

**ASSESSING THE VALIDITY AND RELIABILITY OF THE CUSTOMER
LUXURY BEHAVIOUR: INSIGHTS FROM THE CHINESE LUXURY MARKET**

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Abstract

This study examines the validity and reliability of the Customer Luxury Behaviour (CLB) Questionnaire within the context of the Chinese luxury market. With a sample size of 300 respondents, this research evaluates consumer behaviours and preferences concerning luxury vehicles. Employing a mixed-method approach, including Structural Equation Modeling (SEM) and thematic analysis, the study validates the CLB as a reliable tool for exploring luxury consumption in China. Findings reveal that cultural norms, brand perceptions, and individual consumer preferences interplay dynamically in shaping luxury behaviour.

Keywords: Luxury Consumer Behavior, Validity, Reliability, Mixed-Method Research, Structural Equation Modeling, Chinese Luxury Market.

Introduction

The rapid growth of China's luxury market, driven by rising affluence and shifting cultural attitudes, has piqued the interest of researchers and marketers alike. Traditional markers of luxury in China—status symbols like high-end cars—are evolving, with consumers prioritizing brand heritage, value, and personal lifestyle enhancement.

This study aims to investigate these dynamics by validating the CLB Questionnaire, a tool designed to capture various facets of luxury consumer behavior. Specifically, the study focuses on its application in the Chinese context to guide luxury brands in aligning their strategies with local consumer preferences.

Methodology**Research Design**

This study adopts a mixed-method approach, combining qualitative and quantitative methods. The qualitative component involves thematic analysis of focus group discussions and semi-structured interviews. The quantitative analysis utilizes Structural Equation Modeling (SEM-PLS) to assess the reliability and validity of the CLB Questionnaire.

Sampling

A purposive sampling strategy was employed, targeting 300 individuals across China interested in luxury vehicles. Respondents varied in demographic profiles, ensuring a diverse representation of the Chinese luxury consumer base.

Instrumentation

The CLB Questionnaire includes 14 items measuring three constructs: Label, Brand Image, and Diversity. Respondents rated items on a 5-point Likert scale, from "Strongly Agree" to "Strongly Disagree."

Data Analysis

Quantitative data were analyzed using SEM-PLS, focusing on path analysis and reliability measures. Thematic analysis was conducted on qualitative data to identify recurring themes influencing luxury consumption.

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Results

Reliability and Validity

To ensure the robustness of the measurement model, several tests were conducted to assess the reliability and validity of the constructs. The results indicate that the CLB Questionnaire demonstrates strong internal consistency and validity across all constructs.

a. Composite reliability

Composite reliability (CR) evaluates the internal consistency of the measurement model. In this study, all constructs displayed CR values well above the recommended threshold of 0.70, signifying strong reliability.

Table 1: Composite Reliability for Constructs

Construct	Composite Reliability (CR)	Threshold	Interpretation
Label	0.91	> 0.70	Strong internal consistency
Brand Image	0.89	> 0.70	Strong internal consistency
Diversity	0.92	> 0.70	Strong internal consistency
Consumer Preference	0.88	> 0.70	Strong internal consistency
Consumer Buying Interest	0.90	> 0.70	Strong internal consistency

b. Convergent validity

Convergent validity assesses whether a construct explains a significant portion of the variance in its associated indicators. Average Variance Extracted (AVE) is the key metric, and all constructs in this

study exceeded the threshold of 0.50, confirming that each construct adequately captures its intended concept.

Table 2: Average Variance Extracted (AVE)

Construct	AVE	Threshold	Interpretation
Label	0.73	> 0.50	Adequate convergent validity
Brand Image	0.71	> 0.50	Adequate convergent validity
Diversity	0.76	> 0.50	Adequate convergent validity
Consumer Preference	0.68	> 0.50	Adequate convergent validity
Consumer Buying Interest	0.70	> 0.50	Adequate convergent validity

c. Discriminant Validity

Discriminant validity ensures that constructs are distinct from one another. The Fornell-Larcker Criterion was applied, requiring the square root of

the AVE for each construct to exceed its correlation with any other construct. This criterion was met, confirming the distinctiveness of each construct.

Table 3: Fornell-Larcker Criterion

Construct	Label	Brand Image	Diversity	Consumer Preference	Consumer Buying Interest
Label	0.85	0.45	0.43	0.49	0.42
Brand Image	0.45	0.84	0.48	0.47	0.44
Diversity	0.43	0.48	0.87	0.50	0.46
Consumer Preference	0.49	0.47	0.50	0.82	0.52
Consumer Buying Interest	0.42	0.44	0.46	0.52	0.84

Note: Diagonal values represent the square root of AVE; off-diagonal values represent correlations between constructs.

Structural Model Analysis

The structural model was evaluated using path coefficients and their significance levels. The relationships among constructs were examined, and

the results demonstrate significant positive influences.

a. Path Coefficients and Hypothesis Testing

Path coefficients indicate the strength and direction of relationships between constructs. All hypothesized paths in the model were found to be significant, as shown in Table 4.

Table 4: Path Coefficients and Significance

Path	Path Coefficient (β)	p-value	Significance
Label → Consumer Preference	0.317	< 0.01	Significant
Brand Image → Consumer Preference	0.273	< 0.05	Significant
Brand Image → Consumer Buying Interest	0.263	< 0.01	Significant
Diversity → Consumer Preference	0.390	< 0.01	Significant
Diversity → Consumer Buying Interest	0.218	< 0.05	Significant
Consumer Preference → Consumer Buying Interest	0.264	< 0.01	Significant

b. Interpretation of Path Coefficients

- **Label.** This significantly impacts Consumer Preference ($\beta = 0.317$, $p < 0.01$), indicating that a strong label perception positively influences preferences.
- **Brand Image.** This has a notable influence on both Consumer Preference ($\beta = 0.273$, $p < 0.05$) and Consumer Buying Interest ($\beta = 0.263$, $p < 0.01$), underscoring its role in shaping consumer behavior.
- **Diversity.** This exhibits the highest influence on Consumer Preference ($\beta = 0.390$, $p < 0.01$), highlighting the importance of varied product offerings. It also significantly impacts Consumer Buying Interest ($\beta = 0.218$, $p < 0.05$).

Discussion

The findings underline the pivotal role of brand perception in shaping consumer preferences in the Chinese luxury market. The significant influence of Label and Brand Image suggests that consumers associate luxury not only with exclusivity but also with the cultural and emotional value of the brand. Moreover, the emerging emphasis on Diversity highlights the increasing importance of personalized and varied offerings in capturing consumer interest.

Practical Implications

Luxury brands targeting the Chinese market should prioritize enhancing brand heritage and diversifying their product lines to appeal to distinct consumer segments. Social media platforms, which play a

crucial role in shaping consumer perceptions, should be leveraged for effective brand communication.

Limitations and Future Research

This study's focus on luxury vehicles limits its generalizability to other luxury product categories. Future research should extend this framework to include different luxury sectors, such as fashion and hospitality, to offer a holistic view of Chinese luxury consumption.

Conclusion

This study thoroughly validates the Customer Luxury Behavior (CLB) Questionnaire as a reliable and effective tool for exploring the multifaceted nature of consumer behavior in the Chinese luxury market. The results demonstrate the questionnaire's robustness in capturing nuanced insights into key constructs such as Label, Brand Image, and Diversity, all of which play pivotal roles in shaping consumer preferences and buying interests. By providing a comprehensive framework for understanding these elements, the research equips luxury brands with actionable intelligence to craft tailored marketing strategies that deeply resonate with the unique needs and aspirations of Chinese consumers.

Furthermore, the study highlights the growing complexity of luxury consumption patterns in China, driven by factors such as cultural shifts, evolving social norms, and technological advancements. These findings not only enrich the

academic discourse on luxury consumer behavior but also offer practical implications for businesses aiming to maintain a competitive edge in this fast-paced and highly lucrative market. By leveraging the insights derived from this study, luxury brands can better align their product offerings, brand positioning, and customer engagement strategies with the preferences of their target audience. Ultimately, this research contributes to the broader understanding of luxury consumption in a dynamic and continuously evolving market, emphasizing the importance of adaptability and innovation in meeting consumer expectations.

Conflict of Interest

The author declares that there are no significant competing financial, professional, or personal interests that might have influenced the performance or presentation of the work described in this manuscript.

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