

# Status Seeking and Luxury Consumption: The Mediating Roles of Brand Identity and Social Value, and the Moderating Effect of Price Sensitivity

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## **Abstract:**

The study explores how status-seeking motivations influence consumer purchase intentions in the context of luxury brand sub-brands, focusing on the mediating roles of brand identity and social value, and examining the moderating effect of price sensitivity. Drawing from social cognitive theory, the research highlights how personal and social factors shape luxury consumption behavior. Through a survey of 402 Chinese consumers, results indicate that status seeking positively impacts purchase intention, with brand identity and social value acting as significant mediators. Furthermore, price sensitivity is shown to moderate these relationships, influencing how brand identity and social value affect purchase intention. This study enriches the literature on luxury consumption by elucidating the pathways through which social value and brand identity connect status-driven motivations to purchasing behavior and provides actionable insights for marketers in segmenting consumers based on price sensitivity to optimize sub-brand positioning. Limitations and directions for future research are highlighted.

**Keywords:** Status Seeking, Brand Identity, Social Value, Price Sensitivity, Purchase Intention.

## **1. INTRODUCTION**

The concept of luxury has evolved into a multifaceted construct that transcends mere high price points, encapsulating a complex interplay of social, emotional, and psychological dimensions. The etymology of the term “luxury” means excess, abundance, and extravagant life [1]. Luxury brands are characterized

not only by their elevated prices but also by their selective distribution, image-driven marketing, and the prestige they confer upon their consumers [2]. Luxury brands possess a low functional utility-to-price ratio while offering high intangible and situational utility [3]. This duality of value serves to satisfy both hedonic and utilitarian desires, distinguishing luxury items from basic commodities [4, 5].

However, the notion of luxury is far from monolithic; it can be segmented into various sub-brands that cater to distinct consumer expectations and brand strategies. For example, affordable luxury seeks to democratize access to luxury by providing high-quality products at more accessible price points, targeting aspirational consumers who desire entry-level luxury. In contrast, premium core luxury brands maintain a traditional high-end segment characterized by exclusivity and exceptional craftsmanship. At the pinnacle lies ultra-luxury, designed for the wealthiest clientele, offering bespoke products where rarity and personalization justify the elevated costs. Each segment is underpinned by its own branding strategies, target demographics, and value propositions, collectively emphasizing that luxury is a spectrum defined by exclusivity, quality, and the intangible experiences it offers.

In this intricate landscape, given the diversity of market segment, the role of consumer behavior, particularly the motivations driving luxury consumption, cannot be overlooked.

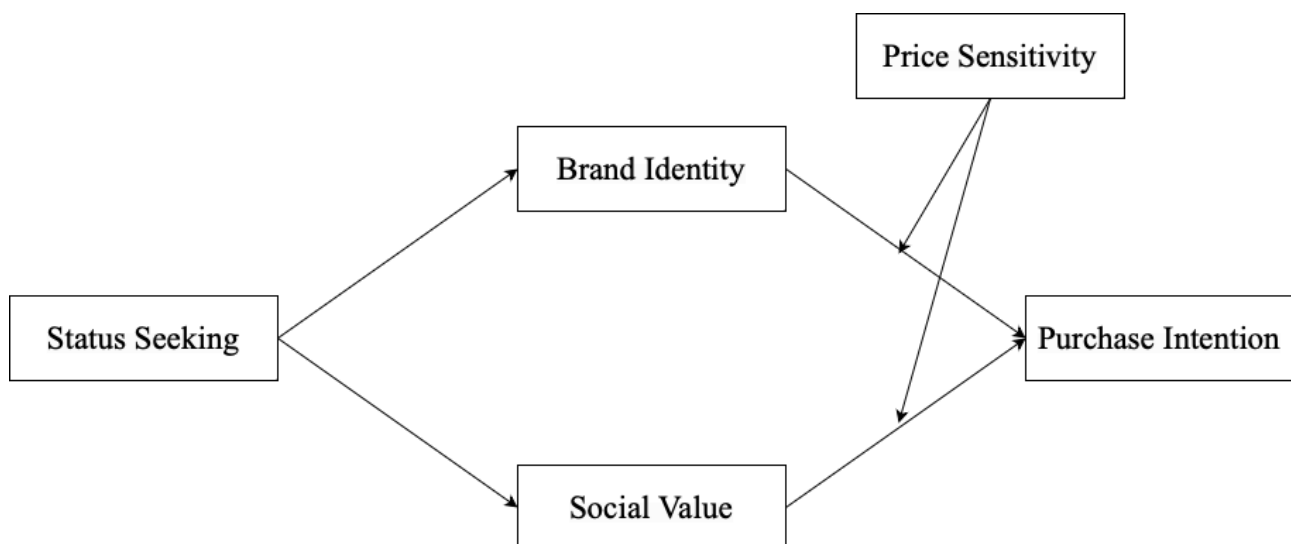
A paradigm for comprehending how individual characteristics, social influences, and behavioral patterns interact to determine consumer behaviors is offered by social cognitive theory. Social cognitive theory elucidates the mechanisms of observational learning, self-regulation, and reciprocal determinism, suggesting that individuals' desire for social recognition significantly influences their luxury purchasing decisions [6]. Consumers with strong status-seeking motives often perceive luxury goods as symbols of prestige and social standing, leading them to emulate the consumption patterns of socially successful

individuals.

Within this context, brand identity emerges as a pivotal factor in translating status-seeking motives into actual purchase intentions. Defined as a distinct set of brand associations that signal exclusivity and high social value [7], brand identity allows consumers to express and reinforce their self-concept. For status-seeking individuals, luxury brands serve as aspirational symbols of social standing, making brand identity a crucial pathway for channeling their motivations into purchasing behaviors.

Moreover, social value—perceived utility derived from products that enhance one's social self-concept—plays a significant role in luxury consumption. Consumers driven by status-seeking motives are likely to recognize and prioritize the social value associated with luxury goods, further solidifying the connection between status and purchase intention. This interplay among status seeking, brand identity, and social value is critical to understanding consumer behavior in the luxury market.

In examining these relationships, this study posits that price sensitivity moderates the dynamics between brand identity, social value, and consumer purchase intention. As price sensitivity influences how consumers respond to price changes, it alters the perceived value of brand identity and social value, thereby affecting purchase intentions. Through a series of hypotheses, this research aims to elucidate the complex interrelations among these constructs, contributing to the broader discourse on luxury consumption and providing actionable insights for marketers navigating the competitive luxury landscape. Figure 1 is the conceptual model.



**Figure 1. Conceptual Model**

## 2. THEORETICAL DEVELOPMENT AND HYPOTHESES

### Conceptualizing Luxury

Luxury involves understanding it as a complex, multi-dimensional construct that goes beyond high price points [8]. Luxury brands are described as “the most selective in distribution; the most image-driven; ... and the most expensive” [9]. Luxury brands are defined as having a low functional utility-to-price ratio but a high intangible and situational utility-to-price ratio [3]. They bestow respect and satisfy owners’ hedonic and utilitarian desires [4], which distinguishes them from basic items [5].

Luxury, however, is not a monolithic concept. It can be further understood through sub-brands that cater to various consumer expectations and brand strategies. Affordable luxury, for instance, aims to make luxury more accessible to a broader audience without overly compromising quality, attracting aspirational consumers seeking entry-level luxury. Premium core luxury includes the traditional high-end segment with brands like Louis Vuitton and Gucci, which are known for exclusivity, heritage, and quality craftsmanship. Ultra-luxury serves the wealthiest customers through ultra-exclusive, often bespoke products, where rarity, personalization, and craftsmanship justify the high price. Each of these sub-brands has its own branding strategies, target demographics, and value propositions, highlighting how the concept of luxury encompasses a spectrum. Exclusivity, quality, and intangible experience are core elements that define luxury and differentiate it from basic items, as well as from one luxury sub-brand to another.

### Status seeking and consumer purchase intention

According to social cognitive theory, individuals’ behaviors and decisions are shaped by a continuous interaction among personal factors, social influences, and behavioral patterns. Social cognitive theory highlights how individuals learn behaviors through observing others, modeling their actions, and internalizing the social rewards or consequences of those behaviors [6]. At the core of social cognitive theory are the concepts of observational learning, self-regulation, and reciprocal determinism, which together explain how social environments and personal motivations converge to influence behavior. Applied to the context of luxury consumption, social cognitive theory suggests that the desire to attain social recognition and higher status plays a substantial role in motivating individuals to purchase luxury goods, which are often seen as symbols of status, prestige, and societal admiration.

The connection between status-seeking and luxury consumption can be further explained through social cognitive theory’s mechanism of observational learning.

Observational learning posits that individuals often look to those they consider socially or materially successful as models for desirable behavior. In societies where luxury goods are widely associated with success, prestige, and high social standing, individuals with high status-seeking motives are likely to observe and emulate the luxury consumption patterns of those at the top of the social hierarchy. Luxury goods, in this sense, become markers that symbolize higher social standing. Thus, status-seeking individuals are more likely to view luxury consumption as a pathway to gaining esteem, admiration, and respect within their social circles [10,11].

*Hypothesis 1: Status seeking is positively related to consumer purchase intention.*

### Mediating role of brand identity

Brand identity, defined as a distinctive set of brand associations that signal exclusivity, prestige, and high social value [7], plays a central role in helping consumers express and reinforce aspects of their own self-identity. For consumers driven by status-seeking motives, luxury brand identity serves as an appealing and aspirational symbol of social standing, making it a key pathway through which status-seeking behaviors are channeled into purchase intentions.

Status-seeking individuals, as explained by social cognitive and self-verification theories, are motivated to achieve higher social positions, seeking validation, admiration, and social recognition [11]. These people can express and strengthen their chosen social identity through luxury brands, which are associated with exclusivity and prestige. Status-seeking consumers are particularly likely to resonate with luxury brands whose identities align with the status they aspire to project. Thus, status-seeking consumers may gravitate toward luxury brands with identities associated with high social value and prestige, reflecting their aspirational self-concept.

*Hypothesis 2a: Status seeking is positively related to brand identity.*

The relationship between luxury brand identity and consumer purchase intention is well-supported in the literature. When consumers identify with a luxury brand, perceiving it as an extension of their self-identity and social aspirations, they are more likely to grow to have favorable opinions of the brand, which will increase their propensity to purchase [7, 12]. Luxury brands with clear and aspirational identities fulfill consumers’ desire for social distinction, providing psychological benefits such as enhanced self-esteem and social esteem. This identity alignment fosters an emotional bond with the luxury brand, ultimately driving stronger purchase intentions among consumers.

*Hypothesis 2b: Brand identity is positively related to consumer purchase intention.*

The mediating role of luxury brand identity can be understood through identity alignment. For status-seeking consumers, luxury brand identity provides a pathway through which the desire for social status translates into concrete purchase intentions. Status-seeking individuals are drawn to luxury brands because these brands signal social value and exclusivity, serving as instruments for social validation. Luxury brand identity thus acts as a mediator by transforming the desire for status into an aligned brand connection, which, in turn, enhances purchase intentions. This mediation process suggests that while status-seeking may initiate the interest in high-status luxury brands, it is the alignment with luxury brand identity that solidifies purchase intentions.

*Hypothesis 2c: Brand identity mediates the relationship between status seeking and consumer purchase intention.*

#### Mediating role of social value

Social value refers to the perceived utility that consumers derive from products based on their ability to enhance social self-concept and facilitate social recognition within peer groups [13,14]. This construct is particularly relevant in the context of luxury goods, where consumers often purchase products not only for their functional benefits but also for the social prestige they confer.

Status-seeking behavior is grounded in the desire for social recognition, esteem, and validation [10]. Individuals motivated by status are inclined to pursue products that enhance their social standing and identity within their social groups. In the luxury market, products are often seen as status symbols, embodying social value through their associations with exclusivity and prestige. As consumers seek to enhance their social self-concept, they are likely to perceive higher social value in luxury products, thereby establishing a positive relationship between status seeking and social value. Thus, consumers driven by status-seeking motives are expected to recognize and prioritize the social value of luxury goods in their purchasing decisions.

*Hypothesis 3a: Status seeking is positively related to social value.*

The relationship between social value and consumer purchase intention is well-established, particularly in the context of luxury goods. When consumers perceive high social value in a product, they are more likely to express a desire to purchase it, as the product serves as a vehicle for social recognition and acceptance [13, 14]. Luxury goods, which carry connotations of prestige and exclusivity, offer consumers the opportunity to signal their social status and gain admiration from their peers. As a result, consumers who perceive high social value in luxury products are more inclined to translate that perception into actual purchase intentions, as these purchases fulfill their desire for social validation and connection.

*Hypothesis 3b: Social value is positively related to consumer purchase intention.*

The function of social value as a mediator in the connection between consumer purchasing intention and status seeking highlights how consumers' motivations are translated into purchasing behavior. For status-seeking individuals, the desire to enhance their social standing may initially prompt interest in luxury goods. However, it is through the lens of social value that this interest is solidified into purchase intentions. Social value acts as a bridge, allowing consumers to perceive luxury products not just as material possessions but as essential tools for social validation and acceptance.

As consumers recognize the social value of luxury products—viewing them as symbols of status and prestige—they are more likely to intend to purchase these items as a means of fulfilling their status-seeking motives. In this way, social value mediates the pathway from status-seeking to purchase intention, indicating that the perceived utility derived from social recognition is crucial for understanding consumers' purchasing decisions in the luxury market.

*Hypothesis 3c: Social value mediates the relationship between status seeking and consumer purchase intention.*

#### Mediating role of price sensitivity

Brand identity plays a crucial role in shaping consumer perceptions and attitudes toward products. It encompasses the values, personality, and characteristics that consumers associate with a brand, thereby influencing their purchase intentions [7]. Consumers with a strong brand identity connection are likely to develop emotional ties to the brand, leading to increased purchase intentions. However, the effectiveness of brand identity in driving purchase intentions may vary depending on consumers' price sensitivity.

Price sensitivity refers to the degree to which consumers adjust their purchasing decisions in response to price changes [15]. For highly price-sensitive consumers, the perceived value of brand identity may be influenced by the cost associated with the product. In other words, when price sensitivity is high, consumers may prioritize price over brand identity, making them more discerning in their purchasing decisions. Conversely, when consumers are less price-sensitive, the positive impact of brand identity on purchase intention is likely to be more pronounced. Therefore, we propose that price sensitivity positively moderates the relationship between brand identity and consumer purchase intention, suggesting that as price sensitivity increases, the influence of brand identity on purchase intention becomes more significant.

*Hypothesis 4a: Price sensitivity positively moderates the relationship between brand identity and consumer*

*purchase intention. Specifically, when price sensitivity is higher, the positive impact of brand identity on consumer purchase intention is positive.*

Social value refers to the perceived benefits consumers derive from products based on their ability to enhance social self-concept and provide social recognition [13]. Social value is a key factor in determining consumers' intents to buy in the luxury market, as individuals often seek products that not only fulfill their personal desires but also elevate their status within social groups [14].

Similar to the dynamics observed with brand identity, the relationship between social value and consumer purchase intention is also subject to the moderating effects of price sensitivity [16]. Highly price-sensitive consumers may place greater importance on the perceived social value of a product when considering their purchase intentions. If a luxury item offers significant social recognition and status enhancement, price-sensitive consumers may be more willing to overlook the price, especially if they perceive the social benefits to outweigh the costs [17]. Conversely, if the perceived social value is low or not aligned with their status-seeking motives, these consumers may refrain from making a purchase, regardless of the social value associated with the product. Therefore, we hypothesize that price sensitivity positively moderates the relationship between social value and consumer purchase intention. As price sensitivity increases, the positive impact of social value on purchase intention becomes more pronounced, indicating that consumers are likely to prioritize products that offer significant social value when they are highly price-sensitive.

*Hypothesis 4b: Price sensitivity positively moderates the relationship between social value and consumer purchase intention. Specifically, when price sensitivity is higher, the positive impact of social value on consumer purchase intention is positive.*

### 3. METHODOLOGY

#### Data collection and sample

The data for this study was collected through an online survey hosted on the Wenjuanxing platform, targeting Chinese consumers with an interest in luxury brand purchases. Data collection took place over a three-month period, from February 1 to May 4, 2024. A total of 500 questionnaires were initially distributed, with a final sam-

ple of 402 valid responses after data cleaning to ensure completeness and consistency.

The final sample included 191 male respondents (47.5%) and 211 female respondents (52.5%), offering a balanced gender distribution. Given that all respondents were Chinese consumers, this sample provides a focused view of consumer behavior in the Chinese luxury market. This dataset allows for a robust analysis of the relationships between status seeking, brand identity, social value, price sensitivity, and purchase intention within the luxury brand sub-branding context.

#### Measurement

Each item was rated on a 7-point Likert scale, ranging from 1 (Strongly disagree) to 7 (Strongly agree). *Purchase Intention.* Based on Harris and Goode (2010) and Jain (2021), purchase intentions were measured using a three-item scale [19][20] (Cronbach's  $\alpha = .85$ ). *Status Seeking.* To measure individual differences in the tendency to pursue status, we employed the 3-item Status Seeking Index [21, 22] (Cronbach's  $\alpha = .84$ ). *Brand identity.* Brand identity was measured using a three-item scale adapted from Sääksjärvi and Samiee (2011) [18] (Cronbach's  $\alpha = .83$ ). *Social Value (enhancement of social self-concept).* To evaluate individual differences in the perceived social value related to the enhancement of social self-concept, we employed a 7-item measure based on the framework established by Yang, Arnold and Nuttavuthisit (2018) [23] (Cronbach's  $\alpha = .93$ ). *Price Sensitivity.* To assess individual differences in price sensitivity, we utilized a 5-item measure based on the work of Natarajan et al (2017) [24] (Cronbach's  $\alpha = .90$ ).

*Control variables.* We controlled for consumers' demographic information, including gender (1 = male, 2 = female), age (years), education (1 = junior school or below, 2 = high school, 3 = junior college, 4 = undergraduate degree, 5 = postgraduate degree or above), and occupations.

### 4. RESULTS

#### Confirmatory Factor Analysis

Given that the data for all variables were obtained from employees, we employed Mplus 8.3 to perform confirmatory factor analyses (CFA) to validate the measurement structure [25]). The fundamental five-factor model demonstrated a good fit. Detailed results of the model comparisons can be found in Table 1.

**Table 1. Results of confirmatory factor analysis (CFA).**

| Model                                 | $\chi^2$ | df  | $\chi^2/df$ | CFI | TLI | RMSEA | SRMR |
|---------------------------------------|----------|-----|-------------|-----|-----|-------|------|
| Five-factor model: SS, BI, SV, PS, PI | 211.92   | 179 | 1.24        | .99 | .99 | .02   | .03  |
| Four-factor model: SS, BI+SV, PS, PI  | 618.49   | 183 | 3.38        | .91 | .90 | .08   | .08  |

|                                      |         |     |       |     |     |     |     |
|--------------------------------------|---------|-----|-------|-----|-----|-----|-----|
| Three-factor model: SS, BI+SV+PS, PI | 1483.90 | 186 | 7.98  | .74 | .70 | .13 | .12 |
| Two-factor model: SS, BI+SV+PS+PI    | 1891.66 | 188 | 10.06 | .65 | .61 | .15 | .13 |
| One-factor model: SS+BI+SV+PS+PI     | 2225.19 | 189 | 11.77 | .58 | .54 | .16 | .13 |

Note: SS = Status Seeking; BI = Brand identity; SV = Social Value; PS = Price Sensitivity; PI=Purchase Intention.

### Descriptive Statistics

Table 2 presents the descriptive statistics and correlations among the variables. The correlation between status seeking and brand identity was .42 ( $p < .001$ ). Additionally, the correlation between brand identity and purchase intention was .39 ( $p < .001$ ), and the correlation between status

seeking and purchase intention were .41 ( $p < .001$ ). The correlation between status seeking and social value was .41 ( $p < .001$ ). Additionally, the correlation between social value and purchase intention was .38 ( $p < .001$ ). These findings offer preliminary evidence in support of Hypothesis 1, 2a, 2b, 3a and 3b.

**Table 2. Descriptive statistics and correlation matrix for all constructs.**

| Variables     | Mean | S.D. | 1    | 2       | 3      | 4    | 5    | 6      | 7      | 8      | 9      |
|---------------|------|------|------|---------|--------|------|------|--------|--------|--------|--------|
| 1. Gender     | 1.52 | .50  |      |         |        |      |      |        |        |        |        |
| 2. Age        | 3.85 | 1.02 | .00  |         |        |      |      |        |        |        |        |
| 3. Education  | 3.52 | 1.04 | -.05 | -.50*** |        |      |      |        |        |        |        |
| 4. Income     | 3.38 | 1.27 | .00  | -.04    | .43*** |      |      |        |        |        |        |
| 5. Occupation | 8.67 | 5.39 | .06  | -.09    | .03    | .08  |      |        |        |        |        |
| 6. SS         | 4.45 | 1.46 | -.00 | .01     | -.07   | -.03 | -.10 |        |        |        |        |
| 7. BI         | 4.39 | 1.38 | .02  | .07     | -.06   | .04  | -.04 | .42*** |        |        |        |
| 8. SV         | 4.31 | 1.39 | -.05 | .04     | -.02   | -.03 | -.01 | .41*** | .38*** |        |        |
| 9. PS         | 3.41 | 1.38 | .02  | -.02    | -.05   | -.03 | -.07 | .36*** | .36*** | .41*** |        |
| 10. PI        | 4.40 | 1.46 | .03  | -.01    | -.01   | .02  | .00  | .41*** | .39*** | .38*** | .39*** |

Note:  $N=402$ ; \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ ; two-tailed; SS = Status Seeking; BI = Brand identity; SV = Social Value; PS = Price Sensitivity; PI=Purchase Intention.

### Hypotheses Tests

This study utilized regressions to test the hypotheses. The results of the path analysis are presented in Table 3. As shown in Table 3, status seeking and brand identity were found to be significantly positively correlated in M2 ( $\beta = .42, p < .001$ ); in M6, status seeking was also significantly positively correlated with purchase intention ( $\beta = .42, p < .001$ ). Additionally, in M7, brand identity and purchase intention showed a significant positive correlation ( $\beta = .40, p < .001$ ). In M8, brand identity continued to have a significant positive impact on purchase intention ( $\beta = .27, p < .001$ ), indicating that brand identity partially mediates the relationship between status seeking and purchase intention. Therefore, Hypotheses 1, 2a, 2b, and 2c are supported.

Furthermore, status seeking and social value were found to be significantly positively correlated in M4 ( $\beta = .42, p < .001$ ). In M12, social value and purchase intention showed

a significant positive correlation ( $\beta = .39, p < .001$ ). In M13, social value continued to have a significant positive impact on purchase intention ( $\beta = .26, p < .001$ ), indicating that social value partially mediates the relationship between status seeking and purchase intention. Therefore, Hypotheses 3a, 3b, and 3c are supported.

Hypothesis 4a proposes that price sensitivity moderate the indirect effect of brand identity through purchase intention. In relation to this moderating effect, the results from Table 3 indicate that the interaction between brand identity and price sensitivity positively influences purchase intention ( $\beta = .20, p < .001$ ) in M10. The moderated mediation analysis revealed that, in instances of low price sensitivity, the indirect effect exhibited a positive trend ( $\gamma = .06, 95\% \text{ CI } [.02, .10]$ ). In cases of high price sensitivity, a notably positive indirect effect of status seeking on purchase intention through brand identity was observed ( $\gamma = .06, 95\% \text{ CI } [.02, .10]$ ). Furthermore, the difference effect of the low and high price sensitivity was significant

too ( $\gamma = .04$ , 95% CI [.02, .07]). Therefore, Hypothesis 4a is supported.

Hypothesis 4b proposes that price sensitivity moderate the indirect effect of social value through purchase intention. In relation to this moderating effect, the results form Table 3 indicate that the interaction between social value and price sensitivity positively influences purchase intention ( $\beta = .27$ ,  $p < .001$ ) in M15. The moderated mediation anal-

ysis revealed that, in instances of low price sensitivity, the indirect effect exhibited a positive trend ( $\gamma = .09$ , 95% CI [.05, .14]). In cases of high price sensitivity, a notably positive indirect effect of status seeking on purchase intention through social value was observed ( $\gamma = .09$ , 95% CI [.05, .14]). Furthermore, the difference effect of the low and high price sensitivity was significant too ( $\gamma = .07$ , 95% CI [.04, .10]). Therefore, Hypothesis 4b is supported.

**Table 3. Regressive analysis results of the theoretical models.**

| Variables       | Brand Identity     |          |          |          | Social Value |          |          |          |          |          |          |          |
|-----------------|--------------------|----------|----------|----------|--------------|----------|----------|----------|----------|----------|----------|----------|
|                 | M1                 | M2       | M3       | M4       |              |          |          |          |          |          |          |          |
| Gender          | .02                | .02      | -.04     | -.04     |              |          |          |          |          |          |          |          |
| Age             | .03                | .05      | .05      | .07      |              |          |          |          |          |          |          |          |
| Educa-<br>tion  | -.08               | -.04     | .02      | .06      |              |          |          |          |          |          |          |          |
| Income          | .08                | .07      | -.04     | -.05     |              |          |          |          |          |          |          |          |
| Occupa-<br>tion | -.05               | -.01     | -.00     | .04      |              |          |          |          |          |          |          |          |
| SS              |                    | .42***   |          | .42***   |              |          |          |          |          |          |          |          |
| R2              | .01                | .18      | .01      | .18      |              |          |          |          |          |          |          |          |
| R2              | .01                | .17      | .01      | .17      |              |          |          |          |          |          |          |          |
| F               | 1.02               | 14.74*** | .39      | 13.98*** |              |          |          |          |          |          |          |          |
| F               | 1.02               | 82.31*** | .39      | 81.54*** |              |          |          |          |          |          |          |          |
| Variables       | Purchase Intention |          |          |          |              |          |          |          |          |          |          |          |
|                 | M5                 | M6       | M7       | M8       | M9           | M10      | M11      | M12      | M13      | M14      | M15      | M16      |
| Gender          | .03                | .03      | .02      | .03      | .02          | .01      | .02      | .05      | .04      | .04      | .03      | .03      |
| Age             | -.03               | -.01     | -.04     | -.03     | -.02         | -.04     | -.03     | -.05     | -.03     | -.02     | -.02     | -.02     |
| Educa-<br>tion  | -.04               | .00      | -.00     | .02      | .01          | -.01     | .01      | -.04     | -.01     | -.02     | .01      | .02      |
| Income          | .03                | .02      | .00      | .00      | .01          | .02      | .02      | .05      | .04      | .04      | .01      | .01      |
| Occupa-<br>tion | -.01               | .04      | .01      | .04      | .03          | .01      | .03      | -.01     | .02      | .02      | .02      | .03      |
| SS              |                    | .42***   |          | .30***   |              |          | .20***   |          | .31***   |          |          | .19***   |
| BI              |                    |          | .40***   | .27***   | .29***       | .26***   | .21***   |          |          |          |          |          |
| SV              |                    |          |          |          |              |          |          | .39***   | .26***   | .27***   | .20***   | .15**    |
| PS              |                    |          |          |          | .29***       | .25***   | .21***   |          |          | .28***   | .24***   | .20***   |
| BI×PS           |                    |          |          |          |              | .20***   | .14**    |          |          |          |          |          |
| SV×PS           |                    |          |          |          |              |          |          |          |          |          | .27***   | .22***   |
| R2              | .00                | .17      | .16      | .23      | .23          | .26      | .29      | .15      | .23      | .22      | .28      | .31      |
| R2              | .00                | .17      | .16      | .06      | .07          | .03      | .02      | .15      | .06      | .07      | .06      | .04      |
| F               | .18                | 13.75*** | 12.54*** | 17.02*** | 16.76***     | 17.61*** | 18.03*** | 11.88*** | 16.79*** | 15.71*** | 19.13*** | 19.24*** |
| F               | .18                | 13.75*** | 72.44*** | 30.50*** | 37.10***     | 18.37*** | 9.36***  | 70.22*** | 29.13*** | 32.93*** | 33.84*** | 21.00*** |

Note:  $N=402$ ; \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ ; SS = Status Seeking; BI = Brand identity; SV = Social Value; PS = Price Sensitivity; PI=Purchase Intention.

**Table 4. Moderated mediating effect test results.**

|    | Indirect Effects              | $\gamma$ | S.E. | 95% Confidence Intervals (Lower, Upper) |
|----|-------------------------------|----------|------|---|
| BI | Indirect Effect (Low PS)      | .06      | .02  | (.02, .10)                              |
|    | Unconditional Indirect Effect | .12      | .04  | (.04, .20)                              |
|    | Indirect Effect (High PS)     | .06      | .02  | (.02, .10)                              |
|    | Difference                    | .04      | .01  | (.015, .072)                            |
| SV | Indirect Effect (Low PS)      | .09      | .02  | (.05, .14)                              |
|    | Unconditional Indirect Effect | .18      | .04  | (.10, .27)                              |
|    | Indirect Effect (High PS)     | .09      | .02  | (.05, .14)                              |
|    | Difference                    | .07      | .02  | (.04, .10)                              |

Note:  $N=402$ ; bootstrap = 5,000, 95% confidence interval; two-tailed; SS = Status Seeking; BI = Brand identity; SV = Social Value; PS = Price Sensitivity; PI = Purchase Intention.

## 5. DISCUSSION

This study investigates the association between status seeking, brand identity, social value, price sensitivity and purchase intention when luxury brands are building sub-brands. According to social cognitive theory, this study further explores the moderating role of price sensitivity in this relationship. Utilizing a 402 dataset, we found that status seeking positively impact on purchase intention, with the relationship being mediated by brand identity and social value. Additionally, price sensitivity moderates the mediating effect of brand identity and social value between status seeking and purchase intention.

### Theoretical Implications

This study contributes to the understanding of consumer behavior in the luxury market by utilizing social cognitive theory to explain how personal and social factors influence purchase intentions. Social cognitive theory emphasizes that individuals learn and modify behaviors based on observations, motivations, and social contexts, which is critical in understanding luxury consumer motivations. Our findings confirm that status-seeking consumers are influenced by brand identity and social value in forming purchase intentions, supporting social cognitive theory's assertion that social influence and personal goals interact to shape consumer behavior. This study also adds to the literature on sub-branding within luxury markets by showing that status-seeking motives significantly impact purchase intentions, mediated by brand identity and social value. Additionally, the moderating role of price sensitivity aligns with social cognitive theory, suggesting that consumer decisions are further influenced by personal price thresholds, emphasizing that luxury brands should

consider these variances when segmenting their market and developing brand positioning strategies.

### Practical Implications

Practically speaking, luxury businesses can use these data to increase the appeal of their sub-brands to consumers who are looking for prestige. Understanding that brand identity and social value mediate the relationship between status seeking and purchase intentions suggests that marketing strategies should emphasize the unique identity and societal benefits associated with the brand. Luxury brands can tailor marketing messages to reinforce brand identity attributes, which can deepen consumer affiliation, especially in competitive markets. Additionally, addressing social value in promotional campaigns can attract consumers who view luxury purchases as a strategy to gain social acceptance. The moderating effect of price sensitivity also highlights an opportunity for luxury brands to segment and target consumers based on their willingness to pay, such as using price variation or limited offers to appeal to those with high price sensitivity. For instance, luxury brands can constantly sell their products with discount. This strategy could maximize brand reach by catering to different pricing expectations within the same product line.

### Limitations and Further Research

First, the dataset is limited to a specific geographic or demographic context, which may affect the generalizability of the results to other markets or consumer groups, leaving the results being influenced by current economy situation or common cultural beliefs hold by population from the same area. Future studies should consider a broader and more diverse sample to enhance the applicability of the findings across different cultural or economic contexts. Second, this study focuses solely on luxury brand sub-branding, which may not capture similar dynamics in non-luxury sectors. Examining social value, brand identification, and status seeking across various product categories may offer a more thorough comprehension of



these connections. Future studies should be conducted on focusing whether the impact of retailing strategy apply successfully on non-luxury commodity purchasing. Third, while social cognitive theory provides a solid theoretical foundation, incorporating other theories, such as self-concept or social comparison theory, could offer a multifaceted perspective on how identity and social value shape consumer behavior. Future research could also examine additional moderating factors, including cultural values or digital involvement, which might further alter the relationship between status seeking, brand identity, and purchase intention, based on the other ideas.

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