

# **They are Not All Same: Variations in Asian Consumers' Value Perceptions of Luxury Brands**

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### **Abstract**

Asian markets are steadily becoming key growth regions for luxury brands. However, despite the growth, many luxury brand firms are unable to obtain the desired economic returns through their marketing strategies in Asia. Often these firms treat consumers across Asian markets as homogenous groups, which could lead to inaccurate luxury brand management strategy. Additionally, there is a limited understanding of consumer value perceptions towards luxury brands across the Asian markets. Employing impression management theory and the horizontal/vertical collectivistic cultural distinctions, this study examines the differences and similarities in constituent luxury value perceptions across three prominent Asian markets, namely, China, India and Indonesia. The results of a quantitative survey conducted with 626 real luxury consumers in these three countries identify variations in perceptions of symbolic, experiential, and functional value of luxury brands. The study contributes to knowledge on constituent luxury value perceptions, along with providing theoretical explanations for the differences between consumers across Asian markets. With the emerging novel insights on Asian consumers, luxury brand firms can align their marketing strategies to respective markets by leveraging the similarities and differences in consumer value perceptions. This approach, informed by empirical evidence, will enhance the luxury brands' competitiveness and profit opportunities in the high growth Asian markets. The study identifies a number of future research directions.

**Keywords:** Value perceptions, luxury brands, Horizontal/vertical collectivistic cultures, Asian consumers, China, India, Indonesia, emerging markets

## **1 Introduction**

The growth of Asian economies has meant increased income levels and a growing number of affluent consumers (Price Waterhouse Coopers 2013). In the Asia-Pacific region, the middle class is estimated to be two thirds of the global middle class, and is at the upper end of the income bracket with high spending power (Ernst & Young 2013). With growing wealth, this consumer segment is increasing its discretionary spending on travel, healthcare and luxury goods (Price Waterhouse Coopers 2013). Many luxury brands such as LVMH, Gucci and Hermes have been highly successful in penetrating the Asian markets. However, other brands such as Prada and Mulberry have struggled to establish themselves in Asia (Butt and Roberts 2014; Osborn 2012). Analysts ascribe the underperformance of some luxury brands in Asia to over expectations from the market, and crucially, to treating many Asian markets as homogenous (Financial Times 2014). Whilst business analysts and research scholars emphasize the diversity and uniqueness of individual country markets in terms of geography, demography, culture and consumption patterns (Ernst & Young 2013), market realities suggest that many Western luxury businesses might have erred in considering Asia as a homogenous market. Markets in the Asian countries, therefore, pose strategic challenges, even as they are critical to the future success of the luxury brands. How can a luxury brand, therefore, profit from these rapidly growing, competitive as well as diverse markets represents an important question (Shukla 2012; Hennigs et al. 2012).

Researchers have established that the attempts to explain the social behavior of consumers in one culture, based on another culture would be inadequate, due to the differences in the psychology of consumption and value associations (Belk 1999; Sheth et al. 1991). With regards to Asian consumers and status consumption, evidence on the underlying value perception that drives luxury consumption is largely anecdotal (e.g., Chadha and Husband 2006). As a consequence, insights on the changing effects of value perceptions on consumers in the diverse Asian markets are inconclusive, and have been highlighted as a

substantial research gap by several authors, such as Hennigs et al. (2012), Shukla (2012), and Wiedmann et al. (2009). This study, therefore, examines the constituent luxury value perceptions among the largest and growing Asian markets, namely, China, India and Indonesia. The study provides explanations for the differences in luxury value perceptions through the lens of impression management theory (Goffmann 1959). The theory proposes that consumers are affected by their internal drive to create a favorable social image, a behavior inherent to luxury consumption, and consequently such motives can reflect consumer values and behaviors (Leary and Kowalski 1990). The impression management theory is widely applied across cultures and domains (see Bolino et al. 2008; Shukla 2012), and offers an appropriate framework for this study.

The study makes the following theoretical contributions. First, it extends the three dimensional value perceptions framework developed by Berthon et al. (2009). Employing the theory of impression management, the study separates the dimension of symbolic value into two distinct aspects of self-directed symbolism and other-directed symbolism. Impression management is grounded in the idea that people have an internal drive to create a favorable social image through their possessions (Goffmann 1959, Tsai 2005). There are two notable aspects to the phenomenon, namely, instrumental and expressive self-presentation. The instrumental aspect focuses on consumption geared towards influencing others (i.e. other-directed symbolic value) and gaining rewards, and the expressive aspect focuses on building an image, which reflects one's own personality (self-directed symbolic value). The findings of this study confirm the advantage of such a distinction of symbolic value perception. Second, the findings enhance the understanding of the differences in value perceptions of Asian consumers by integrating the horizontal and vertical collectivistic cultural distinction (e.g., Triandis 1989; Shavitt et al. 2006). The findings show that whilst both India and Indonesia are conventionally categorized as collectivistic cultures, other-directed symbolism is significantly influential on luxury value perceptions for Indian consumers reflecting the

hierarchical nature of the society (Vertical Collectivism). Self-directed symbolism, on the other hand, emerges as highly influential for Indonesian consumers demonstrating equality orientation (Horizontal Collectivism). This study thus identifies the underlying reasons for the heterogeneity of Asian markets regarding luxury value perceptions. In terms of managerial implications, the findings offer insights on how a luxury brand manufacturer can benefit from customizing the constituent value perceptions as a differentiator in their marketing strategy. In addition, the results suggest standardizing features of marketing campaigns, as functional value is observed to be significant across all markets.

## **2 Theoretical background and hypotheses development**

### **2.1 Constituent luxury value perceptions**

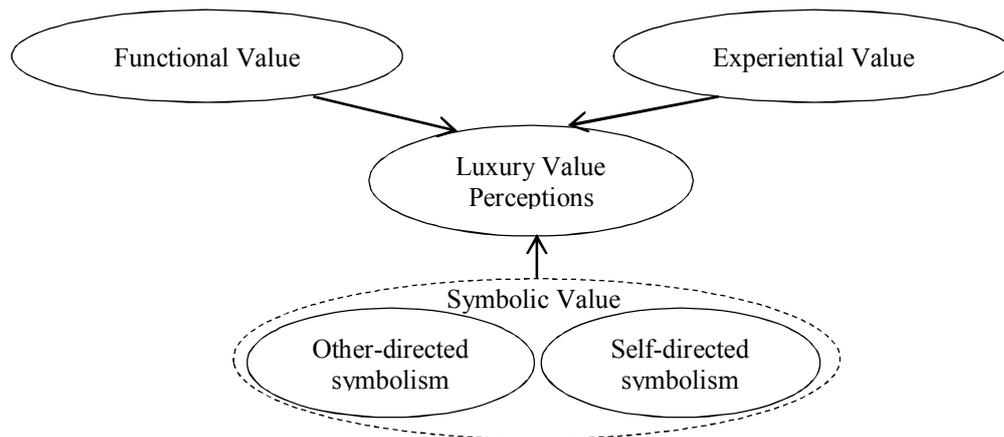
Value creation has been widely discussed in the consumer behavior literature and there is a consensus among researchers and practitioners that creating value can be a key to long-term success. Zeithaml (1988, p 14) defines perceived value as “a consumer’s overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given”. The centrality of the ‘give’ and ‘get’ components highlighted in Zeithaml’s (1988) definition become even more pronounced in the field of luxury, given that luxury goods, by definition, are expensive and enable consumers to satisfy their material and socio-psychological needs much more than regularly consumed goods (Shukla and Purani 2012; Wiedmann et al. 2009).

Researchers have attempted to conceptualize constituent luxury value perceptions through various lenses, including, brand luxury index (Vigneron and Johnson 2004), consumption values (Hennigs et al. 2012; Wiedmann et al. 2009) and co-creation (Shukla and Purani 2012). Berthon et al. (2009) suggest that in order to understand luxury values, it is essential to capture the full dimensionality of the relationships amongst people, products, and brands. Following Karl Popper’s “three worlds” hypothesis, Berthon et al. (2009)

conceptualize luxury brands with three distinct value-based dimensions: symbolic, experiential and functional. The symbolic dimension gets reflected in the social signals which are constructed through the narrative associated with the brand's meaning, myth, stories and consumer's own wealth, prestige and social status. Incorporating the instrumental and expressive aspects of impression management, this study extends Berthon et al.'s (2009) three-component model by including two specific sub-dimensions for symbolic value: other-directed symbolism and self-directed symbolism. The study posits that symbolic value is reflected not only through social signals (i.e. instrumental aspect – other-directed symbolism), but also through possessions that help build a unique image for the desired personality (i.e. expressive aspect – self-directed symbolism). Moreover, in his seminal work, Triandis (1989) argues that the social and self-directed behavior would vary, based on different cultures. More recently, Berger and Ward (2010) further argue that cultural capital will be a significant driver of symbolism through possessions (also see Bourdieu 1984). The functional dimension relates to the material embodiment which reflects in physical manifestations such as quality of material and craftsmanship (Berthon et al. 2009). The experiential dimension is associated with subjectivity and is idiosyncratic, as it differs from person to person. It gets reflected through sensations, feelings, cognitions and behavioral intentions aroused by brand-related stimuli such as logo, packaging, advertisements and store environment.

Extant research is silent on the variations in luxury consumption practices across the Asian markets. This study posits that due to the cultural variations, based on hierarchical or equality based nature of collectivist societies (Shavitt et al. 2006), underpinning the different motives of impression management, consumers in Asia will differ in their value perceptions towards luxury brands. Thus, this study takes a first step towards understanding the constituent luxury value perceptions across the three countries by developing directional hypotheses, as discussed below.

**Figure 1: Conceptual Framework**



## 2.2 Symbolic value

The symbolic association driving a brand choice can send significantly meaningful signals to other consumers about the type of person using that brand (Kapferer and Bastien 2009; Han et al. 2010; Berger and Ward 2010). It is widely accepted that people make inferences about others, based on their choices of consumption objects (Belk 1988). Symbolic value refers to the extent to which people attach or associate psychological meaning to a product (Smith and Colgate 2007). Prior research shows that symbolic value has two specific aspects, namely, self-directed symbolism and other-directed symbolism (Shukla and Purani 2012).

Most people use luxury brands for their symbolic meanings and it is well-established in Western consumer-based literature that luxury goods make people feel good about themselves (Shukla and Purani 2012; Wiedmann et al. 2009). Additionally, it has been observed that consumers in the developed Western markets use their symbolic possessions such as luxury brands to extend, expand and strengthen their sense of self (Belk 1988; Kapferer and Bastien 2009). Using the context of privately consumed inconspicuous food products, Zhou and Hui (2003) find the increasing importance of self-directed symbolism among Chinese consumers. However, Shukla and Purani (2012) observe a non-significant influence of self-directed symbolism among Indian consumers with regards to luxury brands. With the rapidly growing consumption of luxury brands among Asian consumers, researchers argue that the influence of self-directed symbolism among Asian consumers is on the rise

(Tsai 2005; Hennigs et al. 2012). Based on the above logic, and given the inconsistent findings from prior research, this study posits that:

*H1a: Asian consumers' luxury value perceptions will be significantly influenced by self-directed symbolism.*

Luxury goods are often acquired according to what they mean to the members of social reference group (Kapferer and Bastien 2009; Shukla 2011). Moreover, prior studies observe that luxury brands are not only used for fitting in with reference groups, but are also used for standing out (Han et al. 2010; Berger and Ward 2010). Such 'other-directed' associations have been observed to be highly relevant in collectivist societies including East Asia (Monkhouse et al. 2012) and South Asia (Hennigs et al. 2012; Shukla and Purani 2012). Furthermore, comparing the effect of interpersonal influences among British and Indian consumers, Shukla (2011) finds that due to the collectivist nature of the society, Indian consumers demonstrate high orientation towards conforming to the expectations of others. Similar findings have been observed with regards to social symbolic values in other Asian collectivist cultures like China (Xiao and Kim 2009) and Indonesia (Rao 2005). Thus, the construct of other-directed symbolism is likely to be a significant predictor of luxury value perceptions among Asian consumers. Therefore,

*H1b: Asian consumers' luxury value perceptions will be significantly influenced by other-directed symbolism.*

### 2.3 Experiential value

Experiential value is concerned with the extent to which a product creates appropriate experiences, feelings, and emotions for the customer (Smith and Colgate 2007). Experiential value is highly subjective and gets reflected through the hedonic dimensions of a brand (Berthon et al. 2009). McCracken (1986) opines that there is a significant relationship between individual prosperity and the desire for products with symbolic aspects.

Understanding the differing patterns of consumption amongst Asian consumers is not only important because of the market size and growth of Asian economies, but also because the growth is fuelling the aspirations of an emergent consumer segment (the *nouveau riche*). In order to target this important segment, luxury brands attempt to create a unique store-level experience, and consequently spend a significant amount on building and maintaining the unique shopping experience for their consumers (Kozinets et al. 2002). From a customer's perspective, historically, buying luxury brands involved dressing up and going into a high-end boutique to consult with a salesperson about what to buy (Adams 2013). These rituals are found to be noticeable among Asian luxury buyers who, in many cases, travel especially to Europe and America to purchase luxury goods (Chadha and Husband 2006). Thus, the shopping pleasure in itself offers a significant avenue in generating experiential value. Given the rising income levels and a growing appetite for luxury brands among Asian consumers, this study posits that experiential value will play a significant role in influencing luxury value perceptions. Based on the above debate, it is proposed that:

*H2: Asian consumers' luxury value perceptions will be significantly influenced by the experiential value.*

## 2.4 Functional value

Functional value represents the perceived utility of a product resulting from its inherent attributes or characteristic-based ability to perform its functional, utilitarian or physical purposes (Sheth et al. 1991; Smith and Colgate 2007). In other words, the meaning is derived from perceived functionality of the product (Berthon et al. 2009), wherein price-quality perceptions are a dominant aspect (Shukla and Purani 2012). Marketing managers have long known that a common way to increase the appeal of an otherwise ordinary product is to attach a high price to it (Han et al. 2010). Consumers will, therefore, pay a higher price for a functionally equivalent good because they crave the status achieved by such material displays

of wealth (Wiedmann et al. 2009). In some ways, higher prices themselves offer a strong signal of quality to consumers and they can feel superior as one of the few who can afford to buy the product. Often, consumers associate prestige with a product through price and quality perceptions (Brucks et al. 2000). For luxury brands, high price and excellent quality go together as inherent traits (Shukla 2012). Prior studies have observed that functional value, and especially price-quality perceptions, plays a significant role in value formation for inconspicuous products for the Chinese (Jin et al. 2010), and for luxury goods amongst Indian (Shukla 2012) and Indonesian consumers (Rao 2005). Therefore,

*H3: Asian consumers' luxury value perceptions will be significantly influenced by the functional value perceptions.*

### **3 Method**

#### **3.1 Sample and data collection**

This study focuses on the three rapidly growing Asian luxury markets, namely, China, India and Indonesia. China has been identified as the fifth largest luxury goods market in the world and it is projected as a key region of growth by 2020 (Deloitte 2013). Similarly, India has been the fastest growing market for luxury goods in the world since 2011, and the sales of luxury goods in Indonesia have doubled since 2008 (Euromonitor 2014).

A survey of actual luxury consumers was used to test the hypotheses. First, a questionnaire was developed based on existing scales. The conceptual and functional equivalence was assessed subjectively by the multi-national research team. The scales were evaluated by a panel of expert judges, consisting of three luxury marketing executives in China and India, for content and face validity. Thereafter, two experienced academics assessed the questionnaire for representativeness of each scale item. A pilot test was carried out (n = 20 for each market) to identify any invalid responses. The questionnaire was

distributed in Shanghai and Beijing in China, Mumbai and Bangalore in India, and Jakarta in Indonesia, as each of these cities are major hubs of luxury stores in the respective countries.

Respondents were contacted on major shopping streets and/or malls where luxury brand stores are located. Non-nationals of the particular countries were not included in the study. To avoid respondent and response bias, data were collected over five weeks with the survey team rotating the location of interviews, the times of the day, and the days of the week. In order to capture the views of real luxury consumers, the respondents were asked if they had purchased any luxury products in the past six months, following Han et al. (2012) and Shukla (2012). In total, 626 valid questionnaires were used. The composition of respondents for each nationality was: China (n=231; response rate: 41.03%;  $M_{age} = 27.3$  years; female = 51.5%), India (n=190; response rate: 41.44%;  $M_{age} = 24.37$  years; female = 62.1%) and Indonesia (n=205; response rate: 43.94%;  $M_{age} = 32.8$  years; female = 65.1%).

In India, the questionnaire was in English, a commonly spoken language across major cities. In order to avoid response bias in China and Indonesia, native speakers of the languages translated the questionnaire in Mandarin and Bahasa Indonesia respectively. The questionnaire was then back translated by another native speaker to observe meaning equivalence. A comparison of two translations indicated no substantial differences in scale meanings. To avoid interviewer bias, each interviewer was trained with a similar brief and debriefing sessions were held at the end of each day to standardize the process. To minimize and estimate the effect of common method variance, several procedural and statistical remedies recommended by Podsakoff et al. (2003) were employed. Order bias was controlled by counterbalancing the order of measurement of the variables. To avoid response format bias, the participants completed filler tasks on the questionnaire, unrelated to the study. To reduce method bias, the respondents were guaranteed anonymity with assurance that there were no wrong or right answers.

### 3.2 Measures

The initial sets of items were derived from established existing measurement scales: functional value scale items were derived from Shukla (2012), other-directed symbolic value measures from O’Cass and McEwan (2004), self-directed symbolism using the items by Tsai (2005), and experiential value was measured with the items from Babin et al. (1994). All measures used a five-point Likert-type response format, anchored at ‘strongly disagree’ and ‘strongly agree’. Table 1 provides details of standardized loadings, average variance extracted (AVE), composite reliability (CR) and Cronbach’s alpha for each country.

The AVE for the measures was 0.50 and above for all constructs (Table 1), which is greater than the level recommended by Dillon and Goldstein (1984). Cronbach alpha value was above the threshold. Discriminant validity was assessed following Fornell and Larcker (1981). This criterion was met by all variables in the study, as no correlation exceeded the square root of the average variance extracted (Table 2).

**Table 1: Measurement Model**

	<b>China</b>	<b>India</b>	<b>Indonesia</b>
	Std. Est.	Std. Est.	Std. Est.
<b>Symbolic value</b>			
<b><i>Other-directed symbolism</i></b>			
Owning this accessory indicates social status	0.67	0.74	0.55
Owning this luxury accessory indicates a symbol of achievement	0.88	0.66	0.56
Owning this luxury accessory indicates a symbol of wealth	0.80	0.65	0.73
Owning this luxury accessory indicates a symbol of prestige	0.80	0.84	0.66
<i>Composite Reliability (CR)</i>	<i>0.87</i>	<i>0.82</i>	<i>0.72</i>
<i>Average Variance Extracted (AVE)</i>	<i>0.81</i>	<i>0.70</i>	<i>0.51</i>
<i>Cronbach's Alpha</i>	<i>0.87</i>	<i>0.84</i>	<i>0.75</i>
<b><i>Self-directed symbolism</i></b>			
I am very attracted to unique luxury accessories	0.87	0.72	0.75
I like to own new luxury accessories before others do	0.71	0.80	0.82
I am more likely to buy luxury accessories that are unique	0.50	0.66	0.77
<i>Composite Reliability (CR)</i>	<i>0.74</i>	<i>0.77</i>	<i>0.82</i>
<i>Average Variance Extracted (AVE)</i>	<i>0.61</i>	<i>0.64</i>	<i>0.74</i>
<i>Cronbach's Alpha</i>	<i>0.71</i>	<i>0.70</i>	<i>0.81</i>
<b>Experiential value</b>			
While purchasing luxury accessories, I felt the excitement of the hunt	0.65	0.66	0.83
When purchasing luxury accessories, I am able to forget my problems	0.63	0.72	0.82

When buying luxury accessories, I enjoy a shopping trip, no matter what I purchase	0.74	0.60	0.67
<i>Composite Reliability (CR)</i>	<i>0.71</i>	<i>0.70</i>	<i>0.82</i>
<i>Average Variance Extracted (AVE)</i>	<i>0.53</i>	<i>0.51</i>	<i>0.73</i>
<i>Cronbach's Alpha</i>	<i>0.73</i>	<i>0.77</i>	<i>0.82</i>
<b>Functional value</b>			
In my mind higher price equals higher quality	0.65	0.73	0.64
An item being higher in price makes it more desirable to me	0.66	0.86	0.79
Higher priced luxury brand accessories mean more to me	0.69	0.90	0.57
<i>Composite Reliability (CR)</i>	<i>0.71</i>	<i>0.87</i>	<i>0.71</i>
<i>Average Variance Extracted (AVE)</i>	<i>0.52</i>	<i>0.83</i>	<i>0.53</i>
<i>Cronbach's Alpha</i>	<i>0.71</i>	<i>0.87</i>	<i>0.70</i>

#### 4 Findings

Since this study used data collected across three countries, the cross-cultural measurement invariance for all the scales was assessed following the process recommended by Steenkamp and Baumgartner (1998). A maximum likelihood estimation procedure with LISREL 8.8 was used for this purpose.

**Table 2: Correlations Matrix**

	ODS	SDS	EXV	FNV
<b>China</b>				
Other-directed symbolism (ODS)	<i>0.90</i>			
Self-directed symbolism (SDS)	0.46	<i>0.78</i>		
Experiential value (EXV)	0.52	0.61	<i>0.73</i>	
Functional value (FNV)	0.45	0.48	0.45	<i>0.72</i>
<b>India</b>				
Other-directed symbolism (ODS)	<i>0.84</i>			
Self-directed symbolism (SDS)	0.42	<i>0.80</i>		
Experiential value (EXV)	0.38	0.60	<i>0.71</i>	
Functional value (FNV)	0.36	0.46	0.41	<i>0.91</i>
<b>Indonesia</b>				
Other-directed symbolism (ODS)	<i>0.71</i>			
Self-directed symbolism (SDS)	-0.16	<i>0.86</i>		
Experiential value (EXV)	0.22	0.08	<i>0.86</i>	
Functional value (FNV)	0.37	-0.10	0.50	<i>0.73</i>

\* Values in diagonal italics represent square root of AVE.

Table 3 provides the results of the stepwise process used for testing the difference in measurement for invariance levels. After achieving configural invariance (M1 -  $\chi^2$  (238) =

414.94; RMSEA = 0.059; NNFI = 0.96; CFI = 0.97), the next step involved testing the data for full metric invariance (M2). The procedure was carried out by constraining the factor loadings to be equal across the three national groups and comparing the fit statistics with the unconstrained model. The difference between M2 and M1 was non-significant ( $\Delta\chi^2(14) = 28.46$ ;  $p < 0.01$ ). Furthermore, the other fit indices were better than the recommended benchmarks (RMSEA = 0.061,  $\chi^2/df = 1.76$ , NNFI = 0.96 and CFI = 0.97). Thus, support for full metric invariance was observed. Full scalar invariance was not achieved, consistent with Steenkamp and Baumgartner (1998) who suggest that full scalar invariance is extremely rare in cross-national studies. Next, a partial scalar invariance model was tested by freeing the invariance constraints on intercepts. Two chi-square difference tests were conducted to assess the fit of the partial scalar invariance model (M4). The first test compared M4 to M2 and the second compared M4 to M1 which suggested that the partial scalar invariance model was not significantly worse than the full metric or configural invariance model. Moreover, the other fit indices showed significant improvement from the full scalar invariance model (RMSEA = 0.062,  $\chi^2/df = 1.75$ , NNFI = 0.95, CFI = 0.96). Therefore, partial scalar variance was achieved across the samples.

**Table 3: Invariance Measurement**

Model comparison	$\chi^2$	df	$\chi^2/df$	$\Delta\chi^2$	$\Delta df$	RMSEA	NNFI	CFI
Full configural invariance (M1)	414.94	238	1.74			0.059	0.96	0.97
Full metric invariance (M2)	443.40	252	1.76	28.46	14	0.061	0.96	0.97
Full scalar invariance (M3)	507.91	264	1.92	92.97	26	0.067	0.95	0.96
Partial scalar invariance (M4)	456.42	261	1.75	41.48	23	0.062	0.95	0.96

Table 4 provides the structural model with respective path coefficients and t-values for each country. H1a is partially supported as self-directed symbolism was significant among Indonesian consumers ( $\beta = 0.24$ ,  $p < 0.01$ ) but it was non-significant among Indian and Chinese consumers. Other-directed symbolism was significant for Indian consumers ( $\beta = 0.64$ ,  $p < 0.001$ ). However, it was non-significant among Chinese and Indonesian consumers, thus offering partial support for H1b. Experiential value was significant among Indonesian

consumers ( $\beta = 0.84$ ,  $p < 0.001$ ), but not among Indian and Chinese consumers. Hypothesis 3 is fully supported as functional value was found to be significant across China ( $\beta = 0.31$ ,  $p < 0.05$ ), India ( $\beta = 0.51$ ,  $p < 0.001$ ) and Indonesia ( $\beta = 0.28$ ,  $p < 0.01$ ).

**Table 4: Structural Model**

	<b>China</b>		<b>India</b>		<b>Indonesia</b>	
	Std. Est.	T-value	Std. Est.	T-value	Std. Est.	T-value
Symbolic value						
<i>Other-directed symbolism</i>	0.04	0.34	0.64	5.11***	-0.01	-0.06
<i>Self-directed symbolism</i>	0.05	0.23	0.14	0.82	0.24	2.34**
Experiential value	0.05	0.25	0.08	0.50	0.84	5.81***
Functional Value	0.31	1.82*	0.51	4.20***	0.28	2.04**

\*\*\*  $p < 0.001$ ; \*\*  $p < 0.01$ ; \*  $p < 0.05$

## 5 Discussion and conclusions

This study aimed to understand consumer value perceptions towards luxury products across three major Asian markets. Although the markets are similar in that they are characterized by high growth and are located on the same continent, the results show that they differ significantly in terms of value perceptions for luxury goods. The similarities and differences in value perceptions find explanation in the impression management theory, and the horizontal/vertical cultural distinctions among collectivist societies.

Overall, this study makes two important theoretical contributions. First, the study extends and empirically tests Berthon et al. (2009)'s three-component model of luxury value perceptions using impression management theory, and thereby enhances understanding of the constituent luxury value perceptions. Prior literature treats symbolic value perceptions as a singular construct. By contrast, this study proposes a novel conceptualization of symbolic luxury value perception as a bi-dimensional concept, consisting of other-directed and self-directed value perceptions. The two sub dimensions of symbolic value deepen understanding of how luxury value perceptions are formed. Second, the study demonstrates constituent luxury value perceptions in the Asian consumer context. Previous studies have largely treated Asian consumers as a homogenous entity, and this misconception has often spilled over to

marketing practice, resulting in costly mistakes by several luxury brands. Using impression management theory and the horizontal/vertical collectivistic cultural distinction, the findings of this study demonstrate that Asian consumers vary in their constituent value perceptions of luxury goods. Thus, the study sheds new light on the behavior of Asian consumers. For instance, in India, the construct of other-directed symbolism is found to be significantly related to luxury value perceptions, conforming to the crucial role of the instrumental aspect of impression management. Thus, the Indian luxury brand consumer seem to be influenced by what others think of them, and therefore consumes in a way to influence others, in order to achieve societal acceptance, reflecting the hierarchical nature of the society (vertical collectivist).

Luxury value perception of the Indonesian consumers, on the other hand, is influenced by the self-directed symbolism of luxury brands. Self-directed symbolism resonates with expressive self-presentation, wherein the individual seeks to enhance the self through consumption. This result, while counter-intuitive to the general perception of Indonesia as a collectivistic society, can be explained from the lens of equality perspective (horizontal collectivist). While Indonesian consumers in general would see themselves as similar to others, they will not submit to in-group authority if the consumption choice is distasteful to them (Shavitt et al. 2006). The non-significant result for self-directed symbolism among Chinese and Indian consumers can be attributed to the hierarchical nature of the society as identified in earlier studies (Belk 1999; Monkhouse et al. 2012).

The Indonesian consumers also show significant impact of experiential value on their luxury value perceptions, which is consistent with the earlier result relating to self-directed symbolism. Experiential value perceptions represent store-level and personal pleasure derived from the consumption of luxury brands. The differences in the symbolic value perceptions of the Indian and Indonesian customers are also consistent with Triandis (1989), who argues that social and self-directed behavior vary as per cultural differences.

Functional value perception has a significant impact on luxury value perceptions across all three countries in the study. This result shows that consumers evaluate the functional value of a luxury brand in terms of the status it brings, and therefore are willing to pay a premium price. The three countries have witnessed rapid economic growth over the last two decades, and a consequential increase in aspirational consumers. These consumers associate prestige through the price and product quality perceptions, and therefore buy luxury brands, which are perceived to accord higher status in the eyes of the society (Berthon et al. 2009).

### 5.1 Managerial implications

This study offers rich insights into the differences in consumer value perceptions of luxury goods across Asian consumers. The three countries included in this study are at different levels of maturity in terms of economic development, a fact reflected in how the consumers perceive the value of luxury products. Marketers can benefit from knowledge about the differences (and similarities) in constituent luxury value perceptions and customize or standardize their marketing strategy accordingly. For instance, a luxury brand positioning strategy in Indonesia should emphasize how the brand could enhance a consumer's self-image and could make them feel good about themselves, as well as focus on the experiential aspects of buying and using the brand. On the other hand, a luxury brand in India should focus more on how the brand could add to the buyers' social status. Thus, the luxury brand marketer should customize their positioning and communication strategies for symbolic and experiential value perceptions across the three countries. Given that functional value has a significant impact on luxury value perceptions in all three countries, marketers could achieve scale economies by standardizing their strategy for this dimension of luxury value perception.

### 5.2 Limitations and future research directions

The findings of this study are contingent upon some limitations, which also provide avenues for further research. The study included three large and rapidly developing Asian countries. Further studies can include samples from smaller countries where luxury consumption is picking up at a slower rate, and conduct a cross-country comparison. Given the absence of examples of comparative studies focusing on Asian consumers, this study employed directional hypotheses. A further study could use comparative hypotheses, in which the differences and similarities may emerge across groups of countries. In addition, a future study could examine the impact of the tenure of customer-brand relationship on luxury value perceptions. Future studies could also investigate the role of rarity of brands, new versus established luxury brands, brand attachment and commitment in shaping luxury value perceptions in the Asian countries. In conclusion, this study sheds light on the constituent value perceptions of consumers, provides suggestions to develop this research topic further, and suggests managerial responses in the light of enhanced understanding of value perceptions towards luxury brands.

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