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The Effects of Brand Value of Oriental Medicine Cosmetic on Purchase Intention

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Abstract

The study aims to investigate the effects of brand value in the oriental medicine cosmetics market, as perceived by consumers, on brand satisfaction, brand loyalty, and purchase intention. The subjects were Korean and Chinese female consumers, the primary consumers of oriental medicine cosmetics. A total of 615 sample surveys were analyzed from consumers who have experience using oriental medicine cosmetics. Out of the sample, 264 respondents had used Oriental medicine cosmetics for one to four years, 199 respondents for more than four years, and 108 respondents for three months to a year. Based on existing research, we categorized the value of oriental medicine cosmetics brands into four dimensions: emotional, social, functional, and epistemic values. Whether brand satisfaction and brand loyalty can be mediating factors in brand value influencing purchase intention was inspected through several hypotheses. As a result, except for the epistemic value factor, the brand value factors were found to have a positive effect on brand satisfaction and brand loyalty. In addition, emotional, social, and functional brand value factors influence purchase intention through brand loyalty, and it was found that brand loyalty is an important factor for oriental medicine cosmetics consumers, however mediator effects did not appear for brand satisfaction.

Keywords: Oriental Medicine Cosmetics, Brand Value, Purchase Intention, Brand Satisfaction, Brand Loyalty.

JEL Classification Code: M10, M15, M30, M31.

1. Introduction

As of 2017, the global cosmetics industry was valued at US\$464.8 billion, representing growth of 5.2% compared to the previous year, and it is predicted that it will continue to grow at a yearly average growth rate of 5% until 2022. In 2016, the global cosmetics industry was in a low-growth phase due to the characteristics of a mature industry, the European financial crisis, and devaluation of developing countries' currencies. However, it has recently emerged as

an attractive growth industry that continues to evolve with new consumption trends in advanced markets such as Asia and the Middle East, and sales are boosted by income growth in emerging markets. In particular, major trends centering on natural raw materials and premium products in the global cosmetics industry are driving growth. The premium skin care market based on eco-friendly, natural ingredients is the largest segment and growth leader in the cosmetics industry. It is characterized as being integrated with the medical, biotechnology, and cultural contents industries, and it is becoming more complex and industrialized beyond the traditional manufacturing (Korea Trade-Investment Promotion Agency, 2018).

With this industrial growth, oriental medicine cosmetics using traditional natural herbal medicines have been developing into new cosmetics fields in response to the global well-being trend since the 2000s. In the Korean market, which introduced the first oriental medicine cosmetic products, the comprehensive concept of oriental medicine cosmetics is defined as "cosmetics manufactured using raw materials found in 11 kinds of established oriental treatments" (Kang, 2004; Kim, 2007). However, as the

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globalization of oriental medicine cosmetics has increased, the scope of oriental medicine cosmetics has expanded to include cosmetics that include herbal ingredients, and the consumption of oriental medicine cosmetics is on the rise due to a change in consumer trends stemming from premium and eco-friendly cosmetics (Asgari & Hosseini, 2015; Bae, Kim, & Oh, 2018; Tjoe & Kim, 2016). The growing oriental medicine cosmetics brand market centered around Korea can be interpreted as an increase in preference for brand value due to Korea's "K-beauty" craze. Sulwhasoo, a premium brand of oriental medicine cosmetics, was released by AmorePacific in 1997 and has been enjoying great success in China and Korea to date. Since then, the "Whoo" brand, launched by LG Household & Health Care in 2003, has been steadily growing.

Today, brand-driven consumer buying behavior is a generalized consumption pattern (Kellter, 1993), but cosmetics has a direct effect on the skin beyond cost-effectiveness, usability, and emotional values. Brand credibility and philosophy in pursuit of linkages with eco-friendliness and the environment have a great influence on consumer choice and are becoming new optional attributes (Lee & Kim, 2012). However, oriental medicine cosmetics are limited in that they have not yet been mainstreamed in the global market, and the products require a comprehensive description of unfamiliar materials and effects, especially for young consumers. Thus, brand value and trust can be very important in consumers' purchase decision making (Bae et al., 2018).

However, research on oriental medicine cosmetics has not been actively conducted until now, and there are not many studies that discuss the characteristics of the brand value of oriental medicine cosmetics. The purpose of this study is to verify the relationship between oriental medicine cosmetics' brand value and consumer purchase intentions with a focus on helping the oriental medicine cosmetics market to overcome any existing limitations. We examine whether brand value positively affects brand satisfaction, loyalty, and purchase intention, focusing on the emotional, social, functional, and epistemic values, which are the four elements of brand value suggested by Sweeney and Soutar (2001).

In this study, as the current markets of Korea and China have been shaped in line with the characteristics of oriental medicine cosmetics, the research is focused on the consumers of these two major countries to examine the Asian market for oriental medicine cosmetics and the purchasing behavior of customers. And it seeks to establish a foundation for developing an oriental medicine cosmetics brand strategy to spread to the global market in the future.

2. Literature Review

2.1. Brand Value in Cosmetics Consumption

Since the 1990s, it has been understood that an individual's emotions and personality affect purchasing intent rather than the quality or price of a product (Balmer, 2010; Cova, Dalli, & Zwick, 2011; Pine & Gilmore, 1998). Many scholars have begun to study the influence of the perceived value of consumers on purchasing decisions or behaviors, or value-driven consumption behavior towards products (Zeithaml, 2004). Randall and Senior (1994) define perceived value as a concept including time and psychological costs, which are non-price costs. The perceived value gained from the product by the consumer is the information perceived by the consumer through the consumer experience with respect to the particular product and brand (Clifton & Simmons, 2004; Frow & Payne, 2011). Brand value can also be defined as information about the intrinsic perspectives consumers have about a particular brand through the consumption experience of the brand (Iglesias & Bonet, 2012; Punj & Hillyer, 2004).

Brand value is a multidimensional concept, and beyond the approach of simple economic value measurement, the approach of value measurement for attesting to the actual effect of the brand is considered more important (Jowitt & Lury, 2012). In other words, the method of brand value measurement can be classified into financial and marketing approaches. The marketing approach is a method of measuring the value of the brand through perception-oriented consumer evaluation. Unlike financial approaches that measure the value of a corporate brand through the level of individual brands of a product or store, in terms of marketing strategy activities and purchasing behavior research, discussions about brand value through marketing approach are more important (Mizik & Jacobson, 2003; Pillai, 2012).

Sheth, Newman, and Gross (1991) presents representative research that looks at the detailed factors that determine brand value and suggests five types of values: emotional, social, functional, epistemic, and situational, which comprise perceived value as an influencer of purchase choice, product type selection, and brand choice. These five value factors have been used in various brand-related studies (Jones, 2012; Lee & Lee, 2011; Lee & Han, 2013; Sweeney & Soutar, 2001). Emotional value refers to a clearly perceived utility value that is formed when a particular brand induces a consumer's particular emotions or affects the emotional state (Thomson, MacInnis, & Park, 2005). In the case of cosmetics brands, emotional value can be an important brand value formation factor as it has a

close relationship with aesthetic and emotional satisfaction (Jeong, Kim, & Oh, 2019).

Social value refers to the effectiveness of a brand created by relationships with specific communities. It can be understood as a consumption value forming within the social group, acting as a factor of social symbolism and social superiority (Kornberger, 2010). Social values can be an important factor in cosmetics brands as cosmetics brands have various social and psychological effects depending on the social environment and trends, such as the use of overseas brand cosmetics and premium brand cosmetics (Lee & Kim, 2012; Šalkovska, 2015).

Functional value can be considered the most basic brand value factor for product brands. It is a concept that consumption value can be possessed by perceiving material values such as quality, price, service, detailed practicality, and functionality of the product (Dawar & Pillutla, 2000). Cosmetics should be equipped with the necessary functional factors in terms of basic price, quality, desired function, practical effect, and convenience, so that they can be recognized as having a positive brand value. Thus, functional value can be important (Bae, 2018). Especially, in the case of Oriental medicine cosmetics, functional value can be more sensitively affected by the characteristics of oriental products and product attributes reflecting various needs of product functions (Shim & Kim, 2008).

Epistemic value is a value that can satisfy epistemic desire and curiosity through information that can be obtained from the product, and it can induce exploratory motivation in consumers with awareness needs, or a need to feel novelty and rareness. Keller (2003) stated that for cosmetics, consumers also satisfy the epistemic curiosity of cosmetics and evaluate their value by receiving messages transmitted through various channels of information and other public channels (Lee & Ahn, 2011).

Lastly, conditional value is a utility obtained from the result of a specific situation or the creation of a series of physical environments. Values are evaluated differently as alternatives are selected according to the situation. However, as was revealed in the study by Koo (2015), conditional value is more of a control factor that affects other values in the general consumption situation rather than an independent value factor. It is a factor for which it is difficult to maintain consistency of measurement variables, depending on research subjects, product attributes, consumption environment, or situation, and it is estimated that the reliability is lower than for other value items.

Thus, Sweeney and Soutar (2001) suggested using only four value factors (emotional, social, functional, and epistemic) as a way to measure multi-dimensional brand value, and thus provided an evaluation method that integrates financial and marketing perspectives in

measuring brand value. Following this approach, our study looks at brand value for consumers in the oriental medicine cosmetics market based on these four value factors.

2.2. Brand Value and Brand Satisfaction

The concept of satisfaction in the marketing field refers to the evaluation of the consumer's level of satisfaction with the product or service or the level of comparison with the competitor based on the expectation-inconsistency theory. Depending on the individual, consumers perceive a wide range of levels of satisfaction because they have different needs, consumption goals, and past experiences (Bitner, 1990; Chaudhuri & Holbrook, 2001). Oliver (1993) defined customer satisfaction as a combination of emotions that consumers have before their consumption experiences, indicating a comprehensive psychological state of either agreement or inconsistency. This means that it is an evaluation of the complex action between consumers' cognitive and emotional judgment, and therefore, a conceptual approach which emphasizes both the result and the process (La & Yi, 2015; Lee, 2000; Shin, Hwang, Lee, & Cho, 2015).

Kotler (2000) explained that brand satisfaction also involves a functional relationship with the perceived expectations of a brand, i.e., the extent to which expectations towards the consumption process and consumption outcomes are met by the brand. In particular, brand satisfaction can be more sensitive because it is based on consumers' subjective sensitivity, perception, and experience. Beyond products, several studies have emphasized that it can be evaluated in a variety of consumption environments, such as service quality, price, publicity, and corporate sacrifice (Crosby, Evans, & Cowles, 1990; Fornell, 1992; Parasuman, 1994). Hwang and Choi (2010) stated that brand satisfaction should be understood as an issue of trust in, and loyalty to, the brand in the emotional attitudes of consumers, not simply a matter of consumers favoring a brand and purchasing a flexible or convenient good. Therefore, the satisfaction level can be evaluated through favorable attitudes toward the brand or repetitive purchasing behavior.

Brand satisfaction is ultimately the result of consumers' psychological and emotional cognitive attitudes and preferences, and thus brand value is also an important leading variable (Batey, 2008; Batra & Alder, 2003; Gale, 1994; Ind, Iglesias, & Schultz, 2013; Kamakura & Russell, 1993; Park & Park, 2006; Raggio & Leone, 2005; Reichheld, 1996). As pointed out by Cronin, Brady, and Hult (2000), because the perceived value of a customer's brand or product influences satisfaction and behavioral intent, the higher the perceived brand value of the consumer, the more

positively the consumer responds to, and evaluates, the brand because it will manifest itself as brand satisfaction (Woodruff & Gardial, 1996).

Cosmetics brands will also create higher levels of satisfaction as the consumer's value toward the brand is more positive. As Han, Chen, and Rhee (2011) and Geoung (2010) have argued, brand image, or brand attachment, positively affects consumers' emotional consumption or satisfaction. Therefore, consumers who use oriental medicine cosmetics will also evaluate brand satisfaction according to brand value perceived across emotional, social, functional, and epistemic dimensions. In this study, the following research hypotheses were established to confirm the respective relationships.

Hypothesis 1: Emotional value of oriental medicine cosmetic consumers has a positive effect on brand satisfaction.

Hypothesis 2: Social value of oriental medicine cosmetics consumers has a positive effect on brand satisfaction.

Hypothesis 3: Functional value of oriental medicine cosmetics consumers has a positive effect on brand satisfaction.

Hypothesis 4: Epistemic value of oriental medicine cosmetics consumers has a positive effect on brand satisfaction.

2.3. Brand Value and Brand Loyalty

Loyalty is a broad concept and has various definitions, subject to interpretation. In terms of consumer behavior, Dick and Basu (1994) distinguish between attitudes and behavioral perspectives and introduced the concept of consumer loyalty, which was based on the number of repetitive purchases and psychological concepts that take into account decision-making processes and situations and extend them to four definite loyalty concepts: true loyalty, potential loyalty, pseudo-loyalty, and non-loyalty. Thus, many studies today argue that, in terms of the concept of loyalty in consumer behavior, habitual loyalty in context is more important than a similar loyalty based on simple repetitive behavior (La & Yi, 2015).

Aaker (1991) defined brand loyalty as a core concept of marketing and considered loyalty to be a consistent preference that consumers have for certain brands. According to a number of related studies, because customers with brand loyalty trust and favor the brand, it has been proven that they respond positively to higher price terms and are both attached to the brand and willing to share their attachment with others (Keller, 1993; Lee & Chang, 2007).

Brand value is structured by consumers' perceptions as an evaluation system based on their past and present brand experiences and future expectations. As a result, when constructing a positive and meaningful brand value, brand loyalty is formed through the psychological commitment and active attitude towards the brand in consumption behavior (Chaudhuri & Holbrook, 2001). Based on brand value, consumers come to trust in and feel attached to brands through a combination of emotional and cognitive elements (Czepiel & Gilmore, 1987; Park, 2009).

Research on brand loyalty in cosmetics has been generally discussed based on brand attribute factors (Ryu, 2008). Chung (2000) and Park (2009) suggested that among the attributes of cosmetics brands, reputation factors have the greatest impact on loyalty. Chung and Kim (2009) have explained that brand image has a positive effect on loyalty. Finally, it can be expected that various brand value factors will have a positive effect on brand loyalty. Regarding oriental medicine cosmetics brands, specifically, it can be expected that value attributes based on emotion, society, function, and epistemology will positively affect brand loyalty. In this study, we try to verify whether the four factors of brand value of oriental medicine cosmetics have a positive effect on brand loyalty by establishing the following hypotheses.

Hypothesis 5: Emotional value of oriental medicine cosmetic consumers has a positive effect on brand loyalty.

Hypothesis 6: Social value of oriental medicine cosmetic consumers has a positive effect on brand loyalty.

Hypothesis 7: Functional value of oriental medicine cosmetic consumers has a positive effect on brand loyalty.

Hypothesis 8: Epistemic value of oriental medicine cosmetic consumers has a positive effect on brand loyalty.

2.4. Brand Satisfaction, Brand Loyalty, and Purchase Intention

Consumer attitudes toward brands are explained by the overall experience of operating in a strategic system in which experiences related to brand sense, emotion, cognition, behavior, relationship are connected (Schmitt, 2003), and the process of recognition, understanding, attitude, and purchase will result. Therefore, brand values perceived by consumers can be important information factors in creating positive perceptions and behaviors of these brand experiences. As suggested by Yun (2006), brand satisfaction and brand loyalty, which influence consumer purchasing, can have a close influential relationship.

If we first look at the relationship between brand satisfaction and brand loyalty factors, Reichheld and Sasser (1990) explained that consumers who are satisfied with the brand not only show their willingness to pay for the purchase, but also strongly express their trust and attachment and show brand loyalty by building brand beliefs about ongoing purchases. Furthermore, Fornell (1992) argued that if perceived quality leads to consumer satisfaction from purchase to after use, consumers naturally express positive loyalty. The occurrence of brand loyalty after the achievement of brand satisfaction has been proven through numerous preceding studies that examine various products and services over an extended period of time (Frow & Payne, 2011; Harris & de Chernatony, 2001; Lee, 2000; Reichheld, Markey, & Hopton, 2000; Van Durme, Brodie, & Redmore, 2003). Based on these previous studies, we try to confirm Hypothesis 9 below.

Hypothesis 9: Brand satisfaction of oriental medicine cosmetic consumers has a positive effect on brand loyalty.

Many previous studies have found that both brand satisfaction and brand loyalty, either directly or indirectly, represent a causal relationship to purchase intention. Brand satisfaction is an emotional outcome that is felt or perceived based on subjective perception before and after a customer's experience, and the result of this brand satisfaction naturally affects purchase intention (Son & Yun, 2014). Ultimately, brand loyalty induces the customer to maintain a sustained and repeated brand relationship, but it can also directly affect the decision to make a purchase (Jones & Sasser, 1995).

Brand loyalty, as already described above, is an influential factor that results in repetitive intent to purchase, efforts to maintain a continuous relationship, and intent to recommend based on a relationship formed on trust and attachment. Thus, brand loyalty can naturally have a positive effect on purchase intention (Oliver, Rust, & Varki, 1997; Reichheld, Markey, & Hopton, 2000). As buyers who are loyal to the brand have a more favorable response to the brand than non-loyal or conversion buyers (Morrison & Crane, 2007), it is important to create a successful brand that inspires strong brand loyalty and encourage consumers to make continuous purchases. Therefore, in this study, we try to confirm the assumption that the brand satisfaction and loyalty of consumers in the Oriental medicine cosmetics market will have a positive effect on purchase intention.

Hypothesis 10: Brand satisfaction has a positive effect on purchase intention for oriental medicine cosmetics consumers.

Hypothesis 11: Brand loyalty has a positive effect on purchase intention for oriental medicine cosmetics consumers.

3. Methodology

3.1. Research Model

The purpose of this study was to analyze the effect of the brand value of oriental medicine cosmetics on consumers' satisfaction, loyalty, and purchase intention by focusing on the Asian market and the continuously growing body of oriental medicine cosmetics consumers. As with all products, brand can act as an important driver of purchase intent when it comes to cosmetics. In the case of oriental medicine cosmetics, emotional, social, functional, and epistemic values of consumers are expressed by brand satisfaction and loyalty. The question of whether or not this affects purchase intent has been converted into a model in the study and serves the basis for the hypotheses. Thus, as we can observe in Figure 1, the four components of brand value were defined as independent variables, brand satisfaction and brand loyalty as parameters, and lastly, purchasing intent as a dependent variable. In order to analyze each relationship, we selected path analysis based on structural equation modeling as the study method.

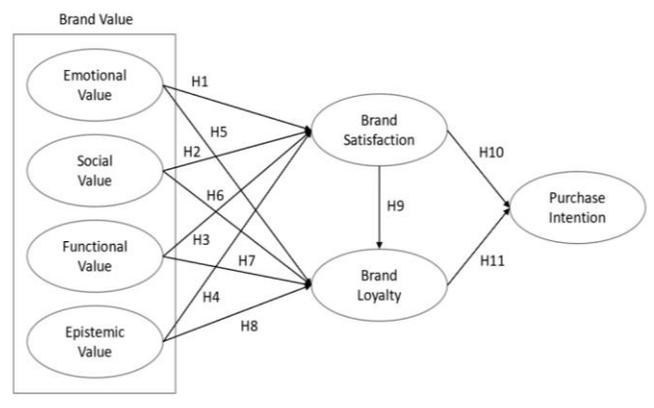


Figure 1: Research model

3.2. Variables and Analytics Approach

A survey was conducted to collect data to analyze these models. To construct the survey, the questions shown in Table 1 below were constructed through preceding research, and the operational variables of the factors that would make up the survey were defined. Looking at the operational definitions of the variables used for the survey, brand value

in this survey means the emotional, social, functional, and epistemic values that consumers have with respect to oriental medicine cosmetics brands. Emotional values are emotional factors such as favoritism or affection, social values are the level of superiority and communication values, functional value is based on the level of safety and effectiveness, and finally, epistemic value pertains to the value of brand-related information such as ingredients, duration of use, and contents of service. In addition, brand satisfaction and loyalty factors are also related to elements such as positive emotions, affection, trust, and willingness to build a relationship with the brand. Purchasing intention reflects consumers' willingness to purchase oriental medicine cosmetics.

The questions in the survey are composed using the Likert 5-point scale, but the four survey items of brand value are each broken down into four components based on precedent research (Bae, Kim, & Oh, 2018; Kim & Kim, 2016; Sweeny & Soutar, 2001). The survey questions were formed by asking about the "enjoyment," "needs satisfaction," and "good feeling," of emotional value; the "social acceptability," "sense of superiority," "possibility of growth," "ethics," of social value; the "safety," "quality," "function," and "effect," for functional value; and the "ingredients," "use period," "service," and "promotional details," of epistemic value. Brand satisfaction value was composed of "image," "satisfaction compared to competitors," "functional satisfaction," and "convenience" based on preceding research by Baker, Parasuraman, Grewal, and Voss (2002). Questions regarding brand loyalty were formed based on "initial purchase," "low conversion intention," "will to repurchase," and "willingness to recommend" based on Holbrook (2001) and Yi and La (2003). Lastly, purchase intent was composed of "willingness to purchase," "initial purchase intention," and "purchase satisfaction" (Bae, Kim, & Oh, 2018; Engel, Blackwell, & Miniard, 1995).

Female consumers of oriental medicine cosmetics in Korea and China were selected as survey respondents as

the oriental medicine cosmetics market is emerging in Asian markets, especially Korea and China. Surveys were conducted for 20 days in October 2018 in the Seoul metropolitan area in Korea and in Beijing and Shanghai in China, where demand for cosmetics is high. Our survey approach focused on consumers visiting cosmetics stores. The survey was conducted in Korean in Korea and Chinese in China. A total of 652 surveys (322 Korean consumers, 330 Chinese consumers) were collected. Of the collected surveys, 37 unreliable responses (20 Korean and 17 Chinese) were omitted, and a total of 302 Korean surveys and 313 Chinese surveys were used for analysis. For data analysis, SPSS 24.0 was used for analysis of demographic characteristics, descriptive statistics, and exploratory factor analysis. The analysis of the structural equation model using AMOS 25.0 was used for confirmatory factor analysis, model validation, and path analysis. Lastly, direct and indirect effects and total effect measures were measured by the Sobel test method and maximum likelihood estimation (MLE) was used as the coefficient measurement method.

4. Results

4.1. Demographics of Respondents

Of the 615 survey respondents, 123 respondents were under 30 years old, 236 respondents were aged 30-39, 151 were aged 40-49, and 105 were over 50 years old. Even though survey respondents in their 30s represented the largest group, the total sample was distributed relatively evenly across generations. Most of the survey respondents were married - 143 respondents were unmarried and 472 were married. Regarding the duration of Oriental medicine cosmetics use, most (264) respondents had used Oriental medicine cosmetics for one to four years, 199 respondents had used it for more than four years, and 108 respondents had only been using them for three months to a year.

Table 1: Variable Definitions

Factors		Operational Definition	Items	References
Brand Value	Emotional Value	Emotional value such as likability and affection	3	Sweeny & Soutar (2001) Kim & Kim (2016) Bae, Kim, & Oh (2018)
	Social Value	Social value such as superiority and communication	4	
	Functional Value	Functional value such as safety and effectiveness	4	
	Epistemic Value	Epistemic value such as ingredients and use period	4	
Brand Satisfaction		Positive emotions felt by consumers towards the brand	4	Baker et al. (2002) Otubanjo, Abimbola, & Amujo (2010)
Brand Loyalty		Willingness to form continuous relationship, affection, and trust in the brand	4	Holbrook (2001) Merz, He, & Vargo (2009)
Purchase Intention		Consumer's willingness to purchase product	3	Engel, Blackwell, & Miniard (1995) Bae, Kim, & Oh (2018)

Table 2: Demographic Information of the Survey Participants

Class		Frequency	%	Class		Frequency	%
Nationality	Korea	302	49.1	Marriage	Single	143	23.3
	China	313	50.9		Married	472	76.7
	Total	615	100.0		Total	615	100.0
Age	0~30	123	20.0	Period of Use (of Oriental Medicine Cosmetics)	Less than 3 months	44	7.0
	31~40	236	38.4		3 months ~ 1 year	108	17.6
	41~50	151	24.6		1 ~ 4 years	264	43.0
	Over 51	105	17.1		Over 4 years	199	32.4
	Total	615	100.0		Total	615	100.0

Table 3: Results of Verification of Normality

Variables	M	SD	Skewness	Kurtosis
Emotional Value	3.927	0.6450	-0.464	-0.300
Social Value	3.517	0.8686	-0.429	-0.711
Functional Value	4.469	0.5031	-1.282	4.057
Epistemic Value	3.813	0.6454	-0.650	0.525
Brand Satisfaction	3.867	0.6316	-0.692	0.429
Brand Loyalty	3.967	0.6614	-0.453	-0.042
Purchase Intention	4.088	0.5817	-0.564	0.463

4.2. Verification of Normality

The structural equation model can satisfy the assumption of multivariate normal distribution by using the normal distribution of each measurement variable and perform accurate statistical verification. Therefore, in this study, the measured values were examined with the criterion that the absolute value of skewness should not exceed 3.0 and that of kurtosis should not exceed 8.0, as suggested by Kline (2005). As a result, the analysis of the results of the collected variables showed that the degree of error did not exceed 3.0, with an absolute value of skewness of less than 1.282, and that of kurtosis did not exceed 8.0, with an absolute value of less than 4.057, thus satisfying the basic assumptions of the multivariate normal distribution, respectively. Therefore, it is confirmed that the structural equations can be analyzed through the measured variables collected for this study.

4.3. Analysis Results of Reliability and Validity

In order to secure the reliability and validity of the research model, we analyzed the constructs used through exploratory and confirmatory factor analysis. First, exploratory factor analysis results showed that the functional value variable was not included due to lack of constructive power, and two items of brand loyalty and one item of

purchase intention were also excluded. The omitted variables in the measured value were excluded, and confirmatory factor analysis was performed as shown in Table 3 to confirm the factor loading of the measured variables. The results showed values higher than 0.6 for all of the variables that were analyzed, and thus it could be confirmed that they could all be used as latent variables.

Furthermore, according to the criteria proposed by Bhatnagar, Kim, and Many (2014), in the case of composite reliability, all configuration concepts are greater than 0.8 and thus fit the criterion that the threshold condition is satisfied when the value is more than or equal to 0.7. According to the criteria proposed by Anderson and Gerbing (1988), the average variance extracted (AVE) requires values higher than 0.5. All the constructs of this study were between 0.547 and 0.712, and therefore, all were valid. Furthermore, the Cronbach α values were all valid, with values higher than 0.688.

Correlation analysis was conducted to confirm the validity of discrimination between construct concepts and examine the degree of cross-correlation. The criteria suggested by Fornell and Larcker (1981) was used to confirm whether the square of the correlation coefficient was higher than the AVE value. The analysis results in Table 4 show that the square of each correlation coefficient does not exceed the AVE, and therefore, the discriminant validity of latent variables to be used for analysis is secured.

Table 4: Results of Reliability and Convergent Validity Tests

Category	Variable	Standard Loading Value	Standard Error	t Value	CR	AVE	Cronbach α
Independent Variable	Emotional Value	0.761			0.854	0.662	0.775
		0.739	0.052	17.981***			
		0.701	0.046	16.998***			
	Social Value	0.839			0.881	0.650	0.882
		0.801	0.036	23.279***			
		0.834	0.038	24.693***			
	Functional Value	0.758	0.041	21.482***	0.843	0.642	0.688
		0.657					
		0.649	0.094	10.581***			
	Epistemic Value	0.647	0.088	10.57***	0.828	0.547	0.768
		0.682					
		0.637	0.077	13.366***			
0.755		0.084	15.243***				
Parameter	Brand Satisfaction	0.635	0.088	13.343***	0.836	0.561	0.775
		0.723					
		0.624	0.060	14.144***			
		0.679	0.058	15.344***			
	Brand Loyalty	0.682	0.060	15.415***	0.831	0.712	0.731
0.777							
Dependent Value	Purchase Intention	0.742	0.069	13.089***	0.825	0.702	0.677
		0.697					
		0.734	0.074	15.038***			

Note: * p < 0.05, ** p < 0.01, *** p < 0.001

Table 5: Correlation Matrix and AVE

Category	AVE	Emotional Value	Social Value	Functional Value	Epistemic Value	Brand Satisfaction	Brand Loyalty	Purchase Intention
Emotional Value	0.662	0.814						
Social Value	0.650	0.694	0.806					
Functional Value	0.642	0.170	0.048	0.801				
Epistemic Value	0.547	0.506	0.566	0.233	0.740			
Brand Satisfaction	0.561	0.592	0.673	0.198	0.567	0.749		
Brand Loyalty	0.712	0.447	0.450	0.205	0.345	0.426	0.844	
Purchase Intention	0.702	0.649	0.553	0.213	0.360	0.440	0.466	0.838

Note: The numbers in bold are the AVE square root values of each variable

Table 6: Model Fit Indices for the Structural Models

Model	χ^2 (d.f.)	χ^2 /degrees of freedom	RMR	GFI	AGFI	NFI	TLI	CFI	RMSEA
Original Model	483.969	2.521	0.026	0.930	0.907	0.918	0.938	0.949	0.050

4.4. Analysis Results of Structural Model

To confirm the suitability of the model, the fitness index criteria were confirmed. Basically, $\chi^2/d.f. = 2.521$ satisfies the criterion of $1 < \chi^2/d.f. < 3$. According to the criterion of Hu and Bentler (1999), we can judge that the goodness-of-fit index (GFI) and the comparative fit index (CFI) are all appropriate if they are 0.9 or greater, but in the case of this model, GFI=0.930 and CFI=0.949, showing significant results. In addition, based on the criteria suggested by Brown (2014), AGFI = 0.907, NFI = 0.918, RESEA = 0.050,

confirming that, overall, the model fit indices were found to be appropriate for the criterion.

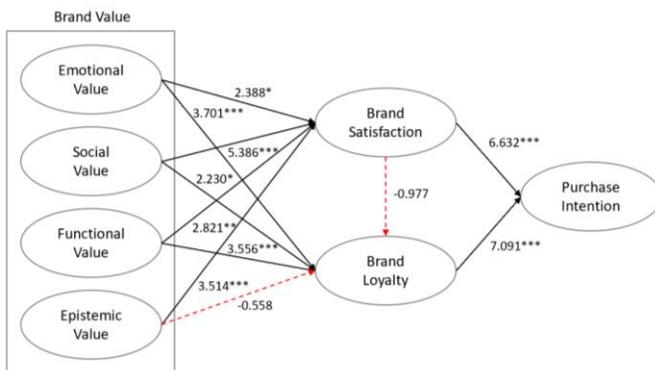
Hypothesis testing revealed that emotional (2.388), social (5.386), functional (2.821), and epistemic (3.514) values all had a positive effect on brand satisfaction, and thus, all hypotheses were adopted. Especially in the case of Oriental medicine cosmetics, social and epistemic values were higher values than emotional and functional values. On the other hand, the epistemic value did not have an effect on brand loyalty, and thus the hypothesis was rejected. Emotional (3.701), social (2.230), and functional (3.556)

values were found to affect brand loyalty. Brand satisfaction and brand loyalty both have a positive effect on purchase intent, but it was found that brand satisfaction does not influence brand loyalty. Thus, in the case of oriental medicine cosmetics, consumers' brand satisfaction and brand loyalty do not have a relationship and are individually affecting factors.

Table 7: Results of Hypothesis Tests

Hypothesis (Channel)	Channel Coefficient	T Value	Adopted or Dismissed	R ²
Hypothesis 1 (emotional value → brand satisfaction)	0.218	2.388*	Adopted	0.810
Hypothesis 2 (social value → brand satisfaction)	0.513	5.386***	Adopted	
Hypothesis 3 (functional value → brand satisfaction)	0.128	2.821**	Adopted	
Hypothesis 4 (epistemic value → brand satisfaction)	0.214	3.514***	Adopted	
Hypothesis 5 (emotional value → brand loyalty)	0.484	3.701***	Adopted	0.484
Hypothesis 6 (social value → brand loyalty)	0.338	2.230*	Adopted	
Hypothesis 7 (functional value → brand loyalty)	0.235	3.556***	Adopted	
Hypothesis 8 (epistemic value → brand loyalty)	-0.049	-0.558	Rejected	0.668
Hypothesis 9 (brand satisfaction → brand loyalty)	-0.155	-0.977	Rejected	
Hypothesis 10 (brand satisfaction → purchase intention)	0.424	6.632***	Adopted	
Hypothesis 11 (brand loyalty → purchase intention)	0.501	7.091***	Adopted	

Note: * p < 0.05, ** p < 0.01, *** p < 0.001



Note: * p < 0.05, ** p < 0.01, *** p < 0.001

Figure 2: Research Model

4.5. Mediated Effect

In order to verify the significance of the indirect effect, direct, indirect, and total effects were derived using the Sobel test method which calculates the statistic with standard error. Table 8 shows that brand satisfaction influences purchase intention through brand loyalty (Sobel z = 6.456). However, a negative effect is reflected with a value of -0.078, implying that satisfaction affects purchase intention through loyalty, but it can be interpreted that it affects purchase intention through loyalty when satisfaction is negative or low, rather than positive or high. In other words, brand satisfaction directly affects purchase intention through brand loyalty when the satisfaction is negative.

Considering the detailed factors of brand value, it was found that the four factors had no effect on purchase intention through brand satisfaction. This means that products with brand value can positively affect purchase intention even though brand satisfaction is not necessarily formed. On the other hand, if emotional value (Sobel z = 3.291), social value (Sobel z = 3.664), and functional value (Sobel z = 3.154) all affect purchase intention through brand loyalty, it appears that epistemic value does not mediate brand loyalty. This implies that epistemic value can affect consumer purchase intention separate from brand satisfaction or loyalty.

Table 8: Results of Mediated Effect

Dependent Variable	Explanatory Variable	Direct Effect	Indirect Effect	Total Effect
Purchase Intention	Brand Satisfaction (BS)	0.424	-0.078*(BL)	0.346
	Brand Loyalty (BL)	0.501		0.501
	Emotional Value		0.092(BS) 0.242*** (BL)	0.328
	Social Value		0.218(BS) 0.169*** (BL)	0.347
	Functional Value		0.054(BS) 0.118*** (BL)	0.162
	Epistemic Value		0.091(BS) -0.025 (BL)	0.050

Note: * p < 0.05, ** p < 0.01, *** p < 0.001

5. Conclusions

This study empirically analyzed whether the four factors of brand value, including emotional, social, functional, and epistemic values, affect brand satisfaction and loyalty, and

ultimately, affect purchase intent. The objective was to analyze the effect of brand satisfaction on purchase intention through brand loyalty and the effect of the four brand values on purchase intention through brand loyalty. Based on the results of the study, the main features are described below. First, the emotional, social, functional, and epistemic values of brand values all affect brand satisfaction for oriental medicine cosmetics consumers. Such results correspond with the conclusions drawn by Han (2011) and Geoung (2010) in their studies related to cosmetic brands which stated that brand image or brand attachment positively affect consumers' emotional consumption or satisfaction. With oriental medicine cosmetics, like regular cosmetics, brand value factors bring about positive results to brand satisfaction.

Second, among the four brand values of oriental medicine cosmetics, emotional, social, and functional values affect brand loyalty, but epistemic value does not. This suggests that brand loyalty is formed based on the trust of brand likability, social superiority, and product effectiveness of oriental medicine cosmetics, but consumers do not fully understand the epistemic value of specific ingredients. These results show that because oriental medicine cosmetics are characterized by a focus on traditional and specific ingredients and functions, they can be understood via an overall image rather than a detailed understanding. Third, brand satisfaction has a direct effect on purchase intention, but it has negative correlation with brand loyalty mediation. This result can be interpreted to mean that even consumers who are somewhat dissatisfied with oriental medicine cosmetics are influenced in terms of purchase intention through brand loyalty. This suggests that oriental medicine cosmetics are positioned as expensive premium cosmetics using herbal ingredients, so even if the brand satisfaction is not high, repurchasing can result through brand loyalty. The findings suggest that brand loyalty is more important than brand satisfaction in oriental medicine cosmetics.

Fourth, in the relationship with purchase intent of the four brand value factors of oriental medicine cosmetics, there is no brand satisfaction mediation effect. Unlike the brand value factors that influence brand purchase intentions through brand satisfaction, in the case of oriental medicine cosmetics, even though brand satisfaction is not formed, the characteristics of oriental medicine cosmetics using traditional herbal ingredients give the perception that they pertain to products with certain brand value elements, and thus it can be interpreted that these values lead to purchase intention.

The findings provide two practical implications. First, in order to grow the oriental medicine cosmetics industry, it is necessary to strengthen brand marketing to maximize brand

value, to increase brand satisfaction and brand loyalty, and ultimately to increase consumers' purchase intentions. It is necessary to concentrate on brand marketing activities that promote brand satisfaction and brand loyalty by focusing on emotional, social, and functional value among the detailed factors of brand value. Second, brand loyalty is important for the sustained growth of oriental medicine cosmetics, therefore, activities to retain existing customers that have high brand loyalty through ongoing customer relationship management are more important than activities to secure new customers. Further, it is necessary to continuously secure more loyal customers by allocating more resources to existing customer retention activities.

However, this study has the research limitations. First, the results of this study cannot be generalized as the study sample was focused on the Seoul metropolitan area in Korea and Beijing and Shanghai in China. In the future, the study will need to be expanded to other countries, and it will be necessary to carry out research model verification studies through nationwide consumer surveys. It also will be expected that meaningful implications will be able to be drawn from comparisons between countries. Second, another limitation is that it used brand satisfaction and loyalty used as parameters in general brand research. Therefore, future research will be focused on the mediating factors between brand value of oriental medicine cosmetics brands and purchase intention, and it will be able to take a closer look at the buying characteristics of consumers. Finally, this study was limited to subjects and brand characteristics of oriental medicine cosmetics in the Asian market. In the future, as oriental medicine cosmetics are growing in the global market, it will be possible to take a multifaceted approach to study consumption trends and purchasing behaviors for European and American consumers.

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