ORIGINAL ARTICLE



The influence of perceived strength of brand origin on willingness to pay more for luxury goods

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Abstract Drawing on dual processing theory (Loewenstein et al. in Decision 2(2):55-81, 2015), this paper investigates how the perceived strength of brand origin (PSBO) influences brand love and the willingness to pay more (WTPM) for luxury brands. Participants for two studies were recruited through the consumer panel of a professional survey service provider (Qualtrics). Mediation analysis based on Hayes' (Behav Res Methods 40(3):879-891, 2013) process macro showed that brand love mediates the influence of PSBO on WTPM. This mediating effect through brand love (a highly emotional route) was substantially stronger than the alternative mediating effect through the quality-related aspects of brand luxuriousness (a more cognitive route of processing). Moderation analysis further showed that status consumption has a negative (i.e., attenuating) effect on the relationship between PSBO and brand love. Specifically, the results suggest that whereas consumers low on status consumption use PSBO as an important cue for how much they love the brand, consumers high on status consumption show relatively high levels of brand love, no matter whether PSBO is low or high. The findings make an important contribution to current research on brand origin and brand love, and provide marketing practitioners with options to manage luxury products more effectively.

Keywords Country of origin · Perceived strength of brand origin · Brand love · Luxury products · Status consumption · Dual processing theory

Introduction

Representing an industry that has grown globally from €77 billion in 1995 to an estimated €249 billion in 2016 (Bain & Company 2016), marketing practitioners and researchers have become increasingly interested in luxury goods (Chandon et al. 2016; Giovannini et al. 2015; Wiedmann and Hennigs 2013). Understanding luxury consumption is important because luxury goods seem to follow a different logic than "ordinary" goods and services (Fuchs et al. 2013; Shukla and Purani 2012). Consumers of luxury goods must perceive sufficient value enhancement to compensate for the typically high prices they pay (Tynan et al. 2010), which is particularly challenging for companies because the notion of luxury is actually socially constructed (Moon and Sprott 2016). Specifically, value for luxury goods is generated not only through functional benefits (e.g., premium quality), but also by means of hedonic and symbolic attributes, such as extraordinarily aesthetic components and the ability to signal success, wealth, and social achievement to others (Dubois and Duquesne 1993; Hudders and Pandelaere 2013; Lee et al. 2015).

Among the factors that affect luxury consumption, country of origin (COO) has been identified as an important influencer (e.g., Aiello et al. 2009; Godey et al. 2012; Shukla 2011). Previous research argues that, due to

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globalization and international strategic alliances, COO should no longer be treated as a synonym for the "made in" or "assembled in" concept (Balabanis and Diamantopoulus 2008; Chao 1993). Rather, brand origin, defined as the country a brand is perceptually associated with regardless of where it is manufactured (Shukla 2011; Thakor 1996) has become more relevant for consumers (Magnusson et al. 2011; Thakor and Lavack 2003; Usunier 2011). Notwithstanding this influential shift in the extant literature, previous research presents an important limitation by treating COO as a dichotomous variable where a brand is either associated with a certain country or not (e.g., Koschate-Fischer et al. 2012; Thakor and Lavack 2003). Specifically, the current literature neglects the possibility that consumers do not only have subjective knowledge about the origin of a specific brand (e.g., Mercedes is from Germany or Gucci from Italy), but also about how German or Italian these brands are. Thus, our research introduces the concept of perceived strength of brand origin (PSBO), which we define as a consumer's holistic perception of congruence between brand image and country image. This conceptualization provides a more nuanced view on brand origin and acknowledges that, e.g., some consumers may perceive Mercedes as very German (i.e., high on PSBO), whereas other consumers may feel that Mercedes is, for different reasons, not very German after all (i.e., low on PSBO).

We argue that considering PSBO is important because it affects purchase intentions or the willingness to pay more (WTPM) for a brand either directly or through mediating variables related to attitudes and emotions. The results of this research are relevant for both marketing academics and practitioners. For brand and marketing research, our study extends extant theory on brand origin and shows the process and boundary conditions of perceived strength of brand origin, a more nuanced construct than previous conceptualizations of COO. For marketing practice, the results of this research are relevant because brand managers can develop marketing communications that actively manage perceived strength of brand origin.

To address the current literature gap, our research investigates the impact of PSBO in the context of a French (Cartier) and an American (Tiffany) luxury brand. The contribution of our research is twofold: First, drawing on dual processing theory (Loewenstein et al. 2015), we demonstrate that higher PSBO leads to higher brand love, and that brand love mediates the relationship between PSBO and WTPM. Further, we show that the effect of PSBO on WTPM can also develop through a more cognitive route, perceived brand luxuriousness. However, the highly emotional route of brand love is substantially stronger (as measured by effect size) than the cognitive luxuriousness. Additionally, route of brand

nonsignificant serial mediation effect of brand love → brand luxuriousness supports Zajonc's (1984) claim of independence of affective processes. Second, we find that status consumption has an attenuating moderating effect on the relationship between PSBO and brand love, but not on the relationship between PSBO and brand luxuriousness.

Theoretical framework and hypotheses

Perceived strength of brand origin: the Frenchness of being French

Since the 1960s, researchers have been interested in country of origin as a factor that can (and often does) influence consumers' product evaluations (Brodie and Benson-Rea 2016). In the context of luxury consumption, COO cues convey important information to consumers (Aiello et al. 2009; Godey et al. 2012). Early COO research (e.g., Bilkey and Nes 1982) focused on the place where a product has been manufactured. However, driven by globalization and strategic alliances, more recent research argues that the "made in" concept has lost relevance (Balabanis and Diamantopoulus 2008; Chao 1993), and that brand origin (the country a brand is perceptually associated with regardless of where it is manufactured) constitutes a more meaningful concept for COO research (Magnusson et al. 2011; Shukla 2011; Thakor and Lavack 2003; Usunier 2011). Recent research further suggests that in cases where the place of manufacturing and brand origin differ (e.g., BMWs produced in the USA), consumers' product evaluations can be affected negatively (Johnson et al. 2016).

Despite important advances in COO research, we argue that previous research suffers from an important limitation by treating COO typically as a dichotomous variable. That is, academic research usually presents respondents with products from different countries on a yes or no basis (e.g., product X is from China and product Y is from the USA). For example, Thakor and Lavack (2003) investigate the effect of brand origin for Japan, Taiwan, and Korea in their Study 1, and for Mexico, Korea, Poland, and the USA in their Study 2. Similarly, Koschate-Fischer et al. (2012) alternate between France and Austria (Study 1), France and Turkey (Study 2), and the USA and South Korea (Study 3). As these examples show, this stream of research neglects the possibility that some consumers may perceive a Louis Vuitton handbag or an Apple iPhone as being "very French" or "very American," whereas other consumers may feel these brands are not so French or American, after

Our paper introduces this more nuanced perspective of brand origin to the COO literature and establishes



important links to relevant mediating and outcome variables for luxury consumption, such as brand love, brand luxuriousness, and consumers' willingness to pay more. Drawing on branding literature that defines brand image as a perception that encompasses consumers' beliefs about a brand (Nandan 2005), we conceptualize PSBO as a consumer's holistic perception of congruence between brand image and country image. Although this assessment of congruence is indeed driven by specific criteria, such as the level of innovation, craftsmanship, design-orientation, or technology-orientation, these criteria are contextual factors of the PSBO construct rather than forming part of it. Similar approaches have been applied to other, holistically oriented constructs. For example, although life satisfaction (Diener et al. 1985; Fujita and Diener 2005) may be determined by, e.g., one's health, relationship-quality with friends, income, or achievements at work, these criteria do not form part of the assessment of life satisfaction.

In conclusion, PSBO addresses a holistic, higher-level perception of how French, American, etc., a brand is, and thus is conceptually distinguishable from COO scales that measure how innovative, creative, or advanced a country is perceived (e.g., Yasin et al. 2007). Further, PSBO is conceptually different from affinity because affinity refers to a feeling of liking, sympathy, or attachment toward a specific foreign country (Oberecker et al. 2008), whereas PSBO is an assessment of congruence between brand and country image that does not directly encompass feelings of liking or attachment. Finally, brand familiarity (Kent and Allen 1994) is conceptually distinctive from PSBO because consumers can form perceptions about the congruence between brand and country image under high as well as low levels of brand familiarity.

In the remainder of this section, we first introduce the concept of brand love and develop our hypotheses on how brand love is influenced by PSBO in the context of a French and an American luxury brand. Next, we address an alternative explanation for the effect of PSBO, which investigates the route through a cognitive (brand luxuriousness) variable rather than the highly emotional route of brand love. Finally, we ask how status consumption, an essential facet of luxury consumption, may moderate the relationship between PSBO and brand love/brand luxuriousness.

Je t'aime: brand love

The notion that consumers develop strong emotional, lovelike relationships to brands similar to interpersonal love was introduced to the marketing literature by Shimp and Madden (1988). Brand love has been defined as "the degree of passionate emotional attachment a satisfied consumer has for a particular trade name" (Carroll and Ahuvia 2006, p. 81). The importance of brand love for customer–brand relationships has been acknowledged in the extant literature (Albert et al. 2008; Fetscherin and Heinrich 2015; Rauschnabel and Ahuvia 2014; Vlachos et al. 2010). For example, results from previous research suggest that consumers are willing to pay substantially more for brands they love (Albert and Merunka 2013; Batra et al. 2012; Carroll and Ahuvia 2006), develop higher levels of loyalty and brand engagement (Bergkvist and Bech-Larsen 2010), and recommend them twice as much as brands they just like (Rossiter 2012).

Based on brand-relationship theory (Fournier 1998), we argue that brand love, a strong manifestation of brand attachment (Thomson et al. 2005), is a relevant outcome variable for PSBO in the context of our research because of the generally high emotional valence of luxury products (Hudders and Pandelaere 2013; Pozharliev et al. 2015). Previous research has shown that COO is an important emotional factor for building brand relationships, and companies use brand origin cues strategically to position their products and increase the attractiveness of their brands (Beverland and Lindgreen 2002). Extending this line of reasoning, we argue that when consumers of a luxury brand perceive this brand as being more characteristic or representative for its country of origin, they will develop higher levels of brand love. In other words, we expect that on average, for those luxury brands that consumers actually buy, they perceive brand origin as a desirable attribute. As a consequence, consumers show higher levels of brand love when the desired brand attribute (being French, American, etc.) is more salient. Thus, we hypothesize the following:

H1 Consumers high on perceived strength of brand origin demonstrate higher levels of brand love than consumers low on perceived strength of brand origin.

Alternative explanation: brand luxuriousness

Brand luxuriousness has been defined as "the extent to which a product is conducive to sumptuous living rather than necessity" (Erdoğmuş et al. 2010, p. 1416). Previous research agrees that luxuriousness can entail different facets, such as conspicuousness, uniqueness, exclusivity, elegance, and refinement (Christodoulides et al. 2009; Erdoğmuş et al. 2010; Vigneron and Johnson 2004). Nevertheless, luxuriousness also implies that luxury brands provide superior levels of quality and performance (Albrecht et al. 2013). For our alternative explanation of the effects of PSBO, we are specifically interested in these more cognitive, quality-related aspects of brand luxuriousness for two reasons. First, previous research shows that the country a brand is associated with influences cognitive



product beliefs and evaluations such as perceived quality and craftsmanship (Agrawal and Kamakura 1999; Balabanis and Diamantopoulus 2008; Hamzaoui-Essoussi et al. 2011; Thakor and Lavack 2003). And second, focusing on the more cognitive, quality-related aspects of brand luxuriousness allows us to contrast brand luxuriousness from the emotional route of brand love.

In doing so, we follow Christodoulides et al. (2009) and Vigneron and Johnson (2004) who suggest the semantic juxtapositions of manufactured/crafted/, upmarket/luxurious, good quality/best quality, original/sophisticated, and better/superior as indicators for the quality-related dimension of brand luxuriousness. We argue that PSBO positively influences consumers' beliefs related to the quality, sophistication, craftsmanship, and superiority of luxury products. Thus,

H2 Consumers high on perceived strength of brand origin demonstrate higher levels of perceived brand luxuriousness than consumers low on perceived strength of brand origin.

Willingness to pay more: the direct and mediating effect of brand love and brand luxuriousness

Once a relationship between PSBO and brand love/brand luxuriousness is established, it is indeed important to ask if the positive effect of PSBO can also be observed for outcome variables that are closer (that is, more downstream) to real purchases. In the context of luxury brands, which typically come with substantial price premiums (Fionda and Moore 2009; Wiedmann and Hennigs 2013), consumers' willingness to pay more (WTPM) is an important metric (Li et al. 2012). We posit that consumers are willing to pay more for brands they love because brand love makes the brand unique, diminishes the attractiveness of alternatives, and allows consumers to benefit from the positive emotions related to the loved brand (Albert and Merunka 2013; Rauschnabel and Ahuvia 2014). Further, drawing on previous work regarding the positive effects of brand luxuriousness (Albrecht et al. 2013; Vigneron and Johnson 2004), we expect a positive influence of brand luxuriousness on willingness to pay more. Hence,

H3a Consumers high on brand love demonstrate higher levels of willingness to pay more than consumers low on brand love.

H3b Consumers high on brand luxuriousness demonstrate higher levels of willingness to pay more than consumers low on brand luxuriousness.

Finally, the mediating effect of brand love (the emotional route of information processing) and the quality-related aspects of brand luxuriousness (a more cognitive route) taps into the discussion whether emotions are

dependent on cognition, or if they are primary and can develop independently of cognition (Kahneman 2011; Leventhal and Scherer 1987). These different positions are represented on the one hand by Richard S. Lazarus, who suggests that cognitive appraisal precedes emotions (Lazarus 1984), and Robert B. Zajonc, who advocates the independence of affective processes (Zajonc 1984). Our perspective integrates these perspectives and draws on the more recent theory of dual processing (Loewenstein et al. 2015) which suggests that a person's behavior is determined by both deliberate processes (representing cognition) and affective processes that encompass emotions and other motivational states. First, because luxury products are highly emotional for a majority of consumers (Hudders and Pandelaere 2013; Pozharliev et al. 2015), we expect that brand love, a highly emotional construct (Carroll and Ahuvia 2006), functions as an important route through which PSBO translates into a higher willingness to pay more (hypothesis H3a). Second, representing an alternative, but not necessarily mutually exclusive route, we test whether the perceived congruence between country and brand triggers a more cognitive appraisal of the brand (i.e., the quality-related aspect of brand luxuriousness; hypothesis H3b). Third, based on Lazarus' (1984) notion that cognitive appraisal precedes emotional response, we test the serial mediation of brand luxuriousness → brand love (hypothesis H3c). Thus,

H4a Brand love positively mediates the relationship between perceived strength of brand origin and willingness to pay more.

H4b Brand luxuriousness positively mediates the relationship between perceived strength of brand origin and willingness to pay more.

H4c Brand luxuriousness and brand love positively mediate the relationship between perceived strength of brand origin and willingness to pay more through serial mediation (perceived strength of brand origin \rightarrow brand luxuriousness \rightarrow brand love \rightarrow willingness to pay more).

The influence of status consumption

In H1 and H2, we assumed that consumers use the Frenchness or Americanness of a brand (i.e., PSBO) as a cue for brand love and perceived brand luxuriousness. However, we argue that the size of this effect depends on the consumers' level of status consumption. We first briefly review the literature on status consumption and then explain the rationale for the expected moderating effects of status consumption.

Status consumption refers to individuals' unconscious and conscious behavior to keep or improve their positions



in society through consumption (Ulver and Ostberg 2014). It has been defined as the "motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others" (Eastman et al. 1999, p. 42). The extant literature suggests that the signaling function of luxury products is important for a substantial number of consumers (Gao et al. 2016). For instance, Han et al. (2010) find that Parvenues (who associate with other affluent individuals and strive to dissociate themselves from have-nots) and Posseurs (who aspire to be Parvenues) are both driven by a need for status. Moreover, in the context of COO research, consumers use brand origin not only as a cue for perceived quality, but also as a signal for status (Batra et al. 2000).

For the relationship between PSBO and brand love/ brand luxuriousness, we expect a negative moderating effect of status consumption. Similar attenuating effects have been demonstrated in the context of luxury consumption in the extant literature. For example, Albrecht et al. (2013) show that the degree of perceived luxuriousness negatively moderates the relationship between functional brand value and the consumer's attitude toward a brand extension. When the perceived luxuriousness of a brand is low, consumers use functional brand value as a cue for attitude formation. However, when perceived luxuriousness is high, consumers depend less on functional brand value as a cue because the superior quality of the brand is taken for granted for luxury brands. We expect a similar cue substitution effect for status consumption. When status consumption is low, consumers pay more attention to additional cues, such as how French or American the brand is. However, when status consumption is high, it is the attractiveness of the brand itself rather than additional cues such as PSBO that triggers brand love or brand luxuriousness. Thus, we hypothesize the following:

H5a Status consumption moderates the relationship between perceived strength of brand origin and brand love. Specifically, the influence of perceived brand origin strength on brand love is higher for consumers with low levels of status consumption than for consumers with high levels of status consumption.

H5b Status consumption moderates the relationship between perceived strength of brand origin and brand luxuriousness. Specifically, the influence of perceived brand origin strength on brand luxuriousness is higher for consumers with low levels of status consumption than for consumers with high levels of status consumption.

Figure 1 summarizes the conceptual model and hypotheses. H1 proposes a direct effect of PSBO on brand

love (path a1), and H2 proposes a direct effect of PSBO on the quality-related aspect of brand luxuriousness (path a2). The direct effect of brand love and brand luxuriousness (H3a and H3b) is shown through paths b1 and b2. The mediating effects of brand love (H4a) and brand luxuriousness (H4b) are tested through paths $a1 \times b1$ and $a2 \times b2$, respectively. Following the notation of Pieters (2017), serial mediation is tested by adding a d-link to the multiple mediation model, resulting in path $a2 \times d \times b1$ (H4c). Finally, the hypothesized moderating effect of status consumption is tested for the relationship of PSBO and brand love (H5a) and PSBO and brand luxuriousness (H5b). Household income, gender, brand familiarity (Kent and Allen 1994), and affinity (defined as a feeling of liking, sympathy, or attachment toward a specific foreign country; Oberecker and Diamantopoulos 2011) serve as control variables to exclude potential confounding effects.

Method

Sample and procedure

Participants for two studies were recruited through two independent consumer panels of a professional survey service provider (Qualtrics) and invited to participate in a study on brand perceptions. Our choice of a traditional consumer panel over Amazon's MTurk was motivated by recent research suggesting that the response quality of Qualtrics' consumer panels tends to be superior to those of Amazon's MTurk (Smith et al. 2016).

We situated Study 1 in the context of a French luxury brand (Cartier) and Study 2 in the context of an American luxury brand (Tiffany & Co). To exclude learning effects, participants formed either part of Study 1 or Study 2. A necessary condition for participation was that participants had purchased products from each respective brand in the past 3 years. Further, we focused on consumers born between 1976 and 1998 (generation Y) because they embrace brands as a means for signaling identity (Noble et al. 2009) and have become an important segment for luxury consumption (Giovannini et al. 2015). The sample characteristics are shown in Table 1.

Measures

Our independent measure, PSBO, was informed by previous research on brand origin (Thakor and Lavack 2003) and asked respondents to indicate their agreement with the statement "Cartier (Tiffany & Co.) is a French (American) brand" on a seven-point Likert scale (1 = strongly disagree to 7 = strongly agree). Although potential problems with single-item scales have been discussed in the literature



Fig. 1 Conceptual model and hypotheses

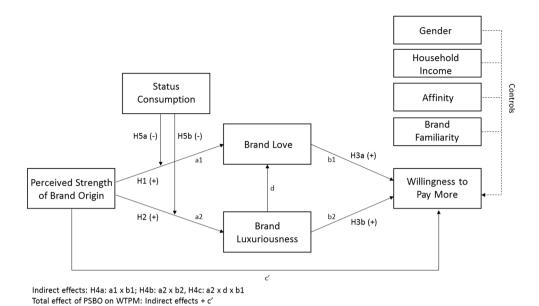


Table 1 Sample characteristics for Study 1 (Cartier) and Study 2 (Tiffany & Co.)

	Study 1 (Cartier)	Study 2 (Tiffany & Co.)
N	258	259
Gender		
Female	41.9%	56.9%
Male	58.1%	43.1%
Age (SD)	29.8 years (5.9 years)	30.1 years (5.4 years)
Marital status		
Single	35.9%	31.3%
In a relationship	9.3%	11.1%
Married	53.0%	56.1%
Widowed	.4%	1.1%
Annual household income		
Below \$25,000	11.2%	8.4%
\$25,000-\$49,999	17.8%	18.7%
\$50,000-\$74,999	27.9%	24.8%
\$75,000-\$99,999	24.2%	27.1%
\$100,000 or higher	18.9%	21.0%
Education		
Elementary level degree	1.2%	.8%
Middle school degree	.8%	1.9%
High school degree	16.7%	16.0%
College degree	54.7%	57.6%
Graduate or postgraduate degree	26.7%	23.7%
Citizenship		
US citizen	68.6%	69.9%
Foreigner	16.7%	14.3%
No answer	14.7%	15.8%

(Kamakura 2015; Sarstedt et al. 2015), their advantages have been acknowledged (Bergkvist 2015; Bergkvist and Rossiter 2007; Rossiter 2016) and they are used regularly

in marketing and psychology research (e.g., Batra et al. 2000; Martin and Hill 2012; Nichols and Webster 2013). Brand love was measured with eight items based on Carroll



and Ahuvia (2006). The quality-related aspect of brand luxuriousness was measured with five items sourced from Vigneron and Johnson (2004). Status consumption was measured with three items based on Eastman et al. (1999). Although all respondents had bought products from Cartier (Study 1) or Tiffany & Co. (Study 2) within the last 3 years, their self-reported familiarity with the brand varied, and we thus included brand familiarity as a control measure based on the three-item brand familiarity scale from Kent and Allen (1994). Further, the extent to which individuals like the country of brand origin may confound the effect of PSBO on WTPM, and we included the threeitem sympathy dimension of the Oberecker and Diamantopoulos (2011) affinity scale as a second control. Finally, we measured willingness to pay more (WTPM) based on similar measures (Netemeyer et al. 2004) by asking for respondents' agreement or disagreement (1 = strongly disagree to 7 = strongly agree) to the statement "I am willing to pay more for the brands I love."

Scale validity and reliability

We investigated the psychometric properties of the scales by running a confirmatory factor analysis (CFA) in IBM SPSS AMOS 23.0. The overall fit of the model was satisfactory for Study 1 ($\chi^2 = 563.71$, df 199, $\chi^2/df = 2.84$, RMSEA = .084, SRMR = .058, CFI = .902) and Study 2 ($\chi^2 = 470.07$, df 199, $\chi^2/df = 2.36$, RMSEA = .073, SRMR = .054, CFI = .940). Table 2 shows factor loadings, Cronbach's alpha, and average variance extracted (AVE) for the multi-item measures in both studies.

All factor loadings were statistically significant and substantial, ranging from .535 to .931. Internal consistency (Cronbach's alpha) was satisfying with values ranging from .76 to .95. Convergent validity was achieved with average variance extracted (AVE) ranging from .52 to .75. To test for discriminant validity, we used the Fornell and Larcker (1981) criterion. AVE values for each construct exceeded the squared interconstruct correlations between it and any other construct included in the model (Table 3). Thus, discriminant validity was achieved.

Common method bias

We accounted for common method bias through ex-ante and ex-post procedures (Conway and Lance 2010). With regard to ex-ante procedures, we assured respondent confidentiality and explained that only de-identified data would be shared with other researchers. Further, we strived to reduce item ambiguity by avoiding vague concepts and double-barreled questions, keeping questions simple, specific, and concise, and abstaining from complicated syntax (Podsakoff et al. 2012). Regarding ex-post

procedures, we performed Harman's single factor test by including all observed variables into an exploratory factor analysis (Podsakoff et al. 2003). The unrotated factor solutions revealed that the factor with the highest eigenvalue (8.99 for Cartier, 9.37 for Tiffany) explained less than half of the total variance in the model (40.87% for Cartier, 42.60% for Tiffany). Thus, the Harman single factor test did not provide evidence for common method bias.

Findings

Main effects and mediation analysis

To facilitate the interpretation of the results and avoid potential problems with multi-collinearity, we mean-centered the independent variable, PSBO (Cohen et al. 2003). We then ran a serial mediation model (model 6) in Haves' (2013) PROCESS macro with 10,000 bootstrap resamples (Preacher and Hayes 2008) to test the main and mediating effects of PSBO, as hypothesized in H1, H2, H3, and H4. This model explained a substantial portion of the variance in the dependent variable, WTPM, for Cartier ($R^2 = .373$, F(10, 247) = 14.70, p < .001) and Tiffany & Co. $(R^2 = .397, F(10, 248) = 16.270, p < .001)$. As predicted by H1, the effect of PSBO on brand love (path a1 in Fig. 1) was positive and statistically significant for Cartier (b = .085, t = 2.24, p < .05) as well as Tiffany & Co. (b = .154, t = 4.01, p < .001). However, regarding H2, the effect of PSBO on brand luxuriousness (path a2 in Fig. 1) was statistically significant for Cartier (b = .177, t = 2.27, p < .05), but not for Tiffany & Co. (b = -.056, t = -.71, ns). Further, in support of H3a, the effect of brand love on WTPM was statistically significant for Cartier (b = .373, t = 3.76, p < .001) and Tiffany & Co. (b = .310, t = 3.24, p < .01), whereas contrary to the alternative hypotheses H3b, the effect of brand luxuriousness on WTPM was not statistically significant for Cartier (b = .082, t = 1.72, ns) or Tiffany & Co. (b = .00, t = -.0001, ns).

Following Pieters (2017), we decomposed the total effect of PSBO on WTPM into three separate indirect effects and the conditional direct effect c'. The total effect of PSBO on WTPM was positive and statistically significant for Cartier (b = .124, t = .205, p < .05) and Tiffany & Co. (b = .171, t = 2.91, p < .01). In support of H4a, brand love did mediate the relationship between PSBO and WTPM. Specifically, the (unstandardized) mediating effect of brand love was positive, and the bias-corrected 95% confidence interval for brand love did not include zero (Cartier: b = .032, SE .020, 95% CI .004 to .086; Tiffany & Co.: b = .048, SE .020.020, 95% CI .017 to .102). Further, the effect for the alternative route of PSBO through brand



Table 2 Measures, scale validity, and reliability, Study 1 and 2

Constructs and items	Study 1 Cartier	Study 2 Tiffany & Co.
Brand love (Carroll and Ahuvia 2006)	$\alpha = .93$; AVE = .62	$\alpha = .95$; AVE = .73
Cartier (Tiffany & Co.) is a wonderful brand	.797***	.873***
This brand makes me feel good	.820***	.862***
This brand is totally awesome	.861***	.806***
This brand makes me very happy	.865***	.921***
I love this brand	.787***	.931***
This brand is a pure delight	.691***	.841***
I am passionate about this brand	.762***	.790***
I'm very attached to this brand	.723***	.784***
Brand luxuriousness (Vigneron and Johnson 2004)	$\alpha = .89$; AVE = .64	$\alpha = .91$; AVE = .67
I think Cartier (Tiffany & Co.) is		
Crafted	.566***	.652***
Sophisticated	.822***	.807***
Best quality	.844***	.903***
Luxurious	.882***	.900***
Superior	.841***	.804***
Status consumption (Eastman et al. 1999)	$\alpha = .76$; AVE = .52	$\alpha = .81$; AVE = .58
I would pay more for a product if it has status	.794***	.880***
I am interested in new products if they have status	.739***	.758***
A product is more valuable to me if it has some snob appeal	.620***	.637***
Brand familiarity (control variable) (Kent and Allen 1994)	$\alpha = .87$; AVE = .69	$\alpha = .89$; AVE = .75
I am familiar with Cartier (Tiffany & Co.)	.780***	.872***
I know the products of Cartier (Tiffany & Co.)	.856***	.897***
I have a lot of experience with Cartier (Tiffany & Co.)	.854***	.826***
Affinity (control variable) (Oberecker and Diamantopoulos 2011)	$\alpha = .80$; AVE = .58	$\alpha = .77$; AVE = .60
I have pleasant feelings toward France/the USA	.593***	.535***
I like France/the USA as a country	.828***	.918***
I feel sympathy toward France/the USA	.839***	.821***

Numbers next to items represent factor loadings from CFA

Table 3 Discriminant validity assessment Study 1 and 2 (Cartier/Tiffany & Co.)

	Mean Study 1/Study 2	SD Study 1/Study 2	1	2	3	4	5
1. Brand love	5.65/5.75	1.09/1.09	.62/.73				
2. Brand luxuriousness	5.20/5.33	1.48/1.35	.08/.02	.64/.67			
3. Status consumption	4.87/5.00	1.28/1.31	.36/.26	.05/.00	.52/.58		
4. Brand familiarity	5.17/5.43	1.34/1.32	.61/.61	.07/.02	.30/.18	.69/.75	
5. Affinity	5.47/5.76	1.11/1.13	.47/.48	.07/.02	.28/.25	.38/.36	.58/.60
6. PSBO	5.33/5.49	1.44/1.30					
7. WTPM	5.54/5.68	1.32/1.24					

Bold numbers on the diagonal represent AVE (Study 1/Study 2). Numbers on the off-diagonal represent squared interconstruct correlations from CFA (Study 1/Study 2)

AVE and factor correlations from CFA are not available for single-item measures (PSBO and WTPM)



^{***}p < .001

luxuriousness as a mediator (H4b) was substantially lower for Cartier (b = .015, SE .011, 95% CI .0003 to .048) and not significant for Tiffany & Co. (b = .00, SE .004, 95% CI - .008 to .009). The effect sizes for the mediator (expressed as ratios between the indirect and total effect; compare Hayes 2013) were substantially higher for brand love (Cartier: 25.61%, Tiffany & Co.: 26.65%) than for brand luxuriousness (Cartier: 11.71%, Tiffany & Co.: .00%).

To test whether brand love as an emotion is independent from cognition or rather depends on the cognitive appraisal of the quality-oriented aspect of brand luxuriousness (H4c), we examined the serial mediation of brand love \rightarrow brand luxuriousness (path $a2 \times d \times b1$ in Fig. 1). This effect was not significant (Cartier: b = .002, SE .003, 95% CI - .001 to .013; Tiffany & Co.: b = - .001, SE .002, 95% CI - .007 to .001). Further, the d-link connection from brand luxuriousness to brand love (path d) was not significant (Cartier: b = .033, t = 1.08, ns; Tiffany & Co.: b = .044, t = 1.43, ns). Finally, though not part of our hypotheses, we followed recommendations provided by Pieters (2017) and report the direct effect c' for Cartier (b = .075, t = 1.26, ns) and Tiffany & Co. (b = .124, t = 2.08, p < .05). Table 4 summarizes the results and

indicates in which cases support for the hypotheses was found

Moderation analysis

To test the moderating effect of status consumption on the relationship between PSBO and brand love, as hypothesized in H5a, we used model 1 in Haves' (2013) PROCESS macro and controlled again for brand familiarity, affinity, household income, and gender. This model explained a substantial portion of the variance in the dependent variable, brand love, for Cartier $(R^2 = .653, F(10,$ 247) = 46.51, p < .001) and Tiffany & Co. ($R^2 = .677$, F(10, 248) = 51.90, p < .001). The analysis revealed a negative and statistically significant interaction effect between status consumption and PSBO for Cartier (b = -.053, t(257) = -2.65, p < .01) and Tiffany & Co. (b = -.046, t(258) = -2.72, p < .01). That is, with increasing status consumption, the effect of PSBO on WTPM became weaker. As shown in Fig. 2a, b, consumers with low levels of status consumption use PSBO as an important cue for developing feelings of love toward the brand, resulting in the positive slope in Fig. 2a, b. However, consumers with high levels of status consumption

Table 4 Hypotheses testing Study 1 and 2

Hypothesis	Effect	Coefficient and significance Cartier Tiffany & Co.		Support for hypothesis
Direct effec	ts			
H1	$PSBO \to BLov$	b = .085, t = 2.24, p = .026	b = .154, t = 4.01, p = .0001	V / V
	Path a1			
H2	$PSBO \rightarrow BLux$	b = .177, t = 2.27, p = .024	b =056, t =71, p = .478	/ /-
	Path a2			
H3a	$BLov \rightarrow WTPM$	b = .373, t = .3.76, p = .0002	b = .310, t = 3.24, p = .001	V / V
	Path b1			
H3b	$BLux \rightarrow WTPM$	b = .082, t = 1.72, p = .086	b = .000, t = .0001, p = .999	_/_
	Path b2			
Mediation				
H4a	$PSBO \rightarrow BLov \rightarrow WTPM$	b = .032, SE .020,	b = .048, SE .020,	V / V
	Path a1 x b1	LLCI = .004, ULCI = .086	LLCI = .017, ULCI = .102	
H4b	$PSBO \rightarrow BLux \rightarrow WTPM$	b = .015, SE .011,	b = .00, SE .004,	/ /-
	Path a2 x b2	LLCI =0003, ULCI = .048	LLCI =008, ULCI = .009	
H4c	$PSBO \rightarrow BLux \rightarrow BLov \rightarrow WTPM$	b = .002, SE .003,	b =001, SE .002,	_/_
	Path a2 x d x b1	LLCI =001, ULCI = .013	LLCI =007, ULCI = .001	
Moderation				
H5a	$SC ext{ on } PSBO o BLov$	b =053, t(257) = -2.65, p = .009	b =046, t(258) = -2.72, p = .007	V / V
H5b	SC on PSBO → BLux	b =017, $t(257) =39$, p = .695	b = .042, t(258) = 1.18, p = .240	_/_

PSBO perceived strength of brand origin, BLov brand love, BLux brand luxuriousness, WTPM willingness to pay more, SC status consumption



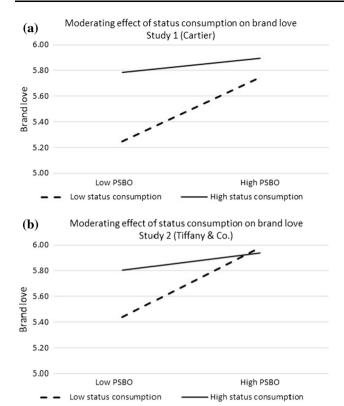


Fig. 2 a Moderating effect of status consumption on brand love (Study 1), **b** Moderating effect of status consumption on brand love (Study 2)

rely significantly less on PSBO for their affection toward the brand, resulting in a slope closer to zero for these consumers. Thus, the evidence from the moderation analysis supports H5a.

Using the same procedure as above, we then tested the moderating effect of status consumption on the relationship between PSBO and brand luxuriousness (H5b). The variance explained in the dependent variable, brand luxuriousness, was considerably less than the variance explained for brand love (Cartier: $R^2 = .118$, F(10, 247) = 3.31, p < .001; Tiffany & Co.: $R^2 = .072$, F(10, 248) = 1.93, p < .05). The moderating effect of status consumption for this model was not significant (Cartier: b = - .017, t(257) = - .39, ns; Tiffany & Co.: b = .042, t(258) = 1.18, ns). Thus, although Fig. 3a and 3b suggests slightly different slopes for the PSBO-brand luxuriousness relationship at different levels of the moderator (i.e., status consumption), these differences were not statistically significant and no support was found for H5b.

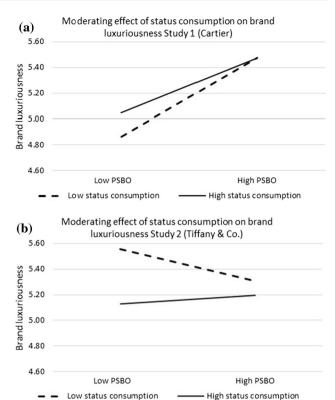


Fig. 3 a Moderating effect of status consumption on brand luxuriousness (Study 1), **b** Moderating effect of status consumption on brand luxuriousness (Study 2)

Discussion and implications

Our findings extend previous research on brand origin by showing that it is not only the country of origin (e.g., France or the USA) that influences product evaluations and purchase intentions (e.g., Aiello et al. 2009; Koschate-Fischer et al. 2012; Thakor and Lavack 2003), but also the strength of perceived brand origin. That is, apart from the objective or subjective knowledge that a specific brand is from a given country, the perception of, e.g., how "French" or "American" the brand is has a significant influence on downstream variables related to affect and behavioral intentions.

The results of this research suggest that for two luxury brands from France and the USA, PSBO positively influences brand love, and that brand love mediates the relationship between PSBO and WTPM. Drawing on dual processing theory (Loewenstein et al. 2015), we addressed an alternative explanation and tested the mediating effect of the quality-related dimension of brand luxuriousness (Christodoulides et al. 2009; Vigneron and Johnson 2004) as a cognitive route for PSBO effects. The effect size for the path through brand luxuriousness was substantially smaller than the path through brand love for both Cartier and Tiffany & Co. Thus, our findings suggest that, in line



with dual processing theory, both affect and cognition may operate simultaneously in consumer decision making. However, in the specific context of our research, PSBO for luxury products affects emotions (brand love) to a substantially higher degree than cognition (the quality-related aspects of brand luxuriousness). Further, addressing the issue whether emotions can exist independently of cognition (Zajonc 1984) or rather depend on cognition (Lazarus 1984), the nonsignificant serial mediation effect of brand luxuriousness → brand love suggests that emotions may not necessarily depend on cognitive appraisals of a product. Nevertheless, we acknowledge that brand love does indeed not develop randomly and is modeled, in the context of our research, as a consequence of the perceived strength of brand origin, which represents a largely cognitive appraisal of the congruence between brand and country image. Thus, the issue of the relationship between cognition and emotion may be, as Leventhal and Scherer (1987) suggest, a semantic rather than functional controversy.

As evidenced by the findings from the moderation analysis, the effect of PSBO on brand love is not the same for all consumers. Rather, status consumption has a negative (i.e., attenuating) effect on this relationship. The pattern of this moderating effect is similar to the attenuating effect of perceived luxuriousness found by Albrecht et al. (2013). Specifically, whereas consumers low on status consumption use PSBO as an important cue for how much they love the brand, consumers high on status consumption show relatively high levels of brand love, no matter if PSBO is low or high. On the other hand, status consumption did not moderate the effect of PSBO on brand luxuriousness. These results indicate that status consumption modifies the relationship of PSBO and affect, but not the relationship between PSBO and cognition.

It is also important to note that the effects shown in the current study will most probably be influenced by product category. Resonating with this thought, previous research has pointed out that COO effects tend to be product specific (Balabanis and Diamantopoulus 2004). For example, a French origin for a luxury good and a Japanese origin for a high-tech product may both be related to positive consumer associations and increase perceived brand equity. However, whereas for the French and American luxury brands used in this research, PSBO had a stronger effect on the emotional component (brand love) than on the more cognitive aspect of brand luxuriousness, it is conceivable to argue that for a high-tech product from Japan, PSBO may influence cognition to a higher extent than emotion.

Implications for marketing theory

Our research contributes to marketing theory in several ways. First, resonating with previous work (Ahuvia et al.

2014: Carroll and Ahuvia 2006: Rauschnabel and Ahuvia 2014), we find that brand love is a meaningful consumer construct that relates to important upstream and downstream variables, such as brand origin and WTPM. Further, our findings extend previous research on brand origin (e.g., Balabanis and Diamantopoulus 2008; Johnson et al. 2016; Shukla 2011; Thakor 1996) by demonstrating that the perceived strength of brand origin (i.e., the perceived degree of Frenchness or Americanness of a brand) influences consumers' affect and willingness to pay more for luxury brands. The importance of emotions for luxury products has been suggested earlier (Pozharliev et al. 2015), and our findings provide additional insights based on empirical research for this role. The substantially stronger mediating effect of brand love, as compared to the quality-related facets of brand luxuriousness, suggests that PSBO predominantly triggers emotional associations rather than cognitive responses. Finally, previous research has indeed demonstrated the importance of status consumption for luxury products (Gao et al. 2016; Han et al. 2010). However, research that investigates how status consumption modifies brand associations remains scarce. Our findings address this gap and suggest that the level of status consumption changes the way PSBO affects brand love, and subsequently, WTPM.

Implications for marketing practice

Our research has important implications for marketing managers that allow them to adjust their marketing strategies and tactics accordingly. First, our findings show that customers react to the degree to which a brand is being perceived as French or American. For the buyers of luxury products, our findings suggest that this effect is generally positive. Thus, marketing managers may strive to emphasize the brand origin of their products in order to increase PSBO. For example, marketing managers could place their products in the context of iconic national symbols, such as the Eiffel Tower or the Golden Gate Bridge, when using visual communication tools such as magazine ads and social media channels. Further, our mediation analyses suggest that in the context of luxury brands from France and the USA, the positive effect of PSBO influences consumers' hearts (their emotions) more than their minds (their cognitions). As recent studies on relationship marketing suggest, emotional appeal and relationship building are increasingly important for consumers' experience in order to gain their loyalty in the long term (Hwang and Kandampully 2012; Batra et al. 2012). Thus, we recommend that marketing managers for luxury brands use brand origin cues in combination with emotional appeals to increase consumers' willingness to pay more for their acknowledge brands. Although we that our



recommendation to use emotional cues for luxury products may not be entirely new by itself, our research provides managers with initial evidence that brand origin operates on a continuum from low to high, and that the positive effect of PSBO on WTPM flows through emotional rather than rational associations. Further, because consumers' reactions to PSBO cues vary in strength, depending on how important status is for them, marketing managers may opt to measure their customers' levels of status consumption. However, in cases where resources to obtain such metrics are limited, marketing managers are advised to combine PSBO cues with emotional appeals for all customer segments. This recommendation is based on our moderation analyses, as shown in Fig. 2a, b, where it can be seen that even at low levels of status consumption, the influence of PSBO on brand love is still slightly positive, and more importantly, it never flips into a negative relationship.

Limitations and avenues for future research

Our research provides theoretically and managerially relevant insights regarding the mediation and moderation effects for the relationship between perceived strength of brand origin and willingness to pay more. Simultaneously, some of the limitations of this research raise important questions that will require future research in order to be answered. First, approximately 70% of the respondents in both studies are US citizens, which may introduce bias to our results. For example, it may be argued that US citizens would naturally have a higher affinity toward US products, which could explain the stronger relationship between PSBO and brand love for Tiffany & Co. (b = .154,t = 4.01, p < .001, as compared to Cartier (b = .085, t = 2.24, p < .05). Further, the stronger effect for PSBO on brand love could also be due to a higher familiarity of US citizens with the American brand Tiffany & Co. (compare for the positive effect of brand familiarity on brand liking and preference Rindfleisch and Inman 1998). However, we argue that most of these potential biases should be largely attenuated in our research by explicitly controlling for affinity and brand familiarity.

A second limitation relates to the target countries used in this research. It is indeed feasible to argue that a majority of US consumers have positive attitudes toward luxury products from both the USA and France. However, associations consumers hold for specific countries may be less positive or even outright negative [compare, e.g., Izberg-Bilgin (2012) on how some Islamic consumers reject "infidel" Western brands]. Thus, future research may investigate how brand managers can transform negative country associations into positive emotional capital.

The samples in both studies represent actual buyers of luxury brands and thus relate to a more affluent segment of consumers. Thus, one might ask whether the relationships we found are generalizable in the context of less expensive or low involvement products. For example, previous research finds that the effect of COO on willingness to pay is lower for consumers familiar with the brand, but only for high-involvement products (Koschate-Fischer et al. 2012). Similar differences between high and low involvement products may exist in the context of PSBO.

Our research finds a stronger impact of PSBO on affect (brand love) than on cognition (the quality-related facet of brand luxuriousness). This finding resonates with common intuition, given that luxury products are typically highly emotional (Hudders and Pandelaere 2013; Pozharliev et al. 2015). However, it is also important to note that the effects shown in the current study will most probably be influenced by product category. Resonating with this thought, previous research has pointed out that COO effects tend to be product specific (Balabanis and Diamantopoulus 2004). For example, a French origin for a luxury good and a Japanese origin for a high-tech product may both be related to positive consumer associations and increase perceived brand equity. However, whereas for the French and American luxury brands used in this research, PSBO had a stronger effect on the emotional component (brand love) than on the more cognitive aspect of brand luxuriousness, it is conceivable to argue that for a high-tech product from Japan, the effect of PSBO may take the route through cognition rather than emotion. Thus, there is an opportunity to investigate for which product categories the dominating mediation path of brand love over brand luxuriousness holds.

Compliance with ethical standards

Conflict of interest On behalf of all authors, the corresponding author states that there is no conflict of interest.

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