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# Determinants of Perceived Risk in the Luxurious Used-Car Market of Hangzhou, China

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**Abstract**

This study investigates the factors influencing perceived risk in the luxurious used-car market in Hangzhou, China, an emerging market characterized by increasing consumer interest in luxury goods. Understanding perceived risk is crucial for marketers, manufacturers, and policymakers, as it directly impacts consumer purchasing behavior and decision-making. Through a comprehensive survey conducted among 456 participants, the research identifies key determinants of perceived risk, including perceived luxurious used-car consumption value (PUCV), social influence (SI), general life values (GLV), self-identity (SI), experiential value (EV), brand consciousness (BC), and brand love (BL). The analysis employs various statistical techniques, including descriptive statistics and Structural Equation Modeling (SEM), to evaluate the relationships between these variables and their effect on perceived risk. Findings reveal that all proposed hypotheses are supported, indicating significant relationships between the psychological and social factors examined and perceived risk. Notably, higher consumption value and brand consciousness correlate with increased perceived risk, highlighting how consumers' perceptions of luxury and brand status can shape their purchase intentions. Additionally, the study underscores the importance of selfidentity and experiential value, as consumers seek products that reflect their aspirations and enhance their ownership experience. These insights provide valuable implications for marketers looking to tailor their strategies to address consumer concerns in the luxury used-car market. Furthermore, the findings inform policymakers about the significance of fostering a supportive environment for local manufacturers, ultimately contributing to economic growth in the luxury automotive sector.

The study contributes to the existing literature on consumer behaviour in luxury markets and offers practical recommendations for engaging affluent consumers effectively. Future research is encouraged to explore longitudinal changes in consumer perceptions and to apply the proposed model in other contexts, enhancing the understanding of luxury consumption dynamics across different cultures.

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## INTRODUCTION

The luxurious used-car market in Hangzhou, China, has emerged as a growing sector within the broader automotive industry, reflecting changes in consumer lifestyles, aspirations, and financial capabilities. This market segment is influenced by a variety of factors, including economic policies, cultural values, and consumer perceptions.

Historically, research on luxury car brands has focused predominantly on affluent Western societies, examining dimensions such as prestige, uniqueness, quality, conspicuous consumption, self-identity, and brand consciousness (Shukla, 2011; Wiedmann et al., 2009; Vigneron & Johnson, 2004). However, comprehensive studies that analyze consumer behavior in emerging economies like China remain scarce. In the wake of economic growth driven by globalization, China has witnessed the rise of a new class of consumers—often referred to as the "rich and famous"—who aspire to adopt a lifestyle akin to their Western counterparts. These consumers aim to enhance their social status through the purchase of prestigious car brands, including Bentley, Porsche, and Range Rover.

This study aims to bridge the existing gap in the literature by developing a consumer behavior model tailored to the specific dynamics of China's burgeoning luxurious used-car market. Hangzhou, which hosts the largest used-car trading market in Zhejiang Province, serves as an ideal location for exploring the factors that influence consumer perceptions of risk and their purchase intentions. The interplay between economic policies, market conditions, and consumer behavior in Hangzhou provides a microcosmic view of larger trends within the global automotive market. These insights could extend beyond Hangzhou and inform strategies for other emerging markets with similar challenges and opportunities (Tham et al., 2017; Pambreni et al., 2019; Herath et al., 2023).

The significance of this research extends beyond academia, as it has practical implications for used car manufacturers and marketers aiming to penetrate the Chinese market. Identifying the factors that influence Chinese consumers' purchase intentions and perceived risks enables stakeholders to develop marketing strategies tailored to address financial, functional, and psychological concerns within this growing market segment. In particular, comprehensive service offerings that enhance customer experience will be crucial in mitigating perceived risks and building consumer confidence, which, in turn, will stimulate market growth.

The luxurious used-car market has experienced considerable expansion, driven in part by the rising number of global millionaires and the increasing disposable income of mass-market consumers (Barnier & Rodina, 2006; Husic & Cicic, 2008; Wiedmann et al., 2007). Moreover, the democratization of luxury consumption has played a vital role in enabling a broader range of consumers to access goods that were once exclusive to the wealthy. However, despite this expansion, academic research on the luxurious used-car market remains surprisingly limited. Previous studies have primarily focused on new car sales, leaving a significant gap in the understanding of consumer behavior and brand perception in the second-hand market, particularly in relation to luxury vehicles.

A notable trend within the luxury car sector is the extension of prestige brands' product lines to appeal to middle-class consumers. As more luxury brands become accessible to a wider audience, understanding consumer behavior in this market becomes increasingly important. Dubois and Laurent (1996) highlighted how consumerism has empowered individuals who could not traditionally afford luxury goods to access these markets. In response, managing consumer perceptions and maintaining brand value have become critical strategies for businesses in the luxury automobile industry. Effective brand management allows consumers to differentiate between car brands, ultimately influencing their purchasing decisions (Udriyah et al., 2019; Horani et al., 2023).

Perceived risks play a particularly important role when purchasing used cars from prestigious brands. Vickers and Renand (2003) emphasized that perceived risks can significantly impact consumers' desire for prestige brands, which often embody intangible benefits such as status and symbolic value. Status consumption, the desire to display wealth and social standing, plays a critical role in shaping consumer behavior within the luxurious used-car market (Shaikh et al., 2017). The symbolic attributes of prestige used cars, including brand reputation, history, and perceived quality, often carry more weight in consumers' decision-making processes than practical considerations (Kapferer & Florence, 2016).

The Brand Luxurious used-car Index (BLI) serves as a useful metric in assessing the perceived austerity of a prestige brand within the luxurious used-car market. Nwankwo et al. (2014) noted that perceptions of austerity can vary significantly across different cultures, highlighting the need for marketers and brand managers to carefully manage brand equity. As marketers leverage these perceptions, they can enhance the overall brand value and appeal of luxury vehicles in the second-hand market. The democratization of luxury, as discussed by Lipovetsky and Roux (2003), has heightened interest in prestige vehicle brands and drawn attention from both academic researchers and marketing practitioners alike. Scholars such as Dubois, Czellar, and Laurent (2005) and Vigneron and Johnson (2004) have explored how the democratization of luxury impacts consumer behavior and brand management within the luxury sector.

Given these insights, it is evident that the luxurious used-car market for prestige brands is shaped by a complex interaction of factors, including perceived risk, status consumption, and brand management strategies. Understanding these dynamics is essential for stakeholders seeking to capitalize on the growth of this market segment. This study, by examining consumer behavior in the context of Hangzhou's luxurious used-car market, aims to fill the gap in the literature and provide valuable insights for both academia and industry.

Despite the sector's growth, importers in China remain hesitant to engage in importing high-value products due to the potential for significant financial losses. This hesitancy can have negative effects on the economy, as funds are tied up unnecessarily, creating cash flow problems for importers. The lack of research specific to the Chinese context limits local manufacturers' ability to capitalize on the opportunities in the luxurious used-car sector. Given China's reliance on imports, these dynamics significantly impact trade deficits. Supporting local manufacturers in meeting the demand for luxurious used cars could reduce trade deficits and provide a competitive edge for domestic producers.

Understanding the attitudes of high-income consumers, who represent the primary market for luxurious used cars, is essential for both local and global stakeholders. Entrepreneurs and manufacturers must grasp the perceived risks associated with luxury used-car brands to effectively target consumer segments and position their brands strategically. By addressing the knowledge gap regarding consumer attitudes in this market, this study aims to provide invaluable insights for manufacturers and importers navigating the evolving luxurious used-car market in China.

## LITERATURE REVIEW

Luxury encompasses both functionality and a wide range of psychological and social factors, creating a complex concept that appeals to consumers on multiple levels. Vigneron and Johnson (1999) describe luxury as a combination of prestigious brands characterized by both physical and psychological attributes. This duality is further emphasized by Dubois, Laurent, and Czellar (2001), who highlight the ambivalence in consumer attitudes toward luxury, associating it with both high quality and poor taste. The symbolic value of luxury items plays a significant role in shaping consumer behavior. Studies by Tynan et al. (2010) and Shuckla (2010) point to a growing interest in luxury consumption in emerging economies, including Russia, China, Brazil, and India, where consumers are increasingly drawn to symbolic ownership of luxury brands, which are driven by non-utilitarian attributes. This shift has prompted marketers to reassess their strategies to cater to these new consumer segments, as argued by Li et al. (2019). Additionally, socio-demographic factors play a critical role in luxury consumption behavior. Byun, Long, and Mann (2020) emphasize that conspicuous consumption, often linked to luxury purchases, serves as a signal of social status.

A key element that luxury marketers must address is the perceived risks associated with luxury purchases. Understanding and mitigating these risks is vital for building consumer trust and confidence in luxury brands (Ajitha & Sivakumar, 2019). In particular, luxurious used-car consumption presents a unique case of prestigious and conspicuous consumption. Consumers in emerging markets like Russia, China, Brazil, and India purchase these vehicles not only for their functionality but also to signify their social position (Vigneron & Johnson, 1999; Shuckla, 2010). In these markets, symbolic brand traits and non-utilitarian brand attributes strongly influence purchasing behavior, leading marketers to reevaluate their approaches (Li et al., 2019).

The motivations behind luxurious used-car purchases are multifaceted and shaped by various socio-demographic factors. Byun, Long, and Mann (2020) highlight that factors such as age, income, education, and social status significantly influence consumption behavior. In particular, consumers' inclination towards conspicuous consumption is often driven by the desire to showcase wealth and success, as observed by Yinmeng (2018). This phenomenon is especially pronounced in emerging economies, where societal validation is highly valued, and luxury purchases serve as a means of signaling social mobility.

Perceived risk is another crucial factor influencing consumer behavior in the luxurious used-car market. Marketers who understand these risks can address consumer concerns and tailor their strategies accordingly (Ajitha & Sivakumar, 2019). Kim (2019) notes that younger generations tend to develop stronger emotional attachments to luxurious used-car brands than older generations, which can foster brand loyalty and lead to repeat purchases. This underscores the necessity for marketers to create compelling, emotive brand narratives that resonate with younger consumers.

The concept of luxurious used-car consumption is challenging to define due to its reliance on emotional and subjective judgments. This has led to various interpretations, as noted by Vigneron and Johnson (1999) and Yeoman (2011). The ambiguity stems from the unique and symbolic nature of luxury, which encompasses both tangible and intangible attributes (Roux & Boush, 1996). A comprehensive analysis of the components and attitudes toward luxury is necessary to fully understand luxurious used-car consumption. One widely used metric for measuring consumer perceptions and attitudes toward luxury is the Brand Luxury Index (BLI) scale, developed by Vigneron and Johnson (2004) and refined by Kim and Johnson (2012, 2015). The BLI scale considers multiple dimensions of luxury, including perceived quality, exclusivity, brand heritage, and emotional value, providing insights into consumer perceptions of luxurious used-car brands and the factors driving purchasing decisions.

Cultural and demographic nuances further complicate the definition of luxury. Shukla (2010) emphasizes that consumers in emerging markets are particularly drawn to the symbolic aspects of luxury brands, viewing them as markers of social mobility and success. Tynan et al. (2010) similarly highlight the significance of non-utilitarian attributes, such as brand prestige and exclusivity, in influencing luxury consumption in these markets. Li et al. (2019) argue that marketers must consider these cultural and demographic differences when developing strategies for luxurious used-car brands. This includes crafting targeted marketing campaigns that resonate with consumers' aspirational values in emerging economies, which are often deeply tied to notions of status and success.

Socio-demographic factors play a welldocumented role in shaping luxurious usedcar consumption behavior. Byun, Long, and Mann (2020) find that younger consumers are more likely to engage in conspicuous consumption and are drawn to brands that signal high social status. This trend points to the importance of tailoring marketing messages to different age groups while leveraging social media and digital platforms to engage younger audiences. Addressing perceived risks is also critical for building consumer trust in luxurious used-car brands. Ajitha and Sivakumar (2019) note that providing transparent information about vehicle quality, offering warranties and guarantees, and ensuring a seamless purchasing experience are key strategies for mitigating perceived risks.

Overall, understanding consumer behavior in the luxurious used-car market requires a comprehensive approach that considers both socio-demographic factors and the symbolic value of luxury. The BLI scale offers valuable insights into consumer perceptions, allowing marketers to develop more effective strategies that foster brand loyalty and long-term success. The evolving definition of luxury has broadened beyond traditional categories to include automobiles, home furnishings, hotels, tourism, and private banking (Chevalier & Mazzalovo, 2008). This diversification underscores the need for marketers to adapt their strategies to meet changing consumer expectations. As luxury continues to permeate nearly every aspect of consumption, a nuanced understanding of the motivations and perceptions driving luxurious used-car purchases will be critical for success in this competitive market.

In defining luxury, scholars have recognized its inherent duality. Vigneron and Johnson (1999) propose luxury as the highest level of prestigious brands characterized by both physical and psychological attributes, such as exceptional quality, exclusivity, aesthetics, and heritage. These characteristics not only meet practical needs but also fulfill emotional and social desires. Historically, luxury has been classified into categories such as fashion, perfumes, wines, and watches (Fionda & Moore, 2009), but as consumer preferences evolve, so must the strategies that cater to these shifting dynamics (Chevalier & Mazzalovo, 2008).

Understanding consumer behavior in the luxurious used-car market is essential for marketers and businesses aiming to succeed in this competitive sector. This market segment is characterized by consumers whose purchasing decisions are often driven by motivations beyond functionality, such as social status, exclusivity, and brand prestige. By analyzing these motivations alongside socio-demographic factors, marketers can develop strategies that resonate with affluent consumers. Such targeted approaches foster not only brand loyalty but also sustained business success in the growing market for luxurious used cars.

A significant aspect of consumer behavior in this context is brand consciousness, which reflects consumers' desire to project societal status through their purchasing decisions. For many affluent consumers, luxurious goods, including used cars, serve as status symbols that signify economic achievement rather than merely fulfilling practical needs.
Conspicuous consumption plays a prominent role in this behavior, where individuals use high-priced items to signal their social standing. These consumers often regard price as a proxy for quality and prestige, particularly for publicly consumed goods that others can observe. Reference groups, or the social circles that individuals wish to impress, further reinforce the importance of brand consciousness in luxurious used-car consumption. Additionally, the snob effect—where consumers seek exclusivity and differentiation from the general public— drives demand for brands that are scarce or otherwise unique. Understanding this dynamic is crucial for marketers, as it helps them tailor their strategies to cater to affluent consumers' desire for distinction, prestige, and exclusivity.

Several theories underpin the understanding of luxury consumption behavior, with social comparison theory being one of the most relevant. Proposed by Festinger (1954), this theory posits that individuals evaluate themselves by comparing their attributes, abilities, and beliefs with those of others. In the context of luxurious used-car purchases, consumers often assess their social status and success by comparing themselves to their peers or reference groups. Purchasing high-end, luxury brands can be seen as a way for individuals to signal their success and boost their self-esteem by aligning with others who are perceived as affluent or successful.

Another critical concept in understanding luxury consumer behavior is consumer brand attitude. Brand attitude refers to an individual's overall evaluation of a brand, which plays a significant role in shaping purchasing decisions (Mitchell & Olson, 1981). Shimp (2010) highlights that brand attitude is a reliable predictor of consumer behavior, especially when perceived risk is involved. Schiffman and Kanuk's (2004) TriComponent Model of Attitude offers a comprehensive framework for understanding brand attitudes by breaking them down into cognitive, affective, and conative components. The cognitive component involves beliefs and thoughts about the brand, such as its reputation or product features. The affective component relates to emotional responses, including feelings of satisfaction or trust, while the conative component refers to behavioral intentions, such as the likelihood of purchasing or advocating for the brand (Assael, 2004; Solomon, 2002). Positive cognitive attitudes can increase consumer awareness and consideration of a brand, while favorable affective attitudes build stronger emotional connections and loyalty. Finally, a strong conative attitude leads to increased purchase intentions and repeat purchases (Schiffman & Kanuk, 2004). This model is particularly useful for luxury marketers aiming to strengthen brand perceptions and foster emotional bonds with consumers.

Fishbein and Ajzen's (1975) behavioral model, commonly known as the Fishbein model, also provides valuable insights into consumer decision-making in luxury markets. The model suggests that behavior is influenced by attitudes toward the behavior, subjective norms, and perceived behavioral control. Perceived behavioral control is particularly relevant in luxury consumption, as it refers to consumers' ability to overcome external obstacles, such as financial constraints. Jin and Kang (2011) found that when consumers perceive they have sufficient financial resources, they are more likely to form purchase intentions for luxury goods. This highlights the importance of perceived behavioral control in shaping purchasing decisions in the luxury car market.

The Theory of Reasoned Action (Fishbein, 1967; Fishbein & Ajzen, 1975) also plays a significant role in understanding consumer behavior in luxury markets. This theory posits that behavior is driven by intention, which is shaped by attitudes and subjective norms. Subjective norms, or individuals' perceptions of how others view their behavior, strongly influence their intentions to engage in specific actions, such as purchasing a luxury car (Ryan, 1982; Sheppard, Hartwick, & Warshaw, 1988). However, the Theory of Reasoned Action has its limitations in situations where behavior is not entirely under volitional control. To address this, Ajzen (1991) introduced the Theory of Planned Behavior (TPB), which adds perceived behavioral control as a key determinant of behavior. This inclusion provides a more nuanced understanding of the factors influencing luxury purchases, as it accounts for both internal and external influences on consumer decision-making.

In the context of luxurious used-car brands, perceived behavioral control can be critical. For instance, a consumer may have the intention to purchase a luxury used car but may be limited by financial resources or selfconfidence in making such a significant investment. Ajzen and Driver (1992) suggest that intention is a strong predictor of actual behavior, with several studies confirming that intention positively influences purchasing behavior (Berthon et al., 2009; Hung et al., 2011; Jin & Kang, 2011). Additionally, perceived value, shaped by brand image, reputation, and social signaling, plays a crucial role in influencing purchase intentions in the luxury car market (Vigneron & Johnson, 2004).
Finally, perceived risk is another significant determinant of purchase intention. In the luxury used-car market, consumers often weigh the risks and benefits before making a purchase. A brand's reputation for reliability and the availability of after-sales services can reduce perceived risk and positively impact purchase intentions (Dubois & Paternault, 1995; Yoo & Lee, 2009; Zeithaml, 1988). Marketers who address these concerns by building consumer trust and confidence can enhance purchase intentions in this competitive market.

In conclusion, the Theory of Planned Behavior provides a comprehensive framework for understanding consumer intentions and behavior in the luxurious used-car market. By addressing the interplay between individual characteristics, social influences, perceived value, and perceived risk, marketers can develop strategies that foster brand engagement and drive purchase behavior. This understanding is essential for sustaining success in the increasingly competitive luxury car market. Moreover, based on empirical and theoretical review, the following research framework has been developed

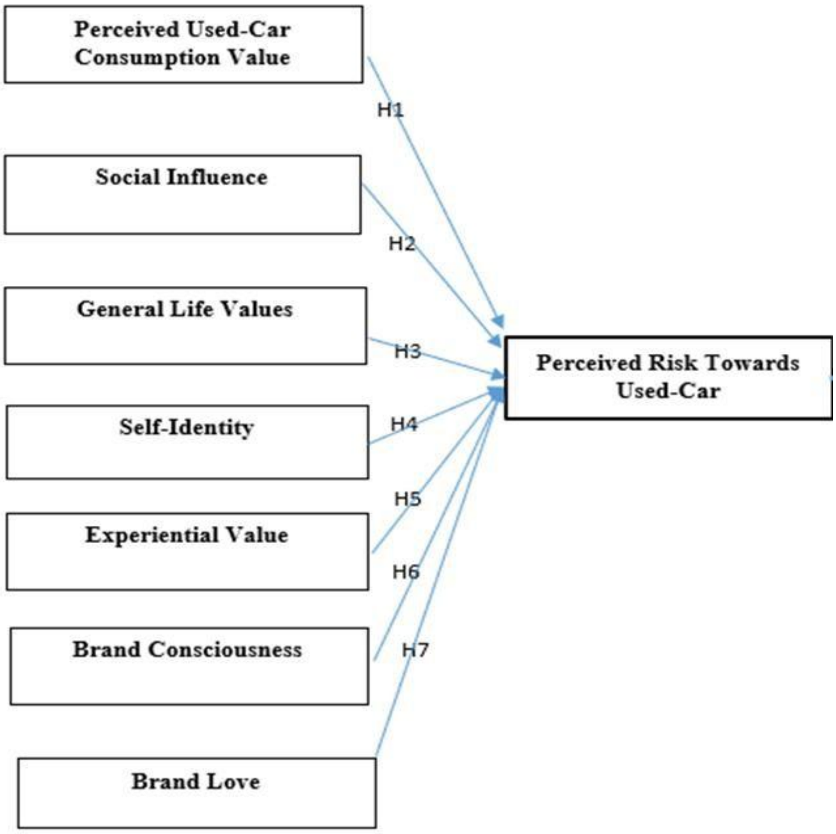


Figure 1: Conceptual Framework

The research hypotheses of the study are presented below.

**Hypothesis Description**

| | |
|---|---|
| H1 | There is a positive relationship between perceived luxurious used-car consumption value (PUCV) and perceived risk towards global luxurious usedcar brands. |
| H2 | Social influence significantly impacts perceived risk in luxurious used-car purchases. |
| H3 | General life values (GLV) are positively correlated with perceived risk in the context of luxurious used cars. |
| H4 | Self-identity has a significant positive relationship with perceived risk towards luxurious used cars. |
| H5 | Experiential value (EV) contributes to the perception of risk associated with luxury purchases. |
| H6 | Higher brand consciousness (BC) correlates with increased perceived risk in luxury purchases. |
| H7 | Brand love (BL) is positively related to perceived risk, indicating emotional investment in luxury brands. |

## RESEARCH METHODOLOGY

The unit of analysis for this study was individual consumers of luxurious used-car brands. Data collection utilized a structured questionnaire, employing a nonprobabilistic, convenience sampling method. According to McCrum and Garner (2010), determining an appropriate sample size is dependent on factors such as significance level, power, and the magnitude of differences. Given that the population size was unknown, the sample size was determined based on the number of questionnaire items, following the recommendations of Sekaran and Bougie (2016) and Hair et al. (2010). Consequently, a sample of 240 respondents was chosen for the study.

The questionnaire used in this study was developed based on well-established scales from prior research. Brand consciousness was measured using the scale from Cheon Yim et al. (2014). Brand love and selfidentity were adapted from Bagozzi, Batra, and Ahuvia (2014). Various consumption values were incorporated, including symbolic consumption (Hung et al., 2011), hedonism (Kim & Johnson, 2015), utilitarian consumption (Choo et al., 2012), conspicuous consumption (Marcoux, Filiatrault, & Cheron, 1997), and experiential value (Mathwick, Malhotra, & Rigdon, 2001). Additionally, general life values were assessed using Schwartz's (2007) value scale, while social influence was measured following the scale developed by Bearden, Netemeyer, and Teel (1989). The perceived risk associated with luxurious used-car brands was evaluated using the scale from Stegemann, Denize, and Miller (2007). Lastly, questions on purchase intention were adapted from Bian and Forsythe (2012).

A pilot test involving 40 respondents, of which 27 completed the survey, identified several issues, including the length of the questionnaire and overlapping questions. Respondents reported concerns about survey fatigue and redundancy, which prompted revisions to the questionnaire. These revisions included shortening the length of the survey, removing overlapping questions, and simplifying complex statements to enhance clarity and readability. These changes, informed by Azam et al. (2021) and Azam et al. (2023), improved the flow of the questionnaire and ensured that critical variables, such as brand consciousness, consumption values, social influence, and perceived risk, were measured effectively. Through this process of pilot testing and revision, the final questionnaire was refined to ensure the collection of reliable and high-quality data.

## DATA ANALYSIS AND FINDINGS

Consumer demographics of the aspirants and their behavioural characteristics are presented below. Table 1 shows the demographics of the sample. The demographic profile of respondents engaging with luxurious used-car brands shows diversity across several factors. The sample consisted of 54.6% males and 45.4% females, with most (51%) aged 18-35. A large portion (61.6%) were professional executives, followed by entrepreneurs (24.3%). Income distribution was centered in the 5,001-10,000 RMB (29.8%) and 10,001-15,000 RMB (28.7%) ranges.

Education levels were high, with 37.9% holding a master's degree and 33.6% a bachelor's degree. Geographically, respondents were evenly spread across semi-urban (35%), urban (33%), and rural (32%) areas, providing a broad representation of the consumer base

The reliability of the data was assessed using Cronbach's Alpha values for the nine variables under study.

Table 1: Descriptive Characteristics of the Aspirants' Profile

| | Variable | Frequency | Percentage |
|---|---|---|---|
| **Gender** | Male | 249 | 54.6 |
| | Female | 207 | 45.4 |
| **Age** | 18-35 | 233 | 51 |
| | 36-45 | 174 | 38.2 |
| | 46-55 | 46 | 10 |
| | 56< | 3 | 0.7 |
| **Occupation** | Professional Executive | 281 | 61.6 |
| | Entrepreneur | 111 | 24.3 |
| | Consultant | 37 | 8 |
| | Government official | 27 | 6 |
| **Monthly Income (RMB)** | 5001-10000 | 136 | 29.8 |
| | 10001-15000 | 131 | 28.7 |
| | 15001-20000 | 111 | 24.3 |
| | 20001-30000 | 18 | 3.9 |
| | Over 30001 | 60 | 13.2 |
| **Education** | Vocational degree | 24 | 5.3 |
| | Bachelor's Degree | 153 | 33.6 |
| | Masters Degree | 173 | 37.9 |
| | Doctoral Degree | 28 | 6.1 |
| | Other | 78 | 17.1 |
| **Living Area** | Rural Area | 147 | 32 |
| | Semi-Urban Area | 160 | 35 |
| | Urban Area | 149 | 33 |

According to Hair et al. (2010), a Cronbach's Alpha value of 0.7 or higher is considered the benchmark for good internal consistency and reliability. In this study, all the Cronbach's Alpha values exceeded this threshold, confirming that the data is reliable for analysis. The results indicate that the measurement items for each construct are consistent in capturing the underlying factors they are intended to measure. With reliability confirmed, the variables meet the necessary standards for further statistical analysis, ensuring robust results.

Table 2: KMO and Reliability Analysis for the Sample Data

| Variable | umber of Items | KMO | Cronbach's Alpha |
|---|---|---|---|
| Perceived Luxurious used-car Consumption Value (PUCV) | 10 | 0.670 | 0.886 |
| Social Influence (SI) | 04 | 0.758 | 0.854 |
| General Life Values (GLV) | 05 | 0.862 | 0.905 |
| Self-Identity (SI) | 04 | 0.684 | 0.819 |
| Experiential Value (EV) | 04 | 0.832 | 0.705 |
| Brand Consciousness (BC) | 04 | 0.794 | 0.772 |
| Brand Love (BL) | 04 | 0.880 | 0.791 |
| Perceived risk Towards Luxurious used car (PRTU) | 09 | 0.699 | 0.892 |
| Purchase Intention (PI) | 04 | 0.774 | 0.748 |

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The evaluation of reliability and sampling adequacy for the study's variables reveals important insights. The Kaiser-Meyer-Olkin (KMO) values measure the adequacy of sampling for factor analysis, while Cronbach's alpha values assess the internal consistency of the scales. For Perceived Luxurious Used-Car Consumption Value (PUCV), the KMO value of 0.670 indicates moderate sampling adequacy, complemented by a high Cronbach's alpha of 0.886, which signifies excellent internal consistency. Social Influence (SI) demonstrates a robust KMO of 0.758 and a reliable Cronbach's alpha of 0.854. General Life Values (GLV) showcases strong sampling adequacy with a KMO of 0.862 and very high reliability (Cronbach's alpha = 0.905). Self-Identity (SI) has a KMO of 0.684, indicating moderate adequacy, alongside a strong reliability of 0.819. Experiential Value (EV) features a high KMO of 0.832, although its reliability is slightly lower at 0.705. Brand Consciousness (BC) and Brand Love (BL) both exhibit high sampling adequacy (KMO values of 0.794 and 0.880, respectively) with reliable Cronbach's alpha scores of 0.772 and 0.791. Perceived Risk Towards Luxurious Used-Car (PRTU) has a moderate KMO of 0.699 and high reliability (0.892), while Purchase Intention (PI) shows good sampling adequacy (KMO = 0.774) and acceptable reliability (0.748). Overall, the variables indicate strong sampling adequacy and internal consistency, supporting the validity of the measures used in this study.

This study explored the key determinants of perceived risk toward luxurious used-car brands in China, formulating and testing several hypotheses regarding the relationships among different influencing variables. The first hypothesis posited a positive relationship between perceived luxurious used-car consumption value (PUCV) and perceived risk. Analysis confirmed that higher consumption value significantly contributes to increased perceived risk ($p < 0.05$). This finding suggests that consumers view high-priced items as high-quality investments, heightening their awareness of associated risks. The second hypothesis examined social influence, revealing a significant relationship ($p < 0.05$) that highlights how social circles and societal norms elevate perceived risk in luxury purchases, emphasizing the importance of social status in consumer behavior.

The third hypothesis assessed the correlation between general life values (GLV) and perceived risk, finding a positive link ($p < 0.05$) that indicates consumers' life aspirations and values shape their perception of risk in luxury purchases. The fourth hypothesis focused on self-identity, confirming a significant positive relationship ($p < 0.05$), suggesting that consumers' selfperception strongly influences their perceived risk, aligning with the idea that luxury purchases reflect individual identity.

The fifth hypothesis addressed experiential value (EV) and its impact on perceived risk, finding a significant relationship ($p < 0.05$) that indicates consumers prioritize experiences associated with luxury ownership, which contributes to their perception of risk. The sixth hypothesis examined brand consciousness, confirming a correlation between higher brand awareness and increased perceived risk ($p < 0.05$). Finally, the seventh hypothesis related brand love to perceived risk, revealing a significant positive relationship ($p < 0.05$), indicating that emotional connections to brands heighten perceived risks. Overall, all hypotheses were supported,

illustrating the intricate relationships among the factors influencing perceived risk in the luxury used-car market and offering valuable insights for marketers navigating this complex landscape. Here is a table summarizing the hypotheses, their descriptions, and the results of the analysis:
This table clearly outines each hypothesis, its purposes, and the findings from the analysis, providing a concise overview of the study's key aspects.

**CONCLUSION AND IMPLICATIONS**

The findings of this study provide critical insights into the complex dynamics influencing the perception of risk associated with luxurious used-car brands in China. By exploring various psychological and social factors, the research successfully supports the hypothesized relationships between consumption values, social influences, selfidentity, brand consciousness, and perceived risks (Wulandari et al., 2023; Ranawaka et al., 2023). As luxury markets, particularly in emerging economies like China, evolve, understanding these nuances becomes vital for marketers, policymakers, and scholars alike. This conclusion synthesizes the implications of these findings across academia, entrepreneurship, and regulatory frameworks, emphasizing their broader relevance.

For academia, the research contributes significantly to the understanding of consumer behavior in luxury markets, particularly regarding the motivations behind purchasing luxurious used cars. The study highlights the importance of psychological constructs, such as perceived value and self-identity, in shaping consumer attitudes and behaviors. This offers a robust foundation for future researchers to develop survey instruments that can effectively assess market-specific inclinations toward luxury goods, facilitating cross-cultural comparisons and adaptations in consumer behavior models. Moreover, linking theoretical frameworks to practical applications enhances the scholarly discourse around consumer attitudes toward luxury vehicles in emerging markets (Zheng et al., 2023; Sudha et al., 2023).
Researchers are encouraged to apply this model in various contexts, expanding its validity and generalizability across different regions and cultural settings. Longitudinal studies utilizing this model can provide invaluable insights into how consumer perceptions evolve with market dynamics and socioeconomic changes, leading to a deeper understanding of the factors influencing luxury consumption.

In terms of implications for entrepreneurs and industry practitioners, the findings underscore the critical need to understand how various factors, including perceived consumption value, brand consciousness, and experiential value, shape consumer attitudes in the luxury car market. To engage effectively with aspirational consumers, manufacturers and dealerships must proactively manage perceived risks and communicate brand values that resonate with this demographic. The insights gleaned from this research can guide brand managers in tailoring marketing strategies that reflect cultural congruency and target the specific needs and desires of their audience (Rajapakse et al., 2022; Zhou & Azam, 2024). For instance, crafting marketing messages that emphasize exclusivity, experiential value, and alignment with consumer life values can foster a stronger emotional connection to the brand, thereby enhancing purchase intentions. Furthermore, segmenting markets based on demographic and psychographic variables will enable more precise marketing efforts, allowing businesses to adapt to the evolving landscape of luxury consumption effectively.

The implications extend to policymakers and regulators as well. Given China's substantial annual imports of motor vehicles, local manufacturers introducing luxurious used cars present an opportunity for economic growth. The government can leverage the findings of this study to develop supportive policies for local manufacturers, encouraging innovation and job creation within the luxury automotive sector. By implementing incentives, such as tax breaks and grants, the government can nurture budding enterprises and create a competitive environment where local brands can thrive. Such policies not only support the local economy but also enhance the country's position in the global luxury automotive market. The study's implications are not confined to China; they can be applied to other regions, such as South Asia, where similar trends in luxury consumption are emerging.

Despite the study's valuable contributions, several limitations warrant consideration. As a cross-sectional study conducted within a limited timeframe, the findings may not fully capture the complexities of consumer behavior over time. Additionally, the reliance on self-reported data introduces potential biases, as individual perceptions can be influenced by social desirability and personal beliefs (Abeywardana et al., 2023; Rasheed et al., 2024; Nordin et al., 2024). Future research is encouraged to adopt longitudinal designs or diversify sampling to validate and expand upon these findings. Exploring additional dimensions of customer perception and their implications for marketing strategies within the luxury automotive sector will enhance the understanding of luxury consumption dynamics.

In conclusion, the research underscores the multifaceted nature of consumer behavior in luxury markets, particularly regarding the perceived risks associated with luxurious used cars. The findings provide valuable implications for academia, entrepreneurs, and policymakers, emphasizing the need for a nuanced understanding of the psychological and social factors influencing luxury consumption. By leveraging these insights, stakeholders can navigate the complexities of the luxury automotive market more effectively, contributing to a richer understanding of consumer behavior in emerging economies.

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