

Factors affecting Consumer Purchase Intention of Luxury Perfumes in Algeria: A case study of Consumers in the Twin Cities of Tlemcen and Sidi Bel Abbes

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Abstract: In Algeria, few studies on the factors behind purchase intention of luxury perfumes have been undertaken; the main objective of this research is to study the influence of brand image, social and functional values as well as past behaviour on the purchase intention of luxury perfumes in Algeria, using the theory of reasoned action. This study also aims at demonstrating the impact of social and functional values on attitude. Based on the literature review, a conceptual model is proposed. An empirical study is then conducted among a sample of 306 persons in the twin cities of Tlemcen and Sidi Bel Abbes. Results drawn with the use of the partial least squares applied to structural equation modeling method, show that social and functional values have a significant positive effect on attitude. The results also show, on one hand, that each of the price-quality, brand image, past behaviour and attitude variables have a significant positive impact on purchase intention of luxury perfumes; and, on the other hand, they do not show any significant effect of subjective norm, need for uniqueness and social value on purchase intention of luxury perfumes.

Keywords: Purchase intention; luxury perfume; brand image; functional value; social value; past behaviour

1. INTRODUCTION

Historical discussions on luxury consumption motives use the theory of the Leisure Class of Thorstein Veblen (1899) related to the conspicuous consumption as the ostentations for the use of goods or services, to signal status to other members of a society(Teimourpour and Hanzaee, 2011) [44]. But with the increase of wealth, luxury is no longer confined to the elite only (Yeoman and McMahon-Beattie, 2006) [48]. The notion of luxury changes from one ethny to another, making it difficult to establish a universal definition of luxury (Peshkova and al, 2016) [35]. Kapferer, (1997) [26] goes further by considering luxury as an essential source of inspiration. Thus, the distinguishing role of the marketing of luxuries is resized from the transfer of an image about quality, performance and authenticity to an experience through consumers life style (Atwal and Williams, 2009) [3]. Actually, recent research is paying attention on how the perceived value by the consumers influences buying behavior by taking into account cultural differences (Hennigs and al, 2012) [19]. In the field of luxury, there are a lot of studies related to consumers in the developed countries like USA and GB (Chattalas and Shukla, 2015) [11]; it is also the case in the developing countries like China (Zhang and Kim, 2013) [53]. Some comparative studies have also been carried out between luxury consumers in the developed countries and developing countries (Bian and Forsythe, 2012 [9]; Shukla, 2012) [41]. Unfortunately, studies of luxury consumers are rare in the Arab countries (Kamal and al, 2013) [25], particularly in Algeria for the type of studies based on the theory of reasoned action to comprehend purchase intention of luxury perfumes. Thus, we will try to bring to light the consumption determinants of the luxury perfumes among Algerian consumers using the theory of reasoned action. The present study is intended to clarify, first, factors affecting purchase intention of luxury perfume for the Algerian consumer and, second, display the impact of social and functional values on attitude. The research layout is as follows: the first part deals with the conceptual framework and research hypotheses, followed in the second by the methodological background. The third part presents the results, then discussion of the results obtained and conclusion will be draw in the fourth part.

2. CONCEPTUAL FRAMEWORK AND HYPOTHESES

Human attitude and behavior have always been attracting growing attention in the field of social psychology (Horng and al, 2013) [21], with the culmination of the theory of reasoned action we adopt in this study. This theory presented by Fishbein and Ajzen, (1975) [15], posits that behavioral intentions are the immediate antecedents to behavior (Madden and al, 1992) [32]. This theory is based on the idea that individuals use the information they have in a systematic and orderly manner depending on two variables: Attitude toward behavior and social pressures (Belleau and al, 2007) [7].In the field of luxury, few studies have used the theories of reasoned action and/or



planned behavior.. One can mention the study of Loureiro and Araujo, (2014) [31] that concludes that the attitude and subjective norms have a positive impact on purchase intention of luxury clothes. Sanyal and al, (2014) [39] found that the attitude and subjective norms influence greatly behavioral intentions. On this basis we formulate the first two hypotheses.

H1: The attitude has a significant positive effect on purchase intention of luxury perfumes.

H2: Subjective norms have a significant positive effect on purchase intention of luxury perfumes

(Vigneron et Johnson, 2004) [46] have developed a scale for, first, measuring the dimensions of luxury brand perception and, second, establish a classification of luxury values within two groups, namely, non-personal perceptions that include visibility, need to uniqueness and quality, and Personal perceptions that include hedonism and self-extension. Wiedmann and al, (2009) [47] have studied the perceptions and motivations of consumers to buy luxury brands, and have come to conclude that their perceptions are depending on social, personal, functional and financial aspects. Berthon and al, (2009) [8] have proposed that the luxury brands have three dimensions, namely, functional, experiential and symbolic value. According to Shukla and Purani (2012) [42], luxury product consumption within collective communities is a way to reach social recognition. In this regard Park and al, (2008) [34] found a positive relationship between social recognition and purchase intention. Hung and al (2011) [23] noticed that the social impact is positively linked to the purchase intention of luxury brand. This gives the way to the third hypothesis.

H3: There is a significant positive relationship between social value and purchase intention of luxury perfumes as well as the attitude.

As far as the impact of the social value on the attitude, Zhang and Kim (2013) [53] reached the result that social comparison has a significant and an important impact on the attitude toward the purchase of the luxury fashion. Phau and Teah, (2009) [36] also found that the normative influence has a positive impact on the attitude toward counterfeit luxury brand.

In this study, the functional value is divided into two dimensions: need for uniqueness and price quality based on a study of (Shukla, 2012) [41], on the influence of the values on the intention to buy luxury items in the United States, Britain, India and Malaysia. So the differentiation between two dimensions of functional value, namely, the need for uniqueness and the price-quality, led to conclude that the perception of the functional value is significantly important for consumers in developed markets who are seeking to buy increasingly unique products that have high perceptions of price-quality. The effect of the functional value is positive on consumers' purchase intention (Li and al, 2013) [29], because consumers with high perception of the functional value have a high purchase intention (Hung and al, 2011) [23]. This leads us to the fourth hypothesis.

H4: There is a significant positive relationship between price-quality as well as need for uniqueness and purchase intention of luxury perfumes.

In this case, Chen and Peng, (2014) [12] concluded that the functional value affects positively Chinese consumers' attitude towards luxury hotels, which is confirmed by Li and al, (2013) [29]. According to Phau and al, (2009) [37] Price-quality significantly affects the attitude of consumers in Singapore towards counterfeit luxury brands. In the same context De Matos and al, (2007) [4] found that there is a positive relationship between price-quality and attitude toward counterfeit products. From the study of Lee and al, (2010) [28] appears a positive relationship between the need for uniqueness and attitude of Indian consumers towards American products. This lays the ground for the fifth hypothesis.

H5: There is a significant positive effect of price-quality as well as the need for uniqueness on the attitude.

Keller (1993) [27] defines a brand image as «perceptions about a brand as reflected by the brand associations held in consumer memory ». Merabet and Benhabib (2012) [33] found the existence of a causal relationship between brand personality, attitudes toward the brand and purchase intention. is present in each of the studies. For Yu and al, (2013) [51] there is a positive impact of brand image to the intention of buying a luxury brand via the Internet. This is confirmed by Aghekyan-Simonian and al, (2012) [2] who worked on buying clothes via the internet, in addition to the study undertaken by Husic and Cicic, (2009) [24] with respect to the consumption of luxury goods. We put then forward the sixth hypothesis.

H6: There is a significant positive effect of brand image on the purchase intention of luxury perfumes.

According to Brakus and al, (2009) [10], the majority of experiments happens when the consumers buy and consume the product. In the field of the luxury products, Yoo and Lee, (2012) [50] found that past experiments are strong indicators of the future purchase intention of the original or counterfeited luxury products. In a similar study, Yoo and Lee (2009) [49] have noted that the purchase intention of the fashion and luxury product, whether original or counterfeited, is positively predicted by the experience of the buying of original or counterfeited products. This opens the way to posit the seventh hypothesis.

H7: There is a significant positive relationship between the past behavior and the purchase intention of luxury product.

3. METHODOLOGY

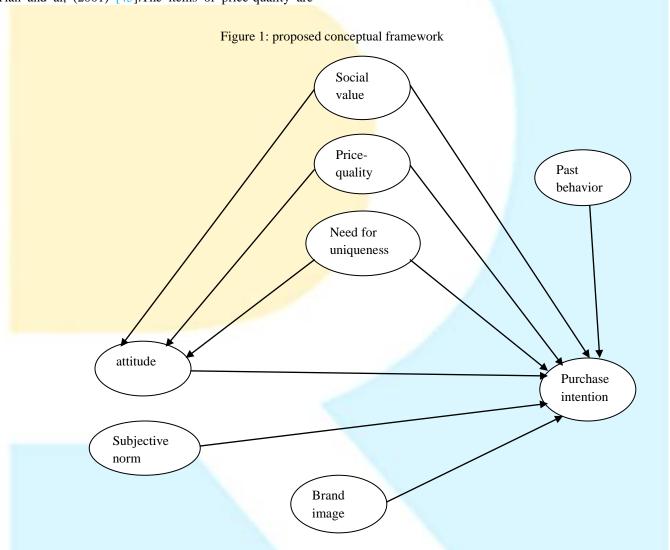
Data were collected in luxury perfumes stores during two months (March and April 2016) in each of the cities of Tlemcen and Sidi Bel Abbes located in the west of Algeria.

First, 30 questionnaires were tested as a pilot sample for clarity of the wording. Second, the questionnaire was administered to respondents who have the intention to buy a luxury perfume in the few coming months. More than

400 people have answered the questionnaire from which we kept only 306 complete answers.

We used a five points Likert scale for all the variables. The attitude is based upon Zinkhan and al, (1986) [54], and Taylor and Todd (1995) [43]. Subjective norm are based on Bearden and al, (1989) [6]. Regarding brand image this is based on Aaker's (1996) [1]. Social value is adapted from Wiedmann and al, (2009) [47] and Shukla, (2012) [41]. The Items for the need for uniqueness are derived from Tian and al, (2001) [45]. The items of price-quality are

based on Lichtenstein et al, (1993) [30] and Huang and al, (2004) [22]. For purchase intention, the items were based on Dodds and al, (1991) [14] and Zeithmal and al, (1996) [52]. Finally, past experience is measured using one Question: in the last 12 months, how many times have you purchased luxury perfumes? This method is used by Conner and Abraham (2001) [13] and Loureiro and Araujo (2014) [31].



4. RESULTS

4.1 Evaluation of the measurement model

For this study, hypotheses were tested by using the partial least Squares Structural Equation Modeling method (PLS-SEM). We used the Smart PLS version 3.2.3 to conduct the analysis based on (Ringle and al, 2015) [38]. Hair and al, (2011) [18] defined PLS-SEM as « causal modeling approach aimed at maximizing the explained variance of the dependent latent constructs ».

First, reflective measurement models were tested for their reliability and validity. In the course of indicator reliability assessment, fourteen items(Sn1,Bi1,Bi2,Bi5,Unique1,Unique2,Unique3,Unique 5,Sov7,Sov9,Sov10,Sov11,Sov12,Pi2) were deleted because Indicators with outer loadings between 0.40 and 0.70 should be considered for removal only if the deletion leads to an increase in composite reliability and AVE above the suggested threshold Value (Hair and al, 2014) [17], Which is what happened in this study (see Table 1)



Table1: Reliability and convergent validity

Variable	Composite reliability	AVE
Attitude	0,808	0,522
Subjective norm	0,865	0,520
Brand image	0,802	0,574
Price-quality	0,911	0,773
Need for uniqueness	0,836	0,521
Social value	0,883	0,520
Purchase intention	0,835	0,560

(Table 1) shows that composite reliability of the constructs is higher than the minimum requirement of 0.70 (Hair and al, 2011) [18] and construct convergent validity (Average Variance Extracted AVE) are higher than 0.5 values (Bagozzi and Yi, 1988) [5], so the convergent validity is confirmed.

(Fornell and Larcker, 1981) [16] criterion demonstrated the square root of AVE values of all the reflective constructs is higher than the inter-construct correlations, indicating discriminant validity (Table 2).

Table 2: Correlation and Discriminant Validity (Square root of AVE across diagonal)

	Provide Need for Post Durchers Cariel Cubicative							
	Attitude	Brand image	Need for uniqueness	Past behavior	Price- quality	Purchase intention	Social value	Subjective norm
Attitude	0,722							
Brand image	0,378	0,758						
Ne <mark>ed for uniqueness</mark>	0,238	0,506	0,716					
Past behavior	0,218	0,216	0,143	Single item construct		1		
Price-quality	0,298	0,236	0,184	0,127	0,879			
Pu <mark>rchase</mark> intention	0,378	0,387	0,222	0,262	0,394	0.749		
Social value	0,270	0,244	0,286	0,119	0,223	0,193	0,721	
Subjective norm	0,265	0,145	0,056	0,198	0,279	0,232	0,429	0,721

Source: Output of Smartpls-3.2.

4.2. Evaluation of the structural model

The R2 value for purchase intention is 0,301 which shows that attitude, subjective norm, brand image, price-quality, need for uniqueness, social value and past behavior all together explain 30.1% of purchase intention of luxury perfumes. Meanwhile, social value, price-quality and need for uniqueness explain 15,1% of attitude (R2=0,151). Therefore, all Stone-GeisserQ2 values are positive (attitude =0,072 and purchase intention=0,150), so the

relationships in the model have predictive relevance (Henseler and al, 2009) [20].

The next step is to assess the results from structural modeling. Table 3 shows the results of the structural model evaluation. The bootstrap analyses (Sarstedt and al, 2011) [40] with 321cases and 5000 samples

Table3: Results of structural model

Hypothesis	Path	В	P-Value	t-value	Results
H1	Attitude -> purchase intention	0,174	0,004	2,908	Supported
H2	Subjective norm -> purchase intention	0,059	0,255	1,138	Rejected
Н3	Social value -> purchase intention	-0,007	0,904	0,121	Rejected
Н3	Social value -> attitude	0,178	0,001	3,457	Supported
H4	Price-quality -> purchase intention	0,257	0,000	4,417	Supported
H4	Need for uniqueness -> purchase intention	-0,001	0,983	0,021	Rejected
Н5	Price-quality -> attitude	0,231	0,000	3,793	Supported



Н5	Need for uniqueness -> attitude	0,145	0,008	2,659	Supported
Н6	Brand image -> purchase intention	0,226	0,001	3,305	Supported
H7	Past behavior -> purchase intention	0,132	0,008	2,671	Supported

5. DISCUSSION AND CONCLUSION

Our study tries to apply the theory of reasoned action to study the purchase intention of luxury perfumes in the Algerian context. We have obtained significant data on the factors that influence the purchase intention of the luxury perfumes for the Algerian consumers. On the other hand, this study provides significant data to managers and marketing specialists of the luxury perfumes' enterprises in order to better conceive their strategies on the target positioning. Managers should address advertising messages based on the price-quality criterion and reinforce branding in the mind of the consumers by using advertising spots. They must also improve the quality of the bottle's design and packaging of the luxury perfumes. The luxury brands enterprises must ensure that their consumers feel unique during the buying process but also within their working circle, between friends and parent, by producing limited series of luxury perfumes.

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