

# Perceived Quality, Cost, and Repurchase Intentions in Luxury Goods: The Mediating Role of Perceived Value Among Chinese Consumers

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Received: February 7,2025 Revised: July 3,2025 Accepted: August 7,2025

## Abstract

Using structural equation modeling (SEM) analysis of 403 customers, this research aims to analyze the repurchase intention of customers in Chinese jewelry and art enterprises based on the theories of perceived value, perceived quality, and perceived cost. A theoretical model was developed to investigate whether repurchase intention is influenced by functional, social, and emotional value mediated by perceived quality and perceived cost. We analyzed data using SPSS and structural equation modeling (SEM) to test the hypotheses. The results indicate that functional value ( $\beta = 0.313$ ,  $p < 0.001$ ), emotional value ( $\beta = 0.334$ ,  $p < 0.001$ ), and social value ( $\beta = 0.213$ ,  $p < 0.001$ ) significantly impact customers' repurchase intention, with emotional value demonstrating the strongest predictive power. For practitioners, prioritizing emotional branding strategies may enhance customer loyalty more effectively than focusing solely on social value. We discuss managerial implications and future research directions. This study contributes to the growing literature on luxury consumption in emerging markets by providing cultural-specific insights for the Chinese context, particularly highlighting the evolving nature of consumer behavior in post-pandemic luxury markets.

**Keywords:** Perceived quality, Perceived cost, Perceived value, Repurchasing intention, Chinese consumers

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# คุณภาพที่รับรู้ ต้นทุน และความตั้งใจซื้อซ้ำในสินค้าหรูหราร: บทบาทสื่อกลางของคุณค่าที่รับรู้ในหมู่ผู้บริโภคชาวจีน

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วันรับบทความ: February 7, 2025 วันแก้ไขบทความ: July 3, 2025 วันตอบรับบทความ: August 7, 2025

## บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อวิเคราะห์เจตนาการซื้อซ้ำของลูกค้าในธุรกิจเครื่องประดับและศิลปะของจีน โดยใช้การวิเคราะห์แบบสมการโครงสร้าง (Structural Equation Modeling: SEM) จากกลุ่มตัวอย่างจำนวน 403 ราย โดยอิงจากทฤษฎีคุณค่าที่รับรู้ (Perceived Value), คุณภาพที่รับรู้ (Perceived Quality) และต้นทุนที่รับรู้ (Perceived Cost) ทั้งนี้ได้มีการพัฒนารูปแบบเชิงทฤษฎีเพื่อศึกษาว่าเจตนาการซื้อซ้ำได้รับอิทธิพลจากคุณค่าด้านการใช้งาน (Functional Value), คุณค่าทางสังคม (Social Value) และคุณค่าทางอารมณ์ (Emotional Value) โดยมีคุณภาพที่รับรู้และต้นทุนที่รับรู้เป็นตัวแปรส่งผ่านการวิเคราะห์ข้อมูลดำเนินการผ่านโปรแกรม SPSS และการวิเคราะห์ SEM เพื่อทดสอบสมมติฐาน ผลการวิจัยพบว่าคุณค่าด้านการใช้งาน ( $\beta = 0.313, p < 0.001$ ), คุณค่าทางอารมณ์ ( $\beta = 0.334, p < 0.001$ ) และคุณค่าทางสังคม ( $\beta = 0.213, p < 0.001$ ) มีอิทธิพลอย่างมีนัยสำคัญต่อเจตนาการซื้อซ้ำของลูกค้า โดยคุณค่าทางอารมณ์มีอำนาจในการพยากรณ์สูงสุด สำหรับผู้ประกอบการ การให้ความสำคัญกับกลยุทธ์การสร้างแบรนด์ที่เน้นอารมณ์ (Emotional Branding) อาจช่วยส่งเสริมความภักดีของลูกค้าได้อย่างมีประสิทธิภาพมากกว่าการมุ่งเน้นเฉพาะคุณค่าทางสังคม งานวิจัยนี้ยังได้อภิปรายถึงข้อเสนอเชิงบริหารและแนวทางการศึกษาต่อในอนาคต โดยมีส่วนช่วยเติมเต็มองค์ความรู้เกี่ยวกับการบริโภคสินค้าหรูในตลาดเกิดใหม่ โดยเฉพาะอย่างยิ่งในบริบทของประเทศจีน ซึ่งสะท้อนถึงพฤติกรรมผู้บริโภคที่เปลี่ยนแปลงไปในยุคหลังการระบาดของโรคโควิด-19

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## Introduction

The luxury goods market in China has experienced unprecedented growth over the past decade, with the jewelry and art sectors representing significant components of this expansion. Due to pre-pandemic market saturation, competition among jewelry and art firms intensified, while the COVID-19 pandemic further accelerated digital transformation and changed consumer behavior patterns. To survive, these companies simultaneously focus on maintaining existing customers and attracting new ones because they believe that paying close attention to customers and their perception of the value and quality of products and services will significantly help companies increase marketing revenue.

China's luxury jewelry market reached approximately \$15.2 billion in 2023, representing significant growth potential despite increased competition. This remarkable growth trajectory reflects not only the increasing purchasing power of Chinese consumers but also their evolving preferences and sophisticated understanding of luxury goods. The Chinese luxury market has become increasingly complex, with consumers demonstrating nuanced decision-making processes that extend beyond traditional status-driven motivations to include emotional connections, functional benefits, and social signaling.

Given the intense market competition and the complexity of related consumer purchasing behavior and decision-making, this paper aims to empirically reveal how consumers' perceived value and perceived cost of purchased jewelry or art impact their repurchase intention through perceived quality. At the same time, this paper aims to provide a set of relatively reasonable and practical operation and management recommendations for related companies in this industry.

The research questions guiding this study are: (1) How do perceived quality and perceived cost influence repurchase intentions in the Chinese luxury goods market? (2) What are the mediating roles of functional, social, and emotional value in this relationship? (3) Which value dimension has the strongest impact on repurchase intentions among Chinese consumers?

Understanding these relationships is crucial for several reasons. First, the Chinese luxury market exhibits unique cultural characteristics that may influence consumer behavior differently than Western markets. The concept of "*mianzi*" (face) and social hierarchy plays a significant role in luxury consumption decisions, yet recent studies suggest that younger Chinese consumers may be shifting toward more individualistic consumption patterns. Second, the post-pandemic era has fundamentally altered consumer priorities, with increased emphasis on emotional well-being, authentic experiences, and

value-for-money considerations. Third, the digital transformation of retail has created new touchpoints and experiences that influence how consumers perceive quality, cost, and value.

This study contributes to the existing literature in several important ways. Theoretically, it extends the perceived value framework by examining its applicability in the Chinese cultural context, particularly for high-involvement products such as jewelry and art. Practically, it provides actionable insights for luxury brands operating in China, helping them understand which value dimensions are most critical for driving customer loyalty and repurchase behavior. Methodologically, it employs rigorous structural equation modeling techniques to test complex mediation relationships, providing robust empirical evidence for the proposed theoretical framework.

## **Literature Review**

### ***Perceived quality***

Perceived quality represents one of the most fundamental constructs in consumer behavior research, particularly in the context of luxury goods consumption. Pappu et al. (2005) pointed out that perceived quality does not reflect the actual quality of products or services but consumers' psychological judgment of the overall quality. This distinction is crucial because it emphasizes the subjective nature of quality assessment and the role of consumer cognition in forming quality perceptions.

As explained by Aaker (1996), perceived quality, as one of the many critical dimensions to measure a company's marketing performance, not only affects a company's financial revenue but also directly affects the formulation of a company's strategic position. Therefore, it is of practical significance to improve the company's understanding of consumers' perceived quality. Recent studies by Wang et al. (2022) in the Chinese luxury market context have further validated that perceived quality serves as a critical antecedent to consumer loyalty, notably in those high-involvement product categories, jewelry and art.

According to Aaker's conceptualization, perceived quality is an intangible feeling and recognition given to consumers by a brand. Perceived quality is usually reflected based on the impact of essential and key factors such as product reliability, performance, and brand influence on consumer cognition. Its advantage is that these factors can be used to distinguish and measure perceived quality. However, perceived quality is also a consumer's overall cognition of a product or service. When consumers' cognition of the relationship between brand and product quality precedes product features or product

quality, consumers are more likely to be affected by the degree of quality cognition because relatively comprehensive product or service information can reduce the risk of distrust between companies and consumers to a large extent.

Contemporary research by Yang et al. (2023) demonstrated that in post-pandemic consumer behavior, quality perception has become even more critical as consumers prioritize value-for-money and long-term satisfaction over impulse purchases. This shift reflects a more mature and discerning consumer base that carefully evaluates quality attributes before making purchase decisions. In the Chinese context, quality perception is further complicated by cultural factors such as the importance of craftsmanship, heritage, and authenticity, which are particularly valued in luxury jewelry and art purchases.

### ***Perceived cost***

The concept of perceived cost extends beyond simple monetary considerations to encompass the total sacrifice that consumers perceive when acquiring products or services. Zeithaml (1988) pointed out that all costs imposed on consumers by production or service enterprises, whether in monetary form or non-monetary form, should be regarded as perceived costs, which have a particular impact on perceived quality and perceived internal and external characteristics of products and services. Evidence shows that, compared with absolute cost, perceived cost plays a crucial role in individual investment judgment and decision-making.

Zhan and He (2012) found that in the Chinese luxury market, perceived cost encompasses not only monetary expenditure but also psychological costs related to social acceptance and cultural appropriateness. This multidimensional view of cost is particularly relevant in the Chinese context, where luxury consumption often involves complex social considerations and the need to balance personal desires with cultural expectations.

In the context of Chinese luxury consumption, perceived cost also includes opportunity costs, social costs, and psychological costs. Opportunity costs relate to alternative uses of financial resources, social costs involve the potential for social judgment or acceptance, and psychological costs encompass the emotional effort required to make luxury purchase decisions. Understanding these multifaceted cost perceptions is crucial for luxury brands seeking to optimize their value propositions for Chinese consumers.

### ***Perceived value***

For consumers, value is closely related to their experience in buying and using products and the accumulation of related product knowledge. Therefore, consumers' perceived value is a description of how consumers weigh perceived benefits and disadvantages. Building on Sheth (1991) consumption values theory, which identifies five key consumption values (functional, social, emotional, epistemic, and conditional), this study focuses on the three most relevant dimensions for luxury goods: functional, social, and emotional value.

Based on this concept, Sweeney and Soutar (2001) divided consumer perceived value into three dimensions: emotional, social, and functional. Holbrook (2006) experiential value framework further enriches our understanding by emphasizing that emotional and social dimensions are particularly important in luxury consumption contexts. This multidimensional approach to value perception provides a more nuanced understanding of how consumers evaluate luxury goods and make repurchase decisions.

### ***Functional value***

Functional value is one of the most important values, which consists of two critical determinants of functional quality and price value. In the context of luxury jewelry and art, functional value encompasses not only the basic utility of the product but also its investment potential, durability, and versatility. Chinese consumers, particularly those with higher education and income levels, increasingly consider the long-term functional benefits of luxury purchases, including their potential for appreciation, inheritance value, and practical utility in various social and professional contexts.

### ***Social value***

In the Chinese cultural context, social value takes on particular significance due to the concept of "*mianzi*" (face) and social hierarchy. Research by Chen and Kim (2013) demonstrated that luxury consumption in China is heavily influenced by social signaling and status demonstration, making social value a critical component of purchase decisions. The social value of luxury jewelry and art in China extends beyond simple status signaling to include cultural preservation, artistic appreciation, and social responsibility.

### ***Emotional value***

Contemporary research by Kim and Sullivan (2019) revealed that emotional value has become increasingly important in luxury consumption, particularly as consumers seek authentic experiences and emotional connections with brands. In the context of luxury jewelry and art, emotional value encompasses the aesthetic pleasure, personal meaning, emotional memories, and psychological satisfaction that consumers derive from their purchases. Chinese consumers, particularly in younger demographics, increasingly prioritize emotional connections with brands and products over traditional status considerations, making emotional value a critical driver of repurchase intentions.

### **Research Objectives**

This study aims to explore the influence of perceived quality and perceived cost on customers' repurchase intentions within the Chinese jewelry and art market. Additionally, it seeks to examine the mediating roles of functional value, social value, and emotional value in this relationship. By developing a theoretical model that integrates the dimensions of perceived quality, perceived cost, and perceived value, the study aspires to offer insights into customer repurchase behavior.

The findings are intended to provide actionable recommendations for jewelry and art enterprises in China to improve customer retention and loyalty through strategic optimization of quality, cost structures, and value propositions. This research contributes to the growing body of literature on luxury consumption in emerging markets and provides cultural-specific insights for the Chinese context.

Specifically, this study seeks to achieve the following objectives: (1) To empirically test the relationships between perceived quality, perceived cost, and the three dimensions of perceived value (functional, social, and emotional) in the Chinese luxury market context; (2) To examine the mediating effects of perceived value dimensions on the relationship between quality/cost perceptions and repurchase intentions; (3) To identify which value dimension has the strongest impact on repurchase intentions among Chinese luxury consumers; and (4) To provide practical recommendations for luxury brands operating in China based on the empirical findings.

## Hypothesis and Theoretical Model

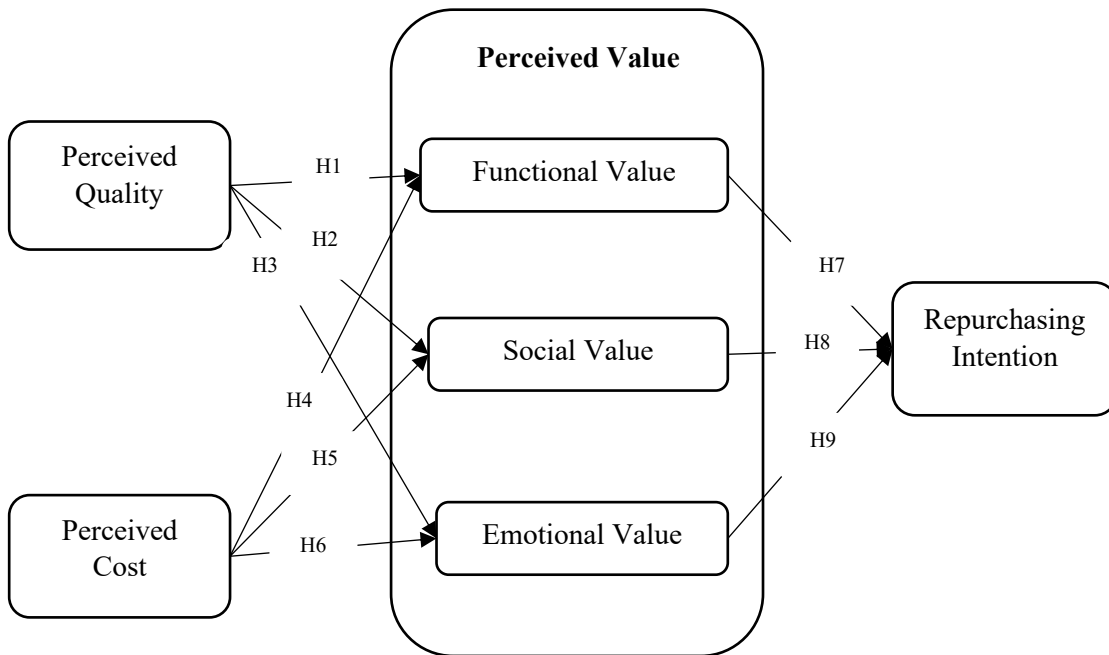


Figure 1 Theoretical Model

Source: Adapted from Peng and Chen (2019) and Sweeney and Soutar (2001)

As shown in Figure 1, based on the research results of Peng and Chen (2019) and grounded in perceived value theory, this study establishes a theoretical research model with perceived quality and perceived cost as independent variables; functional value, social value, and emotional value as mediating variables; and repurchasing intention as the dependent variable. The mediating logic is based on the premise that perceived quality and cost influence repurchase intentions indirectly through their effects on different value dimensions, which then directly impact repurchase behavior.

The theoretical foundation for this model draws from several established theories in consumer behavior and marketing literature. The perceived value theory provides the overarching framework for understanding how consumers evaluate products and services. The theory of planned behavior supports the relationship between value perceptions and behavioral intentions. Social identity theory explains the importance of social value in luxury consumption, particularly in collectivistic cultures such as China.

In addition, the model posits the following nine research hypotheses:

- H1: Perceived quality will significantly affect functional value;
- H2: Perceived quality will significantly affect social value;
- H3: Perceived quality will significantly affect emotional value;

- H4: Perceived cost will significantly affect functional value;
- H5: Perceived cost will significantly affect social value;
- H6: Perceived cost will significantly affect emotional value;
- H7: Functional value will significantly affect repurchasing intention;
- H8: social value will significantly affect repurchasing intention;
- H9: Emotional value will significantly influence repurchasing intention.

Specifically, consumers' quality perception and cost perception of jewelry and art will affect their behavior in terms of product repurchasing intention through the change of perceived value. The hypotheses are grounded in established theoretical frameworks and empirical evidence from previous studies in luxury consumption and consumer behavior.

The rationale for H1–H3 is based on the quality–value relationship established in marketing literature, which suggests that higher perceived quality leads to enhanced perceptions of functional, social, and emotional benefits. The rationale for H4–H6 draws from price–quality theory and the concept of price as a quality cue, suggesting that higher perceived costs may actually enhance value perceptions in luxury contexts. The rationale for H7–H9 is grounded in the theory of planned behavior and value–attitude–behavior models, which propose that value perceptions directly influence behavioral intentions.

## Research Methodology

### *Research design*

This research employs a quantitative, cross–sectional design, utilizing structural equation modeling (SEM) to test hypotheses derived from perceived value theory. The study design follows a positivist paradigm, seeking to establish causal relationships between constructs through statistical analysis. The cross–sectional approach was chosen to capture consumer perceptions and intentions at a specific point in time, providing a snapshot of the current state of the Chinese luxury jewelry and art market.

The research design incorporates several methodological considerations to ensure validity and reliability. First, the study employs established measurement scales that have been validated in previous research and adapted for the Chinese cultural context. Second, the sampling strategy ensures representativeness across different demographic segments and purchasing experience levels. Third, the analytical approach follows best practices in structural equation modeling, including assessment of measurement model validity before testing the structural model.

## **Research scope**

This study focuses on the Chinese jewelry and art market, specifically targeting customers engaged with high-value products, including gemstones, jade, and cultural artworks. The research is based on a sample of 403 customers, all of whom have prior purchasing experience in this industry, recruited through partnerships with the Liaoning Jewelry and Jade Jewelry Industry Association and Fushun Suxin Jewelry and Art Co., Ltd.

The sampling approach employed stratified random sampling to ensure representativeness across different demographic segments and purchasing experience levels. The study incorporates key variables such as perceived quality, perceived cost, functional value, social value, emotional value, and repurchase intention, while acknowledging the limitations imposed by the exclusion of factors such as brand loyalty and cultural differences. Control variables including age, income, and education level were also collected to account for potential confounding effects.

The geographic scope of the study is primarily focused on the Liaoning province, which represents a significant market for luxury goods in northeastern China. This region was selected due to its economic development, cultural diversity, and accessibility through industry partnerships. While this geographic focus may limit generalizability to other regions of China, it provides depth and cultural specificity that enhances the validity of findings within this context.

## **Variable measurement**

All constructs were measured using established scales adapted for the Chinese context. Data collection involved the development of a structured questionnaire based on established scales, followed by pre-testing with experienced customers. The questionnaire was developed through a rigorous process that included literature review, expert consultation, and pilot testing to ensure content validity and cultural appropriateness.

Perceived quality was measured using a 5-item scale adapted from Aaker (1996), focusing on overall quality perception, reliability, durability, and performance relative to expectations. The scale items were: (1) "The overall quality of this jewelry/art piece is excellent," (2) "This product is very reliable," (3) "This product is very durable," (4) "This product performs better than I expected," and (5) "The quality of this product is superior to competing products."

Perceived cost was measured using a 4-item scale from Zeithaml (1988), encompassing monetary and non-monetary costs. The scale items included: (1) "The price of this product is reasonable,"

(2) "This product offers value for money," (3) "The time and effort required to purchase this product is acceptable," and (4) "The overall cost of acquiring this product is fair."

The three value dimensions were measured using scales from Sweeney and Soutar (2001), with each dimension captured through multiple items. Functional value was measured with items such as "This product has consistent quality" and "This product is well made." Social value was assessed through items such as "This product helps me feel acceptable to others" and "This product improves the way I am perceived." Emotional value was captured with items including "This product makes me feel good" and "This product gives me pleasure."

Repurchase intention was measured using a 4-item scale from Oliver (1999), focusing on likelihood of future purchases, recommendation intentions, and loyalty behaviors. All items were measured on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), providing sufficient variance for statistical analysis while maintaining ease of response for participants.

### ***Sample and data collection***

The target population comprised customers who had purchased jewelry or art products in China within the past two years. The sampling frame was developed through partnerships with industry associations to ensure access to experienced customers. A random sample of 403 valid responses was gathered, and data analysis was conducted using SPSS for reliability and validity checks, along with AMOS for SEM path analysis.

The sample size was determined using GPower analysis, indicating that 403 responses provide adequate statistical power (>0.80) for detecting medium effect sizes. This sample size exceeds the minimum requirements for structural equation modeling and provides sufficient power for detecting the hypothesized relationships while accounting for potential missing data and outliers.

Data collection was conducted over a three-month period from March to May 2023, using both online and offline methods to maximize response rates and ensure representativeness. Online surveys were distributed through industry association networks and social media platforms, while offline surveys were conducted at jewelry stores and art galleries with the assistance of industry partners.

## ***Analytical techniques***

Descriptive and inferential statistics were employed to explore gender differences and variable relationships. Following Anderson and Gerbing's (1988) two-step approach, we first conducted confirmatory factor analysis (CFA) to assess the measurement model, followed by structural equation modeling to test the hypothesized relationships.

Additionally, as recommended by Hayes (2018), we employed the PROCESS macro to conduct formal mediation analysis and examine indirect effects. This approach provides robust testing of the mediating relationships proposed in the theoretical model and allows for examination of specific indirect pathways from independent variables to the dependent variable through the mediating variables.

Ethical considerations were upheld throughout, ensuring voluntary participation, anonymity, and data integrity. The study received approval from the Liaoning Vocational University of Technology review board, and all participants provided informed consent. Data confidentiality was maintained through secure storage and analysis procedures, and participants were informed of their right to withdraw from the study at any time without penalty.

## **Research Results**

### ***Data collection process***

A questionnaire survey was used to collect data in this study. Several indicators were used to measure each factor, and the results were adapted based on the aforementioned relevant literature in order to ensure the validity and stability of the questionnaire content. After the questionnaire was compiled, with the support and assistance of Fushun Suxin Jewelry and Art Co., Ltd., the research team invited 40 customers with rich experience in jewelry and art appreciation and procurement to conduct a pre-test.

According to the pre-test results, the researchers modified some indicators to improve the accuracy and clarity of the questionnaire. The pre-test revealed several areas for improvement, including clarification of technical terms, simplification of complex questions, and adjustment of scale anchors to better reflect Chinese cultural contexts. These modifications enhanced the face validity and cultural appropriateness of the instrument.

Then with the assistance of the Liaoning Jewelry and Jade Jewelry Industry Association and Fushun Suxin Jewelry and Art Co., Ltd., the research team randomly invited relevant customers to fill in the questionnaire according to their purchasing experience. After excluding the questionnaires with missing and abnormal values, 403 valid questionnaires were collected for subsequent data analysis. The response rate was approximately 78%, which is considered excellent for this type of consumer research.

### ***Sample characteristics***

The demographic profile of the 403 respondents reveals a relatively balanced gender distribution, with males comprising 47.6% ( $n = 192$ ) and females 52.4% ( $n = 211$ ) of the sample. The average age of participants was 32 years (median = 28), with the largest age group being 31–35 years (21.3%). This age distribution reflects the target demographic for luxury jewelry and art purchases in China, capturing both younger consumers with emerging purchasing power and more established consumers with significant disposable income.

Educational attainment was high, with an average of 15 years of education (median = 16), and the majority holding undergraduate degrees (59.3%). This high level of education is consistent with the profile of luxury consumers in China, who typically possess higher educational levels and greater cultural sophistication. In terms of employment, full-time students represented the largest occupational category (22.1%), followed by professionals and managers, reflecting the diverse economic backgrounds of luxury consumers.

The average monthly income was 5,459 Yuan (median = 6,000), with the most common income bracket being 5,000–8,999 Yuan (37.2%). Average monthly expenditure on luxury goods was 498 Yuan (median = 4,000), with the most frequent spending range being 1,000–2,999 Yuan (34.7%). These figures indicate that participants represent a middle to upper-middle-class demographic with significant discretionary spending capacity.

The primary source of income for most participants was employment (66.5%), and smartphones were the dominant channel for product information (67%). This finding highlights the importance of digital channels in luxury marketing and the need for brands to optimize their mobile presence and social media strategies.

**Table 1** Sample Demographics (*N* = 403)

Basic Information	Descriptive statistics	Basic information	Descriptive statistics
Gender	Male: 192 (47.6%) Female: 211 (52.4%)	Age (years)	Mean: 32 Median: 28 Mode: 31–35 (21.3%) Standard variance: 10
Educational background (years)	Mean: 15 Median: 16 Mode (Mode): Undergraduate (59.3%) Standard variance: 2	Job Title	Mode: Full-time student (22.1%)
Average monthly income (Yuan)	Mean: 5,459 Median: 6,000 Mode: 5,000–8,999 (37.2%) Standard variance: 3,290	Average monthly cost (Yuan)	Mean: 498 Median: 4000 Mode: 1000–2999(34.7%) Standard variance: 2426
Sources of income	Mode: Job (66.5%)	Primary source of product information	Mode: Smartphone (67%)

**Source:** Analyzed and concluded by the author

### ***Measurement model assessment***

Prior to testing the structural model, we conducted confirmatory factor analysis (CFA) to assess the measurement model’s validity and reliability. In the first step, SPSS 23 was used for principal component analysis to check whether the load structure of each index was clear. Before the principal component analysis, the KMO value of the correlation matrix and the Bartlett’s test of sphericity value were first examined.

The results show that the KMO value is 0.956, and the Bartlett’s test of sphericity yielded a Chi-square value of  $\chi^2=10,366.03$ , which was statistically significant at  $p < 0.001$ , indicating that the questionnaire’s principal component analysis is appropriate. After the variance maximization method rotates, the factor load matrix shows that six factors are extracted, and 77.126% of the variance is explained. This high level of explained variance indicates that the measurement model adequately captures the underlying constructs.

The CFA results demonstrated acceptable model fit indices:  $\chi^2/df = 2.14$ , CFI = 0.94, TLI = 0.93, RMSEA = 0.06, SRMR = 0.05. All factor loadings exceeded 0.70, indicating adequate convergent validity. Composite reliability values ranged from 0.89 to 0.94, exceeding the recommended threshold of 0.70. Average variance extracted (AVE) values ranged from 0.67 to 0.79, surpassing the 0.50 criterion. Discriminant validity was established as the square root of AVE for each construct exceeded its correlations with other constructs.

**Table 2** Reliability, Validity, and Descriptive Statistics

Variables	Factor Loading	Eigenvalues (Variance%)	Cronbach Alpha	Mean	Standard Deviation	Skewness	Kurtosis
Perceived Cost (PC)	0.79	13.58(43.79%)	0.94	2.66	1.00	0.42	-0.21
Perceived Quality (PQ)	0.79	2.79 (9.00%)	0.92	2.92	0.95	0.15	-0.36
Functional Value (FV)	0.79	2.51 (8.08%)	0.93	2.62	1.08	0.32	-0.48
Emotional Value (EV)	0.80	1.90 (6.12%)	0.91	2.67	0.95	0.43	0.01
Repurchasing Intention (RPI)	0.80	1.76 (5.66%)	0.92	2.86	0.96	0.24	-0.32
Social Value (SV)	0.88	1.39 (4.47%)	0.92	3.23	0.86	0.14	0.01

**Source:** Analyzed and concluded by the author

Meanwhile, it can be seen from Table 2 that Cronbach's Alpha values of each variable included in the model are all greater than 0.8, which indicates that the questionnaire has good reliability. Moreover, the kurtosis and skewness of indicators contained in each variable in the model are within the range required by structural equation analysis, which effectively proves the feasibility of subsequent verification of model assumptions by structural equation modeling.

### Gender differences analysis

To compare gender differences in customers' perceptions of jewelry and artwork repurchase intention and influencing variables, this study adopts the independent sample *t*-test method for comparative analysis. For male customers and female customers, except for perceived cost and functional value, the comparison of the sample mean of other variables is not significant; that is, there is no significant difference between male customers and female customers in perceived quality of products, social value and emotional value brought by products, as well as product repurchase intention.

**Table 3** Gender Differences Analysis

Variables	Gender	Sample size	Mean	Standard variance	T-value	Sig. (both sides)
Perceived quality	Male	192	3.0148	0.77	0.52	0.61
	Female	211	2.9755	0.75		
Perceived cost	Male	192	2.7517	0.88	1.94	0.05
	Female	211	2.5853	0.84		
Functional value	Male	192	2.7552	0.94	1.94	0.05
	Female	211	2.5810	0.87		
Social value	Male	192	3.0924	0.86	0.56	0.58
	Female	211	3.0462	0.79		
Emotional value	Male	192	2.7177	0.87	1.19	0.23
	Female	211	2.6199	0.78		
Repurchasing intention	Male	192	2.9396	0.78	1.92	0.06
	Female	211	2.7943	0.74		

\* $p < 0.05$

**Source:** Analyzed and concluded by the author

The gender differences analysis reveals interesting patterns in luxury consumption behavior. The significant differences in perceived cost and functional value suggest that male consumers may place greater emphasis on cost-benefit analysis and functional attributes when evaluating luxury jewelry and art. This finding aligns with previous research suggesting that male consumers tend to be more analytical

in their luxury purchase decisions, while female consumers may be more influenced by emotional and aesthetic factors.

### Correlation analysis

The Pearson correlation coefficient in the simple linear correlation analysis reveals the correlation between the variables in the study model. Bold numbers indicate that the correlation variables have suitable effect sizes while statistically significant at levels 0.05 and below. Simple linear correlation analysis also revealed perceived quality, perceived cost, and repurchasing intention, and there is a significant correlation between emotional value and social value.

**Table 4** Correlation Matrix

Variables (indicators)	EDU	INC	SOU	EXP	ICH	PQ	PC	FV	SV	EV
Income (INC)	<b>0.35**</b>									
Revenue source (SOU)	<b>0.16**</b>	<b>0.62**</b>								
Expenses (EXP)	<b>0.25**</b>	<b>0.69**</b>	<b>0.44*</b>							
Information channel (ICH)	0.04	0.05	0.09	0.00						
Perceived quality (PQ)	-0.01	-0.01	0.04	-0.03	0.10					
Perceived cost (PC)	0.06	0.06	0.03	0.05	0.01	<b>0.52**</b>				
Functional value (FV)	-0.03	0.00	0.02	0.00	0.10	<b>0.47**</b>	<b>0.60**</b>			
Social value (SV)	0.06	0.03	0.07	-0.06	-0.03	<b>0.37**</b>	<b>0.39**</b>	<b>0.26*</b>		
Emotional value (EV)	0.04	0.07	0.04	0.07	-0.01	<b>0.37**</b>	<b>0.54**</b>	<b>0.59*</b>	<b>0.40*</b>	

Variables (indicators)	EDU	INC	SOU	EXP	ICH	PQ	PC	FV	SV	EV
Repurchasing intention (RPI)	0.00	0.00	-0.01	-0.03	0.00	<b>0.49**</b>	<b>0.56**</b>	0.54*	0.37*	0.54*

\*\*Bold values indicate significant correlations at  $p < 0.01$ ;

Source: Analyzed and concluded by the author

The correlation analysis reveals several important relationships. The strong positive correlation between perceived cost and functional value ( $r = 0.60$ ) suggests that higher costs are associated with enhanced functional value perceptions, supporting the price–quality heuristic in luxury consumption. The moderate correlations between all value dimensions and repurchase intention provide preliminary support for the hypothesized relationships.

### Structural model and hypothesis testing

AMOS 23 was used for path analysis to test theoretical model hypotheses. Additionally, Hayes’ PROCESS macro was employed to conduct formal mediation analysis. The path analysis results in the theoretical model show that all paths contained in the research model and related research hypotheses are supported.

Table 5 Structural Model Results

Paths	Path Coefficient	P-value	Effect Size	Support
Functional Value ← Perceived Quality	0.308***	<0.001	0.227 M	Supported
Social Value ← Perceived Quality	0.256***	<0.001	0.248 M	Supported
Emotional Value ← Perceived Quality	0.124*	<0.05	0.118 M	Supported
Functional Value ← Perceived Cost	0.568***	<0.001	0.531 L	Supported
Social Value ← Perceived Cost	0.246***	<0.001	0.302 M	Supported
Emotional Value ← Perceived Cost	0.449***	<0.001	0.538 L	Supported
Repurchasing Intention ← Functional Value	0.313***	<0.001	0.37 M	Supported
Repurchasing Intention ← Social Value	0.213***	<0.001	0.192 M	Supported

Paths	Path Coefficient	P-value	Effect Size	Support
Repurchasing Intention ← Emotional Value	0.334***	<0.001	0.307 M	Supported

\* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$  Effect sizes: S (small)  $\leq 0.1$ ; M (medium) 0.1–0.5; L (large)  $\geq 0.5$

Source: Analyzed and concluded by the author

### Model fit assessment

The model fitting indices demonstrate excellent overall fit. Except for RMR and AGFI, which are slightly higher and lower than the recommended values, respectively, the actual values of the other relevant fitting indexes are better than the recommended values, and the exact values of RMSEA show that the theoretical model has an excellent fitting degree.

Table 6 Model Fit Indices

Fit Index	Recommended Value	Actual Value	Interpretation
Normed chi-square ( $\chi^2/df$ )	<3	1.65	Excellent fit
RMR	<0.05	0.06	Acceptable fit
GFI	>0.9	0.90	Good fit
AGFI	>0.9	0.88	Marginal fit
NFI	>0.9	0.93	Good fit
IFI	>0.9	0.97	Excellent fit
CFI	>0.9	0.97	Excellent fit
RMSEA	<0.08	0.04	Excellent fit

Source: Analyzed and concluded by the author

The  $R^2$  values of endogenous variables, emotional value, social value, functional value, and repurchasing intention were 0.375, 0.237, 0.469, and 0.443, respectively. These values indicate that the model explains substantial variance in the dependent variables, with functional value and repurchase intention showing particularly strong explanatory power.

### **Mediation analysis**

Using Hayes' PROCESS macro, we conducted formal mediation analysis to examine the indirect effects of perceived quality and perceived cost on repurchase intention through the three value dimensions. The results revealed significant indirect effects for all pathways: perceived quality → functional value → repurchase intention ( $\beta = 0.096$ , 95% CI [0.052, 0.147]); perceived quality → emotional value → repurchase intention ( $\beta = 0.041$ , 95% CI [0.008, 0.082]); perceived quality → social value → repurchase intention ( $\beta = 0.055$ , 95% CI [0.021, 0.095]).

Similarly, perceived cost showed significant indirect effects through all three value dimensions, with the strongest mediation occurring through functional value ( $\beta = 0.178$ , 95% CI [0.124, 0.238]). These findings provide strong support for the mediating role of perceived value dimensions in the relationship between quality/cost perceptions and repurchase intentions.

### **Discussion**

Based on the research results, the data support all the research hypotheses in the original theoretical model. Specifically, perceived quality significantly positively affects functional and social values, and the effect size is moderate. This indicates that customers' perception of product quality can dramatically improve their cognition of product function and social value. This aligns with Zeithaml's (1988) conclusion that quality perception positively correlates with functional value.

At the same time, the medium effect size of social value indicates that perceived quality not only affects customers' perception of product function but also extends to its value representation at the social level, which may be related to the characteristics of high-quality products as social status symbols. However, although the influence path of perceived quality on emotional value is significant, the effect size is small, indicating that the direct influence of perceived quality on emotional value is limited.

This finding suggests that although improving product quality perception can enhance customers' emotional value to a certain extent, its mechanism may need further development through other mediating variables. This is particularly interesting in the Chinese cultural context, where emotional connections with luxury brands may be more influenced by brand heritage, storytelling, and experiential factors rather than purely functional quality attributes.

Compared with perceived quality, perceived cost positively impacts functional and emotional value, and the effect size is more significant. This indicates that customers' perception of product cost

affects their cognition of product function and emotional value to a large extent, which is consistent with Thaler's (1980) theory that customers are more inclined to think that high cost corresponds to high function and emotional value when weighing cost and benefit.

At the same time, the impact path of perceived cost on social value also has a significant positive relationship, and the effect size is moderate, indicating that perceived cost enhances customers' cognition of the social value of products to a certain extent, which may reflect the recognition and symbolic significance of high-cost products at the social level. This finding supports the notion that in Chinese luxury consumption, higher prices often signal higher status and social prestige, aligning with the cultural concept of "*mianzi*" (face).

In addition, functional, social, and emotional values significantly positively affect repurchasing intention, and the effect size is medium. These results indicate that customers' cognition of product function and social and emotional value can dramatically enhance their repurchasing intention. Among them, the effect size of emotional value on repurchasing intention is slightly higher than that of functional value and social value, indicating that emotional factors play a relatively important role in customer repurchasing decisions.

This finding suggests that in the post-pandemic era, Chinese consumers are increasingly seeking emotional connections and authentic experiences with luxury brands, moving beyond purely functional or status-driven motivations. Interestingly, while social value showed statistical significance in predicting repurchase intention, its effect size was the smallest among the three value dimensions. This finding contradicts some previous research suggesting that social value is paramount in Chinese luxury consumption.

This paradox may be explained by generational differences in our sample, where younger consumers (average age 32) may be less influenced by traditional social signaling and more focused on personal satisfaction and emotional fulfillment. To sum up, this study verifies that perceived quality and perceived cost significantly affect customers' repurchasing intention by improving functional value, social value, and emotional value.

## **Theoretical and Practical Implications**

### ***Theoretical implications***

This study makes several important theoretical contributions to the literature on consumer behavior and perceived value theory. First, this study enriches the theory of perceived value by verifying the influence mechanism of perceived quality and perceived cost on repurchase intention through functional, social, and emotional value dimensions. The findings extend Sweeney and Soutar's (2001) perceived value framework by demonstrating its applicability in the Chinese luxury market context.

Second, the study contributes to the growing literature on luxury consumption in emerging markets by providing cultural-specific insights. The finding that emotional value has the strongest impact on repurchase intentions challenges some Western-centric theories that emphasize social signaling as the primary driver of luxury consumption. This reveals the key role of emotional value in customer repurchase decisions, suggesting that Chinese consumers are increasingly seeking authentic emotional connections with brands.

Third, the mediation analysis provides empirical support for the theoretical proposition that perceived quality and cost influence repurchase behavior indirectly through value perceptions. This finding advances our understanding of the psychological mechanisms underlying consumer decision-making in luxury markets and supports the multidimensional nature of perceived value as a mediating construct.

### ***Practical implications***

The findings offer several actionable insights for jewelry and art enterprises operating in the Chinese market:

1. **Prioritize Emotional Branding Strategies:** Given that emotional value demonstrated the strongest predictive power for repurchase intentions, companies should invest heavily in creating emotional connections with customers. This can be achieved through storytelling, brand heritage communication, personalized experiences, and emotional advertising campaigns that resonate with Chinese cultural values and aspirations.

2. **Optimize Quality–Cost Perception Balance:** The strong effects of both perceived quality and cost on value dimensions suggest that companies need to carefully manage the quality–price relationship. Rather than competing solely on price, firms should focus on communicating the superior quality and craftsmanship of their products to justify premium pricing.

3. Develop Multi-Dimensional Value Propositions: Since all three value dimensions significantly influence repurchase intentions, companies should develop comprehensive value propositions that address functional, social, and emotional benefits. This holistic approach can create stronger customer relationships and higher repurchase likelihood.

4. Implement Customer Experience Management: The importance of emotional value suggests that companies should invest in comprehensive customer experience management programs. This includes training staff to create emotional connections, designing immersive retail environments, and developing post-purchase engagement strategies.

## Conclusion

Through path analysis and mediation testing, this study verified the influence mechanism of perceived quality and perceived cost on perceived value and repurchasing intention. Using structural equation modeling analysis of 403 Chinese customers, it was found that perceived quality and perceived cost significantly promote customers' repurchase intention by improving functional, social, and emotional value.

The study reveals that emotional value ( $\beta = 0.334, p < 0.001$ ) had the strongest impact on repurchase intentions, followed by functional value ( $\beta = 0.313, p < 0.001$ ) and social value ( $\beta = 0.213, p < 0.001$ ). This result enriches the perceived value theory's research content and provides empirical support and management enlightenment for jewelry and art enterprises to formulate effective marketing strategies.

The findings do challenge some conventional wisdom about Chinese luxury consumption by demonstrating that emotional connections may be more important than social signaling for repurchase behavior. This suggests a shift in Chinese consumer behavior toward more individualistic and experience-oriented consumption patterns, particularly among younger demographics.

## Limitations and Future Research

Although this study has achieved meaningful results, several limitations should be acknowledged. First, this study relies on questionnaires, which may lead to subjective bias and inaccurate answers. Second, this study is mainly based on Western business theories and does not fully consider the cultural background differences in the Chinese market. Third, the model did not include

other variables affecting repurchasing intention, such as brand loyalty, customer satisfaction, and market competition factors.

Future research should adopt longitudinal research methods to reveal the causal relationship between variables and provide more solid empirical support for theory development. This research model should be validated under different cultural backgrounds and market environments to improve its universality and external validity. Future research should introduce variables such as brand loyalty, customer satisfaction, trust, and market competition factors to further explore the impact mechanism of perceived value on repurchasing intention.

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