

THE ROLE OF SOCIAL RECOGNITION AND ACHIEVEMENT SIGNALING IN CONSUMER DECISION-MAKING

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ARTICLE INFO	ABSTRACT
<p>Keywords: Social recognition Achievement signaling Masstige brand Willingness to purchase Attitudinal loyalty</p>	<p>The psychological needs of social recognition and achievement signaling may motivate the purchase intention of luxury products. Luxury products are identical in number and for a limited community. Hence, the emergence of masstige brands that carry luxury for the masses is crucial to investigate. This study aims to investigate the effect of social recognition and achievement signaling on willingness to purchase a masstige brand and further, how it impacts attitudinal loyalty. A total of 240 smartphone users in Indonesia participated in this study. The data were analyzed using SEM (Structural Equation Modeling). This study found achievement signaling motivates willingness to purchase a masstige brand and further, drives attitudinal loyalty to the brand. This study did not find support that social recognition drives willingness to purchase a masstige brand.</p>
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1. INTRODUCTION

The development of social media provides ease of communication within and outside the community. Social recognition is a trait that combines the need for recognition and high self-esteem [1]. Consumers will tend to consume luxury goods to emphasize their social class [2]. However, only a few circles can become consumers of luxury goods [3]. Companies innovate with masstige, which stands for prestige for the masses, marketing strategies to capture opportunities to make luxury accessible to the masses [4]. The position of masstige brands is between the middle class and the super premium class [5] so companies can sell more regular products at better prices [6]. Because masstige brands are products for the masses but have luxury value [5], the masstige strategy is expected to increase the purchase intention of consumers who need appreciation and recognition of social status [4].

The implementation of masstige strategies and the rapid development of social media make it easier for consumers to flex products with prestige value. Masstige brands have striking characteristics that accentuate a person's signs of achievement [2]. Achievement signaling is a sign of one's achievement from using a particular brand [4]. Using a masstige brand is believed to accentuate achievement signaling [7]. The masstige strategy is expected to make it easier for consumers to fulfill the need for achievement signaling so as to foster willingness to purchase a masstige brand.

It still needs to be reviewed whether the willingness to purchase a masstige brand further grows customer loyalty attitudes or the opposite. Attitudinal loyalty shows the relationship between consumers' psychological attachment to owning the products offered by the company [8]. Attitudinal loyalty grows from the evaluation of purchases that have been made [9]. Companies must carefully implement a masstige strategy in order to obtain consumers with a high level of commitment [5]. Consumers who have attitudinal loyalty are willing to pay more and have positive word of mouth [10].

This study aims to examine the effect of social recognition and achievement signaling on attitudinal loyalty through willingness to purchase a masstige brand. This study is important both theoretically and practically. Studies on the effects of social recognition and achievement signaling on attitudinal loyalty through willingness to purchase a masstige brand is still rare. Social recognition and achievement signaling are factors that initiate the purchase intention of masstige brand consumers [4]. From a practical point of view, the results of this study are expected to be a benchmark for marketers in implementing a masstige strategy as one of the brand solutions to gain market opportunities and form attitudinal loyalty [4].

Theoretical Background

Social Recognition

Social recognition has recently become one of the important things to determine which products to consume. Social recognition is about how to position strategic interventions [11] and how to spread the main instrument in the community so as to facilitate the sharing of social recognition among members [11]. Social recognition is defined as a certain personality characteristic of individuals who have a need for recognition combined with high self-esteem [1]. Social recognition is one of the goals of consumers using masstige brands [4]. Social recognition is the appreciation and recognition of society that consumers expect [4]. Social recognition has been the topic of previous study. Social recognition describes the level of individual perception that the brand helps maintain the level of social interaction [4]. There are different elements that influence the consumption of luxury brands and masstige brands [4]. Social recognition is no longer a single element that can affect the consumption level of masstige brands [4].

Achievement Signaling

Achievement is one of the things that individuals want to show to their community. Achievement signaling is the level to which consumers believe the brand they want will accentuate the signs of achievement [7]. Achievement signaling is a marker of consumer achievement for using certain brands [4]. Individuals with higher wealth classes tend to consume goods that strengthen achievement signaling to look different [2]. Achievement signaling is the goal of consumers to show their achievements and wealth growth [2]. Consumers choose brands that can symbolize achievement to strengthen achievement signaling [7]. Achievement signaling has been the topic of previous study. Researchers explain that achievement signaling strengthens the signs of consumer achievement of masstige brand [4]. Achievement signaling is able to predict consumer intentions to purchase masstige brands [4]. The study concluded that achievement signaling is one of the factors that influence the initial intention of consumers in India to purchase masstige brands [4].

Willingness to purchase a masstige brand

Combining the right product and promotion factors is a suitable strategy to win the market. The masstige strategy sells above the price of equivalent middle-class products with the aim of reaching a wider target in the luxury goods segment [12]. The price of masstige products is more affordable for the masses but has a position as a prestige product [13]. Mass prestige is a marketing term that describes better brand perception and equity [6]. Masstige marketing is described as the phenomenon of regular products with high enough prices being marketed as much as possible to consumers by creating mass prestige without lowering prices or giving discounts [6]. Masstige products occupy a position between mass products and luxury products, superior to conventional products but with prices below luxury products [14]. Masstige products are associated as premium goods but the price is between the middle class and super premium [5].

The masstige strategy is expected to increase consumer purchase intention. Willingness to purchase a masstige brand is an individual plan that is made consciously to try to buy a particular masstige brand [15]. Willingness to purchase is the tendency of consumers to purchase brands in the future and refuse to switch to other brands [16]. Willingness to purchase is the consumer's intention to buy products from the company in the future [17] which is formed by product evaluation of brand combined with external factors [18] at certain times and in certain situations [19]. Willingness to purchase is the willingness of consumers to buy a product when it is made available for commercial sale [20] of a particular product or service [21]. Willingness to purchase is about the openness of consumers to make purchases at certain sellers [22].

Studies on the topic of willingness to purchase a masstige brand have been conducted previously. Researchers have investigated whether purchase intentions affect brand happiness and attitudinal loyalty of masstige product consumers [4]. Researchers have examined consumer behavior and purchase intentions for masstige products [4]. However, research on purchasing behavior of Indonesian consumers needs further investigation.

Attitudinal Loyalty

A better understanding of attitudinal loyalty helps manage customers. Attitudinal loyalty shows a positive psychological attachment to the purchase intention of the product marketed by the seller [8]. Attitudinal loyalty is defined as consumer feelings towards certain products or services [23]. Attitudinal

loyalty is a consumer's tendency towards brands which is the result of a psychological process [24] that involves consumer attitudes towards the same brand [25]. Attitudinal loyalty refers to the extent of the customer's psychological attachment to his attitude towards the brand [26]. Importantly, attitudinal loyalty is considered a state of mind that shows the level of customer commitment to the same product [27].

Customer attitudinal loyalty that involves consumer feelings are expected to influence sales. Attitudinal loyalty is an evaluation process that makes consumers develop a commitment to the brand to make repeat purchases [9]. Attitudinal loyalty concerns with level of consumer commitment, willingness to pay more, and recommend brands by word of mouth [10]. Attitudinal loyalty not only shows high repurchase intentions but also a willingness to pay more, recommend the brand to others, and reject negative opinions about the brand [28]. Research on the topic of attitudinal loyalty has been conducted to understand communication and positioning strategy for masstige brands [4].

Hypothesis

The Influence of Social Recognition on Willingness to purchase a masstige brand

It is important to analyze the effect of social recognition on consumer purchase intention. Marketers need to confirm whether conspicuous consumption consumers receive more appreciation and recognition in the society [4]. It is also important to test the extent to which the perception that consuming masstige brands can describe consumer social recognition [4] and social status [4]. Theories about the effect of social recognition on willingness to purchase a masstige brand are still rare, so it is important to conduct further research on this issue. This study argues that social recognition affects the willingness to purchase a masstige brand. There was a positive but insignificant relationship between social recognition and purchase intention [4]. However, social recognition is very important for certain consumers who expect higher recognition and appreciation in the society [4]. Referring to this argument, this study formulates the following hypothesis:

H1: Social recognition has a significant influence on willingness to purchase a masstige brand

The influence of Achievement Signaling on Willingness to purchase a masstige brand

The reason why consumers decide to buy masstige brands is crucial to investigate. Factors such as achievement signaling need to be researched to help marketers make strategic marketing decisions for masstige brands [4]. It is important to research the opinion that the use of masstige brands marks consumer achievement [4]. Ownership of masstige brands illustrates that consumers want brand luxury but do not have sufficient financial resources [4]. This study argues that achievement signaling affects the willingness to purchase a masstige brand. This is in line with previous research which results in purchase intention for masstige brands preceded by functional value, vanity value, and achievement signaling [4]. Consumer intention to buy a masstige brand is influenced by the function of achievement signaling [4]. Masstige brand consumers can strengthen achievement signaling in society [4]. Referring to these arguments, this study formulates the following hypothesis:

H2: Achievement signaling has a significant influence on willingness to purchase a masstige brand

The Influence of Willingness to Buy Masstige Brands on Attitude Loyalty

Developing attitudinal loyalty among customers is an important marketing objective. It is important to understand the factors that influence customer attitudinal loyalty so that companies can develop communication and marketing strategies for masstige brands [4]. Attitudinal loyalty is important to investigate so that marketers know consumers who are willing to make repeat purchases regardless of price changes, and are willing to recommend to other consumers [4]. Attitudinal loyalty is important for companies to gain sustainable relationships with their consumers. Purchase intention can increase attitudinal loyalty in the masstige brand market [4]. This study argues that willingness to purchase a masstige brand affects attitudinal loyalty. Purchase intention has a positive and significant relationship with attitudinal loyalty [4]. Purchase intention for a masstige brand foster attitudinal loyalty [4]. The results of this study can be used by masstige brand marketers to create marketing strategies. Referring to these arguments, this study formulates the following hypothesis:

H3: Willingness to purchase a masstige brand has a significant influence on attitudinal loyalty

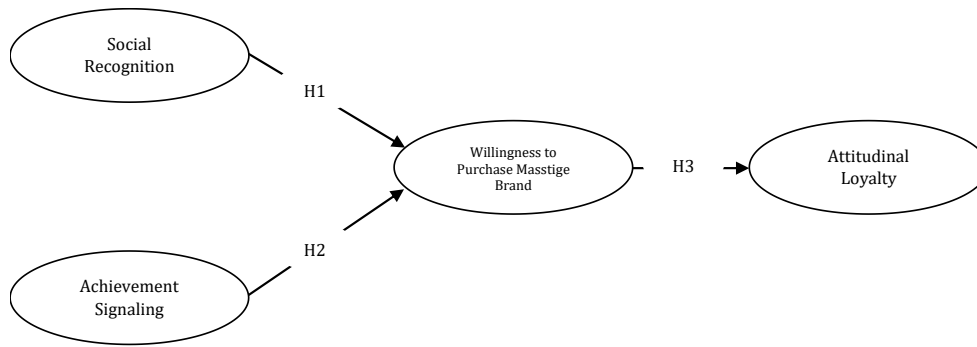


Figure 1. Conceptual Framework

2. METHOD

Data Collection

Respondents of this study were Indonesian smartphone users. This study employed a convenience sampling technique. To have respondents with different backgrounds such as age and gender, the questionnaire was distributed to the prospective respondents directly at different locations and indirectly through instant messaging service, social media, and email [29].

Measure

The items used to measure the variables appear Table 1. In measuring social recognition, achievement signaling, and willingness to purchase a masstige brand, this study used three items for each variable [4]. In measuring attitudinal loyalty, this study used four items [4]. In an effort to adopt respondents' opinions, the questionnaire was created using a seven-point Likert scale, ranging from 1 for strongly disagree to seven for strongly agree. There were 240 responses suitable for further analysis.

Data Analysis

In analyzing the data, this study employed structural equation modeling (SEM) by first, assessing the measurement model and second, assessing structural model. In assessing the measurement model, this study evaluates reliability, convergent validity, and discriminant validity. The reliability test evaluation is carried out with the criteria that each construct has a Cronbach's Alpha and Composite Reliability (CR) value above 0.70 [30]. Convergent validity test is assessed by looking at each Average Variance Extracted (AVE) values. The values should be at least 0.5 [30]. Discriminant validity is evaluated using the criterion that the square root of each AVE must have a value greater than the value of the construct's correlation with other constructs [31]. Next, this study assessed the structural model to test the hypotheses.

Table 1. Research Instrument

Variable	Code	Item
Social recognition	SCR01	Using an iPhone gets me recognition in the community.
	SCR02	Using an iPhone gets me appreciation from others.
	SCR03	By using an iPhone, I get noticed among the elite.
Achievement signaling	ACS01	Using an iPhone portrays my role model (e.g., a celebrity owns it that's why I want to own).
	ACS02	Using an iPhone signifies my achievement among my social circle/friend circle.
	ACS03	Using an iPhone indicates a sense of achievement.
Willingness to purchase a masstige brand	WTP02	I'm likely to purchase an iPhone.
	WTP03	I have high intention to purchase an iPhone.
Attitudinal loyalty	ATL01	I could never switch my loyalty from buying an iPhone even if my close friends do not purchase.
	ATL02	It would be difficult to change my beliefs about iPhone
	ATL03	I feel that I am prepared to pay more for iPhone.

4. RESULTS AND DISCUSSION

Sample and Data Collection

Table 2 presents the characteristics of the respondents and found that there were more female respondents (56.3%) compared to male respondents (43.8%). The majority of respondents have an age above thirty-two years (48.8%) with the majority of educational background is bachelor degree (68.8%). Most of the respondents have used smartphone for more than six years (77.5%).

Table 2. Respondent Profile

Sample	Frequency	Percent
Gender		
Male	105	43.8%
Female	135	56.3%
Total	240	100%
Age		
Between 17 – 20 years	9	3.8%
Between 21 – 24 years	23	9.6%
Between 25 – 28 years	35	14.6%
Between 29 – 32 years	56	23.3%
Above 32 years	117	48.8%
Total	240	100%
Finished education		
Senior high school	28	11.7%
Associate degree	17	7.1%
Bachelor's degree	165	68.8%
Master's degree	29	12.1%
Doctorate degree	1	0.4%
Total	240	100%
Length of using smartphone		
Less than 1 year	13	5.4%
Between 1 - 3 years	19	7.9%
Between 4 - 6 years	22	9.2%
More than 6 years	186	77.5%
Total	240	100%

Evaluation of Measurement Model

Evaluation of the measurement model is carried out through four stages. First, Table 3 shows all loading factors meet the minimum criteria of 0.708 so that it can be interpreted that all items are reliable [30]. Second, the Cronbach's Alpha and Composite Reliability (CR) values in Table 3 show a value greater than 0.70 so that it can be interpreted that the items used to measure variables have internal consistency reliability [30]. Third, Table 3 shows that all AVE values are greater than 0.5 which indicates convergence validity [30]. Next, Table 4 shows that the square root of AVE value is greater than the correlation of the construct with other constructs, indicating that a construct is different from other constructs [31].

Structural Model Evaluation

The results of the structural model assessment are shown in Table 5 and illustrated in Figure 2. It was found that one of the three hypotheses was not supported. Social recognition has a positive but insignificant effect on willingness to purchase a masstige brand (0.188; $p > 0.05$); thus, not supporting H1. Achievement signaling has a significant positive effect on willingness to purchase a masstige brand (0.302; $p < 0.01$); thus, supporting H2. Willingness to purchase a masstige brand has a significant positive effect on attitudinal loyalty (0.876, $p < 0.001$); thus, supporting H3. In addition to the results of hypothesis testing, Figure 2 shows R^2 values: 0.224 for willingness to purchase a masstige brand, and 0.767 for attitudinal loyalty. The R^2 values are considered high as they are above 0.2 [32].

Table 3. Reliability and Convergent Validity

Variable	Code	Loading	t-value	Cronbach's Alpha	CR	AVE
Achievement Signaling	ACS01	0.907	50.698	0.933	0.957	0.88
	ACS02	0.961	136.578			
	ACS03	0.948	105.465			

Attitudinal Loyalty	ATL01	0.930	81.747	0.909	0.943	0.845
	ATL02	0.920	72.625			
	ATL03	0.908	59.258			
Social Recognition	SCR01	0.965	163.270	0.949	0.967	0.907
	SCR02	0.960	127.369			
	SCR03	0.933	50.251			
Willingness to purchase a masstige brand	WTP02	0.971	144.898	0.938	0.970	0.941
	WTP03	0.970	127.501			

Information: CR: Composite Reliability, AVE: Average Variance Extract

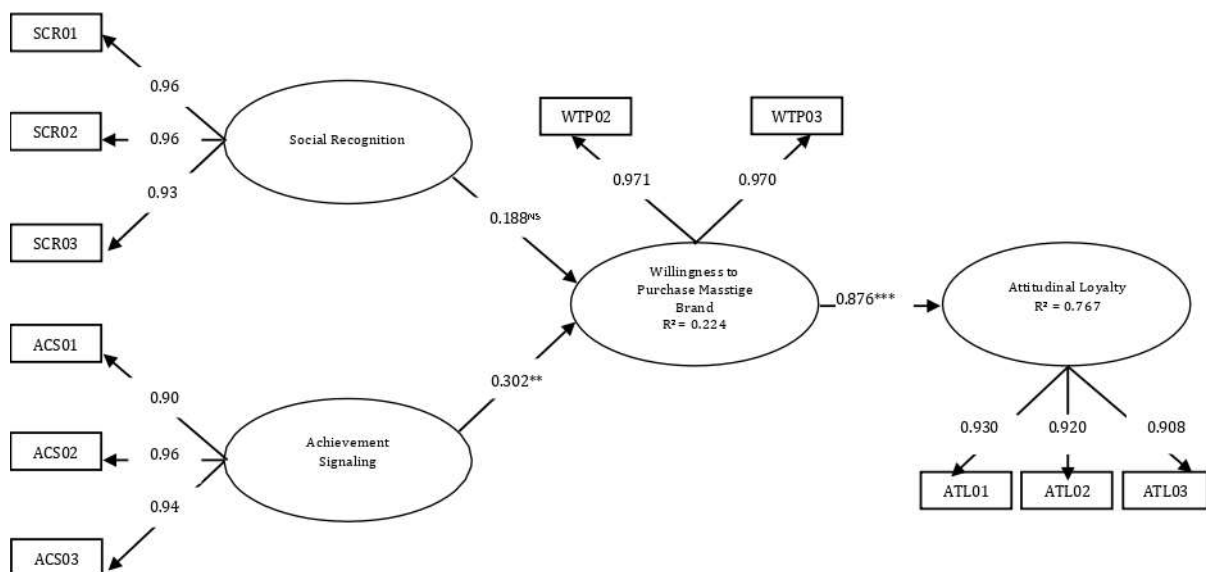
Table 4. Discriminant Validity

	Achievement Signalling	Attitudinal Loyalty	Social Recognition	Willingness to purchase a masstige brand
Achievement signaling	0.939			
Attitudinal loyalty	0.464	0.920		
Social recognition	0.857	0.464	0.953	
Willingness to purchase a masstige brand	0.464	0.876	0.447	0.970

Note: The square root of AVE is on the boldface diagonal

Table 5. Structural Path Results

Hypothesis	Path coefficient	t-value	p-value	Conclusion
Social recognition → Willingness to purchase a masstige brand	0.188	1.588	0.113	Not Supported
Achievement signaling → Willingness to purchase a masstige brand	0.302	2.626	0.009	Supported
Willingness to purchase a masstige brand → attitudinal loyalty	0.876	45.485	0.000	Supported



Note: *** Significant at $p < 0.001$. ** Significant at $p < 0.01$. NS - Not significant at $p > 0.05$

Figure 2. Results of Structural Model Assessment

4. CONCLUSION

Based on the findings, this study provides theoretical implications. First, willingness to purchase a masstige brand is motivated by consumers' desire to highlight achievement signaling. This is in line with the results of previous research which states that achievement signaling is one of the antecedents of consumer purchase intention for masstige products [4]. Second, willingness to purchase a masstige brand is able to foster attitudinal loyalty among Indonesian consumers. This finding supports the results of previous research, namely the intention to buy masstige products drives attitudinal loyalty [4]. This study also proposes several managerial implications. First, companies must be able to capture the phenomenon of consumers' psychological needs. Companies are expected to provide a variety of products that can reflect the value of luxury. Thus, there are many product alternatives that can accentuate consumer achievement signaling. Companies can take advantage of the community to provide opportunities for consumers to actualize achievement signaling. Second, companies can implement a masstige strategy as brand innovation solution that will foster attitudinal loyalty. Consumers with high attitudinal loyalty not only make repeat purchases but are also willing to provide more for the company such as rejecting negative issues and positive word of mouth [10] [28].

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