Avoidance similarity refers to the consumer's behaviour of avoiding a common design or product used by the majority of people, or one that becomes a trend. It aims to create personal differences, to be apart from the crowd, and usually this individual successfully develops their own and their social image of being different (Tian et al., 2001). The latter concept may share similarities with the construct of exclusivity.

2.5.4.2. Exclusivity

Exclusivity, also known as scarcity, is explained in basic economic law. When demand exceeds supply, the value of something escalates (Brock, 1968). Verhallen (1982) studied this effect from a behavioural and psychological perspective. Scarcity is recognized as one of the aspects of supply and demand. Scarcity tested whether had an effect on the valuation of goods in an experimental setting, and whether the valuation changed because of scarcity manipulation affecting actual consumer behaviour. Scarcity was found to arouse social motives, specifically in the situation of the presence of another person. Individuals increase their preference towards product when market situations induce scarcity conditions being: popularity, limited supply and the combination of both (Verhallen, 1982).

When considered rare, an item will gain an image of prestige (Solomon, Russell-Bennett, & Previte, 2012). When the scarcity image is linked to a product or brand, it enhances consumer desire to possess it (Kapferer, 2012). In Western culture, luxury brands enhance desirability when they are hard to find, or when used by the majority of the people (Dubois & Paternault, 1995). On the other hand, Eastern cultures behave differently. The more well known the brand, the greater is consumer desirability, and this in turn enhances the item’s place in the social marketplace and places pressure on the consumer to buy it, as demonstrated in Hong Kong and Singapore (Phau & Prendergast, 2000). Moreover, when exclusivity and rarity are combined with the perception of being expensive, desirability is further enhanced (Vigneron & Johnson, 2004). Individuals are found to be more satisfied and display positive feelings to consume items when they are posed as exclusive or scarce products such as limited edition items (Gierl & Huettl, 2010).

Scarcity is found to have a relationship to the need for uniqueness and quality. Luxury items must be found to be more superior in terms of uniqueness, cost evaluation and preference, compared to “common” products (Verhallen & Robben, 1994). This supports initial findings on the effect of scarcity on consumer preferences through perceived uniqueness and cost assessment (Verhallen & Pieters, 1984). Scarcity influences product evaluation and preference, and has a greater effect on preferences than non-scarcity products. Specifically, scarcity is of influence when due to demand and supply factors it is posited as “the last item available” or a “limited edition” item (Verhallen & Robben, 1994).

2.5.4.3. Quality

The word luxury has traditionally been associated with “quality” (Dubois & Laurent, 1994). The high price level of luxury brands signals delivery of exceptional quality in a product.

High quality is said to be the foundation characteristic of luxury, and that there is no compromise on this. Similarly, price serves as a heuristic regarding quality. The higher the price, the higher is the quality expected (Zeithaml, 1988).

With regard to conspicuous types of product, quality is found have a relationship with scarcity. Scarcity due to demand, such as “80% already sold” or “the last item” is perceived as heuristic of a high quality product (Gierl & Huettl, 2010). Scarcity is found to be a superior factor compared to non-scarcity items in terms of cost evaluation (Verhallen & Robben, 1994). Consumers tend to compare prices between different products – this may refer to another option or price they remember and there is an inference that the higher price denotes higher quality (Rao & Monroe, 1989) in the absence of other cues such as brand familiarity (Dodds, Monroe, & Grewal, 1991). Hence, scarcity has an effect on the perception of quality. Quality and scarcity are two aspects motivating snob consumption (Mason, 1992).

Specifically for the prestige types of products, such as luxury brands, price and brand name prove important in evaluation and they serve as important indicators of perceived quality (Brucks, Zeithaml, & Naylor, 2000). Quality is taken as a mandatory requirement for luxury brands (Quelch, 1987). It would be difficult to develop the long term success of luxury brands without an assurance of high-quality. Moreover, quality is also perceived as one of the differentiated factors of luxury brands in comparison with non-luxury brands (Vigneron & Johnson, 2004).

2.6. Country image (CI)

Apart from consumer values, another important facet is the country image (CI) as described in section 1.4. This topic has a long history of being studied and has been introduced into various consumer markets (Hamzaoui Essoussi & Merunka, 2007; Pappu, Quester, & Cooksey, 2006) including the luxury market (Aiello et al., 2009; Arora, McIntyre, Wu, & Arora, 2015; Godey et al., 2012; Khan, Bamber, & Quazi, 2012). It is also used to create a relationship with the brand (Jung Jung, Lee, Kim, & Yang, 2014; Keller, 2013; Pappu et al., 2007).

There are several definitions of CI available in the literature (Martin & Eroglu, 1993; Nagashima, 1970; Verlegh & Steenkamp, 1999). CI shares a similarity concept with brand image, it refers to a set of associations with a particular country in the consumer’s mind and is organized into groups in a meaningful way (Keller, 1993). Some studies propose this association be viewed from the perspective of two major scopes i.e., the CI as the overall country and the CI as related to the products coming from that country, as the product-country's image (Roth & Diamantopoulos, 2009). The overall country image is *the total of all descriptive, inferential and informational beliefs one has about a particular country* (Martin & Eroglu, 1993, p. 193). The product-country image is defined as *the picture, the reputation, the stereotype that businessmen and consumers attach to products from a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history, and traditions* (Nagashima, 1970, p. 68). This study takes the product-country image as the definition of CI.

This definition emphasizes the image of a product or national characteristic of a country that will influence consumer perception of the product from that country. Consumers will consider the strengths and weaknesses on the aspects of innovativeness, prestige and workmanship altogether, when assessing the products of a country (Roth & Romeo, 1992). The consumer builds a uniform judgement about the same product category from the same country, based on the country's image (Pappu et al., 2007). As an example: Italy is famous for its good-quality fashion. The various fashion brands that originate from Italy will enjoy the same perception of good quality. Consumers build an association with certain products or brands that come from the respective countries. An association develops between the products or brands and the country under discussion (Thakor & Katsanis, 1997).

2.6.1. How CI is connected to the products or brands

CI found to have an association with the brands as explained by the model of network memory association (Collins & Loftus, 1975). The association has its direction and strength associated with certain brands coming from the country in question. The model develops an association between the products or brands and the country (Thakor & Katsanis, 1997). CI is considered a complex construct which encompasses emotion, symbolism and cognition of a country (Pharr, 2005). It is also connected with pride, identity and autobiographical memory. It is not merely related to the cognitive signals of product quality (Verlegh & Steenkamp, 1999). The basic psychological theory explaining the CI mechanism within the consumer's mind is the use of cognitive, affective and conative approaches (Laroche, Papadopoulos, Heslop, & Mourali, 2005; Parameswaran & Pisharodi, 1994). In other words, consumers evaluate the image of COO using their beliefs – which are cognitive, as well as their feelings or emotion which are affective (Pharr, 2005).

One popular theory using CI as the product cue, is the cognitive approach (Bilkey & Nes, 1982). There are three types, namely the halo effect, the summary construct and the heuristic (Bloemer, Brijs, & Kasper, 2009). Consumers develop certain associations toward CI following these different routes:

- The halo effect: the effect of CI is mediated by beliefs about specific attributes related to the product (Johansson, 1989; Obermiller & Spangenberg, 1989). It is based on the theory of Expectancy Value (Fishbein & Ajzen, 1975); that the formation and evaluation of salient beliefs function as a marketing stimuli, which affects attitudes to the product (Beckwith & Lehmann, 1975). This effect applies in situations where information on relevant attributes is missing or unfamiliar to consumers (Han, 1989; Laroche et al., 2005), or the consumer is unfamiliar with the products from the respective country (Han, 1989). Model: country image → beliefs→ attitude (Han, 1989).

- Summary constructs: consumers utilize abstract elements individually and recode information into higher order constructs or so-called "chunks' within their memory. These "chunks" are easy to store and retrieve without requiring detailed examination (Simon, 1974). The information on CI, developed over time, is treated as a "chunk". This chunk of CI pulls out easily to evaluate the brands (Han, 1989; Miller, 1956; Simon, 1974). This effect applies when consumers have prior experience with the products or brands originating from the respective country. Consumers are more familiar, hence feel more confident with the CI (Han, 1990). They develop an analogous image for other brands from the same country, because of similar attributes (Han, 1989). Model: beliefs → country image → attitude (Han, 1989).

- The heuristic: placed in between the halo and summary construct. The evaluation of the products or brands conducted by utilizing CI and the other additional information about the product processes collectively (Manrai, Lascu, & Manrai, 1998). The heuristic applies for consumers with a moderate level of familiarity with the product or brand from the country of interest.

2.6.2. The effect of CI on products or brands

CI can be useful for the level of the brand up to the level of product category. The brand may be able to leverage its existence from equity in its predecessor, i.e., the other brands originated from the same country they identify with (Shimp, Samiee, & Madden, 1993). CI also functions as a secondary association with brands (Aaker, 1991; Keller, 1993; Pappu et al., 2006). Consumers perceive the transfer of beliefs about the country to effects within the category of product (Pappu et al., 2006), despite the impact of CI towards product quality being found to be category specific (Pappu et al., 2007). Furthermore, the CI effect for a category product may be transferable to a new category from the same country (Agarwal & Sikri, 1996).

CI is considered to have a medium impact and a high ranking in product evaluation. This high ranking compares to other marketing attributes such as price, warranty and design. CI is also found to have the highest impact on luxury goods, in comparison to shopping goods and convenience goods (Aiello et al., 2009). CI was found to induce an image of expensiveness, good quality and it created a positive impression among peers, in developing countries such as in Pakistan (Khan et al., 2012). Some studies proved the influence of CI on the equity of the brand, as well as in each of the BE dimensions (Hamzaoui Essoussi & Merunka, 2007; Jung Jung et al., 2014; Pappu et al., 2006).

2.6.3. The country of origin (COO) and country of manufacture (COMa)

There are various names or constructs used to categorize CI (Heine, Atwal, & He, 2019; Insch & McBride, 2004; Magnusson, Westjohn, & Zdravkovic, 2011; Thakor, 1996). Some of them seem to refer to US Customs guidelines, such as the country of design and country of assembly (Pharr, 2005). The initial concept of the country of origin in-fact refers to the country of manufacture (Nebenzahl, Jaffe, & Lampert, 1997). Terms like the country of origin or brand origin were introduced in accordance with globalization, as many of the multinational products had different origins for their brands and manufacturing locations (Usunier, 2006).

This study uses the term of the country of origin (COO) to refer to the *perceived* country of origin or the actual country of origin of the brands; or the country where the brands' headquarters are located (Johansson & Nebenzahl, 1986). The country of manufacture (COMa) refers to the country where the products are manufactured, or the "made in" label of country (Hamzaoui Essoussi & Merunka, 2007).

Consumers acknowledge the importance of COO and COMa information in decision-making (Pappu et al., 2006; Piron, 2000). CI, COO and COMa create the "halo effect" to support or lessen the image of one to another, and all of them affect a brand's image (Pappu et al., 2007). The image of CI, along with COO and COMa associate to product quality and the prestige of luxury brands (Khan et al., 2012). They also relate to the consumer's evaluation of the products and brands and their purchase decisions (Pappu et al., 2006; Piron, 2000).

Marketing exploits the image of COO in various ways. The brands can emphasize the advantage of CI which their COO is affiliated with. Some of the examples highlight the authenticity aspect (Cheah, Zainol, & Phau, 2016) put effort into marketing activities to accentuate the COO's reputable image (Phau & Prendergast, 2000) or claim the COO under well-accepted international terms such as that of Montblanc which is said to originate from Europe, and has a French name, when it is actually from Germany. This is because "Europe" has more cachet and more acceptance globally (Heine et al., 2019).

2.6.4. The different effect of COO and COMa images on brand evaluation

The effect of the COO and COMa image on brands is sourced from the CI mechanism. However, there is a difference between them which rests on the key focus of each construct.

COO is said to be an attribute that is "given" to brands and it cannot be changed, in the same way that a person's country of origin cannot be changed. For instance, an Indonesian is from Indonesia despite living in Australia or the rest of the world. COO is considered as a variable of demographic information, being one element of the brand's personality. COO remains the same, regardless of where the COMa is located. COO is a signal of the origin of the brand and is integrated with the brand image, which commonly capitalises on this in marketing advertisements. The integration of COO within brand image often capitalises on this in the brand's communication (Thakor, 1996). The impact of COO on automobiles is also generated from intensive communication of the COO in advertisements, such as Mercedes highlighting its German engineering (Pappu et al., 2007).

COO image is likely to have a meaning of a more inclusive concept, signifying the brands beyond just an indication of the country where the brand originated (Thakor, 1996). For instance, France has certain associations for consumers with being fashionable and stylish. This connotation transfers to fashion products originating from France, because this country has created its own set of meaning for the consumer. Similar to the function of COO as secondary association with a brands, it is based on consumer inference about the country that brand is identified with. Consumers assume the brands share an association with COO, and this results in an indirect or secondary link of COO to the brands. This association may refer to general attitudes such as credibility, or specific features of the products (Keller, 1993). COO is found to affect the brand image and perception of brand quality (Chao, 1998; Hamzaoui-Essoussi, Merunka, & Bartikowski, 2011; Han & Terpstra, 1988). Consumers believe that the COO is a more reliable source regarding a brand's cultural heritage and image, compared to COMa (Hamzaoui Essoussi & Merunka, 2007)

On the other hand, COMa may change and vary over time, or it may involve different countries in manufacturing and assembly, depending on the brand's strategy. Hence, COMa worked as a "piece" of information, which transmitted limited information and significance to the brands. It is said to have no direct association with the brands (Hamzaoui-Essoussi et al., 2011). COMa is predominantly concerned with establishing the effects of a consumer's perception of countries on their evaluation of product quality and their choice process. It emphasises assessment on the product level, instead of the brands. Branding is usually treated independently from COMa as one of the product's cues, similar to price. Most studies on the image of COMa exclude the effect of the brand by manipulating it using a made up name or leaving it unbranded (Thakor, 1996).

However, other studies argue that there are effects of COMa on the brands. It found a relationship between COMa and brand quality (Johansson & Nebenzahl, 1986; Thakor & Lavack, 2003) and the perception of quality (Chao, 1998; Thakor & Katsanis, 1997). COMa is also said able to erode consumer perception of the brand (Hamzaoui Essoussi & Merunka, 2007; Han & Terpstra, 1988; Hui & Zhou, 2003), which affects brand equity and its dimensions. COMa is said to become a concern in the case of hybrid products i.e. COO and COMa coming from different countries, with COMa located in a developing country that has a low country image. This may instil a perception of low quality. It generates affect from the consumer to both the brand and product assessment (Hamzaoui Essoussi & Merunka, 2007; Han & Terpstra, 1988; Hui & Zhou, 2003; Phau & Prendergast, 2000).

2.6.5. The effect of COO and COMa image on luxury study

The COO image is product category specific, it has different effects on diverse product categories (Han, 1989; Kaynak & Cavusgil, 1983). For conspicuous and high-risk use types of products such as cars, the COO becomes a more important cue (Pappu et al., 2007). Another factor involved is the perceived level of complexity of the product. The higher the complexity around designing and manufacturing the product, the more important the effect of the COO will be (Hamzaoui Essoussi & Merunka, 2007). A study from Godey, et al. (2011) demonstrated the importance of the COO as an element of choice in influencing consumer decisions on luxury brands, in comparison to non-luxury brands.

In a specific study on the context of luxury brands, the image of COO and COMa associated with the perception of product quality and prestige (Khan et al., 2012) along with consumer evaluation of the products and brands and purchase decisions (Pappu et al., 2006; Piron, 2000). The role of COO is an important determinant in the purchase decision for luxury, rather than necessity products (Piron, 2000). The importance of the COO and COMa on perceived product quality was also found for high involvement products; the type of products that usually relate to high risk – such as cars or have a social signalling value (Hamzaoui Essoussi & Merunka, 2007). The image also increases its importance when the product is more complex (Ahmed & d' Astous, 1995).

The world is now becoming a global village, where products are easily transported everywhere. The owners of the brands select the most efficient places to manufacture the product, hence commonly placing COMa in developing countries which mostly have a low country equity image. It so-called hybrid products. In this case, luxury brands are also impacted. It is said to generate a lower preference on purchase intention and gives a lower quality perception (Arora et al., 2015). It also can lead to a change of attitude. For example, Item (2014) writes about the Indonesian consumer experience of the uneasy feeling about her newly-bought Coach leather bag. She discovers that although the brand comes from the US, it is made in China. She thinks it is a fake and wishes to return it to the seller because it disgraces her in front of her friends.

Despite the difference on the focus between the COO and COMa, both have an influence on how consumers evaluate the brand.

2.7. Brand equity (BE)

A brand is a symbol, which allows consumers to identify and recognise specific products or services. It is not merely the name of the product, it is supposed to serve as a guarantee on the deliverables of all tangible and intangible promises. It's a sign that differentiates one product from another (Copeland, 1923).

Brand equity (BE) is recognized as one of the most important aspects of marketing and brand management. The early definition of BE stated by Farquhar (1989, p.24) is *the added value which a given brand endows a product*. BE is recognized in the perspective of financial, firm and consumers (Davcik, et al., 2015). Particularly in consumer perspective, researchers then deliberately extended the definition. One of the most commonly used definitions of BE is *a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or that firm's customers* (Aaker, 1991, p. 15). Aaker (1991) argues that the assets and liabilities of the brands refer to five dimensions; namely brand loyalty, brand awareness, brand association, perceived quality, and other proprietary brands. The last dimension provides the least effect, thus it is rarely included in most of the BE studies.

Another definition of BE refer to *the differential effect that brand knowledge has on consumer response to the marketing of a brand* (Keller, 1993, p. 2). Consistent with Aaker (1991), Keller (1993) sees BE from a psychological perspective. The BE is said to be a manifestation of consumers' cognition and is derived from their psychological point of view. His view on BE focuses on consumers' cognitive processes, on how consumers develop specific tangible and intangible reactions toward the marketing activities of the brands (Keller, 1993). In short, Keller formulates BE as general brand knowledge, consisting of brand awareness and brand image. These images are held in the consumer's memory, based on what they have learned, felt, seen, and heard about the brand as a result of their experiences with it over time. In other words, the equity of a brand lies in what resides in the minds of consumers (Keller, 1993).

2.7.1. The Consumer-Based Brand Equity (CBBE) model.

Keller (1993) emphasizes three perspectives in his definition of BE. Firstly, it arises from the differences in the consumer responses. Secondly, these differences are a result of the knowledge of consumers relating to their brand experiences over time. Thirdly, it is reflected in the consumer's perceptions, preferences, and behaviour related to all aspects of the marketing of brands such as brand choice (Keller, 1993; Kim, 2012). A simple illustration can be found in a product testing experiment. When a blind (unbranded) test is conducted between two competing products, the most common evaluation result will not be far from a fifty-fifty (50-50) consumer preference between the two products. However, when the brand name of each product is revealed, the result will change drastically to as much as a seventy-thirty (70-30) preference toward the favourite brand. This illustrates the important role of the brand name in giving added value to the product. Here, the BE works as a measurement element (Knowles, 2008). BE refers to how strong a brand is in the consumer's mind. A strong brand means successful delivery of its distinctiveness, which enables the consumer to choose and differentiate from others within the same product category (Keller, 2013).

Keller (1993) considers two components in brand knowledge, namely brand awareness and brand image/brand association. Brand awareness refers to identity of the brands. Brand image refers to *the perception of consumers about the brands, as reflected by the brand associations held in the consumer's memory* (Keller, 2013). Brand image will be useful when considered at two distinct levels: the lower level and the higher level. The lower level of brand image relates to the perception of the brand. It comprises performance and imagery perception. The higher level brand image relates to overall judgments and feelings about, and relationship to the brands. These two levels are connected; prior to achieving the higher level image, the brand should build up the lower level (Keller, 2013).

Based on the level of abstraction, brand image is classified into three categories namely attribute, benefit and attitude (Keller, 1993). Attribute refers to the descriptive feature in which consumers presume the products must have. Attribute composed of product features, such as ingredient and material of the product; and non-product features consist of price information, packaging, user and usage imagery (Keller, 1993). Benefit refers to the perceived value in which consumer presume the products can deliver. Based on the underlying motivation, benefit be categorised into functional, experiential and symbolic benefit (Park, Jaworski, & Maclnnis 1986). While attitude refers to overall evaluation of consumers over the brands and recognized as the function of relevant attribute and benefit that consumers believed to be salient for the brands. Attitude related to the beliefs about the product and non-products attributes, as well as symbolic benefit (Keller, 1993).

Consumers develop different level of brand image based on key criteria of a strong, favourable and unique brand association (Keller, 2013) where:

- Strong brand association represents a brand's ability to be personally relevant to the consumer and to maintain consistency over time. Consumers keep many brand associations in their minds. The more quantity of brand associations the better for BE as there are more pathways among them and this enhances the possibility of recall (Krishnan, 1996).
- Favourable association addresses consumer desire to experience the performance of the product, and this is conveyed by the attractive marketing program (Keller, 2013).
- A unique association indicates a unique selling proposition, a specific benefit which distinguishes the brand and distinguishes it from others (Keller, 2013).

Keller (2001) introduced brand resonance or the CBBE model using the key dimensions of brand knowledge, which are arranged in a structured format. The CBBE model consists of four steps representing what the consumer asks about the brand. They are: "Who are you?"- the brand identity; "What are you?"- the brand meaning; "What about you?"- the brand response; and "What about you and me?"- the brand relationship. These four steps are illustrated as a ladder and shaped as a triangle, as in Figure 2.2. The bottom step, consisting of one block, is the brand identity, and it functions as a foundation for the whole triangle. The next steps of the brand meaning and brand response are each divided into two blocks. The blocks on the left side, performance and judgement, address rational beliefs. The block on the right side, the imagery and feelings, show the "emotional" route. The pinnacle of the CBBE pyramid is brand resonance, the last step. In total, the CBBE model has four steps and comprises six blocks (Keller, 2001, 2013). A strong BE, requires the successful achievement of all steps in the series. The success of each stage depends on the success of the previous step. The CBBE model prescribes a series of sequential steps for brand building that induces the establishment of a proper identity, creating the appropriate meaning, eliciting the right response, and forging relationships with consumers (Keller, 2001).

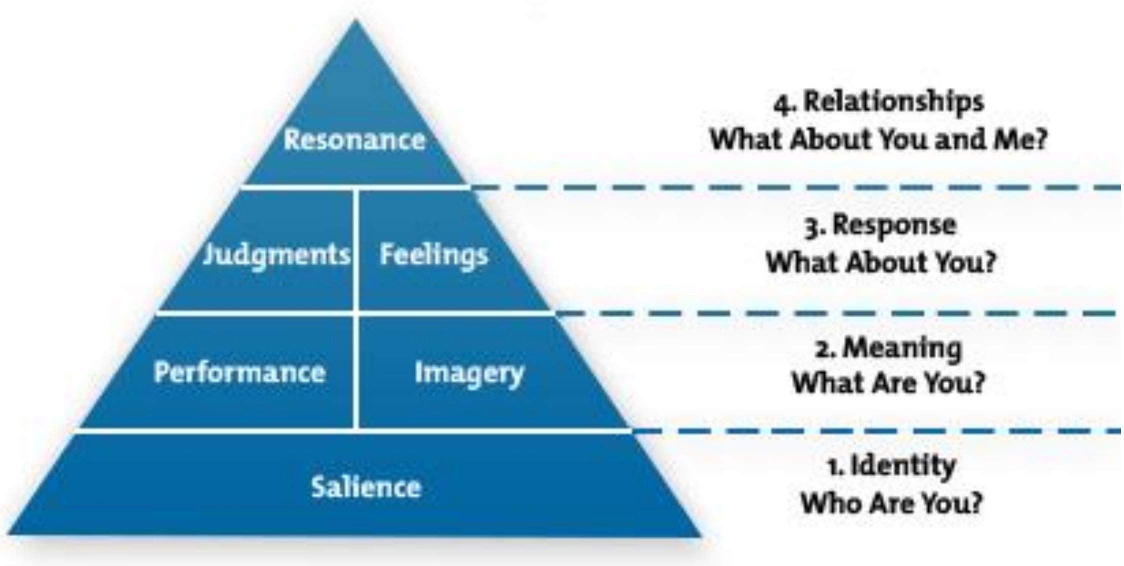


Figure 2.2. The CBBE triangle Model (Keller, 2013).

Keller (1993; 2001; 2008, 2013) incorporates recent theoretical advances and managerial practices in understanding the CBBE. As indicated earlier, the Keller CBBE model shares a similarity with Aaker's (1991) from a consumer psychological perspective and some of the steps use the same dimensions. A slight difference is the accentuation of CBBE to provide a more structured and logical approach with its laddering style. This model is also recognized as the most comprehensive CBBE model (Kuhn, Alpert, & Pope, 2008).

In the following sub-section, each of the CBBE steps from the bottom to the top of the triangle will be elaborated upon.

2.7.1.1. Brand identity

Brand identity addresses brand awareness. Brand awareness refers to *the ability of consumers to identify brands under different circumstances* (Rossiter & Percy, 1987), by recognition or recall (Keller, 1993). Brand recognition refers to a consumer's ability to identify the brand from a stimulus, while brand recall refers to the capability of consumers to retrieve the brand name from memory whenever prompted, using the brand's product category (Aaker, 1991). Brand recall is a more challenging task as consumers must remember the brand specifically when the need comes up. Keller (2013) acknowledges brand recall as the *depth* of awareness. Top of mind (TOM) is a term commonly used to quantify brand recall. It measures the first brand to come to the consumer's mind spontaneously, without any assistance. The consumer tends to buy their TOM brands, hence, the brand with high recall has more opportunities for success in the long-term (Hakala, Svensson, & Vincze, 2012). Apart from *depth,* the *breadth* of awareness is another important factor. It measures a range of purchase and usage situations in which brand elements come to the consumer's mind. It portrays the different types of situations when the brand comes to mind (Keller, 2013).

BA serves as the foundation for the CBBE model. There is a positive association found between BA and brand equity in the aspect of consumer mindset and market outcome (Huang & Sarigöllü, 2014). BA offers advantages of learning, consideration and choice. It represents stages from the establishment the brand node in the consumer's memory and creates a learning experience to match up the brand's elements with consumer needs. When consumers are able to think of the specific brands within a product category because of a high recall or more salient attributes that the brand has, it will enhance the brand's likelihood of being included in the consumer's consideration set (Keller, 2001). Consumers will amplify awareness whenever they are continuously exposed to the brand. Consumers then become familiar with the brand. Brand familiarity is found to have a positive influence on the consumer attitudes and purchase intentions (Pae, Samiee, & Tai, 2002). The higher the BA will induce the more the possibility it will become a consumer's brand of choice (Keller, 2013).

The BA demonstrates a positive relationship with BE (Yoo & Donthu, 2001; Yoo, Donthu, & Lee, 2000). BA creates values to support BE in the following ways: making a brand node in the consumer's memory, delivering a feeling of brand familiarity in the consumer's mind, giving a sign of the brand's commitment and being a prerequisite for inclusion of the brand within the consumer's consideration set (Aaker, 1991). BA serves as an antecedent to the other dimensions of BE. It works as an entry point which will influence consumer perception of the brands' quality and brand association (Buil, De Chernatony, & Martínez, 2013). However, to achieve the condition of a strong BE, the BA is said to be necessary but not sufficient (Washburn & Plank, 2002). BA works as a foundation for the other dimensions but it is not sufficient to stand alone.

2.7.1.2. Brand meaning

After brand identity, the next step is brand meaning which consists of brand performance and brand imagery. These factors are supposed to answer consumer concern around the meaning of the brand. The brand meaning is the lower level of brand image, related to the consumer's perception of the brand. Perception builds from their own experience during interactions with, and from what they have heard or seen of, the brand.

Brand meaning is the result of a connection between a tangible and intangible association (Keller, 2001). The tangible association is the outcome of brand performance. It describes how the brand fulfils the functional needs of the consumer, the "rational" aspect of the product's characteristics. It covers the attributes and benefits offered by the brand, specifically on the product features and attributes such as primary ingredients, product reliability, durability, style, and price. In Figure 2.2. the block of brand performance is placed on the left side of the stage of the brand meaning (Keller, 2001).

Intangible association is the manifestation of brand imagery. It is characterized by the brands' fulfilment toward the consumer's social and psychological needs, apart from the performance it offers. Brand imagery allows consumers to think about brands in abstract terms, rather than how the brands actually "do". It helps the consumer to pause in their feelings about the brands, and focus on the positive rather than the negative cues. The user profile, purchase and usage situations, personality and heritage are some of the main intangible aspects. The brand's history and interpersonal relationships of the brands are other aspects used to build brand imagery. History addresses the heritage and nostalgia that is owned by the brands, while interpersonal relations indicate how consumers perceive that they have been treated by the brand, such as memorable service or providing innovativeness (Lehmann, Keller, & Farley, 2008). Particularly with regard to luxury brands, history and interpersonal relations are considered as equally important to the strong, favourable and unique association. The block of brand imagery in Figure 2.2. is placed on the right side of the stage of the brand meaning (Keller, 2001).

Kim (2012) posits the influence of brand performance and imagery together with brand response. Brand performance alone is considered not sufficient to induce consumer feeling or carry further into positive responses. It should be done simultaneously with the development of brand imagery in the emotional facet.

2.7.1.3. Brand response

Brand meaning supports the establishment of the brand response, the next step in the CBBE triangle. Brand response relates to the higher level of the brand image, consisting of brand judgement and brand feeling.

Brand judgement refers to the consumer's personal opinion and evaluation of the brand, based on what they know and understand of the brand's performance and image (Keller, 2001). Judgements are derived from the consumer's rational belief as well as from their perception, come from the consumer's experience with the brand, as well as the information from their environment (Yoo et al., 2000). The important types of brand judgment are perceived quality, credibility, consideration, and superiority. Perceived quality is defined as *the consumer's judgement about the product's overall excellence or superiority* (Zeithaml, 1988, p. 3). Perceived quality delivers a greater possibility for a brand to be among the most preferred brands, and a chance to create differentiation from the others. A study conducted by Wang and Yang (2010) confirmed the positive effect of brand credibility on purchase intention. The more credible brands earned a higher purchase intention. Moreover, the brand credibility obtained as a result of the strong, favourable and unique association encouraged the consumer's desire to purchase. The block of brand judgment in Figure 2.2. is placed on the left side of the stage of brand response.

Brand feeling represents the consumer's emotional responses and reaction to the brand, which is usually aroused during consumption (Keller, 2001). There are six important types of brand feeling: warmth, fun, excitement, security, social approval, and self-respect. The most important aspect of brand response is the positive aspect as perceived by consumers. The higher the positive level of the brand perceived by the consumer, the better the brand feeling generated. Moreover, these types of brand feeling should come to consumers' minds and be easy to access whenever consumers think about the brand (Keller, 2013). The block of brand feeling in Figure 2.2. is placed on the right side of the stage of brand response.

2.7.1.4. Brand relationship

Brand relationship is placed at the top of the CBBE pyramid, reflecting *the nature of the relationship and the extent of consumer harmony with the brand* (Keller, 2001). Similar to brand response, brand relationship also relates to the higher level of brand image. It is characterized by intensity and activity as a result of a strong emotional bond between the consumer and the brand. Brand relationship can be broken down into behavioural loyalty, attitudinal attachment, sense of community and active engagement (Keller, 2013). This study specifically focuses on the first category, behavioural loyalty or brand loyalty.

Brand loyalty (BL) refers to *a consumer's deep commitment to rebuy or re-patronize a particular brand in the future consistently, despite the environment which may influence them to switch to other brands* (Oliver, 1999). Aaker (1991) argues that BL be considered as the core of BE because it represents the extensive relationship between the consumer and the brand. It also shows the consumer's willingness to stay with the brand, regardless of the market situation. BL also serves as an entry barrier to competitors gaining consumer preferences (Aaker, 1991).

Yoo et al. (2000) and Yasin et al. (2010) found the importance of BL to be one of the drivers for the growth of BE. The relationship between BL and BE was found to be the strongest compared with the relationship of BE with other dimensions. BL also acts as a moderator for brand association and perceived quality in influencing the BE (Yoo et al., 2000).

In their empirical study, Chaudhuri and Holbrook (2001) found that brand affect and brand trust are two key determinants for BL. Brand affect relates to the brand's potentiality to elicit a positive consumer positive response, and brand trust relates to the brand's reliability for the consumer. Both reflect a positive emotional relationship and bonding between the consumer and the brand. This is built from an intense interaction of the consumer and the brand, hence they develop a commitment in terms of BL.

2.7.2. The measurement of CBBE

Measurement of BE can be performed using the direct and the indirect approach. In earlier studies of BE measurement, the direct approach was recognized for its impracticality because of the complexity of the statistical model used for the analysis. The direct approach was unable to identify which specific aspect of the brand contributed to CBBE. The indirect approach addressed this issue (Christodoulides & De Chernatony, 2010). They are both complementary one to another and should be used together (Keller, 2013). Using both approaches attempts to determine the different aspects of the CBBE, such as the effect of the brand and all the dimensions of BE.

2.7.2.1. The Direct measurement approach

Direct approaches aim to directly assess the phenomenon of how the presence of the brand has an effect on the consumer's response (Christodoulides & De Chernatony, 2010). Some studies have been conducted on measuring the direct approach where the statistical inference of conjoint analysis was used to look at consumers' choices (Park & Srinivasan, 1994; Srinivasan, 1979). Consumer choice was also examined using a logical probability model (Kamakura & Russell, 1993; Swait, Erdem, Louviere, & Dubelaar, 1993). The brands count as an extrinsic attribute of the products, which influences consumer evaluation and preferences toward the products. It works in the same way as when consumers assess the products' attributes. BE is considered to be a result of the brand's specific effect, and it refers to preferences toward the brand which is unable to be explained by the multi-attributes model (Srinivasan, 1979). Overall, BE is said to consist of two elements: attribute and non-attribute based components. Attribute-based refers to the consumer's evaluation of the product's characteristics. Non-attribute based addresses the brand's name as a heuristic effect, which consumers will depend on as their standard of judgement (Jourdan, 2002).

Park and Srinivasan (1994) proposed the measurement of BE based on the differences between overall preferences relative to a product with a brand name or so- called branded products, and the objective evaluation of the product's attributes on unbranded products. The branded product refers to the brand name attached to the products while the unbranded product refers to the product without a brand name. Both branded and unbranded products have similar attributes; the only difference being in the brand name. Consumers will have different preferences, despite the indistinguishable characteristics between products, because of the brand name. BE refers to the added value provided by the brand name to the product. The direct measurement of BE aims to measure this added value, by comparing similar products with similar attributes, one has a brand name and the other does not (Park & Srinivasan, 1994). The difference between the branded and the unbranded products is the brand equity. One of the classical examples is in the test where respondents participate in the blind tasting of brand beer. In the test, the respondents, who are regular beer drinkers, were unable to identify their favourite brands during the blind test (Allison & Uhl, 1964). The only assessable product attribute was the taste. When the actual brand name was revealed, it significantly changed the drinker's perception. Similarly, this approach has been applied to different brands with almost identical attributes. The difference in consumer response is a result of the influence of the brand, and the marketing activities of the brand. The direct approach attempts to measure the impact of BE on these aspects (Keller, 1993).

The impracticalities in the direct approach have been overcome by adoption of the scale measurement, developed by Yoo & Donthu (2001). They developed an overall CBBE construct, recognised as Overall Brand Equity (OBE). OBE measures consumer preference by direct comparison between their favourite brands and other brands. It is a one-dimensional construct developed to check the convergent validity of multidimensional brand equity (MBE). The MBE adopted from Aaker (1991) comprises brand loyalty, perceived quality and brand awareness/association (Yoo & Donthu, 2001).

There are two considerations regarding the development of the OBE construct, aligned with the definition of CBBE. Firstly, it compares a branded product with its unbranded counterpart. Secondly, it emphasises the similarities of each feature of branded and unbranded products. The difference rests only in the brand name, which is one of the values which drive the consumer's selection. The difference in choice is then evaluated by measuring the intention to buy, or consumer preferences (Yoo et al., 2000). One of the exhibited preferences is purchase intention, with which OBE demonstrates a high association (Washburn & Plank, 2002).

This scale is acknowledged for its advantages, such as short and direct outcome focus, in measuring CBBE (Zarantonello & Schmitt, 2013). However, it should be used with caution due to residual problems. It is advisable to have up to five items on the scale and consider the

5-7 points of response, enabling the achievement of a more consistent pattern (Washburn & Plank, 2002); which has been accommodated in this study.

2.7.2.2. *The Indirect measurement approach*

The indirect approach offers a more holistic way to view BE, compared to the direct approach (Christodoulides & De Chernatony, 2010). It determines BE from demonstrable manifestations such as the dimensions of CBBE (Pappu, Quester, & Cooksey, 2005; Yoo & Donthu, 2001). In other words, it assesses brand knowledge: brand awareness and brand image, as the potential source of BE (Keller, 1993). The concept of "brand knowledge" was structured using the "laddering" approach of a CBBE triangle (Keller, 2013). Hence, brand knowledge refers to the measurement of each dimension in the CBBE triangle: brand awareness, brand meaning, brand response and brand relationship (Keller, 2013). As a ladder, the earlier stage should provide a foundation for the next stage following the model of hierarchy of effect (Lavidge & Steiner, 1961). Hence, brand awareness serves as a foundation for brand meaning, which is then a base for brand response, ultimately followed by brand loyalty.

Currently, various scales of measurement are available using both the indirect approach (Keller, 1993; Kim, 2012; Yasin, Noor, & Mohamad, 2007; Yoo & Donthu, 2001) The scale from Yoo & Donthu (2001) has been acknowledged as one of scales which has the most strength and the least weaknesses (Christodoulides & De Chernatony, 2010) in comparison to other scales. It is also recognized as the first study to develop a multidimensional scale and assess its psychometric properties (Pappu et al., 2005).

2.8. Summarizing the literature and filling the gap

Brand equity recognize the importance because measuring the strength of the brand (Aaker, 1991; Farquhar, 1989; Keller, 1993; Lassar, Mittal, & Sharma, 1995). It affects to various consumer products and segment. Particularly for luxury brands, the aspects of high quality and premium prices serve as an ideal conditions to apply the branding theory (Kapferer, 1998; Keller, 2009). Hence, knowledge of brand equity in the luxury segment should be examined.

In current literature, consumer values around luxury relate to luxury perception (Shukla, 2012; Wiedmann et al., 2007) and purchase intention (Vijaranakorn & Shannon, 2017). Values serve as an important aspect in the life of an individual. Consumers' values are those values which generally motivate action and provide emotional intensity, as well being used to judge specific behaviour (Franzen & Moriarty, 2015). Within the context of consumption and brands, values represent the meaning of consumer behaviour (Kahle & Kennedy, 1988). The theory of Consumption Value (TCV) was originally presented in 1991, has been tested in more than 200 applications since and has exhibited worthwhile and valid results (Sheth et al., 1991). TCV is recognised as one of the broader theoretical frameworks around consumers' perceived values, compared to previous studies that have been conducted (Sánchez-Fernández & Iniesta-Bonillo, 2007; Sweeney & Soutar, 2001). The choices of consumers are influenced by five values, namely functional, social, emotional, epistemic and conditional values (Sheth et al., 1991). TCV provides a multi-dimensional framework in which to understand consumers' consumption values in a comprehensive and structured manner.

Within the context of luxury, some studies have introduced consumer values that motivate luxury consumption using various approaches (Dubois & Paternault, 1997; Eastman et al., 1999; Le Monkhouse et al., 2012; Leibenstein, 1950; Mason, 1992; Shukla, 2011; Veblen, 1899; Vigneron & Johnson, 1999, 2004; Wiedmann et al., 2007; Wong & Ahuvia, 1998). One comprehensive model, called the multidimensional model of luxury values perception (MMLV), looks at consumer perceptions of luxury values. It proposes financial, functional, personal and social values serving as the four latent dimensions of luxury values. This format extends the model introduced by Vigneron and Johnson (1999), which, at that time, introduced a balance between personal and interpersonal aspects. The model serves as a foundation to further identify and segment luxury consumers across different cultures (Wiedmann et al., 2007). Consumers learn about brands from various sources of information, and from their own or others' experiences, and they merge this learning with their values.

Apart from consumer values, country image (CI) is recognized as of one the important features of the brands that affect consumers' perception of luxury. CI refers to the image association between brands and the country the brand purports to be from or associated with (Pappu et al., 2007; Thakor & Katsanis, 1997). The innovativeness, prestige and workmanship image of a country affects the assessment of a product that is named as being from particular country (Roth & Romeo, 1992). This also applies to uniform judgements made on similar product categories from the same country, developed based on the CI (Pappu et al., 2007). CI also serves as a secondary association with the brand (D. Aaker, 1991; Keller, 1993; Pappu et al., 2006). The impact of CI on luxury products is the highest, compared to convenience and shopping goods (Aiello et al., 2009), as CI can evoke an image of expensiveness and good quality (Khan et al., 2012). CI has been proven to affect brand equity and its dimensions (Hamzaoui Essoussi & Merunka, 2007; Jung Jung et al., 2014; Pappu et al., 2006).

Brand equity is recognized as a result of the differential effect on consumer responses coming from brand knowledge (Keller, 1993). BE is viewed from the consumer's psychological and cognitive-based perspective (Christodoulides & De Chernatony, 2010). One of the inducement factors used to influence consumers' perception and behaviour is the examination and use of their values (Franzen & Moriarty, 2015). This study focuses on the emerging middle-class, who are experiencing changes in their lifestyle and starting to embrace luxury. The middle-class originally came from the same, or lower classes. Their values come from their original class and blend with their current life which is economically escalating. The change in their upward mobility transforms their levels of consumption habits and stimulates them to consume luxury lifestyle brands. They bring their past cultural traits and values, combined with new knowledge, to construct their perceptions of luxury brands.

The relationship between consumer values, country image and brand equity is rarely explored. In particular, within the context of middle-class consumers. The association between their values and luxury brand equity is worthy of investigation. Recent studies have attempted to fill the gap by exploring the relationship between middle-class consumer values and luxury brand equity.

2.9. Concluding comments

This chapter describes the literature relevant to this study. It explained the associated terminologies and constructs, along with providing the theoretical background. Consumers' values and country image are important aspects influence consumers perception of luxury brands. However, their relationship is rarely investigate. The gap to be filled by exploration of the relationship between consumers’ values and country image with brand equity.

CHAPTER 3. Research Methodology

3.1. Introduction

This chapter provides an explanation of the methodology used to address the research questions. This chapter starts by specifying the research objectives and research questions. It is followed by a description of the research methodology, which comprises the research philosophy, research approaches, research choices and research design. Details of phase 1 and 2 of the research design are elaborated on afterward, by describing the background theory and the rationale behind the selection of each aspects.

3.2. Research Objectives (RO) and Research Questions (RQ)

Based on the aims of this study and the gaps identified in the literatures, the specific research objectives have been developed. As stated in Chapter 1, the research objective aims to **explore the influence of consumption values and country image perception of Indonesian middle-class women toward brand equity of luxury brands.** The exploration started by developing and testing the preliminary research model, followed by the exploration of the results.

Previous research includes the multidimensional model of luxury values perception (MMLV), which represents the comprehensive relationship of consumer values and luxury values perception and has been tested in diverse cultures (Wiedmann et al., 2007, 2009). This model has been adopted and extended by combining with the variable of country image (CI), and adjusted to reflect Indonesian consumers' characteristics. This forms the basis of the preliminary research model: to examine the relationship of consumers' values and country image with luxury brand equity.

Therefore, more specific research objectives (RO) and research question (RQ) are:

RO1. To test the preliminary research model on Indonesian middle-class women.

RQ1. How does the preliminary research model explain the relationship between consumption values and country image perception of Indonesian middle-class women with brand equity of luxury brands?

RO2. To explore the thoughts underlying the values of Indonesian middle-class women.

RQ2. How and why do Indonesian middle-class women exhibit the consumption values and country image perception predicted in the preliminary model?

3.3. Research Philosophy: Pragmatics. Direction of the study driven by research question.

A Research philosophy makes important assumptions about individual perspectives about how the world is seen. The philosophy adopted is mostly based on a specific view of relationship of our knowledge and the process by which is developed. It implies that there are different strategies and methods by which we decide what is important and what is useful (Saunders, Lewis, & Thornhill, 2009). Some common research philosophies are presented in Table 3.1.

Table 3.1. Summary of research philosophies (Saunders, et al., 2009; Jennings, 2010)

Research Philosophies	Positivism	Realism	Interpretivism	Pragmatism
The ways of thinking				
Ontology: the nature of reality. It consists the aspect of objectivism and subjectivism.	Objective, external and independent of social actors	Objective, realist but critical realist (the interpretation through social conditioning	Subjective, multiple, socially constructed, may change.	External, multiple, select the perspective to the best answering the research question.
Epistemology: the view on what constitutes acceptable knowledge.	Focus on the law and causality, reduce the interpretation of phenomena, only the observable	Focus on explaining within the contexts, observable phenomena deliver credible data.	Focus on the details of situation and the reality underneath these details. Interpret social phenomena and	Focus on the practical research and integrating different perspectives to help data interpretation.

Research Philosophies / The ways of thinking	Positivism	Realism	Interpretivism	Pragmatism
	ones able to provide credible data.		subjective meanings.	Observable phenomena or subjective meanings or both able to deliver knowledge, depend on the research question.

This research adopts a pragmatic philosophy. The pragmatic viewpoint highlights the importance of the research questions that determine the direction of this study (Saunders et al., 2009). Teddlie & Tashakkori (2003) argue for the attractiveness of pragmatism because it allows the researcher to focus on the subject of interest which s/he values, conduct the study appropriately, and optimize the result as required in his/her own value system. It goes beyond pointless argument about the concepts of truth and reality.

3.4. Research Approaches: Deductive and Inductive

Based on selected research philosophy, research approach then employed. Research approach consists of inductive and deductive (Saunders et al., 2009). The choice of research approach is considered important because it will lead to an overall consideration of: what, where and why the data should be gathered. It also impacts the selection of appropriate research strategies and the research design that will best accommodate any possible constraints (Easterby-Smith, Thorpe, & Lowe, 1991). In the deductive approach, hypotheses are developed based on available theory, and are then tested to validate that theory. It is characterized by the need to explain the causal relationship between variables, and this type of research is mainly conducted via a quantitative study. On the other hand, the inductive approach entails to understand better the phenomena, enable to see nature of the problem in the more comprehend way. It applies as well to the development of theory, based on the analysis of collected data. Inductive research is generally conducted through a qualitative study (Saunders et al., 2009).

This study adopts both approaches, considering the ROs and RQs as specified earlier. The deductive approach is adopted for RO1, as the research focuses on testing the preliminary research model and examining the theory regarding the attitudes of middle-class women in Indonesia towards luxury brand equity. Because an existing theory is being tested, the deductive approach is appropriate for this research. The inductive approach is implemented for RO2, which aims to explore and explain the outcomes of testing the preliminary model. Both approaches will be used to enable a better understanding of the attitudes and values of middle-class women in Indonesia.

3.5. Research Strategies and Choices: Mixed Methods.

The next step is selection of research strategy. Research strategy comprises of experiment, survey, case study, action research, grounded theory, ethnography, and archival research (Saunders, et al., 2009). Among these strategies, there is no superior one over another. Research objective, philosophical underpinning and available resources are some consideration to choose a strategy. Case study is employed in this study, refer to the objective of exploration and the ability to answer the questions of why, what and how (Saunders, et al. 2009); which relevant with this study. It will use triangulation, the use of multiple techniques of data collection enable to ensure its meaning (Saunders, et al. 2009).

In particular, research choice of mixed methods to be implemented because combine quantitative and qualitative strands into a single study, rather than using exclusively one strand (Guba & Lincoln, 1981; Teddlie & Tashakkori, 2003). The aim is to combine different, but complementary data on the same subject (Morse, 1991), enabling a better understanding of the research problem. It is also used when the researcher needs to explain the initial results of a study, since the data from one source of study may be insufficient and study results can be confirmed or strengthened by the results of a second study (Creswell, Klassen, Plano Clark, & Smith, 2011). The mixed-methods approach reduces the dependence on statistical analysis to explain a phenomenon, and allows subjective judgement, which is more appropriate given the nature of social sciences. Each method has its advantages and disadvantages, but the use of both approaches offsets the shortcomings of using one only, and helps to obtain a more comprehensive measurement (Jogulu & Pansiri, 2011).

There are six (6) strategies of mixed-methods based on timing, weight, mixing and theorizing. They are: sequential explanatory, sequential exploratory, sequential transformative, concurrent triangulation design, concurrent embedded design, and concurrent transformative design, as shown in Figures 3.1. and 3.2. (Creswell, 2009).

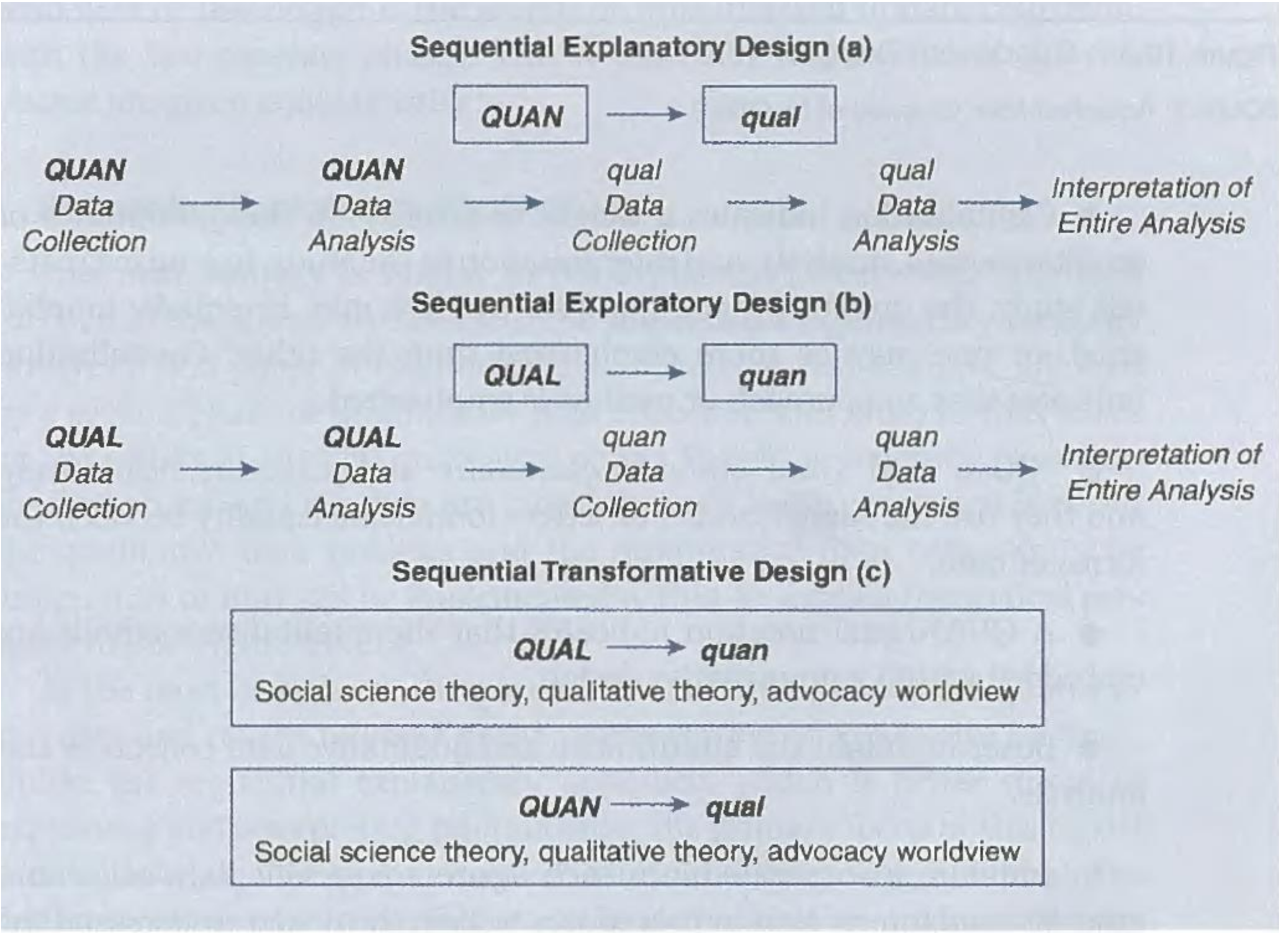


Figure 3.1. The Mixed Methods designs (Creswell, 2009)

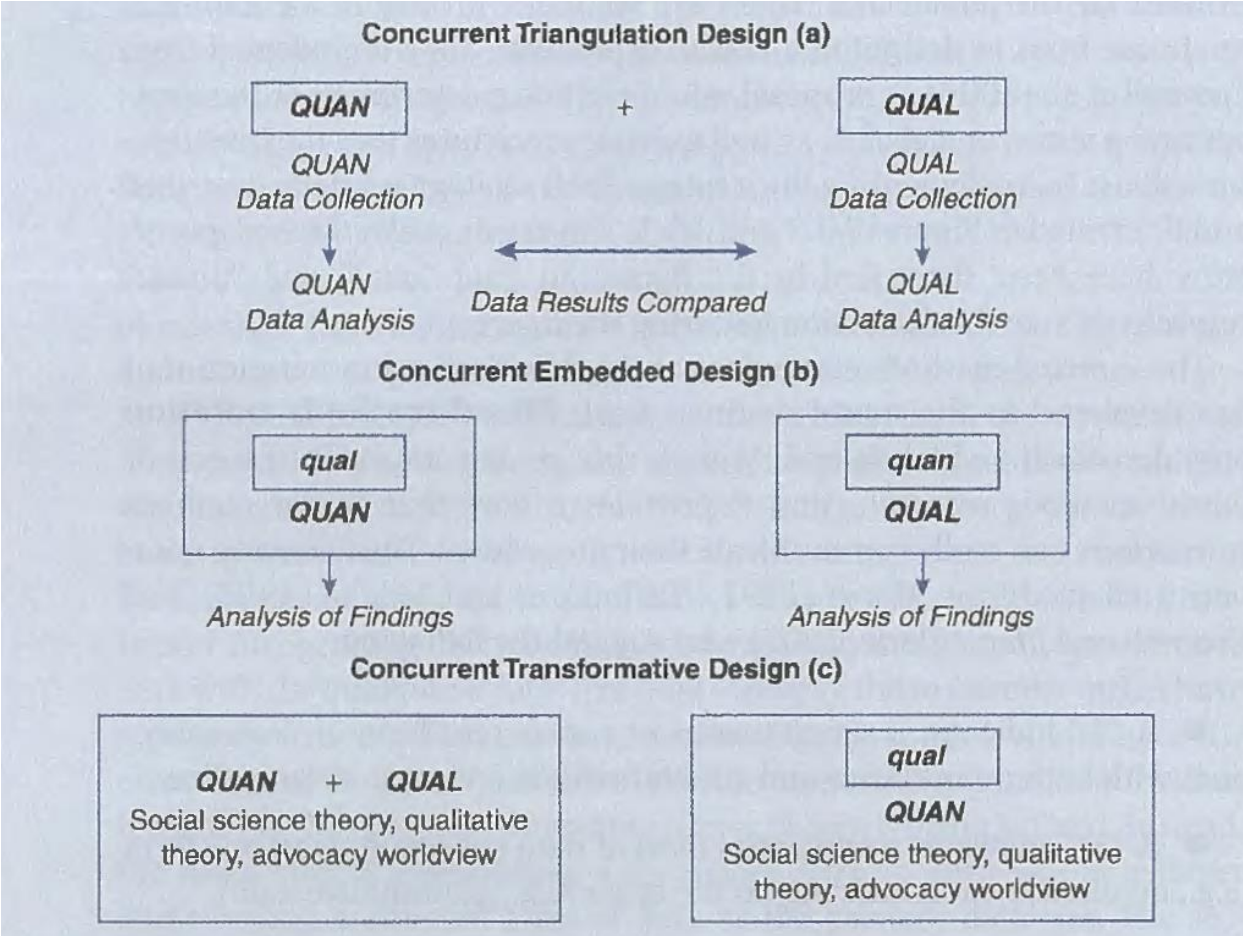


Figure 3.2. The Mixed Methods (2) (Creswell, 2009)

The mixed-methods approach is used for this study because it is the most appropriate means of achieving the research objective. Specifically, the mixed-methods sequential explanatory design (Figure 3.1) was selected, because it will explain and confirm the initial result obtained from the quantitative study. The qualitative study will enable a more comprehensive exploration of the attitudes of middle-class women in Indonesia, which cannot be done by using only a quantitative study. Moreover, the last research question may lead to the development of a new research model, which is more suitable for Indonesian middle-class women.

Qualitative research is also useful in the case where the quantitative study yields unexpected results (Morse, 1991). The advantage of this design is that it is straightforward and easy to implement. Because mixed-methods research is conducted at different stages, it is easy to report as well. However, one disadvantage is that it requires more time in contrast to concurrent design (Creswell, 2007). However, the outcome is more comprehensive and results are more robust, which outweighs the all the practicality issues (De Chernatony, Drury, & Segal-Horn, 2005).

The sampling techniques for quantitative and qualitative strands are different. In the sequential mixed-methods approach selected for this research, the quantitative result will influence the qualitative sample. The sample used for the qualitative study is a sub-sample obtained from the quantitative study (Teddlie & Yu, 2007). Hence, the qualitative phase uses a smaller number of participants recruited from the larger sample used for the first phase.

3.6. Research Design: three phases with integrated roles

Research design refers to a general plan on how the study will be conducted to answer the RQ. Commonly consists of the RO, specify the data sources and anticipation of possible constrain (Saunders et al., 2009). RO have been described in section 3.2. This study is an attempt to understand the values of Indonesian middle-class women toward brand equity of luxury handbags. The exploration of consumers' feelings and thinking will be a useful means of understanding their behaviour. One of the challenges will be the recruitment of enough participants to constitute an adequate sample. An effective strategy is required whereby middle-class women who meet certain criteria can be recruited; moreover, they need to be willing to dedicate their time to complete the questionnaire and be interviewed.

Because the explanatory sequential mixed-methods approach is adopted, this research will be conducted in three phases. Figure 3.3. shows the three research phases. The light blue colour indicates the roles of each phase:

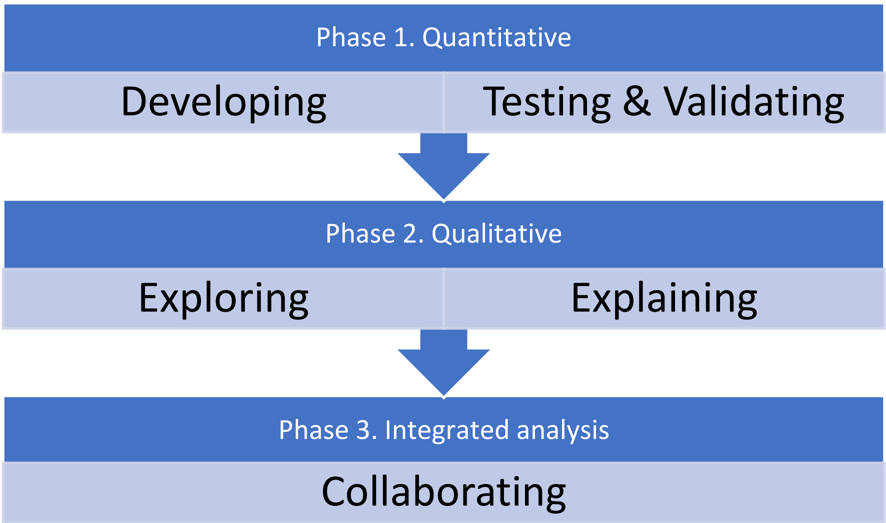


Figure 3.3. The Research Phases

Phase 1. Quantitative study

The purposes of phase 1 are to develop, test and validate the preliminary research model. The development of preliminary research model is discussed in Chapter 4. To obtain some idea of the current attitudes towards luxury handbags, and in order to refine the initial research model that is based on the literature, the researcher followed several online forums comprising users of luxury handbags, and joined online groups in Facebook. The researcher gathered information on the behaviours and attitudes of luxury handbag users, as well as current trends and users' concerns. No in-depth analysis is conducted. Rather, the researcher was interested in getting a "feel" for the subject and for the attitude that women have toward luxury handbags.

The model is a modification drawn from several theories and studies within different contexts. It has not been tested on a sample of Indonesian middle-class women. The result obtained from phase 1 is important to validate the applicability of the initial research model within the chosen context.

Phase 2. Qualitative study

The first purpose of phase 2 is to explore the results yielded by phase 1 regarding the attitudes and values of respondents. It aims to determine why consumers hold the attitudes emerging from the questionnaire, and seeks to explain issues beyond those covered by the questionnaire. As Owen (2002) argued, a qualitative study is a helpful tool for learning about a brand, for several reasons: When someone is talking about a brand, there are problems such as withheld, unconsciousness, taken-for granted, hermeneutic problem of meaning and prediction. These can all be revealed using qualitative techniques.

Apart from explaining the findings from phase 1, phase 2 can also identify other factors that may possibly influence brand equity. These factors would not have been included in the preliminary model developed in this research. These additional very specific factors may also be of concern to respondents and can only emerge during the interviews.

Phase 3. Integrated analysis

The results from phase 1 and 2 are related to each other and Phase 3 seeks to combine these. This phase is intended to produce a comprehensive analysis as it includes the analysis of results from phases 1 and 2 in order to achieve the research objectives.

3.7. Phase 1. Quantitative study

3.7.1. Data source and sampling justification

The target population of this study is middle-class Indonesian women who are users of luxury brand handbags. The chosen sample needs to be representative of the selected target. Sampling technique divided into the probability and non-probability. Probability sampling refer to *the probability of each case being selected from the population is known and is usually equal for all cases* (Saunders, et al., 2009 p.213) which is possible to develop a statistical inferences about the characteristics of the population. Probability sample commonly used in quantitative study. It consists of five main techniques namely simple random, stratified random, systematic, cluster and multi-stage (Saunders, et al., 2009). The selection of which techniques to be used, again, depends on the research objective and research questions. Context of this study is addressing the Indonesian middle-class women, who are the user of luxury handbags and active in online channel/internet. This type of consumers can be clustered into the user of luxury handbags' website and Facebook group. Hence, this study adopts the cluster sampling.

The sample size depends on several factors, such as the confidence level of obtaining the data, margin of error, minimum requirement for analysis, as well as the size of population which the sample is representing (Saunders et al., 2009). All these factors were taken into consideration. The minimum number also needs to take into account the analysis method, since variance-based structural equation modelling was used for the analysis (Hair, Black, Babin, & Anderson, 2014), and requires certain minimum numbers to be valid.

3.7.2. Virtual Community

The sample frame consists of the community of luxury brand users that also use online community sites. It is quite common for these consumers to be active members of several online shops or web shops. They are treated as a sample frame in a similar fashion as shoppers in a mall-intercept survey. They are just like consumers who shop in or visit malls and complete a questionnaire. In this case, the mall is a virtual one.

This sample was chosen from members of a virtual community, which is defined as a group of people trying to achieve certain purposes, with a similar interest, interested in relationship building, transaction, and fantasy under certain rules by using new information technology as their means of interaction (Kim, Lee, & Hiemstra, 2004). Despite global e-commerce luxury contributing only 4% to overall global sales, the additional 40% influenced by digital experienced of consumers such as online "window shopping" to search the products or "buzzer" in social media (Sprague et al., 2014). Hence, online shoppers are very important.

For business owners, the virtual community has several advantages. It can establish consumer relationships, contribute to consumer sales and loyalty (Kim et al., 2004), enhance existing products and create a new type of service in the tourism sector (Wang et al., 2002). In social science research, it has also become an alternative channel for the distribution of questionnaires and information (Chalkiti & Sigala, 2008; Kim et al., 2004). The web-based survey has the advantages of efficiency, convenience and cost saving, although there are several issues related to this methodology such as the nature of the sample and response rate (Duffy, 2002). In addition, there are still limited studies available using this type of approach (Petrovčič, Petrič, & Manfreda, 2016).

It is quite common for Indonesian consumers to buy luxury handbags from online shops. The online shops are usually owned by an individual or by a small enterprise and are not the official websites of specific brands. They sell various luxury items such as handbags, watches and eyeglasses, manufactured by prestigious brands. They sell in the format of website such as Banananina, Huntstreet and Reebonz; and on common social media platforms, such as Facebook and Instagram. Usually, the latter are smaller businesses compared to the website, owned by individuals and selling one specific brand.

These online shops, run by individuals or small businesses, take advantage of the high tax on luxury products in Indonesia, which creates a significant price gap between the same products in Indonesia compared to abroad. Additionally, overseas outlets often have off-season discounts. The online retailers are therefore able to buy overseas and to sell the product within Indonesia for a substantial profit whilst still undercutting the official luxury good outlets. This is one of the major reasons for the establishment of many online shops for luxury handbags.

3.7.3. Online survey: the most suitable strategy to reach intended respondents

Survey is a common strategy of the deductive approach, as well in the exploratory and descriptive research. It is frequently used to answer questions of who, what, where, how many and how much. And, high popular because recognize as an effective and economical way of collecting data from very large samples (Saunders et al., 2009). It is considered to be an accurate tool for gathering and assessing information about the sample, and it allows the findings to be generalized from a population sample (Creswell & Creswell, 2017). Moreover, the survey is a suitable instrument when seeking respondents' thoughts, opinion and feelings (Shaughnessy & Zechmeister, 1997), in addition to motives, attitudes and beliefs (Burns, Bush, & Sinha, 2000). All of which are of interest in this research.

The online survey is more economical because, although the researcher resides in Australia, responses can be gathered from hundreds of women residing in Indonesia. It is also less expensive than mailed surveys, although the development of a web-based survey may incur initial set-up costs (Granello & Wheaton, 2004). In this case, the online survey was prepared and distributed at no cost to the researcher. Another advantage of an online survey is the ease of data entry because of the flexibility afforded by the electronic format, especially compared to paper and pen; furthermore, the researcher can develop a format with eye-catching graphics to attract respondents (Granello & Wheaton, 2004). It is also advantageous in terms of accuracy and speed of data entry. When respondents fill out the questionnaire, their responses are recorded instantly and can be accessed immediately after submission (Topp & Pawloski, 2002). Apart from the other advantages of online surveys as mentioned above, the questionnaire can be completed by participants from anywhere and at any time.

There are several disadvantages of an online survey. It may have a low response rate, in comparison to a mailed survey. There are several ways to avoid this: sending several email reminders, providing information on how much time will be required to fill in the questionnaire, and not having open-ended questions at the beginning of the survey (Granello & Wheaton, 2004). The availability of hardware and internet access also can be challenging, especially for potential respondents who are not familiar with internet. In the case of this research, all respondents are members of online shops; hence, they are familiar with online access. It is also important to ensure that those people completing the questionnaire are really who they say they are (Topp & Pawloski, 2002). This has been addressed because the online shops are applying exclusive membership. All the members have to be approved by the administration, and it is anticipated that the person who belongs to such groups has a genuine interest in luxury handbags. The same applies to the website: those who receive emails from this organization are members.

Several things must be considered when developing an online survey. Firstly, the population to be measured must be determined, and whether they all have the same access to the internet. Hence, the questionnaire link was provided to the virtual community since it is likely that all the members have similar access to the internet. The next consideration is the layout to ensure that it is suitable for an online format, and is readable, simple and consistent throughout. Before the respondents complete the questionnaire, they are provided with the researchers' contact details and asked for their informed consent. Other technical aspects involve transferring what is needed to the computer, practice in entering data, setting up a schedule for when to send the first questionnaire link then the reminders, and when to download the data (frequently) to anticipate hackers or other technical problems (Granello & Wheaton, 2004).

3.7.4. Designing questionnaire and pilot study

As respondents may not have the time or patience to answer survey questions, it is important that questions be presented in the “right” way. The questions should be easy to read, simple and straightforward (Frazer & Lawley, 2000). For the questionnaire developed for this research, careful attention was given to correct wording and sequence. Question length was limited to 20 words per question (Oppenheim, 2000) and did not exceed 12 pages (Frazer & Lawley, 2000). The relative less important questions were placed at the end of survey in anticipation that respondents’ concentration would be less after they had answered many questions in the first few pages (Alreck & Settle, 2003).

A pilot study is conducted in order to receive feedback that leads to a refinement of the draft of the questionnaire prior to its distribution to the respondents. There are some fundamental issues in the pilot test. The first is on which items to focus the questions. This applies to all questions overall, as well as to specific questions that require special attention. Because participants indicate their responses on a scale, the pilot test will indicate whether or not they have understood the question as intended. This is related to deliverables, such as layout and wording, rather than content. Another consideration is that, apart from the questionnaire format, pilot tests can be conducted face-to-face or via telephone interviews, and can also be self-administered. The final consideration concerns the size of the sample as this needs to be adequate (Hunt, Sparkman Jr, & Wilcox, 1982).

Participants in the pilot study should be as similar to, or typical or representative of the expected profile of respondents in the main survey (Hunt et al., 1982). Others argue for heterogeneous and the most extreme kind of samples. The purpose is of the pilot study is to ascertain whether the respondents are “typical” of the sample targeting the wider population, in which case, the latter will be able to understand the questionnaire (Brown & Beik, 1969). The first approach is taken for this research in order to obtain feedback indicating how the participants in the main survey will read and understand the questionnaire.

3.7.5. Data analysis: Structural Equation Modelling (SEM)

The analysis of phase 1 uses structural equation modelling (SEM). SEM is a statistical analysis that takes a confirmatory approach to the analysis of a structural theory associated with the same phenomena. SEM is part of the multivariate analysis technique, aiming to describe the relationship among multiple variables by assessing the structure of interrelationships expressed in a series of equations (Hair et al., 2014).

SEM involves the simultaneous evaluation of multiple variables and their relationships (Hair et al., 2014). It is a unique technique, comprise two common multivariate analysis methods namely confirmatory factor analysis (CFA) and multiple regression analysis. Anderson and Gerbing (1988) introduced the two-step approach of SEM. The first step tests the model fit and the construct validity of the proposed model by applying CFA. This process is a measurement assessment. The second analysis is conducted to test the structural model, and is a similar technique as that for multiple regression. This is known as structural assessment.

A. *The benefit of SEM*

SEM used to be known as second-generation analysis, different from the first-generation such as analysis of variance (ANOVA), multiple regression or exploratory factor analysis. The latter offer more specific analysis while SEM can be used for any type of analysis.

SEM has several advantages over first-generation analysis. First, it is a confirmatory rather than exploratory approach. It allows analysis of data for inferential proposes, rather than the nature of descriptive or exploratory such as in the firs-generation analysis. Second, it can incorporate types of errors within and estimate them within analysis. It is important to minimize bias, for instance, that may occur in the coefficient in the multiple regression analysis (Byrne, 2009). The other important aspect is the ability to assess mediation in the more straight-forward approach, providing in-depth and broader ways to measure the construct validity and correction in the systematic bias during hypotheses testing (Bagozzi & Yi, 2012). SEM is also able to examine latent constructs, i.e. unobservable constructs which can be measured by observing some variables as predictions of that construct (Byrne, 2009). For instance, a stress level construct cannot be measured directly. Instead, it can be inferred from some indicators such as rapid heartbeat, most frequent headache, and perspiration.

Moreover, SEM offers many other benefits, a few of which are: it is useful for a wide range of subject such as survey and experimental research, longitudinal and cross-sectional studies, cultural contexts etc; it has an integrative function; it offers more precise hypotheses testing and operationalization of each construct; it is useful in both exploratory and confirmatory research (Bagozzi & Yi, 2012).

There are two types of SEM: covariance-based SEM (CB SEM) and partial least square SEM (PLS SEM). The difference between these two is presented in table 3.2. (Hair, Ringle, & Sarstedt, 2011; Hair, Sarstedt, Ringle, & Mena, 2012).

Table 3.2. The difference of CB and PLS SEM (Hair et al., 2011; Hair et al., 2012)

Subject	CB SEM	PLS SEM
Procedure	Maximum likelihood	Partial least square
Goal	Minimize the difference between observed and estimated covariance matrices	Maximizing explained variance of the endogenous constructs
Suitability	Confirmatory factor analysis	Exploratory to finding and evaluating causal relationships

Therefore, the CB SEM analysis is appropriate for the purposes of this research.

The main limitation of CB SEM is that it requires a large sample size because it entails 5-10 observations per indicator. Also, the data need to be normally distributed, which is not often the case in marketing studies. Furthermore, in order to achieve model fit in CFA, some items within a construct may need to be eliminated, making it sometimes difficult to retain a minimum of three items per construct as recommended (Hair et al., 2010). All these issues were taken into consideration, and are included in the section dealing with data collection and analysis.

It is advisable to use a minimum of three indicators per construct (Bagozzi & Yi, 2012; Hair et al., 2010). However, number of indicators should consider the complexity on the questionnaires to be completed by respondents, and compared to the first-generation that usually requires a single indicator, more than one indicators in SEM consider as an advantage (Bagozzi & Yi, 2012).

B. The stage of analyses

SEM offers thorough analysis, using several stages as in Figure 3.4.

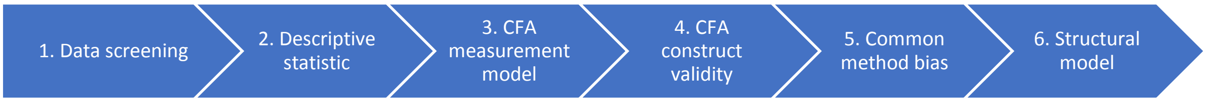


Figure 3.4. The stages of quantitative analysis

The Statistical Package for Social Science (SPSS) version 24 was used for descriptive statistics, data screening and common method bias analysis.

Analysis of Moment Structure (AMOS) version 24 was used for SEM analysis to test the measurement model and the structural model.

1. Data screening

This is the initial step before conducting the analysis. The screening cleans the data to ensure that it will be usable, reliable and valid for further analysis. Any outliers and normality issues are checked.

Outliers refer to the unique combination of characteristics of data that are identifiable as distinctly different from the others (Hair et al., 2014). This is important to consider because it will affect the data normality and induce data distortion. For this study, box-plots are used to assess the outliers (Hair et al., 2014).

Normality is one of the assumptions for using SEM (Hair et al., 2010). Hence, it is important to screen the data to ensure normality before proceeding further. This is done to ascertain the skewness and kurtosis to ensure the univariate normality for each item. The values of skewness <2 and kurtosis <7 demonstrate acceptable normality (Curran, West, & Finch, 1996; Kline, 2005).

2. Descriptive statistics

Descriptive statistics are used to describe and give an overview of the data. The demographic data is included in this part.

3. CFA Measurement model

After the data have been screened, they are ready to be processed. Measurement assessment evaluates the contribution of each indicator variable representing its associated construct, and measures how well the combined set of indicator variables represents the construct in terms of reliability and validity. It specifies the rules of correspondence between measured and latent variables or so called constructs, enabling any number of variables to be used for single dependent or independent constructs (Hair, Black, Babin, & Anderson, 2010). The final model, usually called the measurement model (MM), was developed from this phase. The measurement model indicates the validity of the research model.

SEM analysis continued by conducted CFA measurement model, as the first step. CFA, along with exploratory factor analysis (EFA) are factor analysis procedures used to measure the relationship between observed and unobserved variables. In CFA, the researcher has supporting theory that allows him/her to postulate the relationship between observed variables and specific unobserved variables. Then CFA will evaluate whether it is confirmed or rejected. It defines the relationship between observed and latent or unobserved variables, as well as covariance among latent constructs (Byrne, 2009). The final outcome will be the measurement model, which is required before assessing the structural model (Kline, 2005). CFA will specify and fit the sample data by obtaining parameter estimates of a measurement model. The measurement model specifies the rules of correspondence between measured variables and constructs. It assesses the model whether specified correctly and fit the data (Anderson & Gerbing, 1988).

In general, the measurement model in SEM illustrated in the figure 3.5. SEM recognize variables of exogenous and endogenous, in which exogenous similar to independent variables and endogenous refer to dependent variables (Hair et al, 2010). The exogenous and endogenous variables are represented by oval shape. The observed variables or items forming exogenous and endogenous variables represented by the block shape. The circle denotes error variance for each of the items. There is a single headed arrow linking the error variance to the items, and from items to the exogenous and endogenous variables. The two- headed arrows connect each of exogenous and endogenous variables (Hair et al., 2010).

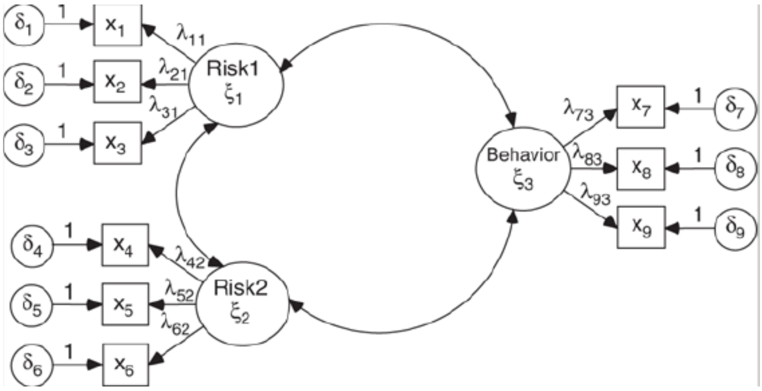


Figure 3.5. Illustration of a measurement model (Bowen & Guo, 2011)

When the measurement model is specified, the fundamental question is whether the model is valid. According to Hair et al. (2014), two steps are taken to answer this question: determining the goodness of fit (GOF) indices level and construct validity. GOF indicates how well the specified model reproduces the observed covariance matrix among the indicator items. In a simple term, it refers to the "fit" between the theoretical model and the data collected from the survey. The acceptable level of GOF refers to the achievement of various levels of GOF indices. It is recommended that 3 (three) GOF indices be used:

- Absolute fit indices: used to determine if a proposed model possesses superior fit to the sample data from which it is derived (Hu & Bentler, 1998). The commonly-used indices are:
    - Normed Chi-square goal Chi-square ($\chi 2/df$)≤3
    - Goodness of fit (GFI) > 0.95
    - Adjusted Goodness of fit (AGFI) > 0.95
    - Standardize Root Mean Residual (SRMR) < 0.08
- Incremental fit indices: Operate on the null hypothesis that all variables are uncorrelated, comparing the chi-square value to a baseline model (Hair et al., 2014). The commonly-used indices are:
    - Tucker-Lewis Index (TLI) > 0.95
    - Comparative Fit Index (CFI) > 0.95
- Parsimonious fit indices: Impose a penalty for poor model parsimony (those that are overly-complex or inefficient). The commonly-used indices are: 0.03< RMSEA < 0.08 (Hair et al., 2014).

Once the model meets the recommended GOF indices, it is called model fit. This model fit ensure the 1st stage of model validity. In order to achieve the expected model fit, model re-specification of preliminary model was conducted. The important aspect for re-specification rests on the foundation of theory and content of the model, rather than merely on statistical purposed (Anderson & Gerbing, 1988).

4. CFA construct validity

The construct validity is *representing the correspondence between a construct conceptual definition of a variable and the operational procedure to measure or manipulate that construct* (Schwab, 1980). It refers to the extent to which the indicators within the constructs are measuring what they are intended to measure. They have measurement of composite reliability, discriminant validity and convergent validity (O"Leary-Kelly & J. Vokurka, 1998). All latent variables also covary mutually, allowing the assessment of discriminant and convergence validity in and between constructs (Hair et al., 2014).

Reliability is the consistency of measurement (Bollen, 1989). Composite reliability (CR) *examines the extent to which sets of indicators of a latent construct share in the measurement of the construct*. Usually, Cronbach alpha is used as indicator of reliability, however it does not provide a factoring out error and individual reliability is relatively low at all times. Hence, it is preferable to use CR for SEM analysis (Bagozzi & Yi, 2012).

The CR formula is:

$$CR = \frac{(\sum \lambda_i)^2}{(\sum \lambda_i)^2 + (\sum \epsilon_i)}$$

CR= composite reliability

λ_i = standardize loadings

ε_i = error variance

The indication of strong reliability is for CR > 0.7 (Fornell & Larcker, 1981). However, Bagozzi & Yi (2012) argued that within SEM itself, reliability usually refers to squared multiple correlations. They advise that reliability is not to be applied rigidly; instead, the focus should be more on goodness of fit and hypotheses testing.

Quite simply, the convergent and discriminant validities are measuring the validity within and among the constructs. Convergent validity relates *to the degree to which multiple methods of measuring a variable provide the same results* (Campbell & Fiske, 1959; O"Leary-Kelly & Vokurka, 1998). It indicates that multiple indicators within one construct are highly correlated and relatively correlated in uniform sense to support one factor, i.e. the respective construct. They seem to "hang on" together within a construct.

However, the indicator should be distinctive enough from other indicators within other constructs. The latter refers to discriminant validity: *the degree to which measures of different latent variables are unique* (Campbell & Fiske, 1959; O"Leary-Kelly & Vokurka, 1998).

The convergent validity is determined by the result of the measurement model. According to Hair (1998), all factor loadings are statistically significant when the standardized loading estimate is > 0.7. Another criterion to ensure convergent validity by measure average variance extracted (AVE). AVE refer to the average variance extracted of a construct, by its items. The sufficient AVE expected above 0.5 for all factors (Fornell & Larcker, 1981)

AVE calculated as follow:

$$AVE = \frac{\sum \lambda_i^2}{\sum \lambda_i^2 + \sum_i \operatorname{var}(\varepsilon_i)}$$

AVE = average variance extracted

λ_ι = standardize loadings

ε_i = error variance

There are several ways to measure the discriminant validity. Advise from Hair et al. (2014) is followed: the more rigorous test to measure discriminant validity is when AVE is greater than the maximum shared squared variance (MSV) (Fornell & Larcker, 1981).

Validity of the model depends on establishing acceptable level goodness-of-fit for the MM and finding specific evidence of construct validity. Once the research model has met the minimum standard for validity, the next step is to determine the relationship between constructs (Hair et al., 2010) as described in #6.

5. Common method bias

This refers to variance that is attributable to the measurement method rather than to the construct of interest (Fiske, 1982). The risk of bias may occur when there is reliance on single-source data, which in this study is the online self-administered questionnaire. The common method bias test is conducted to identify the existence of bias, using the Harman's single factor. If there is common variance, the factor analysis will result in the appearance of a single factor representing the majority of covariance of all constructs (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

6. Structural model

After validating the measurement model – as described #3 and #4 above, the final step refer to establishment of structural model. The structural model is a representation of the structural relationship between constructs. This step aims to tests the hypotheses.

In general, SM presented in Figure 3.6. The elements of SM are similar as of the MM. The differences rest on: the type of arrow, correlation among all variables and residual error. The single headed arrow in SM replaces the two headed arrow in MM, link the exogenous to endogenous variables. It represents the hypotheses, hence using the one headed arrow. All of the exogenous variables should be correlated, regardless the relationship connected by hypotheses or there are no hypotheses between the relationship (Kline, 2005). And the residual error should be placed in each of the endogenous variables which previously not yet modelled. This additional error refer to the result of a random error.

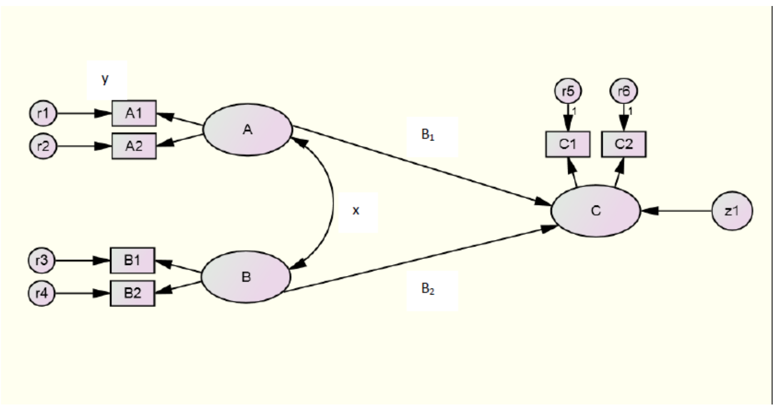


Figure 3.6. Illustration of the structural model (SM)

There are two (2) aspects to be reviewed here. The first is similar to the measurement model, i.e overall model fit, with the same types of fit indices and acceptable level for each index. The second is the structural parameter estimate such as standard loading and p values. The valid parameter estimates are the ones which are statistically significant and in the expected direction (Hair et al., 2014).

3.8. Phase 2. Qualitative study: the phenomenon approach

The qualitative research approach is defined as *an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyses words, reports detailed views of informants, and conducts the study in a natural setting* (Creswell, 1998 p.15). It is different from quantitative in many ways.

There are five types of approaches, or so-called “traditions” in the qualitative stream. They are biography, phenomenon, grounded theory, ethnography and case study. They differ in terms of focus and procedures (Creswell, 1998). This research adopts the phenomenon approach as the most suitable.

The purpose of the “phenomenon” approach is to “*determine what an experience means for the persons who have had the experience and are able to provide a comprehensive description of it. From the individual descriptions, general or universal meanings are derived, in other words, the essences of structures of the experience”* (Moustakas, 1994 p.11). The phenomenon tradition focuses on the concept, rather than theory or life of the individual. It is emphasizing the meaning of a phenomenon that a person is experiencing (Riemen, 1986).

Here, the procedures used according to the phenomenon tradition (Moustakas, 1994; Polkinghome, 1989) are followed. These are:

- The philosophy perspective underlying the topic needs to be understood; in particular, the researcher attempts to understand the respondents’ experience of the phenomenon from their perspective. The results obtained from phase 1 help the researcher to determine the aspects on which to focus.
- Questions are developed from the literature and the data obtained from phase 1.

- The data collection is via individual interviews which are discussed in section 3.8.2.
- The data analysis procedure basically uses thematic coding. The researcher undertakes individual data single analysis and combines this with inter-subject analysis.

3.8.1. Data source or sampling strategies

Unlike the quantitative study, the most common sampling strategy in a qualitative study is purposive sampling. It is based on specific purposes rather than being random (Teddlie & Tashakkori, 2003). This sampling is different from random sampling in many respects such as focus, generalizability, sample size and the depth and breadth of information collected (Teddlie & Yu, 2007).

One important aspect of qualitative study sampling is the saturation principle. Saturation refers to the stage when respondents are not providing new information but are expressing ideas that are similar to those of previous respondents (Strauss & Corbin, 1998; Teddlie & Yu, 2007). Hence, there are no exact guidelines on the minimum number of people required for the sample; instead, the saturation principle is applied. At least 12 (twelve) person is preferred (Teddlie & Yu, 2007).

In the sequential mixed-methods approach, the sample for a qualitative study is often based on the information gathered from phase 1, the quantitative study (Kemper et al., 2003). Hence, for this research, potential respondents were recruited from the sample used for the quantitative study in phase 1. The letter of invitation provided with the questionnaire asked for participants who would be willing to participate as interviewees.

The stratified purposive sampling technique was followed. As argued by Patton (2002) this is similar to 'samples within samples', because respondents are taken from the initial sample and therefore have met certain requirements or criteria. The criteria here is based on the demographic: domicile, favourite brands, age, occupation, and marital status as factors affect relationship between consumers and brands (Fournier, 1998). Findings in relation to the various backgrounds are later compared.

3.8.2. The individual face-to-face semi structured interview.

The semi-structured interview was used as the data collection technique. This is a one-on-one, face-to-face interview. The interview is an effective means of exploring someone's feelings, emotions and experience, as well as responses to sensitive issues (Wisker, 2007). The consumer values being investigated are not easily expressed by respondents. Indonesians have an eastern culture, which emphasizes respect for others and not expressing truly feelings if these are going to hurt another person. Hence, an in-depth exploration of consumers' feelings requires a private discussion where respondents can freely express their opinions without feeling that they are being "judged" by others. Hence, in this research, individual interviews are an appropriate technique.

According to Miles and Huberman (1994) four things need to be taken into consideration when collecting data via semi-structured interviews. Each one is described below:

- The setting: this is where the research takes place. In this research, it covers overall experience when respondents are consuming luxury bags.
- The actor: the respondents who will be interviewed. They have been recruited through purposive sampling.
- The event: the actor will be interviewed in regard to the subject of interest. In this research, it relates to their feelings and motivations when consuming luxury handbags.
- The process: the evolving nature within the setting. Hence, it will specify on the process along the setting occur. It is starting from before, during and after they are using the brands.

3.8.3. Data analysis: the interpretivist approach

There are three approaches to qualitative analysis: interpretivist, social anthropology, and collaborative social research. The interpretivist approach was adopted for this study. It views human activity as "reading material" in order to understand its meaning and believes that the researcher is attached to the object of study, in the sense that his/her understanding, conceptual orientation, and/or cultural membership is influencing the way (s)he interprets the interview data (Miles & Huberman, 1994).

When it comes into analysis stage, the first-timer qualitative researcher usually faces this situation:

1. The likely to think that everything is important. It is difficult because this perspective will see that there's "one way" to analyse the data, while actually there are "many ways'. Hence, the interpretation should be supported with data, enable others to understand the way of analysis. Despite there can be many other interpretation may arrive from the same data.
2. Simultaneously, it is difficult to find how anything in the interview bears on the research concern. It is because of huge volume of text that have been gather, as well as that respondent are talking about their concern, instead of the research concern. Hence, sometimes the data may not tell exactly on what expected to be as the research question. And the researcher has to be able to develop a framework, which work as kind of bridge to connect between both (Miles, Huberman, Huberman, & Huberman, 1994).

3.8.4. Data coding

The data analysis proceeded inductively, working from the specific or particular subject and bringing it forward into the more general (Creswell, 1998). Coding was used for the thematic analysis and summary. The final data were combined with those obtained from phase 1 – the quantitative study.

Codes commonly indicate a "*word or short phrase that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data"* (Saldaña, 2015 p.3). Coding processes basically convert the raw data into the research concern, using consecutive steps (Auerbach & Silverstein, 2003). Specifically in this study, data refers to the transcripts of the interviews

The coding steps are shown in the figure 3.7.

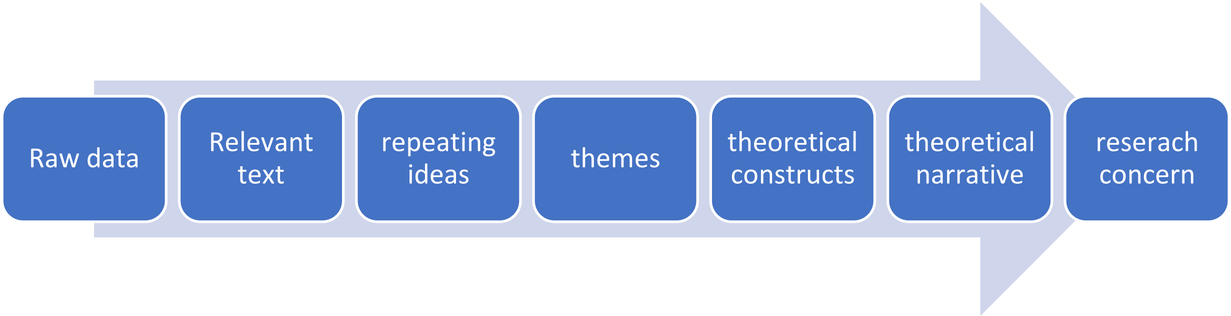


Figure 3.7. The coding step

The steps involve:

a. *Relevant text.* While reading or listening to the transcript, the text is broken down into several pages which simplifies it and makes it less overwhelming. Then, each page is read, keeping in mind the objective of the research and allowing the researcher to determine the relevant material. This is annotated and the rest of the text is discarded. MS Word is used for this stage of the coding.

   The research concern and theoretical framework are explicitly stated. The research concern is the "what" and "why" of the topic/subject of interest. It is more comprehensive than the research question. During the early stages of the coding process, some of the data from respondents may irrelevant with no bearing on the research concern. However, if the same issue or point is being raised by several participants, then it may be worthwhile to include it in the coding process. Another option to safeguard important pieces which may neglected is by coding by more than one analyst. The result of each coding then compile to be compare. The last option is by presenting this result of repeating ideas and relevant text back to the respondent, to get their confirmation whether we got their stories correctly.

   Along with the research concern, the theoretical framework needs to be stated as well. This is the set of beliefs about the psychological and social processes used for the study. For example, it may a feminist, a Freudian, or a humanist stance etc. It will help to determine the bias and constrains the researcher to acknowledge the lack of objectivity, enabling a more focused reading of results (Auerbach & Silverstein, 2003).

b. *Repeating ideas.* In the relevant text, several ideas, expressions or similar words may be repeated. This indicates the repetition of an idea. An idea may emerge during one interview and but then be combined with similar ideas from other interviews. Hence, this is a “within group” and “across group” process to ensure that the ideas really “mean” something because they appear in several interviews.

After the relevant parts of the initial text of each interview have been read and annotated, these notes were constantly referred to, especially when there was doubt or confusion regarding the meaning of certain sentences. The recording was used to confirm the actual meaning of the sentences, because sometimes the respondent’s feelings cannot be captured in the transcript. Hence, this is back and forth process – a combination of reviewing the initial text, the recordings and the text annotated as relevant.

From the relevant text, the researcher chose one idea that captured her interest. This became the ‘starter text” and was kept in mind as the researcher read all of the material marked as relevant, identifying material relevant to the starter text. This was done for the whole text and resulted in the first of the repeated ideas.

The process was repeated to identify the second repeated idea. The whole process continued until no further ideas or points appeared in the relevant text. However, some of the ideas that emerged may not have been repeated during an interview but were worth noting, particularly if they had been expressed by other respondents.

After the repeated ideas from one interview were noted, the next interview data underwent the same process. The starter text used chosen was either a new one, or a repeated idea identified in a previous interview. Although there is no specified standard regarding the number of repeated ideas that should be gathered for analysis, 60 is a workable number (Auerbach & Silverstein, 2003).

c. *Themes.* Themes emerge when repeated ideas are grouped with other ideas with which they have something in common. This grouping usually reflects some implicit subject or topic that under which a group of ideas can be grouped. In principle, the process of developing themes is similar to that of the “repeated ideas” stage. All repeated ideas were listed, and the initial idea was used as the first starter theme until the list had been exhausted. This process was repeated for the second and subsequent themes until all ideas had been grouped (Auerbach & Silverstein, 2003).

d. *Theoretical construct.* Similar to the approach used for grouping ideas under themes, in this stage the themes are grouped into larger and more abstract ideas, known as the theoretical construct.
e. *Theoretical narrative.* This is the final stage that bridges the gap between the subjective perspective of respondents and the research concern. The research theoretical framework is combined with the theoretical framework, so that the themes developed from the various stages create a story, using the respondents' own words as much as possible (Auerbach & Silverstein, 2003).

One of the advantages of sequential explanatory mixed-methods rests on the preliminary model. The "nominated" constructs, taken from the variables in that model, have already been nominated. Coding and categorisation works in two directions: from raw data/transcripts onwards to the coding; and from the theoretical constructs/variables backwards, such as from coding, to the transcript. It simplifies the process, providing a kind of "pathway" on which constructs to address.

3.8.5. Reliability, validity and generalizability

The reliability, validity and generalizability of results are considers as essential standards when evaluating research. The different research paradigms of quantitative and qualitative research result in standards, despite having the same origins. In the quantitative stream, objectivity and generalizability are important, and results are presented as statistics. On the other hand, in the qualitative stream, subjectivity, interpretation and concepts are part of the analysis process. Hence, here, the reliability, validity and generalizability of results obtained from the quantitative phase are translated into different terms, but having a similar purpose (Auerbach & Silverstein, 2003).

a. Reliability and validity.

Put simply, reliability refers to consistency, specifically in regard to the measurement scale that was used. When we measure something for the first time, the result should not be very different compared to the next second item being measured, third, etc. Validity ensures that the scale used is measuring what it is intended to measure. For example, if a researcher intends to measure a person's hedonism, then the scale being used should in fact measure the extent to which that person is hedonistic.

Both reliability and validity translate into justifiability in a qualitative study. It allows for the subjectivity of the researcher when analysing, based on the data. The unjustifiability will occur when a researcher's bias and prejudice overwhelms the respondents' points of view and produce a subjective interpretation that is not supported by the data.

Three criteria are used to measure justifiability: transparency, communicability and coherence (Rubin & Rubin, 2011). Transparency will allow other researchers to know how the interpretation was made. They do not have to be agree with the interpretation, but they can see the process that led to the conclusion. Communicability refers to for the extent to which other researcher and/or respondents can understand the themes and constructs extracted from the data. Coherence refers to all the theoretical constructs that emerged from the analysis and combine to create a story. This means that all of the data has been transformed into an organized theoretical narrative.

b. Generalizability.

It is said to be one of the advantages of the quantitative approach. The qualitative approach uses different terms, namely transferability. Despite the theoretical constructs resulting from the qualitative analysis, these are not simply applicable to the whole population or to different cultural backgrounds; they may extend beyond specific samples. It doesn"t named generalizability, because it doesn"t aim that way, the possibility is to be transferred into another type of samples, or culture. This is because some of the theoretical constructs are in general terms and may possibly apply to most of the population; however, it also has specific terms/results which may, for instance, be culture specific which determines the applicability of the finding (Auerbach & Silverstein, 2003).

3.9. Concluding comments

This chapter described the specific research objectives and methodology to achieve the objectives. It explains the associated research philosophy and approach, and selection of the explanatory mixed methods as the research strategy which included a quantitative study for phase 1, followed by a qualitative study for phase 2. The next chapter describes the development of hypotheses and preliminary research model, as part of phase 1.

CHAPTER 4. Phase 1: The development of hypotheses and the preliminary research model

4.1. Introduction

In chapter 3, the research objective was stated, the research questions were formulated, and the research methodology was described. This study undergoes three phases of research design. Phase 1: quantitative study aims to develop, test and validate the preliminary research model. This chapter explains the development of hypotheses and the preliminary research model. The model is not a totally new one, but has been applied to samples not comprising Indonesian middle-class women. This model was formed based on the literatures as discussed in Chapter 2. This chapter present the basic framework of the model, and details of the relationships between the concepts described in Chapter 2. Hypotheses are formed to explain the relationships in the preliminary research model.

4.2. Theoretical framework of preliminary research model

The theoretical framework portrays the relationship between consumers' values and country image with consumer-based brand equity. The constructs of consumers' values and country image work as the exogenous variables. The construct of brand equity and its dimensions work as the endogenous variables.

Consumers' values adopt TCV (Sheth et al., 1991) as the base for general consumption reasons and adapt in luxury studies by combining them with the MMLV (Wiedmann et al., 2007). The framework of consumers' values adopts the personal, social and functional dimensions. While the social and functional values in TCV share similar terminologies with social and functional dimensions in the MMLV, the emotional values in TCV essentially represent the personal dimensions in the MMLV. Financial dimensions such as price, discount and investments, are considered and covered in the analysis but they are excluded from the model. The personal, social, and functional values are important dimensions in the MMLV, while financial value plays a moderating role in the empirical study (Wiedmann et al., 2009).

Consumer Based Brand Equity (CBBE) or Brand Equity (BE) was measured using the indirect and direct approach (Christodoulides & De Chernatony, 2010; Keller, 1993). The indirect approach conducted by measurement of CBBE multi-dimensional format (Aaker, 1991; Keller, 1993; Yoo & Donthu, 2001) comprises of brand awareness, brand meaning, brand response and brand relationship (Keller, 1993). The direct approach conducted by measure the construct of Overall Brand Equity (OBE) (Yoo & Donthu, 2001). As Keller (2013) argues, these two measurement techniques are complementary to each other and he suggests using both measures, as adopted in this study.

CBBE formed as a result of different consumers response of brand knowledge. Brand knowledge comprises of brand awareness and brand image (Keller, 1993). Brand benefit and attribute are some of the major categories within brand image (Keller, 1993). Brand benefit refers to the tendency of consumers to attach individual value to the brand and think about the ability of brand to fulfil their value (Keller, 1993). Brands and products deliver the benefit that able to fulfil desire of consumers, which occur from the adherence of their values (Flint et al, 1997). Moreover, consumers (individual) values found affecting brand image (Roth, 1992), and the way it happened can be directly and/or indirectly through consumption values (Park & Rabolt, 2009).

CBBE has a strong association with brand attitudes such as preference and perception (Aaker, 1991; Agarwal & Rao, 1996; Keller, 1993; Yoo & Donthu, 2001). Brand attitude represent consumers overall judgment of the brands. Hence, brand image should be developed in the most advantageous way from the possible sources such as places, people and things (Keller, 2003). The way these sources affect brand image by creating from the scratch, or influence the existing image. With regard to the place, brand attitude may be influenced by country of origin image as one of the aspects that has been extensively studied in the marketing research (Pappu et al., 2007; Yasin 2010). COO is also acknowledged as one of the fundamental topics in global brand research (Chawboski et al., 2013), such as luxury brands. However, studies within the context of luxury brands are considered limited compare to the other categories. In particular, there remains limited understanding on how the image of country of origin and country of manufacture combined with the consumers' values will influence CBBE.

Consumption values and country image are related with brand image thru brand benefit and attitude. Hence, consumption values are presumed to relate with CBBE. The OBE and the multi-dimensions of CBBE serve as the endogenous variables. The way CBBE is influenced by exogenous variables may be via the direct or indirect route, or both.

The basic theoretical framework of preliminary model is displayed in Figure 4.1.

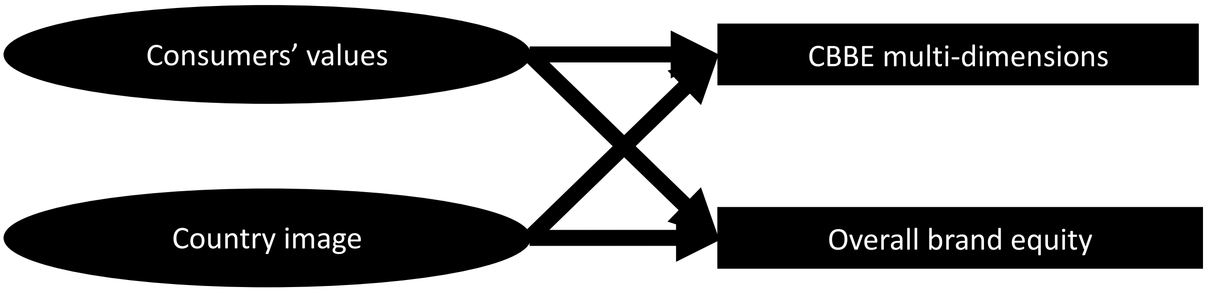


Figure 4.1. The basic framework of research model

The basic framework in Figure 4.1 is used as a foundation to build the preliminary research model. Each of the exogenous and endogenous variables were operationalised as the constructs has been described in Chapter 2. The constructs used for this study are listed in Table 4.1.

Table 4.1. List of framework, constructs and operationalised variables

Framework	Constructs	Operationalised by
Consumption values	Personal value	Hedonism
	Social values	Face-saving
		Group orientation
	Functional values	Uniqueness, Exclusivity, Quality
Country image	Country of origin	Country of origin image
	Country of manufacture	Country of manufacture image
Dimensions of CBBE		Brand awareness
		Brand meaning
		Brand response
		Brand loyalty
Overall brand equity		Overall brand equity

The basic framework in Figure 4.1. was expanded into the preliminary model, using the operational constructs listed in Table 4.1. The development of hypotheses is described in the next section, followed by the preliminary research model.

4.3. The development of hypotheses

Each of the consumers' values and image of country of origin and country of manufacture are expected to affect the CBBE directly and indirectly through its dimensions.

4.3.1. Hypotheses 1a-e (H1a-H1e): Personal values of hedonism and CBBE

Personal values are operationalised by the construct of hedonism, as explained in Chapter 2. Hedonism is considered a major aspect of the emotional manifestation of an individual (Hirschman & Holbrook, 1982), which is one of the values within the TCV (Sheth et al., 1991).

Culture is said to influence hedonism with Western and Eastern cultures demonstrating different hedonic experiences (Le Monkhouse et al., 2012; Shukla, 2012; Vigneron & Johnson, 1999; Wong & Ahuvia, 1998). This is due to the different emphasis on self-construal in different cultures. Personal orientation towards luxury consumption is initiated by independent self-construal (Tsai, 2005). An individual who is self-directed and not susceptible to interpersonal influence represents the hedonic type of consumer (Vigneron & Johnson, 1999), common to Western culture. Westerners exhibit more hedonistic behaviour than do their Eastern counterparts as they are characterized by an independent self-concept (Wong & Ahuvia, 1998). Furthermore, the influence of hedonism towards purchase intentions around luxury is found to be higher Western culture than Eastern culture (Shukla, 2012). Additionally, Asian consumers have been found to have a low perception of the hedonistic aspect of luxury (Le Monkhouse et al., 2012).

Nevertheless, luxury is now becoming a global trend, which induces global demand and has geared the so-called global culture towards luxury. Regardless of what the cultural base of consumers is, the key drivers that motivate luxury consumption are applicable cross-culturally (Wiedmann et al., 2009). Income escalation and the growth of consumer needs stimulate experiential values, including hedonism, which affects the values around the perceptions of luxury. Asian consumers demonstrate hedonism as an underlying motive behind the consumption of luxury (Le Monkhouse et al., 2012; Shukla et al., 2015). For Indian consumers, hedonism is part of the individual and psychological factors in luxury consumption (Eng & Bogaert, 2010). It also found that hedonic dimensions influence the purchase intention toward luxury (Jain & Mishra, 2018).

A strong CBBE is achieved when consumers hold the depth and breadth of brand awareness. It reflects the ability of a brand to appear in consumers mind when the need arises, within the different types of situation (Keller, 2013). Indonesian consumers emphasize the enhancement of self-image and the idea of feeling good about themselves. They also accentuate the experiential factors during shopping and using luxury brands. They demonstrate personal pleasure gathered from the consumption of luxury, as the representation of experiential value (Shukla et al., 2015). This experiential values are expected to affect the depth and breadth of awareness, because consumers need to fully aware with brands enable to forming the experiential value. Hence, hedonism is believe to associate with the brand awareness.

The other aspect of CBBE is brand image, which consist of the lower level i.e.: brand meaning and the higher level i.e.: brand response and brand relationship. The key criteria of brand image are strong, favourable and unique. These criteria deliver brands' relevancy to the consumer needs, consistent performance over period of time and unique in comparison to the other brands (Keller, 1993; 2013). Consumers combine their personal opinion and judgement to evaluate brand's attribute, to verify whether the brands deliver such standards. The emotional aspect of hedonism is expected to be involved during this process. Hence, it is likely hedonism associates with brand meaning and brand response.

The other higher level of brand image is brand relationship. Within this topic, the recent study is addressing brand loyalty. There are two determinants to achieve brand loyalty. First is brand affect, refer to ability of the brands to provoke positive consumers' response. Second is brand trust, i.e ability to build credibility (Chaudhuri and Holbrook, 2001). The emotion of consumers, such as hedonic is stimulated during the consumption (Holbrook & Hirschman, 1982). Once the brands successful deliver the positive feeling of achieving the hedonic goals, consumers feel satisfied and develop trust to the brands. Hedonic emotion is also found to mediate brand experience with brand loyalty (Ding & Tseng, 2015). Hence, hedonism is predicted to associate with brand loyalty.

In overall, consumers' awareness and understanding of the brands is considering essential to fulfil their hedonic emotion.

H1a. Consumers personal value of hedonism is positively associated with luxury brand awareness
H1b. Consumers personal value of hedonism is positively associated with luxury brand meaning
H1c. Consumers personal value of hedonism is positively associated with luxury brand response
H1d. Consumers personal value of hedonism is positively associated with luxury brand loyalty
H1e. Consumers personal value of hedonism is positively associated with luxury brand equity.

4.3.2. Hypotheses 2 and 3 (H2 and H3): Social values and CBBE

The consumption of highly visible products are most likely influenced by social values (Veblen, 1899). As a social creature, an individual is influenced by their social membership (Hyman, 1942). These values acknowledge the presence of others or social groups, and serves as a motivation for consumers during the consumption of luxury.

Social values are rooted in the interdependent self-concept; the self-concept which is found to be associated positively with status consumption (Kastanakis & Balabanis, 2012). The interdependent self-concept also serves as the antecedent to conspicuous consumption (Kastanakis & Balabanis, 2014; O'cass & McEwen, 2004). Luxury brands are recognized as one of the most visible formats through which to exhibit conspicuous consumption and status consumption (Vigneron & Johnson, 2004). Conspicuous consumption aims to draw public observation rather than merely be private consumption (Vigneron & Johnson, 1999). As describe in Chapter 2, the constructs of face-saving and group orientation adopted to operationalize social values.

4.3.2.1. Hypotheses 2a-e (H2a-H2e): Face-saving (FS) and CBBE

The concept of face-saving establishes the urgency to maintain one's appropriate level within their society (Ho, 1976). The majority of Indonesians emphasize the importance of social hierarchy (Magnis-Suseno, 1997). This enables them to demonstrate their identity and position in the social environment. They will consume products which are considered as luxury, to communicate high social status. Luxury represents economic ability. Individual wealth acts as one of the indications of high status (Wiryomartono, 2014).

Luxury brands serve as tools to retain the social hierarchy of most consumers in Indonesia; they are the manifestation of the modern lifestyle (Gerke, 2002). They supposedly deliver on the requirement to communicate a personal identity, social status and hierarchy position (Gerke, 2002). Due to the high price levels involved in luxury, luxury brand reflects economic capability and perceived high social standing (Veblen, 1899). It is considered as an instrument to deliver a message, effectively fitting the high status level that is expected (Li & Su, 2007). The luxury image comes from the extrinsic attributes of the product, such as its brand name (Bao et al., 2003). Luxury brands are known for their high social status recognition (Dubois & Laurent, 1994), which suit most of these requirements. Consumers who hold face-saving presume that brand awareness is important, to ensure that the selected brand indeed represents the self-image and is able to save 'face'. Hence, face-saving is expected to associate with brand awareness.

'Face' is one of the core aspects of social self-concept, which affects consumers' consumption and brand preference (Liao & Wang, 2009). Consumers who are characterized by 'face' consciousness, positively related to the orientation of brand consciousness (Bao et al., 2003). High brand consciousness refers to the consumer's belief that brands represent a symbol of status and prestige, hence they prefer expensive and famous brands (Liao & Wang, 2009). The value of face-saving involved in the process to provide the meaning of the brand to consumers. Hence, face-saving is argue to associate with the brand meaning.

Brand response consists of brand judgement and brand feeling. It mainly addresses consumers' perceived quality in the aspect of brand judgement, and emotional response in the aspect of brand feeling. Enabling an individual to save 'face', the brands which consumed should be distinct from those seen as "common" and "mass market" (Bao et al., 2003). Consumers judge and evaluate the quality and credibility of the brands, as the aspects to distinguish luxury from the mass-market brands. Hence, face-saving is expected to associate with brand response.

Consequently, individuals who possess "face-saving" attributes, exhibit the status consumption of the luxury brands. Once the brands deliver the fulfilment of the needs of face-saving, consumers engage in positive brand affect. Brand affect is known as one of the determinant of brand loyalty (Chaudhuri and Holbrook, 2001). Hence, face-saving is presumed to associate with brand loyalty.

H2a. Consumers social value of face saving is positively associated with luxury brand awareness

H2b. Consumers social value of face saving is positively associated with luxury brand meaning

H2c. Consumers social value of face saving is positively associated with luxury brand response

H2d. Consumers social value of face saving is positively associated with luxury brand loyalty

H2e. Consumers social value of face saving is positively associated with luxury brand equity.

4.3.2.2. Hypotheses 3a-e (H3a-H3e): Group orientation (GO) and CBBE

Group orientation (GO) is rooted in the bandwagon effect and emphasizes the importance of others/their groups, as a point of reference. It is considered representative of a description of the consumers of Indonesia, who are found to be a collectivist culture (Hofstede, 2001). It is important to be seen as person who stays in the same group of people with whom they wish to be.

One of the manifestations is by consuming the same products or brands that reflect the same prestigious level as their groups, which enables the member to be recognized as part of the group (Belk, 1988). Brands are also frequently recognized as representing group identities (Muniz & O"guinn, 2001; White & Dahl, 2007). The values of the reference group influences the consumption of specific brands of which the image is associated with the specific reference group. The consumption of common brands allows an individual to feel "psychologically" connected to the group (Escalas & Bettman, 2005). As the basic foundation, consumers need to be aware with the brands, enable to fulfil the needs to connect with their group. Hence, GO is expected to associate with brand awareness.

The connection between consumer-brands exists when the usage association between the group and the brands is perceived as strong. The brands used by the group give a specific meaning to an individual as a source of relevant self-concept. This is also true when the connection between the consumer's self-concept and the reference group is strong. Consumers report a higher self-brand relation for the brands that represent the image consistent with their group image, rather than the brand that is inconsistent with the image of their group (Escalas & Bettman, 2005). People are inclined to assimilate with the choice of their group where their social identity is highlighted (Chan, Berger, & Van Boven, 2012). Because there is a strong connection between consumers and their groups, consumers build certain images of the brands commonly used by their groups. The reference group possibly becomes a source of brand meaning for consumers (Escalas & Bettman, 2005). Hence, GO is presumed to associate with brand meaning.

The way consumers evaluate the perceived quality and demonstrate emotional response during consumption is strongly influenced by the connection feeling between individual and their group. Hence, GO is expected to associate with brand response.

When a brand successfully deliver the needs of GO, consumers experience positively affect the brand. Continuously it generates trust to the brand. Brand loyalty is built as the result of appearance of brand affect and brand trust (Chaudhuri and Holbrook, 2001). Hence, it assumes that GO positively associates with brand loyalty.

H3a. Consumers social value of group orientation is positively associated with luxury brand awareness

H3b. Consumers social value of group-orientation is positively associated with luxury brand meaning

H3c. Consumers social value of group-orientation is positively associated with luxury brand response

H3d. Consumers social value of group-orientation is positively associated with luxury brand loyalty

H3e. Consumers social value of group-orientation is positively associated with luxury brand equity.

4.3.3. Hypotheses 4a-e (H4a-H4e): Functional values: uniqueness, exclusivity, and quality and CBBE

Functional values represent the ability of products to fulfil the utilitarian needs of consumers, resulting from product attributes (Sheth et al., 1991; Smith & Colgate, 2007). Within the context of this study, the utilitarian function of handbags related to the quality, design and colour preference while using the products. Moreover, the price level of luxury handbags was at least two times more expensive than "common" handbags which sold in the department stores; thus the function of handbags expanded beyond its utilitarian function. The function values in this study are inspired by the concept of the role of the handbag for oneself. Luxury should be able to fulfil the consumer's need to express their personality, specifically the function of reflecting personal uniqueness and difference from others, apart from its quality (Shukla, 2012; Wiedmann et al., 2007). This study uses uniqueness, exclusivity, and quality to operationalize the construct of functional values.

The concept of uniqueness and exclusivity share a connectedness with each other, hence they are described together. They both reflect the individual's need for personal difference; similarities to others are considered a threat to one's self-image (Snyder & Fromkin, 1977). Uniqueness addresses self-directed symbolism, the unique personality of the individual which is to be communicated via the consumption of luxury handbags. Exclusivity refers to the "one of a kind" design as expected from the expensive price of luxury brands.

Lynn (1991) found the interaction between scarcity or exclusivity and the need of uniqueness to be statistically reliable. However, striving for uniqueness does not always result in the scarcity effect. One of the proven important variables is the type of commodity involved. The products serving a function for the individual's social identity are expected to have a stronger effect on the scarcity and uniqueness relationship (Lynn, 1991); as the example is luxury brands.

The need for uniqueness and exclusivity are explained by the snob effect. Snob consumption perceives value escalation for scarce types of products or brands, and on the other side one can start to lose one's appetite for the item when it becomes popular (Leibenstein, 1950). Hence, the roles of brand awareness, brand meaning, brand response and brand loyalty are considered important for the snob. It makes them aware of their "position" in having the brands.

One process in this phenomenon is combining ownership into the self, which is expanded by buying, and is recognized as part of creation (Belk, 1988). There is an ability to identify individual's identities through the products they consume, pay attention to values that are congruent with their internal selves and match their preferences with product images (Wong & Ahuvia, 1998). By acquiring the luxury handbag, the consumer aims to communicate themselves: the uniqueness of their luxury handbag brands represents the uniqueness of themselves, their personalities. Consumers wish to be recognized as a "one of a kind" individual with a specific personality and with others unable to duplicate that.

The name of luxury itself has been linked to "quality" (Dubois & Laurent, 1994), therefore quality may be considered as the "basic" requirement of luxury. The aspect of quality is a prerequisite for luxury brands (Quelch, 1987). It serves as part of the "heuristic" approach, the higher price of luxury brands reflects the higher quality delivered. Moreover, quality is recognized as the differentiated factor of luxury brands in comparison to non-luxury brands (Vigneron & Johnson, 2004). Perceived quality provides a higher possibility as to which are the most preferred brands (Keller, 1993), hence quality should be closely related to brand equity and its dimensions.

All of these functional values are expected to connect with the dimensions of brand equity.

H4a. Consumers functional values of uniqueness, exclusivity and quality are positively associated with luxury brand awareness

H4b. Consumers functional values of uniqueness, exclusivity and quality are positively associated with luxury brand meaning

H4c. Consumers functional values of uniqueness, exclusivity and quality are positively associated with luxury brand response

H4d. Consumers functional values of uniqueness, exclusivity and quality are positively associated with luxury brand loyalty

H4e. Consumers functional values of uniqueness, exclusivity and quality are positively associated with luxury brand equity.

4.3.4. Hypotheses 5a-e (H5a-H5e): Country of origin (COO) image and BE

Country of Origin (COO) image works in a similar way as country image (CI). CI is influenced by the performance of the brands originating from that country. Along with other brands that come from the same country, the CI generates positive and negative intangible assets of the country in the mind of consumers (Kim & Chung, 1997). Since the country has its equity, image or performance of the brand in the respective country will affect the equity of the country. A relationship develops between country image and brand image (Pappu et al., 2007).

The relationship between COO and brands began from brand awareness. In the current information era, consumers learn about CI and COO of brands from various sources such as the internet, almost effortlessly. They become familiar with the CI and this affects their perception of the country which has the "good" brands (Yasin et al., 2007). Hence, consumers become aware of the COO of the brands.

The COO image either functioned as one type of brand association (Aaker, 1991) or served as a secondary association with brand association (Keller, 1993). Referring to the associative network memory (Collins & Loftus, 1975); the COO image stays strong in the consumer's long-term memory (Keller, 1993). The association may refer to the brand's performance such as the durability of the Italian leather handbag, or to the imagery, such as a long heritage image that is associated with French handbags. This brand association – the performance and the imagery –then connects and generates BM to consumers.

The majority of studies of COO image rest in the area of the perceived quality of the brands. A definite connection between COO image and perceived quality was found by researchers (Chao, 1998; Han & Terpstra, 1988). COO image affects consumer perception of quality (Thakor & Lavack, 2003), and serves as a brand quality assessment aid (Han, 1989). COO image has also been found to affect brand image and brand quality (Chao, 1998; Hamzaoui-Essoussi et al., 2011; Han & Terpstra, 1988). Perceived quality is considered as one of the indicators of brand response. It provides a result on how the consumer thinks about brands (Keller, 2013).

Finally, when consumers experience a brand from a particular country, they develop a certain image towards the country. Positive experience generates a "transfer of beliefs' toward different brands from the same country (Agarwal & Sikri, 1996) and develops country loyalty which refers to the loyalty towards brands from the same country. Country loyalty has been found to lead to brand loyalty (Pappu et al., 2006). The image of COO has been found to have a connection with BE (Pappu et al., 2006; Koubaa, 2008; Pappu et al., 2007; Yasin et al., 2007).

H5a. Country of origin image of luxury brands is positively associated with the brand awareness

H5b. Country of origin image of luxury brands is positively associated with the brand meaning

H5c. Country of origin image of luxury brands is positively associated with the brand response

H5d. Country of origin image of luxury brands is positively associated with the brand loyalty

H5e. Country of origin image of luxury brands is positively associated with the brand equity.

4.3.5. Hypotheses 6a-e (H6a-H6e): Country of manufacture (COMa) image and BE

As previously mentioned, country image, including COMa, affects the image of the brands. The role of COMa on brand evaluation depends on whether COO and COMa refer to the same or different countries (Hamzaoui Essoussi & Merunka, 2007; Han & Terpstra, 1988; Hui & Zhou, 2003). In the case of hybrid products, when the image of COMa is lower than the image of COO, this lowers the product's evaluation (Hui & Zhou, 2003) and demonstrates an unfavourable or negative attitude around the quality of the brand (Häubl & Elrod, 1999; Insch & McBride, 2004). However, if the COO and COMa are of the same country, the information of COMa has no significant effect on the product's evaluation (Hui & Zhou, 2003).

Consumers hold a certain image of a country's capability to produce products. As an example of luxury handbags, there is a close correlation between craftsmanship and high quality. Therefore, consumers expect to relate to the brands they aware of and the image of the country that has the ability to manufacture the products under that brand name. CI is considered to be a specific association held by consumers. Such as the image of high quality craftsmanship attributed to a brand produced from a particular country, this image then influences the images of other brands that are manufactured in the same country. The COMa image affects consumer perception towards the image of the brands (Koubaa, 2008; Thakor, 1996). Brand image has been found to be a multidimensional construct consisting of quality, style, and durability (Koubaa, 2008). This forms the meaning of the brands for the consumer (Keller, 2013).

The image of COMa has been found to be important in assessing product quality (Khan et al., 2012), specifically with high-involvement products (Hamzaoui Essoussi & Merunka, 2007). COMa was found to affect overall product quality, as well as design and manufacturing quality (Insch & McBride, 2004). Quality assessment is recognized as one of the manifestations of brand judgement, the "think" aspect of the brand response.

Finally, consumers develop certain assumptions toward a country, based on intangible assets owned by the brands. The assets have similar characteristics to different brands or products produced from the same country (Kim & Chung, 1997). This can lead to consumer loyalty to that country and preferences of loyalty to the brands which manufacture from that specific country (Ashill & Sinha, 2004). As an example, the high quality of craftsmanship of handbags manufactured in France brings the loyalty to many brands of handbags made in France.

COMa found that in order to have an effect at a different level of brand equity, low and high brand equity had different effects on product evaluation. For the low equity brands, the different locations of COO and COMa affected all salient product beliefs, which then impacted upon quality perception. However, this was not the case for high equity brands. For those, the information of COMa functioned as a product attribute. In other words, the CI in terms of COMa served as a significant cue applied only to the low equity brands (Hui & Zhou, 2003).

H6a. Country of manufacture image of luxury brands is positively associated with the brand awareness **H6b. Country of manufacture image of luxury brands is positively associated with the brand meaning** **H6c. Country of manufacture image of luxury brands is positively associated with the brand response** **H6d. Country of manufacture image of luxury brands is positively associated with the brand loyalty** **H6e. Country of manufacture image of luxury brands is positively associated with the brand equity.**

4.4. Summary of hypotheses and the preliminary research model

The preliminary research model has 6 (six) hypotheses. The summary of hypotheses are presented in table 4.2. and the preliminary research model presented in Figure 4.2.

Table 4.2. The hypotheses

Hypothesis path	Hypotheses
H1a: HD → BA	Consumers' personal value of hedonism is positively associated with luxury brand awareness
H1b: HD → BM	Consumers' personal value of hedonism is positively associated with luxury brand meaning
H1c: HD → BR	Consumers' personal value of hedonism is positively associated with luxury brand response
H1d: HD → BL	Consumers' personal value of hedonism is positively associated with luxury brand loyalty
H1e: HD → OBE	Consumers' personal value of hedonism is positively associated with luxury brand equity.
H2a: FS → BA	Consumers' social value of face-saving is positively associated with luxury brand awareness
H2b: FS → BM	Consumers' social value of face-saving is positively associated with luxury brand meaning
H2c: FS → BR	Consumers' social value of face-saving is positively associated with luxury brand response
H2d: FS → BL	Consumers' social value of face-saving is positively associated with luxury brand loyalty
H2e: FS → OBE	Consumers' social value of face-saving is positively associated with luxury brand equity.
H3a: GO → BA	Consumers' social value of group orientation is positively associated with luxury brand awareness
H3b: GO → BM	Consumers' social value of group orientation is positively associated with luxury brand meaning

Hypothesis path	Hypotheses
H3c: GO → BR	Consumers' social value of group orientation is positively associated with luxury brand response
H3d: GO → BL	Consumers' social value of group orientation is positively associated with luxury brand loyalty
H3e: GO → OBE	Consumers' social value of group orientation is positively associated with luxury brand equity
H4a: FV → BA	Consumers' social values of exclusivity, uniqueness and quality are positively associated with luxury brand awareness
H4b: FV → BM	Consumers' social values of exclusivity, uniqueness and quality are positively associated with luxury brand meaning
H4c: FV → BR	Consumers' social values of exclusivity, uniqueness and quality are positively associated with luxury brand response
H4d: FV → BL	Consumers' social values of exclusivity, uniqueness and quality are positively associated with luxury brand loyalty
H4e: FV → OBE	Consumers' social values of exclusivity, uniqueness and quality are positively associated with luxury brand equity
H5a: COO → BA	Country of origin image of luxury brands is positively associated with the brand awareness
H5b: COO → BM	Country of origin image of luxury brands is positively associated with the brand meaning
H5c: COO → BR	Country of origin image of luxury brands is positively associated with the brand response
H5d: COO → BL	Country of origin image of luxury brands is positively associated with the brand loyalty
H5e: COO → OBE	Country of origin image of luxury brands is positively associated with the brand equity
H6a: COMA → BA	Country of manufacture image of luxury brands is positively associated with the brand awareness
H6b: COMA → BM	Country of manufacture image of luxury brands is positively associated with the brand meaning
H6c: COMA → BR	Country of manufacture image of luxury brands is positively associated with the brand response
H6d: COMA → BL	Country of manufacture image of luxury brands is positively associated with the brand loyalty
H6e: COMA → OBE	Country of manufacture image of luxury brands is positively associated with the brand equity

BA: Brand Awareness	**BL: Brand Loyalty**	**FS: Face-Saving**	**COO: Country of Origin**
BM: Brand Meaning	**BEQ: Brand Equity**	**GO: Group Orientation**	**COMA: Country of Manufacture**
BR: Brand Response	**HD: Hedonism**	**FV: Functional Values**	

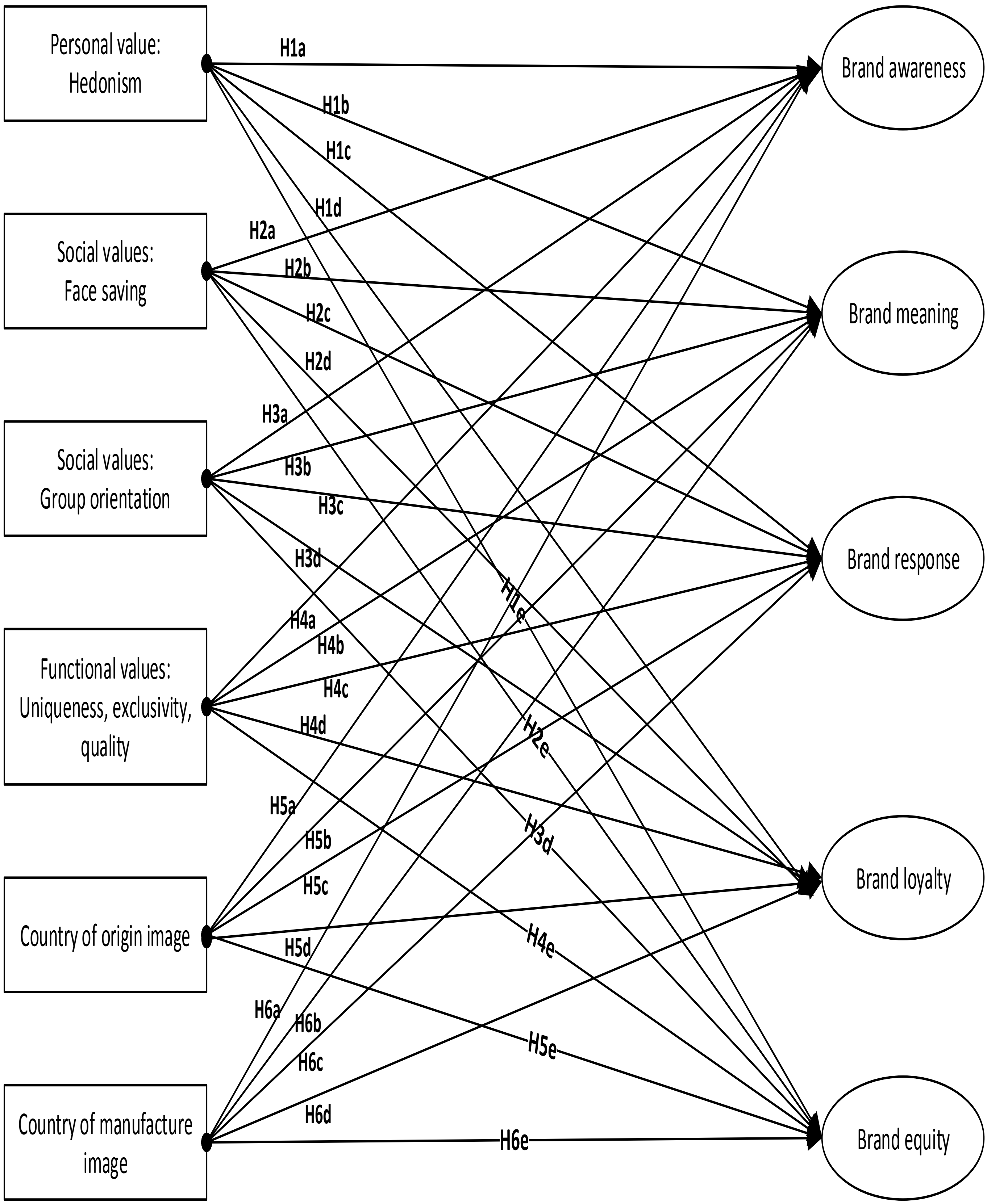


Figure 4.2. The preliminary research model

4.5. Concluding comments

This chapter described how the concepts explained in Chapter 2 are structured into the preliminary research model. The basic framework illustrates the relationship between consumption values and country image as the exogenous variables, with consumer-based brand equity and its dimension as the endogenous variables. All of these variables expanded and formed the preliminary research model. There are 6 (six) hypotheses to be tested in this study.

The hypotheses and preliminary research model are part of the phase 1 of this study. The next chapters, Chapter 5 and 6 illustrate how the actual study and data collection process were conducted. Chapter 5 also presents the analysis of phase 1 and Chapter 6 presents the findings of phase 2.

CHAPTER 5. Phase 1: Testing and validating the preliminary research model (The Quantitative Study)

5.1. Introduction

Phase 1 – the quantitative study is covered in chapter 4 and chapter 5. Following the previous chapter on development of the preliminary research model, this chapter presents the result of testing and validation of the model. This chapter begins with a description of the questionnaire: design and scale measurement used, and pilot test conducted. It followed by description of the online survey. Next section explains result of the data collection and analysis. SEM data analysis follows step of analysis as describe in chapter 3. The final research model is then proposed, the key findings are highlighted and some key points for the next phase are presented; as the outcome of phase 1 – the quantitative study.

5.2. The questionnaire

Questionnaire development followed the stages as depicted in figure 5.1. The research process underwent all the overall stages consecutively. However, the details of all sections are not included in this chapter: only those stages that require comments are described in depth.

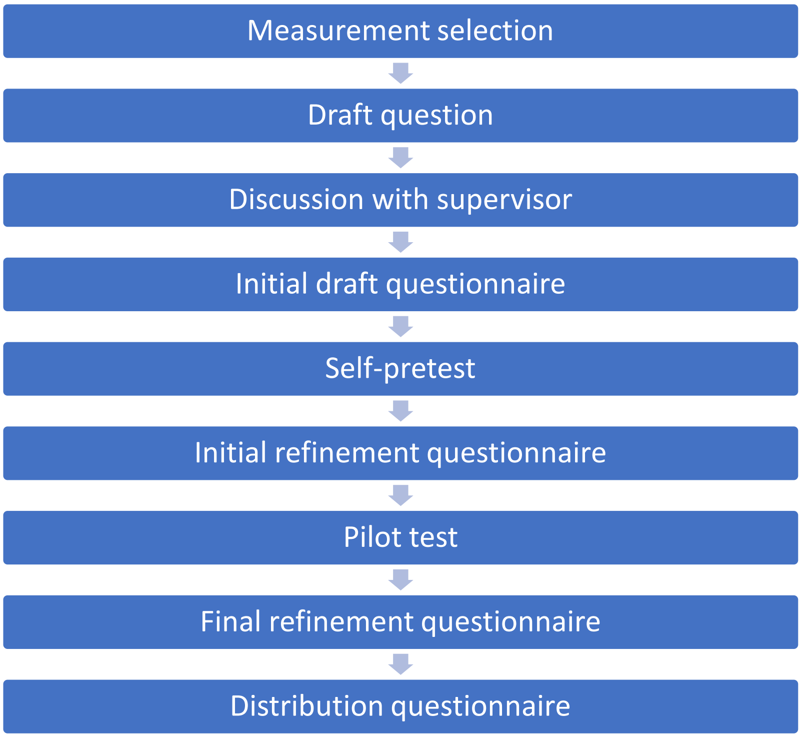


Figure 5.1. The stages of development questionnaire

5.2.1. Design of the questionnaire

Participants responded to each statement on a six-point Likert-type scale which comprised strongly agree, agree, somewhat agree, somewhat disagree, disagree and strongly disagree. Respondents were not given the option of choosing a neutral response such as "neither agree nor disagree". This was done intentionally to prevent respondents from choosing a 'safe" and easy response, which can be common among Asians who tend to avoid "extreme" responses such as 'strongly agree" or 'strongly disagree" (Fons & Charles, 1997). Moreover, this minimizes the central tendency error (Cooper & Pamela, 2016).

All of the statements were provided in two languages: English and Bahasa Indonesia. Most of the Indonesian women use Bahasa Indonesia. However, they might prefer to use English as some of them graduated from overseas universities. Also, the results of the pilot study suggested that both languages should be used. Some of the terminology is better understood in English, rather than in Bahasa Indonesia. For instance, the word "excitement" in Bahasa Indonesia does not convey the strength of feeling that it does in English.

There are some similar sentences were grouped into one question with different items, to measuring the same constructs. As an example, to measure the construct of hedonism: “When shopping for luxury bags, I feel the excitement of the hunt” and “When shopping for luxury bags, I am able to forget my problem”. The respondents may get confused because this sentence can seem “too wordy” and required a longer time to fill in the questionnaire. Then they were grouped into one question. As an example, above questions were combined into a single question:

“Q3.1. When shopping for luxury bags, (1) I feel the excitement of the hunt; (2) I am able to forget my problem”

Similarly for the other questions, the similar wording were compiled together in one question. The questions within one construct were grouped together within a section. After finalizing the draft, the researcher translated it into Bahasa Indonesia and then sent the draft to a translator and proofreader.

Qualtrics software, an online platform available to students at Curtin University, was used to formulate and distribute the questionnaire.

5.2.2. Scales of measurement

The measurement items in the questionnaire were drawn from the literature. This has two advantages: all measures have proven validity and reliability; and it allows the results of the new study to be compared with those of previous studies (Kitchenham & Pfleeger, 2002).

The measurements adopted and adapted for this study are shown in Table 5.1.

Table 5.1. The measurement scale

Construct	Initial measurement scale	Adaptation in this study	# item	Sources
Hedonism	While shopping for luxury goods, I feel the excitement of the hunt.	H1. When shopping for my favourite luxury bags, I feel the excitement of the hunt.	7	Shukla, 2012 from Babin et al, 1994
	When shopping for luxury goods, I was able to forget my problems.	H2. When shopping for my favourite luxury bags, I am able to forget my problems.		Shukla, 2012 from Babin et al, 1994

	When in a bad mood, shopping for luxury goods enhances my mood	H3. When shopping for my favourite luxury bags, it enhances my mood, if I'm in a bad mood.		Shukla, 2012
	Luxury goods are bought for a feeling of fulfilment.	H4. Owning and shopping for my bags, gives me a feeling of fulfilment*		Scale adoption based on evaluation of luxury practitioners, scholar and Asian consumers. Appropriate to Asian wording (Monkhouse, 2012)
	Luxury goods bring excitement feeling.	H5. Owning and shopping for my bags, gives me excitement feeling.*		
	Luxury goods are bought for self-indulgence.	H6. Owning and shopping for my bags, gives me self-indulgence.		
	Luxury goods bring pleasure to owners	H7. Owning and shopping for my bags, gives me pleasure*		
Face-saving	I am concerned with not bringing shame to myself.	FS1. In making choice of my favourite brand of bags, I am concerned with not bringing shame to myself.	5	Le Monkhouse et al., 2012
	I pay a lot of attention how others see me.	FS2. In making choice of my favourite brand of bags, I am concerned with how others see me.*		
	I am concerned with protecting the pride of my family.	FS3. In making choice of my favourite brand of bags, I am concerned with protecting the pride of my family.		
	I will feel ashamed if I lose face.	FS4. In making choice of my favourite brand of bags, I am concerned with I will feel ashamed if I lose face*		
	I am concerned to choosing a brand that would improve my reputation (to the people who are important to me)*	FS5. In making choice of my favourite brand of bags, I am concerned to choosing a brand that would improve my reputation (to the people who are important to me)*		
Group-orientation	I recognize and respect social expectations, norms and practices.	GO1. I recognize and respect social	7	Le Monkhouse et al., 2012

		expectations, norms and practices.		
	When I am uncertain how to act in a social situation, I try to do the same as what others do.	GO2. When I am uncertain how to act in a social situation, I try to do the same as what others do.		
	If there is a conflict between my family's interest and mine, I'll put priority mine. (R)	GO3. If there is a conflict between my family's interest and mine, I'll put priority mine. (R)		
	My decision to buy brand X sneaker influenced by knowing many other students would also buy the sneakers	GO4. My decision to buy my favourite luxury bags would be influenced by knowing that my friends would also buy the same brand*		Lee, 1991
	I feel that most students around me expect me to comply with their decision to buy the brand X sneaker.	GO5. My decision to buy my favourite luxury bags would be influenced by made me feel closer to my friends, when we buy the same brand*		
	The decision to buy brand X sneaker would be influence by whether wearing the sneaker would make me fit in with the other students.	GO6. My decision to buy my favourite luxury bags would be influenced by sometimes because my friends do so*		
	It is important that others like the product and brand that I buy.	GO7. My decision to buy my favourite luxury bags would be influenced by it is important that others like the product and brand that I buy.		
Uniqueness	I often combine possessions in such a way that I create a personal image for myself that can't be duplicated T	U1. I buy my favourite luxury bags because in such a way that I create a personal image which cannot be duplicated*	3	Tian et al, 2001
	When a product I own becomes popular among the general population, I begin to use it less.	U2. I avoid buying/using my favourite luxury bag when it becomes popular among others.		Ruvio et al, 2008
	I actively seek to develop my personal uniqueness by buying special products or brands.	U3. My favourite luxury bags, I like to own a new one before others do*		

Exclusivity	Luxury goods are bought because they are exclusive.	EX1. I buy my favourite luxury bags because they are exclusive*	4	Le Monkhouse et al., 2012
	I would buy luxury goods to make myself stand out.	EX2. I buy my favourite luxury bags because it will make myself stand out*		
	Once a product becomes mass-produced, it is not luxurious any more	EX3. My favourite luxury bag, I believe once a product becomes mass-produced, it is not luxurious any more		
	It is good to be among a very few people owning a truly luxury.	EX4. My favourite luxury bag, it is good to be among a very few people owning a truly luxury.		
Quality	Luxury goods are bought because of country of origin.	Q1. I buy my favourite luxury bags because of country of origin.	5	Le Monkhouse et al., 2012
	Luxury goods are bought for their excellent customer service.	Q2. I buy my favourite luxury bags because of excellent customer service.		
	Luxury goods are very suitable as a gift for others.	Q3. My favourite luxury bags is very suitable as a gift for others.		
	In my mind, the higher price charged by luxury goods indicate higher quality	Q4. My favourite luxury bags, the higher price indicates higher quality*		Shukla, 2012
	You always have to pay a bit more for the best.	Q5. My favourite luxury bags I believe that I always have to pay a bit more for the best*		
Country image	Product/brand from this country is innovative in manufacturing.	COO1/COMa1. The country of origin/manufacture of my favourite luxury bags is a country that is innovative in manufacturing.	9	Pappu et al., 2007
	Product/brand from this country has a high level of technological advance.	COO2/COMa2. The country of origin/manufacture of my favourite luxury bags is a country that is a country that has a high		

		level of technological advance.		
	Product/brand from this country is good/creative in designing.	COO3/COMa3. The country of origin/manufacture of my favourite luxury bags is a country that is a country that is good/creative in designing.		Yasin et al., 2007
	Product/brand from this country is creative in its workmanship.	COO4/COMa4. The country of origin/manufacture of my favourite luxury bags is a country that is a country that is creative in its workmanship.		
	Product/brand from this country has a high quality in its workmanship.	COO5/COMa5. The country of origin/manufacture of my favourite luxury bags is a country that is a country that has a high quality in its workmanship.		Pappu et al., 2007
	Product/brand from this country is prestigious.	COO6/COMa6. The country of origin/manufacture of my favourite luxury bags is a country that is a country that is prestigious.		
	Product/brand from this country has an image of advanced country.	COO7/COMa7. The country of origin/manufacture of my favourite luxury bags is a country that is a country that has an image of advanced country.		
	Product/brand from this country has a reliable image.	COO8/COMa8. The country of origin/manufacture of my favourite luxury bags is a country that is a		

		country that has a reliable image.		
	Product/brand from this country is a country that has high status image.	COO9/COMa9. The country of origin/manufacture of my favourite luxury bags is a country that is a country that has high status image.		
Brand awareness	I know how the logo of brand X looks like.	BA1. The brand of my favourite luxury bags I know how the logo looks like.	5	Yasin et al., 2007
	I have no difficulties to imagining X in my mind.	BA2. The brand of my favourite luxury bags I have no difficulties to imagining it in my mind*		Yoo & Donthu, 2001
	I can quickly recall the logo of X	BA3. The brand of my favourite luxury bags I can quickly recall the logo*		
	I have an opinion about brand X.	BA4. The brand of my favourite luxury bags I have an opinion about it.		Yasin et al., 2007
	I can recognize brand X among other competing brands.	BA5. The brand of my favourite luxury bags I can recognize it among other competing brands*		Yoo & Donthu, 2001
Brand meaning	The quality of brand X is good	BMP1. I buy my favourite luxury bags because excellent quality*	8	H. Kim, 2012
	The design of brand X is good	BMP2. I buy my favourite luxury bags because excellent design.		
	Brand X is the only brand of this product I need	BMP3. I buy my favourite luxury bags because its brand names.		
	Brand X is produced by a trusted company.	BMP4. The brand of my favourite luxury bag is produced by a trusted company*		
	Brand X has an excellent style	BMP5. The brand of my favourite luxury bag has an excellent style		
	When people wear Brand X, I can easily associate their images of	BMI1. The brand of my favourite luxury bag is		

	profile.	easily to associate profile images of the people who use it		
	Brand X reminds me on a specific style.	BMI2. The brand of my favourite luxury bag reminds me on a specific style*		
	When I put on Brand X, I might be graded in good value.	BMI3. The brand of my favourite luxury bags made me graded in a good value		
Brand response	Brand X is superior to any other competitors in all aspects	BRJ1. The brand of my favourite luxury bags superior than any other competitor in all aspects*	6	H. Kim, 2012
	I can trust Brand X	BRJ2. The brand of my favourite luxury bags can be trusted.		
	I feel confidence with Brand X because of its reputation	BRF 1. The brand of my favourite luxury bag has a good reputation that made me feel confident*		
	I have experienced positive feeling when I put on or purchase Brand X	BRF2. The brand of my favourite luxury bags made me experience a positive feeling*		
Brand loyalty	If I am going to buy other electrical goods other than air-conditioner/refrigerator/television (either one), I will choose brand X	BL1. The brand of my favourite luxury bag, I will choose it If I'm going to buy other fashion products*	5	Yasin et al., 2007
	I make my purchase selection of air-conditioner (or refrigerator or television) according to my favourite brand name, regardless of price	BL2. The brand of my favourite luxury bag is the major option for my purchase selection of fashion products, regardless of price*		
	Compared to other brands that have similar features, I am willing to pay a premium (higher) price for X	BL3. I prefer to purchase my favourite luxury brand of bags and I am willing to pay premium compare to other brands that have similar feature.		
	I will not buy other brands if X is available at the store.	BL4. I prefer to purchase my favourite luxury brand of bags and if it is		

		available, I will not buy other brands.		
	I will think twice to buy another brand if it is almost the same with X	BL5. I prefer to purchase my favourite luxury brand of bags and I will think twice to buy another brand if it is almost the same.		
Overall brand equity	It makes sense to buy X instead of any other brand, even if they are the same.	OBE1. I prefer to purchase my favourite luxury brand of bags because it makes sense, even if the same as any other brands*	4	Yoo & Donthu, 2001
	Even if another brand has the same features as X, I would prefer to buy X.	OBE2. I prefer to purchase my favourite luxury brand of bags even if the other brands have the same features*		
	If there is another brand as good as X, I prefer to buy X.	OBE3. I prefer to purchase my favourite luxury brand of bags despite there is another brand as good as it*		
	If another brand is not different from X in any way, it seems smarter to purchase X.	OBE4. I prefer to purchase my favourite luxury brand of bags because it seems smarter, if another brand is not different in any way*		

Note: *Final items

5.2.3. Summary of questionnaire

The Questionnaire is available in Appendix A and summarised as follows:

- Section 1: participant information letter.

  A cover letter which described the research, its objectives and contained information about the researcher include of contact details is placed at the first page of questionnaire. The letter also gave ethical information and an estimate of the time that it would take to complete the questionnaire. Participants were also invited to participate in interviews that will follow the questionnaire phase. It is expected that the information in the cover letter will increase response rate (Frankfort-Nachmias & Nachmias, 1976). It was a voluntary survey. The respondents were not paid to participate, prize draw of shopping voucher to induce response rate is provided (Church, 1993).

- Section 2: the brand name and country of origin.

  This was captured on a open-ended question section. Respondents were asked to name their favourite brand of luxury handbags and whether they know the country of origin and manufacture.
- Section 3: consumers' values; consisting of eight sub-sections.

  Each sub-section deals with one of the constructs, such as hedonism.
- Section 4: brand equity and its dimensions; consisting of four sub-sections.

  Similar to section 3, each sub-section deals with a specific construct. Because some questions are asked in a similar way, the researcher was able to combine some constructs in the same sub-sections.
- Section 5: country image; consists of two sub-sections.

  The two sub-sections are basically split between COO and COMa image. They have similar questions, the difference rest on the subject of COO refer to the brand origin while COMa refer to the manufacture origin.
- Section 6: respondents' demographic information.

5.2.4. Validity and self-trial prior pilot study

A draft of the questionnaire was discussed at length with the researcher's supervisors to check the content, context, and readability. The content validity was determined by a careful review of the literature and in discussion with supervisors.

The survey was trialled twice: initial trial and pilot study. The initial trial addressed the technical aspects of the online platform, the layout and the time required to complete the questionnaire. The results of the initial trial and the pilot test were combined and it was determined that the questionnaire would take 15-40 minutes to complete. After the refinement of questionnaire, then the pilot study conducted.

5.2.5. Pilot study

A convenience sample of 10 (ten) people was recruited for the pilot test. This is considered a 'small number" despite some researchers proposing a specific number such as 30 (thirty) (Backstrom & Hursch, 1963). However, it is important to take the target population and instrument into consideration. A longer and more complex questionnaire may require a larger sample, as well as a more 'sophisticated" type of respondent (Hunt et al., 1982). The list of participants in the pilot study in Table 5.2.

Table 5.2. List of participants in the pilot study

No	Name	Domicile	Occupation	Response date
1	Dewi	Jakarta	Lecturer	23 June 2016
2	Dina	Jakarta	Housewife	23 June 2016
3	Erna	Perth	Housewife	17 June 2016
4	Evelyn	Kuala Lumpur	PhD student	17 June 2016
5	Feni	Doha	Housewife	22 June 2016
6	Happy	Perth	Housewife	24 June 2016
7	Oce	Perth	Housewife	24 June 2016
8	Ratih	Perth	Master student	23 June 2016
9	Umi	Surabaya	Housewife	17 June 2016
10	Yeni	Perth	PhD student	19 June 2016

All of the participants completed the online questionnaire via QUALTRICS. After completion, they were asked to answer separate questions - details are given in Appendix B. These questions were both open-ended and multiple choice. For reasons of practicality, feedback from the participants took various formats: face-to-face and Skype interviews, and self-administered responses. According to Hunt et al. (1982), all of these methods are equally effective in detecting any defects in the questions.

Participants were asked to comment on the following aspects of the questionnaire:

- Overall layout: design, font size, number of questions per page.
- Level of understanding of each statement: wording selection and clarity of meaning.
- Translations: understanding the translation of a terminology, or comment on whether the English version provides a better understanding of the real/intended meaning (i.e., the word "excitement").
- Time required to complete the survey.

- Type of reward: its attractiveness as an incentive to participate.

The results of the pilot study are summarized in table 5.3.

Table 5.3. Summary result of the pilot study

No.	Subject	Response
1.	Overall layout	Good, font size is readable
2.	Number of questions	Ideally 2 (two) questions per page, allow respondent to focus on and avoid confusion if 3 (three) or more questions appear in one page.
3.	Wording selection/clarify wording	There are some wording need to be checked the clarity of meaning, such as: • Some questions foreseen have a similar meaning, should clarify the differences. • Suggested a separate section for questions on COO and COMa to reduce confusion.
4.	Translation	Translations in parentheses are understood
5.	Time	Between 11-25 minutes required for completion
6.	Reward	Suggestions that a shopping voucher valued between AUD 25-AUD 100 be used as a prize draw. Voucher from Mitra Adi Perkasa (MAP) consider as an attractive option.
7.	Others	• Link to the questionnaire suggested to have an underline, for better visual • Use "forced response" menu to ensure that all questions are answered • Further explanation required for "drag and drop" type of questions → hence, this type of questions removed • Send reminder to complete the questionnaire after 7 and then after 14 days from initial distribution

Following this feedback, the questionnaire was revised and refined. The initial pilot responses were used only to improve the questionnaire. At this stage, an analysis of the results obtained via QUALTRICS was not the researcher's main concern.

5.3. The online survey

The sample used for this study was the virtual community of consumers of luxury handbags such as Louis Vuitton, Kate Spade, and Coach. Members of this community comprise anyone who has an interest in that brand and the member may share information and may engage in transactions, i.e. buying and/or selling within the groups.

5.3.1. Placement of the online survey

The questionnaire link was placed in two different types of virtual community/online shops: the Banananina website and 5 (five) online shops within Facebook. Selection of the online shops was based on the number of members and the brands offered in the groups, and willingness the groups to cooperate.

Banananina is an Indonesian-based company which started its business in 2009 by selling second-hand bags. Growing their business further, nowadays they are selling new items of various luxury brands and have an off-line store in central Jakarta, in addition to their website www.banananina.co.id. They cooperated by sending the link of the questionnaire via email to their 20,000 members. In return for the favour, Banananina was given the results of the survey, which could be useful for their market analysis.

Several online shops were chosen using the Google and Facebook search engines. In Facebook, most of the online retailers of luxury handbags were grouped under a brand name, such as *Kate Spade addict* or *Louis Vuitton addict*. The researcher joined groups interested in a specific brand name and which had the largest membership. Because this is a buying-selling group, each member can post whatever product they wish to sell and other interested members can buy. Contact was made with each of the groups' moderators, to obtain permission to post the link to the survey in each respective group. Those who gave a positive response are listed in table 5.4.

Table 5.4. Placement in the online-shop groups in Facebook

Name of the groups	**#members**	**Placement date**
Coach Addict	12,000	2 October 2016
Fossil Vintage	26,000	30 September 2016
Kate Spade Lover	3,300	2 October 2016
Michael Kors Lover	4,200	2 October 2016
Louis Vuitton Lover	4,500	2 October 2016

Instead of being paid for their participation, these respondents had a chance to join in a prize draw. The number of vouchers, value and type of vouchers were different between Facebook and the Bananànina web, depending on the requirements, the need to be attractive to this type of consumers and the overall budget limitations.

Banananina requested to use their own shopping voucher, instead of shopping voucher from other stores; as part of return of their favour to distribute the link of questionnaire to their member. For groups in Facebook, a voucher from Mitra Adi Perkasa (MAP) group was chosen. It was considered appropriate compared to other shopping vouchers, refer to the result of pilot study and it can be used for life-style shopping such as Starbucks and Zara. The value of the MAP voucher was lower compared to Banananina, but the number of vouchers was higher. There were 5 (five) Bananina vouchers valued at IDR 500,000 (AUD 53.1) each and 10 (ten) MAP vouchers valued at IDR 250,000 (AUD 26.5) each as prizes. The total number of responses indicated that this was a sufficient reward, and on average, the cost per respondent was IDR 10,700 (AUD 1.1).

5.3.2. Sample size and response rate

The first posting of the questionnaire link and initial date for completed questionnaires was four weeks from 30 September 2016. The initial target was 400 usable questionnaires. The actual number of responses was 466 questionnaire: 359 were received from Banananina and 107 responses were returned by the Facebook groups. The higher response from the members of Banananina may be due to the link being sent officially by Banananina to their members, and therefore having the endorsement of the website owner (Petrovčič et al., 2016).

The response rate is considered important as it is meant to be an adequate representation of the target population. However, one of the challenges of research using an online community is to calculate the response rate. It is almost impossible to analyse non-response because of the very low response rate. On the other hand, the support of the online community manager attracted attention from community members and produced an 8.4% response rate (Petrovčič et al., 2016).

5.4. Result of data analysis

Some of the questionnaires had missing data and these were excluded from the study. QUALTRICS had already separated complete from incomplete questionnaires. Of the 610 returned questionnaires, 466 were complete and therefore useable. This number was adequate enough for SEM analysis.

5.4.1. Data screening: outliers and normality

Outliers were detected by box-plot graphics (Hair et al., 2014). Initially, the outlier analysis was conducted for overall constructs. The result was too indeterminate and created difficulties with reviewing the detail. Therefore, another box-plot analysis was conducted by constructing or combining some constructs, instead of overall ones. This was employed to generate better readability of the constructs, allowing for better review of the outliers. The box-plot graphic values, aligned to the preliminary model, produced are:

- Personal values of hedonism and social values of 'face' saving.
- Social values of group orientation.
- Functional values of exclusivity and uniqueness.
- Functional values of quality.
- Country of origin (COO) image.
- Country of manufacture (COMa) image.
- Brand awareness and brand meaning.
- Brand response, brand loyalty and overall brand equity.

Data were analysed and presented in the box-plot form (example in figure 5.5 and full information in Appendix C). The outliers are more readable compared to the ones in the box-plot graphic of overall constructs. It is also easier to remove the outliers. Some outlier data has been removed, which is located outside the extreme range of other data.

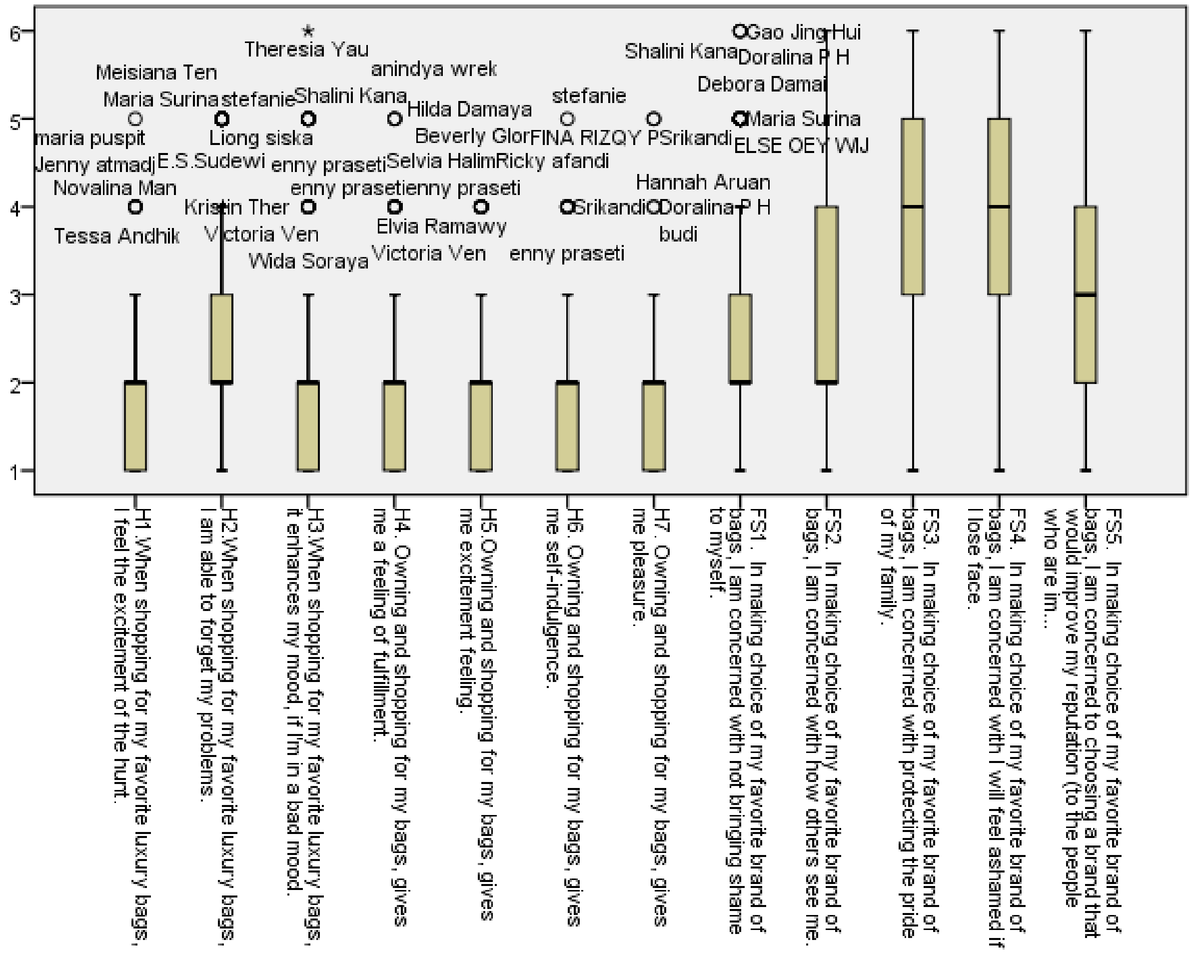


Figure 5.2. The box-plot graphic for hedonism and face-saving

The final sample resulted in 444 useable questionnaires, collected out of the original 466. The data from these 444 responses was used for the subsequent analysis.

After the outlier detection, data normality was checked. Data normality is achieved when skewness is < 2 and kurtosis is < 7 (Cunningham, 2008; Curran et al., 1996; Kline, 2005). Table 5.5. presents the result of skewness and kurtosis by item.

Table 5.5. The result of skewness and kurtosis analysis

No	ITEM	Skewness	Kurtosis
1.	H1.When shopping for my favorite luxury bags, I feel the excitement of the hunt.	0.886	0.943
2.	H2.When shopping for my favorite luxury bags, I am able to forget my problems.	0.624	-0.308
3.	H3.When shopping for my favorite luxury bags, it enhances my mood, if I"m in a bad mood	1.355	2.318
4.	H4. Owning and shopping for my bags, gives me a feeling of fulfillment.	0.878	1.111
5.	H5.Owning and shopping for my bags, gives me excitement feeling.	0.784	0.654
6.	H6. Owning and shopping for my bags, gives me self-indulgence	0.724	0.844
7.	H7. Owning and shopping for my bags, gives me pleasure.	0.936	2.024
8.	FS1. In making choice of my favorite brand of bags, I am concerned with not bringing shame to myself	0.891	0.05
9.	FS2. In making choice of my favorite brand of bags, I am concerned with how others see me.	0.570	-0.609

No	ITEM	Skewness	Kurtosis
10.	FS3. In making choice of my favorite brand of bags, I am concerned with protecting the pride of my family.	-0.130	-0.840
11.	FS4. In making choice of my favorite brand of bags, I am concerned with I will feel ashamed if I lose 'face'.	-0.076	-0.890
12.	FS5. In making choice of my favorite brand of bags, I am concerned to choosing a brand that would improve my reputation (to the people who are important to me).	0.402	-0.623
13.	GO1. I recognize and respect social expectations, norms and practices	1.277	3.508
14.	GO2. When I am uncertain how to act in a social situation, I try to do the same	0.358	-0.644
15.	GO3. If there is a conflict between my family's interest and mine, I"ll put priority of mine[R]	0.477	-0.259
16.	GO4. My decision to buy my favorite luxury bags would be influenced by knowing that my friends would also buy the same brand.	-0.463	-0.672
17.	GO5. My decision to buy my favorite luxury bags would be influenced by made me feel closer to my friends, when we buy the same brand.	-0.387	-0.671
18.	GO6. My decision to buy my favorite luxury bags would be influenced by sometimes because my friends do so	-0.236	-0.941
19.	GO7. My decision to buy my favorite luxury bags would be influenced by it is important that others like the product and brand that I buy.	-0.048	-1.061
20.	U1. I buy my favorite luxury bags because in such a way that I create a personal image which cannot be duplicated	0.832	-0.041
21.	U2. I avoid buying/using my favorite luxury bag when it becomes popular among others.	-0.089	-0.658
22.	U3. My favorite luxury bags, I like to own a new one before others do.	0.098	-0.860
23.	EX1. I buy my favorite luxury bags because they are exclusive.	1.127	1.166
24.	EX2. I buy my favorite luxury bags because it will make myself stand out.	0.655	-0.194
25.	EX3. My favorite luxury bag, I believe once a product becomes mass-produced, it is not luxurious any more	0.550	-0.426
26.	EX4. My favorite luxury bag, it is good to be among a very few people owning a truly luxury.	0.499	-0.542
27.	Q1. I buy my favorite luxury bags because of country of origin	0.253	-0.725
28.	Q2. I buy my favorite luxury bags because of excellent customer service	1.056	1.513
29.	Q3. My favorite luxury bags is very suitable as a gift for others.	0.872	0.284
30.	Q4. My favorite luxury bags, the higher price indicates higher quality.	0.631	-0.047
31.	Q5. My favorite luxury bags I believe that I always have to pay a bit more for the best.	0.830	0.867
32.	Q6. I buy my favorite luxury bags because excellent quality.	0.976	0.953
33.	COO1. As far as I understand, the country of origin of my favorite luxury bags is a country that is innovative in manufacturing	0.847	1.157
34.	COO2. As far as I understand, the country of origin of my favorite luxury bags is a country that has a high level of technological advance.	0.892	1.540
35.	COO3. As far as I understand, the country of origin of my favorite luxury bags is a country that is good/creative in designing	0.581	0.792
36.	COO4. As far as I understand, the country of origin of my favorite luxury bags is a country that is creative in its workmanship	0.590	0.701
37.	COO5. As far as I understand, the country of origin of my favorite luxury bags is a country that has a high quality in its workmanship	0.853	1.834
38.	COO6. As far as I understand, the country of origin of my favorite luxury bags is a country that is prestigious	0.826	1.119
39.	COO7. As far as I understand, the country of origin of my favorite luxury bags is a country that has an image of advanced country	0.970	2.150
40.	COO8. As far as I understand, the country of origin of my favorite luxury bags is a country that has a reliable image	0.622	1.171
41.	COO9.As far as I understand, the country of origin of my favorite luxury bags is a country that has a high status image	0.791	0.735
42.	COM1. As far as I understand, the country of manufacture of my favorite luxury bags is a country that is innovative in manufacturing	0.812	1.452
43.	COM2. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a high level of technological advance.	1.126	2.875
44.	COM3. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is good/creative in designing	1.060	2.563
45.	COM4. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is creative in its workmanship	0.993	2.042
46.	COM5. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a high quality in its workmanship	1.086	2.944
47.	COM6. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is prestigious	0.949	1.308
48.	COM7. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has an image of advanced country.	1.060	2.326

No	ITEM	Skewness	Kurtosis
49.	COM8. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a reliable image	1.068	2.446
50.	COM9. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a high status image	0.897	1.059
51.	BA1. The brand of my favorite luxury bags I know how the logo looks like.	1.351	5.291
52.	BA2. The brand of my favorite luxury bags I have no difficulties to imagining it in my mind	1.302	3.450
53.	BA3. The brand of my favorite luxury bags I can quickly recall the logo.	1.233	3.269
54.	BA4. The brand of my favorite luxury bags I have an opinion about it.	0.995	2.104
55.	BA5. The brand of my favorite luxury bags I can recognize it among other competing brands	0.880	2.001
56.	BMP2. I buy my favorite luxury bags because excellent design	0.925	0.577
57.	BMP3. I buy my favorite luxury bags because its brand names	1.099	1.939
58.	BMP4. The brand of my favorite luxury bag is produced by a trusted company	0.550	1.529
59.	BMP5. The brand of my favorite luxury bag has an excellent style	1.145	3.364
60.	BMI1. The brand of my favorite luxury bag is easily to associate profile images of the people who use it.	1.088	1.372
61.	BMI2. The brand of my favorite luxury bag reminds me on a specific style	1.190	2.955
62.	BMI3. The brand of my favorite luxury bags made me graded in a good value	0.980	1.273
63.	CRJ1. The brand of my favorite luxury bags superior than any other competitor in all aspects.	0.822	0.709
64.	CRJ2. The brand of my favorite luxury bags can be trusted	0.967	2.534
65.	CRF 1. The brand of my favorite luxury bag has a good reputation that made me feel confident	1.434	4.389
66.	CRF2. The brand of my favorite luxury bags made me experience a positive feeling	1.395	4.169
67.	BL1. The brand of my favorite luxury bag, I will choose it If I"m going to buy other fashion products	0.882	0.489
68.	BL2. The brand of my favorite luxury bag is the major option for my purchase selection of fashion products, regardless of price	0.740	0.115
69.	BL3. I prefer to purchase my favorite luxury brand of bags and I am willing to pay premium compare to other brands that have similar f...	0.415	-0.520
70.	BL4. I prefer to purchase my favorite luxury brand of bags and if it is available, I will not buy other brands	0.678	-0.119
71.	BL5. I prefer to purchase my favorite luxury brand of bags and I will think twice to buy another brand if it is almost the same.	0.794	0.154
72.	OBE1. I prefer to purchase my favorite luxury brand of bags because it makes sense, even if the same as any other brands.	1.019	1.788
73.	OBE2. I prefer to purchase my favorite luxury brand of bags even if the other brands has the same features	0.899	0.860
74.	OBE3. I prefer to purchase my favorite luxury brand of bags despite there is another brand as good as it.	0.923	0.766
75.	OBE4. I prefer to purchase my favorite luxury brand of bags because it seems smarter, if another brand is not different in any way	0.777	0.482

All of the items met the requirements for data normality. Therefore, the 444 responses were deemed acceptable for use in the next analysis.

5.4.2. Descriptive statistics

This analysis provides an overview of the data. The majority of the statistics are related to the demographics of the respondents. In summary, the profiles of the respondents are as follows:

- Age:

  53.5% respondents were in the age range of 25-35 years. This was followed by 28.4% in the age range above 35-45 years. A total of 82% of the respondents were in the range of

25-45 years old, which is considered as a productive age with regard to being economically useful. It represents the majority age-range of the middle-class (Budiman et al., 2012).

- Education:

  53.8% of the sample had an undergraduate or bachelor's degree, the majority proportion, followed by 26.1% who were high school graduates, and these were closely followed by those having a postgraduate degree, at 19.8%. A total of 73.6% of respondents held undergraduate and postgraduate degrees. In comparison to most Indonesians, this figure illustrates a well-educated population (BPS, 2019). The figure represents one of the middle-class characteristics of high level of education, compared to the general population.

- Occupation:

  58.3% respondents were working women, employees or professionals and 17.1% were entrepreneurs. In total, 75.4% of the respondents were workers. Nevertheless, the housewives shared almost the same percentages as the entrepreneurs at 16.2%.

- Marital status:

  Of the majority of the respondents, 49.1% were married women with 1-3 children and this was followed by 34.1% being single women.

- Domicile:

  79.2% of respondents reside in Jakarta and the Bodetabek area, followed by small proportions of Bandung = 3.4% and 2.5% from Surabaya. Other cities contribute 9% which is the 2^{nd} highest proportion after Jakarta and Bodatabek combined. However, this area consists of various cities in a small number, and it does not demonstrate a significant meaning to be analysed individually per city.

  The initial plan was to compare the difference in consumer behaviour between cities. However, the domiciles were not widely dispersed enough, and the majority reside in Jakarta and surroundings (Bodetabek). Hence, the analysis was conducted on an overall basis rather than in divided areas.

- Monthly expenditure:

  Half of the respondents (48.9%) spent IDR 5-10 million (AUD 532-940) per month. 25.9% of respondents spent below IDR 5 million (<AUD 532) per month and 25.2% spent above

IDR 10 million (>AUD 940). Overall, 74.1% of respondents spent more than IDR 5 million per month.

Monthly expenditure refers to the respondents' monthly spending on essentials and expenses considered to be small items such as food, school fees, and transportation. It excludes major items, such as a house or car loan which usually represent one third to half of the monthly spending.

Apart from the demographic profile, the usage profile was also recorded. It covers the time and amount of times that the respondents purchase luxury handbags.

- The last time respondents bought their luxury handbags was within the last 6 months (42.5%), and the last month (36.5%). In total, 79% of the respondents claim to have purchased their luxury handbags not less than 6 months ago. This figure represents the "recentness" of their purchase attitude.
- 91.4% bought more than 1 luxury handbag last year. They consist of respondents who bought 1-3 bags (71.4%) and more than 3 bags (20%). In general, this profile shows that they are familiar with luxury handbags.

Detail profiles of the respondents presented in table 5.6.

Table 5.6. Descriptive statistic

Demographic	Frequency	Percentage
Age:		
<25 years	64	14.4
25-35 years	238	53.6
35-45 years	126	28.4
>45 years	16	3.6
Education:		
High school or diploma	116	26.2
Under-graduate	239	53.7
Post-graduate	88	19.9
Doctoral	1	0.2
Occupation:		
Housewife	72	16.2
Employee or Professional	259	58.3
Entrepreneur	76	17.1
Student	22	5.0
Other	15	3.4
Marital status:		
Single	151	34.1
Married no kids	70	15.7
Married with 1-3 kids	217	49.1
Married with more than 3 kids	6	1.1
Domicile:		
Jakarta	267	60.1
Bodetabek	85	19.1
Surabaya	11	2.5
Bandung	15	3.4
Medan	7	1.6
Malang	6	1.4
Semarang- Jogja- Solo	13	2.9
Others	40	9.0
Monthly expenditure:		
Below IDR 5mio (> AUD 532)	115	25.9
IDR 5mio-10mio (AUD 532-940)	217	48.9
Above IDR 10mio (< AUD 940)	112	25.2
When was the last time you buy luxury handbags?		
Last month	162	36.5
Last 6 month	188	42.3
Last year	93	20.9
System	1	0.2
How many luxury handbags did you buy last year?		
None	38	8.6
1-3	317	71.4
more than 3	89	20.0

Overall, the demographic figures shown are typical of the middle-class consumers who were the target population of this study. They include the context of respondents' age, education, occupation, and monthly expenditure (BPS, 2019). Most of the demographic profiles represent a similar pattern; contributors in the majority come from a certain group or criteria, instead of being dispersed equally across all criteria.

The usage profile of respondents is also demonstrated as expected. Data indicates most of the respondents are indeed users of luxury handbags and that they have recently purchased new handbags within at least the last 6 months prior to the survey. They also seem familiar with luxury handbags and have purchased more than 1 handbag within the last year.

As previously described, the quantitative analysis focused on overall sampling rather than reviews separately by demographic group. However, the variability of demographics became attention in phase 2. The demographic profiles such as domicile, age, marital status, and brand preferences were used to select respondents for interviews. It was expected that a qualitative amount of data would be obtained from the combination of the respondents' demographic and usage profile.

5.4.3. Confirmatory factor analysis (CFA) measurement model

Initially, CFA was conducted at the construct level as part of the model's re-specification. After the stages of analysis were followed precisely, CFA analysis was performed on the full model rather than as per the constructs. It allowed an overall view of each item loaded perfectly into aimed constructs, all together. The use of goodness of fit indices were designed for the whole model instead of individual constructs one at a time. If the analysis were conducted by construct, it would mean an incomplete test and bias because to achieve a model fit for a single construct is easier than for the entire model (Hair, et al., 2010).

The MM consists of a total of 11 latent constructs; 6 exogenous and 5 endogenous variables as in table 5.7.

Table 5.7. List of latent constructs/variables

Exogenous variables	Endogenous variables
Personal values: Hedonism	Brand awareness
Social values: Face-saving	Brand meaning
Social values: Group orientation	Brand response
Functional values: Uniqueness, exclusivity and quality	Brand loyalty
Country of origin image	Overall brand equity
Country of manufacture image	

The MM generates goodness of fit (GOF) indices of: $\chi 2/df$=2.718, RMSEA=0.062, SRMR=0.0721, CFI=0.803, TLI=0.793, GFI=0.695. To achieve the expected GOF indices, model re-specification is required. The approach should be conducted in an integrative manner, along with consideration on the theory (Anderson & Gerbing, 1988).

The modification indices (MI) serve as a basis for model re-specification. MI is recognized as the most useful way to respecify the model and is intuitively appealing (Jöreskog & Sörbom, 1996). MI signifies the decrease of the chi square (Gallagher, Ting, & Palmer, 2008) which aims to achieve an expected $\chi 2/df$ ratio. Theoretically, it is possible to attain the model fit which will be significant for MI < 4 (Hair et al., 2010). For the case of covariance, two error terms that were allowed to be correlated refer to the value of MI. In addition, the "candidate" error terms to be correlated was measurement errors between items within the same constructs (Pedhazur, 1997). The error variance represented the possibility of error occurring as a result of respondents' interpretation due to various reasons, such as subjectivity or similar wording (Hair et al., 2010). If two errors in the cross-sectional study were correlated, it referred to the possibility of the item measuring something else or to additional items to be measured (Ho, 2013). This may have happened because the respondents' subjective interpretation of the survey questions, despite the pre-test were conducted to minimize this possibility.

MI in the covariance tab was consulted. It started from the highest available value of MI and stopped to consult MI after it reached the value of 4. This MI value serves as reference to correlate the errors between two items. After the error is correlated, the GOF indices are checked as to whether they have already reached the expected levels. If not, then the MI is consulted again. The MI level is then lower than the initial level of MI. The process is then repeated until the GOF indices are achieved; or the MI value reaches 4. In this study, the MI started from a value of 100 and gradually lowered to the values of 50, 20 and then 4. It is easier to review the items to be correlated, because less numbers appear at with a high MI value. If using an MI value directly to the limit (value= 4), there are too many possibilities of correlations appearing which may cause human error. However, after consulting to the MI of 4, the acceptable GOF indices were not reached. This process was used with the MI as an indicator to correlate the error covariance and then it stopped.

The model re-specification was continued by reviewing the squared multiple correlation (SMC) level. SMC refers to the index proportion of variance of the endogenous variable that is calculated by the exogenous variables. The higher values of SMC mean better prediction of the endogenous variables (Ho, 2013). The re-specification was conducted by reviewing the SMC values of each item. Items which have an SMC < 0.4 were suggested to be removed from the constructs. Again, this process aims to achieve acceptable levels of the GOF indices as the main objective of the re-specification process. Further, the removal of items should consider minimum items maintained in each construct. Some researchers argue that the optimum is to keep a minimum of 3 (three) items per construct (Gallagher et al., 2008; Hair et al., 2010). However, some complexity and technical issues should be taken into consideration prior to maintaining this standard. As an example, a higher sample size is required for more parameters to be estimated because more indicators are required. But it is not feasible to add more questions into the survey. Moreover, using more than one item per construct in SEM is seen as an advantage over first-generation statistical techniques, such as multiple regression, which encourages using only single indicators per variable (Bagozzi & Yi, 2012). Therefore, this study maintains at least 2 (two) items per construct.

In this study, all of the items which have an SMC < 0.4 are sorted as candidates to be deleted. Removal is conducted one item at a time, from the one which has the lowest SMC value. The GOF indices are then consulted after deleting one item, to check whether this achieves the expected level. However, after deleting all the possible items which have an SMC < 0.4, the GOF indices have not reached the standard level.

The final step of re-specification is conducted by consulting a standardized regression weight. The item with a low level of standardized regression weight is a problem, because of the possibility of loading the other items. The level of standardized regression weight < 0.7 is represented as a candidate item to be removed.

Finally, the model fit is achieved after this last step. There are 2 alternatives of measurement model (MM) as follows:

1. MM #1

   In this model, the endogenous variables consist of personal value of hedonism, social values (comprises face-saving and group orientation), functional values (comprises uniqueness, exclusivity and quality), country of origin image and country of manufacture image. The exogenous variables are BEQ/overall brand equity and CBBE dimensions: BA, BM, BR, and BL.

Table 5.8. Summary of constructs of the MM#1

Exogenous variables		Endogenous variables
1st construct	**2nd construct**	**1st construct**
HEDO/Hedonism		BA/Brand Awareness
FS/Face-saving	SocV/Social values	BM/Brand Meaning
GO/Group orientation		BR/Brand Response
UNIQ/Uniqueness	FuncV/Functional values	BLO/Brand Loyalty
EXC/Executive		OBE/Overall Brand Equity
QUA/Qualitative		
COORI/Country of Origin		
COMAN/Country of Manufacture		

GOF indices result of MM#1: $\chi 2/df$=1.805, RMSEA=0.43, SRMR=0.057, CFI=0.944, TLI=0.937, GFI=0.858

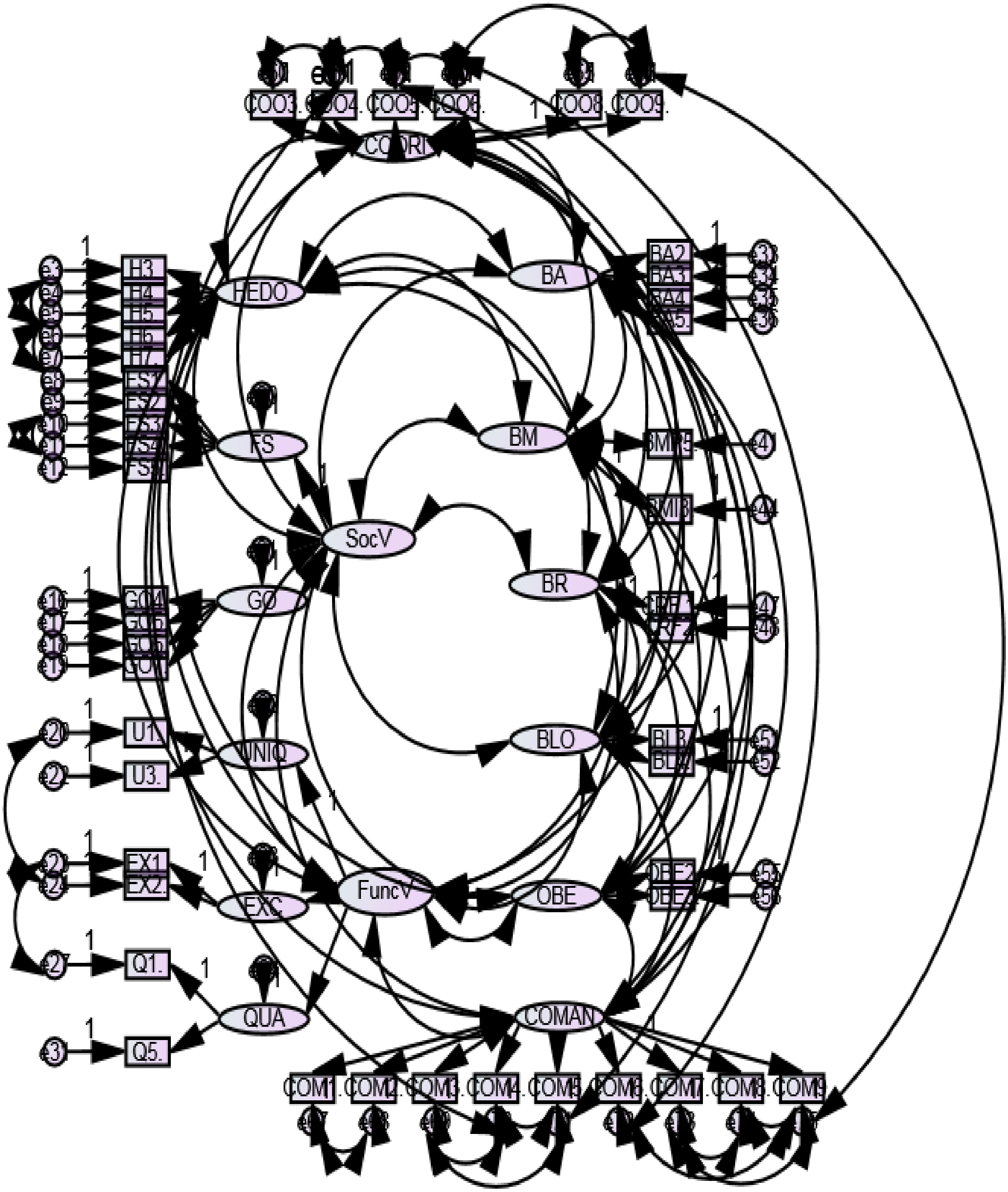


Figure 5.3. MM#1 result in AMOS

2. MM #2

   In this model, modifications occur on the social values. Face-saving and group orientation serve as individual constructs of social values, rather than as a 1st construct as in MM#1 . The exogenous variable remains the same as MM#1.

Table 5.9. Summary of construct of the MM#2

Exogenous variables		**Endogenous variables**
1st construct	**2nd construct**	**1st construct**
HEDO/Hedonism		BA/Brand Awareness
FS/Face-saving		BM/Brand Meaning
GO/Group orientation		BR/Brand Response
UNIQ/Uniqueness	FuncV/Functional values	BLO/Brand Loyalty
EXC/Executive		OBE/Overall Brand Equity
QUA/Qualitative		
COORI/Country of Origin		
COMAN/Country of Manufacture		

GOF indices result of MM#2: $\chi 2/df$=1.732, RMSEA=0.042, SRMR=0.051, CFI=0.952, TLI=0.945, GFI=0.874

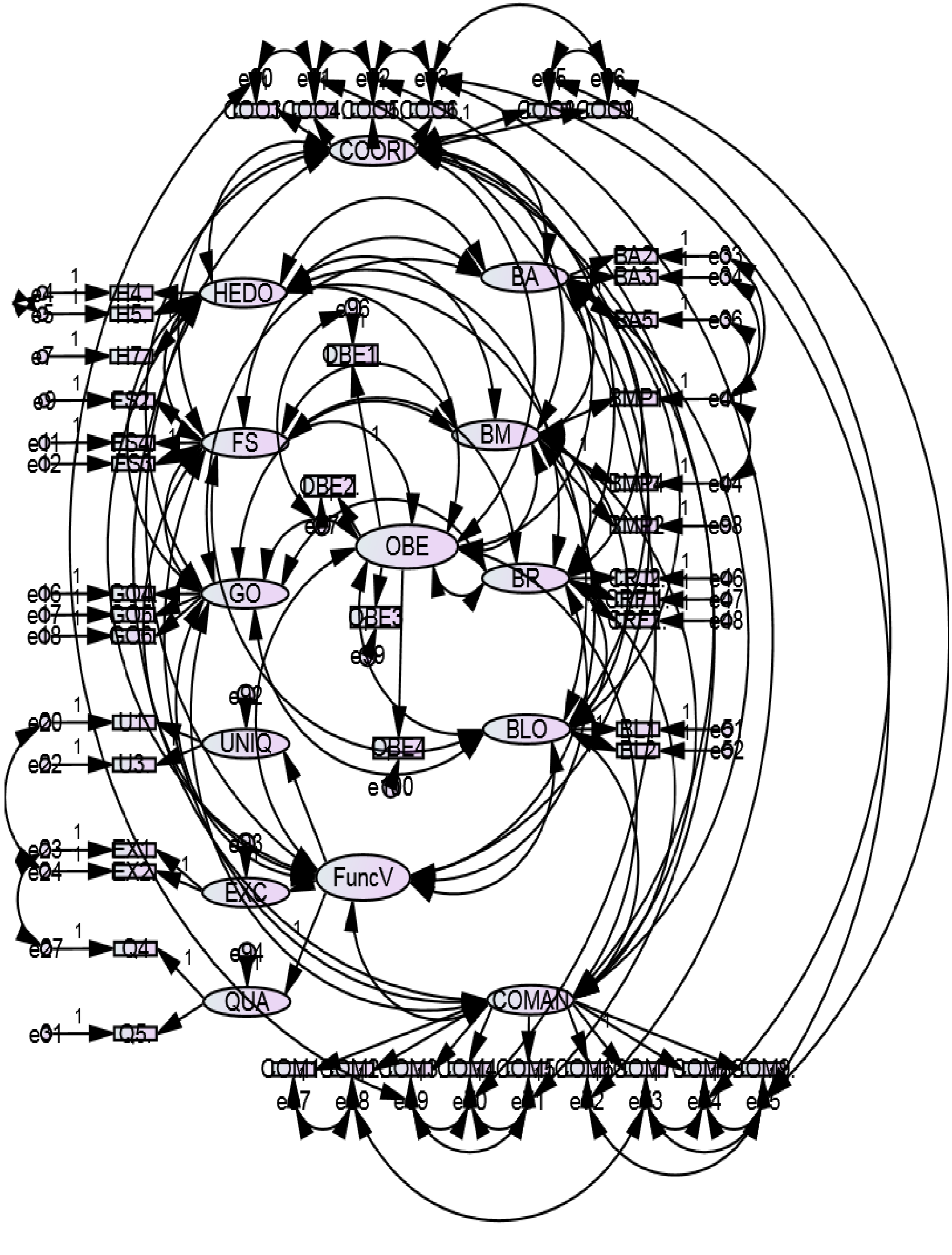


Figure 5.4. MM#2 result in AMOS

The model fit comparison between MM #1 and MM #2 presented in Table 5.10.

Table 5.10. Comparison of GOF indices between MM#1 and MM#2

Selected Fit Indices	**MM #1**	**MM #2**	**Standard**
Normed chi-square ($\chi 2/df$)	1.805	1.732	≤3
RMSEA	0.043	0.042	< 0.06
Standardized RMR	0.057	0.051	< 0.08
Comparative Fit Index (CFI)	0.944	0.952	> 0.95
Tucker-Lewis Index (TLI)	0.937	0.945	> 0.95
GFI	0.858	0.874	> 0.95

Both models demonstrated acceptable fit indices. The GOF of MM #2 exhibited more accurate figures in comparison to MM#1, to the standard. Therefore, MM #2 was taken as the final MM for this research.

All of the GOF indices demonstrate a level of within or above standard, except for GFI = 0.874 < standard of 0.95. GFI refers to *the absolute fit (unadjusted for degrees of freedom) of the combined measurement and structural model to the data* (Gefen, Straub, & Boudreau, 2000). This result was found to be the best possible that could be achieved from several model re-specification actions as described previously. Regardless, some of the references set a threshold for the GFI above 0.90 (Chin & Todd, 1995; Segars & Grover, 1998); the "rule of thumb" of cut off fit indices at level > 0.9 is a concern because it may not be applicable in different cases. The substantive and theoretical issues underlying the model, as well as the model's complexity are some of the aspects that should be taken into consideration on the validity of the model (Ho, 2013). Therefore, this GFI level is considered acceptable.

5.4.4. CFA construct validity

After the MM was specified, the next assessment conducted was the identification of construct validity, aimed to further validate the MM. Construct validity comprises of composite reliability, discriminant validity and convergence validity (O"Leary-Kelly & Vokurka, 1998).

The acceptable level for each measurement is shown in table 5.11.

Table 5.11. The standard measurement for construct validity

Validity	Measurement	Standard
Composite reliability	CR (composite reliability)	CR > 0.7
Convergence validity	AVE (average variance extracted)	AVE > 0.5
Discriminant validity	MSV (maximum shared squared variance)	AVE > MSV

Data of MM#2 used to measure CR, AVE and MSV, using the formula as described in chapter 3. The result of construct validity of MM#2, as shown in Table 5.12.

Table 5.12. Result of construct validity

	CR	AVE	MSV	MaxR(H)	HD	FS	COMA	COO	FV	BA	BM	BR	BL	OBE
HD	0.812	0.593	0.219	0.846	**0.770**									
FS	0.860	0.675	0.386	0.932	0.213	**0.822**								
COMA	0.948	0.670	0.588	0.971	0.372	0.289	**0.819**							
COO	0.911	0.630	0.588	0.977	0.411	0.311	0.767	**0.794**						
FV	0.889	0.737	0.436	0.988	0.326	0.621	0.407	0.464	**0.858**					
BA	0.846	0.647	0.507	0.989	0.417	0.173	0.304	0.411	0.323	**0.804**				
BM	0.812	0.595	0.507	0.989	0.393	0.179	0.382	0.459	0.380	0.712	**0.771**			
BR	0.835	0.628	0.436	0.990	0.468	0.379	0.518	0.579	0.660	0.472	0.521	**0.793**		
BL	0.713	0.554	0.307	0.990	0.369	0.411	0.380	0.427	0.554	0.358	0.296			
OBE	0.848	0.585	0.258	0.991	0.252	0.400	0.376	0.401	0.414	0.299	0.294		0.508	

CR: Composite Reliability **AVE: Average Variance Extracted** **MSV: Maximum Shared Square Variance**
MaxR(H): Maximum Reliability **HD: Hedonism** **FS: Face-saving** **COMA: Country of manufacture**
COO: Country of Origin **FV: Functional Values** **BA: Brand Awareness** **BM: Brand Meaning**
BR: Brand Response **BL: Brand Loyalty** **OBE: Overall Brand Equity**

Table 5.12 shows the score for CR, AVE and MSV for all constructs in the MM. They all reflect CR > 0.7; AVE > 0.5 and AVE > MSV which meet the required standards of construct validity. This result demonstrates that there are no issues with the construct validity. Hence, the analysis can be continued using the available items in each construct.

5.4.5. Common method bias

Common method bias indicates variance that is attributable to the measurement method rather than to the construct of interest (Fiske, 1982). Possible bias must be checked for due to the single sourcing data used for this study i.e., the online survey. To check for bias, the Harman's single factor test was conducted. The results are shown in table 5.13.

Table 5.13. Result of the Harman's single factor test

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	20.202	26.936	26.936	20.202	26.936	26.936
2	6.233	8.310	35.246			
3	4.123	5.497	40.743			
4	2.746	3.661	44.405			
5	2.319	3.092	47.497			
6	2.062	2.750	50.247			
7	1.792	2.390	52.636			
8	1.630	2.173	54.809			
9	1.525	2.033	56.842			
10	1.483	1.978	58.820			
11	1.360	1.814	60.634			
12	1.280	1.707	62.341			
13	1.254	1.672	64.012			
14	1.107	1.476	65.488			
15	1.085	1.447	66.935			
16	1.038	1.384	68.319			
17	.959	1.278	69.598			
18	.951	1.269	70.866			
19	.897	1.196	72.062			
20	.876	1.168	73.230			
21	.837	1.116	74.346			
22	.793	1.058	75.404			
23	.731	.975	76.378			
24	.721	.962	77.340			
25	.690	.921	78.261			
26	.673	.898	79.159			
27	.642	.856	80.014			
28	.610	.814	80.828			
29	.605	.806	81.634			
30	.573	.764	82.399			
31	.563	.750	83.149			
32	.537	.716	83.865			
33	.512	.682	84.547			
34	.497	.663	85.211			
35	.485	.647	85.858			
36	.476	.634	86.492			
37	.457	.609	87.101			
38	.446	.595	87.696			
39	.429	.572	88.268			
40	.407	.543	88.811			
41	.404	.539	89.350			
42	.393	.524	89.875			
43	.381	.508	90.383			
44	.374	.499	90.882			
45	.361	.481	91.363			
46	.356	.475	91.838			
47	.339	.452	92.289			

Total Variance Explained

Component	Initial Eigenvalues Total	% of Variance	Cumulative %	Extraction Sums of Squared Loadings Total	% of Variance	Cumulative %
48	.331	.441	92.731			
49	.326	.434	93.165			
50	.303	.404	93.569			
51	.297	.396	93.965			
52	.282	.377	94.342			
53	.275	.367	94.709			
54	.262	.350	95.059			
55	.256	.341	95.400			
56	.251	.334	95.734			
57	.245	.327	96.061			
58	.236	.315	96.376			
59	.226	.301	96.677			
60	.225	.300	96.977			
61	.214	.286	97.262			
62	.200	.266	97.529			
63	.195	.261	97.789			
64	.189	.251	98.041			
65	.179	.239	98.279			
66	.169	.225	98.504			
67	.163	.217	98.721			
68	.154	.205	98.926			
69	.145	.193	99.119			
70	.139	.186	99.305			
71	.132	.176	99.481			
72	.109	.146	99.627			
73	.100	.133	99.760			
74	.093	.124	99.885			
75	.087	.115	100.000			

Extraction Method: Principal Component Analysis.

The Harman's single factor test generated one factor representing 26.9%. Because it was still below 50%, this factor was not considered to be in the majority. Therefore, the data was shown to be unbiased.

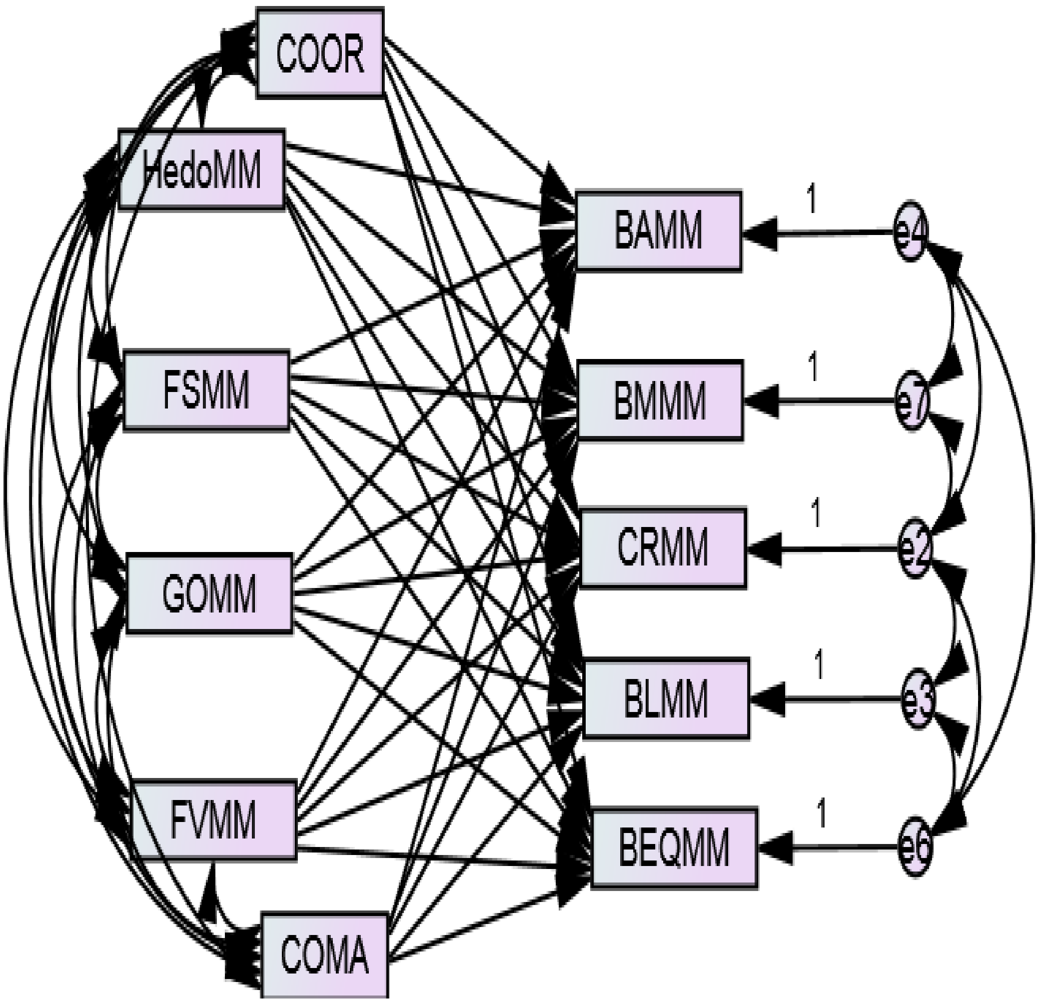
5.4.6. Structural model (SM)

The validity of the research model has been validated in the previous stages. After proving the validity, the final stage of SEM analysis is the structural model (SM). It is a representation of the structural relationship between the constructs. This stage aims to test the hypotheses.

The items used to measure each construct in the MM #2 are considered as the "final" items. To simplify and reduce the cluttered view of the layout, these items are replaced by composite constructs. The composite constructs are calculated by adding all of the final items within a construct. For instance, the construct of hedonism/HEDO/HD consists of the final items of H3, H5 and H7. The composite constructs of HEDO = H3+H5+H7. Similar calculations apply to all other constructs. These composite constructs are used for SM analysis.

Prior to further analysis, the GOF indices should be checked using the composite constructs. The results of GOF are: χ2/*df*=1.168, RMSEA=0.019, SRMR=0.009, CFI=1, TLI=0.998, GFI=0.995. This model demonstrates a close fit. Hence, the next step is to assess whether relationship in the hypotheses exist. There are 6 sets of hypotheses to be tested, as seen in Table 4.2 and the preliminary research model can be seen in Figure 4.2.

The result of SM illustrated in figure 5.5 and hypotheses testing in table 5.14.



HedoMM: composite construct of Hedonism	**COOR: composite construct of COO**	**CRMM: composite construct of BR**
FSMM: composite construct of FS	**COMA: composite construct of COMa**	**BLMM: composite construct of BL**
GOMM: composite construct of GO	**BAMM: composite construct of BA**	**BEQMM: composite construct of OBE**
FVMM: composite construct of Functional values	**BMMM: composite construct of BM**	

Figure 5.5. SM result in AMOS

Table 5.14. Result of hypotheses testing of SM

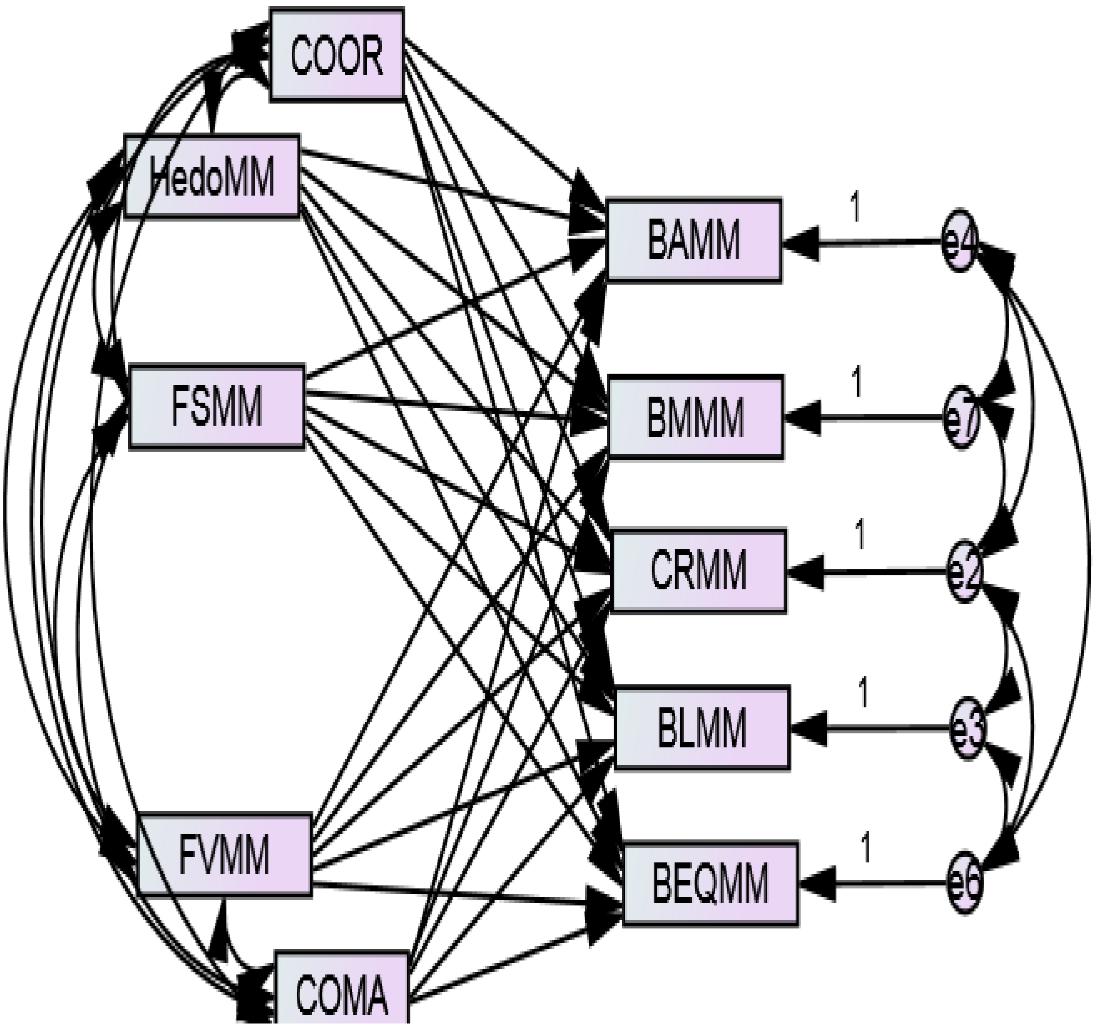
Path			Estimate	P	Conclusion
HD	-->	BA	0.238	***	Supported
HD	-->	BM	0.22	***	Supported
HD	-->	BR	0.176	***	Supported
HD	-->	BL	0.142	**	Supported
HD	-->	OBE	0.058	0.2	Not supported
FS	-->	BA	-0.024	0.644	Not supported
FS	-->	BM	-0.015	0.76	Not supported
FS	-->	BR	0.074	0.097	Not supported
FS	-->	BL	0.112	*	Supported
FS	-->	OBE	0.193	***	Supported
GO	-->	BA	-0.049	0.306	Not supported
GO	-->	BM	-0.188	***	Not supported
GO	-->	BR	-0.099	*	Not supported
GO	-->	BL	0.023	0.635	Not supported
GO	-->	OBE	0.016	0.741	Not supported
FV	-->	BA	0.173	**	Supported
FV	-->	BM	0.26	***	Supported
FV	-->	BR	0.363	***	Supported
FV	-->	BL	0.235	***	Supported
FV	-->	OBE	0.13	*	Supported
COO	-->	BA	0.244	***	Supported
COO	-->	BM	0.225	***	Supported
COO	-->	BR	0.193	***	Supported
COO	-->	BL	0.109	0.076	Not supported
COO	-->	OBE	0.142	*	Supported
COMa	-->	BA	-0.007	0.904	Not supported
COMa	-->	BM	0.06	0.302	Not supported
COMa	-->	BR	0.119	*	Supported
COMa	-->	BL	0.073	0.231	Not supported
COMa	-->	OBE	0.138	*	Supported

Note: * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$

To achieve the most parsimonious model, the non-significant path should be removed from the model (Byrne, 2009). Because the relationship of H3 demonstrates non-significant pathways, the alternative SM - called SM#2 is conducted by removing the constructs of GO from the model.

SM#2

The result of GOF indices: χ2/*df*=1.226, RMSEA=0.023, SRMR=0.0082, CFI=1, TLI=0.992, GFI=0.998. This demonstrated a model fit. The AMOS result of SM#2 is illustrated in figure 5.6 and result of hypotheses testing in table 5.15.



HedoMM: composite construct of hedonism	**COOR: composite construct of COO**	**CRMM: composite construct of BR**
FSMM: composite construct of FS	**COMA: composite construct of COMa**	**BLMM: composite construct of BL**
GOMM: composite construct of GO	**BAMM: composite construct of BA**	**BEQMM: composite construct of BEQ**
FVMM: composite construct of Functional values	**BMMM: composite construct of BM**	

Figure 5.6. SM#2 result in AMOS

Table 5.15. Result of hypothesis testing of SM#2

Path			Estimate	P	Conclusion
HD	-->	BA	0.241	***	Supported
HD	-->	BM	0.233	***	Supported
HD	-->	BR	0.183	***	Supported
HD	-->	BL	0.141	**	Supported
HD	-->	OBE	0.057	0.207	Not supported
FS	-->	BA	-0.039	0.43	Not supported
FS	-->	BM	-0.073	0.126	Not supported
FS	-->	BR	0.043	0.314	Not supported
FS	-->	BL	0.119	*	Supported
FS	-->	OBE	0.198	***	Supported
FV	-->	BA	0.159	**	Supported
FV	-->	BM	0.205	***	Supported
FV	-->	BR	0.334	***	Supported
FV	-->	BL	0.241	***	Supported
FV	-->	OBE	0.135	**	Supported
COO	-->	BA	0.245	***	Supported
COO	-->	BM	0.231	***	Supported
COO	-->	BR	0.196	***	Supported
COO	-->	BL	0.108	0.078	Not supported
COO	-->	OBE	0.141	*	Supported
COMa	-->	BA	-0.003	0.959	Not supported
COMa	-->	BM	0.076	0.197	Not supported
COMa	-->	BR	0.128	*	Supported
COMa	-->	BL	0.071	0.243	Not supported
COMa	-->	OBE	0.137	*	Supported

Note: * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$

The GOF indices comparison of SM and SM#2 are presented in table 5.16. The model fit is slightly improved, closer to the expected threshold. In SM#2, the $\chi 2/df$ and RMSEA are higher and the TLI is lower compared to the previous model.

Table 5.16. Comparison of GOF indices between SM and SM#2

Selected Fit Indices	SM	SM#2	Standard
Normed chi-square (χ2/*df)*	2.805	2.642	≤3
RMSEA	0.06	0.06	< 0.06
Standardized RMR	0.0154	0.0164	< 0.08
Comparative Fit Index (CFI)	0.997	0.997	> 0.95
Tucker-Lewis Index (TLI)	0.938	0.95	> 0.95
GFI	0.997	0.996	> 0.95

The hypothesis testing of SM#2 also showed a slight improvement compare to SM. With the removal of the GO, the majority of hypotheses were supported: 17 (seventeen) hypotheses out of 25 (twenty-five) or equal to 68% were supported in the SM#2. Previously in SM, 17 (seventeen) hypotheses out of 30 (thirty) or equal to 57% were supported. SM#2 consider as the superior model fit and was combined with the improvement of supported hypotheses to arrive at the most parsimonious model. Hence, SM#2 was selected as the final model.

5.5. Final research model and result of hypothesis testing

The final research model is presented in figure 5.7 and summary result of hypothesis testing in table 5.17.

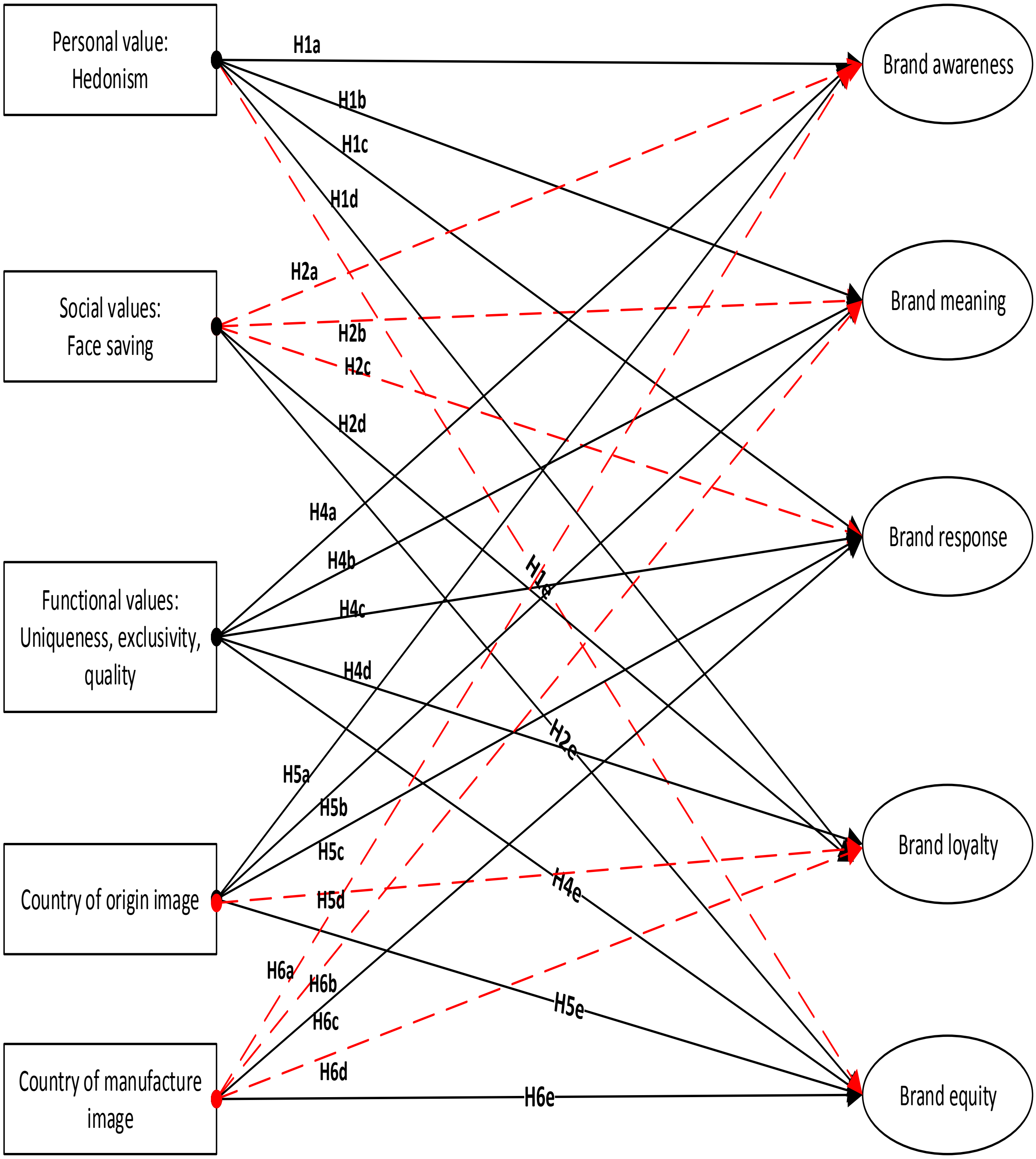


Figure 5.7. The final research model

Significant relationship

Non-significant relationship

Table 5.17. The final hypotheses results

Hypothesis path	Regression weight	Conclusion
H1a: Hedonism → Brand Awareness	0.241***	Supported
H1b: Hedonism → Brand Meaning	0.233***	Supported
H1c: Hedonism → Brand Response	0.183***	Supported
H1d: Hedonism → Brand Loyalty	0.141**	Supported
H1e: Hedonism → Brand Equity	0.057	Not supported
H2a: Face-saving → Brand Awareness	-0.039	Not supported
H2b: Face-saving → Brand Meaning	-0.073	Not supported
H2c: Face-saving → Brand Response	0.043	Not supported
H2d: Face-saving → Brand Loyalty	0.119*	Supported
H2e: Face-saving → Brand Equity	0.198***	Supported
H4a: Functional values → Brand Awareness	0.159**	Supported
H4b: Functional values → Brand Meaning	0.205***	Supported
H4c: Functional values → Brand Response	0.334***	Supported
H4d: Functional values → Brand Loyalty	0.241***	Supported
H4e: Functional values → Brand Equity	0.135**	Supported
H5a: Country of Origin → Brand Awareness	0.245***	Supported
H5b: Country of Origin → Brand Meaning	0.231***	Supported
H5c: Country of Origin → Brand Response	0.196***	Supported
H5d: Country of Origin → Brand Loyalty	0.108	Not supported
H5e: Country of Origin → Brand Equity	0.141*	Supported
H6a: Country of Manufacture → Brand Awareness	-0.003	Not supported
H6b: Country of Manufacture → Brand Meaning	0.076	Not supported
H6c: Country of Manufacture → Brand Response	0.128*	Supported
H6d: Country of Manufacture → Brand Loyalty	0.071	Not supported
H6e: Country of Manufacture → Brand Equity	0.137*	Supported

Note: * $p<0.05$; ** $p<0.01$; *** $p<0.001$

5.6. Summary and highlights of phase 1 findings

A quantitative study was the first phase out of three phases in the sequential mixed methods selected for this study. The preliminary research model was tested on Indonesian middle-class women. The final result is presented in Figure 5.7 and Table 5.17.

The highlights of the results are as follows:

1. The personal value of hedonism exhibits a unique result. The association between hedonism and the CBBE dimensions is significant; hedonism positively associated with BA, BM, BR and BL by the acceptance of H1a, H1b, H1c and H14d. However, hedonism did not associate to CBBE directly which was reflected by the non-significant association between hedonism and OBE/BEQ where H14e was not supported. It meant that hedonism associated with CBBE indirectly via all of its dimensions and did not associate to CBBE directly.
2. In the social values represented by the construct of face-saving, the result demonstrates outcomes in opposite than the results of hedonism. Face-saving has a non-significant association with BA, BM and BR by not accepting H2a, H2b, and H2c. Further, face-saving shows a significant association with OBE/BEQ by the acceptance of H2e. It reflects that face-saving did not associate to CBBE indirectly via its dimensions but associated with CBBE directly; with the exception of BL. Face-saving demonstrates a positive significant relationship with BL by the acceptance of H2d.
3. Another construct in the social values, group orientation, was removed from the research model. In the preliminary model, it exhibited a non-significant relationship, to both direct and indirect CBBE constructs. The removal aimed to arrive at the most parsimonious research model.
4. The functional values were operationalized by the aspects of uniqueness, exclusivity and quality, demonstrating a positive association with CBBE by acceptance of H4a, H4b, H4c, H4d and H4e. The functional values positively associated with CBBE directly and indirectly via its dimensions. This is the only outcome that exhibited significant results on all of the associations between the exogenous and endogenous variables.
5. The image of COO exhibits a significant relationship between COO and each of the CBBE dimensions: BA, BM and BR, by acceptance of H5a, H5b, and H5c; and positive association of COO and CBBE directly, by the acceptance of H5e. The exception applies

for BL, the non-significant relationship of COO and BL shown by the non-acceptance of H5d.

6. The image of COMa exhibits a positive association with CBBE directly, by acceptance of H6e. Indirectly, a non-significant result is demonstrated by the relationship between COMa to each of the CBBE dimensions: BA, BM and BL, by non-acceptance of H6a, H6b, and H6d with the exception of BR. COMa demonstrates a significant relationship with BR by the acceptance of H6c.

The analysis and discussion is presented in phase 3 in Chapter 7 as overall and integrated analysis. There is no individual analysis of each phase. Phase 1 and 2 present the findings and phase 3 discusses the overall analysis of phase 1 and 2 altogether.

Beyond the objective of answering the RQ.1, the results of phase 1 serve as a foundation for the next phase, the qualitative study. Typically, the sequential mixed method is used to explain and interpret the result of the quantitative study, by analysing the qualitative study (Creswell, 2009). One of the advantages of this method rests in situations when unexpected results arise during the quantitative phase (Morse, 1991). Unexpected outcomes may be explained more effectively during the qualitative phase.

Some of the key points to note for the next phase are:

1. Selection of the respondents was based on a mixture of demographics.

   In the mixed-method design, it is common that the sample for the qualitative study is recruited based on the information collected from the quantitative study (Kemper, Stringfield, & Teddlie, 2003). In this study, the combinations of demographic profiles, i.e., domicile, favourite brands, age, occupation, and marital status are taken into account.

   Potential candidates were shortlisted based on the majority of contributors from each profile. The combinations was as follows: the domicile of Jakarta, Bodetabek, Surabaya and Bandung; age: 25-45 years; single and married with 1-3 kids; housewives and professionals. For the brands of handbags, various brands, rather than majority brands are preferred. Consumers of Prada, Chanel, Louis Vuitton, Longchamp, Coach, Kate Spade, and Fossil were recruited. It was expected to enrich the results by recruiting various brand users, as a sampling selection in the qualitative study also suggested taking diversity into account (King, Horrocks, & Brooks, 2018).

2. The design of questions

   The questions were prepared in relation to the preliminary model. Some of them were deliberately adjusted to clarify the unexpected results of phase 1. As an example, both the constructs of face-saving and group orientation in social values demonstrated unexpected results because of the non-significant relationships. Hence, it became a tropic for the interviews to explore the reasons underlying this result.

5.7. Concluding comments

This chapter described the results of phase 1 - the quantitative study, by testing and validating the preliminary research model. Each stage of the SEM data analysis was elaborated upon, and the preliminary model evolved into the final research model. The majority of hypotheses were proven. However, some of the other results were unexpected. Some results of phase 1 also serve as a foundation for phase 2 – the qualitative study.

CHAPTER 6. Phase 2: Exploring and explaining the research model (The Qualitative Study)

6.1. Introduction

This chapter elaborates upon the results of phase 2 – the qualitative study. Phase 2 was conducted sequentially after phase 1 was accomplished. The roles of phase 2 were to provide explanations for the results generated in phase 1, along with exploring the possibility of new themes. Data coding and categorisation follows step of analysis as described in Chapter 3. There were 3 major categories of findings in this phase: the usage and attitude of consumers, the themes in the preliminary model and emerging new themes. All of the findings are presented in the format of respondents' quotes, to allow the reader to gain a "feel" of the way the respondents were thinking. A commentary and summary are given before the quotes from the interview.

6.2. Profile of respondents and the language used for interviews

Potential participants were shortlisted from the respondents of online survey and sent an invitation via email. The invitations were sent 3 (three) times to the potential participants to get sufficient responses. Finally, the researcher obtained responses from 22 people willing to be interviewed. These were from Jakarta, Bogor-Depok-Tangerang-Bekasi (Bodetabek) area, Bandung and Surabaya. Invitations sent to people residing in Medan and Semarang-Jogja-Solo received no response.

Table 6.1. Number of respondents interviewed by city

City	No. of respondents
Jakarta	12
Bodetabek area	4
Bandung	2
Surabaya	4
Total	**22**

Of the 22 (twenty-two) respondents interviewed, 19 (nineteen) transcripts were analysed.

Table 6.2. displays the profiles of the interviewees.

Table 6.2. Profile of the interviewees

No	Name	Age	Domicile	Marital	Occupation	Education	Brand	Date
1	Novi	35	Jakarta	M/1	Housewife	S2	Kate Spade	31 October 2017
2	Dina Y	42	Jakarta	M/1	Housewife	S1	Longchamp	31 October 2017
3	Ira	42	Jakarta	M/1	Professional	S1	Kate Spade	20 November 2017
4	Sheila	30	Jakarta	S	Professional	S2	Prada	20 November 2017
5	Yusi	37	Jakarta	M/2	Housewife	HS	Channel	20 November 2017
6	Armitha	23	Jakarta	S	Professional	S1	Prada	1 December 2017
7	Maya	NA	Jakarta	S	Professional	S1	Coach	30 November 2017
8	Nindita	32	Jakarta	M/1	Professional	S1	Kate Spade	30 November 2017
9	Talitha	24	Jakarta	S	Professional	S1	Fossil	4 December 2017
10	Intan	35	Jakarta	M/none	Professional	S1	Kate Spade	5 December 2017
11	Zita	30	Jakarta	S	Professional	S2	Prada	5 December 2017
12	Vanessa	27	Jakarta	S	Professional	S1	Salvatore	6 December 2017
13	Yulia	35	Bodetabek	M/3	Professional	S2	Gucci	22 November 2017
14	Annisa	29	Bodetabek	M/3	Professional	S1	Kate Spade	23 November 2017
15	Woro	39	Bodetabek	M/2	Professional	S2	Coach	24 November 2017
16	Amalina	NA	Bodetabek	M/1	Housewife	S1	Kate Spade	30 November 2017
17	Isma	30	Bandung	M/none	Professional	S2	Coach	27 November 2017
18	Nungky	33	Bandung	M/2	Professional	S2	Kate Spade	27 November 2017
19	Arne Ed	NA	Surabaya	M/1	Housewife	S1	Fossil	11 December 2017
20	Putri	30	Surabaya	M/2	Housewife	S1	Fossil	12 December 2017
21	Fahriza	32	Surabaya	M/2	Housewife	S1	Coach	12 December 2017
22	Dina	35	Surabaya	M/3	Housewife	S1	Longchamp	12 December 2017

NA: Not Advisable; M: Married; S: Single; HS: high school; S1: undergraduate; S2: postgraduate

The interviews were conducted in the Bahasa Indonesian language. Some points related to this language are:

- Some of the constructs or terminology used English to ensure that the intended meaning was delivered properly, such as the words for "excitement" and "face-saving".
- Transcription was undertaken in Bahasa Indonesia, with one script translated into English as an example, available in APPENDIX D.
- Coding was conducted based on the transcription, using English. Hence, the analysis of Bahasa Indonesia transcriptions into coding in English. Themes are also explained English.

6.3. How the interviews were conducted

Initially, the researcher planned to have a focus group discussion/FGD as well. It will be specific to gather on the aspects of COO and COMa. However, after reviewing the result from the quantitative study, the researcher decided that individual interviews instead of FGD were more appropriate. The time required to include questions about COO and COMa within individual interviews was considered adequate.

The interviews were conducted from 31 October 2017 to 12 December 2017. Most of the interviews were conducted in cafés. Specifically, for respondents in Jakarta, the interview time had to be carefully set because of the traffic factor. It took the researcher 2-4 hours to travel in Jakarta; hence, appointments were arranged based on the availability of respondents and grouping location. The researcher managed to interview two or three respondents in one meeting at a certain location.

Each interview began with an introduction and ice-breaker, with the researcher explaining briefly the research objective and what the interviewee could expect during the interview. The interviewee was asked to sign a statement consenting to the interview. Participants were asked questions from a prepared list, although other questions arose during the interview because of interesting points raised or when an answer needed to be clarified or elaborated. Sometimes, questions were skipped if they had already been answered in a previous response. It is common for further questions to arise during an interview, and these may lead to a better understanding of the topic (Creswell, 1998)

Each of the interviews took between 50 and 70 minutes. The researcher tried to be relaxed and friendly and avoided asking leading questions or using jargon. The researcher avoided asking questions that might have made the interviewee uneasy. Interviewees were encouraged to elaborate on their responses when further explanation was desirable, and at other times their responses were acknowledged with a smile or “OK” (Wisker, 2007). Even though a list of questions was prepared, the sequence was not rigidly followed It depended on the flow of conversation, which sometimes led the next question consecutively, or sometimes jumped to other questions.

The interviews were recorded via a mobile phone after ensuring that it had available space to save the file. A back-up battery and charger were at hand. The phone was set to flight mode to ensure a smooth recording without distraction. The quality of the recording was tested during the pilot interviews which were conducted in a similar setting – a café in a mall. The result was good, hence, the researcher had confidence in using a mobile phone recorder for all interviews. After each of the interviews, the recorded file was transferred to a laptop. The recording was then transcribed into an MS Word file.

6.4. Questions asked during the interviews

Because the objective of this phase was to explore and understand the consumers, questions were based on the outcome from the online survey and the literatures (Keller, 2013). The interview started with determining the relationship between consumers and brands, and examining the roles of personal, social and functional values on consumers' attitudes towards their favourite luxury brands and country image. Some of the questions emphasized exploration of the result of hypotheses which was not supported/not as expected, from Phase 1.

The questions were designed to have as flawless a flow as possible. Gathering information on consumer feelings is not an easy task, particularly on sensitive subjects, such as face-saving. Hence, building rapport is important. The questions were designed to make consumers feel comfortable in telling a story about their favourite handbags. Fortunately, most women enjoy this type of discussion. Deeper questions were able to be asked, once subjects were put at ease.

Respondents were asked the following questions:

1. Consumers' relationships with the brands:
    a. What is your favourite luxury brand of handbag?
    b. How do you know/how were you introduced to this brand?
    c. What are the reasons you like this brand?
    d. Has the brand changed you and your lifestyle? If yes, how has it changed?
    e. Regarding purchase habits: when, where, why and how do you buy handbags?
    f. Do you feel your religious beliefs have affected your relationship with this brand? Why/why not?

2. Hedonism: How do you feel when you shop for, think about or use your favourite luxury handbags?
3. Face-saving:
    a. Have you ever heard of the concept of face-saving? What does it mean to you?
    b. To what extent does face-saving influence your selection of luxury brands?
4. Group orientation:
    a. Do you have a group of friends that influence your selection of brands? Can you elaborate on that?
    b. How important is it that your friends or community acknowledges your luxury brand selection?
5. COO image:
    a. Are you aware of the COO of your favourite brands?
    b. How important is the COO's image influence on your selection of luxury brands? Why?
6. COMA:
    a. Are you aware of the location of the COMa of your favourite brands?
    b. How important is the COMa image influence on your selection of luxury brands? Why?
7. To what extent do consumers exhibit loyalty to various brands?
    a. Do you think you will remain loyal to your favourite luxury brand? Why, or why not?
    b. To what extent do you exhibit your loyalty to this brand?

The coding process used the computer-assisted data analysis software (CAQDAS) NVIVO version 12. The recordings and transcriptions were saved as a database.

6.5. The findings

The findings are presented in the following order: some commentary and a summary is given before quotes from interviews. The quotations give as much relevant information as possible from respondents that are relevant to each theme. This gives a "real" feel on how respondents express their feelings.

The findings are divided into three major categories: usage and attitude, the preliminary model, and new themes. This categorization refers to the preliminary research model and the new emerging themes - new or emerging themes which were not included in the preliminary model. The first category (consumer's usage and attitude) is introduced consider it is important to provide an overview of a consumer's relationship with their handbags, and this is expected to give a foundation to understanding the next subsections concerning the preliminary model and the emerging themes.

Table 6.3. Summary of categories

Themes in usage and attitude	Themes in research model	The new themes
• The basic function • Remember the 1st time • Because the luxury brand is what matter the most • The luxury market I've known • Let's buy new handbags! • What happened, Indonesia?	• Hedonism • Face-saving • Group-orientation • Functional values • Country of origin • Country of manufacture	• Self-rewards • Between the authenticity, bargain and investment • Once you crossing… • Sometimes we can go crazy • Because I believe

6.5.1. Category #1: Consumers usage of and attitudes around handbags

This is the first category, and it aims to explore the relationship between consumers, the brand and the handbag. Initially, the discussion on consumer usage and attitude works as an ice breaker and is about building rapport. It allows respondents to tell a story about their favourite handbag. This then leads to wider aspects, which form part of category #1.

6.5.1.1. The basic function

The basic function refers to the main function of handbags for the respondents.

Depend on the needs and daily activities

The handbag is regarded as one the most important tools for women. Despite the luxury handbag being bought for its reputation and its exclusivity, along with many subjective reasons, the basic function remains the same. When buying or using a handbag, functionality is claimed as an important concern.

Functionality refers to the daily activity it is used for, or the occasion for which it is brought out. The basic function of the handbag is as a single vessel into which one can put all her personal and essential belongings, to be carried everywhere. The type of handbag depends on the needs of the consumer, specifically referring to their daily activities. The needs of working women and housewives are different. For professionals or working women, a formal or light style bag may be more appropriate to their job function.

> *"…likewise if I am looking for handbags for work, my main consideration is on the quality, enabling long lasting usage. I like Kate Spade and Tori Burch. Tori Burch seems formal, suitable for work. Kate Spade is more a casual style. It suits for work as well as casual."* Armitha, single, professional

> *"…so at that time, I brought that handbag for work as a journalist – to conduct such things as news-interviews.. it's spacious, able to carry so much stuff inside, and with sling bag style, very light. You know… it so handy to carry everywhere. It's also comfortable to move around with it*." Sheila, single, professional.

For mothers with children, the handbag style may be diverse but the net weight and size, from medium-up is important. This is because mothers with children have to carry a lot of things. This means the bag will be heavy, and if the net weight of handbag is already heavy, it will double effort for a mother to carry her handbags.

> *" ….since I have had a kid I realized that it means having so much stuff to carry around. Before (I had a kid), I bought various brands as my preferred style. But then I know that if the handbag is heavy (*the weight of an empty handbag*), I don"t feel comfortable enough to carry it*." Dina, married with 1 child, housewife.

> *"…. Because I bring the kids hehe I need to bring many various things haha… anything, any kind of stuff; can be hand sanitizer, sometimes water bottle. They don"t bring their own bag, so everything is inside his mother's. And then my husband also keeps his wallet in my bag,*

because he doesn"t like to keep in his own pocket haha…" Putri, married with 2 children, housewife.

The suitability

As part of the daily activities, the use of handbags also depends on the purpose and the occasion. The respondents consider that a place to be visited or an occasion leads to a different use of the brand of handbags. The situation of visiting the mall is considered as to whether it is a middle-class mall compared to an upper class mall, and distinguishing between the brand of handbag for work and the weekend are examples mentioned by respondents.

> "*…from my handbag collection, I am using them based on the venue. For instance, I will not bring my Louis Vuitton handbag here (*note: in the middle-class mall*). But if I"m going to Plaza Indonesia (*note: upper-class mal*), I will bring it."* Yusi, a single parent with 2 children, professional.

> *"I don"t use my favourite luxury handbags for work. I never use it daily, hehe….you know, because of pollution, it will be dirty….So, I use them only when I go on Saturday and Sunday. For working day, I use the "common" brands – currently, I use Bonia."* Vanessa, single, professional.

> *"I won"t use them daily, most importantly because it seems "too good to be used daily". Sometimes, the handbags have the condition that needs to be "retouched". It is important for us eee….to take good care of them. There are many types of handbag preservation (*such as retouching, and it is costly*) hence, if I use them for daily activities it seems a pity/wasted, you know what I mean? "* Yulia, married with 2 children, professional

The important aspects of my fashion

Apart from its utility, the handbag is acknowledged as an important element of fashion. The model of the handbag, the colour, the design and the material are all important aspects to be considered.

The colour of handbags serves as a complement to the respondent's overall fashion look. Some of them prefer to have different colours, to match a bag with their outfit, such as a blue outfit and a blue handbag. Others prefer their handbags in natural or neutral colours to fit in with the colour of their outfit. Black is an example of a natural colour.

"*Let me put it this way. I like to match my outfit, if possible matching my clothes with my bag with a colour that is more noticeable. I also work in marketing so I often go out to meet clients (*so I need to look good*)…."* Woro, married with 2 children, professional.

"*I prefer a natural colour, because it's easy to fit in with the various colours of my outfits. I don"t need to put effort in, thinking about matching its colour. (*If I have one colour already*) I will buy another colour, as complementary to the available ones*." Ika, married with no child, professional.

The preference for design varies, depending upon personal style. Some prefer to have various designs of handbags, while others prefer the classical types.

*"..(*because of*) its design, its the design that I like. Actually, I have no certain standard (*on preference design*), I just buy whatever design that I don"t have yet. For instance the large size, just like a shopping bag style and with a bag-sling. Without the sling, it will be problematic for me. A large size bag allows me to "dump" everything inside. And the design should be long lasting.."* Dina, married with 1 child, housewife.

"*I prefer the classical design, I mean that type of design that I can use all the time. I like the black and white ones. I think it matches whatever outfit that I wear. I buy the Stevie model (*of Kate Spade brand*)."* Novi, married with 1 child, just resigned.

6.5.1.2. Remember the 1st time

This theme refers to the respondents' experience when introduced to luxury handbags for the first time. Some of the respondents became aware of the brands a long time ago, but others just recently. The experience begins with awareness, builds to a developing interest and culminates in the purchase, at the right moment.

How do I know?

Respondents hear about the brands from two major sources: the first source are relatives such as their mother, sister or friends, and the second source is online.

"From a long time ago until now, I always see my mom with Chanel. So, I perceived her as the user of luxury handbags too…… Actually, I get quite a lot of handbags from her collection." Yulia, married with 2 children, professional.

"Then my (younger) sister said to me, 'sis(ter), you have the money, don"t bother buying imitation (handbags), buy the leather ones…" Woro, married with 2 children, professional.

Online:

"From the blog…So, I read a blog in which the writer has a passion for Kate Spade (bags). It makes me curious, what is a Kate Spade (bag), what does it look like….then I browse for Kate Spade. I visit the website. Oh, it looks like this…" Novi, married with 1 child, just resigned.

"Hm…maybe mostly I see on Instagram. Yes, I think so…..I see the bloggers upload, you know. It looks cool..Then, I start to browse.. Oh this one looks good, oh this is the brand and so on..." Vanessa, single, professional.

Cool….and then, I acquire

Once a consumer becomes aware, their interest in the luxury brands is built up and this induces a purchase. However, the buying process does not happen instantly. One of the reasons is because the price is often considered too high for the consumer it is aimed at. Hence, they wait until the right moment. It could be the moment they are able to earn (more) money.

*"I worked to buy a luxury handbags myself….I didn"t buy one when I went to university (*because I could not afford it*). So, I bought one when I got a job, when I started earning my own money…."* Vanessa, single, professional

"….I wished I owned that handbag….And then I got a job on campus, I earned my own money. Then I was able to buy that dream handbag…." Ira, a single parent with 1 child, professional.

"Yes, after I was working….Yes, I was (married), which means I had known (about the brands) for about 10 years. You know how we get taken care of (financially) after marriage…hahaha.." Woro, married with 2 children, professional.

The right moment also refers to handbags as gifts for special moments:

" ….Because at that time, I had just had my baby. I couldn"t go travelling overseas, so my husband asked me if he could buy me a handbag. Because he just received a big bonus…He said this is a gift. Western people may call it a push gift. Push gift for giving birth maybe…." Dina, married with 1 child, housewife.

"When I was pregnant with my second child, I wished for and dreamt of that handbag. Coincidentally, my birthday came only 2 days after I delivered my baby. Then my husband bought me that handbag hehe….." Putri, married with 2 children, housewife.

Remembering the 1st time experience of having a luxury handbag, the feeling of excitement:

"Well, I was a bit tacky in the beginning, you know haha……My husband commented that expensive bags are so neatly made. And….the good thing was that the bag smelt nice…" Woro, married with 2 children, professional.

6.5.1.3. Because (luxury) brands are what matters the most.

Once they buy a luxury brand, consumers tend to experience a different attitude. The brand feels important to them. Their preference for luxury brands is demonstrated by using it across her fashion choices, and carefully select the "visible" brands to be uploaded online in their social media::

"…. from there, I became luxury brand-minded. With whatever money I have, I prefer to buy luxury brands, let's say even if I can only afford a wallet or card wallet…..And I will never give up my Louis Vuitton handbags or wear an unbranded outfit. Brands are what matter the most….hahaha, I"m afraid it's kind of disease or something haha…" Yusi, a single parent with 2 children, professional.

*"…because the Fossil logo is usually a bit hidden, people maybe don"t know and are not aware of the model if they rarely browse (*on the Fossil handbag website*). While Kate Spade, people are more…how to say it…(*have a higher awareness than Fossil*). I take an example of the Marc Jacobs camera bag, we merely see the Marc Jacobs logo or brand, but the majority of people (*know and*) use it and you can find so many uploaded pictures (*of this handbag*) on Instagram. And many people buy fakes as well (*which boosts brand awareness even more*) haha….."* Armitha, single, professional.

6.5.1.4. The (luxury brands) market that I know..

Consumers also learn about the market of luxury brands of handbags. They discover a wide range of brands and price levels. Different price levels can be aimed to a different segment.

"I"m not sure, but sometimes I think there is different level/class among these (luxury) brands. For instance, when a person uses Hermes, it is considered as the highest (level), the best, or whatsoever. And then there are Chanel and LV. The next, Gucci and another (brands) which have may many "layers" (among luxury brands)." Yulia, married with 2 children, professional.

This understanding enables respondents to choose their preferred brands, as well as their desired brands.

"Hermes…I think. I indeed wish to break my track record." Zita, single, professional.

"…Tumi still part of my dream handbag. Still…. too expensive, you know haha.." Ira, a single parent with 1 child, professional.

And the majority of respondents are also aware of the market in second-hand handbags, also called "preloved". They usually sell online, in stores dedicated to selling only "preloved" items. Some consumers also buy from their relatives, who are considered more reliable than a store. Preloved items are considered acceptable because of the reliability of the seller who is expected to deliver an authentic and quality image.

"…..Le-Portier, is the website for the second-hand market….They sell the most expensive one, Hermes, price 300 million rupiah something down to the cheapest one. All available…They have a physical store which is also a curated store. We can see their employees using gloves, to handle the bags, they are not allowed to touch the handbags without them." Isma, married with no child, professional.

".. Tinkerlust is the website for preloved handbags for resale…They kind of curate the platform website, specifically for preloved handbags… If we sell our handbags, we just fill in the form and they will pick up the products. The price is negotiable, but usually they already have standard prices. When our handbags are sold, we share a percentage of the price between us and them." Talitha, single, professional.

"I have no experience buying preloved handbags via an online shop. But I once bought my ex my friend's handbag… For me, that's preferable, because I know the previous owner of the

handbag, how she uses it, whether she is neat or not, etc etc…."Yulia, married with 2 children, professional.

"….usually for preloved product, it comes complete with all essentials such as brand card and dust bag.." Maya, single, professional.

6.5.1.5. Let's buy a new handbag!

Once they acquire them, luxury brands become a part of the consumer's life. This theme highlights the purchaser's behaviour, once the respondent becomes a repeat luxury brand user.

The things that drive me to buy

When asked why and when they buy a new handbag, the majority of respondents said that they bought around sale events, when there was budget availability, when they wanted new handbag and depending on the availability of the new model. However, a sale event seemed to be the most tempting trigger of all.

*"The triggers are when there is a new model, sale event….During the sale event, regardless we don"t really need handbags, but because of the sale then it feels cheaper. (*The trigger*) also if I need the handbags, but rarely happen if I do need and get it within the same day. Hence, such as in the easy moment I do window shopping, (*find the handbags*) waw….at the bargain price (*then I buy*)."* Sheila, single, professional.

"Hehe if there is a sale event in Sampoerna Strategic Square, that's manipulative, you know. Hahaha…..Definitely, you buy, no matter you need it or not." Yulia, married with 2 children, professional.

*"I buy in the bonus month. If it is still not in the bonus month, then I wait until (*I get a bonus*)….Also, I buy if I want to. If I want to and I get a bonus, that's just perfect. Such a perfect combination hahaha…"* Vanessa, single, professional.

"….likewise if I have spare money, If I find a handbag which I still don"t have or its model, or its colour; and it matches with my budget, I"ll buy. Ok I"ll buy.." Dina, married with 1 child, housewife.

Where should I buy?

Sale events are preferable, buying whenever a sale is conducted, which can be over the counter in a shop, at a bazaar, etc. Alternatively, consumers buy overseas and on online from the online shop.

*"Likewise you know the midnight sale in Plaza Indonesia, you can get many (*offers*)…..such as an Alexander McQueen price can be reduced at the level of Kate Spade, you know…."* Armitha, single, professional.

*"……(*buying overseas*) because of the price difference which is quite huge, moreover with additional tax refund around 12%-14%. Which if I calculate the price difference, is about 10-15 million cheaper than buying in Indonesia."* Zita, single, professional.

*"And now, with so many online shops such as Banananina etc. They offer various brands and styles, you know…..Then I think, okay.. why should I bother going abroad if I can buy here and the price is not significantly different (*between online and buying overseas*)."* Sheila, single, professional.

Off course, I still visit the "official" counter

Despite respondents shopping in the various places and not only at the counter, they do also visit the "official" brands counter or store for various reasons.

"Oh yeah…I visit the store to check the price and model. And also check on the detail of the handbags, because in the online shop we can"t. I also make a comparison between the store and online shop. I often do that… And I sometimes also try the shoes, make sure the size suits me. Because sometimes the model of shoes delivered are different size to your feet." Sheila, single, professional

*"(*after browsing*) then I visit the counter, I browse around, get a feel for it and make a comparison with the available handbags on display. Sometimes, the other models look better*

or the real handbags are not as good as in the picture, you know… Because a picture can be tricky, even for world-class luxury brands." Yusi, a single parent with 2 children, professional.

"…. That's why when I go to the counter it's just to check the price and I can ask my husband to buy it when he goes overseas.. I check at the counter before I buy." Woro, married with 2 children, professional.

Moreover, shopping at the counter creates a different experience and delivers more feelings compared to online shopping. It generates a sensation and the consumer feels that spark when they leave the store.

*"Because there are two types of shopping: online shopping, we don"t come to the store thus we don"t carry our shopping bag; and the other is coming to the store, hence (*later on we will*) carry the shopping bag. In fact, they are different, I believe.. Despite this, the products are the same or sometimes more expensive than the price in the store.. I feel fun/exciting/good/joyful to shop directly in the store and then carrying my shopping bag. It just feels different. I feel….hmm how should I describe.. Maybe that's called retail therapy, it happened when we shop. I feel...happy/pleased/delighted. Happy to carry my shopping bag just contented. (Satisfied?) yes yes…"* Isma, married with no child, professional.

*"..but I limit my budget no more than 5 million rupiahs for online shopping (*of luxury brands*). Because I prefer to buy at the counter. It is not a matter of insecurity; but when I buy at the counter, the satisfaction feeling is more than when I shop online."* Yusi, married with 2 children, professional.

And if I am bored, I resell them.

Despite their liking of luxury brands, sometimes the consumer realizes that they have to reduce the number of items in their collections. It may because they have too many handbags, or feel bored with some of the designs they had. While their desire continues, selling their current handbags is considered as one solution. Usually they resell in the second-hand market.

"……Sometimes if I am bored with a handbag, such as Kate Spade, I can resell that handbag.." Nungky, married with 2 children, professional.

"Yup, (my collection) is not that much. Because if I am bored with some of my handbags, I resell them…..I don"t know why.. Several months after I have bought them, I ..don"t get the feeling, you know.. then I resell that handbag." Vanessa, single, professional.

6.5.1.6. What happened, Indonesia?

Respondents notice that there are changes taking place in their surroundings. This refers to their feelings and compares them to their previous experience, after their observation. This change may directly or indirectly related to the luxury handbags.

We have facilitated to buy (more)

As a preferable time to buy, sale events are conducted quite often in Indonesia. Apart from a regular seasonal sale, special moments such as Eid, Xmas and city anniversaries are celebrated by additional sale events. Moreover, inducements are created such as easy payment terms on credit cards from the major banks in Indonesia. They provide such incentives as instalments with zero interest and on the spot approval. As may be said, this situation is similar to the "chicken and egg" relationship, with the escalation of luxury consumption, aggressive sale events and payment-terms offered.

"In Indonesia, they are under one agent, the Valliram Group. They are Kate Spade, Michael Kors, Victoria's Secret, and Bath & Body Works. So sometimes, they conduct sale events together here; up to 30% off sales. And the consumers, wow….so many people are coming, you know….and most of them will buy like crazy. Sometimes if you buy more than 3 items, they will give you an additional 10% off. A handbag costing 6 million rupiahs can be dropped to only 3 million rupiahs. This is what I mean with sometimes we"ve been facilitated. I don"t know.. For the middle-class like me, this opportunity enables us to look good as well…" Yulia, married with 2 children, professional.

"…And I often use the credit card offer of 0% interest for 6 months." Icha, married with 2 children, housewife.

The youngsters nowadays are just different…

Some of the respondents noticed lifestyle changes happening among consumers, in comparison to their usual habits as well as spending. This young respondent observes that the next generation have been familiar with luxury brands since an early age ….and demonstrates the consumption type lifestyle.

> *"..but….I just don"t get it. The youngsters nowadays, such as they start using Hermes handbags, maybe its their mother's handbag that they carry – I don"t know haha…..but it's just ….(*weird*). Likewise, I have a younger sister at college, and she uses Celine handbags on campus. I mean, that's 30 million rupiahs of handbags and she uses it only on campus? Hahaha…..I mean, now it's a changing era. People like me, when I had just got a new job I would apply for credit to buy a car, a home, or insurance. But I see my new colleagues now, they consume more. Their first wages are used to buy Valentino. They will apply for a credit card enabling them to buy the luxury brands using instalments, so they are able to dress up…say as a "real" banker, you know….One of my friends brought lunch from home every day* (to save money)*, to enable to her to buy Givenchy handbags and Ferragamo shoes, which she buys like every 3 months….So it's kind of a lifestyle." "At that time, my friends at university, despite mostly coming from wealthy families, they didn"t carry a Fendi handbag to the campus. Nowadays, they bring LV to campus…..they are still students, you know. So we can see that they are now shifting."* Armitha, single, professional.

They may look conservative, but…..

Many of the Indonesian women wear a hijab or veil to cover their head as part of their religious beliefs. One of the examples is called a 'syari" hijab- a long veil, sometimes of monochrome colour, between a dress and a hijab, without a motif. The image of the hijab used to be conservative, not fashionable. However, it is noticeable that they are using luxury handbags as their fashion markers.

> *"Yes, nowadays there are Indonesians like this. I"m a Muslim but I"m not overly religious. Nowadays, many Indonesian Muslims are wearing a syari hijab. Some of them are trendy, but some are not. And even when they wear the face veil, they use luxury handbags…..I told my husband: see the mum of X is using this brand, this model, which is at the* expensive*....They dress conservatively and seemingly don"t care about what is trendy or matching. But they are fashionable when it concerns handbags. And they"re authentic ones.....And I talk to my daughter: the mum of X is using this and this hehe....and the other mum has 20 million rupiah*

*LV handbags. She said "really mummy?"....haha so it becomes a gossip (*between us*)."* Woro, married with 2 children, professional.

The swanky people

While others observe uncommonly high spending on unique things. Regardless of this, it is not just the handbags, but the behaviour that may affect overall consumption habits.

*"….for example, with holidays overseas, they will compete with each other….while the common people go to the US or somewhere else; they will go to Bora Bora, or to the Maldives. They have already reached a level….not necessarily a wealthy level, but you might have an upscale socialite who has dinner at the underwater restaurant in the Maldives that costs 25 million rupiahs (*approximately AUD 2,500*) per table for two people…..Such a waste, for a meal for two people…"* Yusi, a single parent with 2 children, professional.

6.5.2. Category #2: Themes as in the preliminary model

This subsection describes the findings related to variables in the preliminary model. They are:

6.5.2.1. How does hedonism affect consumer perception of the brands?

Respondents experienced sensations and feelings at different moments. These sensations occurred during shopping, whilst using the bag/product and simply in having a luxury handbag/product.

Excitement

When shopping, respondents felt excitement. It came when they assessed the handbags prior to buying, imagining how the handbags would be used, and on what occasions and so on. Despite the fact that they might not shop themselves and another person might buy the product for them, the feeling was the same, the moment they received the product. Sometimes the excitement was found less in using the handbag rather than in actually shopping for the bag/product.

"I feel very excited when I buy. For instance, I browsed for a long time before or when there is bazaar. That's always exciting. Because it takes me a certain time to assess a product: I check

it, see the model, the year it was made, colour, etc… the important point is I have to look, see and review it beforehand..” Maya, single, professional.

“…Excited…excited…happy…curious……I imagine the handbags that I have already at home, the handbags that I don”t have yet, on what occasion I will use them: casual or something… how will the mix and match be…that’s how I feel.” Sheila, single, professional.

“…So, I started by purchasing a LV wallet (before handbags). At that time, in 2014, I asked my sister while she went to Europe…When I got it, I felt so excited…Wow, finally I got it (LV), yeay.. finally I can buy it…. Is it really that I am able to buy LV?– you know, started that kind of tacky feeling haha…” Zita, single, professional.

*“the first time I bought my very expensive luxury handbag, you know that “double-digit” price, I felt self-satisfaction. I just felt like …Oh my God.. And I filled up with euphoric sensation. But when I left the counter, I no longer had the same feeling even when I used the luxury handbag. So I am a shopaholic. The (*euphoria) *feeling happened only when I was at the store and buying. Also, when I look around and select the product, the euphoria feeling is just wow….”* Yusi, a single parent with 2 children, professional.

Fulfilment or satisfaction

Another aspect is related to the satisfaction of having a luxury handbag as a result of one’s own effort. Previously these consumers could not afford such things, being only able to imagine having such a handbag, but now they could actually own them. This enhances their feeling of fulfilment.

*“There’s a difference between being giving something by someone and buying it yourself (*with your own money*). If I buy it myself, it is a result of my own work, you know… I feel proud, this handbag, I bought it myself you know. It feels more satisfying…..I enjoy buying it myself, and when using it feel such contentment. Likewise, all of my efforts have paid off. I used to only* ***see*** *that (*handbags)*…now I am able to* ***buy*** *it*.” Vanessa, single, professional.

“……Actually, I am quite a consumer. Maybe because I don”t have a person that I am responsible for and I work hard. So, I enjoy the results of my work, rather than buying

*something inappropriate I prefer buying (*luxury*) handbags or travelling.*" Zita, single, professional.

Self-indulgence or enjoyment

Respondents expressed their indulgent feeling of owning the handbags in various ways. One wasy was how they maintained their collection. Some respondents kept their handbags on a special rack, or put it inside its dust bag, cleaned it regularly, sent it to the "bag-spa" for more detailed cleaning whenever necessary and changed any old material which required special treatment. Cleaning their handbag collection became a source of enjoyment or delivered a liberating feeling.

> *"I have a cabinet with square racks that I bought in IKEA and I keep my handbag collection there. I buy pillows to put inside the handbags (*to maintain their shape*). Oh I bought Coach leather cleaner. Yes, I clean them myself, that's why they"ve lasted so long. I had them for quite a while, even though the inside lining is dirty. Yes, if we talk about how it feels when I clean my bag, it does give me enjoyment. So I guess it's like we have a pet….. Yes, just enjoy it, and Alhamdulillah (praise God) that I have enough money (*to buy them*) and I don"t buy on credit haha…"* Woro, married with 2 children, professional.

> *"For me, it's a kind of therapy. Cleaning the handbags at home is considered as my home therapy. So when I don"t have many jobs from the office, I take all of the handbags in my collection off the rack and display them all together. I clean them, polish them. You know that there is special cleaning and polish (*cream for handbags*). Afterwards, I put them back inside. It brings me happiness. I feel liberated, a kind a relief…..hahaha. hm, I think that's my stress therapy. Actually, I conduct routine cleaning (*of my handbag collection*) by taking them to "bag spa" or if I feel like I want to, I do it myself. At least once a month. But, except when I feel tension, I do as I told you before. I take them off the rack, all together and clean them. I air out the handbags. I put something inside the handbags, paper or something, to preserve the shape, prior to putting them back on the rack."* Isma, married with no child, professional.

Contentment or pleasure

Having handbags also generates a feeling of contentment. A respondent describes the contentment she feels after she experiences herself using luxury handbags. Initially, she doesn"t understand the reason for buying such an expensive handbag; but after she tries it herself, she realizes the feeling.

*"Yes, I have….previously I wondered why we should buy a very expensive handbags. We can get a cheaper one, using it until it is broken, then buy a new one….What do we gain by buying such expensive handbags? But after I purchase (*those luxury handbags*), I use them and feel the feeling for myself…..how to say it…I feel that the contentment with is a one of a kind feeling and it is a very luxurious feeling…."* Sheila, single, professional.

Stress release.

And, shopping for luxury handbags was indeed part of stress therapy

"Yes, of course, because I love to go shopping for bags when I"m overseas. It's a form of stress release." Woro, married with 2 children, professional.

*"Usually I shop when I"m stressed. I have many things on my mind; hence (to release stress) I shop. After shopping, I just feel happy… Yes, if I get stressed because of work, I might have a terrible headache (*then I shop*)."* Maya, single, professional.

"I always shop when I am stressed. Whether because I have a broken heart, a problem at work… whatever thing has made me upset, shopping is my way out.." Zita, single, professional.

Impulsive and unable to resist the temptation

There is another indicator of hedonism which is not included in the survey but mentioned by respondents during the interview. It is the impulsive feeling of an inability to resist the temptation. They claim that when the desire is there, they have to buy. Even though they know this is an impulsive habit, they realize that it is too hard to restrain themselves.

*"…..Yeah, it is just… I"m just curious actually, you know. If I don"t buy it, I"m going to be constantly thinking about that (handbag). For instance, I really ..really want that, I definitely want to buy it. Because I"m such an impulsive person. Likewise, someone offers me a Bottega (*handbag*), which is pigskin and green for 15 million rupiahs when it usually costs 30 million rupiahs for a brown or black colour. Other people will comment, it must be a sale item, right? (*because of its green colour*). But for me, that's no problem at all. I buy it, simply because I want to have a Bottega (*handbag*). So, I will buy whenever I want to… Because I"m so impulsive, no thinking…."* Dina, married with 1 child, housewife.

*"…..at the moment, my inner side kind of said "hmm I need a special occasion handbag, for a wedding party, etc. But this Furla handbag kept calling me (*to buy it*). Aaaarrrgh…It's sooo shopaholic right?.." "….I can"t resist that temptation. I dreamt about that handbag. Yeah.. The design is me (*reflects my personality*), and is not so bright in colour. Eeee if I am using it, I believe it looks cute hehe.. That handbag really came into my dream. Hmmm…"* Ira, a single parent with 1 child, professional.

"…..But for sure, when this ego takes control, you are really unable to resist…" Yusi, a single parent with 2 children, professional

6.5.2.2. How do the roles of face-saving impact on consumers' favourite brands of handbags?

There were <u>two basic questions</u> asked of the respondents related to the construct of face-saving. Further questions followed, depending on the consumer's response. It was not an easy task to gather a complete understanding of the first question. Usually a bit of probing would assist in explaining that concept further. After the explanation, the majority of respondents hesitated to answer directly. And if they did answer, they usually gave negative responses such as "no, it doesn"t influence me". This was an answer which did not allow the researcher to explore further. One of the strategies to avoid this was to ask by using a different probe, where respondents tell a story about other subjects which seem related to face-saving. This would sometimes implicitly describe their feelings in relation to face-saving when they explained other subjects, and hence further probes could be used from there.

I"m concerned how others see me. It is prestigious…

People may judge others by the brands they are using. This stimulates the need to use luxury handbags to enhance a prestigious image. It makes respondents feel good, different, self-satisfied and esteemed among others. Despite the respondent's claim that she doesn"t really care about how other people perceive her, she feels that her pride is uplifted by using "prestigious" products.

*"I think it is important. Especially nowadays, people will judge you from the stuff that you are using. So I think it is important (*to have luxury handbags*). I mean, a lot of people are using those luxury handbags. It kind of stimulates me to have it. It looks good to use. I wish I were using it too, knowing how it feels like, you know. So…yah..like that, it looks good and will make you good as well. How to say it… to have it is prestigious."* Vanessa, single, professional.

*"….initially I"m not that excited. You know, this kind of simple design cost me 800 thousand rupiahs. Yeah, but because I considered it cheap (*the Longchamp brand*) I just purchased it. But then, when I saw that same handbag in (*the mall of*) Grand Indonesia priced at 1.7 million rupiahs, inevitably I feel so esteemed using it hahaha…"* Novi, married with 1 child, just resigned.

*"Yes, for sure (*prestigious*)…It feels different if you carry LV, right?"* Icha, married with children, housewife.

"Actually I don"t really care how other people see me, I have this and that or whatever. I just like the luxury brands….Eee….I just feel that I feel proud of my hard work which allows me to buy something (handbags) which is considered expensive. Things where other people will say "hm that is really something…that is a sophisticated product….that is limited edition…how can she afford to buy that?" something like that. I feel esteemed to have something that others do not have." Zita, single, professional.

I feel ashamed if I lose 'face'

One respondent highlighted her shame for having similar mass brands of handbags. But if she used luxury handbags, this similarity induced a feeling of pride rather than shame. Moreover, respondents also feel 'social pressure" to demonstrate they are using the luxury brands.

*"Now, I don"t want to buy Zara handbags anymore. Frankly, their handbags are cute. But if I go to the mall, I come across many people using these same brands. So…. I feel kind of ashamed, you know hihi.. (*If I refer to the Kate Spade handbags*) I mean even if other people have the same brand as I do, it is Kate Spade anyway. I mean, for instance, if a person carries her Hermes bag and goes to the* Pondok Indah Mall *(*note*:* upper-class mall*) there will be many others duplicating her. Almost everybody carries Hermes in Pondok Indah Mall. It's just like "Hey…so you also bring your Hermes? (*same as me*)" hahaha… just like that." "And basically*

I"m a tomboy girl, I don"t like to dress up. But in my daily life, I have to. I wish I could just bring a backpack…I prefer that. And wearing flat sandals. Backpack and flat sandals look so comfortable… But people nowadays, they are really concerned about what we are wearing…. I don"t know why, these "trending people" really judge a person from the brands they are wearing." Armita – single, professional.

*"Confident…yes. I feel more fashionable, you know hahaha.. Despite this, we should not be judged by the things we are using, but still…we buy luxury for that reason. It is needed to boost self-confidence. How to say it…..I think it just enhances one's self-assurance. It doesn"t mean that I (*am arrogant*) how to say it……hmmm yes, maybe it is a complement. It's not something that's essential, but more a supplement to complete our appearance at that time."* Novi, married with 1 child, just resigned.

Some expressed their feelings regarding treatment from the salesperson, which was different when respondents used luxury brands. They seemed to be more respected..

"…One other thing that I like when I"m using the luxury handbags. If I go to the mall, I feel like I am more respected by the sales promotion girl." Armitha, single, professional.

*"…yeah in here, the salesperson (*of luxury brands*) seems intimidating. I feel kind of underestimated (*if I don"t use my luxury handbags*) (such as) "if you can"t afford it, don"t come here (*boutique*)"…. Overseas, I don"t feel that way. They treat us totally differently. Here, I wish I could just poke them in the eye haha…..I mean they are only a salesperson, but so judgmental? haha…. In a rude way, I wish to show them my business card to let them know who I really am….. I mean yeah that's Indonesia, you know…"* Zita, single, professional.

I am concerned to improve my reputation: …because they appraise you from the way you look

Some respondents explain face-saving in relation to their self-pride. Using luxury brands enhances the way they appear to others in different situations. This helps the person's belief that other people that they think are important, have a high opinion of them.

One respondent acknowledged that the luxury handbag connected with her job function. She noted the importance of having good quality, expensive, well-known brands to gain respect from their work colleagues or social community.

*"Yes. Sometimes, I might only have one handbag which is quite expensive. (*I am using it*) when I visit a client or go to any special event such as a wedding party and so on. Hence, we can be seen as "oh you have a good quality handbag". So, sometimes it's just like that… Specifically, in the job roles, they (*the clients*) do not see you only from your job level/function, but also from your appearance as well as what (*handbags*) you are carrying. Hence, it must be convincing. As an example, what I"ve told you before about the people from Citibank. Coincidently, they all bring the same Bottega handbags, only with a different colour. One carries a green-salted egg colour, and the other is brown. They all look like that. Hence, yes sometimes we have to know how to put ourselves in the right place."* Yulia, married with children, professional.

Luxury brand handbags are considered as tools to help communicate status. One respondent says that she needs to show this status, to support her husband. He expects her to buy the various luxury brands to fulfil these needs. Despite her husband being aware of only some luxury brands, he doesn"t have a specific preference on brand or design. His main concern is on his wife buying and using the handbags that are luxury items, whatever preference she has.

*"….after I got married, there's pressure on the status (*of my husband*), hence, I have to buy these luxury handbags. If not, then why should I buy (*such expensive handbags*)…. Yes, because to preserve the status of my husband. For instance, we go window shopping and by accident met his friend. He doesn"t want me to look awful (*by carrying unbranded handbags*). Yes, for him that's really an important matter. If I use no make-up, that's ok, as long as I bring a luxury handbag. Actually he doesn"t really understand all about the luxury brands of handbags. He got the perception (*on the importance of luxury handbags*) from his mum and sister. So he just believes that I will buy a truly luxury one. Which brands (*to buy*) are up to me."* Dina, married with 1 child, housewife.

Highlighting personal pride as a manifestation of being honest to herself and others… by using authentic brands:

*"No way for me to buy fake luxury brands. For what? Why should I use fake brands just to fool myself… If my friend catches me using a fake Chanel, I think I"m dead…That is self-pride… I am better off using (*authentic but cheaper*) Fossil instead."* Dina, married with 1 child, housewife.

Social pressure, in the eye of the beholder

Some respondents have a different story on social pressure. They still feel the same social pressure from their community but from a different perspective. They feel uncomfortable demonstrating that they are using luxury handbags because those in their social environment do not appreciate that kind of luxury stuff.

> *"…hence, I don"t feel comfortable using (*my luxury handbags*) in the office. Ehhh…I mean because the price is expensive, I don"t feel comfortable knowing others will think something kind-of "do you want to work in the office or in a fashion show"? You know something like that…*(because not common to use luxury handbags in her office*) Yup, no one, hence it would be uncomfortable to be seen using it. It will stand out. And I don"t want to look that different (*from others*)."* Vanessa, single, professional.

And some feel too uncomfortable and shy to demonstrate that they are using luxury handbags.

> *"…In the early times I had luxury handbags, I feel shy about it now…Intentionally I hide the brands so nobody can see and know the brand. I just feel 'sungkan" because of its expensive price. Yaaa…just not feel comfortable. Sometimes when I have a meeting in Jakarta, I use the local brands of handbags (rather than the luxury brands). So, I like these luxury handbags only to make myself happy."* Nungki, married with 2 children, professional.

> *"……then for instance, as someone asks me, is it authentic (*brand*)? Hm..how to say it……I kind of deny it by said no..no…it is a fake one. You know. Because I feel like shy myself, feel reluctant, that others will think I"m arrogant (*by having luxury stuff*)."* Sheila, single, professional.

The social media as a platform to "maintain 'face'"

Another interesting finding is related to the "alternative" platform to save 'face'. Beyond the consumer's day to day appearance in real life, she feels her self-actualization as she portrays it via social media. Hence, she maximizes it as her *foot-print* to maintain 'face'.

> *"…ahh… this social media trend makes me want to buy luxury brands even more. Because I feel there's a media for me to hm… how to say it- self-actualization. Compared to before (*the existence of social media*) I felt that nobody cared what brands I used. So I bought a cheap*

*one, because nobody knows hahaha…." ".. And it really matters to me (*the number of people who like her posts on social media*). I can be so sad (*if only a few like them*), because I put effort into every post I"ve made."* Armitha, single, professional.

6.5.2.3. Does group orientation affect the consumer's favourite brands of handbags?

There were <u>two basic questions</u> asked of the respondents related to the construct of group orientation. This construct refers to the concern of consumer preference in the use of luxury handbags because they don"t want to feel left behind by their "in-group".

In the old times, because most of my friends use it

Only one respondent highlighted this. It refers to her previous experience, and currently, she no longer feels the same. At that time, she needed to catch up with the "hip-hop" of luxury handbags. She felt bad being different from others.

> *"Yeah…At that time I was ee.. such ee… feeling what you maybe call "the bandwagon effect". I mean, between friends. So one of my friends has this (*luxury handbag*) and my other friend also has the same brand. Then, don"t get it wrong, she may say "ee… why don"t you ask your husband to buy you this (*the same*) luxury brand". The price was only at this (low) level (*not expensive in their opinion*). So, you can find these kind of people... Despite the fact that we are all adults and housewives, these types of friends exist. They are the kind of friends who persuade you…try to convince you to get certain luxury brands of handbags. They don"t sell the handbags, they only use those brands. She persuades you in such way "this is an expensive brand…c"mon you have to buy this". So we have the same brand of handbag. Initially, I got swayed by her induction. But then, after a certain period of time, I got more mature thinking, no way. I"ll do what I want… But you know, it was not easy to become the only one that's different, while everyone is (*using*) the same (*brands*)."* Yusi, a single parent with 2 children, professional.

However, it made her feel exhausted to always be catching up with the fast-changing luxury handbags stuff. She feels her group is nothing more than just kind a 'show off" community.

> *"I always join this kind of social group, but I can"t get comfortable there. Because I have to keep following up with this frenetic issue of luxury handbags, buy this and those handbags,*

within less than a month. It's just like copying each other. And then I don"t feel comfortable because their subject is always about showing this, showing that etc. It doesn"t feel like friends, more like a show…." Yusi, a single parent with 2 children professional.

They only give me advice

The majority of respondents claim that they aren"t affected by their groups of friends or family on the selection of the brands. They have their own preferences. However, they are influenced by others, specifically regarding advice on a certain aspect of style, or as a source of information.

> *"Likewise when I wish to buy something, I will ask "hey do you know this? Is it OK? (No,) better this one, Celline is cute". Or 'should I buy this or not because there's no sling while I prefer sling bag style". Or better this or better that etc etc…. So they give me input, feedback.."* Dina, married with 1 child, housewife.

> *"..I always buy handbags with my friends. They will give comments: this is too tacky, that one is good.. and so on. And mostly they prefer black and grey colour, because (*that colour*) considering neutral, easy to be matched with another colour."* Isma, married with no child, professional.

> *"…Sometimes (*they influence me*) in many ways .. When discussing the price or new brands of handbags. But it doesn"t make me have to buy (*that same brand*) as well. It just adds information to what I know on this stuff. Then I browse myself, check on the web. But then it's a kind of self-screening, oh I don"t like the design. That's it…"* Sheila, single, professional.

Me? No, I don"t want to……

Respondents recognize the various luxury handbags used by their friends or groups. They acknowledge there are different individual tastes and preferences. They know what brands and designs they are attracted to and they don"t feel the need to match the same brands or style as others. They acknowledge their own preferences may different and they feel fine with it. Their friends' influence doesn"t affect their brand selection.

> *"….I see them use Chanel, and fine... It doesn"t make me think of the handbags (*becoming desirable for me*). Or maybe Balenciaga, which I cannot afford to buy, it doesn"t matter. Or,*

for instance, my friend Lia uses it…still it doesn"t make me want to…..maybe I just comment oh its cute and so on, but it doesn"t affect me at all." Talitha, single, professional.

*"Maybe because I am typical of a person who does not follow the trends. Thus, I don"t want and don"t like to be just chasing whatever is in the boom season, for instance the small Furla handbags, and buy it. I rarely do something like that. I prefer the rare styles. An example is Kate Spade Saturday. Some people ask me "what do you buy Sheila? Does Kate Spade indeed release that kind of model?" I ask my friend in Japan to buy me that type, and they"re really only available in Japan. So I look for "different" styles; most people will go to the left and I will go to the right. But I also feel it (*be different kind of weird*), for instance if my friends complain "why do you buy this one, why don"t you buy that one while the price is not significantly different?" something like that. But still, I prefer to use something that is not used by the majority of people."* Sheila, single, professional.

"……some friends of mine at work have totally different hobbies than me. They make comments on the expensive price of my handbags. For me, no problem. I have the money and can afford to buy, why not….. It's not that I buy because I want to give certain impression to others. And their response is also not my concern. I buy specifically for myself, to make me contented." Isma, married with no child, professional.

*'so…like last time I went to Johor. One of my friends asks me to buy the Kate Spade card wallet. I know her style preference, so I bought it for her. And she persuaded me to buy the same (*wallet*) "let's buy the black one for you, that's your favourite colour". But I said "for what, what use is that wallet to me? I don"t need it." And I didn"t buy it. I can do that, I"m not really into it (*have to be the same with others*)…. And they are okay."* Ira, a single parent with 1 child, professional.

There is also the need to catch up with whatever trends are occurring where respondents are young. As she gets older, she experiences changes in her feelings.

*"Yes, it was… in earlier times, when I was 25 years or under 30 (*it affected me*). But then, I grew more mature. I know better what I like, regardless of the ABCD trend (*I don"t care*). I put my own considerations first, whether it is good or right (*for me*). So, it's shifting. Now, it no longer (*affects me*)."* Yusi, a single parent with 2 children, professional

Another respondent describes how she learnt a lesson from her mother. And she doesn"t want to demonstrate similar behaviour.

> *"….sometimes it feels intimidating….take the example of my mum. When she comes to a gathering event (*arisan*) with the same (*brand of*) handbag all the time, she may think "hmm.. sometimes I wish to look better (*by using luxury handbags*) and "I wonder what my friends will think of me for using the same handbag all the time"… You know (*that kind of pressure*) ….. And that tension stresses us. Do we want something like that? Me, no I don"t want to…"* Yulia, married with 2 children, professional.

6.5.2.4. How do functional values affect consumer perception of luxury handbags?

Initially, some questions prepared for this construct. However, from the first interview until the last, these questions were always answered without being asked. Responses on the functional values were usually already mentioned while respondents answered other questions. For example, when they described their relationship with the brands, the aspect of uniqueness and exclusivity was usually covered. The aspect of quality was usually included in their responses on the reasons why they preferred their favourite brands.

Most of the time, the constructs of uniqueness and exclusivity were described together. They share similarities on the claim of "different from others". And sometimes, this leads to "identity marking" which then induces self-pride. However, some differences are described as follows:

Uniqueness – the personal image.

When selecting a brand, the majority of respondents emphasized that it is a reflection of their personality. Uniqueness is addressed regarding this personality or character, which is "that's me", unique and different from others.

> *" …such a Hermes handbag is not (*for me*). It is not, because I choose my fashion, handbags, shoes that specifically represent my personal characteristics. Despite being a mother, I won"t choose handbags which have a kind of "motherly" style."* Ira, a single parent with 1 child, professional.

"Hm.. I don"t think I ever see mothers/older women using Kate Spade. This brand is mostly used by young women….and I think brands also reflect personality. I mean, for me, I like Kate Spade because it seems fun, for the design, colour and so on……I prefer Kate Spade because it seems useful and hm….because it matches with my personality." Armitha, single, professional.

"I do see other brands, but in the end I don"t buy them. It just seems "not me"…" Ika, married with no child, professional.

*" ….for handbags, (*my signature style*) in daily activity, it's always between MK or Kate Spade."* Yusi, a single parent with 2 children, professional.

Exclusivity – the style

Exclusivity is more related to the "one of a kind" style or design. The feeling of exclusivity comes from the scarcity of the design. It stimulates a feeling of pride, and on the other hand a feeling of annoyance if the brand is then owned by many people or becomes available on a mass scale. The 'snob effect" is evident. The brands considered have a less "fake-version" in the market portraying the exclusive image as well.

"…pride…yes, I think I have that feeling. Especially because I prefer "uncommon" designs that are not being used by everybody. So, in my opinion, when I"m using the "different" styles that not everyone uses but has its own uniqueness, it's my own pride. It's like, when people see my handbags and comment "what brand is it, why have I never see this before?" it feels like my own pride for me. Such as 'see….do you think my handbags are the same as yours-which are being used by masses of people? Of course not.." That's how I feel…." Sheila, single, professional.

"I like it (that brand) because of the scarcity of the design. I feel a bit annoyed if others have the same handbags as me. An example is the Fossil brand, which has now become a mass market item." Isma, married with no child, professional.

*"Actually, I feel displeased if the fake version is already mass marketed, you know. Such as LV, I am not interested in LV simply because I can"t tell the difference (*between the authentic and fake*). So many fake LVs…..Ah ya at that time, hard to find the fake version of Kate Spade.*

Different case for LV, or Coach and Long Champ. So it's exclusive, right? I mean others will tell that I buy an authentic brand." Novi, married with 1 child, just resigned.

Quality

The quality usually comes with the price and perception of good leather material.

> *"Definitely....I think the price comes with quality. It won"t be possible for the high price but the quality is the same as the cheaper handbags."* Maya, single, professional.

> "*No (*longer interested in Charles & Keith*) because... you know its quality.. Their material peels off easily. If we buy the middle (*luxury*) brands, they"re definitely using real leather of different quality. I mean, leather material for Fossil is different from Kate Spade. But for sure, they are using "real" leather, hence it will be everlasting*." Armitha, single, professional.

6.5.2.5. How do the roles of country of origin (COO) image affect consumers' perception of luxury handbags?

The majority of the respondents claim that the COO has no effect on their selection of brand. It shows from the response to the first question. Some of them know very well where it comes from, while some others do not know. Moreover, they don"t seem to care. What matters the most is the brand itself.

For those who are aware, mostly they are able to mention the correct origin of the brands. Interestingly, they learn about the COO for various reasons:

Experience many brands from various origins

> *"..Not for me (*concerns on the COO*). Oh, some of my friends said this, let's try Liebskin, which is of German origin. Simply because of differentiation. I just kind of try the various brands, such as how the material feels like, etc..."* Isma, married with no child, professional.

Distinguished quality

Some respondents claim that this relates to the image quality of the brands, such as brands from European origin represent good quality because of the image of the leather material or fashion. This also leads to brand segmentation and the image that luxury brands from Europe have a higher image than those from the US.

"Maybe because of the image... Brands from Europe have a strong quality image....for leather, refer to Italy... for fashion, refer to France. For the US, their image for the kind of product that...is..how to say it...is just like there's a doubt for its brands. Despite this, actually many brands come from the US." Talitha, single, professional.

*"...But I feel these (*European brands*) handbags are too good to be used randomly. They can be used for work as well as for travelling. The brands that I often use for work are Prada, ee...LV and Balenciaga. Because the size is suitable for work, and you may say that the leather material is durable because they are not calfskin."* Zita, single, professional.

COO inform me where should I buy at bargain

Some other respondents have concerns on price, i.e. the cheaper price applies to the US brands compared to European brands. Knowing the whereabouts of the COO indicates where to buy overseas in the country of origin, for a bargain price.

*"(*yes, knowing the COO is*) important, when I ask someone to buy for me (*if she went overseas*).* (It gives me information*) where to buy .....If it is cheap, then buy there. So I (for instance) find out, where is the origin of Kate Spade. Oh, it's from the US – New York. Hence, buying there is cheap. Prada is from Italy, buying in Italy is cheap. Same as Long Champ, LV, and so on. Or....buying in the Europe is cheaper than in Indonesia. But I am not fussy on specific origin, a kind of have to (*buy the handbags from*) Europe or the US. No...I"m not that specific."* Sheila, single, professional.

I should own that local brand

*"...I also admire local (*overseas*) brands. Such as Oroton from Australia, Issey Miyake from Japan. I don"t know why.... I feel like an over-consumption... I just feel happy that I have a "real" Australian brand. That's it... But still, I don"t use Oroton very often, only once-twice, you know..."* Zita, single, professional.

How is the brand perceived in their home country

Another respondent wishes to understand the positioning of this brand in the origin country. Hence, she learns where it is coming from.

*".....I just curious, you know.... How that brand got its position there (*origin*), what segment they are playing, how huge/famous that brand is. Same as (*I want to know how*) Kate Spade is "perceived" in New York, you know.... Such as MYX lipstick in New York, I just realize that there they are just on a similar level as Maybelline or Viva brands here. I mean it's easy for you*

to find it anywhere. See…..I mean, my curiosity is more about I just want to understand how that brand is actually perceived in their place of origin." Ira, a single parent with 1 child, professional.

6.5.2.6. *How does the country of manufacture (COMa) image influence consumers' perception of luxury handbags?*

Similar to the COO, the majority of the respondents claimed that the COMa had no effect on their brand selection. It reflected the response to the first question. Some of them know where it is manufactured, while some others do not know. For those who don"t know, sometimes they don"t think about it and don"t care.

They said, "*No problem for me, because….*"

I trust the brand name.

"…..I think….made in is not an issue….. if I have doubt on its features, then I will ask for advice from my friends. They said, "A" brand, made in from "B" is no problem. The "A" brand matters the most." Ira, a single parent with 1 child, professional.

I believe the brands will not destroy their own quality

They believe the brands have a certain standard and conduct quality control to assure the product quality.

"Nope…that's not an issue. Because of ee….the quality control remains conducted by Michael Kors. I believe the brands." Yusi, a single parent with 2 children, professional.

"No problem for me…Not part of my concern. On the other side, we should in fact be proud if that handbag is made in Indonesia. Also, I believe the quality control is guaranteed, likewise if a stitch is missed, it must be rejected, right?" Yulia, married with 2 children, professional.

*"No, it does not affect me. I mean….so what else can I do hahahaa….because although if made in China, it's Kate Spade anyway. It will pass thru their QC. No way they will release the products which are below their standard (*quality*). That will be impossible…."* Ika, married with no child, professional.

*..”(COMa?) Not really, even if it’s made in China or Bangladesh or anywhere else, as long as the brands have the standards. No, I don”t really notice because we buy an original one… unless we buy it through Tokopedia or other online sellers (*where the authenticity is doubt*).”* Woro, married with 2 children, professional.

Anyway, China produces everything

“…..Ehmmm……no problem…..even Iphone is made in China hahaha… I think some of Kate Spade is made in China.” Armitha, single, professional.

*“No problem….despite Fossil (brands) being made in Bangladesh, they will conduct quality control. Hence, regardless if they manufacture in other than the country of origin of the brand, they will not let this (*strategy*) destroy their brands, right? So in my opinion, that’s not a problem. It’s a similar case as with Apple (*Iphone*) made in China, right?”* Talitha, single, professional.

But, what else can I do……

*‘sometimes it matters. It crosses my mind…huh, I bought it already but it is made in China, you know….. (*Actually*) I want the same country of manufacture and origin. But, still, for me, if I like it (*the handbag*) then it’s okay. It does not matter that much. For me, If I really like it, then (COMa) did not become an issue. Despite that there is still doubt*…” Vanessa, single, professional.

*“That’s sometimes a dilemma for me. Likewise, I like the model and brands, and I buy in the boutique. But when I found a handbag made in China, I felt annoyed. I bought a Tory Burch in Pacific Place, turns out it was made in China. Then…….what should I do? I have already bought it, or I really like the design. So, most importantly if there’s no damage or it isn”t broken or whatever, then it is ok. That’s it….. What matters to me, is that I don”t buy that handbag in Mangga Dua (*the grocery mall famous for its fake products*)…..”* Zita, single, professional.

As long as it is authentic.

“….. Where the handbag is made is no problem for me. As an example, Burberry in Japan is also still made in China. That is not an issue for me. The important point is, I have to be sure where to buy it, and the place has to be trusted. If I buy it in the store and it’s made in China, it’s no problem.” Maya, single, professional.

Other specific reason

One reason raised was because this respondent thought of a specific issue that was important to her. No other respondents mentioned the same issue, but this type of concern may apply to others despite being related to different issues.

"The country of manufacture is not an issue for me. The model and price is what matters the most. Exceptions are for outfits like Zara and Mango (brands)… raise concerns for me. Because they use child workers and are paid under the standard. For that, indeed I have a concern." Isma, married with no child, professional.

However, some other respondents said COMa is an issue, because:

Doubt the authenticity and worth every rupiah spent

For those who know the COMa of the brands, it may affect their perception. Regardless, in the end, they still buy the products. One of the respondents isn"t aware that respective brands are produced in a country other than the COO, this creates doubt on the authenticity of the products. She is worried that she will buy a fake product.

*"Hm.. sometimes it matters to me. I even visited Marc by Marc Jacobs in the Pacific Place Mall – Jakarta. I found one handbag had an attractive colour and model and interestingly, was on sale as well. But when I opened (*the handbag*), (*I saw*) Made in Indonesia regardless actually I don"t find any issues such as failures in the stitching etc. But then I think if it is made in Indonesia, is it truly an authentic brand? Hence I have doubts at the moment. It is a different case with brands like Coach brand, because (*I know*) it is made in various countries such as China and Vietnam. Finally, I bought the handbag. But I have doubts in advance because usually they are made in China instead of Indonesia. But if it is a fake, how dare they sell it in Pacific Place (*note: one of the prestigious upper class malls in Jakarta*). That is not possible. Moreover, the sales promotion girls confirmed that some of the products are made in Indonesia…."* Icha, married with children, housewife.

*"…..specifically for handbags, because I have spent a lot of money, I particularly expect the premium quality, you know…. For example if I paid 8 million rupiahs for a Prada, it has to be made in Italy or Milan. If it is made in China, why should I pay that much? Better I bought it in Mangga Dua (*note: the grocery mall famous for its fake products, most of the products are made in China*). That's how I"m thinking…… Likewise I bought the Columbia brand, but it was*

made in Vietnam. Hence, it crossed my mind whether this was an authentic product or not. It created doubt because it was made in a country other than its country of origin. Is it a really genuine product?" Sheila, single, professional.

Why should I.......?

Another respondent claimed that the doubt on COMa was caused by the image of the manufacturing country famous for producing fake products, such as China. Also, when buying hybrid products (which differ between the COO and COMa) they generated the perception of less satisfaction over the money she already spent.

> *"It does feel like being cheated, it is just like you went so far for the Long Champ brand, purchase it in Paris, (*but*) it's made in China. China is famous for producing many fake products. Ee..yes it's different (*if made in Indonesia*). If Indonesia, why should I buy it far away? Better I buy it here. So if I ask someone to buy for me (*overseas*), I ask not to buy the one that is made in China. (*Made in*) Vietnam or Thailand still okay hahaha…."* Novi, married 1 child, just resigned.

> *"Yes, I definitely check. So far it matters to me. Because with a certain amount of money I spent, I think I have to get "real stuff" hm…….. I mean, if made in China or such, ah it feels less….hm how to describe it… just feel less satisfying…. Because the "made in" country is different from the brand origin. I feel I lose or something, you know. It's a similar case where I buy Nike shoes, but made in Indonesia….huh, why should I pay so much money… It's the same as if I buy it in Cibaduyut (*one of the shoe manufacturing centres in Indonesia*) hahaha……"* Sheila, single, professional.

6.5.3. Category #3: The new themes

The last category describes the findings that do not serve as the variables on the preliminary model.

6.5.3.1. Self-reward

Respondents buy luxury handbags as a reward for themselves. They buy a luxury bag as an appreciation of themselves or celebrate for a special moment.

> *"If I buy (*luxury handbags*) by myself, it is as a result of my own work. I feel proud, this handbag I bought by myself, you know. It feels more satisfying. And I feel good because I buy and use it*

myself, just like satiating myself. And it also feels like a reward to me hehe…..” Vanessa, single, professional.

*“(*I bought luxury handbags*) since I started work. I bought a Longchamp handbag using my own salary, a year after I started work….intentionally, as a reward for myself. That’s (*considered as*) an expensive handbag. I did it for a special moment, or I do it after I finalize difficult projects or meet certain challenges. It’s kind of tipping myself after I”ve succeeded (*at something*).”* Talitha, single, professional.

The behaviour or ritual of self-reward goes beyond the buying process. Respondents consider that using the handbags is also part of the reward itself. They highlight the way to enjoy the handbag by using it as they wish, rather than just keeping it unused in a cupboard.

*“…. But I am thinking this way... I buy this handbag at an expensive price, hence I have to enjoy it. Rather than I keep and use it rarely; (*there is a possibility*) the leather material could disintegrate, or whatever (*possibly damaged*) by the time I want to use it. So beat it….This handbag is considered as my self-reward. So I allow myself to use it (*whenever I wish*).”*
*“….hence I feel (*a luxury handbag*) is a better form of self-reward, rather than spending money on something that is considered ordinary….. such as unbranded handbags, which easily get damaged. I would rather wait for the right time to buy an expensive luxury handbag”* Sheila, single, professional.

6.5.3.2. Between the authenticity, bargain and investment

Respondents describe being concerned about the authenticity of the brands. They feel that this is one of the important aspects of using luxury handbags.

“ …But one condition applies. For me, I am really hm…how should I call it… really appreciate the authentic brands. If you don”t afford it, don”t buy it. I prefer not to buy rather than buy fake brands. Because I feel bad too, why should we use counterfeit handbags.” Yulia, married with 2 children, professional.

*“…. I am a big NO for fake brands….I don”t know why…So, if I only have 1 million rupiahs, I rather buy (*the original*) Guess handbags rather than a fake LV regardless I really love the LV…..”* Icha, married with 2children, housewife.

*"…..I feel sorry for the people who produce the fake bags as well. If you don"t have the money then you should not be using luxury handbags. Yes, rather than buying the fake. That's my principle….Well I"m thinking of the designer. I think it's better to buy non-branded handbags at Matahari (*department store*) but a nice design. It still looks nice and can still match your outfit. Yes, it would be a shame (*using the fake one*)."* Woro, married with 2 children, professional.

However, authenticity comes at a price. And for the middle-class consumer, how much money is spent on handbags matters for various reasons. One reason is that consumers restrict their budget to buy luxury. But they also limit their willingness to spend a certain amount unless they think it is worth it. Or they think "if I can buy a cheaper elsewhere why should I pay for more." Hence, one of the compromises between these rests on the willingness to find the item at a bargain price.

"For me….since the beginning and up until now, I set a limit of spending not more than 50% from my salary. As an example, my salary is 10 million rupiahs/month. I will put aside 500 thousand rupiahs/month times 10 months for a 5 million rupiah handbag. It's acceptable. But if I put aside 7 million rupiahs for a handbag…it is 70% from my salary…. No way…." Talitha, single, professional.

"….but you know, Balenciaga costs 20-30 million rupiahs. I will only buy it during the sale season…hence the reduced price becomes 15-16 million rupiahs." Armitha, single, professional.

*"….in the Kate Spade boutique, I don"t feel confident because the price seems so expensive. For instance, I can buy a wallet for 900 thousand – 1 million rupiahs (*in the online shop*). While there, it cost 3.5 million rupiahs."* Nungky, married with 2 children, Bandung.

"……. My friend came from the US and bought (a bag) *for 1.5 million rupiahs, while I bought it for 2 million rupiahs. It's a disappointment, you know… I don"t want to buy there anymore because I feel upset."* Novi, married with 1 child, just resigned.

Sometimes, looking for a bargain price is the reason for the respondent to buy a second-hand luxury handbag. They don"t mind that it's not a brand-new handbag, as long as it is authentic, in an acceptable condition and for sale at the right price.

"..better to buy second-hand (rather than counterfeit) handbags. We still get the authentic product, at a cheaper price and in good condition. Still, we need to check to ensure the condition of the handbags." Yulia, married with 2 children, professional.

Moreover, the concept of investment also becomes the reason for having luxury handbags. These women are willing to spend an enormous amount of money on a handbag, because they believe it is also partly an investment, in a way. They make an effort to maintain their handbags, because it helps the possibility of resale.

*"..No, I think that rather than buy many handbags which is a waste, better I invest in one handbag which is possible to re-sell or something……that changing my mindset a bit. After I bought a few brands of luxury handbags, I just knew that they could be resold, even as a second-hand (*product*). So, I think that is one type of investment."* Sheila, single, professional.

*"….I agree if someone says, buying luxury bags is also a form of investment. When I resell, definitely the price goes down about 200-300 thousand rupiahs. But I get the benefit of using the handbag… And I take good care of my handbags, complete with dust bag, silica gel etc. So, I feel good because I get quite a lot of money (*if I sell my handbags*), you know. It's a kind of unconscious benefit, because I also get the advantage of using it…."* Isma, married with no child, professional.

"Heem…Heem….I take good care of my handbags, because if I don"t feel like it anymore, I"ll resell them. I have not tried yet, because I still don"t want to. But most of my friends have done that. It is quite good, you know, to be able to resell your handbags." Intan, married with no children, professional.

And they know that the different origins of the brands have an impact on the resale price. European origin bags are perceived to have a stable price. They also realize that selling second-hand handbags takes time, so the assets are not as liquid as selling something like gold, for instance.

"…lately my friends advised me to buy luxury handbags of European origin, because of the price if I want to resell. The price won"t drop that much…" Vanessa, single, professional.

*"……The difference (*between the European and the US brands is*) in the reselling price. The price of European brands is considered more stable, they do not drop. The price reduction may*

be around 30-40%... while the US brands may drop 50% to a low of 70%". "(I resell) if I already have many handbags and the same brands.. For instance I have some Balenciaga, which are all similar models. I resell my old 'stock" also if I need money, kind of pocket money or there's no income from projects. It's almost as similar (an investment) as gold, but a bit different because it takes time to be sold." Zita, single, professional.

6.5.3.3. Once you crossover...

This expression is mentioned by the respondent on how she feels about the journey regarding the needs around luxury brands. It describes perfectly what the majority of respondents experienced.

I am switching

Prior to using luxury brands, most of the respondents already had favourite handbags, starting from the mass-brands such as Elizabeth (local brands), Guess or Zara. Once they got to know and buy luxury brands, their preferences changed. They no longer wished to buy their previous brands and started to switch to the luxury brands. It is like the point of no return for them. They just do not feel favourable towards their previous brands anymore. The quality of luxury brands also becomes their reason to switch, because mostly, the luxury brands using authentic leather which is more durable than faux leather/vinyl and plastic.

> *"But for me, how to say it…. I have goals. As my friends and my cousins said "once you go black you never go back". Which means once you buy the luxury brands for your handbags, you will never ever buy the previous brands that you used to buy. Those brands such as Elizabeth etc. And it happens…. Once you "crossover" – maybe that's how to express it – to buy that stuff (*luxury brands*), you will never buy your previous (*non-luxury*) brands anymore.."* Isma, married with no child, professional.

> "*No..(*I don"t buy my previous brands any longer*)…I don"t know why, I just buy only Kate Spade now….Hm..let me think why….I just don"t feel like it anymore, oh I mean it's not that I don"t like them, but I am more into switching maybe..."* Ika, married with no child, professional.

> "*Afterwards, the next time I had money I bought a Guess handbag. But it turned out its leather peeled off; I figured out it was not real leather. Hence, I"m thinking why should I spent 2-3 million rupiahs on Guess handbags which can be used only for a short period – because it's fake leather. It is better to buy a Michael Kors wallet (*which is long lasting*). So I prefer the*

luxury brands, despite that for that amount of money I only get (a small item such as*) a wallet, key chain and so forth."* Yusi, a single parent with 2 children, professional.

I got addicted

Once these women buy the new luxury brand and never want to buy their previous brand, they also experience feeling a kind-of addiction towards luxury. Like some drugs, the luxury handbags may generate a feeling of addiction in the consumer and the wish to become a handbag collector.

> *" …it was in 2010 (*I bought my 1st luxury handbag*). Then I became kind of addicted, I wanted to collect handbags …. Afterwards I bought Kate Spade, my second Longchamp, Fossil…ahahaha…I wanted (*to buy*) all the brands…… Prior to that, I actually thought why should we buy such expensive handbags? But once I have the money….Once I buy one (*handbag*), I become…hm… it's kind of like drugs, you know…."* Novi, married with one child, just resigned.

> *"…it was a holiday with my friends, not with my parents. I saw the luxury handbags prices were cheaper (*than in Indonesia*). She* (my friend*) convinces me to buy again and again, because these handbags are on sale. She said, "once you buy, you will be addicted"….And indeed it's true….."* Vanessa, single, professional.

I raise the bar

The addicted feeling leads to increased addiction. Gaining further experience in the world of luxury, the respondents feel the need to always upgrade. They feel the need to raise the level, and consume different and more expensive brands.

> *"I don"t know, it seems my preference has been upgraded, you know. I don"t feel interested anymore… I"m not into Charles & Keith and Zara……Then, previously I liked Kate Spade, and then Coach. I asked someone to buy them for me when they went to the US. Then my boyfriend went to Australia and bought me Furla. The price (level) increased from Kate Spade, Coach and Furla, and I wished for more and higher (price). It's going up and up. And now, I am no longer attracted to Kate Spade. If I use it for work I still consider it OK, but I"m not interested in intentionally buying a new one. That's how I am thinking now. Rather than buy lots of Coach, I am better to save my money to buy the more expensive brands".* Maya, single, professional.

*"There is a difference between European and US brands. The US brands are more in the middle segment. And I don"t know, now I don"t favour the US brands (*maybe*) because the resale price is dropping. I prefer European brands, most likely because now I can afford to buy it. Kind-of a levelling up. Yup, just like an upgrade. Similarly, as (*I like these luxury brands*) I used to like Guess handbags."* Zita, single, professional.

6.5.3.4. Sometimes we can go crazy..

Buying handbags also made respondents realize that they needed to stop at a certain level. They develop their own self-control, which helps them to manage their desire. The price level is one of the effective reasons to stop them. They are aware that they have other essential needs to be fulfilled, hence they set a certain "willingness to buy limit" for themselves.

Just be realistic

The respondent is aware that she's always catching up on luxury products with all their seasons and the sale events and she is aware that it is never-ending. Hence, she needs to keep herself alert and to be realistic about her desires. They also know their limits and set their budget at a level that they think is worth it to buy something without getting carried away.

*"….But still I consider that expensive, (*because*) …..I calculate about 40 million rupiahs. We can"t afford them while we still have to fulfil other's needs, for kids or others, I don"t think so. Hence for me, I have to know my own limits. Right? Because it will be never-ending. After the summer edition, there will be a new season, another season and so on. It will keep continuing, never- ending……. Sometimes we can go crazy, but don"t get too much. Life goes on, and we have to be realistic that this consumption drive will be never ending"* Yulia, married with 2 children, professional.

*"Price is the thing that stops me….. I don"t want to save money and buy it later, because I am afraid the model will no longer be trending…… 4 million rupiahs I consider a reasonable limit. More than that, stop…..wait to buy. I don"t think it is worth it, because (*this is only a*) handbag, not essential stuff. Just for the sake of want. I mean, it's also not the kind of stuff that I still don"t have …."* Ika, married with no child, professional.

"15 million rupiahs is my limit. I"m afraid to buy more than that. Afraid to get addicted haha……Afraid I"m gonna get carried away, get addicted want more again and again…So, I limit it to 15 million rupiahs. That's it." Vanessa, single, professional.

The other respondents said they may refrain from window shopping, both in the mall and online. Because they know that if they do not actually see the handbags, it reduces their temptation to buy.

> *"The trigger for me… don"t browse any online shop. Just don"t….. If I want to buy a handbag, such as KS in the US, I"ll browse the US online shop. Sometimes, all of a sudden, they are on sale. Similarly for Tory Burch or other brands, also suddenly on sale. Then I find an interesting handbag, then I want that handbag and get carried away into my dreams…whoaaa……So better I don"t (*browse the online shop)..” Ira, a single parent with 1 child, professional.

> *".. I have no chance to look for (*the handbag online shop on*) Instagram. I also rarely go to the mall. Maybe only during my lunch break like this, so it's rare. I think that's one of the reasons* (I am able to control myself*). Because you know, if you see it quite often, it will come in to your brain and stimulate your needs. If you don"t see it, then no stimulation."* Intan, married with no children, professional.

When enough is enough

The feeling of having enough handbags also helps to control the buying instinct. Usually, there is 'something" happening that stimulates this feeling. In this case, the consumer may feel that their collection is already too much and they feel overwhelmed, and do not have any idea how to keep it. Also, they feel that excitement is less, it is different from earlier when they first started to get to know the luxury brands.

> *"Lately, I feel a bit frustrated. In the early times I knew these luxury brands, I was a little bit out of control. A bit impulsive in buying. Hence I sell many handbags which are not my favourites and I don"t buy a new one anymore……. I see my room overloaded with a lot of stuff, I feel overwhelmed/'sumpek", you know….. And when I see my handbags, some of them used only twice and I don"t like it that much. I read about a Japanese person who introduces a clean-up technique. Her name is Mario Condo and I watch on Youtube. Some people try it and experience a better life. It triggers me. I see so much stuff and it makes me get stressed….. If I don"t like that stuff, I just let it go…..Now, my room looks more spacious. Now, I don"t buy handbags anymore. I prefer an experience, such as travelling..or a concert…"* Talitha, single, professional.

"But I no longer need to buy handbags anymore. So far, I feel enough. Too much already.. I think I already reached this level "Qanaah"- I feel enough…… Firstly, I have no idea where to keep all the handbags, no more storage you know. Secondly, most of the handbags I rarely use. I mean, now I"m not into using different handbags everyday. Hence, I use the same handbag almost everyday. Now I have reached the phase of remorse." Novi, married with 1 child, just resigned.

"Now I already have many handbags in my collection, so my level of enjoyment is lower than it was before, even though it still exists. Because the excitement happened a long time ago when I first became brand-aware and started to buy luxury handbags. But now I"m not so tacky anymore, so I don"t sniff them for very long haha…." Woro, married with 2 children, professional.

Whatever the reasons for the respondents' controlling their desires, they realize their limitations and accept their situation. Life goes on, and it is not just a matter of luxury handbags. They have to be realistic in keeping the balance between their needs and controlling them.

6.5.3.5. Because I believe……

The population of Indonesia is made up of 85% Muslims, and the rest consists of various other religions. Whatever their faith, the majority of Indonesians are believers. They believe in God and religious life is part of their value system. How do their religious beliefs affect their consumption?

Reckoning in the afterlife

This relates to the beliefs that respondents have about the afterlife. In the afterlife, all of their belongings in the world will be reckoned by God for usage. There will be consequences for any useful and not useful things. For those who believe, it affects the way they "consume" handbags. Despite not being able to stop their desires, they may start to manage their consumption.

"But now I kind-of feel remorse hehe…. Not as before. My friend frightens me, "remember, later all your stuff will be reckoned by God. It will be questioned one by one, whether you need it or not". Ouch…. When I think about it haha….I just….it hits me in the right place, you know.

So now, I kind of reduce my temptation. I buy only if I really need it, or am bored with the old handbags. I have to sell my current handbags prior to buying a new one." Putri, married with 2 children, housewife

*"……hence sometimes I am overthinking when I clean all of my handbag collection. Hmm….so many handbags…at times I"m afraid it will be reckoned by God because of these many handbags I have. But what should I do? I feel the unwillingness to re-sell them, because .. you know (*I still don"t feel into it*)... So, there was a special moment that I released 2 of my handbags and gave them to others because of that thinking of being afraid to be reckoned (*judged*). Indeed I gave it for free, not for sale."* Nungky, married with 2 children, professional.

"Mubazir?" it depends….

Another aspect mentioned is "mubazir". In the English language, it translates as "redundant". Within the context of this study, it refers to the over-spending on something which may not be essential. Respondents seem to realize that consuming luxury brands may fall into this aspect. But they try to justify their behaviour, in a certain way. They believe it refers back to the intention. They believe that they have a good intention, from their own perspective. The spending on the luxury handbags is considered ok as does not go against their beliefs. And the processing and implications of that consumption are presumed to not create problems for other people, which means they are still doing good, in the right way. "Mubazir" may be interpreted in many ways.

*"….I learn that the more stuff (*the luxury handbags*) you have and the more useless it is, is a sign of "mubazir", you know (*what mubazir refers to*).. (*But*) this is how I see it. I work to get my earnings, and it's "halal" (*acceptable in the muslim law*). So I prefer to spend my money to buy something that I like, which is also "halal". I mean I don"t buy alcohol (*which is forbidden in muslim law*) and so forth. I just enjoy (*the earnings of*) my work to buy something "halal". Regardless of the usage and judgement of overspending etc, I have no comment on that. It's all back to our intention……. I believe if we do good deeds, that will be the way and it will be regarded well. In the end it will be good, because we have good intentions….So, the intention is not to show off or underestimate others. I also don"t care if others use a fake handbag…."* Zita, single, professional.

*"….so this is how I see it. It is all back to our ability to buy. As long as you don"t put other people in trouble, I mean you don"t borrow other people's money to buy a handbag and your other essential needs already fulfilled. If you buy a handbag and let other people know (*show off*), for me it's kind of weird. So, as long as you can overcome yourself and your family, I think that's not a problem. The point is, do not put others in trouble (*enable them to buy luxury handbags*)…. Such as, her mother or mother in law should pay for her shopping, that is a problem haha……"* Isma, married with no child, professional.

6.6. Reliability, validity and generalizability

In this study, reliability and validity translate into justification by using three criteria as specified previously in chapter 3: transparency, communicability and coherence (Rubin & Rubin, 2011).

Transparency allows the reader to understand how the interpretation was made. The interpretation is based on the response of respondents in each of questions and refers back to the constructs underlying each question. Because the qualitative study is at phase 2 after the quantitative study, the questions in the interviews are designed to follow the constructs in the quantitative study. The aspect of transparency accommodates by providing as many direct quotes as possible from the respondents, on each of the themes and sub-themes of interest. The answers of the respondents represent their insights from each of the constructs.

Communicability addresses, to some extent, the theme of being able to communicate with others. In section 6.5., all themes are communicated clearly and explained within each construct. There are 3 major categories consisting of various themes and sub themes.

Coherence refers to the coherent story built from theoretical constructs that fit each other. Again, because this qualitative phase is trying to explain the result of the quantitative, the framework of coherency has been built-in from an early phase. In the following themes, all the constructs are in the preliminary model. Other themes emerged which are not part of the constructs in the preliminary model are included in the new themes (Category#3).

6.7. Summary of phase 2 findings

Findings in phase 2 summarized in Table 6.4. – Table 6.6.

Table 6.4. Summary of category #1: Usage and Attitude

Sub-themes	Findings
• The basic function: ○ Depends on needs, activity, and suitability ○ The important aspect of my fashion	Describes the roles of handbags, and the selection of the brands refers to these three aspects, and along with appropriateness as the major concern of the respondents.
• Remember the 1st time: ○ How do I know? ○ Cool…and then I acquire	This refers to the 1st experience respondents have when exposed to luxury handbags and get influenced by families and friends, or online. The 1st time purchase happens in a certain period after exposure, waiting for the right moment because of high price level. Hence, the 1st moment generates a great excitement of the senses.
• Because the (luxury) brand is what matters the most.	This describes their experience of being brand conscious. Once they embrace the luxury brands, they change their attitude. This becomes a major aspect of their consumption.
• The market I know.	The understanding of respondents on market segmentation and second-hand sales. It is segmented mainly based on the price level, and builds-up to their aspirational brands. Positive perception of the second-hand market is because of the image of authenticity and quality.
• Let's buy the handbags: ○ Things that drive me buying ○ Where should I buy? ○ Of course I am still visiting the official counter ○ And if I am bored, I resell them	This describes respondents' purchase habits: when and where to buy, and the resale of the handbags if the owner gets bored. Buying a bargain is the main consideration. However, they still visit the official counter (of the brand) for various reasons.
• What happened, Indonesia? ○ We"ve been facilitated ○ The youngsters nowadays are just different ○ They may look conservative, but… ○ The *swanky* people	This reveals how they perceived recent situations which are considered different than they used to be. It implies the ease of buying luxury because of various financial facilitation. Other trends are related to their perception of young people, conservative muslims and the 'swanky" people who are affected by luxury consumption.

Table 6.5. Summary of category #2: Themes as in the preliminary model

Sub-themes	Findings
1. Hedonism	
Feeling of excitement	This happens during shopping. The feeling comes when the respondents assess the handbags prior to buying; imagining how and when it will be used.
Fulfilment or satisfaction	The feeling of having the handbags as the result of their own effort.
Self-indulgence or enjoyment	This is when the respondents preserve their collection, usually by cleaning the handbags. It is described as similar to petting animals and induces liberated feelings.
Contentment or pleasure	This occurs when using the handbag. Once they experience using luxury handbags, they realize the "wow" feeling.
Stress release	The feeling that emerges during shopping. It helps to reduce tension and make the respondents feel happy.
Impulsive and unable to resist the temptation	It is another indicator of hedonism not included in the survey, but mentioned by respondents. They claim that when the desire is there, it is just too hard to refrain. They must buy the handbag.
2. Face-saving	
I"m concern about how others see me. It is prestigious...	The judgment made by other people stimulates the need for luxury. The respondents feel uplifted and proud in using the "prestigious' brands.
I feel ashamed if I lose 'face'	The ashamed feeling of having similar "mass" brands, but feeling proud and appearing to be more respected by others if this type of similarity occurs in luxury brands.
I am concerned to improve my reputation...	The feeling of enhancing respondents' pride or status. It applies personally as well as to the others who are important to them, such as spouses.
Social pressure is in the eye of the beholder	This reveals different perspectives on social pressure. Despite of respondents love the luxury handbags, their social environment may not appreciate that kind of luxury and may make them feel uncomfortable and shy about revealing their favouritism towards luxury brands.
Social media as a platform to "maintain 'face'"	Beyond its daily appearance in real life, respondents acknowledge social media as an effective platform to "maintain-face" while they are using luxury handbags.
3. Group-orientation	
Because most of my friends using it	The feeling of pressure to use the same brands of luxury handbags as used by other members of the respondent's group. The respondent acknowledges uneasy feelings if using different brands to others.
They only give me advice	The majority of respondents are not influenced by their group on brand selection. The role of the group is only as the advisor on the suitability, design and source of information.

Sub-themes	Findings
Me? No, I don"t want to……	The learning experiences of keeping up with the demand of the groups instil feelings of intimidation, which respondents want to avoid.
4. Functional values	
Uniqueness: the personal image	Addresses the personality or character of the respondents, which are "that's me", unique and different from others.
Exclusivity: the "one of a kind" style	Refers to the needs for a "one of a kind" style or design, which stimulates feelings of pride but annoyance if the brands are then owned by many people. Exclusive included brands are considered to have a less "counterfeit-version" in the market.
Quality	Respondents' perception of connection between price and quality.
5. Image of COO provides various reasons to learn about the COO	
Experience many brands from various origins	Respondents express simply knowing how it feels to have handbags from different COO. ○
Distinguished quality	The perception of better quality from a certain COO.
COO informs me where I should buy at bargain	Knowing the COO indicates where to buy at a bargain price in the country of origin.
I should own that local brand	The feeling of having local-overseas brands makes them happy.
How is the brand perceived in their home country	The need to learn about the positioning of certain brands in their origin country.
6. Image of COMA is not a concern for the respondents	
I trust the brand-name, it serves as a guarantee	The brand name is the most important factor.
I believe the brands will not destroy their own quality.	Respondents put trust in the brands, which have standards and conduct quality control to assure product quality.
Anyway, because China produces everything.	The fact that China produces various types of products leads to respondents' willingness to accept it as a COMA.
But, what else can I do……	Regardless the respondents having a concern on the COMa, they really like the handbags.
As long as it's authentic.	There should be no issue if the authenticity of the brands is guaranteed
Other specific reasons.	A respondent has concerns about child labour.
7. The image of COMa is a concern because there are still doubts.	
The authenticity and worth of every rupiah I spend	Respondents share concerns over the authenticity of the brands and their worthiness of the high amounts they have spent, because of the negative perception of the manufacturing country.
Why should I?	

Table 6.6. Summary of category #3: New themes emerge

1. Self-rewards	Respondents regard the luxury handbag as a form of appreciating themselves.
2. Once you crossover: the journey of acquisition of luxury handbags.	
I am switching	Respondents experience a conversion from mediocre to luxury brands of handbags.
I got addicted	Once respondents buy luxury handbags, they encounter feelings likened to addiction.
I raise the bar	Respondents raise the luxury level, consuming different and more expensive brands.
3. Sometimes we can go crazy: self-control	
Just be realistic.	The way to manage temptation in a "realistic" way such as staying alert about their affordability and setting a level of willingness to pay.
When enough is enough.	The feeling of overwhelm causing the respondent to curb their desire to buy.
4. Because I believe… : the self-control driven by religious perspective	
Reckoning in the afterlife.	The belief that respondents have about the afterlife, there will be consequences for each one's possession of belongings.
"Mubazir"? it depends…..	Buying luxury may be considered as "mubazir"/overspending, respondents justify this by saying they having good intentions.

6.8. Concluding comments

In this chapter, the findings from phase 2 – the qualitative study, were described in detail and then as summarized in Tables 6.4 to 6.7. These tables list the main themes and start to compare these with the constructs in the preliminary model. The next chapter continues this triangulation.

CHAPTER 7. Phase 3: Integration of result of phase 1 and 2 (The Discussion)

7.1. Introduction

The purpose of this study was to explain the beliefs of middle-class Indonesians around luxury brand equity. This was to be achieved by understanding the relationship between consumer values and country image toward brand equity using both direct and indirect measurement approaches. Chapters 5 and 6 have described the findings from phases 1 and 2. This chapter describes phase 3 of the study: integrating the findings of phase 1 and 2, merging the factors from preliminary research model with the deeper causal investigation into the factors.

This chapter begins with the discussion of consumers' journey with respect to luxury handbags. This provides further insight into understanding how consumers undergo the experience and this serves as a strong foundation for the rest of the discussion. Each hypothesis result from chapter 5 (five) is discussed and focuses on the non-significant results. The discussion adopts some findings from chapter 6 (six) to corroborate the arguments, based on the consumer's own voice, and compared to previous research. The study revealed an intertwining of consumer values and the differences between Indonesian middle-class women in comparison to the Indonesian person in general. It serves as an important contribution to this area of research. This synthesis leads the author to make deductive conclusions as highlighted in the end of each sub-chapter.

7.2. The Consumption Journey of Luxury Handbags

7.2.1. Once you crossover..

Respondents tell of their experience of the journey of luxury handbags. Supporting the argument on the CBBE ladder (Keller, 2013); consumption starts from awareness. Respondents have a long history of interest in handbags – as identified in the thread Remember the 1st time (section 6.5.1.2.); which reveals their relationship with handbags. They encounter the phase of using mediocre brands before using luxury brands. Respondents build luxury brand awareness from various sources. Nevertheless, they have not yet manifested this knowledge into consumption. Once they have the buying ability, the consumer will begin to acquire. The difference with luxury brands rests in the high price they must bear, which implies many aspects beyond the price such as quality, authenticity, and usage preferences.

Respondents switch from mediocre brands into luxury ones. Once they can afford to buy luxury brands, their preferences change. They no longer wish to buy - and were not interested in their previous – mediocre brands anymore. They switched to luxury brands and lost their appetite for the "old" brands. The quality of luxury is also claimed as their reason to switch, because most luxury handbags use genuine leather, which is more durable than plastic or vinyl. As one of the respondents expressed it: *"…once you crossover, you will never buy your previous (non-luxury) brands anymore"*. This portrays their experience. It is supporting the "trading up" phenomena: consumers' willingness to pay more premium for luxury products for the reasons of expensive, satisfying and memorable (Ko & Sung, 2015).

Exposure to luxury brands then creates addictive behaviour in some respondents. They reported a craving to buy luxury brands of handbags from the moment they first experienced using one. This also leads them to adopt different attitudes. The brand name becomes a critical aspect to consider when purchasing handbags or other fashion items. The item must be "luxury" which can be easily recognized by others when the owner exhibits it. They continue to buy luxury handbags of diverse brands or style. They become a handbag collector.

Furthermore, the greater the financial ability of the respondents, the more money they spend. They also acknowledged the different prices of different brands from different countries of origin (COO). Brands from Europe have a higher quality image than brands from the US, hence the price level being different. Respondents report feeling their needs escalate to having even more expensive brands of luxury handbags. Within the luxury brands themselves, respondents raise their own personal bar to gaining possession of the more expensive brands of handbags the moment they can afford them. This is similar to their previous experience, as they switch from mediocre brands to luxury handbags. The difference rests in their willingness to consistently use their previous brands of luxury handbags, despite the fact that they able to buy the more expensive ones (rather than a complete switch). Usually, they use the cheaper luxury handbags for daily activities, and the more expensive ones for special occasions.

7.2.2. Sometimes we can go crazy, but not too much

Although the respondents have "in-depth exposure" within luxury brands, they realize that they must stay in control. The interest of the respondents in luxury handbags may keep going although, they understand that they need to stop at a certain level. They develop their self-control, which helps them to manage their desires. They are aware that they have other essential needs to be fulfilled, beyond the handbags, such as the needs of their children.

This study reveals two major ways that respondents manage their self-control. The first is via the so-called "realistic" part in which they develop particular limitations on consuming luxury handbags from their cognitive and affective capacities. The second part refers to the religious aspect.

The first mechanism refers to the respondents' awareness that luxury handbags have endless seasonal and sale events. They realize that they need to keep themselves vigilant regarding their desires and stay realistic around getting carried away. Some examples of maintaining self-control are setting a maximum "willingness to pay" for a handbag, and refraining from window-shopping both at the mall and online. Another way to build self-control lies in developing the feeling (affect) that one has enough handbags. Respondents claim that there are certain situations that cause/stimulate these feelings, which vary from one to another. For example, an abundant collection can cause feelings of being overwhelmed and not knowing how to store the handbags. Or, the excitement decreases compared to the initial stages when they began to recognize luxury brands. This then leads to their intention to no longer buy new luxury handbags, or to buy less frequently than before.

Religiosity is a second mechanism, an aspect of culture which influences consumers' attitudes and behaviour. Indonesians identify as people who have self-restriction values, are humble and also accept what they are given in life. Self-restriction is known as part of the motivational goals of traditional values influenced by religion, consisting of self-restriction and faith (Liem, Martin, Nair, Bernardo, & Hidajat Prasetya, 2011). Despite their beliefs, consumers who are seen as religious still demonstrate an interest in the luxury handbags. Some respondents interviewed wore a hijab to cover their heads, in fulfilment of their obligations as Muslims. Several other respondents shared their observations which were considered contradictory. They observed that their Muslim counterparts were considered as "conservatives" because of the traditional hijab style they used, but apparently they were

Louis Vuitton handbag users. The controlling aspect rested on the belief that respondents had about the afterlife. In that phase, all of their belongings in the world would be judged by God regarding their usage. There would be consequences for any of the useful and non-useful stuff. For those who believe, this affects the way they consume luxury handbags. They limit their buying habits and act accordingly to reduce their collections when they are considered excessive.

There are similarities in the element of control because of the affective-realistic aspects and religious aspects. Both are related to excessive remorse for using a luxury handbag. However, the difference lies in the stimulation factors that underlie their feelings. One arises from a foundation on something that the person believes in, namely their faith (religion), while affective (emotional) reasons are based on their cognitive processes. In the end, the manifestations may be the same; that is, both aspects help the respondent to control their desires. However, different motivations can lead to different results and/or other implications. While the majority of respondents choose to resell their bags if they want to downsize their old collections, one respondent preferred to give away her bag collections for free, rather than resell them to reflect the strength of her "belief"/religious factor. Religiosity is one aspect, while consumption is another aspect and the two are considered not to contradict each other. This indicates the results of personal and social values.

The respondents emphasis on their efforts to manage their desires reinforced the findings of Liem et al., (2011) that Indonesians respect aspects of traditional values in Schwartz's table of fundamental human values (2005). The aspect of self-restriction is recognized as part of these traditional values, which is conceptually related to religious belief and culture (Schwartz, 2005). Self-restriction is said to have an association with religious background in each relevant country. Hence, the majority of Muslims in Indonesia may develop their self-restriction toward the consumption of luxury handbags.

7.2.3. Between authenticity, bargains and investment in luxury handbags

Respondents describe their concerns about the authenticity of the brand (section 6.5.3.2.). They feel this is an essential aspect of using luxury handbags. Authenticity is considered a fundamental feature of luxury handbags. Using counterfeit brands can undermine their self-esteem, which they build and maintain in their middle-class stages of life, i.e, building their financial capabilities from their work, and fulfilling specific values such as credibility and being true to themselves. Counterfeit brands may not "fit this picture." Moreover, authenticity is an essential aspect of building credentials to strengthen their consumer image.

However, authenticity comes with its price. For middle-class consumers, how much money is spent on handbags is essential for various reasons. Some consumers limit their budget in buying luxury to show self-control (section 6.5.3.4.) as described earlier. They may also have the thought "*if I can buy something cheaper elsewhere why I should pay more*". One compromise lies in the consumer's willingness to find low prices. Striving to buy luxury goods at bargain prices is common for respondents. One of the main drivers (section 6.5.1.5. page 171) for buying handbags is a sale during special events or at bazaars. The consumer also looks for the most likely bargain sites such as online shops or they may try and buy abroad. Buying second-hand luxury handbags also becomes an option. They get an authentic handbag at an affordable price. They do not mind a used handbag, as long as it is authentic, in acceptable condition and at the right price. This finding corroborates one of the characteristics of Indonesian middle-class who strive for affordability. They are somewhat 'sandwiched" between the high-class and grass-roots income earners, but they strive for and aspire to luxury. Hence, buying at bargain prices and obtaining second-hand products are the alternatives.

Investment is also a justification for owning a luxury handbag. Respondents are willing to spend much money on handbags, because they believe it is an investment, in a certain way. As part of the investment, they put an effort into maintaining their handbags and buy a handbag from a particular COO because they know that different COOs have different price levels. This affects the resale price. They also realize that selling used handbags takes time, the assets are not as liquid as if they were gold. This fact also validates other characteristics of the Indonesian middle-class, who always try to justify the expensive goods they like to buy (Rastogi et al., 2013). They have the desire for handbags, however sometimes it does not feel right to buy (more) luxury handbags. Hence, they build a justification to allow them to shop for another luxury handbag and minimize the guilty feelings which may arise for spending excessively.

7.3. H1a-e: The Relationship between Personal Values and CBBE

The results of this study confirm the expectations of the relationship between hedonism and all dimensions of CBBE. It validates brand experience aspects in hedonism and Indonesian consumers showing the perception of luxury values that are influenced by the values of experience (Shukla et al., 2015). In addition, experience values emphasize the influence of hedonism on each dimension of CBBE. Respondents undergo the emotional aspects of hedonism within the entire consumption process: in the phase of buying/shopping, owning, using, and maintaining luxury handbags. During all phases, they were exposed to all aspects of the brand. The experience occurred in a variety of background settings, and this study shows that compliance with diverse settings occurs (Brakus et al., 2009). In addition, the sensory, affective, and behavioural dimensions of respondents are influenced by the experience of luxury handbags. The respondents expressed their emotional stimulation from the experience of luxury brands described in section 6.5.2.1

The results of this study also validate research by Wiedmann et al.(2009) of the global application of the main drivers that motivate luxury consumption, regardless of culture-based consumers. The personal values around hedonism are considered one of the main drivers. Although Indonesian consumers, as part of the Asian culture, are said to have low hedonism values (Le Monkhouse et al., 2012), this study shows that the hedonism of the Indonesian middle-class women positively influences CBBE dimensions.

However, this study found expectations to the contrary when using the direct measurement approach referring to purchase intention (Washburn & Plank, 2002). The non-significant relationship reflects that hedonism was not related to purchase intention. It is a fact that it is challenging to explain. Previously, respondents expressed their multisensory emotions throughout the consumption experience, including the experience of shopping for luxury handbags. However, it does not reflect the purchase behaviour. The aspect of religiosity may serves as one of the reasons. As Arli, et al. (2016) argued, Indonesian consumers who hold high religiosity demonstrate preference toward luxury brands. Nevertheless, it does not always convert into purchase behaviour, specifically when it considers against religiosity norms (Arli, et al, 2016). Religiosity found associated with low importance attributed to the hedonistic values (Saroglou, 2004).

The other facet reviewed is the structure of the measuring instruments used in this study. There are two considerations in CBBE direct measurement: comparison with other brands or products without brands and highlighting similar features between the two (Yoo & Donthu, 2001). The application of this condition is reflected in the questionnaire – as in APPENDIX A which indicates that respondents' preferences of their favourite brands differ from other brands. These types of questions signify the differences in comparison to indirect measurements. In the indirect measurement, respondents asked about their feelings on their favourite handbags. There is no problematic aspect of comparison here. Because it is related to emotion, the respondent easily provides positive responses when asked about their feeling toward their favourite handbags. However, it seems a different case when they are asked to compare their brand to other luxury brands – as in the questions for direct measurement. The aspect of comparison became a substantial matter to the respondents.

Respondents reveal that they do not remain loyal to brands.

"*...Indeed I do not have loyalty to specific brands. I want to try them all. It just makes me feel stylish, errr haha...you know (*kind of cool too*) have different brands...*" Novi, married with 1 child, just resigned.

The consumer may favour a specific brand and claim it as their favourite brand. However, they still purchase other luxury brands of handbags for different purposes, such as for different occasions of use, they may be fascinated with certain style, as investment reasons and an attractive sale offer. It can be challenging for them to stay positive about their favourite brands when they perceive that other luxury brands may deliver similar features and benefit as theirs. They are just not "into" it for now. Hence, they do not point out positive responses when it comes to comparing their favourite brands with others.

Conclusion#1: Brand experience is the manifestation of hedonism in each of CBBE dimensions. The religious aspect and positive feeling toward overall luxury brands of handbags, beyond respondents' favourite brands, serves as the reason for a non-significant result of the relationship between hedonism and CBBE using direct measurement approach.

7.4. H2 and H3: The Relationship between Social Values and CBBE

The interdependent-self construal and self-concept emphasizes the strong influence of others on an individual (Markus & Kitayama, 1991), are underlying the social values. The consumption of an individual is affected by how those in her social surroundings will react toward her preferences. She will carefully consider her selection because of the importance of other people's "judgment". This study demonstrates that the social values of face-saving and group orientation influence CBBE differently and it exhibits results that were not as expected.

7.4.1. H2a-e: The Relationship between the Social Values of Face-Saving and CBBE

The following discussion refers to the influence of face-saving on CBBE in both measurement approaches. It does not provide a specific section for each of the CBBE dimensions because it relates to one basic argument.

7.4.1.1. 'Face' consumption

Respondents claim that their favourite luxury brands "convey" good feelings, differences, self-satisfaction and self-esteem, among other aspects (page 182). After becoming users of luxury handbags, they are hesitant to use their previous non-luxury brands because of the less prestigious image conveyed by that brand. Different cases occur for luxury brands. Respondents do not mind of using the same brand of luxury handbags as used by other consumers. It is still luxurious. A prestigious luxury image can overcome feelings of shame in using the same brand and in contrary, it increases respondents' self-esteem.

'Face' consumption originates from status consumption, in a more suitable form for Indonesian consumers. One indication of status consumption relies on aspects of self-monitoring (O"cass & McEwen, 2004). This aspect is reflected in the respondent's behaviour, the use of luxury handbag refers to the "appropriate" occasion . Handbags for daily activities should be different from handbags for weekends. The more expensive brands must be used occasionally rather than the cheaper ones, which can be used more often. They feel uncomfortable using very expensive handbags if they do not "have to". Effort is required to achieve the means to buy luxury handbags. Therefore the moment of use must also be exceptional. The consumer implements self-monitoring when using luxury handbags.

These findings emphasize that ‘face’ consumption is closely related to the status dimensions of luxury consumption. Status consumption highlights the use of a conspicuous type of product that delivers symbolic status (Eastman et al., 1999) because of the concerns around social comparison (Kastanakis & Balabanis, 2012). The similarities rest on the usage of a distinctive type of product as a luxury product and the intention to show off. It aims to achieve social status and give a prestigious image (Li & Su, 2007). It is reinforced by respondents’ hesitation in using a counterfeit product, as described earlier in this chapter (section 7.2.3). As Hidayat & Diwasasri (2013) assert, there is a negative association between status consumption and counterfeit luxury brands in Indonesian consumers. An individual who has concern over her status has no intention of buying counterfeit products, because she will put her self-esteem at stake. Respondents demonstrate their ‘face’ consumption, as part of the status consumption while consuming luxury handbags. ‘Face’ is found to be one of the core components of social self-concept, as brands are instrumental in demonstrating this self-concept, and brand consciousness works as a manifestation to maintain consumers’ ‘face’. The ‘face’ concept is an essential aspect in influencing an individual’s brand choice and consumption (Liao & Wang, 2009).

7.4.1.2. The “Urgency Effect” – a matter of obligation, social and financial pressure

The difference between ‘face’ and status consumption lies in motivation. ‘Face’ consumption is done to maintain one’s image, reputation, integrity or *‘*face*’*. It is an “obligation” for someone to consume luxury, even though she may not be too interested. Beyond the intention to show off, saving ‘face’ is seen as a more important aspect that creates urgency in the sense of mandatory fulfilment. It can refer to the ‘face’ of the individual herself, as well as other types of *‘*face*’* involved in the context (Li & Su, 2007).

> ‘*specifically, in job roles, they (clients) don”t see you only from the level of your work/function, but also from your appearance and what (the handbag) you carry. So, surely (yo*u must be) *convincing*". Yulia, married, two children, professional.

The respondent emphasizes the roles of luxury that are also involved with their job function. Thus, her professional work, as well as her institution’s reputation, will be at stake if she does not appear as expected by her social community. Similarly, another respondent emphasizes the pressure to consume luxury for the status of her spouse.

On the other hand, respondents also highlighted feelings of being intimidated. They were underestimated by salespeople for not using luxury handbags and vice versa. They felt judged only by the brands they used or did not use.

"... yeah here, salespeople (from luxury brands) look intimidating. I feel a bit underrated (if I don"t use my luxury bag) (like) "if you can"t afford it, don"t come here (boutique)"... Abroad, I don"t feel that way. They treat us differently. Here, I want to pluck out his eyes haha ... I mean they are just salespeople, but how can they be so judgmental? ha ha.... Rudely, I want to show my business card to tell them who I really am ... " Zita, single, professional.

FS plays an essential role in influencing consumers' perception of and response to luxury brands. An individual is motivated by his (or her) attitude during consumption (Katz, 1960). His/her attitude toward luxury brands functioned as a social identity to deliver a specific social image enabling one to achieve social approval. It is the underlying rationale of the willingness of Chinese consumers to pay a premium price for luxury even though they may not like the brands (Siu, Kwan, & Zeng, 2016). Further, consumers who value face-saving most probably consume luxury brands because luxury is closely associated with status and prestige regardless of the attitudes of consumers towards the brands (Wang, Sun, & Song, 2011).

The social hierarchy of Indonesian culture creates enormous social pressure. Therefore, it creates a sense of urgency for the respondent to fulfil the requirements, and the possession of a luxury handbag manages to meet that need. Moreover, the "urgency" effect is also shaped by the fact that middle-class consumers are in limited financial positions. Respondents stressed how they need to make an extra effort to consume luxury handbags, and they are willing to go the extra mile. Another strategy to overcome the financial barriers is by shopping at a bargain sale. It is reflected in section 6.6.1.5. The alternatives are buying via an online shop or from an independent store instead of from the brand's official website, or asking their relatives who are going overseas to buy for them or shopping during sale events.

Strategies for overcoming financial barriers show similarities to the study from Liao & Wang (2009), on how the Chinese consume luxury differently to their Western counterparts. Saving 'face' is important for the Chinese, rather than their personal preferences, and one of the manifestations is through luxury consumption. However, they have limited buying ability. They then strategize to overcome this barrier by buying or using luxury brands depending on the occasion. Respondents also demonstrate a selective way of consuming luxury, as argued by Silverstein & Fiske (2003). They will prioritize certain category products which are considered essential to buying luxury brands while sacrificing other category products using mass, non-luxury brands.

This study validates the impact of fulfilling obligations, and social and financial pressure. Face-saving affects the consumption of respondents. It is supposed to make them feel better about themselves. They wish to be accepted by their peers. Later, we can see that this acceptance is essential to the fulfilment of their self-actualization, which enhances their need to be accepted by others.

7.4.1.3. H5d: The Significant Positive Association of FS and BL

The exception result within the CBBE dimensions was a positive relationship of FS and BL. This finding was analysed in a separate perspective from the CBBE laddering concept because the antecedent stages of BL: BA, BM and BR found were not significantly affected by FS. The relationship between FS and BL is seen as a stand-alone connection, without the CBBE laddering process taking place. The discussion refers to another aspect that may cause the development of BL, to which FS may contribute.

As described previously, one aspect of the brand serving as the critical determinant for BL is the brand affect (Chaudhuri & Holbrook, 2001). Brand affects are related to the potential of a brand to get a positive consumer response. This research proves the ability of FS to encourage brands to influence further, as reflected by respondents who say they feel good, different and valued among others by using luxury handbags. Despite claims that they don"t pay much attention to how others view their appearance, still, their self-esteem increases by using a "prestigious" brand. They feel that they are being judged by the brands they use and that using luxury handbags increased their self-esteem.

> "*I think it is important. Especially nowadays, people will judge you from the stuff that you are using. So I think it's important (*to have luxury handbags*). I mean, a lot of people are using those luxury handbags. It stimulates me to have it. It looks good to use. I wish I to have one too, see how it feels like, you know. So…yah..like that, it looks good and it will make you look good as well. How to say it… having it is prestigious."* Vanessa, single, professional.

The brand affects then determines the BL. It may help to explain the relationship of FS to brand loyalty, and regardless, FS has not been demonstrated to induce the antecedent to BL in the CBBE laddering stage: BA, BM and BR. This finding also emphasizes "the urgency effect" of FS to cause consumers to establish a 'short cut" path in brand equity; the 'short cut" applies directly to the loyalty towards the brands.

Conclusion#2: Face saving (FS) demonstrates a significant positive result on the direct measurement approaches, rather than following the process to climb the CBBE ladder with the indirect measurement approaches. Respondents value "face" as necessary for self-dignity. It may lead to a "fast-track" requirement to demonstrate the impact of CBBE. Going through each ladder step on the CBBE takes time, or it may not occur because of the urgency effect. The combination of face consumption and the urgency effect somehow leads to the 'short-cut" process to save face. It directly affects Overall Brand Equity (OBE) rather than managing to influence each dimension of CBBE and is indicated as the leading cause of the different results between direct and indirect measurement.

7.4.2. H3a-e: The Non-Significant Relationship between Social Values of Group Orientation and CBBE

This study demonstrates that the relationship between group orientation (GO) and the CBBE is not significant, using direct and indirect measurement approaches. The construct of GO is then removed from the preliminary research model. It aims to achieve the most parsimonious result. This stage has been described in chapter 5. This section details the analysis of the not-significant relationship between GO and CBBE.

The GO construct represents the bandwagon effect of conspicuous consumption, emphasizing the importance of social groups as individual references. The social group profoundly inspires an individual decision (Bearden & Etzel, 1982), and group conformity is essential to shape the individual's attitude (Festinger, 1954). It matches the culture of Indonesia, which accentuates harmony and group conformity (Magnis-Suseno, 1997). Due to middle-class lifestyle changes, luxury brands are considered as the 'standard norm" (Wong & Ahuvia, 1998) needed by most groups who are always pursuing global styles. GO individual needs are to become “one of the boys“ (Kastanakis & Balabanis, 2012) and they do not want to get left behind in consuming the luxury brands. GO works as an indication of self-identity and corroborates collective identities (Gerke, 2002). The Indonesian consumer wishes to develop a prestigious identity by conspicuously consuming luxury handbags in a similar way to their groups.

The findings in this study contradict the study of Escalas & Bettman (2005) which argues that when the usage relationship between reference groups and brands is felt to be strong, then a relationship between consumers and brands exists. This study revealed the role of groups as referencing individuals serving diverse, different perspectives, differing from the research of Escalas & Bettman (2005).

One respondent acknowledged the perceived pressure to use the same brand as her group. Her group firmly persuaded her to use certain handbags and brands, just as they used them. Initially, she claimed to always follow their recommendations. She admitted feeling uneasy because of being different or using a different brand from the others. However, over time, she claimed to be able to overcome the need to “be one of the boys”. She wanted to decide her preferences and felt uncomfortable when hanging out with her peers. She felt that *it didn"t feel like friendship*, it was fake and her relationship was only related to luxury items, which she did not enjoy.

> *“I always join this kind of social group, but I can"t get comfortable there. Because I have to keep following up with this frenetic issue of luxury handbags, buy this and those handbags, within less than a month. It’s just like copying each other. And then I don"t feel comfortable because their subject is always about showing this, showing that etc. It doesn"t feel like friends, more like a show….”* Yusi, a single parent with 2 children professional.

The majority of respondents think that the bandwagon effect does not influence them. On the one hand, they agreed that the presence of their group influenced them in many ways and in one crucial role as an advisor or a source of information related to luxury bags - Please refer to section 6.6.2.3. It consists of facts, new trends, styles, and sale events. Therefore, the advisor‘s role is about the suitability of a particular style for them rather than an inducement to use the same brands or handbags. However, they recognize that their own style preference, specific brands and handbags as liked by them may not be preferred by others.

Respondents recognized their style preferences and continued to use them without feeling different to the others. They admitted sometimes that they felt awkward. However, they had a stronger feeling for their own preferences rather than for following the crowd.

> *"….. I don"t buy it because I want to give a certain impression to others. And their response was not my concern. I buy specifically for myself,…"* Isma, married with no child, professional.

This study contradicts the reference that GO functions as an indication of self-identity and builds collective identity (Gerke, 2002). Respondents exhibited a strong tendency towards personal preferences on brand names that were stronger than preferences within the group, even though their group still serves as a reference, but not specifically on the brand name to be chosen. The final choice of handbag depends on their taste. It validates the research from Grotts (2013), that the respondents are presumed to already be at the level of being accepted by their groups they wish to be associated with.

The similarity of brand selection does not represent the self-brand relation with the self-group image. The respondents demonstrate their congruent image with their reference groups that do not relate to brand selection. They do not feel the social pressure of having to have the same brand. As long as they use luxury handbags, no matter what the particular brand name is, they feel that they are already within their in-group. They develop their self-concept and self-image from their selection of brands and representing their preferences without the pressure of reference groups. They develop a personal selection that can assimilate their group's needs, and at the same time differentiate their uniqueness into a single choice. It corroborates the result of Chan et al. (2012).

Later, the self-imaging aspect is further elaborated upon as a unique personal expression in the functional values section.

Another aspect is the learning process, collected by respondents through observing the behaviour of other people they know. They learned that trying to follow the group's requests created a feeling of intimidation. Please refer to 'They do not want to be in the same situation'.

Luxury is the key, as long as the brand is considered as a luxury brand. The brand name itself matters; it plays a vital role in success. The hearts and minds of consumers have been linked to luxury brands. Consumers get hooked, as an example, allows luxury to stretch its presence into various categories regardless of whether the category is or is not in their area of expertise, consumers are delighted to welcome innovation (Chadha & Husband, 2010). Such as Louis Vuitton has a vast range of products including handbags, outfits, jewellery and even watches. This provides a picture of the strong roles of luxury brands.

GO constructs can be seen through different lenses because the actual choices in the market are complex. They may relate to luxury brands, specific brands, or other related features such as the style and colour of handbags. The questionnaire used in this study specifically asked respondents to react to certain questions toward the same brands. Therefore, they may have responded negatively on the aspect of GO because it referred to the same brand names.

Conclusion#3: The construct of Group Orientation (GO) addresses the representation of self-image, the wish to develop as part of the reference group, using the selection of the same brands of handbags. The finding is counterintuitive to expectations. Respondents expressed inclinations to represent the self-image of themselves as a unique individual, rather than 'simply" as part of the group. They did not hesitate to use a different brand name from their group. Their preference did not have to be the same brand, importantly, as long as it was a luxury brand. Therefore, respondents considered GO to include more significant aspects of luxury brands than just one particular brand of handbag.

7.5. H4a-e: The Significant Positive Relationship between Functional Values and CBBE

Functional values are the only variables which positively influence CBBE measured directly and indirectly. This finding supports the studies of the functional values serving as one of the aspects to explain consumer behaviour on luxury brand consumption (Shukla, 2012; Vigneron & Johnson, 1999; Wiedmann et al., 2007). Specifically, it accentuates the finding that Indonesian consumers are positively influenced by functional values perception, particularly regarding the aspect of values of quality (Shukla et al., 2015). Hence, the strong effect of functional values affecting CBBE and its dimensions.

This study corroborates that respondents have a specific understanding of their personality and wish to convey this during consumption (Fournier, 1998). The evidence confirms H1 and H2 discussed earlier, reinforcing the brand meaning and brand response. The performance and imagery of the brands are affected by functional values, because they directly assess the aspect of utility and the purchase-usage situation of the brand and the consumer. They influence how the consumer sees the meaning of the brand and then the judgement and feeling toward the brand. For example, consumers experienced using a mediocre brand of leather bag vs a luxury brand of leather bag: they were able to recognize the difference in the quality of the leather material. Once they use a luxury brand, they then judge the superiority – of the leather material - over previous brands they have used. It created positive feelings toward luxury brands. Further, they experience the “fit” between their personality and the brands and a longer positive experience with luxury induced loyalty to the brands (Quester & Lin Lim, 2003). It explains the positive relationship of functional values toward CBBE indirect measurement approaches.

Respondents claimed that their favourite luxury brands must represent their personalities, as a manifestation of personal difference, a unique; “one of a kind” personality and an exclusive bag design that was not owned by most people; it must be rare, and not mass-produced, and this would automatically reflect high quality. The luxury brand validates the self-directed symbolism that influences Indonesian consumers (Shukla et al., 2015). For luxury handbags that function as a social identity for users, the need for uniqueness is proven to be statistically related to scarcity (Lynn, 1991). By consuming luxury handbags which are presumed to be exclusive, respondents feel their sense of self-pride. They feel annoyed when the majority of consumers use their chosen design of handbag. It results in a lack of appetite and brand interest. Hence, *the snob effect* demonstrated. These findings also confirm the relationship between consumers’ needs for uniqueness, the snob effect and luxury consumption (Kastanakis & Balabanis, 2014). The brand must be a self-extension of the personality of the individual (Belk, 1988).

The uniqueness and snob effect outlined in this study share similarities with the results regarding consumers in China. As a consumer’s knowledge increases, they tend to avoid well-known brands to express their identity. They can identify brands in more detail, so they can choose which brand is suitable for their self-expression and need for uniqueness. They will choose the brand that is able to deliver the same level of luxury at the same time as uniqueness, difference from others and it must reflect their self-impression (Zhan & He, 2012).

Conclusion#4: This study validates the relationship of functional values to CBBE in direct and indirect measurement. Respondents stressed the expression of their unique personality in their selection of the luxury brands of handbags. They exhibited the snob effect of conspicuous consumption; the more scarce the handbag, the more it becomes attractive. Based on their experience, they presumed that higher priced the handbag, the better the quality, particularly with leather material. The combination of unique self-expression, the snob effect and high-quality perception supports the positive results of functional values.

7.6. The Intertwining of Personal, Social and Functional Values

This study corroborates that consumer luxury values are found to be multidimensional concepts (Shukla, 2012; Vigneron & Johnson, 1999; Wiedmann et al., 2007). Personal, social, and functional values achieve a positive association with CBBE. However, the relationship path that is built is different. This study reveals the different routes found in the relationship between consumer values and CBBE: personal and functional values show a positive relationship in the indirect measurement approach, while social and functional values show a positive relationship in the direct measurement approach.

The intertwining between values is unavoidable. Each value delivers a different contribution and there is a presumption that some are superior to others. While this study does not aim to measure the relative weight between values, the effect on CBBE represents the facts. A functional value is the only one that shows a positive relationship with CBBE in the direct and indirect measurement approach. Other values show a positive relationship only in one of the measurement approaches. The personal value of hedonism in indirect measurements and the social value of face-saving only occurred in direct measurements.

Regardless of the two measurement approaches that aim to measure the relationship with CBBE, indirect measurement allows further detailed analysis because it is related to each CBBE dimension. It determines how the CBBE is established from its dimensions, in a laddered configuration. The functional values and personal values of hedonism provide the ability to connect and shape at every stage of the CBBE dimension: BA to BM to BR and finally to BL. They can go through every dimension of CBBE, rather than accessing the “shortcuts” to OBE.

7.6.1. Functional Values: Self-Aspect and Self-Actualization

Respondents stressed the importance of delivering their unique self-image and ensuring that the brands of handbag selection served as a representation of their self-expression. This emphasizes the positive result of functional values. Furthermore, in the aspect of the social values of group orientation, respondents also demonstrated their tendency to choose the brands they preferred, rather than following their group‘s preference. However, they also emphasized the important role of luxury brands as a social signal of their status. They want to be considered as part of a group of luxury brand users, not mediocre/non-luxury brand users. They demonstrated a compromise between personal unique needs and group identity. They chose the brands of their choice, which represented their unique personalities, and at the same time, the brands they chose still represented the image of luxury, which could be accepted in their reference groups. This finding corroborates the research of Chan et al. (2012) that individuals can combine motives to signify their identity and unique needs into a single choice.

This study also revealed aspects of self-actualization. As the middle-class, respondents have reached certain stages of life, such as middle-level career women, or housewives in the upper-middle economic strata. They show pride in buying luxury goods as their income rise. Some respondents claim that luxury bags are a self-reward for their achievement in something. They develop “brand wish”. Now, they can fulfil their needs. Luxury handbags are part of fulfilling their aspirations. Referring to Maslow‘s hierarchy of needs (Maslow, 1943), self-esteem and self-actualization needs occur when an individual has reached the level of "basic" needs, i.e., consumers have achieved substantial success, higher economic levels of existence and social status. Therefore the need to pursue the quality of life, aspirations, and values above is a significant association with the consumption of luxury brands (Chen & Lamberti, 2015).

This study demonstrates the strong facets of the self.

7.6.2. Between Functional and Social Values: Self-Directed Symbolism

Positive relationships of functional values with brand equity confirm the influence of self-directed symbolism (Shukla et al., 2015). Self-directed symbolism is explained by the concept of horizontal collectivism (Shavitt et al., 2006). Individuals who are part of horizontal collectivism are characterized by social appropriateness and benevolent relationships. Interestingly, these characteristics are also found in the social values of face-saving and group-orientation.

As described previously, there is a concern for respondents to have a "true" luxury handbag - the most expensive according to their purchasing ability, to be used on special occasions.

> *"Yes. Sometimes, I might only have one handbag which is quite expensive. (*I am using it*) when I visit a client or go to any special event such as a wedding party and so on. Hence, we can be seen as "oh you have a good quality handbag". So, sometimes it's just like that… Specifically, in the job roles, they (*the clients*) do not see you only from your job level/function, but also from your appearance as well as what (*handbags*) you are carrying. Hence, it must be convincing..."* Yulia, married with children, professional.

It is considered socially appropriate when the respondent is expected to look better than usual. Furthermore, social appropriateness can be seen from different perspectives. Other respondents highlighted their concern for using luxury handbags in an environment where there was no tendency for such luxury.

> *"…hence, I don"t feel comfortable using (*my luxury handbags*) in the office. Ehhh…I mean because the price is expensive, I don"t feel comfortable that other people will think kind a "do you want to work in the office or attend fashion show?" you know something like that…"* Vanessa, single, professional.

Respondents are reluctant to bring their luxury handbags to the office because this may bring a negative view form others. The luxury handbag may stand out and not be suitable for work. It emphasizes the importance of appearing to be socially appropriate. The articulation of social appropriateness delivers a different meaning. Respondents must use their luxury handbags, or in other ways not use them at certain times. Both show how respondents should be able to develop a sensitivity to use or not use a luxury handbag as socially appropriate. Both of these concerns were raised by respondents when they asked about aspects of saving 'face'. Therefore, respondents' tendency towards social appropriateness influences both functional values and the social values of face-saving.

> *"There is a trigger factor. A friend of mine had a problem. It has nothing to do with a financial matter, but it is an emotional matter. You know, typical women problems… They don"t show their "real" sympathy, and it doesn"t look genuine either. You know it doesn"t feel the same as (sincere friends). They don"t have compassion. It's a fake relationship... So I don"t feel their friendship. It is only a show-off gathering. True friends are not like that.. "* Yusi, a single parent with 2 children, professional.

A respondent highlighted that the relationship with the group was not based on genuine friendship. She realized when she observed her friend, who was experiencing emotional problems and had not received real sympathy from the others. She did not like this type of relationship and the influence her group's preferences had on the use of luxury handbags. This facet of benevolent relationships was initially raised by respondents in the GO aspect, as explained earlier in section 7.4.2.2. And it also serves as one of the characteristics of self-directed symbolism (Shavitt et al., 2006). This study reveals benevolent relationships have a stronger role than initially predicted. It has a powerful influence not only on functional values, but also on aspects of GO to overcome respondents' tendencies to follow their group preferences.

This study reveals these two characteristics to explain functional values: social appropriateness and benevolent relationships; also demonstrated by consumers in the social values of face saving and group orientation. Hence, the intertwining between functional and social values is occurring.

7.6.3. Between Personal and Social Values: the Strong Effect of Hedonism

Findings in this study were found to be different from other studies of Asian culture on aspects of personal values and social values, where Asian culture views social aspects as more important than personal factors (Le Monkhouse et al., 2012; Shukla, 2012). An example is the social value of face-saving. The concept of 'face' is universal but it is considered to be stronger in Asian culture than in Western culture. Because of the strong influence of 'face' on consumption, consumers purchase brands that will enhance their 'face', such as luxury brands. This is essential to show ownership and to help improve one's dignity in front of others. Therefore, aspects of social values are strong for Asian consumers (Le Monkhouse et al., 2012).

This research reveals the stronger effect of hedonism - emotional feelings over social values. It reinforces the study of Kauppinen-Räisänen et al. (2019), which shows a negative relationship between social consumption as a motivation for individual evaluative attitudes toward luxury brands. Luxury is perceived from a subjective perspective, with a relative, contextual interpretation of objects depending on the consumer's needs and situation. It also strengthens the claim of a more critical role of personal values than the need to impress others during luxury consumption. The materialism aspect provides a stronger purpose for luxury consumption than do social values (Gil, Kwon, Good, & Johnson, 2012). This complements the study of Vigneron & Johnson (1999) that the hedonism effect on luxury consumption derives from the perceived utility of luxury brands, allowing the stimulation of individual personal feelings and affective states.

It also validates "the experiential" perspective, as respondents emphasize their brand experience of luxury handbags. They highlight the use of luxury handbags in 'special" moments and expressions of liberated feelings while maintaining their handbag collections. As stated by Kauppinen-Räisänen et al. (2019), the concept of luxury is considered as a temporary state rather than a permanent state. Hence it is presented naturally in moments of experience. Rare and valuable aspects are part of the moment. It emphasizes the experience of something extraordinary, in the ordinary life they live.

Individuals who have a clear self-aspect i.e., being confident, stable, and having an internally consistent personality, tend to resist social pressure to consume luxury goods (Gil et al., 2012). They have a clear "picture" about themselves, such as what their preferences are, which can reduce the influence of external aspects. Once again, it strengthens the expression of individuals in how they would like to be perceived by others (Solomon et al., 2012). This provides a perspective on the role of the self-aspect in overcoming the social aspects.

7.7. H5 and H6: The relationship between country Image and CBBE

This study demonstrates the analogous result of image COO and COMa toward CBBE in direct measurement: a significant positive association between the image of COO and COMa to CBBE. Thus, the result validates other studies on this subject (Pappu et al., 2006, 2007; Thakor & Katsanis, 1997) and the effect of a country's image on the consumer's purchase intention, particularly for luxury products as opposed to necessary ones (Piron, 2000).

On the other hand, this study demonstrates different results in the relationship between the image of COO and COMa with CBBE dimensions. Please refer to Table 5.17. The hypotheses results. The image of COO influences the CBBE dimensions from BA, BM to BR and reflects a distinct pattern: it follows the CBBE ladder from the first dimensions (BA) to BM, and BR consecutively. Nevertheless, the relationship was unable to continue to BL – the pinnacle of the triangle. Hence, the image of COO positively and significantly influences CBBE throughout its dimensions, but fails to affect BL in the last stage of the CBBE ladder. On the other side, the COMa image only relates to one CBBE dimension namely BR without affecting the antecedents dimension (BM) and subsequently BL. The relationship between image of COMa and CBBE dimensions reflects indistinct path and no specific pattern. Therefore, COMa images do not affect CBBE when measured indirectly.

The subsection discuss the result of relationship between image of COO and COMa and brand equity individually.

7.7.1. H5a-e: The Relationship between the Image of COO and CBBE

This study shows that respondents learn about many aspects of luxury handbags, including the COO, as part of their curiosity. It validates the study that consumers will consider the COO when they choose a certain brand (Audita & Marck, 2017). COO functions as one of the features possessed by the brand as one of the brand identities (Thakor, 1996). By knowing the COO, it allows the respondent to find a place to buy cheaply. These reasons explain the relationship of the COO image with BA.

Respondents attempted to have various brands of different COOs, motivated by an association built from CI. They felt that a certain COO produces a certain style of image. Moreover, these brands are sourced from developed countries. It carries a prestigious image, an essential aspect of meeting the needs associated with social values (section 7.5.1.1). It emphasizes the fact that COO is considered an attribute for a brand that cannot change, which is different to COMa. Because a country sends out specific image associations, these images are connected to COO images. COO becomes a secondary association of the brand (Keller, 1993). This aspect explains the positive relationship between image COO and BM.

Respondents developed certain images of brand quality from certain COOs. In particular, brands from Europe are perceived to be of higher quality than those of US origin. It means that the image of COO influences consumer judgment over brands. COO image quality leads to brand image. European brands are entitled to long legacy stories and are usually used by respondents only at certain times or events. It supports the belief of the consumer that the COO serves as a better representation of cultural heritage and brand image (Hamzaoui Essoussi & Merunka, 2007). It also increases scarcity feelings, because respondents possess the brands originally from certain countries which may not be easily available abroad; especially in Indonesia. It encourages the feeling of pride of having a “one of a kind” luxury handbag, exclusivity which is not possessed by the majority of people. Having that kind of handbag enhances respondents’ needs for uniqueness, and has an influence on the dimensions of creative choice counter-conformity (Kron, 1983). It arouses the satisfied and happy feeling of owning “original” brands from a particular COO. The scarcity aspect is deemed important and is related to functional values as elaborated upon before (section 6.5.2.4.). The aspect of quality image and positive feeling explain the connectivity between image of COO and BR.

However, respondents have not demonstrated a continuation of the relationship of the COO image with the last CBBE dimension, BL. It is counterintuitive to the findings around expectations; that the positive experience of using brands from a particular COO results in the transfer of beliefs to other brands from the same COO which leads to country loyalty (S. Agarwal & Sikri, 1996) which then initiates brand loyalty (Pappu et al., 2006). The first possible reasons are because respondents do not achieve the level of country loyalty, even though they already exhibit a positive experience with the COO. They claim to be interested in brands from Europe. However, this means more money from their pocket because of the more expensive price. They cannot afford to always buy these brands of European origin. While their desire for handbags keeps on coming, they stay realistic by consuming various brands from different COOs they can afford at the time. The affordability factor, along with self-control as elaborated upon (section 7.2.2), keeps them sensible.

Another possibility is that they might have developed a certain country loyalty but they are unable to translate this to brand loyalty because of the failure to form the brand affect, one of the key determinants of BL (Chaudhuri & Holbrook, 2001). Respondents claim positive feelings of being satisfied and happy at having handbags from certain COOs, however the effect is not strong enough to go further. This fact is validated by some other respondents stressing that the COO is not part of their concern. Therefore, the COO image does not have a significant effect on BL because the positive effect may not be strong enough to shape the brand affect.

Conclusion#5: This study validates the relationship of COO images with CBBE in direct measurements. For indirect measurements, the COO image was able to develop relationships with each of CBBE dimensions: BA, BM and BR; however it was unable to manage relationships with BL. Respondents showed the image of COO as a secondary association with the brand. It helped to build the image of the COO relationship with each CBBE dimension, except for BL. Somehow, the foundation that was built on the steps of the CBBE ladder could not reach the pinnacle. Therefore the relationship between the image of COO and BL has not yet been formed.

7.7.2. H6a-e: The Relationship between the Image of COMa and CBBE

Consumers develop a certain image of a country's ability to manufacture products. Earlier in the literature, it was expected that consumers would associate between their awareness of the brand and the image of the country's ability to produce handbags. The results show the opposite. Respondents appear to have developed their knowledge of the "world" of luxury handbag brands, as reflected by ability to identify different segments of the luxury market (section 6.5.1.4 page 169). The phase of learn and then become aware of the luxury brands happened before they understood about CI and COMa.

Respondents build luxury brand awareness from various sources such as people in their neighbourhood and online; while COMa is excluded. This may be because the manufacturing location of the products is not their concern. Therefore, they do not develop an association between the CI and the various brands of handbags produced in the country. It emphasizes that COMa serves as piece of information, to which consumers do not pay much attention. COMa has no direct relationship with the brand (Hamzaoui-Essoussi et al., 2011).

BM consists of tangible and intangible brand associations. The tangible aspect refers to the attributes and benefits offered by the brand, and in the case of handbags aspects such as leather material, product reliability, durability, style and price. The purchase and use situation and brand history are some of the main intangible aspects. For example, luxury handbags manufactured in Italy provide excellent performance with leather that is durable and very stylish. This affects perceptions of other brands of handbags made in Italy. It is hoped that handbags made in Italy affect the meaning of the brand for consumers. This study has not demonstrated this expectation.

> "…. *although it's made in China, it's Kate Spade anyway. It will pass through their QC. No way they will release the products which are below their standard (quality). That will be impossible*…." Ika, married with no child, professional.

As respondents claim, Kate Spade's handbag in China does not affect perceptions about the real aspects of BM, such as product reliability and style. The respondent developed BM without the role of COMa forming associations. And again, respondents stressed having no concerns about COMa because they had a special trust in the brand. It is irrelevant that the products are manufactured at various sites around the world, the consumer believes in the brand. The brand name serves as a guarantee of any product features. This finding emphasizes the results of Aiello, et al. (2009) that the brand name successfully overcomes the COMa image. Specifically for luxury, the brand serves as an essential trait for product evaluation and purchasing decisions.

Consumers build loyalty to a particular country as a result of the positive image of similar products produced in that country. This leads to consumer loyalty and preferences for brands made in certain countries (Ashill & Sinha, 2004; Pappu et al., 2006). As an example, handbags made in Italy will bring loyalty to other brands produced in Italy. It may refer to country loyalty, which affects brand loyalty. Surprisingly, this study shows contradictory results. Respondents demonstrated that the image of COMa did not affect their loyalty to the brands, regardless of the positive influence on BR as the antecedent step before BL in the CBBE ladder.

Similarly, as in the image of COO, respondents may not achieve the level of country loyalty, although they have a positive experience with COMa and are able to build a good quality perception of handbags made in certain countries. Respondents may still have doubts about COMa, but the brand name is able to overcome their concerns. Brands do the work to overcome all of the uncertainty around the product attributes, in the respondents' minds. As respondents describe in the theme "Because the (luxury) brand is what matters the most" (section 6.5.1.3.), they stressed how (luxury) brands become an important part of their consumption. Therefore, when it comes to building loyalty, respondents specifically refer to brands rather than other features, including COMa. The COMa image cannot yet operate as an aspect to influence BL.

Moreover, respondents' doubts about COMa were caused by the inability of the brand to achieve its brand affect. The positive experiences of respondents with these brands manifested in BR, such as the perception of the excellent quality of handbags made in certain countries. However, this positive response could not go further because doubts might exist while one of the critical aspects of brand affect refers to a positive emotional response (Chaudhuri & Holbrook, 2001). The brand affect has not yet been established, which impacts upon the failure to form BL.

As explained earlier, the positive relationship between the image of COMa and BR is regarded as a stand-alone effect. It does not affect the antecedent - BM and the subsequent – BL. Therefore this positive result is not reflective of part of the CBBE ladder. This finding validates the importance of the image of COMa in assessing product quality, in particular for high-involvement type products (Hamzaoui Essoussi & Merunka, 2007) such as luxury handbags.

Conclusion#6: This study validates the positive relationship of COMa images with CBBE's direct measurements. For indirect measurements, COMa images are unable to develop relationships with each of CBBE dimensions: BA, BM, and BL. A positive relationship is only formed between the COMa and BR. Respondents emphasized that they did not have a concern about COMa, which affected the non-significant relationship. They claim they cannot do anything about COMa if they already like the handbag. They emphasize the ability of the brand name to overcome the image of COMa.

7.8. Perception of Image COO and COMa in the Future

Apart from the discussion on consumer values, the aspect of the image of the COO and COMa have additional points to ponder. A positive relationship between COO and CBBE images is formed in almost all CBBE dimensions, except for BL. The image of COO is considered to have a positive impact on CBBE. On the other hand, the dominance of an insignificant result of the relationship between the image of COMa and CBBE reflects the less important aspect of COMa from the consumer's perspective.

As a global trend, the outsourcing of manufacturing becomes an unavoidable fact. The hourly labour cost difference in the fashion industry is recorded as 49 cents in China and 88 cents in Egypt, compared to USD 19.8 in France and USD 18.6 in Italy. Obviously it is a very lucrative incentive for brands to move their production locations to China or Egypt (Chadha & Husband, 2010). Sooner or later, consumers will be more open-minded in accepting the reality of hybrid products, including luxury products. Firstly, they begin to distinguish various elements in the brand. Product design or marketing programs are seen as special elements attached to brands; while quality management is considered to be under brand supervision, which may be outsourced. Secondly, almost all products are "made in China"; with no exception for luxury handbags. Therefore, consumers will accept it. Thirdly, China - as a world manufacturer - has begun to step forward and provide high-quality product images like Iphone and build a credible image by hosting a world-class Olympics. It can improve the image of China where one has a better perception of the Chinese "brand" itself (Chadha & Husband, 2010). Moreover, because the economic engine of growth is in Asia, the manufacturing sites placed in Asia also provide a faster route to the market, in addition to cost-benefits.

> "*…when I bought Tory Burch in Pacific Place (*Mall*), it turned out that it was made in China. Then...what should I do? I already bought it, and I really like the design…"* Zita, single, professional.

This study validates the vital role of the brand and the lesser contribution of COMa's to luxury handbags. The questionnaire used in this study refers to the respondents' favourite brands, therefore they are already familiar with the brands. Respondents gradually looked at the brand as a whole, producing summaries of various aspects. Hence individual factors connected to the brand, such as COMa, appear to be less important than brand names (Pecotich & Ward, 2007).

7.9. Indonesian Middle-Class Women are Different

This study demonstrates the Indonesian woman to have a strong aspect of self, manifested as self-expression and the self-directed symbolism which has positive outcomes on functional values. These compelling factors overcome social values that are rooted in interdependent self-construal. Therefore, some of Indonesian cultural values described in chapter 2 have not been demonstrated.

- In the construct of GO, the cultural aspect of group conformity was found to have less influence in comparison to individual self-expression.
- In the construct of FS, cultural aspects of the social hierarchy are found to have an impact on consumption. In the self-directed symbolism of functional values, social hierarchy is considered as one of the opposite characteristics. This aspect of refraining from social hierarchy seems to work within a specific mechanism. As explained in the FS (section 7.5.1.2), it arises when an urgency effect is applied. Respondents show a 'shortcut" reaction in response to the pressures of social hierarchy. On the other hand, in the common – natural situations, this kind of pressure may not arise and be felt by respondents. They do not value social hierarchy as a characteristic of horizontal collectivism.

This study reflects the changes in values that occur, especially for middle-class women towards the consumption of luxury bags. They show different characteristics in comparison to the majority of Indonesian consumers. Earlier in this chapter: The consumption journey in luxury handbags (section 7.2), verified respondents' situation to understand their insights. Respondents exhibited their desire, supported by increased financial capacity and a global perspective. Respondents showed high confidence. They did not hesitate to visit luxury retail outlets to compare prices and inspect bags without making transactions or shopping there. They exhibited self-confidence in doing so, something they might not have done before because of a lack of confidence. They also demonstrated a strong self-concept and were devoted to their beliefs. They kept hold of some values of Indonesian culture, combining them with new and different ones. The cultural modification occurred in the way they perceived luxury brands.

7.10. Concluding comments

This chapter analysed and discussed the findings of chapters 5 and 6 in an integrated perspective. It represents an insight into middle-class women in Indonesia. The discussion of the consumer journey in luxury handbags and analysis of each of the hypotheses results and beyond have been elaborated upon. The exploration of Indonesian middle-class women's values toward luxury brand equity is expected to accomplish and gather an in depth understanding of the unique middle-class segment. This synthesis leads to 6 (six) specific deductive conclusions.

CHAPTER 8. Conclusion

8.1. Introduction

This chapter provides an overall conclusion to this study. It comprises a summary of the results and of how it answered each of the research questions and achieved each of the objectives. This chapter also elaborates upon the contributions of this study in its theoretical and managerial aspects. Finally it highlights limitations along with opportunities for future study.

8.2. Summary of the responses toward RO and RQ

The research objective aimed to explore the values of Indonesian middle-class women toward luxury brand equity. To achieve this objective, the study was designed using a mixed method sequential explanatory. It comprises 3 phases: the quantitative study as in phase 1, the qualitative study in phase 2 and phase 3 rests on the integrated analysis.

The independent variables in this study are consumers' values and images of the country of origin. The consumer values comprise personal, social and functional values. Each value is operationalized using the constructs of hedonism for personal values; face-saving and group-orientation for social values; and uniqueness, exclusivity and quality for functional values. The country image is operationalized using the image of country of origin and country of manufacture. Each of the constructs is hypothesised to have a relationship with CBBE using direct and indirect measurement approaches as the dependent variables. Altogether they form a framework for the preliminary research model.

8.2.1. RO 1. To test the preliminary research model

RQ1. *How does the preliminary research model explain the relationship between consumption values and country image perception of Indonesian middle-class women with brand equity of luxury brands?*

The hypothesis on the relationship between consumer values and country image toward CBBE were tested using both approaches at the same time. This study demonstrates that a positive relationship occurred. However, the path was different between one construct and the others. There was no similar pattern found on the path of relationships; each construct forming a different path of relationship. The final model was slightly different from the preliminary model. The results demonstrated some of the operational constructs of developing a relationship with CBBE as expected, and some did not. In the direct measurement mode, CBBE is affected by all of the values and country image, with the exception of the personal value of hedonism. In indirect measurement, the influencers on CBBE are functional and personal values along with the image of country of origin. The construct of personal values of group orientation was removed to achieve a more streamlined model.

The final model is presented in figure 5.7 and detailed hypotheses results are presented in table 5.17. A total of 30 (thirty) hypotheses were tested, with 17 (seventeen) supported and the rest (13) rejected. The research model explains the beliefs of Indonesian middle-class women toward luxury handbags as follows:

- The functional values serve as the only construct exhibiting a positive result using both measurement approaches.
- The personal value of hedonism is the only construct found to be insignificant in relation to CBBE using direct measurement approaches. However, using the indirect approach generates a positive significant relationship between hedonism and CBBE.
- A positive relationship of social values is represented by the construct of face-saving in direct measurement. The relationship which was measured using indirect approaches has not been proven, along with the relationship of social values of group orientation. It reveals no significant result in both the measurement approaches. Hence, this construct was eliminated from the final research model.
- The image of country of origin and country of manufacture exhibited a positive relationship with CBBE in the direct measurement approach. While using indirect measurement, the image of country of origin demonstrated a positive result from BA, BM and BR, but a relationship with BL could not be found. While the image of country of manufacture did not show a specific pattern of relationship and exhibited a positive relationship only with BR.

Phase 1 explains the beliefs of Indonesian middle-class women, by validating the research model as presenting in Figure 5.7.

8.2.2. RO2. To explore the thoughts underneath the values of Indonesian middle-class women.

RQ2. *How and why do Indonesian middle-class women exhibit the consumption values and country image perception predicted in the preliminary model?*

The qualitative method in phase 2 was conducted with individual face-to-face interviews. The exploration on how and why Indonesian middle-class women exhibit certain values as validated in phase 1 is summarizing into 4 (four) major aspects: the consumer's values revealed, the effect of country image, the strong influence of luxury brands and the "unique" Indonesian middle-class women.

1. The consumer values revealed

The positive significant relationship of the personal values of hedonism and CBBE indirectly measured validate the study that Indonesian consumers exhibit the brand experience during the consumption of luxury (Shukla et al., 2015). Further, it enhances the global effect of hedonism. It influences Indonesian consumers as an Eastern culture and does not only affect Western culture (Wiedmann et al., 2009). On the other side, it reveals how hedonism creates addiction for the respondents and shows how they experience positive feelings towards most of the luxury brands of handbags. This is presumed to cause an inability to make a comparison between their favourite brands and others. Therefore it affects the non-significant relationship in direct measurement.

Social values come from the concept of interdependent self-construal. Luxury brands are said to relate to conspicuous and status consumption (Leibenstein, 1950; Mason, 1992; Veblen, 1899). This study shows the tendencies of these types of consumption, demonstrated differently by the respondents.

The social value of face-saving is explained by the attitude of 'face' consumption. It comes from status consumption (O"cass & McEwen, 2004). The result validates status consumption in the format of 'face' consumption because of the relevancy to Eastern culture, as the underlying reason for the consumption of luxury handbags. However, the relationship appears not as expected. The effect of the status consumption strikes a chord only with the direct measurement approach. It is because of the urgency effect stimulates a short cut action of the respondents. Consumption needs, "obligation", and social and financial pressure combined make a strong push towards a sense of urgency. The respondents feel compelled to take a short-cut, rather than develop the integrated process of CBBE. This finding is in contrary to initial expectations. The urgency effect is presumed to be a strong force behind this result.

Conspicuous consumption rests on the two distinct forms (Kastanakis & Balabanis, 2014) of the bandwagon effect and the snob effect. The bandwagon effect falls into the social values of group orientation, while the snob effect is associated with functional values. The bandwagon effect appeals to the individual who wishes to be associated with their reference groups. It appears as a result of an individual's susceptibility to interpersonal influence (Kastanakis & Balabanis, 2012). The study reveals the important roles of reference groups. They serve as the advisor or source of information on luxury handbags. Nevertheless, when it came to brand preferences, respondents stressed the inclinations of their own tastes. They make compromises between the needs of their groups and their personal needs. Still, there is a heavy propensity towards their individual preferences rather than the group's preferences on brand selection. It aims to demonstrate their self-identity, and overrides the need to show group identity. It does not matter about adopting different brands to their reference groups. As long as they use luxury brands, they already feel part of the group. They do not feel left out of their groups by using different brands to their groups. Despite respondents corroborating their susceptibility to interpersonal influence, it is superseded by the drive of their self-identity and self-image. This aspect has insignificant results on the construct of group orientation.

On the other side, the functional values demonstrate significant results in both direct and indirect measurement approaches. The snob effect serves as the foundation for the constructs of uniqueness and exclusivity, as part of the functional values. This effect has proven appeal for an individual to disassociate from others, derived from the need for uniqueness (Kastanakis & Balabanis, 2014). The expression of respondent's unique personality is manifested in the selection of luxury handbags. Luxury handbags which are issued in limited edition designs are presumed to deliver more attractiveness. The respondents exhibit the snob effect of conspicuous consumption, and the strong influence of the snob effect is presumed to override the bandwagon effect. The respondents also exhibit self-directed symbolism (Shukla et al., 2015). Further, they acknowledge that the higher priced handbags convey an indication of better quality, particularly regarding the quality of the leather material. The combination of unique self-expression, the snob effect and a perception of high quality are proven to support positive results regarding functional values. This result emerged as expected.

2. The effect of country image

This study corroborated the relationship between image COO and COMa with CBBE using direct measurement approaches. It validated CI in the format of COO and COMa served as the secondary association with the brands (Keller, 2013). Using the indirect measurement approach, the image of COO positively affected all CBBE dimensions except BL. This validates the aspect of COO as one of the brand attributes which is a given, unable to change, similar to identity. COO delivers an inclusive concept of the country image to the brands, and signifies the origin of the brands beyond the name of the country (Thakor, 1996). However, this study fails to demonstrate the further effect of COO in forming BL. It presumes because respondents have not developed country loyalty to the COO luxury handbags. Furthermore, positive feelings built from the phase of BM and BR are not solid enough to build the brand affect, as a determinant of BL (Chaudhuri & Holbrook, 2001).

Nevertheless, the result of the relationship between the image of COMa and CBBE indirect measurement were not as expected. Respondents developed awareness of luxury brands of handbags without the COMa playing a significant role. They also frequently claimed COMa as an unimportant aspect. This corroborates the finding of Pecotich & Ward (2008) on the less important aspect of COMa in comparison to the brand name. They realize the fact of COMa may not be to their liking but the brand name is able to overcome hesitation and doubts. The only positive relationship of the image of COMa is with BR. It emphasizes the perception of a strong quality image of COMa staying within the mind of respondents.

The image of COO is considered still relevant to luxury brand equity and the result of this study emphasizes the relationship between the image of COO and CBBE. However, the image of COMa shows the opposite. Despite still generating a positive relationship when using direct measurement, indirect measures did not provide the results expected and the respondents stressed that there was no concern toward COMa. Hence, the aspect of COMa has less relevance for luxury handbags in comparison to the COO. Eventually, consumers will accept that COMa is an unavoidable fact.

3. The strong influence of luxury brands

This study demonstrates the strong effect of luxury brands. It successfully influences the result. In the aspect of hedonism, it makes respondents unable to make comparisons between their favourite handbags and others. From the aspect of GO, respondents acknowledge that the "bigger umbrella" of luxury brands, rather than specific brands, serves as a standard requirement for acceptance by their groups. While on the aspect of COMa, confidence in the brand works to overcome any doubts around COMa. It diminishes the importance of COMa.

4. The "unique" Indonesian middle-class women

The study did not aim to compare which values were stronger than others. Nevertheless, the result demonstrated a strong positive significant result of functional values; followed by personal values. Intertwining occurred between these values. The emphasis rests on the resilient effect of the self, as the reason underlying the values of functional and personal. The respondents expressed their needs to convey their self-identity, self-actualization, and self-directed symbolism as the motivation for luxury handbag consumption. The respondents were presumed to exhibit a clear self-concept which allowed them to keep their preferences and their strong internal consistency to overcome external influences (Gil et al., 2012). The positive result of functional values signifies the aspect of self-directed symbolism. It is characterized by social appropriateness and benevolent relationships, which are also revealed as one of the factors influencing social values. The compelling need to express the self has proven to diminish or lessen the aspect of the interdependent self. It causes non-significant results on the majority relationship of social values and CBBE.

This study reveals how Indonesian middle-class women exhibit some different characteristics to the majority of Indonesians. Their mindset is affected by economic progression, changing life-style, openness to globalization and a mixture of the self-restriction of culture and religiousness. One of the example is the aspect of social hierarchy, which is adhered to by the majority of Indonesians (Magnis-Suseno, 1997) but not followed completely by the respondents. It demonstrates a tendency of self-directed symbolism. However, when in situation with a high sense of urgency, there comes a strong "push" to act as expected within the social hierarchy. The urgency effect drives the respondents to take a short cut, as the positive results of FS to CBBE are only in direct measurement. Respondents are able to determine their own identity and self-image, which may differ from those previously known. Nevertheless, they are able to adapt with normative controls serving as common rules within society at the same time.

8.3. The contribution of this study

The study's contributions are separated into two different aspects: theoretical and managerial. Theoretical aspects refer to the academic perspectives of the study. The managerial aspect commonly relates to the applicability to business practices.

8.3.1. Theoretical contributions

This study contributes several aspects as follows:

- Previous studies commonly emphasized the relationship of consumer values toward overall luxury values perception and purchase intention, rather than to brand equity (Shukla, 2012; Wiedmann et al., 2007). Recent studies have used the direct and indirect measurement approaches to assess brand equity. The direct measurement approach has been proven to have a relationship with purchase intention (Christodoulides & De Chernatony, 2010). Hence, recent studies provide a thorough overview of the relationship of consumer values and CBBE. It goes from the indirect aspect from the dimensions of brand equity, into the direct aspect which associates with purchase intention.
- The relationship between consumer values of personal, social and functional and the image of country of origin and country of manufacture toward luxury brands equity exist. Each of the values develops a relationship with brand equity through a different

path. They all exhibit a direct measurement relationship, except with regard to the personal values of hedonism. The indirectly measured relationship is obtained only for personal and functional values.

8.3.2. Managerial contributions

The results of this study are also beneficial to business managers of luxury handbag operations in Indonesia. Some insights gathered are:

- Indonesian middle-class women value the authenticity of the brands. They are the brands conscience. Using counterfeit brands diminishes their self-pride, one of the important aspects for this class. It is good news for luxury brands. It should help to enhance how authenticity will deliver more, as per the expectation of consumers, such as experiential feelings and good quality products.
- The strong role of online shopping is fortunately still followed by the need to visit the actual shop counter for various reasons, because screens have certain limitations. For instance, there is the need to see, touch and try the handbags as well as comparing the prices. Despite this, customers may not shop at the counter, but their visit will be beneficial for brands because it provides the consumer with different experiences unable to be provided when they shop elsewhere. This study reveals how Indonesians feel about the experiential aspect that occurs during shopping. They do not hesitate to visit the counter. They admit that they sometimes change to buy some other design of handbag on the counter, because it looks and feel better. Also, the sensation to buy at the counter is different. Service provided at the counter should be able to capitalize further on the sensory feelings of consumers.
- This study reveals the strong influence of functional values: uniqueness, exclusivity and quality. It is all related to how the design of the handbags enhances self-identity. Luxury brand managers suggest mixing product portfolios, combining a well-recognized brand identity – such as a visible logo, with a unique exclusive design or a personal touch. One of the examples is Tumi handbags using the embossed name of the owner on the tag.
- As the Indonesian middle-class woman remains concerned about the budget, buying bargains is still attractive. The brands should maintain their premium level and high

positioning to induce desire, while offering consistent bargains for off-season products or products at budget outlets.

- Family is an important aspect for Indonesians. This can be capitalized on, along with other aspects of self-identity and self-actualization in brand communication. The brand manager may develop communication on how luxury brands are able to fulfil these aspects altogether.
- The religious aspect is acknowledged as a key to self-control. The consumer restricts themselves from buying too many luxury handbags. However, it does not stop them from continuing to consume luxury. There are always reasons to justify their consumption. Importantly, they will consume as long as they believe it will not be against their beliefs, or harm others. Brand managers should review this perspective carefully, because they may be able to capitalize upon this as an opportunity.

8.4. Limitations and suggestions for the future research

This study has achieved its objectives and answered the research questions. There are certain limitations but it has provided opportunities for future studies.

Generalization and transferring of the results to other fields are somewhat limited. The context of this study focuses on Indonesian middle-class women's attitude towards luxury handbags. While the attention remains on the middle-class, different types of product categories may be overlooked and deliver a different insight. The effect of consumer values and country image could be investigated with regard to other products considered as non-luxury. It might address specialty type of products such as green or beauty products, or common packaged goods which offer various price levels.

Secondly, the results may not generalize to different types of industries, the same luxury industries may have different effects for other types of products which have different roles to handbags. Luxury experiences such as hotels, holidays and spas, or luxury underwear represent non-visible categories. Other categories such as mobile phone are just some examples.

There are also limitations with regard to different genders. Middle-class men may behave differently, one of the reasons may be because of cultural influences. There is a difference between the roles of men and women. Men may hold different values to women, hence the effect may differ.

8.5. Concluding comments

This chapter concludes the study, it has answered the research questions and achieved the research objectives. The Indonesian middle-class consumer exhibits unique characteristics during the consumption of luxury handbags. Their personal, social and functional values merge into different paths driving their perception towards brand equity. They also develop certain images from the country of origin and country of manufacture to brand equity. The study provides a comprehensive perspective of Indonesian middle-class women's values on luxury brand equity. Hence, refer back to the initial quote "luxury is about pleasing yourself; not dressing for other people" (Marc Jacobs); this research demonstrates Indonesian middle-class women exhibit a unique and distinctive insight beyond the reason of themselves and other people in regards of luxury consumption.

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Appendix A. The questionnaire

Q1.1 Dear All, this short survey will take approximately 15 minutes to complete. By completing this questionnaire, you will help the researcher understand the Indonesian consumers' values toward luxury brands, and more importantly complete my doctoral degree. This also means that you grant me a permission to use the information herein. Your participation in the study is completely voluntary and anonymous. You may withdraw at any time without any negative consequences. As an appreciation, eight (8) vouchers of Mitra Adiperkasa (MAP) valued @ IDR 500,000 are to be drawn for the lucky winners. If you agree to be further involved in this study, I invite you to join the interview session. It will be interesting to meet other participants who have a similar interest on luxury brands. The detail will be informed separately, and please click YES below. This study has been approved by Curtin University Human Research Ethics Committee, Approval number: RDBS-5153. Should you wish to make a complaint on ethical grounds, call: 9266 2784 or email: hrec@curtin.edu.au or in writing C/- Office of Research and Development, Curtin University of Technology, GPO Box U1987, Perth WA 6845.

Yours Sincerely, Faranita Mustikasari Graduate School of Business - Curtin University

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- ❍ Yes, I will participate in the interview (4)
- ❍ No, I am not interested in participating in the interview. (5)

Q2.1 What is your most favorite luxury brand of bags?

- ❑ Coach (1)
- ❑ Fossil (2)
- ❑ Louis Vuitton (3)
- ❑ Michael Kors (4)
- ❑ Prada (5)
- ❑ Other brand (6) ____________________

Q2.2 Do you know what the country of origin of your favorite brand is? (as in Q1)

- ❍ Yes, it is from (1) ____________________
- ❍ No, I don"t know (2)

Q2.3 Do you know what the country of manufacture of your favorite brand is? (as in Q1)

- ❍ Yes, it is manufactured in (1) ____________________
- ❍ No, I don"t know (2)

Q3.1 When shopping for my favorite luxury bags

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly Disagree (6)
I feel the excitement of the hunt. (1)	❍	❍	❍	❍	❍	❍
I am able to forget my problems. (2)	❍	❍	❍	❍	❍	❍
it enhances my mood, if I"m in a bad mood. (3)	❍	❍	❍	❍	❍	❍

Q3.2 Owning and shopping for my bags, gives me

	Strongly Agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly Disagree (6)
a feeling of fulfillment. (1)	❍	❍	❍	❍	❍	❍
excitement feeling. (2)	❍	❍	❍	❍	❍	❍
self-indulgence. (3)	❍	❍	❍	❍	❍	❍
pleasure. (4)	❍	❍	❍	❍	❍	❍

Q3.3 In making a choice of my favorite brand of bags, I am concerned with

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
not bringing shame to myself. (1)	❍	❍	❍	❍	❍	❍
how others see me. (2)	❍	❍	❍	❍	❍	❍
protecting the pride of my family. (3)	❍	❍	❍	❍	❍	❍
I will feel ashamed if I lose face. (4)	❍	❍	❍	❍	❍	❍
choosing a brand that would improve my reputation (to the people who are important to me). (5)	❍	❍	❍	❍	❍	❍

Q3.4 For me, owning my favorite luxury bags indicate

	Strongly Agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
a symbol of achievement. (1)	❍	❍	❍	❍	❍	❍
a symbol of wealth. (2)	❍	❍	❍	❍	❍	❍
a symbol of prestige. (3)	❍	❍	❍	❍	❍	❍
to attract attention. (4)	❍	❍	❍	❍	❍	❍

Q3.5 Please answer the following:

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
I recognize and respect social expectations, norms and practices. (1)	❍	❍	❍	❍	❍	❍
When I am uncertain how to act in a social situation, I try to do the same as what others do. (2)	❍	❍	❍	❍	❍	❍
If there is a conflict between my family's interest and mine, I prioritize mine interest (R). (4)	❍	❍	❍	❍	❍	❍

Q3.6 My decision to buy my favorite luxury bags would be influenced by

	Strongly agree (38)	Agree (39)	Somewhat agree (40)	Somewhat disagree (41)	Disagree (42)	Strongly Disagree (43)
knowing that my friends would also buy the same brand. (1)	❍	❍	❍	❍	❍	❍
making me feel closer to my friends, when we buy the same brand. (2)	❍	❍	❍	❍	❍	❍
sometimes because my friends do so. (3)	❍	❍	❍	❍	❍	❍
It is important that others like the product and brand that I buy. (4)	❍	❍	❍	❍	❍	❍

Q3.7 I buy my favorite luxury bags because

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
excellent quality. (1)	❍	❍	❍	❍	❍	❍
excellent design. (2)	❍	❍	❍	❍	❍	❍
brand names. (3)	❍	❍	❍	❍	❍	❍
country of origin. (4)	❍	❍	❍	❍	❍	❍
they are exclusive. (E) (5)	❍	❍	❍	❍	❍	❍
their distinctive brand design. (C) (6)	❍	❍	❍	❍	❍	❍
excellent customer service. (7)	❍	❍	❍	❍	❍	❍
it will make myself stand out. (E) (8)	❍	❍	❍	❍	❍	❍
in such a way that I create a personal image which cannot be duplicated. (U) (9)	❍	❍	❍	❍	❍	❍
to reveal who I am. (ES) (10)	❍	❍	❍	❍	❍	❍
that belongs to an elite class. (ES) (11)	❍	❍	❍	❍	❍	❍

Q3.8 My favorite luxury bags

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
is very suitable as a gift for others. (1)	❍	❍	❍	❍	❍	❍
the high price indicates high quality. (2)	❍	❍	❍	❍	❍	❍
I believe that I always have to pay a bit more for the best. (3)	❍	❍	❍	❍	❍	❍
I believe once a product becomes a mass-produced product, it is not luxurious any more. (E) (4)	❍	❍	❍	❍	❍	❍
it is good to be among a very few people owning a truly luxury. (E) (5)	❍	❍	❍	❍	❍	❍
I avoid buying/using when it becomes popular among others. (U) (6)	❍	❍	❍	❍	❍	❍
I like to own a new one before others do.(U) (7)	❍	❍	❍	❍	❍	❍
should be easily recognized by others. (C) (8)	❍	❍	❍	❍	❍	❍
is a symbol of high social status. (C) (9)	❍	❍	❍	❍	❍	❍
impress people. (C) (10)	❍	❍	❍	❍	❍	❍

Q4.1 The brand of my favorite luxury bags

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
I know what the logo looks like. (1)	❍	❍	❍	❍	❍	❍
I have no difficulties to imagine it (2)	❍	❍	❍	❍	❍	❍
I can quickly recall the logo. (3)	❍	❍	❍	❍	❍	❍
I have an opinion about it. (4)	❍	❍	❍	❍	❍	❍
I can recognize it among other competing brands. (5)	❍	❍	❍	❍	❍	❍
is produced by a trusted company. (6)	❍	❍	❍	❍	❍	❍
easily to associate the profile images of people who use it. (7)	❍	❍	❍	❍	❍	❍
reminds me of a specific style. (8)	❍	❍	❍	❍	❍	❍
superior than any other competitors in all aspects. (9)	❍	❍	❍	❍	❍	❍
has an excellent style. (10)	❍	❍	❍	❍	❍	❍
has a good reputation that made me feel confident. (11)	❍	❍	❍	❍	❍	❍
made me experience a positive feeling (12)	❍	❍	❍	❍	❍	❍

made me graded in a good value. (13)	❍	❍	❍	❍	❍	❍
can be trusted. (14)	❍	❍	❍	❍	❍	❍
I really love it. (15)	❍	❍	❍	❍	❍	❍
I will choose it if I”m going to buy other fashion products. (16)	❍	❍	❍	❍	❍	❍
is the major option for my purchase selection of fashion products, regardless of price. (17)	❍	❍	❍	❍	❍	❍

Q4.2 If the brand of my favorite luxury bags is a person, (s)he will has

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
a sincere personality. (1)	❍	❍	❍	❍	❍	❍
an exciting personality. (2)	❍	❍	❍	❍	❍	❍
a competent personality. (3)	❍	❍	❍	❍	❍	❍
a sophisticated personality. (4)	❍	❍	❍	❍	❍	❍

Q4.3 I prefer to purchase my favorite luxury brand of bags

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
because it makes sense, even if it is the same as any other brands. (1)	❍	❍	❍	❍	❍	❍
even if the other brands have the same features. (2)	❍	❍	❍	❍	❍	❍
despite the fact that there is another brand as good as it. (3)	❍	❍	❍	❍	❍	❍
because it seems smarter, if another brand is not different in any way. (4)	❍	❍	❍	❍	❍	❍
and I am willing to pay premium compared to other brands that have similar features. (5)	❍	❍	❍	❍	❍	❍
and if it is available, I will not buy other brands. (6)	❍	❍	❍	❍	❍	❍
and I will think twice to buy another brand if it is almost the same. (7)	❍	❍	❍	❍	❍	❍

Q4.4 Considering next purchase of my favorite luxury bag, this will be when...

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Strongly disagree (4)	Disagree (5)	Strongly disagree (6)
I want to buy a bag. (1)	❍	❍	❍	❍	❍	❍
I need to buy a bag. (2)	❍	❍	❍	❍	❍	❍
a new style is available. (3)	❍	❍	❍	❍	❍	❍
there is a promotion (4)	❍	❍	❍	❍	❍	❍

Q5.1 The country of origin of my favorite luxury bags is a country that

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
is innovative in manufacturing. (1)	❍	❍	❍	❍	❍	❍
has a high level of technological advance. (2)	❍	❍	❍	❍	❍	❍
is good/creative in design (3)	❍	❍	❍	❍	❍	❍
is creative in its workmanship. (4)	❍	❍	❍	❍	❍	❍
has a high quality in its workmanship. (5)	❍	❍	❍	❍	❍	❍
is prestigious. (6)	❍	❍	❍	❍	❍	❍
has an image of an advanced country. (7)	❍	❍	❍	❍	❍	❍
has a reliable image. (8)	❍	❍	❍	❍	❍	❍
has a high status image. (9)	❍	❍	❍	❍	❍	❍

Q5.2 The country of manufacture of my favorite luxury bag is a country that

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Somewhat disagree (4)	Disagree (5)	Strongly disagree (6)
is innovative in manufacturing. (1)	❍	❍	❍	❍	❍	❍
has a high level of technological advance. (2)	❍	❍	❍	❍	❍	❍
is good/creative in designi (3)	❍	❍	❍	❍	❍	❍
is creative in its workmanship. (4)	❍	❍	❍	❍	❍	❍
has a high quality in its workmanship. (5)	❍	❍	❍	❍	❍	❍
is prestigious. (6)	❍	❍	❍	❍	❍	❍
has an image of an advanced country. (7)	❍	❍	❍	❍	❍	❍
has a reliable image. (8)	❍	❍	❍	❍	❍	❍
has a high status image. (9)	❍	❍	❍	❍	❍	❍

Q6.1 Are you Indonesian Resident

❍ Yes (1)
❍ No (2)

Q6.2 Your domicile

❍ Jakarta (1)
❍ Bodetabek (2)
❍ Surabaya (3)
❍ Bandung (4)
❍ Medan (5)
❍ Other (6) ____________________

Q6.3 Your age

- ❍ Below 25 year (1)
- ❍ 25 - 35 year (2)
- ❍ Between 35 - 45 year (3)
- ❍ Above 45 year (4)

Q6.4 How many kids do you have

- ❍ Not married yet (1)
- ❍ None (2)
- ❍ 1-3 kids (3)
- ❍ More than 3 kids (4)

Q6.5 Your occupation

- ❍ Housewife (1)
- ❍ Employee or professional : general practitioner, lawyer, lecturer, etc. (2)
- ❍ Own employment/entrepreneur (3)
- ❍ Other (4) ____________________

Q6.6 Your highest education

- ❍ High school/Diploma, your school/university name (1) ____________________
- ❍ Undergraduate, your university name (2) ____________________
- ❍ Postgraduate, your university name (3) ____________________
- ❍ Doctoral, your university name (4) ____________________

Q6.7 After spending for major expenses/loan: house loan, car loan, insurance etc., how much is your monthly expenditure?

- ❍ Below IDR 5mio (1)
- ❍ Above IDR 5mio - IDR 10mio (2)
- ❍ Above IDR 10mio (3)

Q6.8 When was the last time you buy your favorite luxury bags?

- ❍ Last month (1)
- ❍ Last 6 month (2)
- ❍ Last year (3)

Q6.9 How many luxury bags did you buy last year?

- ❍ None (1)
- ❍ 1-3 (2)
- ❍ More than 3 (3)

Q6.10 Where do you usually buy your favorite luxury bags? Please rank from no. 1 as the most often, and so on

______ Brand's independent boutique/outlet (1)
______ Retail department store (2)
______ Brand's website (3)
______ On-line shop, namely (4)
______ Others (5)

Q6.11 How do you update information on your favorites luxury bags - new style, promotions etc? Please rank no. 1 as the most often, and so on

______ Brand's website (1)
______ On-line discussion in group, namely (2)
______ Megazine (3)
______ Friends and colleagues (4)
______ When I visit the brand's boutique/outlet (5)
______ Others (6)

Q7.1 Please fill in your name and email address in the following link. This will enable me to reach you, if you are one of the lucky winners.

Appendix B. Questions in the pilot study

Dear All,
Objective of this pilot test is to identify area of improvement, enable the questions and terminologies used in this questionnaire understood by respondents. You are requested to do the followings:

1. Please fill in questionnaire from the link. It is accessible from your gadgets: mobile phone, laptop or PC.
2. Afterward, please answer the following questions:

- Is the survey layout readable and in suitable font size?
    a. Yes, it is ok.
    b. It needs bigger font size
    c. It needs smaller font size
    d. Others, please write your comments here
    …………………………………………………………………..
- There are 2 up to 3 questions in every page. Which one do you feel more comfortable to fill?
    a. 2 questions/page.
    b. 3 questions/page.
    c. Others, please write your comments here
    …………………………………………………………………..
- Refer to all questions in the survey, do you think:
    a. It requires the statement of "Please complete the following sentences.."
    b. I can understand questions in the current structure.
- Majority of the questions said "my favourite luxury handbags' or "my favourite handbags', which refer to the Q1.1. "What is your favourite luxury (leather) handbags?"
  Which one do you think the most suitable term to be used:
    a. Luxury favourite handbags
    b. Luxury handbags
    c. Favourite handbags
- Refer to the question no. Q6.7. "How much your monthly expenditure" (exclude of huge expenses such as instalment for housing, car and insurance), your assumption:
    a. Overall monthly expenditure
    b. Monthly expenditure, instalment excluded
    c. Others, please write your comments here
    …………………………………………………………………..
- Some of the sentences are translated in English, such as in Q3.1. "While shopping for my favourite luxury handbags, I feel excitement of the hunt."
    a. English translation provide better understanding of the meaning of sentences.
    b. Translation not required because create confusion.

c. Others, please write your comments here ……………………………………………………………….

- Please write down the sentences or terminologies that you found confusing …………….
- Is there any problem with the software? (you can choose more than one answers)
    a. No, I can fill in the survey without problem.
    b. Yes, the link provided doesn"t work.
    c. Yes, unable to open the next page.
    d. Yes, it returns to the previous page automatically.
    e. Yes, it is lag/hang/*freeze-screen*.
    f. Yes, please write down other problem occurred outside of above issues …………………..
- Will you interested to participate if the survey provide a leather wallet (values AUD 50) prize draw for every 50 participants?
    a. Yes, I am interesting
    b. No, 1 prize draw worth AUD 100 for every 100 participants considered more attractive
    c. No, 1 prize draw worth AUD 25 for every 25 participants considered more attractive
- What type of souvenir will be attractive?
    a. Wallet
    b. Handbag
    c. Shopping voucher
    d. Leather goods
    e. Others, please specify…
- How to attract more respondent to participate in this survey?
- Please write down other comments about this survey…

☺ Thanks for your kind participation ☺

Dear temans,

Tujuan *pilot test* ini adalah mengindentifikasi perbaikan kuesioner agar pertanyaan dan terminologi yang dipakai cukup jelas; sebelum diisi oleh responden nantinya.

Ada 2 hal yang dilakukan:

I. Mengisi kuesioner dari link berikut. Mohon untuk mengisi dalam <u>Bahasa Indonesia</u>. Survey bisa diisi melaui PC, laptop ataupun gadget.

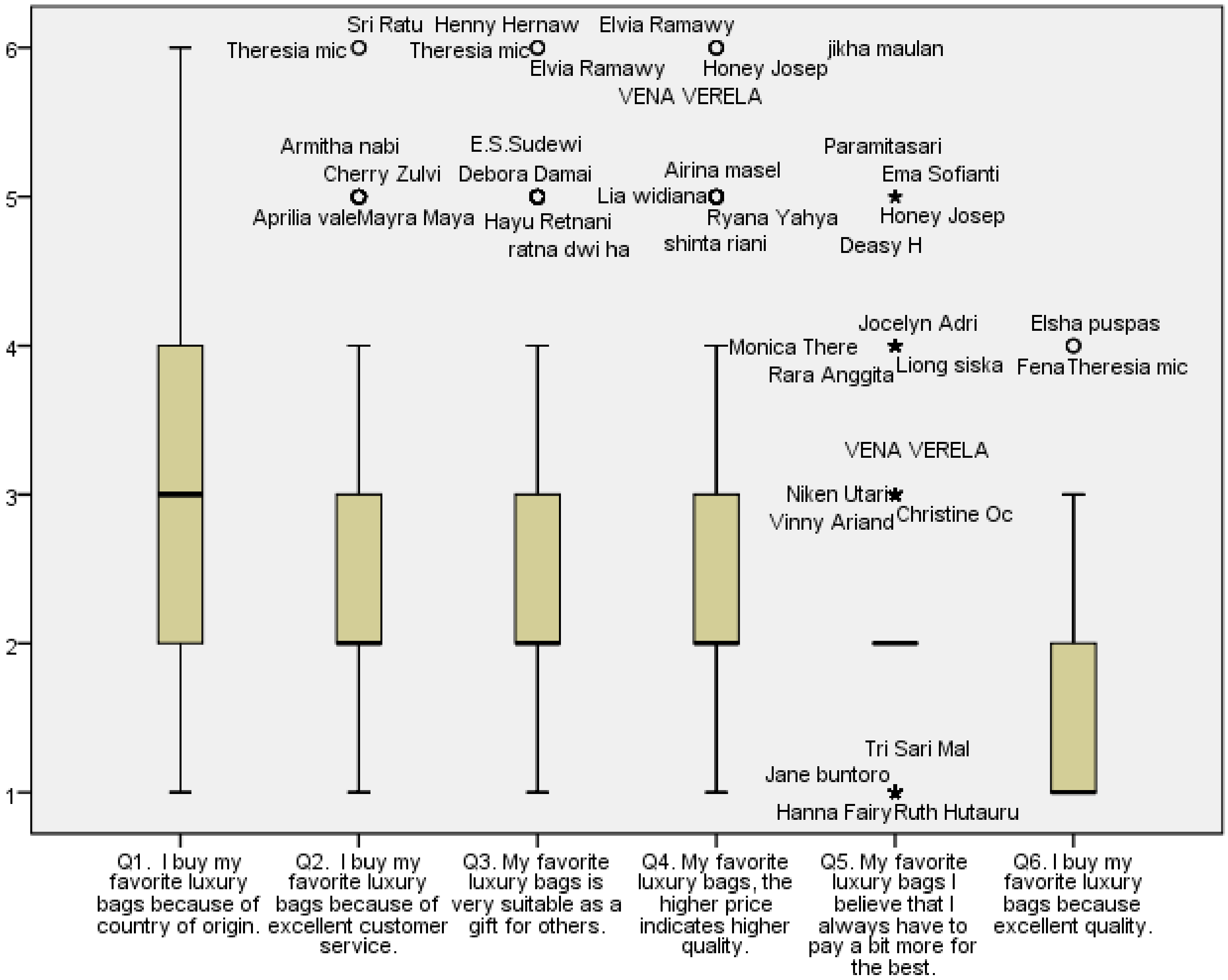
II. Setelah mengisi, mohon memilih satu jawaban yang menurut anda paling pas dari pertanyaan berikut: (mohon reply email ini beserta jawaban/komentarnya)

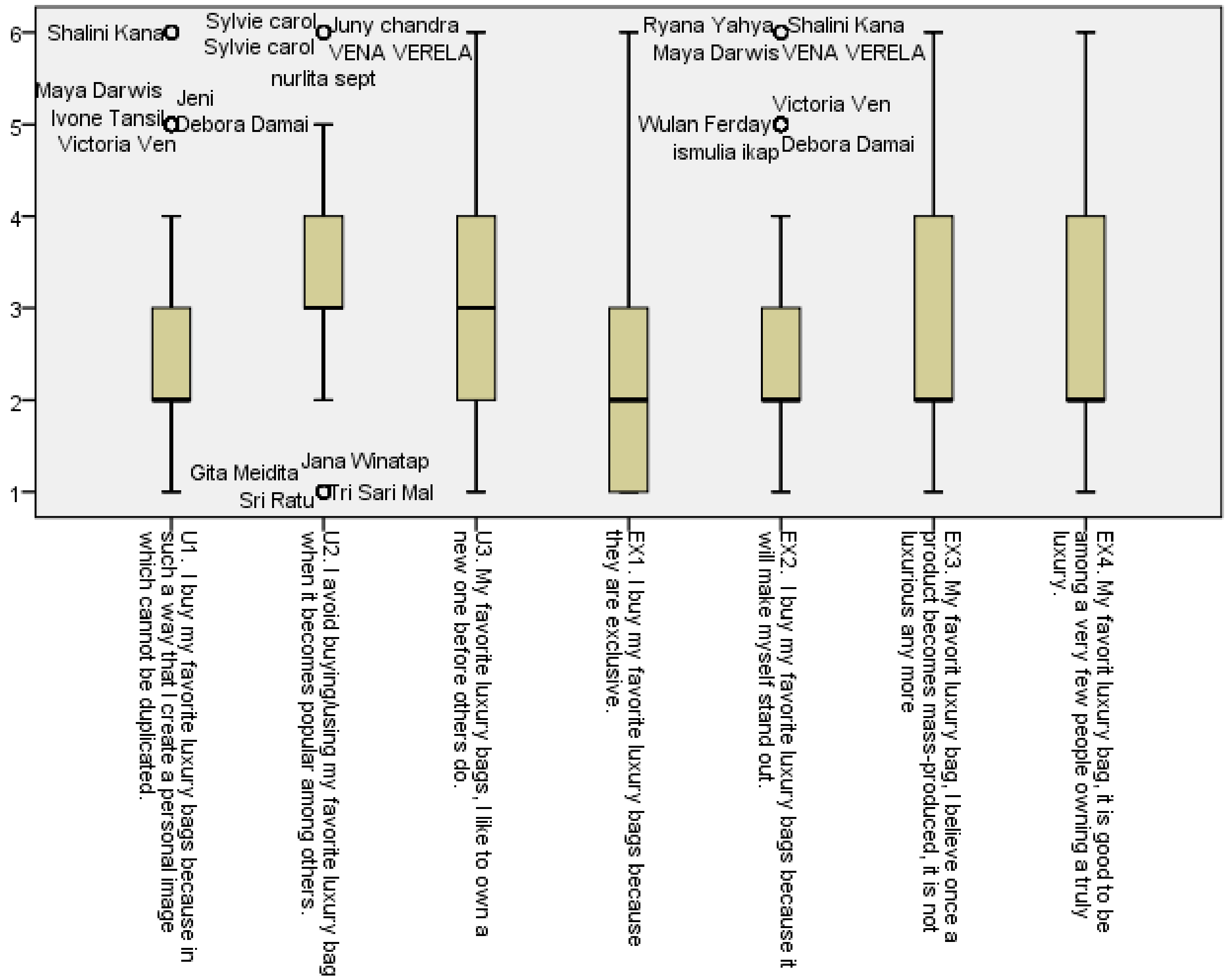
- Apakah tampilan survey sudah mudah dibaca dan jelas?
    a. Ya, seperti sekarang sudah oks.
    b. Font size perlu diperbesar.
    c. Font size perlu diperkecil.
    d. Lainnya, mohon tuliskan…
- Ada 2 sampai 3 nomor pertanyaan di setiap halaman. Manakah yang dirasa cukup nyaman untuk mengisinya?
    a. 2 nomor pertanyaan/halaman.
    b. 3 nomor pertanyaan/halaman.
    c. Lainnya, mohon tuliskan…
- Untuk semua pertanyaan, apakah
    a. Perlu dilengkapi dengan ‘silakan melengkapi kalimat berikut….”
    b. Seperti yang ada sekarang sudah cukup jelas.
- Hampir di setiap pertanyaan terdapat kalimat “tas bermerek favorit saya” atau “tas favorit saya”; yang merujuk pada Q1.1. “Apakah merek tas (kulit) anda yang paling favorit?”. Kalimat manakah yang lebih cocok untuk digunakan dalam setiap pertanyaan di kuesioner tadi:
    a. Tas bermerek favorit.
    b. Tas bermerek.
    c. Tas favorit.
- Di pertanyaan nomor Q6.7. “Berapakah pengeluaran rutin anda setiap bulan (selain dari/di luar pengeluaran bernilai besar seperti cicilan rumah, mobil atau asuransi)”, asumsi anda
    a. Semua pengeluaran rutin bulanan.
    b. Pengeluaran rutin bulanan, selain untuk cicilan.
    c. Lainnya, mohon tuliskan….
- Ada beberapa istilah yang ditranslasi ke Bahasa Inggris, misal di nomor Q3.1. ‘saat berbelanja tas bermerek favorit saya, perburuannya membuat saya merasa <u>senang/girang/heboh (excitement)</u>”.
    a. Lebih jelas maksud kalimat dengan adanya translasi ke Bahasa Inggris.
    b. Tidak perlu translasi karena membuat bingung.
    c. Komentar lain….
- Mohon tuliskan kalimat/istilah yang dirasa membingungkan…………….

- Adakah masalah dengan software (jawaban bisa lebih dari satu)
    a. Tidak ada, survey bisa diisi dengan lancar.
    b. Ya, link tidak bekerja.
    c. Ya, tidak mau membuka halaman berikutnya.
    d. Ya, otomatis kembali ke halaman berikutnya.
    e. Ya, tiba-tiba hang/*freeze screen*.
    f. Ya (selain masalah di atas, mohon dituliskan), ...
- Tertarik atau tidak untuk mengisi survey tsb dengan adanya undian 1 dompet (senilai IDR 500ribu) untuk setiap 50 responden
    a. Ya, tertarik.
    b. Tidak, lebih menarik souvenir senilai IDR 1juta untuk 100 responden.
    c. Tidak, lebih menarik 1 souvenir senilai IDR 250rb untuk 25 responden.
- Jenis souvenir yang menarik untuk undian
    a. Dompet
    b. Tas
    c. Voucher belanja
    d. Souvenir berbahan kulit lainnya
    e. ....
- Ide supaya calon responden tertarik untuk mengisi survey................
- Mohon tuliskan komentar lain mengenai survey ini................

☺Terima kasih atas kesediaannya untuk mengisi ☺

Appendix C. Box-plot Graphics

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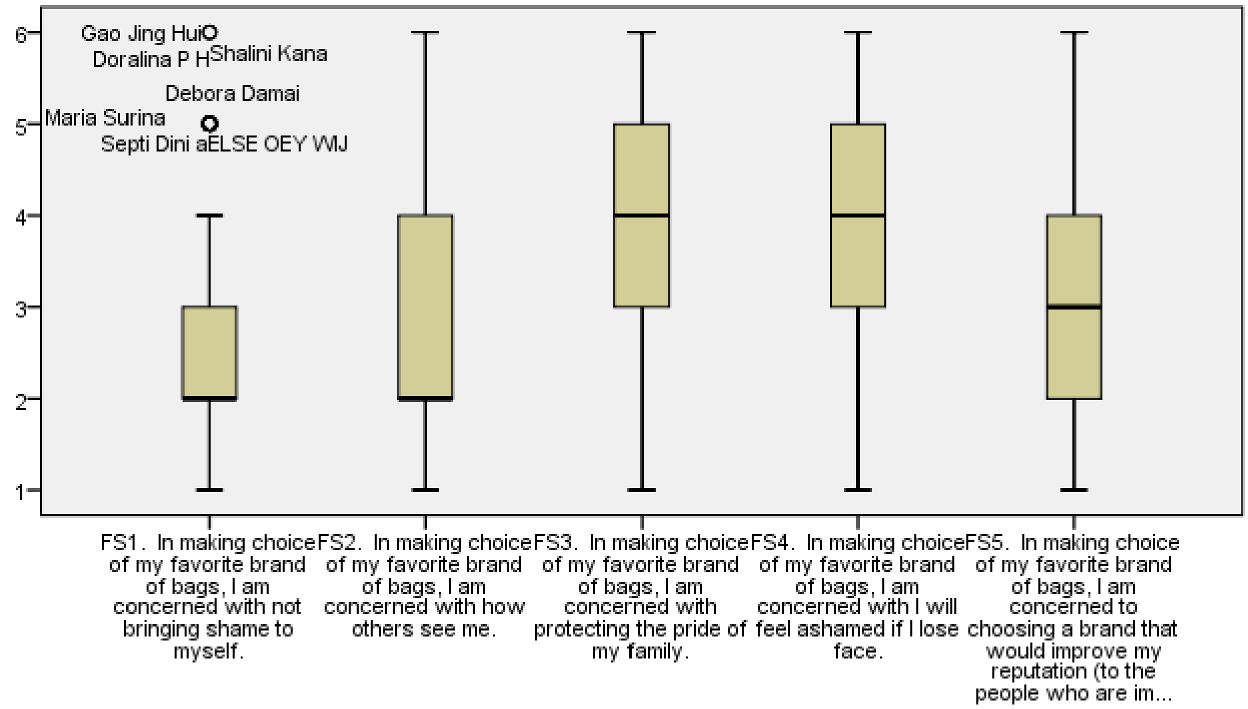
Shalini Kana
Maya Darwis
Ivone Tansil
Victoria Ven
Jeni
Debora Damai
Sylvie carol
Sylvie carol
Juny chandra
VENA VERELA
nurlita sept
Gita Meidita
Sri Ratu
Jana Winatap
Tri Sari Mal
Ryana Yahya
Maya Darwis
Shalini Kana
VENA VERELA
Victoria Ven
Wulan Ferday
ismulia ikap
Debora Damai
U1. I buy my favorite luxury bags because in such a way that I create a personal image which cannot be duplicated.
U2. I avoid buying/using my favorite luxury bag when it becomes popular among others.
U3. My favorite luxury bags, I like to own a new one before others do.
EX1. I buy my favorite luxury bags because they are exclusive.
EX2. I buy my favorite luxury bags because it will make myself stand out.
EX3. My favorit luxury bag, I believe once a product becomes mass-produced, it is not luxurious any more
EX4. My favorit luxury bag, it is good to be among a very few people owning a truly luxury.


Gao Jing Hui
Doralina P H
Shalini Kana
Debora Damai
Maria Surina
Septi Dini a
ELSE OEY WIJ
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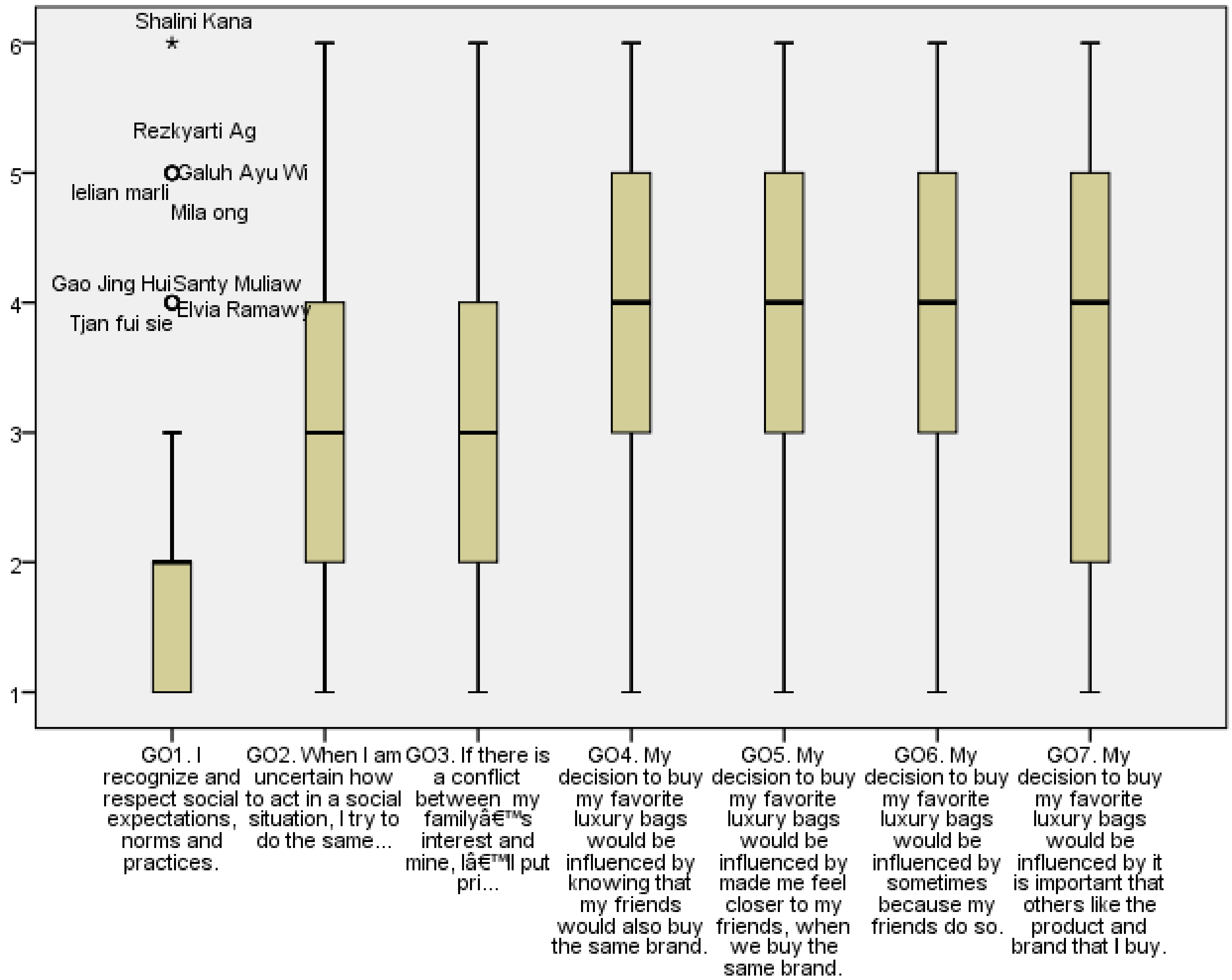
1
FS1. In making choice of my favorite brand of bags, I am concerned with not bringing shame to myself.
FS2. In making choice of my favorite brand of bags, I am concerned with how others see me.
FS3. In making choice of my favorite brand of bags, I am concerned with protecting the pride of my family.
FS4. In making choice of my favorite brand of bags, I am concerned with I will feel ashamed if I lose face.
FS5. In making choice of my favorite brand of bags, I am concerned to choosing a brand that would improve my reputation (to the people who are im...



Shalini Kana
Rezkyarti Ag
Galuh Ayu Wi
lelian marli
Mila ong
Gao Jing Hui
Santy Muliaw
Elvia Ramawy
Tjan fui sie
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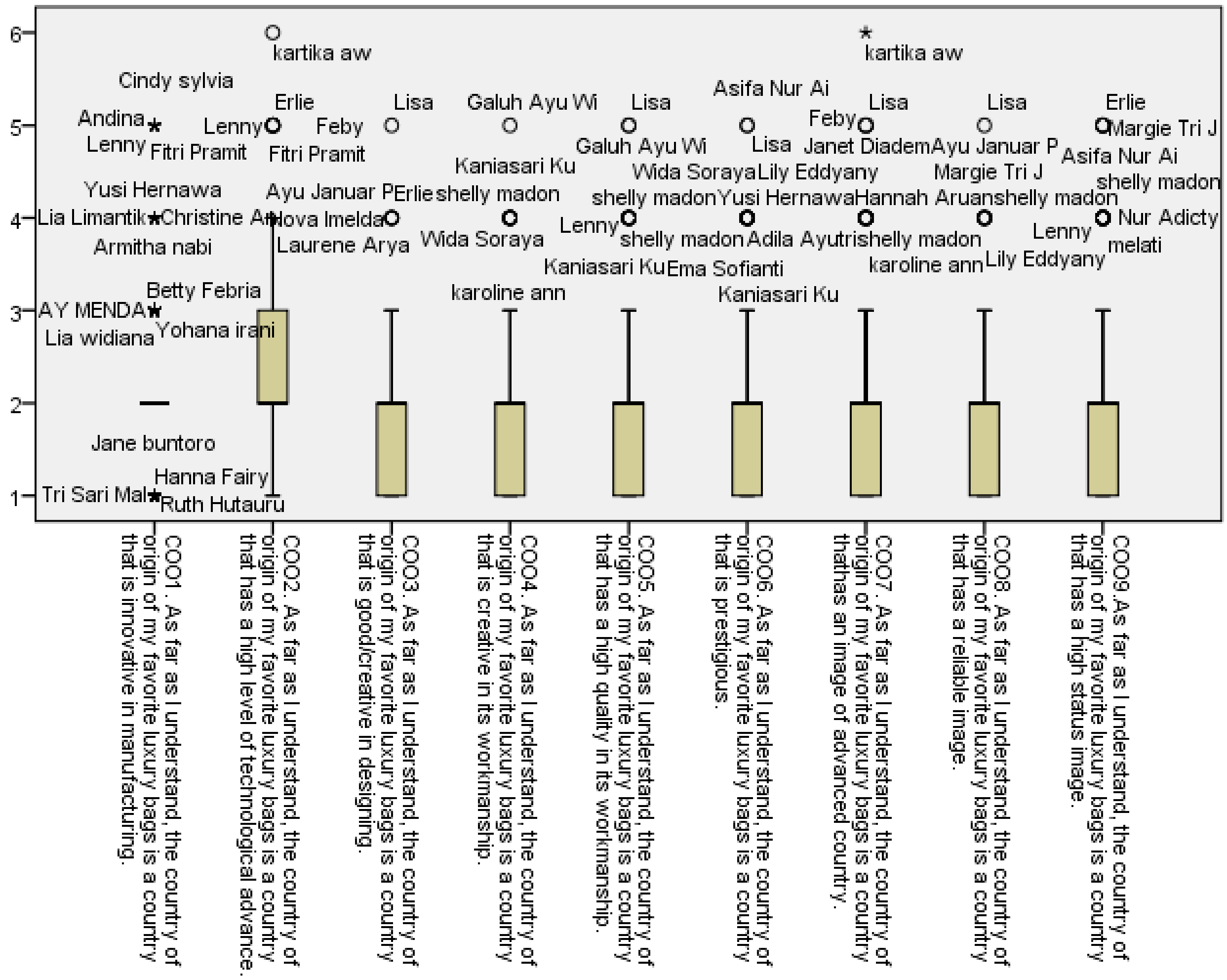
GO1. I recognize and respect social expectations, norms and practices.
GO2. When I am uncertain how to act in a social situation, I try to do the same...
GO3. If there is a conflict between my familyâ€™s interest and mine, Iâ€™ll put pri...
GO4. My decision to buy my favorite luxury bags would be influenced by knowing that my friends would also buy the same brand.
GO5. My decision to buy my favorite luxury bags would be influenced by made me feel closer to my friends, when we buy the same brand.
GO6. My decision to buy my favorite luxury bags would be influenced by sometimes because my friends do so.
GO7. My decision to buy my favorite luxury bags would be influenced by it is important that others like the product and brand that I buy.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kartika aw
Cindy sylvia
Andina
Lenny
Fitri Pramit
Erlie
Lenny
Feby
Fitri Pramit
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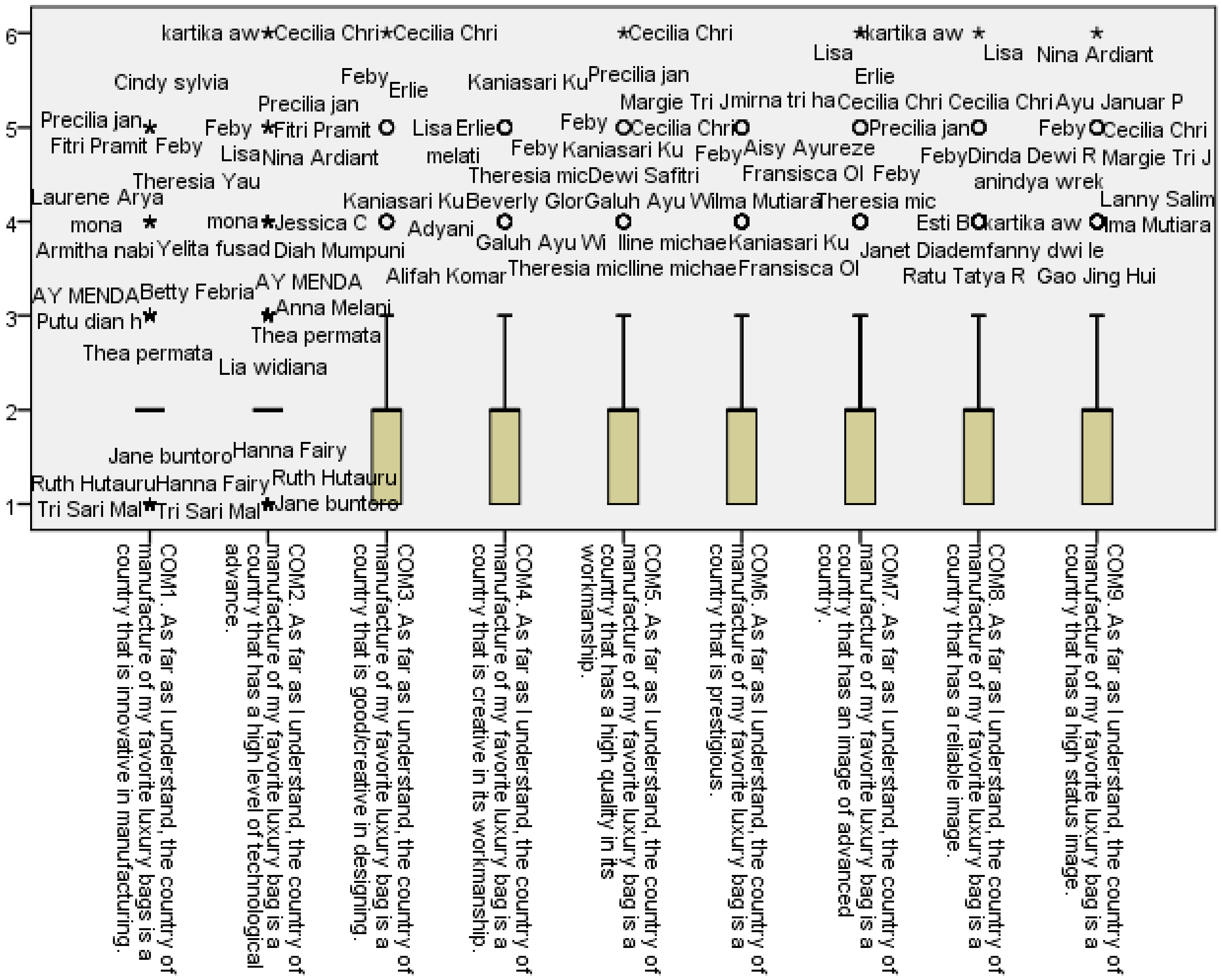
Galuh Ayu Wi
Kaniasari Ku
Ayu Januar P
Erlie
shelly madon
Yusi Hernawa
Lia Limantik
Christine A
Nova Imelda
Armitha nabi
Laurene Arya
Wida Soraya
karoline ann
Betty Febria
AY MENDA
Lia widiana
Yohana irani
Jane buntoro
Hanna Fairy
Tri Sari Mal
Ruth Hutauru
Lisa
Galuh Ayu Wi
Wida Soraya
shelly madon
Lenny
Kaniasari Ku
Asifa Nur Ai
Lisa
Lily Eddyany
Yusi Hernawa
shelly madon
Adila Ayutri
Ema Sofianti
Kaniasari Ku
Feby
Lisa
Janet Diadem
Hannah Aruan
shelly madon
karoline ann
Lisa
Ayu Januar P
Margie Tri J
shelly madon
Lenny
Lily Eddyany
Erlie
Margie Tri J
Asifa Nur Ai
shelly madon
Nur Adicty
melati
COO1. As far as I understand, the country of origin of my favorite luxury bags is a country that is innovative in manufacturing.
COO2. As far as I understand, the country of origin of my favorite luxury bags is a country that has a high level of technological advance.
COO3. As far as I understand, the country of origin of my favorite luxury bags is a country that is good/creative in designing.
COO4. As far as I understand, the country of origin of my favorite luxury bags is a country that is creative in its workmanship.
COO5. As far as I understand, the country of origin of my favorite luxury bags is a country that has a high quality in its workmanship.
COO6. As far as I understand, the country of origin of my favorite luxury bags is a country that is prestigious.
COO7. As far as I understand, the country of origin of my favorite luxury bags is a country thathas an image of advanced country.
COO8. As far as I understand, the country of origin of my favorite luxury bags is a country that has a reliable image.
COO9.As far as I understand, the country of origin of my favorite luxury bags is a country that has a high status image.



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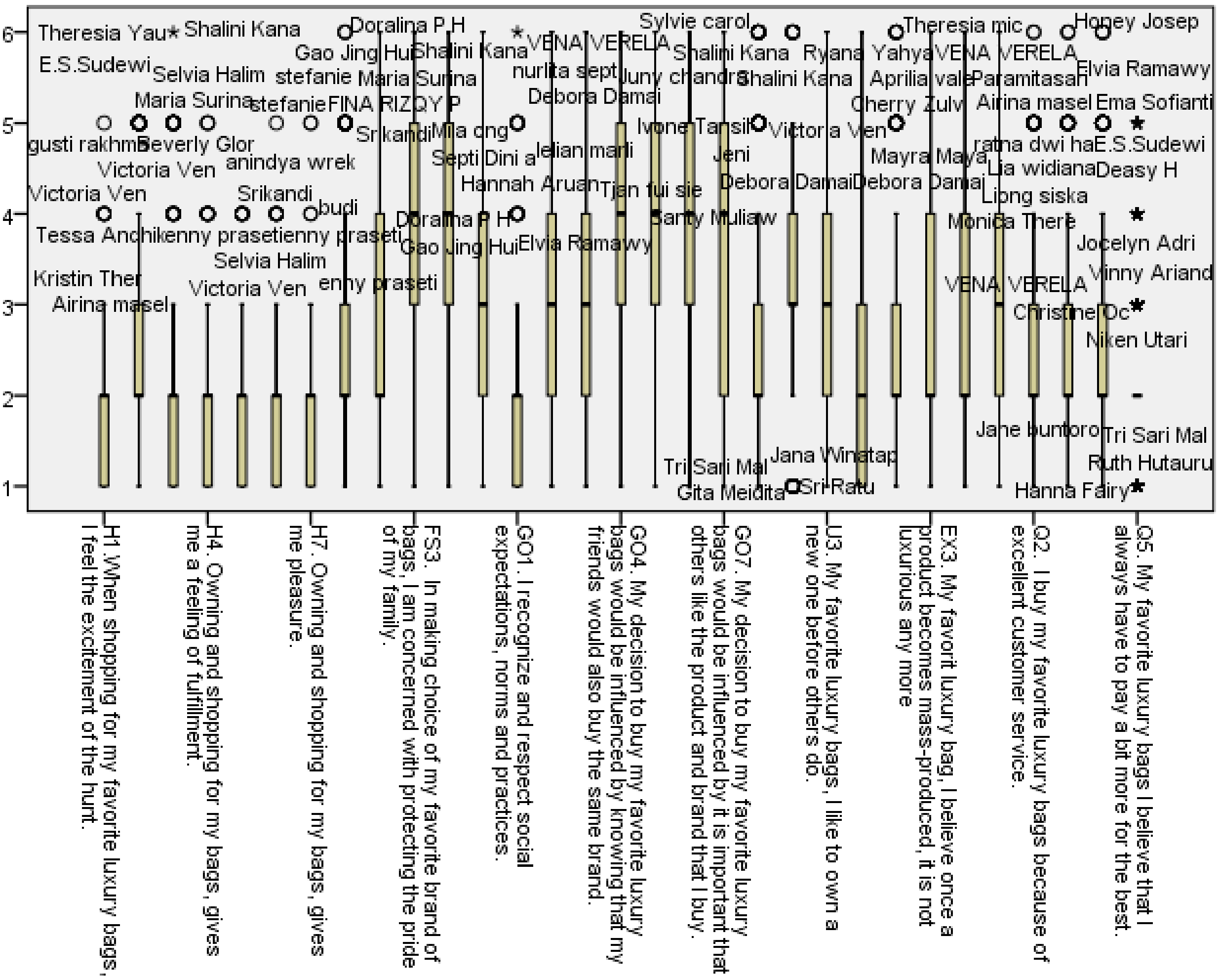
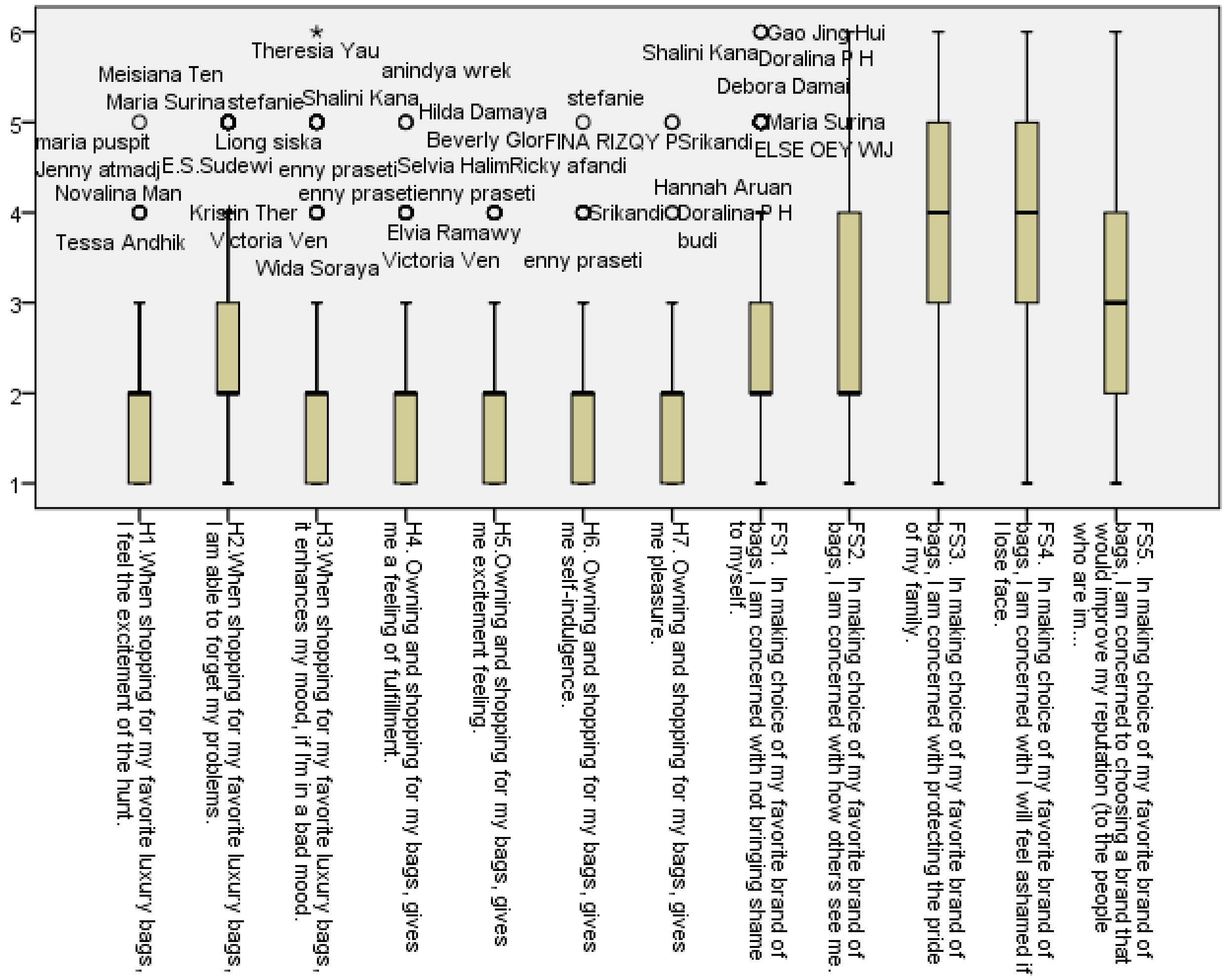
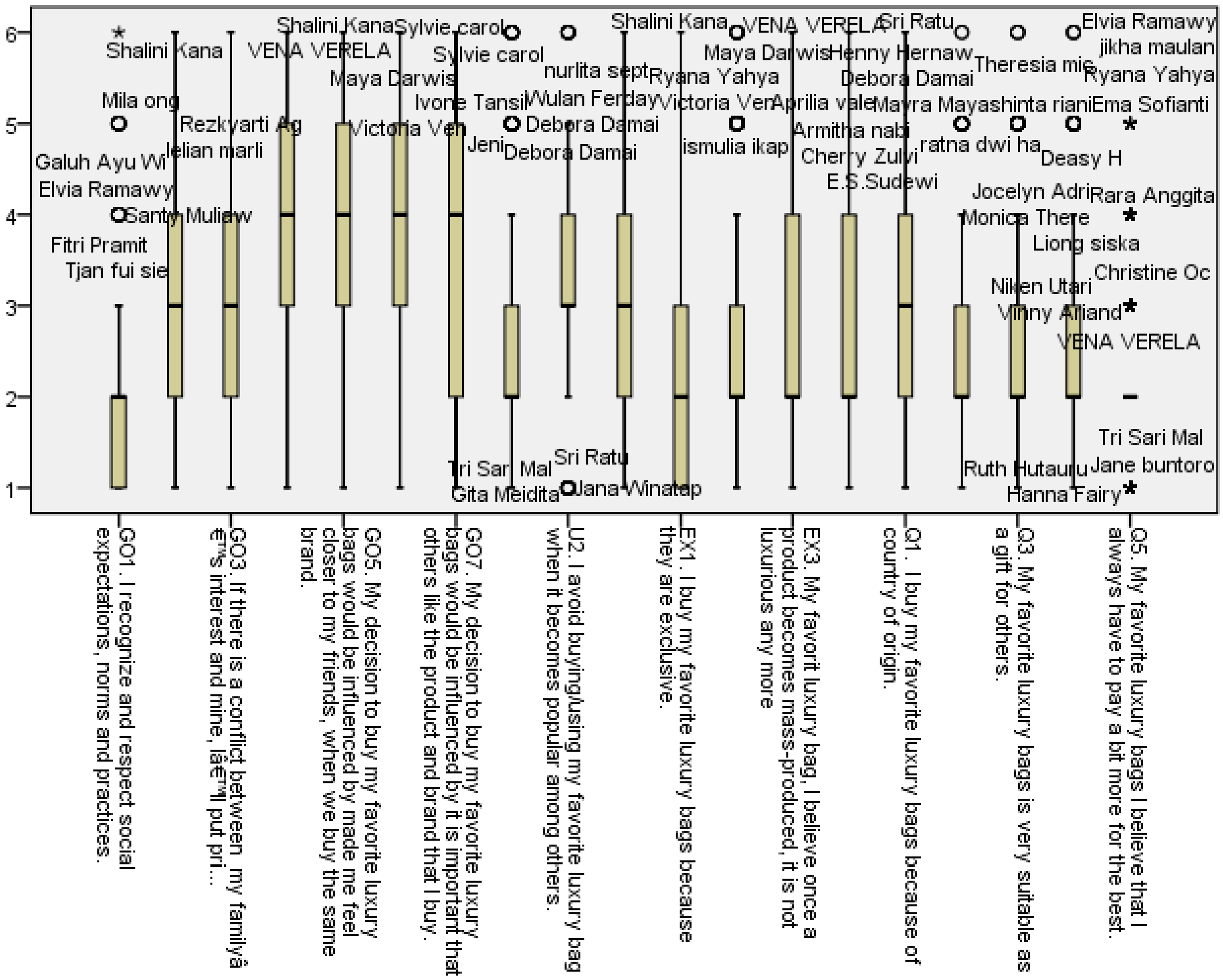
COM1. As far as I understand, the country of manufacture of my favorite luxury bags is a country that is innovative in manufacturing.
COM2. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a high level of technological advance.
COM3. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is good/creative in designing.
COM4. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is creative in its workmanship.
COM5. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a high quality in its workmanship.
COM6. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is prestigious.
COM7. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has an image of advanced country.
COM8. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a reliable image.
COM9. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a high status image.





H1.When shopping for my favorite luxury bags, I feel the excitement of the hunt.
H2.When shopping for my favorite luxury bags, I am able to forget my problems.
H3.When shopping for my favorite luxury bags, it enhances my mood, if I'm in a bad mood.
H4. Owning and shopping for my bags, gives me a feeling of fulfillment.
H5.Owning and shopping for my bags, gives me excitement feeling.
H6. Owning and shopping for my bags, gives me self-indulgence.
H7. Owning and shopping for my bags, gives me pleasure.
FS1. In making choice of my favorite brand of bags, I am concerned with not bringing shame to myself.
FS2. In making choice of my favorite brand of bags, I am concerned with how others see me.
FS3. In making choice of my favorite brand of bags, I am concerned with protecting the pride of my family.
FS4. In making choice of my favorite brand of bags, I am concerned with I will feel ashamed if I lose face.
FS5. In making choice of my favorite brand of bags, I am concerned to choosing a brand that would improve my reputation (to the people who are im...



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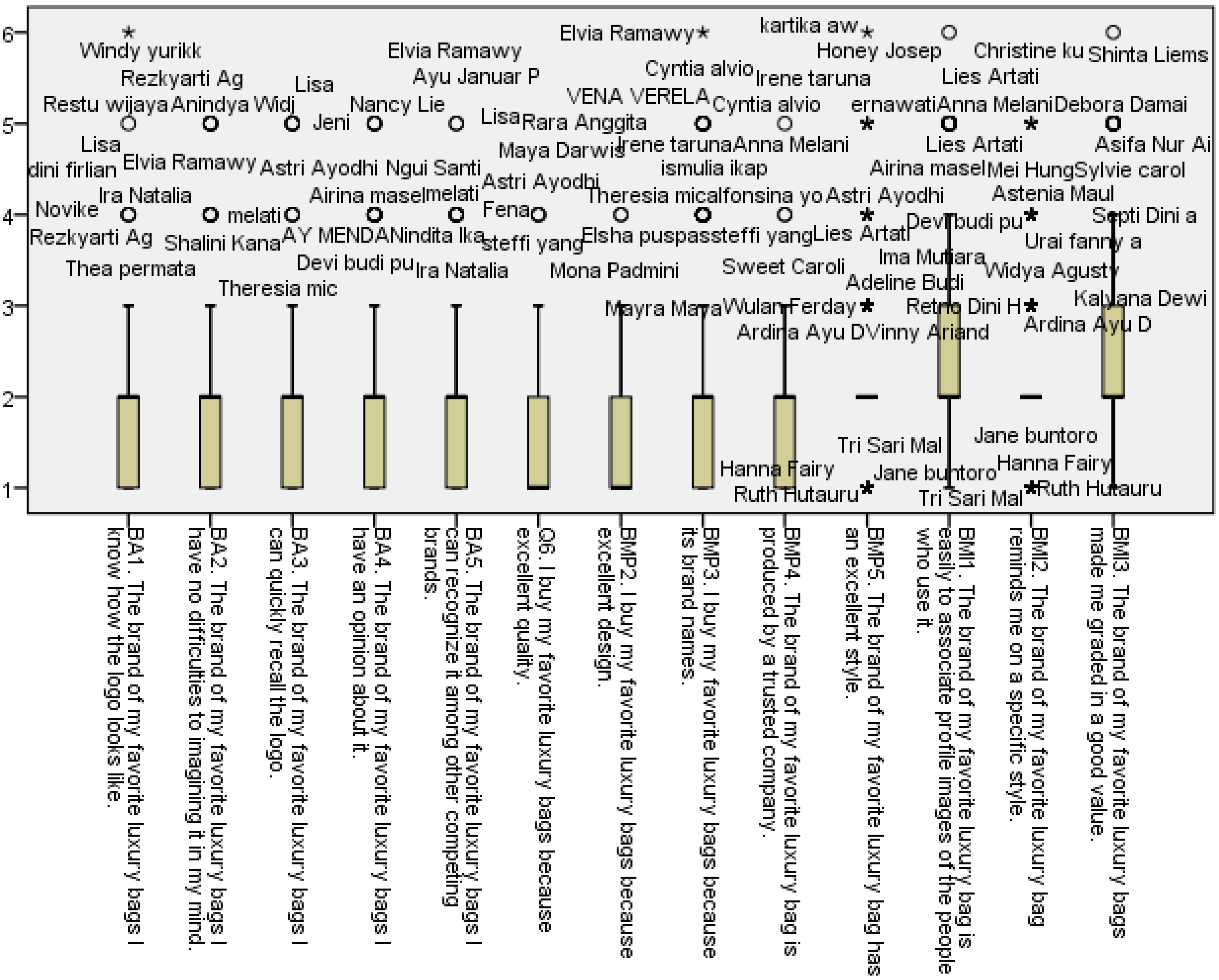
GO1. I recognize and respect social expectations, norms and practices.
GO3. If there is a conflict between my familyâ€™s interest and mine, Iâ€™ll put pri...
GO5. My decision to buy my favorite luxury bags would be influenced by made me feel closer to my friends, when we buy the same brand.
GO7. My decision to buy my favorite luxury bags would be influenced by it is important that others like the product and brand that I buy.
U2. I avoid buying/using my favorite luxury bag when it becomes popular among others.
EX1. I buy my favorite luxury bags because they are exclusive.
EX3. My favorit luxury bag, I believe once a product becomes mass-produced, it is not luxurious any more
Q1. I buy my favorite luxury bags because of country of origin.
Q3. My favorite luxury bags is very suitable as a gift for others.
Q5. My favorite luxury bags I believe that I always have to pay a bit more for the best.



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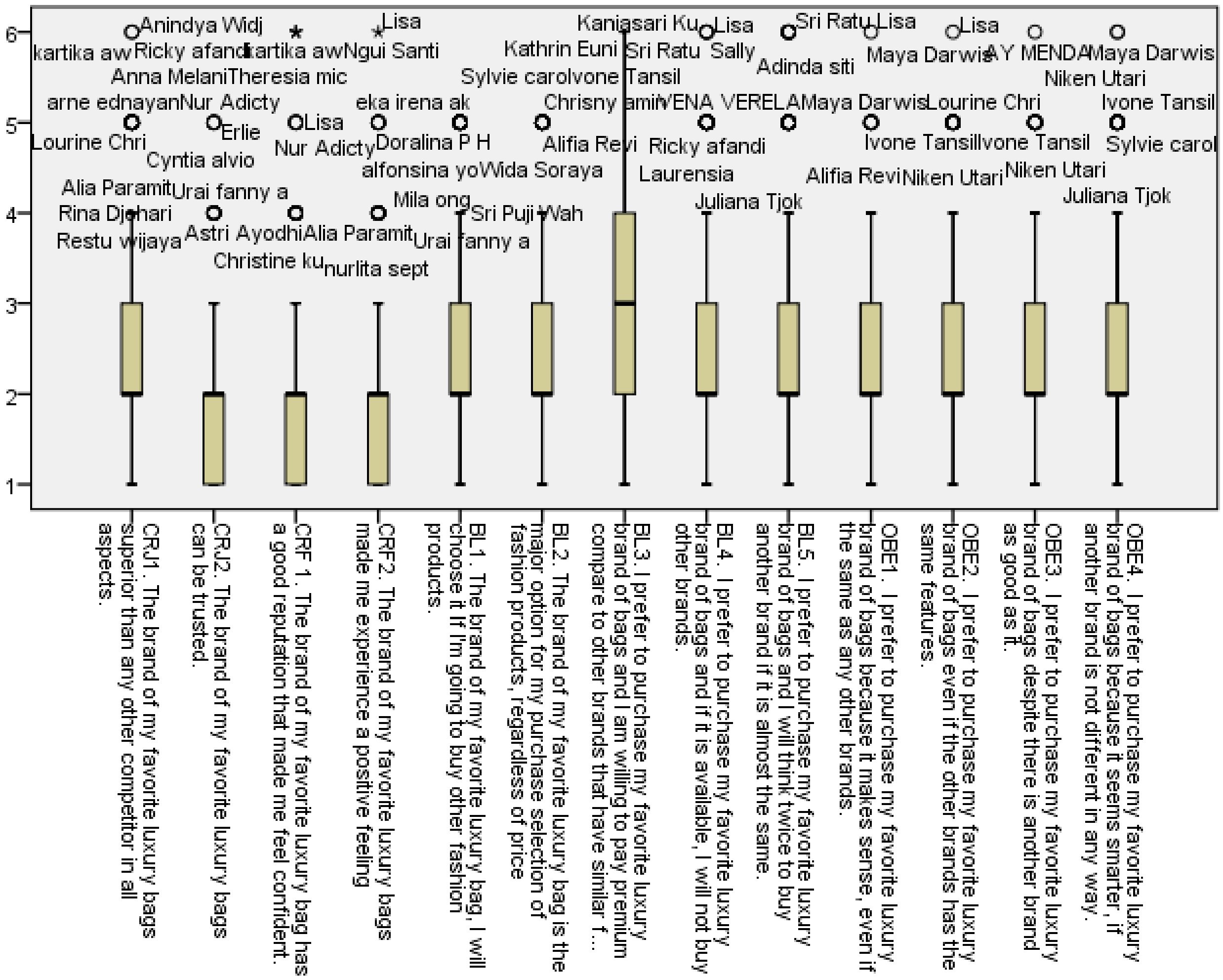
BA1. The brand of my favorite luxury bags I know how the logo looks like.
BA2. The brand of my favorite luxury bags I have no difficulties to imagining it in my mind.
BA3. The brand of my favorite luxury bags I can quickly recall the logo.
BA4. The brand of my favorite luxury bags I have an opinion about it.
BA5. The brand of my favorite luxury bags I can recognize it among other competing brands.
Q6. I buy my favorite luxury bags because excellent quality.
BMP2. I buy my favorite luxury bags because excellent design.
BMP3. I buy my favorite luxury bags because its brand names.
BMP4. The brand of my favorite luxury bag is produced by a trusted company.
BMP5. The brand of my favorite luxury bag has an excellent style.
BMI1. The brand of my favorite luxury bag is easily to associate profile images of the people who use it.
BMI2. The brand of my favorite luxury bag reminds me on a specific style.
BMI3. The brand of my favorite luxury bags made me graded in a good value.



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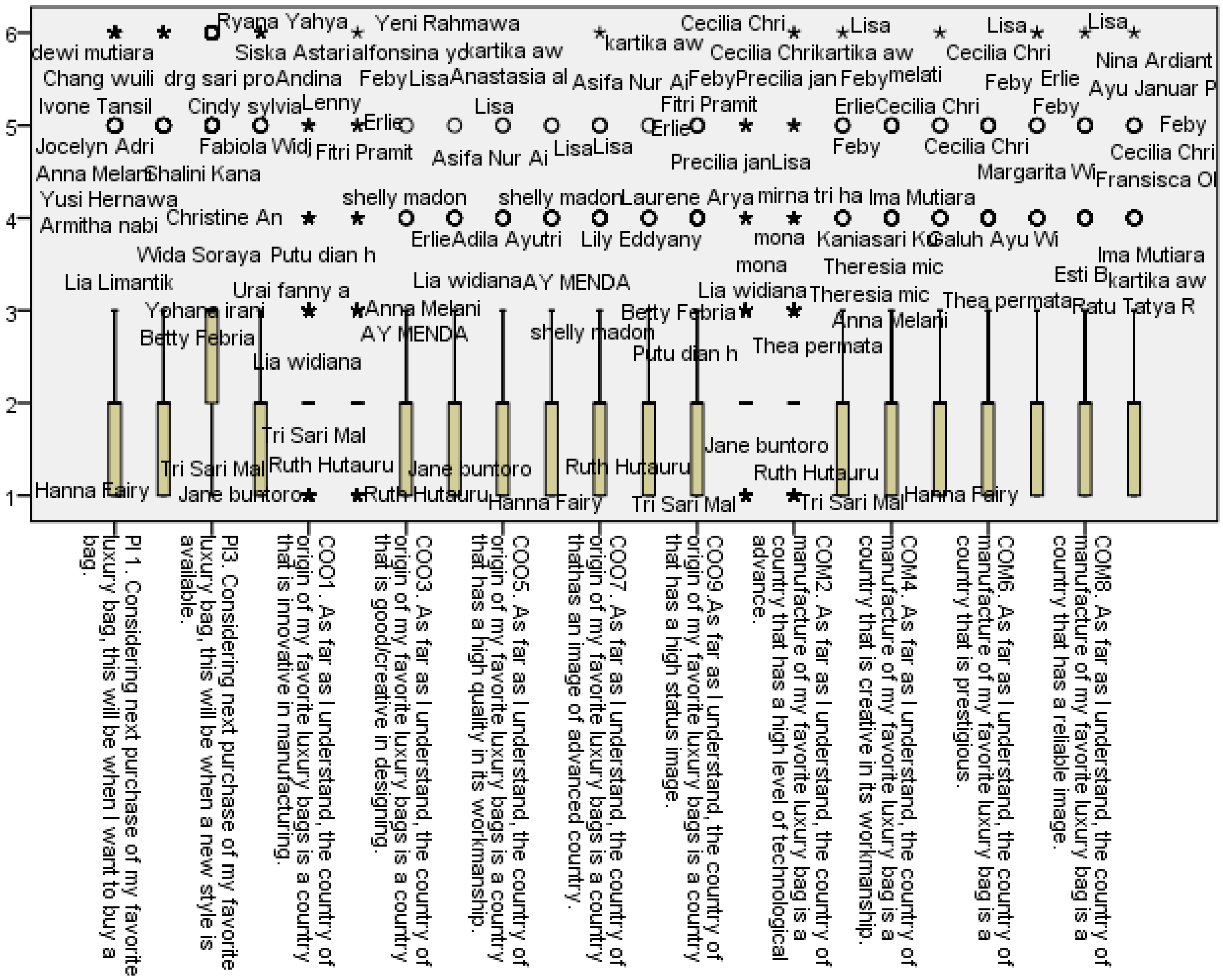
CRJ1. The brand of my favorite luxury bags superior than any other competitor in all aspects.
CRJ2. The brand of my favorite luxury bags can be trusted.
CRF 1. The brand of my favorite luxury bag has a good reputation that made me feel confident.
CRF2. The brand of my favorite luxury bags made me experience a positive feeling
BL1. The brand of my favorite luxury bag, I will choose it if I'm going to buy other fashion products.
BL2. The brand of my favorite luxury bag is the major option for my purchase selection of fashion products, regardless of price
BL3. I prefer to purchase my favorite luxury brand of bags and I am willing to pay premium compare to other brands that have similar f...
BL4. I prefer to purchase my favorite luxury brand of bags and if it is available, I will not buy other brands.
BL5. I prefer to purchase my favorite luxury brand of bags and I will think twice to buy another brand if it is almost the same.
OBE1. I prefer to purchase my favorite luxury brand of bags because it makes sense, even if the same as any other brands.
OBE2. I prefer to purchase my favorite luxury brand of bags even if the other brands has the same features.
OBE3. I prefer to purchase my favorite luxury brand of bags despite there is another brand as good as it.
OBE4. I prefer to purchase my favorite luxury brand of bags because it seems smarter, if another brand is not different in any way.


6
5
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1
PI 1. Considering next purchase of my favorite luxury bag, this will be when I want to buy a bag.
PI3. Considering next purchase of my favorite luxury bag, this will be when a new style is available.
COO1. As far as I understand, the country of origin of my favorite luxury bags is a country that is innovative in manufacturing.
COO3. As far as I understand, the country of origin of my favorite luxury bags is a country that is good/creative in designing.
COO5. As far as I understand, the country of origin of my favorite luxury bags is a country that has a high quality in its workmanship.
COO7. As far as I understand, the country of origin of my favorite luxury bags is a country thathas an image of advanced country.
COO9.As far as I understand, the country of origin of my favorite luxury bags is a country that has a high status image.
COM2. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a high level of technological advance.
COM4. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is creative in its workmanship.
COM6. As far as I understand, the country of manufacture of my favorite luxury bag is a country that is prestigious.
COM8. As far as I understand, the country of manufacture of my favorite luxury bag is a country that has a reliable image.

Appendix D. Interviews transcript

Q: Can you tell me about yourself, Woro? Just briefly, like where you"re from, how many children you have, that sort of thing.

A: Let me give you a short introduction, my name is Woro, I"m 39 years old and I have two children aged 11 and 7. Currently I work in the marketing field but I was born in Jakarta.

Q: So you were born and raised in Jakarta?

A: Yes, and after I grew up I moved to Tangerang.

Q: Same here, I also live in Cibubur.

A: Cibubur is in Bogor.

Q: So Cibubur… this is getting out of topic by the way…stretches from that long road, right? So Cibubur Road begins in East Jakarta, travels through Depok, Bekasi and then Bogor. It's all on the same road, that's why when that road gets damaged they never seem to repair it; they always push the responsibility on the others, okay…

A: Ehem…

Q: Lets continue our discussion about bags, what is your favourite handbag brand?

A: I personally like Coach

Q: Oh you like Coach, okay.

A: So should I give my reasons?

Q: Yes, please go on hahaha…we"re going to go there anyway.

A: I thought that would be the 2nd question, or something like that.

Q: Usually we have a list of several questions and when we"re in the process of talking we often jump from here to there, so I just follow along. You can tell me your reasons now, if you like.

A: I think that Coach (bags) are made from good materials and the model isn"t too youthful, because we are already in our 40s hehe. Their models are classic but also follow current trends, and they are neat even in the insides of the bag.

Q: Oh, what do you mean by neat?

A: From the stitching, this is comparing it to the other brands that I have bought, which are not considered to be extremely expensive brands such as Coach, Kate Spade, Michael Kors. If you compare among these brands, from the aspect of neatness/good workmanship I think Couch has very good QC.

Q: So you are detailed when looking at bags?

A: Yes, because we”re buying things that cost millions (of rupiah), even if it doesn”t reach tens of millions but what we buy matches the quality.

Q: Oh okay, there are people who buy expensive things but they don”t even pay attention to that much detail, but you really pay attention to the detail, don”t you?

A: That’s right, this is an old model, but it’s neatly made like the part with the holes and the inner lining, between it it’s really neat.

Q: It’s really symmetrical, what year did you buy it?

A: I think I bought this one 2-3 years ago, so it’s not because of the brand but I like how it’s neat/well made, Kate Spade often has bags like that.

Q: Oh, you mean you”ve bought Kate Spade before buying Coach?

A: I have, because of the price, and if we go overseas Kate Spade is the one with the most discount hehehe.

Q: Oh US, I”m not really familiar with the US, so I can”t…

A: Yes, Kate Spade has more (discounts).

Q: Oh okay, then what year did you know about Coach?

A: I think it was after I was working for a few years, I was more brand-aware.

Q: Oh ok, so after you started working?

A: Yes, after I was working.

Q: Were you married at that time?

A: Yes I was, which means I”ve known (about the brand) for about 10 years, you know how we get taken care of (financially) after marriage…hahaha

Q: Oh okay, before that, which brands did you buy before you were brand-aware?

A: Brands like Hush Puppies, because they have many models or Charles and Keith.

Q: How did this brand awareness come about?

A: Because I like to match my outfit, if possible matching my clothes with my bag with a colour that is more noticeable. I also work in marketing so I often go out to meet clients; I also have many pairs of glasses. The (Charles and) Keith brand is not very expensive with a price still in the hundreds of thousands (rupiah), they have many cute models and most aren”t too youthful, so suitable to use for work, but the problem with Keith (bags) are that they not made from leather so if you store them (the outer surface) often peels off.

Q: I”ve had that happen to me, too.

A: It’s not because it’s cheap at only a few hundreds of thousands (rupiah), but if you add them up my collection is in the millions (of rupiah) too. Then I met my (younger) sister and she said to me, sis you have the money, don”t bother buying imitation (leather bags), buy the leather ones. So after that I realized that if I buy them during discount then it won”t really be that expensive.

Q: So that’s how it started?

A: Yes.

Q: So your sister was more up to date?

A: Yes, she was more up to date, even though she’s a housewife.

Q: So your (younger) sister likes bags from the beginning?

A: She likes Fossil.

Q: Oh she likes Fossil?

A: Yes, she has everything from the Fossil collection, but it’s different for me. I think Fossil is more classic and sometimes the colour is not so bright and tends to be more natural.

Q: So what was the first brand you knew of after you started to be aware of branded goods?

A: Well, this Coach brand.

Q: Oh Coach, how did you find out about it? So did you start exploring brands and then made a decision?

A: I found out about it when I was travelling.

Q: Here in Indonesia? Or overseas?

A: Um …in Malaysia, Johor Baru has many branded factory outlets, that’s where I bought my first one. It wasn”t too expensive, it was a Coach bag for around 2 million (rupiah).

Q: And then how did you feel afterwards? What were your comments?

A: Well, I was a bit tacky in the beginning as you must understand, then my husband commented that expensive bags are so neatly made, and the good thing was that the bag smelt nice, and I was satisfied with my first purchase and have been until now.

Q: Oh you still have it?

A: Yes, I do. The Coach bags that are sold in factory outlets have a brown marking on the brand, you know how it’s the first one so we have to know everything about it, for example LV has certain characteristics, and the bag is in durable until now.

Q: Then it’s proven that it’s durable?

A: Yes it is, for example even if we can get 4 Keith or Hush Puppies bags with that price but they aren”t durable and the outer lining peels off, oh and before that the Hush Puppies, Keith and Guess bags all peeled off.

Q: So you tell your husband about all this, does he know about how much you love bags?

A: Yes, he does.

Q: So do you like to talk to your husband and say, look at this, this model is nice?

A: Yes I do, for example sometimes my husband travels overseas for work because he works in Hongkong. So sometimes we go with him if it's for the weekend or it's a long weekend. He already has his ticket, so my kids and I go just like how we go to Bali. Because the hotel rates are expensive in Hongkong, we stay in my husband's hotel room, we just need to buy another 3 tickets for the trip.

Q: So your husband is fine with this?

A: He is, so far.

Q: Has your husband ever bought you any bags?

A: About my husband, we went out for quite a long time since 2000 and got married in 2005, and he knows that I am picky. Once he bought me a watch as a surprice but I didn"t like the model.

Q: I see…

A: And he hasn"t bought me anything else since then because he knows I"d rather choose my own things so it's better to just give me the the money haha.

Q: Do you think of a budget when you buy your bags? Let's not talk about budget first, what is it that makes you want to buy a certain bag? Is it because you need it, or you just want to buy one, or there is a sale, or there is a new model?

A: Because I need it and there is a sale, so this is how I decide, like that time I visited that factory outlet that was having a sale, I didn"t really need a bag but because of the sale I thought it would be a shame if I didn"t buy it, I didn"t know when I"d ever come again, my husband also supported me so I just bought it.

Q: Oh he likes to encourage you when you travel.

A: Yes, because I"m the type of person that thinks too much.

Q: When it comes to making a decision?

A: I"m the type of person that takes a really long time in making a decision, so rather than watching me go around the store many times he can provoke me so I can act faster and he wont be so tired hahaha… Sometimes I don"t really need it, sometimes I already have the colour but it's the one with the big discount, but it's okay so I can often change my bag.

Q: Oh okay, so we can say that there is a higher change of you buying it when you are travelling?

A: Yes.

Q: How many times do you go in a year?

A: At least once a year.

A: Either I go with my family or for a business trip.

Q: Where do you go the most often for a business trip?

A: Bangkok, Thailand. And Singapore.

Q: Is the price really cheaper over there?

A: Some are cheaper, especially during the Singapore Sale.

Q: During the sale?

A: Yes, during the sale. But the price is almost the same.

Q: Almost the same, huh?

A: If I compare it to the Coach factory outlet, it is more expensive.

Q: Do you often go to the counters in Indonesia?

A: I do, but just to check if it suits me or not.

Q: What do you mean?

A: Firs thing is to check the price, then to see the new models but I will buy them at a later time haha.

Q: You don"t buy them at the counter?

A: Not at the counter in Indonesia, because they can reach 5-6 million (rupiahs) in Indonesia

Q: What about overseas?

A: There are often many sales overseas. I don"t buy then when there"re not on sale.

Q: Because they often have sales there?

A: Yes, because I think it's a shame to spend 5 million (rupiah) just on a bag.

Q: Now let's talk about budget, do you have a rough limit?

A: The most expensive bag for me is 4 million (rupiah).

Q: 4 million? So it that your maximum limit?

A: Yes, that's the maximum I"m willing to pay for a bag, the most expensive Coach bag right now is the one worn by the Fist Lady, that was my exception. They say we have to be thrifty and buy bags at the Bird Market, well the First Lady can go and buy her bags at the Bird Market, ordinary workers like us can save up our money or beg our husbands to buy it, right? She can do what she wants, so about that Swagger bag…

Q: The Swagger bag that's really expensive?

A: Yup, I think that's the model people overseas are buying nowadays, that Swagger bag was the most expensive bag I"ve ever bought.

Q: Oh okay, the Swagger.

A: Because it’s a classic, and the model is timeless.

Q: So then it’s okay?

A: Yes, it’s still okay, but the leather smells nice.

Q: How long does it last? The happiness?

A: If we can find a good price then I will go to the counter and tell him, see, it’s cheaper there and more expensive here, see. That’s why when I go to the counter it’s just to check the price and I can ask my husband to buy it when he goes overseas.

Q: You often ask him to buy them when he goes overseas?

A: Yes, sometimes I do that because it’s cheaper.

Q: Yes, because there’s a sale, right?

A: Yes. The season hasn”t begun here yet but it already has started over there, so they must get rid of the old stock and hold a sale, so they have them first.

Q: So how do you feel when you buy a bag? You often buy your bags when you”re overseas, do you browse online beforhand?

A: I check at the counter before I buy.

Q: So you browse at the counter beforehand, what about online?

A: Mostly googling, for example when we get info about a sale, then we can check the price and also check if there really is a sale. Like when there’s a million (rupiah) difference, that time I bought a Kate Spade bag when it was closing down so the price was from 3 million (rupiah) and was reduced to 1 million something(rupiah) and 50% off if we buy 3 so it’s 60% off.

Q: Where was that?

A: In Singapore, the Saturday Kate Spade store was closing down so they had a sale, so it was buy 2 plus a handphone cover and it becomes 60% off.

Q: Wow, so how did you feel that time?

A: I was happy.

Q: Excited?

A: Yes, of course, because I love to go shopping for bags when I”m overseas, it’s a form of stress release.

Q: So that’s it, happiness can also be a stress release, so when you get stressed you do shopping therapy?

A: Yes, at least do some window shopping when we”re overseas. Like that time we returned from Singapore, it was more expensive here. We finished early that time, so on Friday he said I”ll book the 10 PM flight, the meeting ended at 1 PM so we had plenty of time left over. He asked if I wanted to go shopping, I didn"t know if I wanted to buy anything, it depends if I see something suitable or I don"t own it yet or it's a good deal, then I will definitely buy it.

Q: Specifically bags or other things?

A: Bags are first thing I look for when I go travelling, but I already have quite a lot in my collection and in many colours. For example if they release a new colour I don"t have. I already have 3 blue ones, a navy blue, a tosca one, etc. If it was pink or fanta (fuschia) it depends, I might buy it. But when I travel overseas, the bag counter is where I head to first.

Q: Oh the bag counter first, you really like it?

A: Yup.

Q: How many do you have in your collection?

A: A dozen.

Q: Do you store them in a special rack?

A: I have a cabinet with square racks that I bought in IKEA and then I put them inside and buy pillows to place inside first.

Q: You do that with all your bags?

A: Yes.

Q: Now they have plenty of bag salons, right?

A: Oh I bought the Coach leather cleaner for that.

Q: So you clean them yourself?

A: Yes, I clean them myself, that's why they"ve lasted so long. I had them for quite a while, even though the inside lining is dirty.

Q: But this is still in good condition. This colour gets dirty over time. This looks nice, you have to keep doing it.

A: Yes, if we talk about how it feels when I clean my bag, it does give me enjoyment.

Q: Oh that's right, this is good.

A: So I guess it's like we have a pet.

Q: Do you do this routinely? How ofter?

A: I like to alternate them, for example I have a few bags that are similar to this one, I use this one for up to a week, then I change to another one and use that one for a week, so I don"t change them all the time.

Q: So it's like having shifts for them?

A: My husband says he should"ve left his tshirt grey so I would think about it. Things like this are time consuming but we"re happy.

Q: Yes, just enjoy it.

A: Yes, just enjoy it, and Alhamdulillah (praise God) that I have enough money, I don”t buy on credit haha.

Q: What connection do you have when you buy your bag and when you”re consumptive? Is there any change between before you first started buying or after you had children or after you got married? Were there any moments that have influenced you?

A: Now I already have many in my collection so my level is enjoyment is lower than it was before, even though it still exists.

Q: Oh so it has reduced?

A: Yes, because it was exciting a long time ago when I first became brand-aware and started to buy branded bags, but now I”m not so tacky anymore so I don”t sniff them for very long.

Q: Ok, do you have wishes to buy a Hermes bag?

A: No, not yet, because I think that if somebody has loads and loads of money then they might have the same type of enjoyment as me and we can”t really blame them. Sometimes it's like this, I have a friend and she is my partner, she has no children and has more money than me because I have to pay for my children's school fees, but she doesn”t like branded goods.

Q: Oh really? Not at all?

A: No, not at all.

Q: Even though she sees you being all matching and all?

A: No, so not everyone who has money is consumptive and likes branded goods. She once said, does it mean that just because you wear an expensive bag it makes the wearer become "wow"? I just kept quiet.

Q: How did you answer?

A: I just laughed. To each her own, it depends on the individual.

Q: That's true. When we talk about Coach being your favourite brand, can you tell if it's fake or not?

A: Yes, I can. For example, there are a lot of fakes of the First Lady's bag.

Q: How can you tell?

A: From the type of material. For example, the material of an original Coach is smooth and soft to the touch, but when you look closer you can also tell from the stitching. And then for Coach it is embossed on the inside and sometimes this part is metal if it's a fake. Sometimes you can also find a fake Keith bag.

Q: Oh there are fakes?

A: Yes, there are. When I was still buying Keith bags for 500 or 600 thousand (rupiah), sometimes 800 thousand (rupiah) for the new models, the fake ones were sold for 200-250 (rupiah) thousand, not much difference in price. But for this one the difference is a few million (rupiah) so it's okay.

Q: Indonesians are so creative.

A: Yesss.

Q: Can you tell from its shape? Can you tell if it's Coach or not from a distance?

A: If it's Coach then there's an emblem so you can tell, and there aren"t as many models for Coach as there are for Kate Spade.

Q: Oh, I see.

A: Yes, the models, for example like this one which is a satchel would have variations in colour, or they will issue a new one with a patchwork motif.

Q: So they"re fairly easy to recognize?

A: Yes, easier to recognize, because there aren"t very many models. That's why there are more Kate Spade fakes.

Q: Oh, that's right. They have a lot of fakes in Indonesia.

A: I"m puzzled myself.

Q: Does it bother you when there are fake Coach bags? There are so many counterfeit bags out there, you wear a real one, how does it make you feel when you see someone wearing a fake?

A: I actually feel sorry for the people who produce it, like the designers. For example they say that the flowers on the First Lady's bag is handmade.

Q: Oh, handmade?

A: So they"re really finely crafted, I feel sorry for the people who produce the fake bags as well. If you don"t have the money then you should not be wearing branded bags.

Q: Rather than buying fake ones?

A: Yes, rather than buying the fake. That's my principle.

Q: Why is that?

A: Well I"m thinking of the designer. Sometimes it's better to buy a non-branded bag at Matahari (department store) but it's a nice model, so it still looks nice and can still match your outfit.

Q: The most important thing is not to buy a fake one, right?

A: Yes, it would be a shame.

Q: There isn”t much concern about this in Indonesia yet.

A: That’s why sometimes it puzzles me how there are fake Nike shoes in the markets. Nikes can actually be very cheap when they”re heavily discounted, I”ve even confused size 36 and 37.

I think sometimes the lower levels of consumers aren”t aware of this and do not know that it’s a fake branded item.

Q: Oh that’s possible. Because that’s how they”re known it from the beginning.

A: Yes, that’s possible, you can”t really blame them. Even my maid buys fake Adidas shoes, but if she wanted I could buy it for her if we wait for the discount , maybe for just a few hundred thousand (rupiah). And she doesn”t buy them for cheap, either. They can be 100-150 thousand (rupiah) during discounts, and there are many Adidas factory outlets nowadays.

Q: If you see a bag from a distance and see the wearer, do you have an idea what kind of person likes to wear Coach? Can you give a description?

A: Well, averagely…

Q: But if you don”t have an idea then that’s okay.

A: Well, I can, but sometimes I dont expect them to wear Coach.

Q: How are the usual Coach wearers?

A: Well, maybe not that young, around the same age as me. But it depends on the model, too.

Q: Maybe a model that is relatively classic in style?

A: Yes, like nowadays there are Indonesians like this. I”m Muslim but I”m not overly religious like wearing a syari hijab, but sometimes even when they wear the face veil their bags are branded. My children go to an Islamic school and you can tell the amount of their children’s school fees just by looking at the mothers. For example, only 1 or 2 mothers don”t wear hijab, or those who were trendy syari clothing, or those wear real syari clothing. We can also see from their branded bags which cost this much and that much.

Q: Even though they dress conservativally?

A: Yes they dress conservativally and they definitely won”t care about what is trendy or matching style, but they are still trendy when it regards to their bags and they are original.

Q: That’s interesting.

A: And there are also those who wear syari hijab and are fashionable, like you, you”re trendy.

A: But it’s all good, there are some who wear a face veil but also uses a Fossil bag. My child even said to me, mummy why do you buy bags all the time. I said, because I like it and you can use them too when you”re older. And you know what, the mother of your friend likes to collect 20 million (rupiah) LV bags. So it becomes gossip material (between me and my child).

Q: I”m actually attracted to this topic, I”ve done several interviews but I haven”t found the character of a woman who wears a syari hijab but is also trendy. And if there are I”m still looking for this certain quality but with different variables, such as age or she’s single. My supervisor once said that Indonesia is 80% Muslim so does this influence anything, especially how Muslims have different considerations. If you have any friends…hehehe…

A: Yes, I will let you know later on.

Q: Sure, it would be good if I get someone like that because the story must be different.

A: Yes, different and must be interesting. For example, I work in the marketing field so I can”t look drab when I”m meeting a client, I”ll be embarrassed the next time I see them. So I”m a more general respondent.

Q: Everybody’s different, I already have a variety but I haven”t found one with syari hijab. There are trendy young women who wear hijab, but I haven”t found any mothers with syari hijab who are trendy.

A: Oh I see.

Q: Let’s continue, do you feel loyal to Coach?

A: Yes, I do.

Q: Can you tell me about how loyal you are?

A: Loyal as in if there were two navy blue bags of different brands, I would still choose the Coach even if it was more expensive.

Q: Oh okay, if you were looking for that particular colour?

A: I would find these bags at the factory outlet which are near to each other, so just say I found one and it was more expensive but not overly expensive then I would prefer to get the Coach.

Q: Other than buying their bags, do you also buy Coach wallets, shoes and glasses?

A: Yes, I”m loyal. I just bought a wristlet in Singapore the last time I went there.

Q: Is that like a wallet?

A: Yes, the big one.

Q: I also like to use those.

A: There was discount for wrislet that time, it’s ok to put credit card and others essential card there.

Q: You are very loyal, do you also persuade others to buy Coach?

A: Sometimes, like I have a friend who likes MK and then I told her jokingly, why do you like MK that has a lot fakes which I cant even tell the difference? She said it’s because she likes MK. Well she likes it and everyone is different, I just ask her why doesn”t she like Coach.

Q: Did your friends influence you in liking Coach? For example a friend in your group, workmate, another parent, or arisan friend etc?

A: Not really.

Q: So it’s because you like it?

A: Yes, no one influenced me.

Q: When you choose a bag model, do you consult with anyone else or is it just your consideration?

A: My own consideration, that’s why I take a long time.

Q: When we talk about luxury brands such as Coach, there is a certain exclusivity factor there, do you think it matters?

A: I think it is important, especially among the mothers at my children’s school who are upper class, so it makes me feel different.

Q: Do you need to wear a suitable bag to be embraced by these mothers, or wear something different?

A: Most of them have similar bags.

Q: The brands that they wear? So you just want to fit in (by using the same brands of handbags), right?

A: iya, sebenrnya kayak saya kenal Kate Spade juga lebih dari ibu ibu sekolahan, dan mereka lebih banyak pakek Kate Spade

A: Yes, actually most of them using Kate Spade handbags.

Q: Oh, I see. So many people like it. This is the last part, in choosing a bag does the country of origin of Coach affect your choice? For example, Coach is from the US, but maybe an Italian brand is more exclusive?

A: Not really, the branding of Coach is from the US, but it’s mainly because of how well made it is.

Q: Does the country of production affect your choice?

A: Not really, even if it’s made in China or Bangladesh or anywhere else, as long as they have standards.

Q: Do you pay attention to where it is made?

A: No, I don”t really notice because we buy an original one. Unless we buy it through Tokopedia or other online sellers.

Q: You have never bought it online?

A: No.

Q: What about joining online groups?

A: Just to check.

Q: So it’s just a part of browsing? And you still buy it overseas.

A: Yes, I am more assured buying overseas than online.

Q: You”re right.

A: Just like if we buy Adidas shoes, why would you buy them at ITC (shopping centre), you”re better off buying them at Sports Station.