

# Developing Factors of Sustainable Purchase Intentions of Luxury Brands Mediated by Power Distance Beliefs

Syeda Quratulain Kazmi<sup>a</sup>, Mustaghis Ur Rahman<sup>b</sup>, <sup>a</sup>Assistant Professor PAF (Karachi Institute of Economics and Technology), <sup>b</sup>Professor at Faculty of Management Sciences, Bahria University, Karachi Campus. Email: [<sup>a</sup>Syedakazmi44@gmail.com](mailto:<sup>a</sup>Syedakazmi44@gmail.com), [<sup>b</sup>mustaghis.bukc@bahria.edu.pk](mailto:<sup>b</sup>mustaghis.bukc@bahria.edu.pk)

To understand the deeper theoretical and practical implication of consumer's sustainable buying intentions of luxury brands and what previous literature has contributed to social, marketing, financial and functional contexts. However, the cultural aspect associated with the role of power distance belief in determining sustainable purchase intentions of luxury brands is still underexplored. In order to address this gap in the literature, this research has been conducted by taking the power distance dimension from Hofstede's cultural framework and by looking at its application in Pakistani society's attitude toward the purchase of luxury brands. The empirical study among 350 male and female respondents aged between 15-45 has been conducted and is explanatory in nature. The structural equation modeling (SEM) by using Smart PLS 3.0 is used for data analysis. As this research is a consumer-based study that leads to finding unavailability of specific sampling frames and data of exact numbers of customers that is why customers of various luxury brands which include apparel, watches, and cosmetics were approached in shopping malls located in different prime locations of Karachi. The results of this research were addressing the positive impact of brand loyalty, brand awareness and personal factors on sustainable purchase intentions of luxury brands mediated by power distance beliefs whereas brand awareness has no significant direct and indirect impact on purchase intentions of luxury brands. The results of this research have confirmed the presence of power distance dimension in the Pakistani business market and strong power distance belief systems that bifurcate customers on the basis of how strongly they accept and expect inequality in society and vice versa. However, this study refers to significant impacts of

personal factors, brand awareness and brand loyalty on sustainable purchase intention of luxury brands mediated by power distance beliefs. Still, numbers of variables need to be determined like power distance belief and purchase of low and high involvement products and the impact of power distance beliefs on consumer perception in the secondary business market.

**Keywords:** *Power Distance Belief (PDB), Sustainable Purchase Intentions (SPI), Brand Awareness (BA), Brand Loyalty (BL), Personal Factors (PF)*

## 1. Introduction

Recent years have confirmed the increasing interest of culture in global marketing and advertising (Mooij & Hofstede, 2010). Many advertising companies also highlighted the role of culture in conducting consumer behaviour research. In addition, business markets with the arrival of many luxury brands of all categories play a pivotal role in today's marketplace and it turned out to be a challenging task for marketers to develop strategies for emerging brands (Mothersbaugh, Hawkins, & Kleiser, 2020). Gretzel, Yuan, & Fesenmaier (2000) explained further that because of the continuous change in market demand due to increased use of technology and availability of substitute brands become more rapid and easier that makes consumer intention sustainable toward luxury brands. Another challenge that marketers face is to handle their consumers and understand their desirability of shifting from luxury to sustainability.

Consumer's living in this digitalised era are not similar and do not perceive things similarly like the way they used to in previous years. Modern consumers live in the digital era with every information that is available with just one touch of a button through which consumers get exposed to various environmental and international brands and get impressed with them. In such scenarios, sustainable purchase intention of luxury brands is difficult to develop because of the fast paced information related to products being available as well the prevalence of cultural themes which means certain brands /companies do not get the attention of consumers. Sheth (2011) explained that accessibility of information leads to problems like the excess purchase of branded products just for the sake of achieving social status in society negatively affecting purchases of unbranded substitute products available in the market. Another problem that society faces due to power distance (one of the cultural dimensions) prevalence is the division of society into branded and non-branded products which highlighted the division of privileged and non-privileged members in society. Due to this bifurcation of society and social status, less privileged members in society try to make pseudo status through the purchase of luxury brands just to show themselves as a part of a higher status group of society. This desire of acquiring higher social status in society confirmed the presence of a power distance cultural dimension and societal belief which divides almost every society into two main cadres: 1)

higher power distance belief members 2) lower power distance belief members (Zhang, Winterich, & Mittal, 2010). Another issue that needs to be addressed is how higher and lower power distance belief societies perceive luxury brands that lead to developing purchase intention of that particular brand. In addition, the existence of power distance beliefs toward sustainable purchase intention of luxury brand also affects consumer behaviour toward luxury buying.

In order to understand the phenomena under which culture impacts consumer behaviour, various models and frameworks have been introduced. However Hofstede's cultural framework is still considered as the most comprehensive and influential for its applicability in organisational and social settings (Soares, Farhangmehr, & Shoham, 2007). Shukla (2012) explained the role of culture as reflected in many different behaviours among which purchases of luxury products are the most relevant and prominent in branding and marketing domains. In the contemporary era, the market for luxury brands is growing substantially.

The term power distance is theoretically derived from the word power. Power influences relationships among society members (Dahl, 1957). According to social exchange theory, power influences the decision making of consumers. In order to further explain the term power distance we can examine the type of relationships among society members (Madrigal, 1993). Every society must possess two different types of situations: 1) higher power distance societies are those where influential people take the lead of ordering rules and make decisions for weaker or less influential members in society; 2) lower power distance belief societies represent freedom of expressions and decision making, equal rights for everyone and less following of the status quo (Hofstede, 2010).

As power distance defines an individual's social status and shows that all individuals in society are not equal either economically, socially and culturally (Hofstede, 1984). Due to which the conception of value in society is different and according to their cultural and social orientation (Hofstede's, 1980). Power distance is the cultural dimension that directly highlighted the bifurcation of society according to their culture and their categorisation of value and identifies society members into among those society members who surrender their will and values in front of those members who are influential and socially privileged to be considered as a niche class. On the other hand, other members comparatively are in weaker situations and follow rules pre-set by other groups (Spencer –Oatey, 1997). That's why people who belong to lower power distance beliefs are known as egalitarian and followers of consumer designed product philosophy. By following an egalitarian approach, consumers feel more empowered and perceive themselves as a part of high status and as socially strong members of society.

Previous literature on power distance confirmed that people wanted to be socially empowered for the sake of their social identity (Fusch, Schreier & Osselaer, 2015). Conversely lower power

distance members confront the feeling of less empowerment and less ordering of role situations (Winterrich & Zhang, 2014).

The existence of power distance dimensions in Pakistani society is confirmed through the Hofstede index score calculated on all six cultural dimensions identified by Hofstede. According to which, power distance dimension is on 55, uncertainty avoidance is on 70, individualism is on 14, masculinity is on 50, long term orientation is on 50, and indulgence is on 0 (Hofstede, 2010). These index scores represent the actual picture of how Pakistani society reacts in different situations and under different cultural influences. The impact of power distance dimension in the context of consumer buying preference has been researched and investigated previously as many global brands use this concept by keeping the idea that each member in society should have his own rightful place (Moon, Chadee, & Tikoo, 2008).

Having in mind the paucity of research in Pakistan in this area, this study was based on the objectives to find out the impact of personal factors, brand awareness, brand loyalty with the mediation of power distance beliefs on consumer's sustainable purchase intentions of luxury brands. In the backdrop of the above discussion the important phenomena that needs to be explored and addressed in detail is to explore the impact of personal factors which include age, income and individual preference of brand; brand awareness; and brand loyalty. This eventually made the main objective of this research to find out the impact of personal factors, brand awareness and brand loyalty on consumer's sustainable intentions of luxury brands.

## **2. Literature Review**

### **2.1 The Mechanism of Sustainable Luxury Purchase Intention**

The concept of sustainability was first introduced and discussed in the conference titled "The Human Environment" held in Stockholm in 1972. The idea of sustainable consumption has been described as the usage of goods and services that fulfills needs and wants and brings better quality in consumer's life by minimising the wastage of natural resources and avoidance of toxic materials (Ofstad et al., 1994). Sustainable purchasing has been described as a core form of consumer behaviour and refers to consumers purchase as activities which are affected by their environment and societal concerns (De Pelsmacker et al., 2005).

The concept of luxury and sustainability seems contradictory, but researchers confirmed the similarities in these two concepts (Davis, Lee & Ahonkhai, 2012; Hennigs, Wiedmann, Klarmann, & Behrens, 2013). The concept of sustainable purchase intention of luxury brands is quite new and is gaining support as luxury brands could play pivotal role in developing success of business through carrying the concept of sustainability (Bendell & Kleantouse, 2007). By keeping these beliefs valid, luxury brands may have sustainable production practices by defining ethical standards in production, low impact manufacturing, eco-friendly raw materials and their production (Grail Research, 2010). In this changing environment where

luxury consumers value from having to being and from extrinsic to intrinsic and from conspicuous to meaningful (Carr, 2013). Because of this changing environment the concept of luxury buying has now changed into conscious consumption by choosing endless style over short lived luxury consumption intent.

## 2.2 The Luxury Concept

Researchers in consumer behaviour and marketers of recent years categorise luxury into two different dimensions. Initially inspired by social scientists' work on the consumption of luxury brands, it is bound by socially motivated phenomena (Eagly & Chaiken, 1993; Dittmar, 1994), and most recently this trend is complemented by the personal vision of purchasing luxury brands (Wong & Ahuvia, 1998; Vigneron & Johnson, 1999, 2004). In recent years the phenomena of the motivation behind luxury brand purchasing was declared as "conspicuous purchase". The concept of conspicuous buying is still used as a foundation of luxury purchase (Dittmar, 1994; Corneo & Jeane, 1997). The traditional view of luxury concept has been accepted by many researchers but according to the modern view social and personal factors are considered as important factors for the evaluation of luxury brand management. The role of culture is undeniable in marketing and branding strategies as due to globalisation the success of the brand depends upon how it tackles the jeopardy of handling various culture consumers by providing them the same value.

Power distance is among one of the dimensions that mould consumer preference and attitude toward brands and influences their final decision to purchase it. Power distance belief initially bifurcated the society according to consumer's acceptability in front of unequal power distribution and allocation of rights and resources in comparison with privileged society members (Hofstede, 1984; Oyserman, 2006). Different countries have exhibited different levels of power distance beliefs that cause variation in people's behaviours, acceptance of inequality and social orders by weaker groups in society. That is why Kirkman et al., (2009) have explained that high power distance beliefs societies tend to follow authoritative figures and the leading class. Furthermore, in high power distance beliefs societies, the acceptance of the superiority of certain groups and organisations is socially acceptable for the rest of society. Javidan et al. (2006) further added the decision making power also in the hands of privileged members of society. Broadly we can conceptualise low power distance beliefs as an egalitarian society and high power distance beliefs as a choice of hierarchy and respect for authority. Recent research has declared power distance beliefs relevant to self-control, price and quality relationship, and forgiving as a charity society characteristic (Lalwani & Forcum, 2016; Winterich & Zhang, 2014; Winterich & Mittal, 2010).

In marketing and branding terminology, user-designed and company designed philosophy disclose the level of customisation every company is providing to its customers (Unurlu & Uca, 2017). Siegel, Licht, & Schwartz, (2013) believed that lower power distance consumers support an egalitarian approach and follow a user-designed product strategy under which each

consumer has complete freedom to choose and decide brand or product attributes of their choice. By adopting a user design approach, customers feel empowered and perceive themselves participating in the actual decision making. Which gives them a feeling of their own identity (Dahl, Fuchs & Schreier, 2015). High power distance belief societies comparatively feel confined and helpless because according to society norms, every member in society should have a defined place according to the social order society is following (Winterrich & Zhang, 2014). Conversely a company designed products perceived to be better designed and expertise than user-designed products as employees, concept developers and marketers have a better knowledge of product features in real and perceived as well (Schreier, Fuchs & Dahl, 2012). Despite the fact that company designed products are expertly made, people always prefer user-designed products because product innovation always comes from innovative and diverse customers (Nishikawa et al., 2017; Schierer, Fuchs & Dahl, 2012). Brockner et al., (2001) also confirm that high power distance consumers accept and prefer inequality in the distribution of resources and rights given to each society member, in addition they also give undue respect to those belonging to higher up the hierarchy as supreme and more prestigious members. That is why in those societies where high power distance exists, there would be greater chances for firms to pitch a successful branding strategy for their luxury brands.

### **3. Hypothesis Formulation**

#### **3.1 Brand Awareness and Power Distance Belief**

Brand awareness refers to consumer ability to recognise the specific brand because of its distinctive offering among the presence of many other substitute brands (Pappu, Quester, & Cooksey, 2005). Furthermore, brand recall is also considered as an additional phenomenon that adds value to brand awareness literature. If consumers are well aware of the brand's offerings, then they would be in a better situation to understand the correlation between prices charged and quality received. As well as what that specific brand actually claimed, consumer awareness about a brand would be more influential in low power distance belief societies where consumers are willing to purchase products and brands according to their economic and social settings rather than make their purchases by following any famous or leading personality of the society. Those societies where power distance beliefs are strongly practiced would be considered as a blindfolded following of social orders and niche class just for the sake of status.

*H1: Brand awareness positively impact on power distance beliefs*

### **4. Brand Awareness and Sustainable Purchase Intention**

Malik et al., (2013) Purchase intentions of consumers depends upon brand awareness of a particular brand. Customers intend to purchase certain brands by passing through the complete process of purchase which is comprised of problem identification to a final purchase decision,

and post-purchase behaviour is an aftereffect of it. During the process of developing the intention to purchase, customers confronted with many exposures like during alternative evaluations and information search customers become well aware of various distinct brands (Engel et al., j., 1995).

*H2: Brand awareness positively impacts on sustainable purchase intention of luxury brands*

## **5. Brand Loyalty and Power Distance Beliefs**

(Aaker, 1991, p.39) Brand loyalty is considered one of the most important developing factors of brand equity. That is why companies handle it carefully and give equal importance to both attitudinal and behavioural sides. Based on cross-cultural literature on power distance beliefs, it is assumed that high power distance beliefs promote inequality in society and one's social status is associated with the status buying of that individual and vice versa (Winterich & Zhang, 2014). In such a situation where brand loyalty phenomena purely narrates customers' hardcore association with specific brand power distance belief, this would work as a mediator to either change their loyalties or upgrade on the niche offerings of the same brands.

From the above discussion, we can hypothesise that:

*H3: Power distance belief positively impacts brand loyalty.*

## **6. Brand Loyalty and Sustainable Purchase Intentions**

Brand loyalty is one of the pillars of brand equity that stays with a brand for a longer period of time. If customers are loyal then any other factor like price of the brand, and other promotions and discounts will not influence customer's loyalty with the brand (Evan, Moutinho & Raaij, 1996). Previous research has explained the situation under which customers are confused when choosing the best brand among the presence of many substitute brands. At this stage, popularity and image influence consumer perception and eventually good experience with a brand turns into brand loyalty. Even with higher prices and minimum features, customers feel comfortable just to acquire that particular brand (Sriram, Prabhu, & Bhat, 2019). This loyalty and trust in features provided by brands would develop purchase intentions repeatedly over a period of time.

*H4: Brand loyalty positively develops sustainable purchase intentions.*

## **7. Personal Factors and Power Distance Beliefs**

Much of the previous and existing literature on cross-culture studies have mentioned that the power distance dimension is accepted by an individual's level of PD orientation of that individual. There are very prominent shreds of evidence that found that age factor impacts on

consumer cognition and decision making abilities across cultures (Arnhoff, Leon & Lorge, 1964; Giles et al., 2000). Previous research also confirmed the change in an individual's behaviour, attitudes, practices of norms, beliefs, and value systems is affected (Moscovici, 1988). From the above explanation we can relate that the role of descriptive factors such as the age of consumer, income bracket and brand preference would be those indicative factors that can influence the acceptability of power distance in society. From the as above discussion we can hypothesise that:

*H5: Personal factor positively relates to the sustainable purchase intention of the luxury brand.*

## **8. Personal Factors and Purchase Intentions**

Purchase intentions positively develop when customers receive a harmonious and best-suited offering from the company. Ahuvia (1998) was the first to discuss the importance of personal factors in measuring behaviour toward the purchase of luxury brands. Oyserman & Lee (2007) have explained that people learn social concepts such as power distance beliefs and self-control through other mechanisms and social and semantic networks of various concepts. Wekeza & Sibanda (2019) explained the psychodynamic approach explained that consumer behaviour is derived from some biological and social influences which affect the thought process of an individual. Furthermore, the rising income theory describes some intrinsic factors which derive thoughts of spending or saving as the income level of an individual change (Piketty, 2015). And the behaviourist approach establishes a link to human behaviour as radical and cognitive behaviour (Anand, 2017). In radical behaviour (feelings, state of mind) are explaining factors Neenan, M., & Palmer (2013) and in the cognitive approach explains some actions and traits related to consumer behaviour Emami & Miremadi (2017). In cognitive approach consumer experiences, surrounding environment, and internal decision making by consumers (Lee & Yun, 2015). Personal factors, therefore may be considered as the cognitive approach of the consumer as with a cognitive approach consumers make decisions by collecting information

*H6: Personal factors positively impact on developing sustainable purchase intentions*

## **9. Power Distance Beliefs and Sustainable Purchase Intentions of Luxury Brands**

Consumption of luxury brands is normally perceived as a status symbol and considered a global phenomenon. Previous research disclosed around 16 % of the total population around the world indulges in shopping for luxury brands (Rucker & Galinsky, 2009). Luxury shopping is basically related to consumer psychology under which an individual associates himself with the niche group of the society. Perceiving luxury brands as status symbols and prestige is consumer psychology which developed because of the power distance cultural dimension and its influence on consumer cognition. Four cultural dimensions are identified by social scientist Geert Hofstede in 1980 among which power distance is the most applicable in social and organisational settings. From power distance we evaluate the inequality in the distribution of

rights and powers within society. Power distance also affects consumer's decision making as more powerful members of society make decisions on behalf of the weak segments of society. Previously many researchers have worked on identifying those factors which make power distance applicable in society. Previous research declared the belief in this dimension is actually an underlying phenomenon that motivates all members of society to accept the prevalence of this dimension. Under power distance beliefs, individuals accept the inequality in decision making and enjoy the supreme share of rights, rules and regulation, and freedom of expression given to specific groups of individuals. While discussing the impact of the power distance dimension on purchase of luxury brands the undercover process of consumer cognition and development of buying intention need to be highlighted as underprivileged members in society perceive themselves associated with the supreme segment of society. Under the perception of association with niche groups they enjoy the perceived value of getting freedom and through their purchases of luxury brands they represent themselves as belonging to the status group of society.

According to the theory of impression management, individuals tend their behaviour toward socially desirable images, demonstrated through their purchasing patterns (Eagly & Chaiken, 1993). In order to be socially fit and desirable, people buy luxury brands and enjoy equality in society. From the above discussion, we can hypothesise that

*H7: Power distance beliefs positively impact on sustainable purchase intention of luxury brands.*

### **Brand Awareness → Power Distance Beliefs → Sustainable Purchase Intention**

Keller (2013) describes brand awareness as derived from brand knowledge and the benefit sought from the purchase of that brand. Brand awareness plays a vital role in buying intentions as physical and non-physical attributes of a product. The brand gets the attention of a consumer and then the consumer himself gets attracted and searches for information on the provided and additional functionality of a product/brand (Yu & Rahman, 2018). Brand awareness works as a motivational factor toward the development of buying intentions (Foroudi, Jin, Gupta, Foroudi, & Kitchen, 2018). Through brand awareness, the recall and the recognition of the brand become meaningful, as in high power distance society people only pay attention to those brands which stand for a niche class and are known for status symbols. A power distance oriented society must identify the level of power distance beliefs and its strength in the society (Gao, Winterich, & Zhang, 2016).

Every society is divided into high and low power distance oriented societies. A high power distance society shows a greater influence of power distance belief among society members and vice versa. In a high power distance society people willingly accept the inequality in distribution of power, whereas in a lower power distance belief society people are free to make

their own decision. That is why we can assume that those societies where power distance belief largely prevails have limited awareness about the brand. The reason for this limited and selected brand awareness is consumers focus on the purchase of luxury brands. After purchasing these brands, status and prestige are reflected. Whereas in low power distance belief societies individuals enjoy the freedom of buying brands on their own desire and which suits them best. In low power distance beliefs.

*H8: Brand awareness positively impacts consumer buying intentions of luxury brands with the mediation of power distance beliefs.*

### **Brand Loyalty → Power Distance Beliefs → Sustainable Purchase Intention**

Brand loyalty is considered as the basic dimension of brand value and is normally defined as the degree to which people start buying any specific brand over an extended period of time and reject other substitute brands of the same brand category (Unurlu & Uca, 2017). Islamoglu (2011) further added some prominent factors such as relationship and association with sellers, consumer attitude, ease toward brand usage, family relation, etc. which positively added into the development of brand equity. Brand loyalty, according to Keller (2009), belongs to consumer behaviour toward the continual purchase of a brand or product over a long period of time. Previous researchers bifurcate brand loyalty into core attributes and features based on loyalty, service loyalty and a hybrid of brands and products and people's attachment to them.

According to previous literature and research conducted on brand loyalty and its antecedents, loyalty is created through the constant provision of desired value to its customers who start recognising that brand as trustworthy and is most relevant with his/ her desire. Earlier researchers have confirmed that the whole phenomenon of developing brand loyalty is not a matter of a short period of time, rather it takes years to be developed and maintained. That is why loyalty is transmitted from generation to generation and automatically generates a lead of customers. Brand loyalty is normally divided into two broad categories, attitudinal loyalty and behavioural loyalty. Much research has been done to explore the actual process through which these two different types of loyalties were explored under different situations and marketing trends. In connection with the power distance belief and the existence of brand loyalty, the concept of association and loyalty with those luxury brands who always project themselves as environment friendly would remain in the heart and mind of the customer for a longer period of time. In relation to power distance dimension beliefs and its impact on consumer loyalty, this would develop more sustainable purchase intentions as the association with the sustainable brand launch would develop stronger beliefs toward company designed products and the stronger the power distance belief, the greater will be the loyalty.

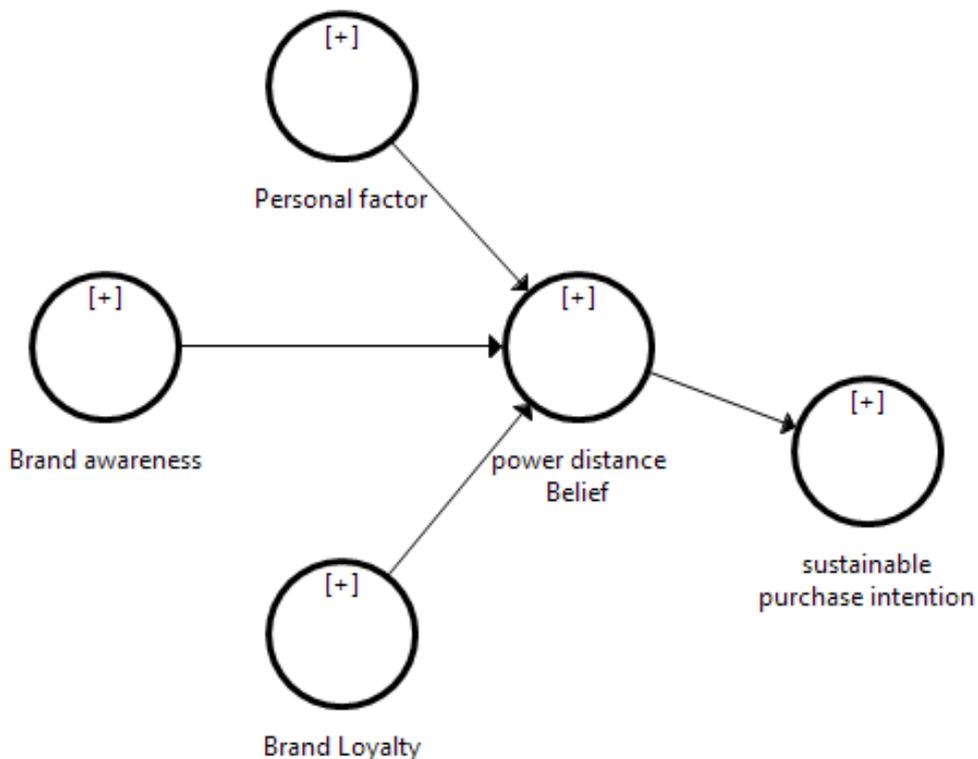
*H9: Brand loyalty positively impacts on consumer perception and buying intentions of luxury brands with the mediation of power distance beliefs.*

### Personal Factor → Power Distance Beliefs → Sustainable Purchase Intention

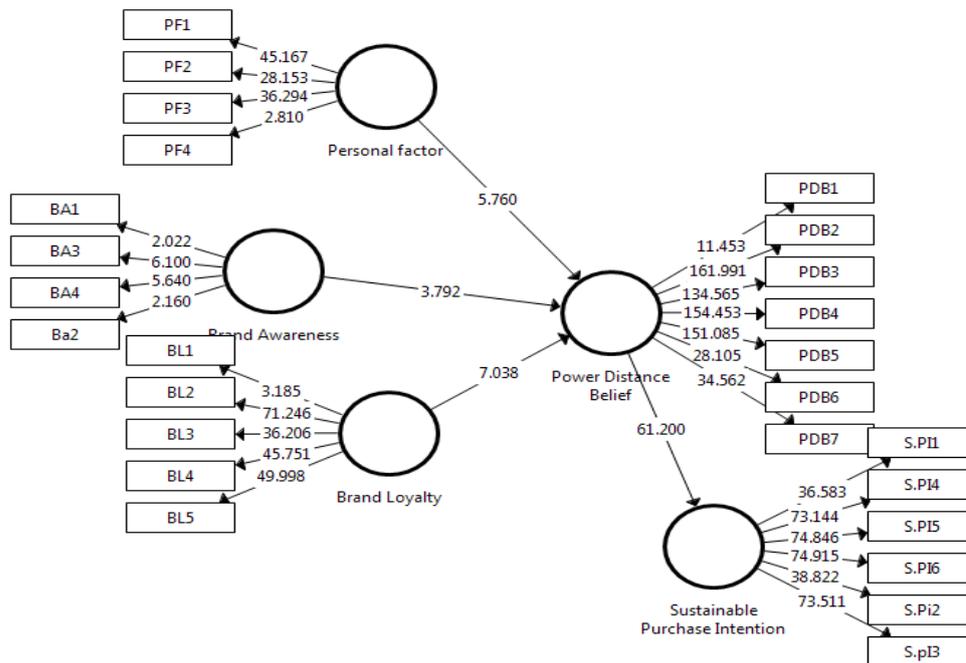
Previous research has shed light on some essential factors which reasoned the buying of luxury brands which includes price value, usage value, quality value, uniqueness or differentiation value, value for maintaining self-identity, and hedonic / conspicuous values (Teimourpour & Hanzae, 2011). Because of the fact that luxury buying gives psychological satisfaction to customers who belong to higher power distance beliefs groups, that's why the internal desire to be associated with a power group would be satisfied and their intentions toward the purchase of luxury brand would develop. Similarly, association with the brand having the concept of environmental friendliness would give them inner satisfaction in being associated with that specific brand.

*H10: Personal factors are positively related to purchase intention of luxury brands mediated by power distance beliefs.*

**Figure 1. Conceptual Model**



**Figure 2. Structural Model**



## 10. Methodology

This research study falls into the philosophy of positivism as research hypotheses have been developed from a review of previous literature on this topic. This research is following the deductive approach because at first data collection is done, analysis is conducted followed by data collected and then generalisations are made. A structured questionnaire is used and adapted according to the requirement of the topic implemented on Pakistani consumers. Data is collected from customers aged between 16 -45 years of age in order to get the exact demographics of consumers influenced by power distance beliefs. Respondents were approached in different locations as there is no specific sampling frame available that represents the exact numbers and profile of customers of luxury brands. That is why data is collected partially from students of undergraduate and Masters level, and partially is collected from different shopping malls located in prime locations of Karachi. Because Karachi is the biggest city of Pakistan and known as the business hub of Pakistan from other countries, large numbers of immigrants are moving from within and outside Pakistan making this city ethno-linguistic (Karachi population, 2019).

## 11. Research Population and Sampling

The target population for this research is consumers of various luxury brands which include apparel, cell phones, watches and shoes and cosmetics. The reason for selecting a wide range of luxury brands available in the Pakistani market is to find the impact of the power distance

dimension on different ages and income brackets of consumers. As well as how power distance beliefs would change consumer's attitudes toward luxury brands rather than comparing brands with each other in terms of having greater brand equity. The sample size of this research study has been taken from the Krejcie and Morgan (1970) formula table. According to which for such research where sampling frames are not available and consumer behaviour needs to be calculated and the approximate population is greater than 50,000, a sample of 384 is appropriate. However, for this research a sample of 400 male and female customers of luxury brands aged between 16-45 was intended to be collected. The non-response rate was 5 %. After removing incomplete questionnaires and cleaning up all the questions with missing responses, a total of 350 questionnaires were finally selected for data analysis.

**Table 1 Scales and Measures**

Purchase intention of luxury brands construct	Sources of Scale items	No. of Items
Brand awareness	Yoo & Donthu, 2001	5
Brand loyalty	Chaudhry & Holbrook, 2001	5
Power distance beliefs	Hofstede (1984,p.92) & Brockner et al., (2001)	8
Purchase intentions of luxury brands	(Danziger, 2002; Vigneron & Johnson, 2004; Wong & Ahuvia, 1998)	5

## 12. Results and interpretations

**Table 2 Descriptive Analysis**

	Mean	STD.Dev	Kurtosis	Skeweness
Pf	2.94	1.48	-1.53	-0.05
BA	3.01	1.54	-1.52	-0.057
BL	2.99	1.49	-0.031	-0.031
PDB	2.98	1.49	-0.044	-0.043
SPI	3.17	1.48	-0.18	-0.18

### Convergent validity

The research ascertained the convergent validity of the research variables through their composite and average variance explained. The results are presented below in Table 2.

**Table 3: Construct Reliability and Validity**

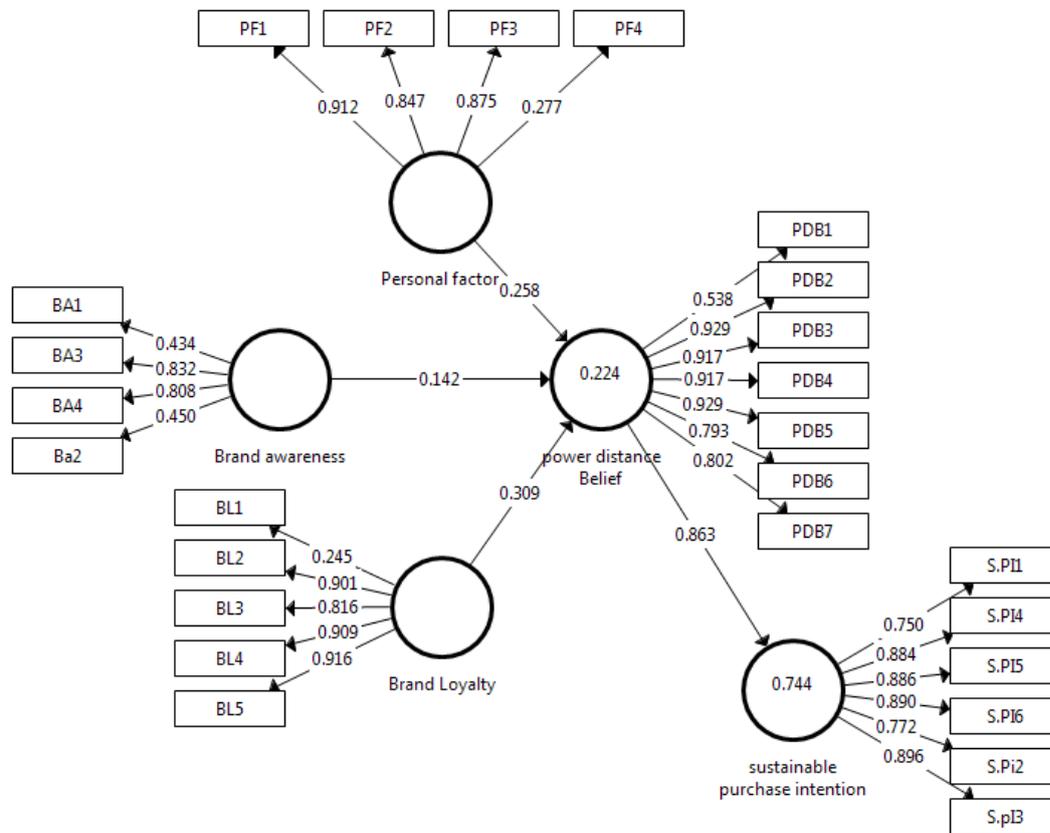
	<b>Cronbach's Alpha</b>	<b>Mea n</b>	<b>Std. Dev.</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted (AVE)</b>
<b>Brand Awareness</b>	<b>0.548</b>	<b>2.9</b>	<b>1.485</b>	<b>0.738</b>	<b>0.434</b>
<b>Brand Loyalty</b>	<b>0.818</b>	<b>3.0</b>	<b>1.545</b>	<b>0.889</b>	<b>0.641</b>
<b>Personal factor</b>	<b>0.719</b>	<b>2.9</b>	<b>1.43</b>	<b>0.84</b>	<b>0.598</b>
<b>Power Distance Belief</b>	<b>0.927</b>	<b>2.98</b>	<b>1.49</b>	<b>0.944</b>	<b>0.71</b>
<b>Sustainable Purchase Intention</b>	<b>0.921</b>	<b>3.16</b>	<b>1.47</b>	<b>0.939</b>	<b>0.72</b>

The results suggested that power distance belief (Mean=2.98, STDEV=1.49, CR=0.944) has the highest composite reliability, whereas brand awareness (Mean=2.9, STDEV=1.485, CR=0.738) has the lowest level of composite reliability. Sustainable purchase intention (Mean=3.16, STDEV=1.47, Avg.Var =0.72) has the highest average variance whereas brand awareness (Mean=2.9, STDEV=1.485, Avg.Var=0.434) has the lowest average variance. As values of composite reliability and average variance are greater than 0.7 and 0.6 respectively, that's why we may conclude the acceptable range of convergent validity.

### 13. Structural Equation Modelling

This research study adopted structural equation modelling by using Smart PLS 3.0 software to test the hypotheses. The statistical results of the direct hypothesis are presented in Table 4.

**Figure 3. Measurement Model**



**Table 4: Total Effects**

	Origin Sample (O)	Sampl e Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDE V )	P Values
1.Brand Awareness -> Power Distance Belief	0.142	0.148	0.038	3.697	0
2.Brand Awareness -> Sustainable Purchase Intention	0.123	0.128	0.033	3.672	0
3.Brand Loyalty -> Power Distance Belief	0.309	0.31	0.046	6.732	0
4.Brand Loyalty -> Sustainable Purchase Intention	0.266	0.268	0.04	6.681	0
5.Personal factor -> Power Distance Belief	0.258	0.26	0.046	5.663	0
6.Personal factor -> Sustainable Purchase Intention	0.223	0.224	0.039	5.668	0
7.Power Distance Belief -> Sustainable Purchase Intention	0.863	0.864	0.014	5.732	0

The statistical results from SEM suggest that we found significant support for all 7 hypotheses based on direct effects on power distance belief and sustainable purchase intentions.

**Table 5: Indirect Effects**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV  )	P Values
8. B A -> PDB -> SPI	0.123	0.128	0.033	3.672	0
9. BL -> PDB -> SPI	0.266	0.268	0.04	6.681	0
10. PF-> PDB -> SPI	0.223	0.224	0.039	5.668	0

The results of indirect effects suggested significant effects of brand awareness on sustainable purchase intention with the mediation of power distance belief, effect of brand loyalty on sustainable purchase intentions with the mediation of power distance belief and effect of personal factor on sustainable purchase intention with the mediation of power distance beliefs.

#### 14. Discussion and Conclusion

Hofstede's cultural framework is widely known and famous for finding the impacts of cultural dimensions on different entities. Hofstede's cultural framework is mostly applied in an organisational context but previously some research has been conducted on the application of the social context of this model. Recently the role of culture and its associated dimensions has been evaluated in a consumer behaviour context and is widely acknowledged that culture plays an indispensable role in deriving consumer's needs, wants, demands and purchase intentions. At this point in the modern era the latest concept of sustainable purchase intention, which means if luxury brands offer environment friendly product lines, the adoption of such brand lines would be more appreciated and quickly accepted by consumer and thus their repurchase intention to develop such brand would develop. That would definitely impact their awareness about company's offerings and eventually add value into the loyalty status of that brand. The main focus of this research paper is to address the phenomena of sustainable purchase intentions in developing countries such as Pakistan where power distance cultural dimensions are widely practiced. However, the power distance belief towards the buying of sustainable luxury brands would justify the purchasing of luxury brands for two reasons: 1) Society's free will to accept decision making authorities; 2) Through the existence and acceptance of power distance beliefs present among society members environment friendly luxury brand line would be more appreciated and positively impact consumer's sustainable purchase intentions.

PD dimensions deal with the degree of inequality and equality in decision making and receiving equal opportunities in enjoying life and in freedom of expression (Lustig & Koester, 2010, p.114). Power distance is one of the primary cultural dimensions that impacts consumer purchase intention toward any particular product or brand derived by PDB. It has been researched earlier that PDB changes the society member's psychological associations with particular brands as higher PDB societies represent the greater intensity of following status quo and eagerness to fill the gap between the higher class and their own current status through purchase of branded materials. The existence of power distance beliefs in society and consumers attitude towards following the status quo or following the traditional pattern of the

society (i.e. following power distance) would make consumer independent purchase intention on weaker position as greater the following of high power distance lesser will be independent consumer purchase intentions and preference of any particular product or brand specially in case of luxury products in which high prices are involved.

Alternatively, lower PDB societies are comparatively free to express their choice of purchase regardless of what the status class of society is purchasing. Previously many researchers have considered BA as brand consciousness and relate it as a customer's effort to know about a brand that would lead to developing a more favourable SPI (Bhasin, 2019). The results of this research study reveal that BA would be created positively in both cases, whether the society is facing high power distance beliefs or lower power distance beliefs. BL is another factor that affects the PI of luxury brands. The hypothesis on this relationship showed significant results in direct and indirect relationships. The results of this research study are also not aligned with previous research results in which it was explained that individuals of low power distance societies are more likely to purchase those brands or products which represent their own choice and are less influenced by the purchase of high PDB societies (Lam, 2008). On the contrary individuals with high PD are more likely to switch their brands to suit their power group.

Personal factors include age, income level and brand preferences of any particular brand. Previous research confirms that the consumer's likes and dislikes change as their biological age grows. Similarly, the income bracket represents people switching over to more expensive or luxury brands. The results of the hypothesis on personal factors show a significant relationship between the purchase intentions of luxury brands and personal factors with the mediation of PDB.

## **15. Managerial Implication**

This research study highlighted the importance of one of the cultural dimensions "power distance" on sustainable purchase intentions of luxury brands. As the current market and businesses witnessed the booming trend of acquiring luxury brands for getting extra value, in this regard, the role of power distance and its acceptance among society members plays an implicit role in determining SPI.

The vitality of understanding and implementing the concept of BA in developing customer's attention and overall brand equity is unambiguous. The results of this study provide a unique piece of information for all luxury brands companies working domestically and internationally and to marketing managers by understanding the strength and importance of power distance beliefs among society members in the process of developing SPI. However, BA, BL and PF are variables that are under primary consideration of all brand companies and marketing managers but the mediating role of PDB would give additional information about society's desire and expectation from sustainable luxury brands. In addition, PDBs strengthen relation of BA, BL and PF in developing SPI that were previously granted as positive but in the case of



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a sustainable luxury brand it would be more justified in front of their customer's luxury purchases.

## **16. Limitations and Way Forward**

This research study opened up many avenues for further research as well as being influential for current marketers, academics and corporate sectors of luxury brands operating in Pakistan. This research limits its applicability by taking a few variables of brand equity which are BA and BL, however, this research would be more influential and comprehensive insight would be evoked if other factors of brand equity were taken to analyse the impact on the PI with the mediation of PDB.

PDB is a complicated variable that needs to be investigated further in Pakistani society members as well as international consumer's response toward the purchase of luxury brands. BA in his research gives surprising results by rejecting the positive relationship of brand awareness and purchase intentions of luxury brands. This phenomenon of how brand awareness would be less practical to develop positive vibes in consumers toward the purchase intention of luxury brands needs more investigation.



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