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(AIJBES)**[www.aijb.es.com](http://www.aijb.es.com)**THE INFLUENCE OF MATERIALISM VALUES TOWARDS  
YOUNG CONSUMERS' LUXURY FASHION PURCHASE  
INTENTION IN INDONESIA**Erlin Dwi Septiana<sup>1\*</sup>, Annisa Rahmani Qastharin<sup>2</sup><sup>1</sup> School of Business and Management, Institut Teknologi Bandung, Indonesia  
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**DOI:** 10.35631/AJBES.39014.**This work is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)****Abstract:**

Indonesia became one country of luxury fashion global expansion to developing markets. Indonesia has a large number of high-net-worth individuals that continue rising steadily, boosting sales of luxury fashion products. The luxury fashion industry in Indonesia is forecasted to expand by 7.98% annually. Indonesia's young consumers have shown their potential to be attracted by luxury fashion companies. Aligned with greater income and higher exposure of luxury fashion obtained by young consumers in Indonesia, it is predicted to be aligned with the increase of materialism values. Materialism values have proven to positively influence luxury brand consumption in several countries and are composed of social recognition, appealing appearance, financial success, defining success, acquiring centrality, and pursuit of happiness. Yet, it is unclear whether materialism values are also influential towards young luxury fashion consumers' in Indonesia. This research has the purpose to identify the variables of materialism values that positively influence purchase intention and give recommendations that can be implemented by luxury fashion companies to generate stronger marketing strategies. The quantitative method using an online questionnaire is used with the judgemental sampling technique. The data gathered from 317 respondents is tested using PLS-SEM. The research findings show the influential variables of materialism that positively influence brand engagement in self-concept as the mediating variable and have a positive indirect effect towards purchase intention from the strongest to weakest effects respectively are acquisition centrality, appealing appearance, the pursuit of happiness, and social recognition. The recommendation that can be implemented by luxury fashion companies is designing the advertisements and campaigns that are able to bring out the

luxury consumers' feelings regarding these influential materialism values variables.

**Keywords:**

Brand Engagement in Self-Concept, Luxury Fashion, Materialism Values, Purchase Intention, Young Consumers

## Introduction

Luxury fashion is typically very costly and can only be afforded by a select few. As a result, they are only available in a small quantity. When it comes to selling luxury, exclusivity is the philosophical main factor. This exclusivity is sustained mostly by a premium price point, but also by deliberately restricting distribution sizes and distributors (Fibre2Fashion, 2013). For decades, luxury fashion labels have seen sales increase. LVMH Mot Hennessy Louis Vuitton, which is the largest luxury firm in the world, completed a decade of sustained sales growth in 2019 (WSJ, 2020). LVMH recorded sales of 59.1 billion dollars in 2019, representing a 15% increase compared to last year, while organic revenue growth was 10% (Fashion United, 2020). Kering, another multinational luxury company, posted combined sales of 17,321 million dollars in 2019, an increase of 16.2 percent as reported and 13.3 percent on a comparative basis. (CPP-LUXURY, 2020). Despite the growth of luxury fashion brands over the past two decades, they are facing significant decline from the first quarter of 2020. They faced a drop in revenue of between \$85 and \$120 billion in 2020, or about 29.2% of the \$350 billion luxury market.

The recovery of luxury fashion companies is supported by global expansion to developing markets. It is a result of the emerging economy in many countries, disposable income that is growing and the accelerating globalization (Bryck, 2003). Indonesia has the biggest economy compared to others in Southeast Asia and is considered as one of the developing world's most significant economies (Asia Fund Managers, 2020). Middle class in Indonesia has grown faster than other classes, and there are now at least 52 million economically stable Indonesians, or one out of every five Indonesians (The World Bank, 2020). In 2021, the segment of the luxury fashion market Indonesia generated \$510 million in revenue. Moreover, the industry is forecasted to expand by 7.98% per year (CAGR 2021-2025) (Statista, 2021). As a result, Indonesia is a potentially profitable country for luxury fashion companies considering its good sales and the future forecast of increasing growth.

Younger customers are contributing to shifts in luxury spending and perceptions (Mordor Intelligence, 2021). The fastest expanding sector of the luxury market is young customers, with a preference for fashion-forward product offerings (Juggessur & Cohen, 2009). Along with increased income and accessibility, more customers can readily afford luxury items, and they are getting younger, with 21-year-olds beginning to purchase luxury products (Fashion Network, 2016). There are many factors that are able to build consumers' purchase intentions in the luxury fashion field. Indonesia's young segment has shown its potential due to the increase of disposable income and higher exposure from the internet. It leads to the most concerned factors in this segment that need to be emphasized, in order to successfully generate their purchase intention. Materialism values are one of the factors that have proven to positively influence luxury consumption based on several previous studies. There is a strong connection between purchasing intention and brand consumption (Dubois and Paternault, 1995).

According to cultural and consumer theories, materialists support a collective-oriented consistency of an otherwise self-oriented demand in things (Awanis et al., 2017).

The studies related to influence of materialism values have been conducted in different countries. The results showed that materialism values appear as one of the most influential factors when studies are conducted to explore the consumers' luxury brand purchasing. The study also discovered that the self-centered lifestyle of young consumers, which is part of materialism, has supported the rise of the luxury industry. It is with 71.6 percent of respondents in their twenties believing that they are the most important person in their lives (Retail in Asia, 2019). Aligned with the country's increased income, Indonesia youth population are experiencing increasing spending power which leads to the shifting of their products preferences.

Besides higher disposable income obtained, Young consumers in Indonesia are also becoming more familiar with luxury brands due to the high exposure of luxury fashion in social media. As of January 2021, the number of young social media users (which include Facebook, Facebook Messenger and Instagram) in Indonesia with the age range of 18 to 34 years is represented by 64,8% of the population (Statista, 2021). Moreover, as of the third quarter of 2020, the average time spent on the internet in Indonesia was roughly 8 hours and 50 minutes, with social media and streaming accounting for a significant portion of the time (Statista, 2021). There is more exposure given on showing off culture on a daily basis by the influencers as their references. The normalization of luxury consumption by society, largely as a result of it being pushed in people's faces on a regular basis (13 Stars Newspaper, 2020).

Similar to other developing markets which are experiencing economic growth, as disposable income in Indonesia is increasing, it is predicted that materialism values of Indonesia's young consumers tend to increase as well. Materialism values itself are composed of six dimensions which include social recognition, appealing appearance, financial success, defining success, acquiring centrality and pursuit of happiness based on the previous research (Kasser, 2002; Richins and Dawson, 1992). The increase of materialism values is believed to positively influence the purchase intentions of Indonesia's young consumers segment. Understanding the minds of consumers is a big challenge for luxury businesses and may eventually determine whether they have a chance to capture the lion's share of the world's most significant market (Vogue Business, 2020). Through knowing the influence of materialism values, the stronger marketing strategies can be designed to attract the young segment in Indonesia which consists of affluent consumers.

## **Literature Review**

There are eight points that are discussed in the following literature review.

### ***Luxury Fashion***

Luxury is defined as the addition of art to utilitarian goods (Kapferer, 1997). Luxury products provide customers with more than just utilitarian functions. Brands evoke images of value and happy emotions, and they serve as a medium for self-expression while also giving the impression of having "good taste" in brand selection (Langer, J. 1997). The psychological benefits that distinguish luxury products from non-luxury goods or counterfeits are the most important element (Nia and Zaichkowsky, 2000). Clothing indicates a person's social identity as opposed to his or her personal identity (Noesjirwan and Crawford Noesjirwan, J. and

Crawford, J. 1982). Many people use the display, purchase, use, and consumption of products to gauge their social status (Veblen, 1899). Personal luxury sales in Indonesia are led by well-known foreign brands such as Louis Vuitton, Gucci, Cartier, and Hermès (Euromonitor, 2020).

### ***Materialism Values***

Materialism is a collection of ideals and aspirations that are centered on money, possessions, appearance, and status. Materialism, according to Belk, is characterized by possessiveness, a lack of charity, and envy. It is described as “a mentality or set of beliefs concerning the relative significance of getting and owning goods in one's life.” (Richins and Dawson, 1992). Luxury items are significantly more costly than non-luxury items. Since the consumer attitudes toward luxury brands may fulfill a social betterment function, a value expression function, or both, Wearing luxury fashion goods in public may be associated by society with money and social recognition of success (Shavitt, 1989). It has a positive impact because it contributes to increased brand engagement in the context of marketing (Goldsmith, Leisa, & Ronald, 2011). Materialistic values itself are divided into six dimensions which include social recognition, appealing appearance, financial success, defining success, acquiring centrality and pursuit of happiness (Kasser, 2002; Richins and Dawson, 1992).

### ***Brand Engagement in Self-Concept***

Brand engagement, as defined by Sprott et al. (2009), is a trend in which customers utilize brands as badges and manifestations of their own self-image. Brand engagement has been described as a result of participation and interaction (Leckie et al., 2016). The brands are viewed as the "life partner" during the symbiosis process, demonstrating the ultimate partnership proximity. This situation implies that the brand has been ingrained in the individual's self-concept, which is also known as brand engagement in self-concept (Sprott et al., 2009; Razmus and Laguna, 2017). It is a personal difference measure that represents consumers' proclivity to include essential brands in their self-perception (Sprott et al., 2009) and will increase brand loyalty (Hollebeek, 2011). When customers perceive brands to be important to their lives, a friendship or connection develops between the customer and their preferred brands (Fournier, 1998; Uncles, 2008).

### ***Social Recognition***

Using luxury fashion brands can help users gain more social recognition from people around them. The possession of luxury items gives information about the social standing of the owners (Nueno and Quelch, 1998). It is based on how people use luxury fashion brands to represent their image. People who use luxury brands can believe that others will recognize them because of the characteristics of luxury brands that display money, prestige, and achievement. Individuals may be influenced to buy luxury fashion products based on their perception that it is expressing prestige. When people believe they will gain social recognition, they become more inclined to purchase luxury fashion brands and have higher purchasing intentions. According to the explanation above that social recognition is affecting the luxury fashion brands purchase intention, the developed hypothesis is:

*H1: Social Recognition (SR) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.*

### ***Appealing Appearance***

Consumers who see fashion as a sign of their self-image will be more likely to be interested in fashion-related items. Using luxury fashion products can be perceived as important in

increasing people's appealing appearance in front of others in the society. This gives more credence to the association between self-congruity and product involvement in the form of fashion (Barone et al., 1999). Individuals with higher adherence value the appearance of clothes with the brand name (Rose et al., 1994). It leads to customers' perception that using luxury fashion brands may increase the extent of people's appealing appearance. The significant position of fashion consciousness discovered indicates that customers' experiences, including the appealing appearance of using luxury fashion brands, are critical to the fashion industry. Based on the explanation that appealing appearance that has correlation with the consumers' involvement along with the purchase intention above, the developed hypothesis is:

*H2: Appealing Appearance (AA) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.*

### **Financial Success**

The association with exclusivity and rareness is strongly associated with luxury fashion brands (e.g. high quality materials, limited accessibility and limited distribution) that have the potential to increase customer desire for posing them (Verhallen, 1982; Lynn, 1991; Pantzalis, 1995). For status-conscious customers, high prices are often viewed as symbols of prestige and a symbol that the high-priced goods users have already achieved financial success in their lives. It gets more desirable and valuable as it grows pricier in comparison to standard costs (Verhallen and Robben, 1994). Luxury fashion brands have high prices and limited accessibility which cues the individual's financial success since it can only be afforded by certain people, particularly by people with high financial achievement. These achievement concerns want to show that individuals are already reaching financial success in life. It leads to the perception from many people in the society that luxury fashion brands ownership is able to show the users' financial success. This motivation to demonstrate financial success to others may increase purchase intent for luxury clothes businesses. Based on correlation exists in the financial success and luxury fashion brands purchase intention as explained above, the developed hypothesis is:

*H3: Financial Success (FS) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.*

### **Defining Success**

The luxury fashion brands that are recognized by the well-known brands along with their iconic logos and designs generate higher customers' attachment to it. It is known that since a long time there has been high exposure in the media that most luxury fashion brands users are people that have reached success such as celebrities, public figures, influencers and people with a high ascended career ladder. Through this reference point, people that use luxury fashion brands can be perceived as already successful by society. In order to get successful achievement recognition by others as a part of materialism values, it can influence people to purchase luxury fashion brands. Defining financial success is a manifestation of vanity. Vanity is distinguished by an emphasis on external presence as a result of physical considerations and on conveying social prestige by conspicuous consumption as a result of achievement concerns (Netemeyer et al., 1995). Since there is perception of positive relationship between defining success and luxury brands purchase intention as explained previously, the developed hypothesis is:

*H4: Defining Success (DS) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.*

### ***Acquisition Centrality***

Possession ownership and acquisition have been related to achieving major life objectives like pleasure, contentment and success (Richins, 2004). Materialistic consumers regard possessions and acquisition as measures of happiness and success as fundamental to life. Acquisition has degenerated into a merely hedonistic urge (Shrum et al., 2013) and it is able to generate higher customers' purchase intention toward products that are perceived to fulfill this need. It contributes hedonistic motivations for shopping, such as pleasure and shopping satisfaction, concept shopping, social shopping, role shopping, and value purchasing (Cardoso and Pinto, 2010). This acquisition centrality motivation is believed able to influence customers' purchase intention particularly in luxury fashion brands, since their products offer not utility values, but also hedonistic values which align with the acquisition centrality. Moreover, luxury fashion shopping is often used by many customers for the pleasure of shopping motivation. The developed hypothesis based on the acquisition centrality value and its positive effect toward luxury fashion brands purchase intention is:

*H5: Acquisition Centrality (AC) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.*

### ***Pursuit of Happiness***

People may perceive happiness as different which leads to different ways to pursue it. The luxury fashion brands ownership is a way that is used to pursue happiness. Consumers seek satisfaction through brand use as a result of tradition. Materialism, to some degree, contributes to life satisfaction (Manolis and Roberts, 2012) which brings happiness. Because showcasing material possessions to demonstrate one's uniqueness provides enjoyment and enhances contentment, this incentive may enhance the purchasing intention of premium fashion companies (Sidhu and Foo, 2015); (Rustagi and Shrum, 2017). Pursuit of happiness can become one orientation materialism value that consumers got through using luxury fashion in lifestyle. Based on the explanation above about pursuit of happiness along its aligned relation with purchase intention, the developed hypothesis is:

*H6: Pursuit of Happiness (PH) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.*

### ***Purchase Intention***

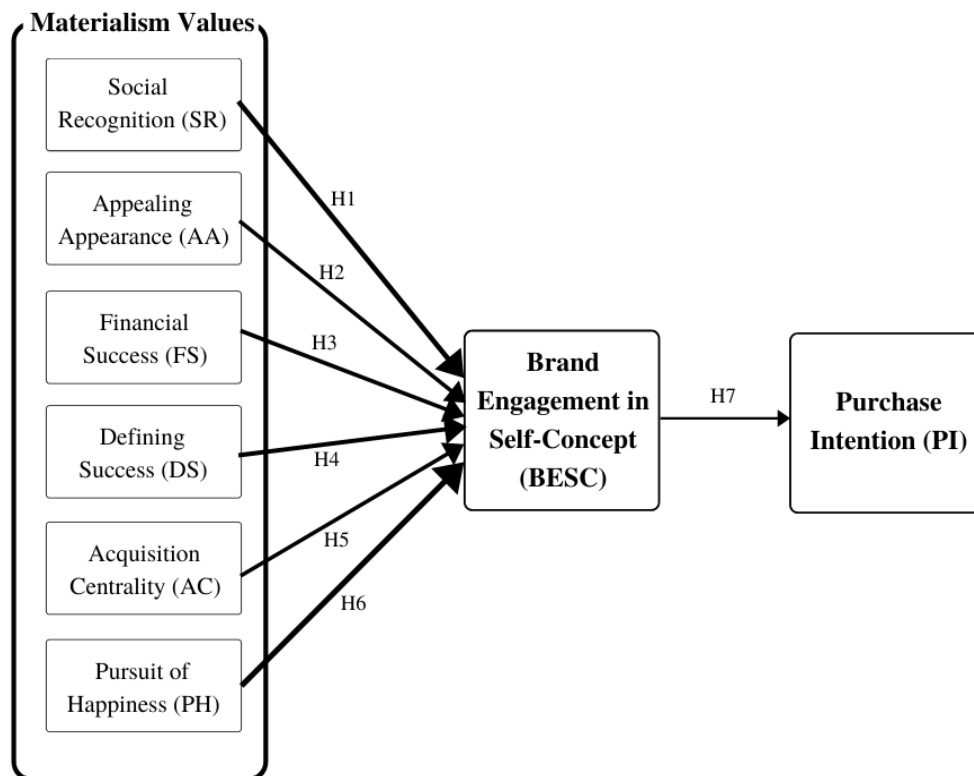
According to the research results in the marketing field, there appears to be a connection between variables in materialism values and purchase intention for the luxury market. There is a strong connection between purchasing intention and brand consumption (Dubois and Paternault, 1995; Yoo and Lee, 2009; Zeithaml, 1988). It leads to a higher purchase intention that is owned by individuals to make them also possess the higher brand consumption. Purchase intention is a type of decision-making that looks at why buyers buy certain brands (Shah et al., 2012) and a type of behavior in a consuming attitude. Purchase intent is defined as a circumstance in which clients are likely to buy a certain product under certain conditions (Morinez et al., 2007). It can be used as additional knowledge to forecast sales in the future since it has links with brand consumption. Participants' brand engagement is favorably influenced by brand psychological ownership and value congruence, which impacts brand attachment and purchasing intentions. Brand purchase intention is modeled as a result of brand engagement (Kumar and Nayak, 2019).

Based on the previous explanation regarding the predictive positive alignment between two variables, the developed hypotheses is:

*H7: Brand Engagement in Self-Concept (BESC) positively influences young consumers' luxury fashion Purchase Intention (PI) in Indonesia.*

## Methodology

In this research, the researcher used a conceptual framework that is shown below. The model used in the study was built based on the hypothesis development in the literature review. Through using a model that is developed from the conceptual framework below, the correlation of materialism values and the purchase intention of young consumers' luxury fashion in Indonesia can be explained. It is used alongside identifying which variables of materialism values that are most influential. The conceptual framework begins with the materialism values that consist of six variables acting as dependent variables. There is a frame which is surrounding these 6 variables since these are part of materialism values. Then, materialism values are linked to brand engagement in self-concept which has a role as a mediating variable. After that, the mediating variable is linked to purchase intention as the independent variable.



The quantitative data collection by using a survey is conducted in this study. Since predetermined variables that are assessed are already chosen as the subject, this approach is regarded to be the most suited to be carried out. Only a quantitative technique is used in this research. The online questionnaires are practical for large samples and most appropriate to reach the adequate eligible respondents in this current pandemic situation within the limited time provided. This online questionnaire is chosen for this study particularly with the consideration of the data gathering convenience and number of respondents required. To measure the respondents' behavior, this questionnaire employs a Likert-type with seven scales

that strongly agree with the scale of 7 and strongly disagree with the scale of 1. It is aimed to determine how much respondents agree towards the statements that are assessed as the variable indicators. The seven scales are chosen with the consideration of human mind judgement. Miller (1956) contended that the human mind has a span of absolute judgment capable of distinguishing roughly seven unique categories and a span of immediate memory capable of distinguishing around seven things.

A purposeful or judgmental sampling technique is used. Judgmental sampling is adopted in this study since there are specific qualifying conditions that responders must meet to collect appropriate data in accordance with the study purpose. As the judgmental sampling method is used, the researcher determines first who are the eligible respondents who potentially can fulfill the questionnaire. The procedure is started by researchers initially searching for respondents who meet the eligibility requirements as part of the purposive or judgmental sample approach that is deployed. Second, the researcher approaches them as the research initiation of the survey. While the last step is conducting the survey through the online questionnaire using Google Form to gather the data needed. The data collection for this study is conducted in May and June 2021 to reach out the number of total samples needed. However, if the chosen respondents from judgmental technique actually aren't fulfilling the eligibility criteria, they can't continue to fill the questionnaire because there is a sorting question that should be answered. It makes them excluded from the data collection.

Population and sample is focused on the young luxury segment in Indonesia who belong in the age range 16 to 30 years. This youth age range is obtained from Badan Pusat Statistik Indonesia which is the non-ministerial government agency directly accountable to the President. The youth range in age from 16 to 30 years is one of the age classifications that is used for creating periodical reports such as Indonesian Labor Market Indicators and National Labor Force Survey. The population in this age range consists of around 67 million people (Badan Pusat Statistik, 2020). This youth range consists of the most educated population which represents people in this population whose complete high education is 15,33%.

The eligibility criteria besides the age include the respondent should be Indonesia citizen and has purchased luxury fashion products previously. The reason behind Indonesia citizen qualification is since this study uses Indonesia as the study scope and the results can be compared to other countries. While the qualification of having purchased luxury fashion products previously is aimed to get the respondents who have spending power in the luxury fashion. It is since if the respondents only have purchase intentions without enough spending power, the results of the study will be less impactful because not all of them are the right target markets. Therefore, the eligibility criteria that should be complied by all respondents who fulfilled the questionnaire are Indonesia citizens in the age range of 16 to 30 years and have purchased luxury fashion products previously. Respondents who fulfill the survey should meet all those eligible criteria in order to gain reliable data. The consideration of all eligible criteria chosen is to get the valid information about respondents' perception about their materialism values towards luxury fashion products purchase intention.

The number of components that is employed in the research is referred to as the sample size (Malhotra, 2009). The eligible respondents as the population assessed in this study should comply with the requirements of Indonesia citizens, 16-30 years old and have purchased luxury fashion products previously. It makes the exact number of this eligible respondents population



unknown. Therefore, the minimum sample size in marketing study based on Malhotra et al. (2016) which is 200 samples is used. There are 317 valid respondents who fulfilled the questionnaire that is used in the data analysis. Below is the table that consists of variable indicators that are used for the questionnaire.

**Table of Variable Indicators**

No.	Variable	Label	Indicators	Source
1.	<b>Social Recognition</b>	<b>SR1</b>	People who are close to me would be aware of my purchasing luxury fashion products.	(Park et al., 2008)  (Sreejesh et al., 2016)
		<b>SR2</b>	When luxury fashion products are with me, others would recognize me because of the value the luxury fashion products I possess.	
		<b>SR3</b>	It matters a lot whether people are admiring me and through using luxury fashion products would increase that admiration.	
		<b>SR4</b>	Luxury fashion products would create a very positive impression of me in front of others which makes me proud of myself.	
2.	<b>Appealing Appearance</b>	<b>AA1</b>	The way I look is extremely important to me and luxury fashion products would enhance my appearance.	(Park et al., 2008)  (Sreejesh et al., 2016)
		<b>AA2</b>	Luxury fashion products are different from the mass and make my appearance more appealing.	
		<b>AA3</b>	Luxury fashion products belong to a unique class and make my appearance more appealing.	
		<b>AA4</b>	Luxury fashion products are able to enhance my physical appearance.	
3.	<b>Financial Success</b>	<b>FS1</b>	Luxury fashion products are able to show that I have a job with high social status.	(Kasser, 2002)
		<b>FS2</b>	Using luxury fashion products is	

			able to show that I have a job that pays me well.	
		<b>FS3</b>	Luxury fashion products will give me a strong sense of my financial accomplishment.	
		<b>FS4</b>	Luxury fashion products are able to communicate the image of my financial success.	
<b>4. Defining Success</b>		<b>DS1</b>	I admire people who own expensive homes, cars and clothes.	(Richins and Dawson, 1992)
		<b>DS2</b>	Some of the most important achievements in life include acquiring material possessions. Luxury fashion products are one of those most important achievements to possess.	
		<b>DS3</b>	I place much emphasis on the amount of material objects people own as a sign of success. Having luxury fashion products is able to give me that emphasis on the sign of success.	
		<b>DS4</b>	The things I own say a lot about how well I am doing in life. By owning luxury fashion products, it is able to say that I am doing well in my life.	
<b>5. Acquisition Centrality</b>		<b>AC1</b>	The things I own are all that are important to me and luxury fashion products are one of the most important things to be owned.	(Richins and Dawson, 1992)
		<b>AC2</b>	I enjoy spending money on things that aren't practical, including on luxury fashion products.	
		<b>AC3</b>	Buying luxury fashion products gives me a lot of pleasure.	
		<b>AC4</b>	I like a lot of luxury in my life	

			and I could achieve that with owning luxury fashion products.	
<b>6. Pursuit of Happiness</b>		<b>PH1</b>	My life would be better if I owned certain things I don't have. Owning luxury fashion products contributes to making my life feel better.	(Richins and Dawson, 1992)
		<b>PH2</b>	I wouldn't be any happier if I owned nicer things. Luxury fashion products are nice things to have that make me happier.	
		<b>PH3</b>	I would be happier if I could afford to buy more things, including luxury fashion products.	
		<b>PH4</b>	It sometimes bothers me that I can't afford to buy all the things I'd like, including buying luxury fashion products.	
<b>7. Brand Engagement in Self-Concept</b>		<b>BE1</b>	I have a special bond with the luxury fashion brands that I like.	(Sprott et al., 2009)
		<b>BE2</b>	I consider my favorite luxury fashion brands to be a part of myself.	
		<b>BE3</b>	I can identify important luxury brands in my life.	
		<b>BE4</b>	There are links between the luxury brands that I prefer and how I view myself.	
		<b>BE5</b>	My favorite luxury brands are an important indication of who I am.	
<b>8. Purchase Intention</b>		<b>PI1</b>	It is very likely that I will buy luxury fashion brands that I have a special bond with.	(Putrevu and Lord, 1994)
		<b>PI2</b>	I will purchase my favorite luxury fashion brands the next time I need a product.	
		<b>PI3</b>	I will definitely try my preferred luxury fashion brands.	

## Results

### *Descriptive Analysis*

From the result of descriptive analysis, the indicator which has the highest mean (5.401) comes from the variable of Social Recognition (SR). It has label SR1 with the indicator that states, "People who are close to me would be aware of my purchasing luxury fashion products". It shows that respondents perceive that people who are close to them would realize that they are purchasing luxury fashion products and are able to make them gain higher social recognition from people around them. On the contrary, the indicator with the lowest mean (3.574) is from the variable of Acquisition Centrality (AC). This lowest indicator has the statement of "I enjoy spending money on things that aren't practical, including on luxury fashion products" and has label AC2. It shows that although the respondents are purchasing luxury fashion products, they may still don't enjoy spending their money on not practical things. It indicates that respondents want to get luxury fashion products which still have functionality and can be used in their life. Besides values of luxury brands that respondents possess, the luxury fashion products utility should still be maintained.

### *Partial Least Square (PLS-SEM) Analysis Result*

There are several tests that should be passed and used in the Partial Least Square (PLS-SEM) as explained below.

- **Indicator Reliability Test**

Through examining the value of the outer loadings, the result of indicator reliability can be obtained. There is a minimum value of preferred outer loadings which is 0.7 (Hulland, 1999). For the use of exploratory research, however, the value of 0.4 or higher is acceptable and classified as reliable (Wong, 2013). The indicator reliability test in this study showed that all of the variables assessed are reliable. All indicators show the outer loading's value that is obtained is larger than 0.4.

- **Internal Consistency Reliability Test**

All eight variables assessed in the internal consistency reliability test have met the minimum value of 0.7 to be acceptable, as referring to the explanation of Wong (2013). Therefore, it makes all variables classified as reliable and can be used for the next analysis.

- **Construct Validity Test**

This test is carried out by examining the value in the Average Variance Extracted (AVE) from all variables assessed. In order to make a variable classified as valid, its values should be greater than 0.5 (Wong, 2013). Based on the result of the convergent validity test, all AVE's scores from each variable are above 0.5. It makes all variables used in this study classified as valid.

- **Discriminant Validity Test**

This test requires that the connection with other latent variables be stronger than the square root of AVE (Wong, 2013). The result of the square root of AVE from the variable presents that all variables meet the requirements of this test.

- **Collinearity Test**

The collinearity test is carried out by examining the value of the Variance Inflation Factor (VIF) (Wong, 2013). To obtain the passed status, the VIF value should be 5 or smaller. This requirement is aimed to prevent the collinearity problem. From the result of the collinearity test, all indicators within the variables used are acceptable. All indicators meet the requirement of having the VIF score smaller than 5. It makes all indicators pass the collinearity test and ensures there are no problems found regarding the multicollinearity between the independent variables assessed.

- **Structural Path Significance**

The calculation of this test is done through bootstrapping. Bootstrapping aimed for assessing the importance of both the inner and outer models. In the bootstrapping, T-statistics are significant when the score is greater than 1.96. From the bootstrapping result, all T-statistics values are larger compared to 1.96. It makes all of the path coefficients significant, and the model used is validated pragmatically.

- **Hypothesis Testing**

Hypothesis is tested using the SmartPLS application by looking at the inner model path coefficient. The significance of the structural path is used to determine the hypothesis acceptance. The hypothesis is accepted when it has T-values that are above 1.96 with 5% significance level. There are six variables of the materialism values assessed. Looking at the result of the hypothesis testing using PLS analysis, there are four out of six materialism values that are proven to significantly influence Purchase Intention (PI) through Brand Engagement in Self-Concept (BESC) as the mediating variable. The influential variables of materialism from the strongest to weakest effects respectively are Acquisition Centrality (AC), Appealing Appearance (AA), Pursuit of Happiness (PH) and Social Recognition (SR). While the other two variables of materialism values which include Financial Success (FS) and Defining Success (DS) are not showing significant results towards the Purchase Intention (PI).

Looking at the results of hypothesis testing from all the structural paths that are assessed, the seventh hypothesis is the positive influence between Brand Engagement in Self-Concept (BESC) and Purchase Intention (PI). It has the greatest T-Values (25.350) amongst other structural paths that are assessed in the hypothesis testing which makes it present the strongest impact. Besides, looking at the effect size, it has the value of 1.153 that can be categorized as having a high effect. It means that Brand Engagement in Self-Concept (BESC) provides the greatest impact in influencing Purchase Intention (PI), compared to the effect provided by other paths that are assessed. While from the results of total effect result, there are five out of six materialism values variables which affect Purchase Intention through Brand Engagement in Self-Concept (BESC). These influential variables sequentially from largest to smallest percentage effect are Acquisition Centrality (AC), Pursuit of Happiness (PH), Appealing Appearance (AA), Social Recognition (SR) and Defining Success (DS).

- **F Square Effect Size**

The F square effect size can be used to examine the degree of strength between the latent variables (Wong, 2013). The value of F square can be categorized as low effect

size with value of 0.02, medium effect size with value of 0.15 and high effect size with value of 0.35. Based on the result of the F square effect size, different variables have different values of F square effect. Brand Engagement in Self-Concept (BESC) has a high effect size since its F square effect size is larger than 0.35. While other variables including Appealing Appearance (AA), Acquisition Centrality (AC), Defining Success (DS), Financial Success (FS), Pursuit of Happiness (PH) and Social Recognition (SR) classified as having small size effect because values of F square effect size are near to 0.02.

#### ● **Total Indirect and Total Effect**

The total percentage of indirect effects from independent variables through the mediating variable is examined through this test. The bootstrapping procedure is deployed to get the calculation outcome. The effect result can be translated into interpretation below.

1. Acquisition Centrality (AC) affects Purchase Intention (PI) by 23.1% through Brand Engagement in Self-Concept (BESC).
2. Appealing Appearance (AA) affects Purchase Intention (PI) by 13.1% through Brand Engagement in Self-Concept (BESC).
3. Defining Success (DS) affects Purchase Intention (PI) by 8% through Brand Engagement in Self-Concept (BESC).
4. Financial Success (FS) affects Purchase Intention (PI) by -3.9% through Brand Engagement in Self-Concept (BESC).
5. Pursuit of Happiness (PH) affects Purchase Intention (PI) by 15.1% through Brand Engagement in Self-Concept (BESC).
6. Social Recognition (SR) affects Purchase Intention (PI) by 13.1% through Brand Engagement in Self-Concept (BESC).

#### **Discussion**

The hypothesis testing shows the results that there are five out of seven hypotheses that are accepted. the hypothesis testing results are as follows:

- Social Recognition (SR) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.
- Appealing Appearance (AA) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.
- Financial Success (FS) not positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.
- Defining Success (DS) not positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.
- Acquisition Centrality (AC) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.
- Pursuit of Happiness (PH) positively influences young consumers' luxury fashion Brand Engagement in Self-Concept (BESC) in Indonesia.
- Brand Engagement in Self-Concept (BESC) positively influences young consumers' luxury fashion Purchase Intention (PI) in Indonesia.

The materialism values proven positively influence purchase intention of the young consumers through four of six variables that show significant relationship. However, there are two materialism value variables that are not giving significant correlation, which are Financial

Success (FS) and Defining Success (DS). It makes the third and fourth hypothesis rejected. These rejected hypotheses have quite similar characteristics. The explanation behind the hypothesis rejection of Financial Success (FS) is because there may be no significant agreement from respondents in the variable indicators which stated that luxury fashion brands are able to show the job with high social status, job that pays them well, strong sense of social accomplishment and communicates the image of financial success. It may be since the majority of respondents are still students as the majority occupation (68,8%). Since they still don't have their own jobs, it is reasonable to make luxury fashion products to communicate financial success. Meanwhile, for the Defining Success (DS) hypothesis rejection is considered similar to Financial Success (FS). The indicators about how respondents perceive luxury fashion products towards jobs and life is not completely relevant.

### **Recommendation**

The marketing strategies such as advertisements and campaigns that are implemented need to emphasize the values pursued and become the concerns of the consumers. Materialism itself becomes a part of symbolism. Looking at the T-Values on the hypothesis testing, luxury fashion companies that want to emphasize materialism values can focus on variables that are perceived by consumers as having stronger correlation rather than others. The variable that got the highest mean scores compared to others in the descriptive analysis stated that "People who are close to me would be aware of my purchasing luxury fashion products". Taking this variable which comes from the variable of Social Recognition (SR), it can be most highlighted in the marketing strategies to effectively generate Purchase Intention (PI).

The recommendation for luxury fashion marketers are generated from the significant results that have been obtained from the analysis of this study. The recommendations that made can be listed as:

1. Social recognition should be emphasized that it can be obtained through using luxury fashion products. The perception of people around will be aware and give a positive impression because the value of luxury fashion brands that are possessed by users should be given when marketing luxury fashion products. It makes the luxury brands' identities more demanded to get the differentiation from non-luxury brands. The emphasis of luxury brands' signatures and characteristics can be maximized that make it different from others.
2. The design and look of the luxury fashion products required to make the users' appearance become more appealing. Since there are perceptions of luxury fashion products that are able to enhance appearance, the marketing strategies which convince through using it indeed makes the appearance more appealing are needed. It is such as the use of advertisements which persuade consumers that by using certain products from that luxury brand, the users will get the attractive appearance and belong to a more unique class.
3. The feeling of having luxury fashion products that become a part of the most important things in life to be owned is important. Considering that some people may use luxury fashion products as the milestone in their life since they are unable to afford it previously, the worthy feeling of acquire it is required to be highlighted by luxury fashion marketers. Since the products of luxury fashion are usually used to celebrate career success and certain achievements, the campaigns which give emphasis on pleasure that will be obtained through having it can be implemented.

4. Luxury fashion products are perceived to contribute to the users' happiness. Advertisements that promote a better and happier life by owning products of luxury fashion are needed. It is since happier life is pursued and there is perception that life would be better when respondents own things which they don't have previously. The implementation is such that the users' life is satisfying through having luxury fashion products that are perceived as nice things to be owned. Particularly, when it is compared to previously when users are unable to afford the luxury fashion products.
5. There are strategies required that are able to build more engaged feelings. Users who are already engaged with the certain luxury fashion brands and consider it as their most preferred brands provide strong effects toward purchase intention. Therefore, strategies that make consumers feel involved with the luxury brands such as user generated content in social media that are able to generate positive word of mouth and make consumers emotionally attached can be implemented. The marketing activity that lets the consumers participate and interact will generate the connection with the brands.

### Conclusion

There are two research objectives for this study which include identifying the variables of materialism values that positively influence young consumers' luxury fashion purchase intention through brand engagement in self-concept Indonesia and give recommendations that can be implemented by luxury fashion brands to generate stronger marketing strategies. There are six variables of the materialism values assessed. Looking at the result of the hypothesis testing using PLS analysis, there are four out of six materialism values that are proven to significantly influence Purchase Intention (PI) through Brand Engagement in Self-Concept (BESC) as the mediating variable. However, each variable of materialism value has a different level of the effect. The influential variables of materialism from the strongest to weakest effects respectively are Acquisition Centrality (AC), Appealing Appearance (AA), Pursuit of Happiness (PH) and Social Recognition (SR). Whereas the other two variables of materialism values which include Financial Success (FS) and Defining Success (DS) are not showing significant results towards the Purchase Intention (PI).

Referring from the answer of the first research question, it is confirmed that not all of the variables of materialism values give significant effects towards Purchase Intention (PI). Therefore, the recommendations generated for more effective luxury fashion brands marketing strategies are through maximizing variables of materialism values that indeed perform positive relationships with the Purchase Intention (PI). Luxury fashion marketers can implement the strategies of designing the advertisements and campaigns that are able to bring out the luxury consumers' feeling regarding Acquisition Centrality (AC), Appealing Appearance (AA), Pursuit of Happiness (PH) and Social Recognition (SR). These aspirations have proven to be pursued by the respondents in this study and supported by existing studies which resulted in the build of Purchase Intention (PI).

The recommendation for implementation from the study results can be divided based on each influential variable. For increasing the consumers' Social Recognition (SR) feeling, the use of a typographical logo and motif signature which usually makes a luxury brand easily recognizable in the products is suggested. The advertisements that convince luxury consumers will get more enhanced appearance and belong to certain users that are different from the mass through using luxury fashion products are suggested aligning the Appealing Appearance (AA) variable. For the Acquisition Centrality (AC), the recommendation is using integrated



marketing communication that utilizes storytelling about the pleasure provided by having luxury fashion products. Since having luxury fashion products is perceived as contributing to the user's happiness, advertisements that promote a better and happier life by owning products of luxury fashion are needed adjusting to the Pursuit of Happiness (PH) variable. While for the Brand Engagement in Self-Concept (BESC), making consumers have engaged feelings through marketing activities that let consumers be involved and create positive word of mouth such as user generated content is suggested.

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