

1 **Consumer’s Functional Values in Luxury Fashion**
2 **Consumption: A Cross-cultural Comparison between**
3 **Australia and China**

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7 **Abstract**

8 Consumers use functional values to evaluate fashion products, which are influenced by an individual’s
9 nationality and cultural background. Although previous cross-cultural studies in luxury consumption
10 determined the similarities and differences between Western and Asian consumers, there is scarce
11 information on the influence of functional value perception between Australian and Chinese millennial
12 consumers in their luxury handbag purchasing. In this study, a consumer’s functional values were
13 measured through three specific values: usability, quality, and uniqueness. Usability value refers to an
14 individual’s evaluation of a handbag’s functions as satisfying their needs, such as size and ease of use.
15 Quality value is a consumer’s evaluation of a handbag’s physical qualities, such as material quality,
16 craftsmanship, and lifespan. Uniqueness value is a consumer’s need to be unique or distinct from others,
17 which is evaluated in terms of a handbag’s exclusivity. 49 Australian and 52 Chinese millennial luxury-
18 fashion-brand consumers were invited to a survey that required participants to do a pairwise comparison
19 of the importance of these three values on their purchasing decision of a luxury fashion handbag. This
20 pairwise comparison method and data analysis were based on the analytic hierarchy process (AHP),
21 which is a mathematically based, multi-objective, decision-making tool. The results demonstrate that
22 quality value has the greatest impact on luxury fashion handbag purchasing decisions for both Australian
23 and Chinese millennial consumers, while the uniqueness value has the lowest impact on former and the
24 usability value on latter. This study may assist brands and product developers to better understand the
25 influence of both Australian and Chinese consumers’ functional values on their intention to purchase a
26 luxury handbag from a cross-cultural perspective, helping to establish user-centered design criteria for
27 developing luxury fashion handbags.

28 *Keywords:* Luxury Handbags; Accessories Design; Consumer Functional Values; Consumer Needs;
29 Cross-cultural Study; Product development

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1 Introduction

Luxury products or services have a strong appeal in almost all countries of the world. The luxury retailing industry in Australia, for instance, has had a steadily growth over the past five years [1]. Despite the challenges of the COVID-19 pandemic, the industry revenue is still entrusted with an expectation to grow at an annualised 2.4 % in the next five years, to total \$4.5 billion [1]. This considerable luxury consumption causes many global researchers to study the *luxury consumer behaviour*, which refers to a process that includes consumers satisfying their functional and psychological needs by purchasing and using products, services and experiences [2].

Previous research have determined that consumers purchase luxury goods for psychological satisfaction, such as hedonism and self-satisfaction [3, 4], but other researchers have demonstrated that a consumer's functional needs impact their purchasing decision of a luxury good [2, 5], leading designers and brands to study their consumers' functional needs in the process of product design. Understanding consumers' functional needs requires understanding their *functional value perception* which refers to consumer's evaluation of the physical benefits of luxury goods, such as product's usability, quality, and uniqueness [2].

However, consumers are different and their functional value perceptions are influenced by nationality, culture, and other factors [6]. To further understand the consumers' functional value and enhance its reliability and practicality of theoretical foundations in luxury industry, many recent researchers [7-12] conduct the consumer's luxury value study from a cross-cultural perspective, mainly focusing on comparing Asian and Western consumers' attitudes and purchase intention for a luxury good. The most common discussion, specifically, between Asian and Western consumers is based on individualist and collectivist. Recent research [11], for example, revealed there are different impacts of consumers' functional luxury value on purchase intention between collectivists and individualists. They [11] stated the quality value plays an important role in luxury car purchase intentions among collectivists but not in individualists, and they called for that future research can analyze different product categories to conduct a cross-cultural study.

Thanks to previous cross-cultural studies for consistently filling gaps in the consumer's luxury value field, luxury brands have been offered many implications in enhancing their product and service design, marketing communication, and others. There is scarce information, however, on the influence of functional value perception of luxury handbags in design and product development from a cross-cultural comparison between Australian and Chinese millennial consumers.

Drawing from the conceptual framework of luxury value established by Wiedmann, Hennigs, and Siebels [2], this paper focuses on the cultural differences in the consumption of luxury good, measuring Australian and Chinese millennial consumers' functional value perceptions of a luxury handbag. The researchers used the analytic hierarchy process to analyze the data gathered from study participants and reveal the relevant importance of the luxury value of Australian and Chinese millennial consumers respectively. This study contributes to the literature by comparing the role of usability, quality, and uniqueness in a cross-cultural context and expands previous research by focusing on consumers' purchase intention of luxury fashion handbags. Most importantly, this study enables luxury fashion designers to better perceive the commons and differences between Australian and Chinese consumers' functional evaluation of a luxury product, gaining design-relevant information and improving design criteria for developing luxury fashion handbags.

72 **2 Conceptual Background**

73 **2.1 Consumer Behaviour**

74 *Consumer behaviour* is a process that involves individuals or groups satisfying their needs and
75 desires by selecting, purchasing, using and disposing of products, services and experiences [13].
76 Many previous consumer behaviour studies were based on consumer buying behaviour, demon-
77 strating that consumer buying behaviour was affected by many characteristics, such as culture,
78 social factors, economic situation, motivation, and perception and others [14-17]. From the busi-
79 ness perspective, it is necessary for a firm to understand the factors that influence consumer
80 behaviour, to set, adjust, and grow its business. Szmigin and Piacentini [18] created and or-
81 ganized a framework for approaching consumer behaviour, highlighting the *micro-view*, which
82 refers to elements of the individual that impact consumption such as individual decision-making,
83 learning, personality and motivation, and perception [18]. As a result, consumer's value percep-
84 tion was discussed by many previous researchers from both human psychology's and a business's
85 perspective, pointing out the importance of consumer's value perception in the study of consumer
86 behaviour.

87 **2.2 Consumer's Luxury Value Perception**

88 *Perception* is a concept that people select, organize, and interpret information to create a mean-
89 ingful experience of the world [14]. *Consumer's luxury value* refers to an evaluation of the benefits
90 of luxury goods or services by consumer's perception [2]. In the early of the luxury value percep-
91 tions framework, Vigneron and Johnson [5] proposed two main dimensions, personal perceptions
92 and non-personal perception. The former involves hedonic and extended self-values, and the latter
93 includes conspicuousness, uniqueness and quality values [5]. This study has potential values for
94 researchers in measuring the consumer's luxury perceptions to understand their decision-making
95 process, but its theory framework has limitations in consumer values, which was following elab-
96 orated to four dimensions by Wiedmann, Hennigs & Siebels [2], which are financial value (price
97 value), functional value (usability, quality and uniqueness value), individual value (self-identity,
98 hedonic and materialistic value) and social value (conspicuous and prestige value) [2]. These pre-
99 vious researchers established luxury value frameworks, but they failed to conduct the empirical
100 tests the consumer value perception frameworks to prove the reliability of theoretical foundations.
101 Wiedmann, Hennigs & Siebels [9] called for using sophisticated multivariate methods to study
102 the luxury value framework they established to further develop the theory of consumer's luxury
103 value perception.

104 **2.3 Cross-cultural Studies on Luxury Consumption**

105 A cross-cultural study on luxury consumption is usually conducted on the differences and simi-
106 larities in consumers' value perception across borders [19] and has shown that its theoretical and
107 managerial values for international businesses. Many previous cross-cultural studies comprise two
108 different nationalities of consumers groups that come from Asian and Western societies, such as
109 Germany and China [12], South Korea and the USA [19], China and the U.S. [7], British and India
110 [8] and others. Following by the nationalities, most cross-cultural studies also use individualism

111 and collectivism to explain and determine the reason why Western and Asian consumers are dif-
112 ferent, and they may have different motivations when purchasing the same products or services,
113 [20]. For example, one of the differences between individualism and collectivism in Aliyev & Wag-
114 ner's [11] luxury functional value research is that the quality is highly related to luxury purchase
115 intentions for Asian groups but has less impact on Western groups. By contrast, Faschan et. al.,
116 [12] stated that the functionality of a luxury product, such as its quality, is not valued by emerg-
117 ing adults whoever it is individualistic and collectivistic consumer. These previous cross-cultural
118 studies demonstrated the process of how to measure the differences and similarities of consumer's
119 luxury value, and proved that evaluating the functional benefits of a luxury good is influenced
120 by consumers' nationalities and their cultural backgrounds. Hence, this study uses the functional
121 values of theoretical framework established by Wiedmann, Hennigs, and Siebels [2], to conduct a
122 cross-cultural study between Australian and Chinese consumers, offering a further understanding
123 of both their functional values when purchasing a luxury good.

124 2.4 Study Theoretical Model

125 The multidimensional luxury framework established by Wiedmann, Hennigs, and Siebels [2] spec-
126 ifies the dimensions of consumers' orientations toward luxury-brand consumption. This luxury
127 framework was widely used in previous research that measured consumer luxury value perception.
128 For example, a recent study [21] adjusted the individual and social value of this luxury framework
129 to study the factors that impact Chinese millennials' luxury consumption.

130 Functional value is defined as the individual evaluation of the physical benefits of luxury goods.
131 Functional value [2] (Fig. 1) encompasses a product's usability, quality, and uniqueness.

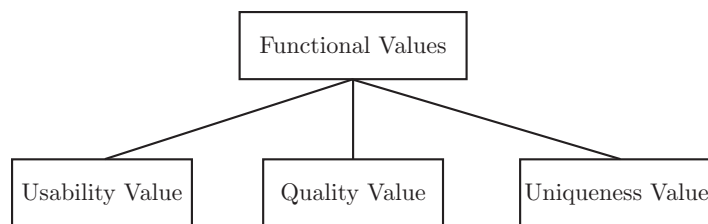


Fig. 1: The luxury functional values framework

132 2.4.1 Usability Value

133 Every product, luxury goods included, is designed to perform specific functions [22], and usability
134 is defined as a benefit of a product that satisfies consumer needs [2]. This benefit is often seen as
135 the material value of luxury goods and is one of the motivations for consumers to purchase said
136 goods [23]. In this study, usability value refers to a consumer's evaluation of whether a handbag's
137 functions satisfy their needs. These functions include size and ease of use.

138 2.4.2 Quality Value

139 Quality is a factor used by consumers to evaluate the value of a product [6]. Quality value is a
140 consumer's subjective perception of a luxury product as offering superior quality and performance

141 [2]. Previous researches show that consumers believe luxury brands offer better quality than non-
142 luxury brands due to their craftsmanship and material components [8, 12]. In this study, quality
143 value is defined as the consumer's evaluation of the physical characteristics of a handbag's quality,
144 such as material quality, craftsmanship, and product lifespan.

145 **2.4.3 Uniqueness Value**

146 Uniqueness is often associated with exclusivity, which stimulates consumers' desire to possess a
147 rare or limited product [2]. Consumers use luxury goods to distinguish themselves from others
148 because a luxury product is by definition not affordable to and owned by everybody [5]. Luxury-
149 good consumers often avoid similar consumption as others to highlight their uniqueness and
150 enhance their self-image and social image [24]. In this study, uniqueness value is an individual's
151 evaluation of whether a handbag satisfies their need to appear distinct from others.

152 **3 Methodology**

153 **3.1 Research Methods**

154 A RMIT Qualtrics survey questionnaire was offered to participants. The participants completed
155 the survey on an iPad device the researchers provided. The researchers offered face-to-face assis-
156 tance if a participant had any concerns or confusion about a survey question. The researchers
157 obtained ethics approval from the Design and Social Context College Human Ethics Advisory
158 Network, a subcommittee of the RMIT University Human Research Ethics Committee.

159 **3.2 Participants**

160 The participants were Australian and Chinese millennials born between 1981 and 1995. Both
161 millennials occupy over a quarter of the total population of luxury consumers and encompass the
162 largest share of the luxury market in their countries respectively [25-26]. Furthermore, they are
163 considered as the most spending potential consumers in luxury business for the next coming years.
164 Chinese millennials consumers, for example, contribute to almost half of the luxury consumption
165 in China. By contrast, while the main target market of the Australian luxury industry is wealthy
166 middle-aged consumers, younger consumers have become increasingly willing to splurge on luxury
167 items [1].

168 **3.3 Procedure**

169 A questionnaire was prepared and saved in the software Qualtrics (Qualtrics, Provo, UT, version
170 2020). The questions were designed based on the functional values determined in the luxury
171 functional values framework. This survey asked participants to conduct a pairwise comparison
172 of usability, quality, and uniqueness values for luxury handbag purchasing to determine which
173 value was most important in determining their purchasing intention. The survey was anonymous,
174 and no personal information, such as name, phone number, and address, was retained. The

175 questionnaire was offered in two languages, English and Mandarin. The survey was completed
176 during a 3-month period, from October to December 2021.

177 Researchers went to Collins Street, Melbourne, Victoria, Australia, to recruit participants since
178 this location was the site of many luxury fashion stores, and many of these stores' customers
179 matched the participant criteria of this study. The researchers approached potential participants
180 and invited them to participate in the survey. Potential participants were identified as individuals
181 holding luxury shopping bags, such as Gucci, Chanel, Dior, LV, and others. Only the data of
182 Australian and Chinese millennials who had luxury fashion shopping experiences at least once in
183 the last six months were selected for analysis.

184 The researchers used the analytic hierarchy process (AHP) to do the data analysis in this study.
185 The main calculations were carried out in Microsoft Excel.

186 **3.4 Analytic Hierarchy Process**

187 The AHP is a nonlinear framework for carrying out both deductive and inductive research consid-
188 ering several factors to arrive at a conclusion [27]. The main method used in the AHP is pairwise
189 comparison, which can help researchers measure intangibles in relative terms, such as people per-
190 ception [28]. Other researchers have successfully used the AHP to measure consumer values—for
191 instance, measuring consumer values of luxury handbags [29], and luxury car selection [30], and
192 measuring consumer values in traveling products shopping [31].

193 This study each part of the AHP process [32]:

194 **3.4.1 Determine a Goal**

195 In this study, the goal was to determine which functional values had the greatest and least impact
196 on the luxury fashion handbag purchasing intention of participants.

197 **3.4.2 Identify the Criteria or Subcriteria to Structure the Hierarchy**

198 In this study, the criteria consisted of three main consumer functional values: usability, quality,
199 and uniqueness values (Fig. 2).

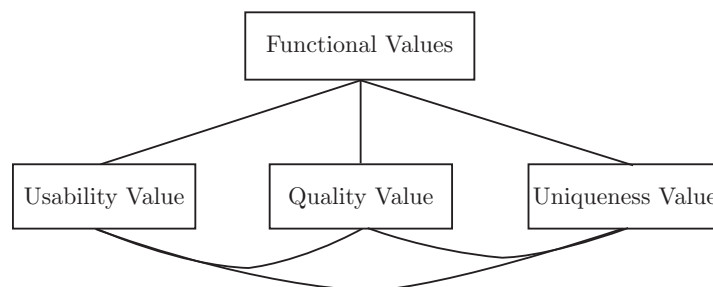


Fig. 2: Pairwise comparison of usability, quality, and uniqueness values

200 **3.4.3 Survey Design**

201 The questionnaire required participants to do a pairwise comparison of the three functional values
 202 (Table 1). Participants were asked the question, “Which value is more important for you when
 203 you consider purchasing a luxury fashion handbag?” Participants ranked each value on a scale
 204 from 1 to 9, where 1 = equally important, 3 = slightly more important, 5 = more important, 7
 205 = much more important and 9 = absolutely important [32].

Table 1: The pairwise comparison of the values

Values	9	7	5	3	1	3	5	7	9	Values
Usability										Quality
Usability										Uniqueness
Quality										Uniqueness

206 Take one participant’s response (Table 2) as an example. The participant believes the usability
 207 is more important than the quality, so the participant ticks the left box of the form (Usability,
 208 5 points). Similarly, participant can tick the box with number 1 in the middle between the
 209 usability and uniqueness when they believe the usability is equally important as the uniqueness.
 210 And the tick on the right box on the form (Uniqueness, 3 points) means the participant thinks
 211 the uniqueness is slightly more important than the quality.

Table 2: The example of participant’s response

Values	9	7	5	3	1	3	5	7	9	Values
Usability			√							Quality
Usability					√					Uniqueness
Quality						√				Uniqueness

212 **3.4.4 Multiple Participant Data**

213 Since the data came from a group rather than an individual, the researchers found the geometric
 214 mean of participant results to aggregate individual judgments (Fig. 3).

$$w = \sqrt[n]{w_1 \cdot w_2 \cdot \dots \cdot w_n}$$

Fig. 3: The formula of geometric mean

215 **3.4.5 Construct a Set of Pairwise Comparison Matrices**

216 The researchers placed the pairwise comparisons in the matrix below (Fig. 4).

217 Then, the researchers calculated the eigenvalue and the eigenvector (Fig. 5).

218 In this formula, n is the number of judgments; w1, w2, ..., wn reflects the recorded value
 219 weights on the objectives. W is the eigenvector; and λmax is the largest eigenvalue of the pairwise
 220 comparison matrix.

$$A = \begin{bmatrix} 1 & a_{12} & \cdots & a_{1n} \\ \frac{1}{a_{12}} & 1 & \cdots & a_{2n} \\ \vdots & \vdots & \cdots & \vdots \\ \frac{1}{a_{1n}} & \frac{1}{a_{2n}} & \cdots & 1 \end{bmatrix}$$

Fig. 4: The pairwise comparisons matrix

$$W = \begin{bmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{bmatrix},$$

$$W' = A \times W = \begin{bmatrix} 1 & a_{12} & \cdots & a_{1n} \\ \frac{1}{a_{12}} & 1 & \cdots & a_{2n} \\ \vdots & \vdots & \cdots & \vdots \\ \frac{1}{a_{1n}} & \frac{1}{a_{2n}} & \cdots & 1 \end{bmatrix} \times \begin{bmatrix} W_1 \\ W_2 \\ \vdots \\ W_n \end{bmatrix} = \begin{bmatrix} W_1 \\ W_2 \\ \vdots \\ W_n \end{bmatrix},$$

$$\lambda_{\max} = \frac{1}{2} \left(\frac{W_1}{W_1} + \frac{W_2}{W_2} + \frac{W_3}{W_3} + \cdots + \frac{W_n}{W_n} \right),$$

Fig. 5: The formula for eigenvalue and eigenvector

221 The reason why the principal eigenvalue λ_{\max} of matrix W and its normalized eigenvector has
 222 been calculated is that the AHP derives priorities by using the eigenvalue method [33].

223 3.4.6 Calculate the Consistency Ratio (CR)

224 It is required to calculate the consistency ratio (CR) per Saaty [32] (Figure 6). This ratio demon-
 225 strates the consistency of subjective perception and the accuracy of the comparative weights if
 226 the value is 0.1 or less.

$$CI = (\lambda_{\max} - n)/(n - 1) \quad \text{and} \quad CR = CI/RI$$

Fig. 6: The CR and CI formula

227 CI is the consistency index.

228 The recommended random index (RI) values appear in Table 3 [32].

Table 3: The example of participant's response

N	2	3	4	5	6	7	8	9	10
RI	0	0.52	0.89	1.11	1.25	1.35	1.40	1.45	1.49

229 **3.5 Results**

230 Researchers acquired a total of 149 responses, but only the 101 participant responses met the
 231 selection criteria and were used in this study. Of these participants, 49 were Australian who
 232 consisted of 29 females and 20 males, other 52 were Chinese including 28 females and 23 males.
 233 Participants' age ranged between 25 and 39 years. All participants had luxury fashion brand
 234 shopping experiences at least once within three months. After the data was analyzed, the re-
 235 searchers proceeded with the AHP, first by calculating the geometric mean for each functional
 236 value per Table 4 and Table 5.

Table 4: The number calculated by the geometric mean method (Australian)

Usability: Quality	0.958
Usability: Uniqueness	1.513
Quality: Uniqueness	2.240

Table 5: The number calculated by the geometric mean method (Chinese)

Usability: Quality	0.362
Usability: Uniqueness	0.391
Quality: Uniqueness	1.809

237 Second, the researchers created a matrix of pairwise comparisons (Table 6 & 7).

Table 6: The matrix of pairwise comparisons (Australian)

	Usability	Quality	Uniqueness
Usability	1	0.958	1.513
Quality	1.044	1	2.240
Uniqueness	0.661	0.446	1

Table 7: The matrix of pairwise comparisons (Chinese)

	Usability	Quality	Uniqueness
Usability	1	0.362	0.391
Quality	2.761	1	1.809
Uniqueness	2.558	0.553	1

238 Then, the researchers calculated the eigenvalue and the eigenvector based on the formulas in
 239 Figure 5. The results appear in Table 8 & 9.

240 Finally, the researchers calculated the consistency ratio (CR) to evaluate whether the results
 241 could be considered acceptable. The Table 10 & 11 show the result of the consistency index (CI)
 242 and CR calculations.

Table 8: The result of the eigenvalue and eigenvector (Australian)

	Usability	Quality	Uniqueness	Weight
Usability	0.370	0.398	0.318	0.362
Quality	0.386	0.416	0.471	0.424
Uniqueness	0.244	0.186	0.210	0.213

Table 9: The result of the eigenvalue and eigenvector (Chinese)

	Usability	Quality	Uniqueness	Weight
Usability	0.158	0.189	0.122	0.157
Quality	0.437	0.522	0.565	0.508
Uniqueness	0.405	0.289	0.313	0.335

Table 10: The result of consistency index and consistency ratio (Australian)

CI	0.007	
CR	0.013	< 0.10

Table 11: The result of consistency index and consistency ratio (Chinese)

CI	0.015	
CR	0.029	< 0.10

For Australian participants, the normalized weights of usability, quality, and uniqueness values were 0.362, 0.424, and 0.213, respectively. This CR was considered acceptable as the CR was 0.013, which is less than 0.10. On the other hand, the normalized weights of Chinese participants' usability, quality, and uniqueness values were 0.157, 0.508, and 0.335, respectively. This CR was also considered acceptable because the CR was 0.029, that is less than 0.10.

These results show that quality was the most important value for both Australian and Chinese participants. For Australian participants, the second highest value was usability. For Chinese participants, however, the second most important value was uniqueness instead of usability. Lastly, the uniqueness value had the least impact on Australian participants purchasing intentions of a luxury handbag, and the usability value on Chinese participants.

3.6 Discussion

This study determined the luxury value perceptions in a cross-cultural context and used the pairwise comparison to analyse the relative importance of several luxury values (usability, quality, and uniqueness). The results of this study reveal the relative importance of these luxury values and their similarities and differences between Australian and Chinese consumers' purchase intention of luxury handbags.

This study confirms the importance of quality value for both Australian and Chinese millennial

260 consumers. Previous researchers shared different viewpoints on the role of quality value in luxury
261 consumption, for example, Aliyev & Wagner [11] believe that high quality has positively impacted
262 luxury purchase intentions for collectivists but not for individualists, but another study [19]
263 stated that the perceived quality value has a more powerful influence on individualists' purchase
264 intention compared with that of collectivists. In this study, however, the results showed that
265 both Australian and Chinese millennial consumers value the quality when purchasing a luxury
266 handbag, but the need for quality of Chinese is higher than Australian millennial consumers. This
267 result is similar to a study that determined Australian consumers believe the premium quality
268 is more associated with the characteristics of luxury products [34]. This result also confirms
269 the importance of quality value recognized by previous researchers [35-37]. The results further
270 indicate that Chinese millennial consumers put greater emphasis on quality value than other
271 functional values when determining purchasing intentions for luxury fashion goods. For instance,
272 Chinese consumers value craftsmanship and excellent materials [37]. These findings, hence, have
273 a practical implication for the luxury fashion product developers to pay more attention to the
274 quality of a luxury handbag when targeting the Australian and Chinese millennial consumers.
275 Although there are wide arguments in the luxury consumptions preference in individualism and
276 collectivism from the previous research, quality, as an important factor in consumer's functional
277 values, is still maintained at the core value of luxury handbag purchasing for both Australian and
278 Chinese millennial consumers.

279 Furthermore, this study reveals the different uniqueness value perception between Australian
280 and Chinese millennial consumers. Researchers [24, 38] have highlighted that the uniqueness
281 value of a luxury good is an important factor that distinguishes luxury goods from non-luxury
282 goods, offering psychological satisfaction. But the results of this study demonstrated the need
283 for a handbag's quality is higher than its uniqueness for both Australian and Chinese millennial
284 consumers. For Australian millennial consumers, the uniqueness has the least impact, which is
285 partly aligned with a previous study in luxury fashion haute couture consumption that pointed
286 out the avoidance of similarity consumption does not have a significantly positive relationship with
287 Australian millennials' purchase intentions [26]. By contrast, Kim, Hsu, and Yuen [21] indicated
288 that the need for uniqueness values influenced Chinese millennial's desire for status consumption,
289 which eventually impacted their purchase intention of luxury fashion goods. However, this study
290 demonstrated the uniqueness of a luxury handbag is attractive but not the most important
291 functional value for Chinese millennial consumers. On the other hand, by comparing with the
292 uniqueness value between individualists and collectivists, some researchers [8, 11] claim that
293 the value of uniqueness has more influence on luxury purchase intentions among individualists,
294 but the result in this study agree with those [7, 39] who believe that Chinese consumers, as
295 collectivism of the cultural context, have higher similarity avoidance than western consumers
296 in luxury consumption. As a result, the findings regarding the uniqueness value offer luxury
297 handbag designers a further understanding of the different attitudes toward a handbag's unique
298 characteristics between Australian and Chinese millennial consumers, which could be practiced
299 in adjusting or improving the criteria of a product design.

300 This study also finds that Australian and Chinese millennial consumers have a contrasting view
301 on the usability of luxury consumption. The usability as the second highest in Australian par-
302 ticipants' value priority confirms a previous study that [9] stated that individualistic markets are
303 significantly influenced by functional value as Western consumers are looking for luxury goods to
304 be increasingly practical. By contrast, previous researcher [40] states that usability of a product
305 can be considered one of the most important purchasing factors, and a previous cross-cultural

306 study in luxury fashion consumption stated that young Chinese consumers pay more attention to
307 the functional and practical dimensions of the luxury object and its functional appeal [12]. The
308 findings in this study, however, showed that the usability of a luxury handbag experienced less
309 interest for Chinese millennial consumers. This maybe is caused by Chinese consumers' other
310 purpose of using a luxury handbag, such as the state consumption [41]. Chinese consumers use
311 a luxury handbag to gain acknowledgment of social status and esteem from others instead of
312 the functional practices, such as carrying things. Therefore, a designer and brand can emphasize
313 the usability of a luxury handbag to positively influence Australian millennial consumers' pur-
314 chase intention, but for Chinese millennials, highlighting the usability might not intrigue them to
315 purchase luxury handbags.

316 4 Conclusion and Future research

317 Functional values such as usability, quality, and uniqueness influence the consumer's luxury prod-
318 uct purchase intention, and the consumer's cultural background impacts the prioritization of those
319 values. The current cross-cultural study determined, through the use of the analytic hierarchy
320 process, the influence of functional values on Australian and Chinese millennial consumers' pur-
321 chasing intention of a luxury handbag. The results of this study showed that quality value has the
322 greatest impact on both Australian and Chinese millennials' luxury fashion handbag purchasing
323 decisions, while the uniqueness value has the lowest impact on former and the usability value
324 on latter. Australians, furthermore, experience a relevant higher interest in the usability of a
325 luxury handbag than Chinese millennial consumers. This information not only offers a better
326 understanding of Australian and Chinese millennial consumers' functional values but also can be
327 used by luxury brands and their designers to improve design criteria for developing luxury fashion
328 handbags.

329 The study had some limitations as the total number of participants was relevant low, and
330 all participants were located in Australia. Chinese millennial consumers in the mainland of
331 China may have different priorities of the functional values. Furthermore, only three values
332 (usability, quality, and uniqueness) were investigated in this study, and more values, such as
333 financial, individual, and social values [2], could be studied to further analyse the similarities and
334 differences between Australian and Chinese millennials' luxury handbag purchasing behaviour [2].
335 In addition, future research can investigate purchase behaviour of different nationalities, as well
336 as other product categories.

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