

UNDERSTANDING CUSTOMER BEHAVIOUR OF PURCHASING LUXURY PRODUCT THROUGH THE LENS OF COMPLEMENTERY THEORY

Hasnun Anip Bustaman¹

Ismail Ishak²

Maznah Abdullah³

Nik Rozhan Nik Ismail⁴

¹Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kelantan, Kampus Machang, Malaysia, (Email: hasnu380@uitm.edu.my)

²Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kelantan, Kampus Kota Bharu, Malaysia, (Email: isma447@uitm.edu.my)

³Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kelantan, Kampus Kota Bharu, Malaysia, (Email: mazna997@uitm.edu.my)

⁴Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kelantan, Kampus Kota Bharu, Malaysia, (Email: rozhan@uitm.edu.my)

Article history

Received date : 2-3-2024

Revised date : 3-3-2024

Accepted date : 7-4-2024

Published date : 30-4-2024

To cite this document:

Bustaman, H. A., Ishak, I., Abdullah, M., & Nik Ismail, N. R. (2024). Understanding customer behaviour of purchasing luxury product through the lens of complementery theory. *International Journal of Accounting, Finance and Business (IJAFB)*, 9 (54), 38 - 52.

Abstract: *This research examines the complex interaction of cultural, economic, and social elements that influence consumer behavior towards luxury items in the Malaysian online market. The cultural meaning of luxury products is strongly influenced by society ideals that prioritize status and prestige, leading to a widespread desire for these things as indicators of social position. The economic delves into increasing in disposable income among Malaysian consumers associated with rising inclination towards luxury products. Furthermore, the study investigates the significant influence of brand perception on purchase intentions, clarifying the connection between luxury brands and characteristics such as exclusivity, quality, and social standing. The phenomena are fully analyzed by gathering information through cross sectional survey study. Significantly, the assessment of the worth and excellence of high-end goods in relation to their cost emerged as a crucial factor for buyers. In addition, this study emphasizes the important impact of peer influence and society norms in changing people's intents to make purchases. Recommendations and societal validation are identified as crucial factors that strongly affect the decision-making process. Marketing methods, namely those implemented via social media platforms and influencer endorsements, have a substantial role in molding customer attitudes. The key is consumers' exposure to luxury markets worldwide. This exposure plays a role in shaping the changing patterns of luxury consumption in the country. This study enhances comprehension of the intricate forces that influence the desire to buy luxury goods in Malaysia, providing useful knowledge for marketers and firms seeking to connect with the Malaysian consumer market.*

Keywords: *Functional, Financial, Individual, Social, Pro-Environment Social Identity Value, Luxury Value Theory and Value Believe Norm Theory*

Introduction

Luxury products have gained acceptance in Malaysia over the years due to a growing affluent class and changing consumer preferences (Kassim & Zain, 2016). Malaysia, with its vibrant economy and a mix of cultural influences, has become an attractive market for luxury brands. Owning luxury products is often seen as a symbol of success and social status, which further drives the demand for such items (Dubois, 2020). For economic development, Malaysia's rapid urbanization and industrialization have led to an increase in the number of high-net-worth individuals, fostering the demand for luxury products. Luxury products also can affect the Growing Affluent Middle Class, Malaysia's economy has experienced significant growth, leading to an expanding middle class with higher disposable incomes. This has created a larger customer base for luxury products. However, As the acceptance of luxury products grows, owning such items has become more about personal satisfaction and appreciation for quality rather than just displaying wealth (Al-Issa, Kwiatek, & Dens, 2024).

The importance of luxury products in Malaysia's economy cannot be understated. As a nation that has seen significant economic growth and transformation over the past few decades, luxury consumption has emerged as a key driver of economic activity. The purchase of luxury products contributes significantly to Malaysia's retail sector, tourism industry, and overall economic prosperity. These purchases stimulate business activity, support employment, and generate revenue for the government. In addition, bolster the country's image as a hub for luxury retail, attracting both domestic and international consumers.

According to Euromonitor International's report on "Luxury Goods in Malaysia" (2020), the Malaysian luxury market was valued at MYR 3.7 billion in 2019, with diverse product categories, including fashion, watches, jewelry, automobiles, and high-end technology. The growth of the luxury market reflects not only increasing disposable incomes but also the global recognition of Malaysia as a thriving luxury shopping destination. Luxury products play a vital role in the Malaysian economy, fostering economic growth and enhancing the country's reputation as a center for luxury consumption.

Euromonitor International's report on "Luxury Goods in Malaysia" (2020) highlights Malaysia's relevance in the global luxury landscape, indicating a diverse and desirable range of luxury products. This recognition encourages repeat purchases and attracts consumers specifically seeking luxury items, positively influencing purchasing. In summary, Malaysia's marketing image as a luxury shopping destination and prominent player in the global luxury market significantly influences luxury purchasing.

A study found, some individuals seek to stand out from others or desire to be part of an elite social class. In Asian nations, it is common for younger consumers to have at least one luxury goods by the age of 21 when it comes to getting them. According to a 2022 report by Bain & Company, in ASEAN, Malaysia has the fourth-largest market for luxury goods (see **Table 1**), after Singapore, Thailand, and Indonesia. However, Malaysian customers have a strong need for authenticity and quality, making them some of the most discriminating in the world. They are also increasingly looking for sustainable and ethical luxury brands.

As illustrated in Table 1, Malaysia's market for luxury products is less than Singapore and Thailand, but it is expanding more quickly. This is due to a few factors, including a growing middle class, rising disposable incomes, and increasing exposure to global trends. According to a 2023 report by Bain & Company, Malaysia has the highest growth in Southeast Asia's luxury sector with sales increasing by 13% annually. The study also discovered that Malaysian customers are becoming more and more driven to purchase luxury goods because of its social value, such as to raise their status and image.

Table 1: Luxury goods market for luxury goods in ASEAN

| Country | Luxury good market size (USD billion) | Luxury good market growth rate (%) |
|-----------|---------------------------------------|------------------------------------|
| Singapore | 10 | 10 |
| Thailand | 8 | 12 |
| Indonesia | 7 | 15 |
| Malaysia | 6 | 13 |
| Vietnam | 3 | 20 |

There are some notable similarities between Malaysian consumers of luxury goods and those in other ASEAN nations, but there are also some differences. Consumers in ASEAN are becoming more conscious of social and environmental concerns, which is driving up demand for luxury brands that are ethical and sustainable. The reason for this is that people are starting to worry more about how their consumption affects society and the environment. Demand for sustainable and ethical luxury products is a result of ASEAN consumers' increased consciousness of social and environmental concerns. The reason for this is that customers are growing increasingly worried about how their purchases affect society and the environment.

Malaysia, a nation known for its rapid economic development and rich cultural diversity, provides a fascinating backdrop to explore the motivations and values that underpin luxury product purchases (Kassim & Zain, 2016). Nevertheless, despite this seemingly advantageous situation, the luxury industry in Malaysia nevertheless faces complex and varied obstacles. Various socio-cultural, economic, and psychological aspects impact consumers acquire luxury products (Economist, 2019).

Furthermore, considering the rise of online shopping and evolving customer tastes, understanding the subtle complexities of purchase is crucial for both local and global luxury companies (Raman, Thursamy, & Bambacas, 2013). To effectively understand and manage the difficulties of purchase of luxury product in Malaysia, it is important to thoroughly analyze the elements that influence customers, considering their growing variety and sophistication. This has been emphasized by Ayupp, Ling, & Tudin (2013) and Rehman & Al-Ghazali (2022) in their research.

This research proposal aims to comprehensively examine the interplay between pro-environmental values and various consumer values such as self-identity, functional value, financial value, individual value, and social value in the context of luxury consumption in Malaysia.

Literature Review

Purchasing Luxury Product

Purchase of luxury products is influenced by a variety of factors. One of them are factors of perceived quality (Shahid, Islam, Farooqi, & Thomas, 2023). Consumers are willing to pay a premium for them because luxury goods are perceived as being of greater quality than non-luxury goods. Research has indicated that one of the key elements affecting a consumer's preference to acquire luxury goods is perceived quality. Furthermore, brand image influences purchase intention for luxury products. Luxury brands use high-quality materials, design, and craftsmanship along with restricted manufacturing and distribution to establish a feeling of desirability, exclusivity, and distinction (Park, Koo, & Kim, 2023). Through social media, celebrity endorsements, and advertising, they also construct a powerful brand image. Customers who buy luxury goods are frequently lured to the brand's image and the ideals it stands for, which include improvement, wealth, success, and status. Next luxury goods can have social value because they are frequently viewed as status, money, and success symbols. Buying luxury goods could be a way for someone to show others that they are wealthy and have attained a high social standing. In societies where prestige and status are significantly valued, this can be particularly important. For instance, Liu et al.'s study from 2021 indicated that social value was a strong predictor of Chinese consumers' intentions to buy luxury cars. Lastly, luxury goods are often expensive, and consumers' income levels have a significant influence on their purchase intentions because they are generally associated with higher ability to afford luxury goods and higher willingness to spend more on discretionary items. Higher income groups may also be more exposed to luxury goods through social media, travel, and celebrity endorsements. This is due to the fact that luxury firms frequently focus their marketing and advertising efforts on affluent consumers and collaborate with influencers and celebrities to promote their goods.

Functional Value Perceptions

Functional value is defined as the degree to which a service or product possesses the intended qualities, is beneficial, or executes the intended purpose (Tynan, McKechnie, & Chhuon, 2010). Functional value is concerned with attributes of a product that are distinct from others, including quality, specificity, usability, reliability, and durability (Chattalas & Shukla, 2015; Hennigs, Wiedmann, Klarmann, & Behrens, 2013; Wiedmann, Hennigs, & Siebels, 2009). Luxury products ought to fulfil three key criteria: usability, superior quality, and sufficient exclusivity to fulfil consumers' aspirations for self-distinction (Wiedmann et al., 2009). Consequently, to satisfy the demands of consumers, every product is engineered to execute particular functions (Chattalas & Shukla, 2015). Therefore, among luxury consumers, functional value can increase the likelihood of a purchase (Shukla & Purani, 2012). In addition, multiple prior studies have found that perceptions of functional value have a substantial predictive effect on intentions to purchase luxury items (Makhitha & Ngobeni, 2021). Functional value may increase purchase intent among Angolan consumers in the context of this study.

According to previous research the perceived functional value would impact the purchasing of luxury products (Chattalas & Shukla, 2015). The investigation found evidence to support the relationship. This implies that the practical utility and functional attributes of luxury products did have a substantial impact on the purchasing of luxury consumers. This result is consistent with the findings of a prior study that similarly observed that the functional attributes of luxury products did statistically significant to influence the perception of luxury brands (Canguende-Valentim & Vale, 2021). It suggests that consumers may not be as motivated by economic or practical considerations when purchasing luxury goods.

H1: There is a significant relationship between Functional Value Perception and purchase of luxury product.

Financial Value Perceptions

Financial value perception encompasses various aspects of value-related matters such as investment potential, pricing, resale value, and discounts (Hennigs et al., 2013). Although luxury consumers are frequently prepared to pay a premium for luxury goods, their objective remains the same: to optimize the benefits while minimizing the associated costs (Wu & Yang, 2018). According to Shukla & Purani (2012), the exclusivity and convenience linked to a luxury brand can be elevated by a greater initial investment. Consumers often perceive elevated prices as signifying product excellence and social standing. Furthermore, they expect to obtain optimal value for their investments in luxury goods (Shukla & Purani, 2012). It is imperative to acknowledge that the cost of a product or service does not inherently determine its status as a luxury item, nor does its price tag automatically certify it as such (Wiedmann et al., 2009). Consequently, among luxury consumers, the intention to purchase may be increased by the perception of financial value, as multiple studies have demonstrated that such perceptions have a substantial impact on the to buy luxury items (Makhitha & Ngobeni, 2021).

The authors Shukla & Purani (2012) of the prior study reported that the financial value perception did influence the purchasing of luxury product. Similar in the Makhitha & Ngobeni (2021), the study did find support for the relationship. In other words, the financial aspects of luxury products, such as their investment potential or cost-effectiveness, did have a significant impact on the purchase intentions of consumers. This finding is in line with the notion that the financial value of luxury items may be a primary consideration for consumers in the luxury market.

H2: There is a significant relationship between Financial Value Perception and purchase of luxury product.

Individual Value Perceptions

Individual value perception of luxury products refers to an individual's subjective evaluation of the desirability and value of a luxury item. Personal experiences, cultural influences, brand recognition, product quality, exclusivity, emotional connections, price, utility, and status all exert an impact on it. This viewpoint is subjective and influenced by both internal and external factors. Personal values, including materialism, hedonism, and self-identity, are referred to as individual value perception in accordance with the customer's personal orientation toward luxury consumption (Hennigs et al., 2013). Consumers who are personally motivated prioritize self-awareness and hedonistic values over alternative consumption expectations (Shukla, 2012; Tsai, 2005). Increasingly, individuals are engaging in luxury consumption for the purpose of self-gratification, as opposed to the social motive of purchasing to impress others (Chattalas & Shukla, 2015). Therefore, it is plausible that the purchase intention of luxury consumers could be influenced by their perception of personal value, given that numerous studies have found personal value to be a significant predictor of luxury purchase intentions (Ercis & Celik, 2018). Perceived individual value may increase purchase intent among Angolan consumers in the context of this study.

H3: There is a significant relationship between Individual Value Perception and purchase of luxury product

Social Value Perceptions

Scholarly investigations that examine cooperation and competition are the origins of the notion of social value orientation (Chattalas & Shukla, 2015). The concept of perceived social value pertains to elements such as notoriety and status, and it centers on the practicality that individuals perceive as usefulness in goods or services that are acknowledged by social collectives (Hennigs et al., 2013). Social value perceptions pertain primarily to instrumental aspects of impression management-related outward-directed consumption preferences (Shukla, 2012). Thus, consumers may exhibit a strong preference for a prestige brand that is accompanied by prominent signage (Shukla, 2012). Consumers and members of their social groups place significant importance on the meaning of products. Consequently, consumers tend to make purchases based on the significance that these products hold for them and their social reference groups (Chattalas & Shukla, 2015; Wiedmann et al., 2009). Notably, conspicuous consumption of a product is influenced by the reference group (Wiedmann et al., 2007). In the contemporary era characterized by pervasive digital media, individuals are consistently confronted with a multitude of circumstances that elicit social comparisons with peers, friends, consumer groups, brand communities, and celebrities. These comparisons have the potential to impact their offline and online purchasing patterns (Pillai & Nair, 2021). Consumers frequently base their product purchases on personal significance and the opinions of individuals within their social reference groups (Wiedmann et al., 2007, 2009; Tynan et al., 2010). Hence, in an effort to conform to societal norms, consumers might engage in the consumption of luxury products if it is deemed socially acceptable (Chattalas & Shukla, 2015). A multitude of motivational factors influence the purchasing and ingesting habits of consumers. To acquire social status or prestige, for instance, is one of the primary incentives that drives consumers to buy and consume (Chattalas & Shukla, 2015). Perceptions of social value have been identified as a significant predictor of luxury purchase intentions in a number of studies (Jain & Mishra, 2018). Consequently, perceived social value may increase purchase intention among luxury consumers. Perceived social value may increase purchase intent among Angolan consumers in the context of this study.

According to the previous research (Jain & Mishra, 2018), for social value perception, the author stated perceived social value would impact the purchasing of luxury products. This relationship was significantly supported by the study's findings, which indicated that consumer perception of social value was the most significant predictor of the purchasing. In other words, prior research found that the desire to exhibit social status and accomplishments to others significantly influenced the purchasing of luxury products. In the market, where luxury is utilised as a means of social exhibit, this finding is consistent with prior research and suggests that the social aspect of luxury, such as status signalling, is especially pertinent. The findings also imply that the most important element influencing Angolan consumers' decisions to buy luxury products is social value. This is consistent with earlier work by Jain and Mishra (2018), Celik and Erciş (2018), Chattalas and Shukla (2015), and Sanyal et al. (2014). Additionally, the study shows that the influence of social value ($\beta=0.419$) in the Angolan context is greater than that found in Turkey ($\beta=0.311$) in Celik and Erciş (2018). According to the research, luxury goods in the Angolan market function as status symbols, enabling buyers to display their accomplishments within the country's collectivist cultural framework (Hofstede, 2020). The study emphasises how cultural factors shape how people perceive luxury and proposes a relationship between cultural traits like individualism and collectivism and the weight given to various luxury characteristics (Shukla and Purani, 2012).

H4: There is a significant relationship between Social Value Perception and purchase of luxury product.

Pro-environment Self-Identity

The concept of self-identity involves the interplay between an individual's social and personal identities, which work together to determine their current and future aspirations (Oyserman & James, 2011). Self-identity is shaped by internal motives that enable people to confirm and strengthen their convictions, principles, and character (Stets & Burke, 2000). Within the scope of this research, pro-environmental self-identity (PSI) refers to the degree to which people integrate the environmental label into their self-description (Kadic-Maglajlic, Arslanagic-Kalajdzic, Micevski, Dlacic, & Zabkar, 2019). It indicates a certain aspect of a person's self-concept related to being environmentally friendly. This aspect is expressed symbolically and is impacted by socio-cultural influences (Dermody, Koenig-Lewis, Zhao, & Hanmer-Lloyd, 2018). Based on prior studies, some self-identities, like PSI, have been shown to have a substantial impact on predicting and encouraging related behaviors. Research has shown that people who possess a robust pro-environmental self-identity are more inclined to participate in favorable sustainable behaviors, hence ensuring alignment between their beliefs and actions (Whitmarsh, O'Neill, & Lorenzoni, 2013). These people tend to make sustainable choices, such as buying organic foods (Pandey, Tiwari, & Khare, 2017), environmentally friendly clothing, and electric automobiles (Higuera-Castillo, Molinillo, Coca-Stefaniak, & Liébana-Cabanillas, 2019), to demonstrate their dedication to an environmentally sensitive way of life. This supports the idea that individuals look for external signals and group memberships to confirm their shared identity and strengthen positive self-affirming beliefs (Lim, Cheah, Ngo, Chan, & Ting, 2023). The Value Belief Norm Theory (VBN) hypothesis provides more support for the importance of self-identity in influencing behavior. According to this idea, people endeavor to maintain stability and exhibit behaviors that are consistent with and strengthen their self-perception (Stern, Dietz, Abel, Guagnano, & Kalof, 1999). Within the realm of sustainable luxury fashion, it is logical to suggest that individuals who possess a stronger pro-environmental self-identity are more inclined to actively participate in the consumption of sustainable luxury items and have a higher inclination to pay a higher price for them. Their eco-conscious self-identity would drive them to endorse sustainable luxury companies and harmonize their spending decisions with their principles and convictions.

The outcomes of the previous research indicate that PSI does have a substantial effect on desire to pay a premium price. This suggests that PSI does influence willingness to pay a premium price (Lim et al., 2023). This suggests that a consumer's self-identification as an environmentally conscious individual does not immediately impact their propensity to spend in environmentally responsible luxury goods. The study also proposes that pro-environmental self-identity (PSI) influences participation in sustainable luxury purchasing. This indicates that those who identify firmly as environmentally sensitive are more likely to actively seek out sustainable luxury items. Previous study has shown a relationship between people's degree of participation and their desire to alter or improve their identity (Dermody et al., 2018). According to the findings of these research, people who have a strong pro-environmental self-identity are driven to match their purchasing decisions with their values and beliefs. They are more likely to make sustainable choices and participate in good sustainable behaviours, such as buying organic foods, ecofriendly clothing, and electric vehicles. This suggests that people with a strong pro-environmental self-identity are more inclined to actively engage in and support sustainable luxury brands established by luxury businesses.

H5: There is a significant relationship between Pro-environment Self-Identity Perception and purchase of luxury product.

Value Belief Norm Theory (VBN)

The theory used in the literature review of this study is the concept of luxury value perception. Luxury value perception refers to how consumers subjectively evaluate and perceive the value associated with luxury goods. It encompasses four dimensions: perceived financial value, social value, and functional value.

Another theory is Value Belief Norm Theory (VBN) places significant emphasis on the influence of pro-environmental self-identity and values on consumer behaviour (Stern et al., 1999). It underscores the criticality of personal values and identification with environmental concerns in propelling the adoption of sustainable consumption practices. Engagement, which refers to individuals actively interacting with sustainable practices or products and forming effective connections with them, is also vital. As a result, sustainable consumption is propelled by values, beliefs, and norms; the VBN theory concludes by highlighting the significance of pro-environmental self-identity, values, and engagement in promoting environmentally responsible decisions and providing a comprehensive framework for comprehending this process.

Conceptual Framework

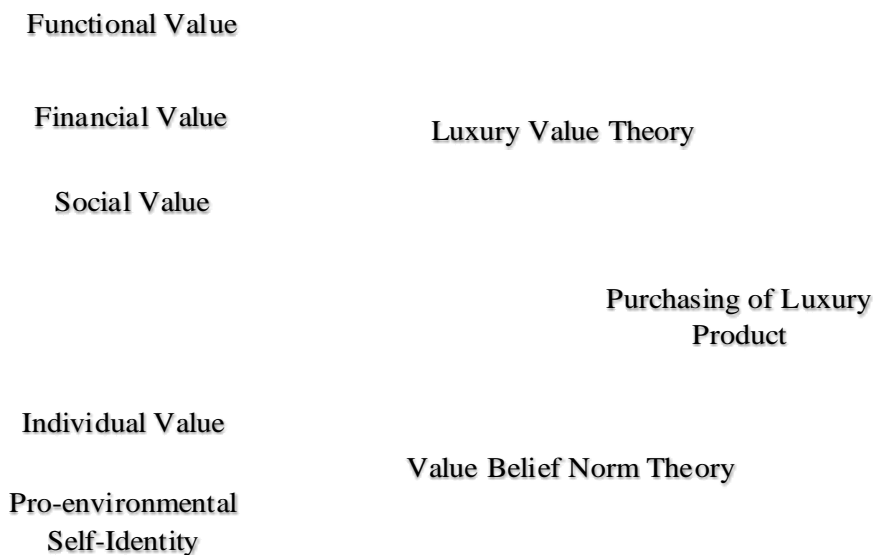


Figure 1: Conceptual Framework

Methodology

In this study, the researcher used non-probability sampling due to the unavailability of a comprehensive list of individuals eligible to be picked as participants. Researcher used purposive sampling. This sampling technique falls under the category of non-probability sampling. Purposive sampling is limited to individuals who possess the necessary knowledge, either because they are the only ones who have it or because they meet criteria established by the researcher (Sekaran & Bougie, 2016). Purposive sampling has been adopted for many

reasons. One reason is that not all consumers may offer the needed information for this investigation. Additionally, some customers do not meet the study requirements. The criteria for this research include customers who have experience purchasing luxury product and are willing to provide information about their emotions and opinions.

Measurement

The measurement for Pro-Environmental Self Identity was derived from the scale developed by Whitmarsh et al (2013). Meanwhile, the financial value, functional value, individual value, and social value (Wiedmann et al., 2007, 2009). Wiedman et al. (2009) proposed an integrated tri-partite model of these key values created by luxury. They distinguish functional, individual (luxury for self) and social values (luxury for others). Functional values remind that unlike art, luxury products have also to be extremely well performing. Individual values refer to self-identity values, hedonic benefits and liking materialism. Social values are fulfilled by luxury conspicuousness. Wiedmann et al. (2009) added a “financial value” to their model, but this remains awkward: Measured by an item like “Luxury is inevitably very expensive”, this is more a defining characteristic than a value *stricto sensu*. Finally, the overall luxury value perceptions and luxury purchase intentions scale from O’cass & McEwen (2004) and Shukla (2010). Participants were asked to rate their perceptions on a seven-point scale, ranging from "1=strongly disagree" to "7=strongly agree"3.

Data Analysis and Result

Consumers’ perceptions of luxury value appear to be determined mainly by functional value, individual value, social value, financial value and pro-environment self-identity dimension. Data were analyzed in three stages. First, the various dimensions underlying the luxury value perception were uncovered by Cronbach’s alpha of 0.600 or better is desired for any measurement scale (Robinson, Shaver, & Wrightsman, 1991), all factors were stable, with alphas of 0.803 to 0.923 (see **Table 2**). The research was motivated by the need for a clearer conceptualization and measurement of consumers’ luxury value perceptions.

Table 2: Cronbach Alpha

| No | Variables | Cronbach alpha | Items |
|----|-------------------------------|----------------|-------|
| 1. | Purchasing Luxury Product | 0.982 | 3 |
| 2. | Functional Value | 0.887 | 7 |
| 3. | Financial Value | 0.803 | 3 |
| 4. | Individual Value | 0.812 | 4 |
| 5. | Social Value | 0.972 | 3 |
| 6. | Pro-environment Self Identity | 0.982 | 3 |

Second, the data screening procedures are necessary in order to detect and identify the possibility of missing data due to invalid values might threaten the validity of the researcher’s findings (J. Hair, Hollingsworth, Randolph, & Chong, 2017). In this study, the preliminary data analyses were determined using SPSS version 26. The preliminary analysis includes a screening of data for the detection of missing data and detection of outliers, data distribution/normality test including the common method variance (CMV). The following sections discussed a few steps of screening processes.

Descriptive Analysis

A total of 135 respondents are quality for further analysis. Their demographics are as follows: 78 percent female; 45 percent Malay, 44 percent Chinese, 10 percent Indian, and 1 percent

others. Participants who aged below 22 years old are 23 percent while 22 years old and above are 77 percent. There are only nature of job involved which are accounting with 56 percent and 44 percent for finance course. Moreover, the means, standard deviations, and correlation for entire variables of present study showed in the **Table 3**.

Table 3: Correlation – Pearson Correlation

| | Mean | Std. Deviation | FUP | FVP | IVP | SVP | PSI |
|-----|---------|----------------|--------|--------|--------|--------|--------|
| FUP | 15.4741 | 4.01272 | | | | | |
| FVP | 21.8519 | 4.26285 | .536** | | | | |
| IVP | 16.1037 | 3.89465 | .629** | .507** | | | |
| SVP | 29.8815 | 8.00751 | .591** | .398** | .644** | | |
| PSI | 13.7926 | 4.56478 | .601** | .450** | .525** | .783** | |
| LP | 24.6519 | 6.44531 | .621** | .420** | .679** | .811** | .729** |

** . Correlation is significant at the 0.01 level (2-tailed), N – 135.

Path Coefficient

Based on the Table 4, it shows the coefficient of determination R² which provides information about the kindness of fit of regression model. R² is the percentage of the variance in the dependent variable that is explained by variation of independent variables. Based on table the R Square value is 73.7%. It means the purchase intention of luxury products in Kelantan can be explained by functional value perception, financial value perception, individual value perception, social value perception, pro-environmental self-identity and customer pro-environmental self-identity. The others 26.3% may be explained by others factor that are not included in this model. This r square is good because more than 0.60.

Table 4: Model of Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | F | Sig. |
|-------|-------|----------|-------------------|----------------------------|--------|-------|
| 1 | .859a | .737 | .725 | 3.38005 | 59.874 | .000b |

a. Predictors: (Constant), FVP, IVP, FUP, SVP, PSI

b. Dependent Variable: LP

Functional value perception does influence the purchase intention of luxury products in Malaysia. Then, the significance value for this variable is 0.023. This value is higher than 0.05 (see Table 5), so there is significant relationship between functional value perception and purchase intention of luxury products. For the beta value, if functional value perception increases by 1 unit, it means purchase intention of luxury products will increase by 0.117.

The other significant variable for this study is individual value perception. So, individual value perception does influence purchase intention of luxury products in Malaysia. Therefore, there is a significant relationship between individual value perception and luxury products. The significant value is 0.001 which is lower 0.05 (see Table 5). For the beta value, if individual value perception increased by 1 unit, so it means job performance will increase by 0.228.

Then, the next significant variable is social value perception. Thus, social value perception does influence purchase intention of luxury products in Malaysia. Therefore, there is significant relationship between social value perception and luxury products in Malaysia. The significant

value is 0.000 which is lower than 0.05 (see Table 5). For the beta value, if social value perception increases by 1 unit, so it means luxury products will increase 0.388.

Table 5: Path Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .785 | 1.719 | | .457 | .649 |
| | FUP | .187 | .107 | .117 | 1.750 | .023 |
| | FVP | -.063 | .086 | -.041 | -.726 | .469 |
| | IVP | .377 | .111 | .228 | 3.400 | .001 |
| | SVP | .313 | .069 | .388 | 4.527 | .000 |
| | PSI | .140 | .124 | .099 | 1.128 | .261 |

a. Dependent Variable: LP

Discussion

Regarding the result of the path coefficient, the effect of social value perceptions on purchase intention on luxury products has the value of 0.388, t statistic of 4.527, and a p-value of 0.000. Refers to hypothesis 1 (see Table 6), it is proposed that social value perceptions have positively influenced purchase intention on luxury products. As expected, the result showed that there is a significant positive relationship between social value perceptions and purchase intention on luxury products. Evidence for supporting the significant influences of the variables is based on previous research in line with the research hypotheses of this current study. Hence, H1 is supported. With reference to the previous study by (Shukla, 2012), The meaning of products is important to consumers and their social group members, and therefore, consumers generally buy products according to what they mean to them and their social reference groups (Chattalas & Shukla, 2015; Wiedmann et al.,2009), where the reference group has effects on conspicuous consumption of a product (Wiedmann et al.,2007). In today's digital age, with global media (online and offline) and its increasing presence, individuals are constantly exposed to various situations that trigger social comparisons with friends, peers, consumer groups, brand communities and celebrities that subsequently influence their purchasing behavior, both offline and online (Pillai & Nair, 2021).

Table 6: Hypothesis of study

| No. | Hypothesis | Result |
|-----|--|--------------|
| 1. | There is a significant relationship between Functional Value Perception and purchase of luxury product | Accepted |
| 2. | There is a significant relationship between Financial Value Perception and purchase of luxury product | Not Accepted |
| 3. | There is a significant relationship between Individual Value Perception and purchase of luxury product | Accepted |
| 4. | There is a significant relationship between Social Value Perception and purchase of luxury product | Accepted |
| 5. | There is a significant relationship between Pro-Environmental Self Identity and purchase of luxury product | Not Accepted |

To measure the items for social value perceptions, the questions related to purchase intention on luxury products were adopted and used in representing social value perceptions. The meaning of products is important to consumers and their social group members, and therefore, consumers generally buy products according to what they mean to them and their social reference groups (Chattalas & Shukla, 2015; Wiedmann et al., 2009), where the reference group has effects on conspicuous consumption of a product (Wiedmann et al., 2007). The items measurement used in this study are: “I like to know what luxury brands and products make good impressions on others.”, “To me, my friends’ perceptions of different luxury brands or products are important.”, “I pay attention to what types of people buy certain luxury brands or products.”, “It is important to know what others think of people who use certain luxury brands or products.”, “If I were to buy something expensive, I would worry about what others would think of me.”, and “I am interested in determining what luxury brands I should buy to make good impressions on others.” With these items’ measurement in social value perceptions, it has been proved that it has a significant effect toward purchase intention on luxury product decisions.

The sense of social worth plays a vital role in determining one's desire to acquire luxury goods, since it incorporates the symbolic and status-related aspects that are linked to luxury. Consumers often connect themselves with certain social groups or lifestyles that are linked to luxury brands or items. According to Han et al. (2010), scholars assert that the way people perceive the social worth of luxury things has a favorable impact on their desire to buy them. This is because individuals are compelled to showcase their social identity via conspicuous spending. According to Kim et al. (2012), customers are prepared to spend more for luxury things that improve their social standing. Consumer happiness in the luxury environment is often derived from the perceived social recognition and appreciation that comes from possessing or exhibiting luxury things. Therefore, it is hypothesized that the perception of social worth has a favorable effect on the intention to acquire luxury items, which is consistent with previous studies conducted by Vigneron and Johnson (2004), Dubois et al. (2005), Han et al. (2010), and Kim et al. (2012). Therefore, hypothesis four (1) is accepted and thus, it can be concluded that this study shows a positive significant relationship between Social Value Perceptions and Purchase Intention on Luxury Products. Findings from this study have confirmed that Social Value Perceptions has a significant and positive influence on Purchase Intention on Luxury Products in Malaysia. The next discussion relates to the relationship between Functional Value Perceptions and Purchase Intention on Luxury Products.

Through several contributing elements, the perception of social values plays a critical role in influencing the desire to acquire luxury goods. First, luxury goods often function as status symbols that denote achievement and social position. Customers are highly motivated to buy these things because they regard them as status symbols that allow them to demonstrate their superiority in social circles.

Furthermore, the need for social recognition and acceptance is intimately related to how one perceives social values. Customers are driven to purchase luxury goods that are valued in their social or cultural environment to win the respect and admiration of their peers, families, and the society at large.

Furthermore, social reference groups' impact is crucial in determining how people perceive social values. People often base their purchasing choices on the tastes and customs of the people in their social circles—friends, relatives, or influential people. A person's desire to acquire a luxury item might be significantly influenced by favourable opinions of the product held by various reference groups. Conspicuous consumerism, in which buyers purposefully flaunt their money by acquiring opulent items that are very apparent, is likewise linked to social value perception. The social worth of these items is enhanced by the exclusivity and exposure that come with using and possessing them, which encourages customers to buy them to join an exclusive and well-liked group.

Furthermore, the formation of social identity via luxury objects is influenced by the perception of social values. Customers identify with certain brands or products that reflect their idealised social image, and luxury goods' perceived social worth is a major factor in this association. Finally, superior social experiences are often associated with luxury items. Owning and using luxury goods, whether they be automobiles, clothing pieces, or accessories, promotes more favourable and exclusive social relations. Customers are incentivized to purchase luxury goods because they believe that doing so would improve their overall social experiences.

Conclusion

In conclusion, consumer motives based on status, recognition, social approbation, and affinity within their social environment are shaped by their sense of social values, which is a major factor in their desire to acquire luxury goods. For luxury firms to effectively create marketing strategies that align with the societal ambitions and tastes of their target audience, it is essential to comprehend and capitalise on these variables.

References

- Al-Issa, N., Kwiatek, P., & Dens, N. (2024). Masstige buyers: Profile, perceived luxury values and purchase intentions. *International Journal of Consumer Studies*, 48(1), e13005.
- Ayupp, K., Ling, L. N., & Tudin, A. (2013). An Analysis of Luxury Products Purchasing Behavior of Malaysian University Students. *Asian Journal of Social Sciences and Humanities*, 2(4), 219–227.
- Canguende-Valentim, C. F., & Vale, V. T. (2021). Examining the intention to purchase luxury goods based on the planned behaviour theory. *Open Journal of Business and Management*, 10(1), 192–210.
- Chattalas, M., & Shukla, P. (2015). Impact of value perceptions on luxury purchase intentions: a developed market comparison. *Luxury Research Journal*, 1(1), 40–57.
- Dermody, J., Koenig-Lewis, N., Zhao, A. L., & Hanmer-Lloyd, S. (2018). Appraising the influence of pro-environmental self-identity on sustainable consumption buying and curtailment in emerging markets: Evidence from China and Poland. *Journal of Business Research*, 86, 333–343.
- Dubois, D. (2020). Fulfilling social needs through luxury consumption. *Research Handbook on Luxury Branding*, 75–91.
- Ercis, A., & Celik, B. (2018). Impact of value perceptions on luxury purchase intentions: Moderating role of consumer knowledge. *PressAcademia Procedia*, 7(1), 52–56.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). *Multivariate data analysis with readings (5nd ed.)*. Prentice-Hall, Upper Saddle River.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2006). *Multivariate data analysis (7 Edition)*. Pearson.
- Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial Management & Data Systems*, 117(3), 442–458.
- Hennigs, N., Wiedmann, K.-P., Klarmann, C., & Behrens, S. (2013). Sustainability as part of the luxury essence: Delivering value through social and environmental excellence. *Journal of Corporate Citizenship*, (52), 25–35.
- Higuera-Castillo, E., Molinillo, S., Coca-Stefaniak, J. A., & Liébana-Cabanillas, F. (2019). Perceived value and customer adoption of electric and hybrid vehicles. *Sustainability*, 11(18), 4956.
- Jain, S., & Mishra, S. (2018). Effect of value perceptions on luxury purchase intentions: an Indian market perspective. *The International Review of Retail, Distribution and Consumer Research*, 28(4), 414–435.
- Kadic-Maglajlic, S., Arslanagic-Kalajdzic, M., Micevski, M., Dlacic, J., & Zabkar, V. (2019). Being engaged is a good thing: Understanding sustainable consumption behavior among young adults. *Journal of Business Research*, 104, 644–654.
- Kassim, N. M., & Zain, M. M. (2016). Quality of lifestyle and luxury purchase inclinations from the perspectives of affluent Muslim consumers. *Journal of Islamic Marketing*, 7(1), 95–119.
- Rehman, F. U., & Al-Ghazali, B. M. (2022). Evaluating the influence of social advertising, individual factors, and brand image on the buying behavior toward fashion clothing brands. *Sage Open*, 12(1), 21582440221088856.
- Robinson, J. P., Shaver, P. R., & Wrightsman, L. S. (1991). Criteria for scale selection and evaluation. *Measures of Personality and Social Psychological Attitudes*, 1, 1–16.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.

- Stets, J. E., & Burke, P. J. (2000). Identity theory and social identity theory. *Social Psychology Quarterly*, 224–237.
- Tabachnick, B. G., & Fidell, L. S. (2007). *Using multivariate statistics Fifth Edition*. Pearson. <http://doi.org/10.1037/022267>
- Tynan, C., McKechnie, S., & Chhuon, C. (2010). Co-creating value for luxury brands. *Journal of Business Research*, 63(11), 1156–1163.
- Ulrich, P., & Sarasin, C. (1995). *Facing Public Interest. The Ethical Challenge to Business Policy and Corporate Communications*. Kluwer Academic Publishers.
- Vigneron, F., & Johnson, L. W. (1999). A review and a conceptual framework of prestige-seeking consumer behavior. *Academy of Marketing Science Review*, 1(1), 1–15.
- Vigneron, F., & Johnson, L. W. (2004). Measuring perceptions of brand luxury. *Journal of Brand Management*, 11(6), 484–506.
- Whitmarsh, L., O'Neill, S., & Lorenzoni, I. (2013). Public engagement with climate change: what do we know and where do we go from here? *International Journal of Media & Cultural Politics*, 9(1), 7–25.
- Wiedmann, K., Hennigs, N., & Siebels, A. (2009). Value-based segmentation of luxury consumption behavior. *Psychology & Marketing*, 26(7), 625–651.
- Wu, B., & Yang, W. (2018). What do Chinese consumers want? A value framework for luxury hotels in China. *International Journal of Contemporary Hospitality Management*, 30(4), 2037–2055.