“Effects of brand attitude, perceived value, and social WOM on purchase intentions in luxury product marketing”

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Abstract

During the COVID-19 pandemic, there has been a significant change in customer behavior, including in the luxury product business. One crucial part of customer behavior is purchase intention. Understanding purchase intention is an essential basis for developing various marketing innovations. This study aimed to establish a model of the interaction of factors that influence purchase intention in luxury products today, especially in Indonesia. The study used a cross-sectional study approach. This study’s respondents were social media users who would buy luxury products. The research sample size was 381 users. The Lime Survey was applied to collect data and was accessed online. The questionnaire statement items used a Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree), including Perceived Value (9 items), Social WoM (3 items), Brand Attitude (3 items), and Purchase Intention (3 items). The model validation was analyzed using bootstrapping to process the Structural Equation Model (SEM) under Smart-PLS software. The analysis results show that the three variables simultaneously (R-square = 0.419) moderately can be used to explain Purchase Intention. However, the factors that affect Purchase Intention are only Perceived Value (p-value = 0.000) and Brand Attitude (p-value = 0.000), but not Social WoM (p-value = 0.203). This study concludes that marketing innovation is critical to focus on the prestige of luxury product users through perceived value and brand attitude. Information from other users is not reliable enough to build purchase intention because luxury product users tend not to trust products from other users. Still, they believe more in the perceived prestige.

Keywords

- brand attitude
- Indonesia
- innovative marketing
- luxury product
- perceived value
- social WoM
- purchase intention

INTRODUCTION

The era of globalization provides changes in all aspects. This era is synonymous with modern society and technological developments that allow a world without boundaries (Abdi, 2020). Globalization is driving the transformation of the luxury industry and the rise of emerging markets. One of the indicators of the effect of this technology is the increasing number of people accessing the internet. This situation has led to a growing middle class with disposable income. Luxury product retailers are changing their strategies by offering previously inaccessible products to publicly available products (Shukla et al., 2022). Luxury products need to meet specific groups. However, people spend tens to hundreds of millions for prestige and personal satisfaction. The impact is the high consumer purchasing power that is in line with the increase in the middle to upper-class society (Andhika, 2020). The growth of the upper-middle class in Indonesia has resulted in the emergence of branded goods and luxury products in Indonesia.
According to economic observers from the Indonesian Research Institute of Sciences, the people who love high-end brands in Asia are experiencing the fastest development. Especially in Indonesia, luxury products have a stable business environment. The tendency of Indonesian consumers to buy luxury goods is 44% (Koransindo, 2020).

Amid the difficulty of running a business during the COVID-19 pandemic, luxury goods manufacturers have risen and dominated Indonesia’s market. One of the areas that experienced growth in 2020 was e-commerce. People spend more time indoors, work from home, etc. It also encourages an increase in retail purchases (Highland, 2021). Public demand for prestige brands (blue-chip brands) through e-commerce has increased (Soehandoko, 2021). In addition, boredom experienced by rich people while at home triggers a new phenomenon. They feel bored with the condition of not going anywhere and limited to doing anything. This feeling is then vented by online shopping. A person’s buying behavior begins with purchase intentions in him or her. Consumer purchase intention is the tendency to plan or be willing to buy a product in the future. Retail companies need to identify and study consumer behavior to maintain their existence because consumers are the target of the marketing mix. Therefore, retailers need to understand consumer behavior. Identifying and evaluating factors that influence consumer buying behavior on purchase intention will enable retailers to introduce more compatible products through innovative marketing (Salehzadeh & Pool, 2017). If consumers have been affected by the quantity and quality of a product, product information, how to buy, weaknesses and advantages, it can encourage buying interest.

Through the background described above, the emergence of COVID-19 has brought changes to all sectors. One of these changes is in businesses that are transforming offline to online. The government’s lock-down policy has reduced visitors. These conditions cause consumers and companies to adapt to a new way of life, and their views on luxury products may change. Previous studies have related consumer behavior toward luxury products; however, the retail market still needs adequate information in optimizing strategies and analyzing consumer attitudes towards branded goods. It is essential to understand the factors that encourage consumers to purchase branded goods. Further research is required to establish the customer behavior model to support innovative marketing of luxury products, especially the purchase intention.

1. LITERATURE REVIEW AND HYPOTHESES

From an economic point of view, consumers will consider the perceived value concerning the price they pay for the product and receive it (Park et al., 2021). Perceived value is a consumer’s perception regarding a product whether it can meet their needs and expectations or not. In connection with the consumption of luxury goods, realizing this value evokes the owner’s prestige (Wen & Huang, 2021). Consumers buy luxury products to exchange value in balance with the value that meets their needs and wants. Luxury products are conceptualized in product-related characteristics and the personal and social benefits retailers provide to consumers. They can provide intangible benefits like status, prestige, etc. (Loureiro et al., 2020). When consumers feel the benefits they receive from luxury products, they will recommend the value they get from these products to others on social media. Therefore, consumers have a social involvement in Word of Mouth (WoM) and offer recommendations based on social, personal, and functional values.

Luxury companies can reach and initiate their customers into luxury brand marketing activities in social communities with social media. This information creates opportunities for several users to interact and share information. Visual presentations such as pictures, videos, and designs can fulfill their personality. Information shared by consumers on social media can have the influence to be widely known and shape consumer intentions (Park et al., 2021). Instagram is one example of social media used by luxury brands to inspire consumers. Instagram has more than 60 million users in...
Indonesia by providing audio-visual features (Iman, 2020). It gives users a space to present themselves to others by sharing photos. Social media offer leisure time for the middle class by sharing consumer activities and showing off within the scope of a network society, and, as a result, using content through social media influences future luxury shopping behavioral intentions (Casaló et al., 2020). Luxury consumers often engage in WoM behavior and express spending wealth and luxury to enhance their social status (Chang & Ko, 2017).

Perceived value is a criterion for customers when performing preference values. Customers have expectations when they make purchases and consume products. This study explains the direct influence of perceived value on purchase intention. In addition, the study demonstrates that attitudes toward social values, personal values and functional values influence positive behavior in purchases (Salehzadeh & Pool, 2017; Lacroix & Joilbert, 2017). Other researchers who discuss the context of luxury products in India explain the perceived value results with dimensions of hedonic value, social value, quality value, and uniqueness value related to purchasing intention. Perceived value becomes an aspect when customers are evaluating the whole effectiveness of a product. A lot of previous studies try to identify the dimensions of luxury products (Kapferer, 1997; Wiedmann, 2009). The studies explain dimensions of perceived value, including social value, individual value, financial value, and functional value. For a luxury product, functional value is obtained after one's objectives are achieved while hedonic affection is private. Consumers are motivated to get products from luxury brands to impress others. Subjective norms are the main predictors of purchasing luxury products (Jain & Mishra, 2018; Huang et al., 2019; Yang, et al., 2018). These results align with researchers (Arruda Filho et al., 2020; Li & Kambele, 2012), who explain that luxury products’ perceived value influences purchase intention. The hedonic dimension has a more substantial effect than the practical value. Pleasure, escape, or consumer feelings become the basis of hedonism. Luxury product attributes help meet consumer expectations when seeking fun. Besides, social value influences assessment in the buying process. Luxury brands involve exclusivity and awareness of a brand. The studies explain that the perceived value has a very crucial relationship for the consumer in deciding to consume luxury products because high expectations and excellent treatment can be personalized from luxury products (Keller, 2017; Petraviciute et al., 2020).

In studies conducted by Arruda Filho et al. (2020), Park et al. (2021), and Rouibah et al. (2021), perceived value has a positive relationship and a significant effect. The latest studies explain that social-commerce adoption is driven by perceived value factors: utilitarian and hedonic factors. Consumers find it essential to recommend the excellent deal they have earned to their social media community. Consumers’ perceived value regarding luxury product brands has involvement in social media. Consumers tend to express interest by commenting on luxury brands and discussing status in their social circles. This action allows them to connect themselves with the community to express themselves. Other studies (Mayr & Zins, 2012; Shaikh et al., 2018) also explain that perceived value influences E-WoM (Electronic Word of Mouth). The studies demonstrate that perceived value combines utilitarian, hedonic and social values. Consumers’ perceived value can predict E-WoM and the search for a lack of alternatives. E-WoM is a positive and negative statement of a product made by a customer for a product. The higher the perceived value, the more someone commits to the brand and recommends it to others. Some studies support a positive relationship between perceived value and E-WoM (Mukerjee, 2018; Choi et al., 2017; Gan & Wang, 2017). Perceived value influences customer behavioral intentions, especially on the WoM. Consumers will provide recommendations based on the value they receive. The higher the value consumers feel for a product, the more they recommend it. Reputation via E-WoM has a crucial role in consumers’ consideration to buy. The better consumer perceived value will affect increasing positive WoM. Risk perceived by consumers influences the desire for buying and the credibility of E-WoM. Advanced technology allows the consumer to share and earn information wherever and whenever. A strong E-WoM bond gives credible information to consumers related to a product. Perceived value becomes determinant in sharing information on social media or Social-WoM (Hsu et al., 2017; Nam et al., 2020; Wang et al., 2018).
Word of Mouth or WoM, in the form of social media, is a new form of digital communication that plays an essential role in sharing information. Not a few people share their experiences using luxury products through social media. Users accelerate WoM through Social WoM. The occurrence of E-WoM could not be separated from the consumers’ experiences of the goods they consume. Social media users play a necessary part in leading opinions. Social WoM has a positive relationship with and significantly affects purchase intention. When swapping information via Social WoM, consumers will continue evaluating the product. E-WoM could positively persuade consumers to recommend a product and influence purchase intention. The existence of digital WoM encourages consumer interest to more easily influence purchase intentions. In addition, E-WoM can improve a company’s image. E-WoM has a positive relationship with purchase intention. However, if E-WoM with a weak bond has a different view with E-WoM with a strong bond, consumers will follow E-WoM with a strong bond that is considered more credible (Liao et al., 2021; De Canniere et al., 2010). Sources of information affect purchase intention. Consumers construct perceived value to generate purchase intentions and decisions about final buying behavior. The existence of digital WoM encourages consumer interest to more easily influence purchase intentions. In addition, E-WoM can improve a company’s image. E-WoM has a positive relationship with purchase intention. However, if E-WoM with a weak bond has a different view with E-WoM with a strong bond, consumers will follow E-WoM with a strong bond that is considered more credible (Liao et al., 2021; De Canniere et al., 2010; Siqueira et al., 2019). Other studies show that the use of electronic media does not affect purchase intention. The previous studies explain E-WoM’s influence on purchase intention. However, not all E-WoM influen ces purchase intentions. Social WoM, based on a customer’s review, fails to influence purchase intention because of distrust in information. Information provided by other customers is still not trustworthy enough (Badir & Andjarwati, 2020; Dwidienawati et al., 2020; Yusuf & Busalim, 2018). Online communities, namely social media, allow users to obtain information through interactions with relatives. This interaction can create an emotional response. In social media, individuals will likely receive informational support. Especially in online social media, consumers will feel cared for and need to share experiences. This study emphasizes that social media does not affect engagement in WoM (Chevalier & Mayzlin, 2006; Yan et al., 2016). A brand attitude develops from brand exposure knowledge related to functional and symbolic brand attributes formed by consumers through a marketing experience (McClure & Seock, 2020). Brand attitude is the consumers’ expression of evaluation at a brand; attitude manifested in consumers’ choice. Brand attitude positively influences purchase intention. Intention behavior of a consumer at a brand functionally has a connection with perception and evaluation of the brand. It shows that one’s intention behavior depends on his or her attitude, so purchase intention is a result held by consumers about the brand (Wang et al., 2019; Liu et al., 2017; Paradhan et al., 2016). Attitude is the primary determinant in carrying out certain behaviors. An individual’s social behavior is motivated by his or her attitude towards that behavior. Individuals involved with the product have strong attitudes that, in line with previous studies, the relationship between brand attitudes and purchase intentions is positive and significant. The more positive the brand attitude, the more likely you are to buy the product (Chin et al., 2020; Paradhan et al., 2016; Medina-Molina et al., 2021). Therefore, high engagement could increase behavior consistency. Consumers who have a high level of consumer knowledge allow for strong confidence in purchase decisions (Lee et al., 2017). Other studies explain that consumer attitudes toward a brand positively correlate with purchase intention and readiness to pay for it. Comfortable Feeling with a particular brand makes consumers want to pay premium prices even if the available alternative is cheaper (Kudeshia & Kumar, 2017; Salem & Chaici, 2018). The brand attitude becomes intentional behavior. Brand awareness and consumer perceptions can, directly and indirectly, influence consumers’ purchase intentions. It is in line with the Theory of Reasoned Action which supports the paradigm that brand attitude leads to purchase intention behavior (Kudeshia & Kumar, 2017; Ajzen, 1991). Based on this literature review, the conceptual model as the research framework relating the Perceived Value, Brand Attitude, and Social WoM is shown in Figure 1. This study aimed to establish a model of the interaction of factors (Perceived Value, Brand Attitude, and Social WoM) influencing purchase intention today for luxury product marketing in Indonesia.
Following the literature review and the aims of the study, the hypothesis formulation based on the research framework is as follows:

\( H_1: \text{Perceived Value influences Purchase Intention.} \)

\( H_{1.a}: \text{Hedonic Value is accurate as a formative component of Perceived Value.} \)

\( H_{1.b}: \text{Social Value is accurate as a formative component of Perceived Value.} \)

\( H_{1.c}: \text{Effect of Functional Value is accurate as a formative component of Perceived Value.} \)

\( H_2: \text{Perceived Value influences Social WoM.} \)

\( H_3: \text{Social WoM Value influences Purchase Intention.} \)

\( H_4: \text{Brand Attitude affects Purchase Intention.} \)

2. METHODS

Social media users in Indonesia were the subject of this study. Those who do not intend to buy luxury products were excluded. This study only observed one condition. Therefore, future results in different countries should consider current needs and require multiple treatments. According to the time dimension, a cross-sectional study was used to collect data once or only once in a certain period. This study used a quantitative type. It also used the Smart-PLS application in processing the data. The primary data sources were respondents who used Instagram and WhatsApp and would buy luxury products.

The research sample size referred to Hair et al. (2010) is 180 participants. The convenience sampling method was used. The respondents were 385 (381 complete survey data and four incomplete survey data). The Lime Survey was a tool in this study to collect the data accessed online. This study measured the answers to the questionnaire statement items using a Likert scale. The variables in the study were measured using five weight intervals from 1 (Strongly Disagree) to 5 (Strongly Agree). The Perceived Value variable was adopted from Shukla and Purani (2012), including nine items consisting of Social Value (5 items), Hedonic Value (2 items), and Functional Value (2 items). Social WoM (3 items), Purchase Intention (3 items), and Brand Attitude (3 items) were adopted from other valid instruments (Park et al., 2021; Hung et al., 2011; Salehzadeh & Pool, 2017).

This study used bootstrapping to process SEM. Bootstrapping is a method that uses original samples for resampling (Ghozali & Latan, 2015). The following is an analysis of Smart-PLS carried out in two stages: Outer Model Analysis and Inner Model Analysis. The CFA testing of this study used the second order. This research model was a reflective and formative model. The approach of this study in analyzing the second-order CFA used the repeated indicator approach or Hierarchical Component Model. The inner or structural model
describes the causality between the research variables or the research hypothesis (Hartono, 2011). In evaluating the structural model, it can be explained by several things, which include the following: Inner Variance Inflated Factor (VIF), Hypothesis Testing, and Model Quality.

3. RESULTS

Aiming to examine the influence of public attitudes on the intention to consume luxury products, this research with social media users who like luxury involved 381 respondents. Characteristics of respondents show that people willing to fill out questionnaires who have the intention to purchase luxury spread across Indonesia. Based on the results of the survey conducted, Table 1 shows the respondent distribution.

| Table 1. Respondents criteria |
|-----------------------------|
| Age Group                  | Frequency |
| Less than 25 years old      | 175        |
| 25-35 years old             | 118        |
| 35-45 years old             | 45         |
| Over 45 years               | 43         |
| Total                       | 381        |
| Gender                      | Frequency |
| Woman                       | 234        |
| Man                         | 147        |
| Total                       | 381        |
| Domicile                    | Frequency |
| Aceh                        | 5          |
| Bangka Belitung              | 9          |
| Central Java                | 48         |
| East Kalimantan             | 14         |
| Central Sulawesi            | 23         |
| DKI                         | 36         |
| Riau                        | 20         |
| South Sumatra               | 13         |
| West Java                   | 29         |
| NTB                         | 16         |
| West Sumatra                | 3          |
| DIY                         | 165        |
| Total                       | 381        |
| Profession                  | Frequency |
| Student/Student             | 115        |
| Government employees        | 48         |
| Private employees           | 155        |
| Entrepreneur                | 63         |
| Total                       | 381        |
| Income per month            | Frequency |
| IDR 5,000,000-7,500,000     | 92         |
| IDR 7,500,000-10,000,000    | 46         |
| More than IDR 10,000,000    | 29         |
| Total                       | 381        |

According to Table 1, the distribution of people who love luxury products is dominated by people aged less than 25 years and 25-35 years. At that age, one is looking for their identity and builds it through status symbols. Based on gender, women are more likely to go shopping than men, especially when buying luxury products. Women dominate in shopping intentions to seek happiness and self-satisfaction. The data shows that through a distributed survey, most of the respondents who have the intention to buy luxury products are from the DIY province. The occupations of people who buy luxury products tend to be private employees and are followed by students based on income, IDR 2,500,000-IDR 5,000,000, included in the middle-class, buy luxury products.

Products that tend to be in demand by the public are the types of electronics. Table 2 shows the detail of luxury product demand. According to Table 2, the luxury products that are still in high demand are Mobile phones (196).

| Table 2. Types and brands of products |
|--------------------------------------|
| Criteria                | Type      | Brand Name         | Frequency |
| Car                     | Toyota, Pajero, Mercedes, Honda | 86         |
| Motorcycle              | Kawasaki, Honda       | 6          |
| Bicycyle                | Brompton           | 3          |
| Dress                   | Zara, Uniql, HnM, Hush Puppies, Stradivarius | 196         |
| Sandals                 | Charles and Keith, Nike, Sketcher   | 20         |
| Wristwatch              | Button scarves      | 8          |
| Mobile phone            | Samsung, Apple, Oppo | 196        |
| Camera                  | Sony, Fuji         | 5          |
| Laptop                  | Dell, Asus        | 8          |

From the collected data in terms of Perceived Value, Brand Attitude, Social WoM and Purchase
Intention, Table 3 shows the reliability and the validity of items.

Convergent validity describes the indicators used to measure the magnitude of the correlation between constructs and latent variables. The rule of thumb for convergent validity is the factor loading value > 0.7 (2nd Column) and the AVE value > 0.5 (4th Column). According to Table 3, all items are valid based on factor loading and AVE value. The reliability of the variables was measured by Cronbach’s alpha and composite reliability (CR). Criteria for a construct are reliable if the value is higher than 0.6. Discriminant Validity explains the different construct measurement. Table 4 shows this result, so it should not be highly correlated. If the square root value of AVE has a higher value than the correlation value between constructs, it means that it meets discriminant validity.

Table 4 shows the square root of the AVE by looking through each latent variable that has a higher value than the correlation value between a latent variable and other latent variables. This result shows that the questionnaire instrument compiled has good discriminant validity by measur-

| Instrument Items                                      | Perceived Value | Factor Loading | Cronbach Alpha | AVE    | Composite Reliability |
|-------------------------------------------------------|-----------------|----------------|----------------|--------|-----------------------|
| Social Value                                          |                 |                |                |        |                       |
| Owning luxury goods indicates a symbol of achievement. |                 | 0.780          |                |        |                       |
| Owning luxury goods indicates a symbol of wealth.     |                 | 0.847          |                |        |                       |
| Owning luxury goods indicates a symbol of prestige.  |                 | 0.803          |                |        |                       |
| Luxury goods are essential for me because they make me feel accepted in my work circle. |     | 0.883          |                |        |                       |
| I purchase luxury goods to gain/increase social status.|                 | 0.887          |                |        |                       |
| Hedonic Value                                         |                 | 0.613          | 0.711          | 0.830  |                       |
| It is important to me to own really nice things.      |                 | 0.760          |                |        |                       |
| Buying luxury accessories gives me a lot of pleasure. |                 | 0.919          |                |        |                       |
| Functional Value                                      |                 | 0.771          | 0.813          | 0.897  |                       |
| In my opinion buying a luxury product is really useful. |                 | 0.910          |                |        |                       |
| I consider my purchase of a luxury product to be practical. |         | 0.894          |                |        |                       |
| Social WoM (SW)                                       |                 | 0.810          | 0.727          | 0.888  |                       |
| I’m likely to post status/photos/comments about the luxury items I possess on my social network. | | 0.748          |                |        |                       |
| I would recommend the luxury items to my friends and relatives. | | 0.915          |                |        |                       |
| If my friends were looking for a new item, I would tell them to try the luxury items I have used. | | 0.886          |                |        |                       |
| Brand Attitude                                        |                 | 0.883          | 0.810          | 0.927  |                       |
| A [Brand] brand is very desirable.                    |                 | 0.893          |                |        |                       |
| I find [Brand] products very attractive.              |                 | 0.909          |                |        |                       |
| I like the brand [Brand] very much.                  |                 | 0.897          |                |        |                       |
| Purchase Intention                                    |                 | 0.728          | 0.647          | 0.846  |                       |
| I have a solid possibility to purchase luxury items.  |                 | 0.820          |                |        |                       |
| I’m likely to purchase luxury items.                  |                 | 0.808          |                |        |                       |
| I have a high intention to purchase luxury items.     |                 | 0.811          |                |        |                       |

Table 4. Discriminant validity

| Factors       | Brand Attitude | Functional Value | Hedonic Value | Purchase Intention | Social Value | Social WoM |
|---------------|----------------|------------------|---------------|--------------------|--------------|------------|
| Brand Attitude| 0.900          |                  |               |                    |              |            |
| Functional Value| 0.527          | 0.902            |               |                    |              |            |
| Hedonic Value | 0.561          | 0.677            | 0.843         |                    |              |            |
| Purchase Intention| 0.549          | 0.534            | 0.535         | 0.804              |              |            |
| Social Value  | 0.282          | 0.524            | 0.501         | 0.395              | 0.841        |            |
| Social WoM    | 0.341          | 0.540            | 0.502         | 0.444              | 0.688        | 0.853      |
ing it through the Fornell-Larcker approach. It means that the construct is different from other constructs.

Table 5 shows the measurement of the weight significance. It shows that all formative components of Perceived Value have a p-value less than 0.05. Therefore, these three factors explain the Perceived Value variable.

Inner VIF determines the multicollinearity between variables that influence endogenous variables (see Table 6). According to Table 6, the VIF value of each variable was less than 5. It implies that the multicollinearity symptom does not exist, and the next step is to test the research hypothesis.

According to Table 7, the R-square value of Purchase Intention is 0.419. The joint influence of Social WoM, Perceived Value, and Brand Attitude on Purchase Intention is 41.9%. Other variables influence the remaining 58.1%. The value of R-square can be said to be moderate to high.

Smart-PLS has issued a p-value to perform each evaluation and compare it with a predetermined alpha (0.05). If the output has a p-value <0.05, the hypothesis is said to be significant. Table 8 shows the decision of the hypotheses.

The value of R-square is used to determine the variation of changes in the independent variable. R-square value criteria are 0.67 (high), 0.33 (moderate), and 0.19 (weak). Table 7 shows the R-square result.

Table 8. Hypothesis testing

| Hypothesis | Path Coefficient | T Stat. (|O/STDEV|) | p-value | Description |
|------------|------------------|----------------|---------|-------------|
| H₁        | 0.320            | 4.788           | 0.000   | Accepted    |
| H₁.a      | 0.140            | 16.622          | 0.000   | Accepted    |
| H₁.b      | 0.041            | 30.136          | 0.000   | Accepted    |
| H₁.c      | 0.172            | 21.902          | 0.000   | Accepted    |
| H₂        | 0.734            | 25.381          | 0.000   | Accepted    |
| H₃        | 0.080            | 1.276           | 0.203   | Rejected    |
| H₄        | 0.378            | 6.263           | 0.000   | Accepted    |
4. DISCUSSION

This result shows that the higher the perceived value of a person, the higher the purchase intention. These results are in line with the study by Jain and Mishra (2018). In increasing consumer purchase intention, companies need to provide more value. The marketing of luxury products requires balancing to meet global market demands and protect brands from counterfeiting (Lacroix & Joilbert, 2017). In enhancing the competitive position of luxury brands, companies need to focus on the customer and design and develop attractive and high-quality products so that the perceived value affects the purchase decision (Liu et al., 2017).

Functional value, hedonic value, and social value are relevant dimensions of perceived value. Marketers in increasing purchase intention need to pay attention to aspects of hedonic value, functional value and social value in considering perceived value. This finding also shows that consumers with higher priority pay for luxury brands (Salem & Chaici, 2018). Consumers display the value of consumption in the buying behavior of their luxury brand products. They understand and pursue total values associated with luxury products (Huang et al., 2019; Yang et al., 2018).

Marketers need to consider emphasizing intrinsic value to customers in their marketing strategies. For consumers only having luxury products, perceived social value and lifestyle interactions affect willingness to buy (Petraviciute et al., 2020). Trend of Indonesian consumers to convey personality by owning goods brands from the lifestyle of global and national luxury products deciphers attention-seeking status on the side of Indonesian consumers. They, by collective share, become two behaviors because consumption of flashy global luxury or national luxury products is also as show off event (McClure & Seock, 2020).

Consumption of luxury products and social media use keep increasing, and the relationship between consumption of luxury goods and digital use have a future orientation (Tien et al., 2019; Paradhan et al., 2016). Consumers who perceive the value of luxury products, brands and services show higher engagement in Social WoM. In social media, the perceived value of luxury encourages consumers to post statuses to friends, family, and relatives, encourages comments about luxury brands and provides recommendations. WoM communication plays an essential role in influencing buyer behavior decisions (Wang et al., 2018). Besides, the development of WOM in the online realm has also
received attention for luxury products. In addition, consumers tend to evaluate the value of luxury as a whole, which sincerely reflects the perception of the value of personal luxury. The perceived value certainly affects the unique involvement of Social WoM. Consumers feel important in recommending the excellent value they get in their social group. Even though the proposed effect is nothing new, some previous studies have confirmed that WoM on social media will push involvement in sharing information about luxury (Park et al., 2021; Zhang et al., 2010).

In this study, Social WoM did not significantly affect purchase intention. This result might be caused by the rejection of the information received (Dwidienawati et al., 2020). Social WoM is done through online media to trigger the credibility of the doubtful informants. However, digital has an essential role in exchanging information among social media users. The results show that their various experiences of luxury products on shared channels for self-expression are not supported. Social WoM has a positive relationship with purchase intention. Increasing Social WoM on various social media sites related to luxury products will encourage increased purchase intention. Conversely, if Social WoM is low, it will reduce purchase intention. This study aligns with other studies (Badir & Andjarwati, 2020; Yusuf & Busalim, 2018; Tjhin & Aini, 2019).

This study shows that brand attitude has a significant positive effect on consumer purchase intention. This finding aligns with Tjhin and Aini (2019) and Chin et al. (2020) that customer attitudes towards a brand strongly influence purchase intention. Purchase intention arises as a result of the attitude formed towards a brand. Brand attitude can increase a person’s motivation to encourage purchase intention towards a brand (Lee et al., 2017). Positive consumer perceptions of a brand’s superiority can increase purchase intention on luxury products. The higher the brand attitude toward a consequence, the higher the consumer’s purchase intention. On the contrary, if the brand attitude of a luxury product is low, it can lead to a lack of purchase intention of consumers (Salehzadeh & Pool, 2017).

This study provides insight for managers and marketers in luxury products both locally and internationally in understanding consumer behavior when choosing a product. In addition, this study shows that perceived value plays a role in Social WoM and brand attitude. Companies need to ensure their products are compatible with social media sites. Besides, companies also need to provide media as attractive as possible and encourage purchase intention. In achieving a competitive differential advantage, it is crucial to maintain a positive image on the internet and social media because perception plays a vital role in the consumer’s willingness to buy, and also to focus most on passive consumer behavior in using Social WoM on their purchase intentions. Consumers only seek information and the opinions of others. In addition, according to this study, companies need to pay attention to marketing strategies in encouraging consumers to engage in Social WoM based on consumers’ perceptions of luxury.

CONCLUSION

The purpose of this study is to find out the fit model of the relationship of the factors influencing purchase intention today for luxury product marketing. It provides a new understanding of marketing innovations for luxury products from the consumer’s behavior during the pandemic. The conceptual
model based on the literature review explained that perceived value, brand attitude, and social WoM were the essential factors influencing purchase intention. Tests on this model described that perceived value and brand attitude affect purchase intention, while social WoM does not. In addition, functional, hedonic, and social values can be used as a formative component of perceived value. This implies that in marketing practice, strengthening perceived value and brand attitude is very important even though the existence of social WoM is still essential in increasing purchase intention.

AUTHOR CONTRIBUTIONS

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