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Predicting Local Brand Acceptance in the Leather Products Market

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Abstract: The purpose of this paper is to analyze the local brand acceptance theoretically and practically and develop an integrated model that explains local brand acceptance in the local leather product market in Indonesia. The data is collected from 297 respondents, namely buyers of local leather brands in Indonesia. Structural Equation Model–Partial Least Square (SEM-PLS) analysis was conducted to analyze the relationship between constructs. Importance-performance map analysis (IPMA) is used to analyze which constructs have the highest level of importance to local brand acceptance and price acceptance. The results show that price acceptance is influenced by product involvement, product knowledge, and prestige sensitivity. Local brand acceptance is only influenced by product involvement and price acceptance. The IPMA results show that product involvement has the highest level of importance to price acceptance. Price acceptance has the highest level of importance to local brand acceptance. This is one of the first studies that predicts local brand acceptance and price acceptance in the local leather product market in Indonesia and clarifies the role of product knowledge, product involvement, prestige sensitivity on their effect on local brand acceptance and price acceptance.

Keywords: Product Knowledge; Product Involvement; Prestige Sensitivity; Local Brand Acceptance; Price Acceptance

Introduction

In the fashion industry, 2020 is a year where everything changes. As the coronavirus pandemic sent shockwaves around the world, the fashion industry had its worst year on record with nearly three-quarters of listed companies losing money (Balchandani et al., 2021). According to an analysis of the McKinsey Global Fashion Index, fashion companies recorded a decline of about 90 percent in economic profit in 2020, after rising 4 percent in 2019 (Balchandani et al., 2021). In emerging markets such as Indonesia, the Ministry of Industry Republic Indonesia reported that there was a negative growth of 0.99% in the local

leather product fashion industry group in 2019, which in the previous year recorded the highest growth in a decade, 9.42% (Kementrian Perindustrian Republik Indonesia, 2020). In explaining this phenomenon, this study is important to analyze how the community accepts local leather brands. In addition, research that explains the price acceptance and local brand acceptance of local leather brands remain limitedly explored. Thus, this study will contribute to the marketing literature by providing a new understanding of acceptance of local leather brands analyzed from price acceptance and local brand acceptance.

In explaining consumer acceptance of local brands, previous studies described it in cultural identity theory (Zhang & Khare, 2009) and consumer culture theory (J. B. E. M. Steenkamp, 2019) which can be explained that the consistency between one's identity and market stimuli are essential for understanding consumer evaluations and preferences for local versus global brands (Yeboah-Banin & Quaye, 2021). For example, a prominent local identity evokes feelings of positive association with local cultural values, heritage, traditions, and national identity which increases the perception of brand locality, and a higher likelihood of purchase (Yeboah-Banin & Quaye, 2021). Thus, this study tries to analyze the determinants of local brand acceptance which are practical for the local leather product industry. Theoretically, this research can be a new insight in the branding literature, especially local brand acceptance in the local leather product industry.

Leather fashion is a popular commodity in Indonesia (Purwaningsih et al., 2021). In a highly competitive market, it leads to higher customer bargaining power, which then affects consumer price acceptance (Nguyen & Nguyen, 2020). This situation implies that it is important for marketers to understand the price acceptance of customers in the local leather products market. By nature, price acceptance is the result of a price assessment based on a comparison of price cues with an acceptable price range stored in memory (Lichtenstein et al., 1988). Understanding the determinants of price acceptance related to product elements (product involvement and product knowledge) and prestige sensitivity can help practitioners develop strategies to increase customer price acceptance and accelerate market penetration (Nguyen & Nguyen, 2020). For this reason, this study examines the determinants of price acceptance theoretically and practically into an integrated model to explain customer price acceptance in the local leather product market.

We organize this paper into 6 parts. The next section presents a literature review and research hypotheses, followed by the research methodology in the third section. The results are discussed in Section four. Discussion and theoretical implications in the fifth section. Practical implications in the sixth section. Lastly, the limitations of the study as well as future research directions are in the seventh section.

Literature Review

Local Brand Acceptance

Consumer acceptance of local brands has been described in previous studies using cultural identity theory (Zhang & Khare, 2009) and consumer culture theory (J. B. E. M. Steenkamp, 2019), it can be explained that the consistency between identity and market stimuli are very important for understanding consumer evaluations and preferences for local versus global brands (Yeboah-Banin & Quaye, 2021). As globalization intensifies, it is critically important to understand how the imposition of consumers' local identities influences brand choice (Tu

et al., 2012). It is important for companies to understand how consumer preferences for local brands can compete with global brands (Yeboah-Banin & Quaye, 2021). Local brands have a strong awareness of the domestic business environment, the needs of local consumers, and enjoy a strong cultural brand image as a symbol of local traditions and culture (J. B. E. M. Steenkamp et al., 2003; Swoboda et al., 2012). Local brands provide greater benefits when they exploit cultural resources and achieve positions as local cultural icons (Steenkamp et al., 2003). These previous studies show the importance of understanding consumer preferences for local brands.

In consumer buying behavior, consumers express favorable responses to brand stimuli that are consistent with their identity (Guo & Hong, 2018), suggesting that their local identity can shape the way they evaluate local brands. Identity alone does not determine the acceptance of local brands. Where the subsequent evaluation positioned local brands as comparable, the social and emotional benefits of global brands (eg prestige and access to global lifestyles), led to a decrease in the attractiveness of local brands (Yeboah-Banin & Quaye, 2021). Consumers also evaluate the benefits and merits of the product, not only from local identity in the acceptance of local brands (Westjohn et al., 2012). These previous studies show that local brand acceptance is not only influenced by self-identity, but also prestige, lifestyle, and product benefits.

Price Acceptance

Price acceptance is one of the cognitive responses by customers that depends on their appreciation of the product (Berkowitz & Walton, 1980). They argue that there is a standard price or fair price in the customer's memory. Any price higher than the standard price is considered unreasonable and unacceptable by the customer. Price acceptance is the result of a price assessment based on a comparison of price cues with an acceptable price range in the memory of consumers (Lichtenstein et al., 1988). Applying this approach, Martín-Consuegra et al. (2007) operationalize price acceptance as the degree to which customers accept a certain price in their research. Price acceptance in this study explains the extent to which customers accept certain prices for local brand products.

Monroe (1990) redefined price acceptance as the maximum price that buyers are willing to pay for the product, reflecting how consumers feel about paying for the product. Price acceptance is seen as an appreciation, reaction, or consumer interest in the price for an offer. When sellers offer prices or change the price of a product, customers are willing to pay, they are considered consumers who accept high prices. This study applies the definition proposed by Lichtenstein et al. (1988) argues that price acceptance by customers is not only based on the truth or fairness of the price, but does not make sense if the customer does not need every aspect of the product or cannot afford it. Thus, this study analyzes the factors that influence price acceptance into one model.

Hypothesis Development

Product involvement. Product involvement can affect price acceptance. Several existing studies have found that product involvement can affect price acceptance (Goldsmith et al., 2010; Ramirez & Goldsmith, 2009). Product involvement reflects the level of consumer interest in a product and the importance of the individual's place in that product (Nguyen & Nguyen, 2020). Consumers who are higher in product involvement often focus more on product

benefits than price. Therefore, higher product involvement results in higher price acceptance (Goldsmith et al., 2010; Ramirez & Goldsmith, 2009). Naturally, consumers who are higher in product involvement may place more emphasis on personal relevance than price; therefore, are more likely to accept whatever price is offered (Nguyen & Nguyen, 2020).

Product involvement can also influence the selection of a brand. Local brands that are able to involve their products are likely to be more accepted by consumers. Low involvement product categories are common in international marketing research (Özsomer, 2012; Yeboah-Banin & Quaye, 2021). Broadening the product categories to include high involvement vs. low involvement and experiential/hedonic, symbolic and utilitarian products would potentially show differences in consumer consumption orientations and choice pattern (Yeboah-Banin & Quaye, 2021). This may be particularly true for durable, technology-intensive and high-involvement products and for consumers with strong global consumption orientation (J. B. Steenkamp, 2014; Strizhakova & Coulter, 2013).

H_1: Product involvement has a positive influence on price acceptance.
H_2: Product involvement has a positive influence on local brand acceptance.

Product knowledge. Customer product knowledge has the potential to influence price acceptance. Increasing customer knowledge about a product will help them to assess product quality more accurately, improve the quality and value they perceive and ultimately generate their trust in the decision-making process in general and accept the price of the product offered specifically (A.R. Rao & Monroe, 1988). Akshay R. Rao & Sieben (1992) found a positive effect of customer product knowledge on their willingness to pay for the product. Another study also shows the effect of product knowledge on price acceptance (Nguyen & Nguyen, 2020). This research is in the context of local brands, this study tries to analyze the effect of product knowledge on price acceptance.

Product knowledge is classified into three categories: First, product experience (product ownership, product use experience and information search experience); Second, objective knowledge (schemas are stored in long-term memory); Third, subjective knowledge (customer familiarity with the product) (Park & Moon, 2003). The previous study used subjective knowledge from a consumer perspective in analyzing product knowledge (Nguyen & Nguyen, 2020) which was also used in this study. Assimilation-contrast theory argues that the customer's knowledge acts as an internal reference point based on which he or she makes adjustments to stimuli (Sherif et al., 1958). When these stimuli are credible and sufficiently congruent with their knowledge, they are assimilated into the customer's attitude, which in turn influences their behavior. When the difference is too significant to be assimilated, it is rejected (contrasted) and fails to affect both (Sherif et al., 1958). Therefore, this study tries to analyze the effect of product knowledge on local brand acceptance which is still new in consumer behavior analysis. Based on this explanation, we propose the following hypothesis:

H_3: Product knowledge has a positive influence on price acceptance.
H_4: Product knowledge has a positive influence on local brand acceptance.

Prestige sensitivity. Certain consumers will consider the price and compare it with the prestige that will get. Prestige sensitivity is related to the favorable perception of price cues based on feelings of prominence and status that signal higher prices to others (Nguyen & Nguyen, 2020). Prestige sensitivity is a positive perception of price cues based on perceptions of what

signals to others in social settings (Lichtenstein et al., 1993). The results of previous studies showed the effect of prestige sensitivity on price acceptance (Byun & Sternquist, 2010; Nguyen & Nguyen, 2020).

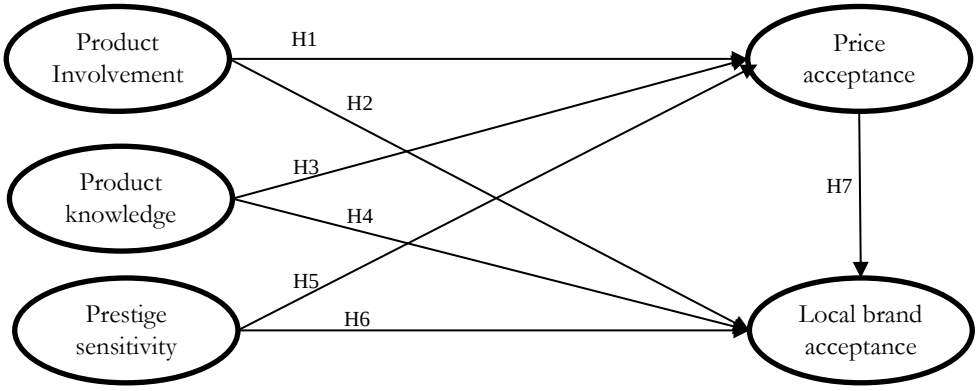
Status relates to customers who are motivated for internal reasons (ie self-esteem) and/or external reasons (ie approval and jealousy of others) (Eastman & Eastman, 2011). Prestige sensitivity reflects the customer's prestige-seeking motivation and has a close meaning to status consumption. Although status consumption is defined as "a motivational process in which individuals seek to improve their social status through consumption of high-class products that confer and symbolize status both for the individual and significant others around him" (Eastman et al., 1999). In choosing local brands, consumers especially pay attention to their social status before buying. Certain consumers may prefer to buy local brands with well-known brands. In the case of prestige-seeking customers, increasing their social status through product purchases may be more important than price (Nguyen & Nguyen, 2020). Prestige-seeking customers believe that high prices serve as a substitute indicator of prestige; therefore, they will prefer high-priced products over low-priced products and tend to buy expensive brands to increase their social status (Byun & Sternquist, 2010). Thus, the formulated hypothesis is as follows:

H_5: Prestige sensitivity has a positive influence on price acceptance.
H_6: Prestige sensitivity has a positive influence on local brand acceptance.

Local Brand Acceptance and Price Acceptance. people with higher ethnocentric values attach greater importance to local brands and traditional fashion styles (Cleveland et al., 2009). Some consumers prefer local consumption images because they are easy to associate with local lifestyles, beliefs, values, attitudes, and behaviors (Alden et al., 1999; Steenkamp, 2019). Regarding local brand acceptance, Lichtenstein et al. (1988) argue that the price assessment by customers is not only based on the truth or fairness of the price; it doesn't make sense if the customer doesn't need the product aspect. The previous study has shown that the expected value in the price received, and products that match the price have a significant effect on the acceptance of local brands (Yeboah-Banin & Quaye, 2021). Thus, the proposed hypothesis:

H_7: Price acceptance has a positive influence on local brand acceptance.

Figure 1. **Research Model**



Methods

Sampling and Data Collection

Considering the research objective, this research used purposive sampling method. In the data collection process, an online questionnaire was distributed by researchers to local leather brand buyers in West Java, Indonesia. A self-administered questionnaire was used to examine each item in the research constructs. Data were collected for four weeks in September 2020. We ensured that the respondents were local leather product buyers through control questions on the questionnaire. After obtaining ethics clearance, data were collected through an online questionnaire given to respondents. A total sample of 350 responses was obtained, but only 297 were able to proceed. The analytical technique used is PLS-SEM which requires a minimum sample size. G * Power is used to calculate the minimum sample size based on statistical power. The statistical power value for the sample is 0.95, higher than the minimum value set at 0.8 (Carranza et al., 2020; Hair et al., 2019). Therefore, it can be concluded that the sample size in this study is acceptable.

Characteristics of respondents indicate that there are more dominant numbers in women (75.4%) than men (24.6%). In terms of age, 51.9% were between 17 and 25 years old, and 11.1% were 26 to 35 years old, representing a sample dominated by the younger generation. The age of the respondent can be the reason why the majority of respondents earn less than IDR 5,000,000.00 (62.3%); while income above IDR 5,000,000 is 21.5%; furthermore 9.8% included in the income group above IDR 10,000,000 and 6.4% of respondents did not mention their income. Based on the amount spent on local leather brands at the last purchase, which was less than IDR 400,000, 43.1%; then between IDR 400,000 to IDR 750,000 as much as 39.4%. Spending above IDR 750,000 is 17.5%. In line with the number of purchases of less than 3 products in one purchase (80.8%).

Table 1. **Demographic Characteristics of Samples**

Characteristics	Category	N	%
Gender	Male	224	75.4
	Female	73	24.6
Age	17 – 25 years	154	51.9
	26 – 35 years	33	11.1
	> 35 years	110	37.0
Salary	< Rp 5.000.000	185	62.3
	Rp 5.000.000 – Rp 10.000.000	64	21.5
	> Rp 10.000.000	19	6.4
	Not mentioned	29	9.8
Last purchase	< Rp 400.000	128	43.1
	Rp 400.000 – Rp750.000	117	39.4
	> Rp 750.000	52	17.5
Purchase items	< 3 products	240	80.8
	> 3 products	57	19.2

Research Instruments and Measurements

Constructs were measured using a five-point Likert scale, ranging from 1 = 'strongly disagree' to 5 = 'strongly agree'. In addition, questions regarding respondent demographics (gender,

education, age, income, and number of purchases), were also included. Construct product involvement adopts personal involvement inventory from Zaichkowsky (1985). Then, construct product knowledge from previous research by Nguyen & Nguyen (2020) and Park & Moon (2003). Furthermore, the construct of prestige sensitivity by Nguyen (2019) and Lichtenstein et al. (1993). Construct local brand acceptance by previous research that explains consumer preferences for local brands (Özsomer, 2012; Yeboah-Banin & Quaye, 2021) value and benefits different from associations the brand may have such as higher quality and prestige for global brands, and deeper awareness of local needs and authenticity for local brands. Construct price acceptance by Nguyen & Nguyen (2020) and Martín-Consuegra et al. (2007). Before conducting the survey, a pre-test was conducted on 30 respondents from the survey population and no major changes were required.

Data Analysis

This study uses the PLS-SEM analysis technique. This analytical technique was chosen because it is a comprehensive multivariate approach to statistical analysis that can simultaneously test every relationship between variables in the conceptual model, including measures and structural components (Hair et al., 2019). The application used is SmartPLS 3.2.7 software. Based on the literature of PLS-SEM analysis, a two-step approach was followed, in which the measurement model was evaluated, and then, the structural model was evaluated (Hair et al., 2019). In the assessment of the measurement model by evaluating the reliability and validity of the reflective construct. In the assessment of the structural model, it is evaluated with R^2, f^2, Q^2, and path coefficients (Hair et al., 2019). After that, The Importance-Performance Map Analysis (IPMA) was tested to identify the performance of each independent construct and identify the construct that has high relative importance to the target construct (dependent construct) (Ringle & Sarstedt, 2016). IPMA provides additional insight into the results of the PLS-SEM analysis. More specifically, instead of only analyzing the path coefficient (importance), IPMA also considers the average value of latent variables and their indicators (performance) (Ringle & Sarstedt, 2016).

Findings

Measurement Model

The first step in the SEM-PLS analysis is the evaluation of the measurement model. First, the reliability of the measurement scale for each construct must be analyzed. In assessing the individual reliability of the items, the loading of each indicator, with its respective constructs is examined and loadings must be greater than 0.708 (Hair et al., 2019). In this case, all loadings have a greater value than 0.708 which proves the reliability of each indicator. The next step is to assess the individual reliability of each construct using Composite Reliability (CR) and Dijkstra - Henseler's rho (ρA). The results show that the CR value is greater than 0.7 for all composites (Nunnally & Bernstein, 1994). Likewise with the Dijkstra-Henseler rho (ρA) exceeds 0.7 in all cases, indicating its reliability (Hair et al., 2019). Table 2 shows a high level of internal consistency for each construct.

After analyzing reliability, convergent validity is reviewed using average variance extracted (AVE), whose value must be greater than 0.5 (Fornell & Larcker, 1981). The results show that all AVEs for each construct are greater than 0.5 which has a value of 0.586 to 0.760. Then, the significance of each loadings was determined using a bootstrap resampling

procedure (5,000 subsamples of the original sample size) to obtain the t statistical value (Hair et al., 2019). The results showed that all loadings were obtained significantly with a 95% confidence level.

The next step is discriminant validity analysis using the Fornell Larcker criterion and HTMT. The results obtained using the Fornell-Larcker criterion, the square root of each AVE construct value must have a higher value than the correlation construct with other latent variables (Fornell & Larcker, 1981). The results showed that the value of the AVE construct had a higher value than the correlation construct with other latent variables. Discriminant validity was also analyzed by HTMT evaluation. The results are obtained with the ratio between Heterotrait-monotrait correlation, there is discriminant validity when the value is below 0.85 (Hair et al., 2019). The value obtained is below the cut-off value which shows good evidence of reliability validity (see Table 3).

Table 2. **The Result of Measurement Model**

Construct/item	Loading	Cronbach' alpha	Dijkstra–Henseler's rho (ρ_A)	CR	AVE
Product involvement		0.908	0.914	0.929	0.689
Improve the quality of the color	0.857				
Post-production quality control	0.738				
Pay attention to the quality of product details (zips, stitches, zippers, buttons, etc.)	0.840				
Improve leather quality	0.737				
Make various designs	0.875				
Improve the model to make it better and more diverse	0.915				
Product knowledge		0.764	0.770	0.850	0.586
I know the overall quality of the product	0.706				
I know the durability of the product	0.779				
I know the comfort level of the product	0.758				
I know the quality of product materials	0.815				
Prestige sensitivity		0.685	0.687	0.864	0.760
I enjoy the prestige of buying genuine leather products	0.880				
It says something to people when you buy the high priced leather product	0.864				
Price acceptance		0.826	0.831	0.897	0.744
Affordable prices	0.797				
I know the reference price level	0.892				
I accept the product price change	0.895				
Local brand acceptance		0.821	0.826	0.894	0.737
I associate leather products are from Garut City	0.803				
To me, leather products represent what Garut City is about	0.885				
To me, the leather product is a good symbol of Garut City	0.885				

Notes: CR = composite reliability; AVE = average variance extracted

Table 3. **Discriminant Validity**

		1	2	3	4	5
Fornell-Larcker criterion	1. Product involvement	**0.830**				
	2. Product knowledge	0.592	**0.766**			
	3. Prestige sensitivity	0.507	0.559	**0.872**		
	4. Price acceptance	0.677	0.641	0.602	**0.862**	
	5. Local brand acceptance	0.671	0.622	0.592	0.859	**0.939**
Heterotrait-Monotrait Ratio (HTMT)	1. Product involvement					
	2. Product knowledge	0.699				
	3. Prestige sensitivity	0.640	0.769			
	4. Price acceptance	0.781	0.806	0.802		
	5. Local brand acceptance	0.777	0.782	0.792	0.884	

Note: The square root of AVEs are shown diagonally in bold

Structural Model

After ensuring that the measurement model is accepted, the next step is to test the structure model. Before analyzing the structural relationship between constructs, collinearity should be checked to ensure that there is no bias in the regression results. Ideally, the VIF value should be lower than 3 (Hair et al., 2019). In this study, there was no collinearity problem because the VIF value was below the specified limit (see Table 4).

After ensuring that there is no bias in the regression results with VIF. The next test step is to assess the structural model. A bootstrap procedure using 5,000 iterations was used to evaluate the significance of indicators and path coefficients (Chin et al., 2008). Before testing the hypothesis, an assessment of the quality of the model is carried out. The criteria used are: coefficient of determination (R^2), effect size (f^2), cross-validated redundancy (Q^2), and path coefficient (Hair et al., 2019). R^2 measures 0.75, 0.50, and 0.25 for all endogenous structures, considered substantial, moderate, and weak. The results showed that the value of R^2 for price acceptance was 0.589, R^2 for local brand acceptance was 0.885. This shows that each of these constructs is influenced by exogenous constructs with substantial criteria.

The effect size for each path model can be determined by calculating f^2. The criteria for the effect size are 0.02 (small), 0.15 (medium), and 0.35 (large) (Hair et al., 2019). The effect size on the large criteria is the influence of product involvement on price acceptance (0.222) and price acceptance on local brand acceptance (2.751). Then, the influence on the medium criteria is on the effect of product knowledge on local brand acceptance (0.098) and prestige sensitivity on price acceptance (0.102). While the other effect sizes are in the small criteria.

Finally, to conclude the evaluation of the structural model, the current study examines the predictive relevance of the model using Stone - Geisser's Q^2 (Hair et al., 2019). The results show that all Q^2 values are above zero, namely 0.430 and 0.646 (see Table 4), which indicates that the model has accepTable predictive power.

One-way hypothesis testing is used with the results in Table 5. One-way testing is recommended if the coefficient is assumed to have a sign (positive or negative) (Kock, 2014). Product involvement has a positive effect on price acceptance ($\beta = 0.389$, $t = 7.713$) and local brand acceptance ($\beta = 0.057$, $t = 1.969$), H1 and H2 are accepted. Product knowledge has a positive effect on price acceptance ($\beta = 0.268$, $t = 5.124$), but does not have a significant effect on local brand acceptance ($\beta = 0.010$, $t = 0.381$), supports H3 and rejects H4. Prestige

sensitivity was found to have a significant effect on price acceptance (β = 0.255, t = 4.919) but had no significant effect on local brand acceptance (β = 0.030, t = 1.109), thus H5 was accepted, but H6 was rejected. Finally, price acceptance has a significant effect on local brand acceleration (β = 0.876, t = 25,576) H7 is accepted.

Table 4. **Structural Model Evaluation**

Relationships	β	T value	Confidence interval (95%)	Variance explained (R^2)	R^2 Adjusted	Predictive relevance (Q^2)	Effect Size (f^2)	Confidence interval (95%)	VIF
PRI -> PRA	0.389	7.713**	[0.304; 0.468]	0.589	0.585	0.430	0.222	[0.129; 0.341]	1.655
PRI -> LBA	0.057	1.969*	[0.010; 0.104]	0.885	0.884	0.646	0.014	[0.001; 0.044]	2.023
PRK -> PRA	0.268	5.124**	[0.184; 0.355]				0.098	[0.044; 0.175]	1.787
PRK -> LBA	0.010	0.381ns	[-0.033; 0.056]				0.000	[0.000; 0.014]	1.962
PRS -> PRA	0.255	4.919**	[0.167; 0.338]				0.102	[0.044; 0.182]	1.562
PRS -> LBA	0.030	1.109ns	[-0.016; 0.071]				0.004	[0.000; 0.025]	1.721
PRA -> LBA	0.876	25.567**	[0.816; 0.928]				2.751	[1.745; 4.700]	2.432

Note(s): n = 5,000 subsample; **p < 0.01; *p < 0.05; ns: not significant (one-tailed t test) $t(0.05; 4{,}999) = 1.645$; $t(0.01; 4{,}999) = 2.327$; $t(0.001; 4{,}999) = 3.092$; VIF: variance inflation factor; PRI: Product involvement; PRK: Product knowledge; PRS: Prestige sensitivity; LBA: Local brand acceptance; PRA: Price acceptance

Table 5. **Results of Hypothesis Testing**

Hypothesis/Relationships	B	T value	Confidence Interval (95%)	Supported
H1. PRI -> PRA	0.389	7.713**	[0.304; 0.468]	Yes
H2. PRI -> LBA	0.057	1.969*	[0.010; 0.104]	Yes
H3. PRK -> PRA	0.268	5.124**	[0.184; 0.355]	Yes
H4. PRK -> LBA	0.010	0.381ns	[-0.033; 0.056]	No
H5. PRS -> PRA	0.255	4.919**	[0.167; 0.338]	Yes
H6. PRS -> LBA	0.030	1.109ns	[-0.016; 0.071]	No
H7. PRA -> LBA	0.876	25.567**	[0.816; 0.928]	Yes

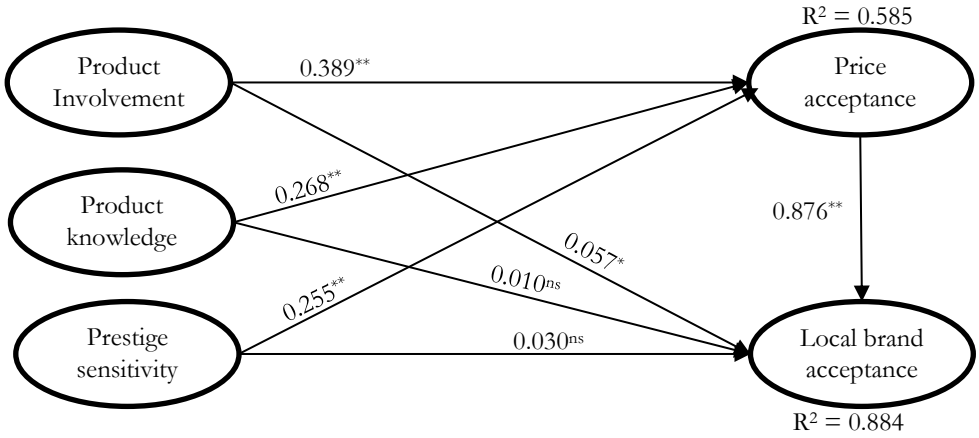
Notes: n = 5,000 subsample; **p<0.01; *p<0.05; ns: not significant (one-tailed test)

Table 6. **Results of Indirect and Total Effects**

Hypothesis/Relationships	Indirect effect		Total effect	
	β	T value	β	T value
H1. PRI -> PRA	-	-	0.389	7.713**
H2. PRI -> LBA	0.341	7.489**	0.397	7.678**
H3. PRK -> PRA	-	-	0.268	5.124**
H4. PRK -> LBA	0.235	4.956**	0.245	4.633**
H5. PRS -> PRA	-	-	0.255	4.919**
H6. PRS -> LBA	0.224	4.877**	0.253	4.902**
H7. PRA -> LBA	-	-	0.876	25.567**

Notes: n = 5,000 subsample; **p<0.01; *p<0.05; ns: not significant (one-tailed test)

Figure 2. Result Model



Impact-Performance Map Analysis

Table 6 shows the Importance-Performance Map Analysis (IPMA) for price acceptance and local brand acceptance. The aim is to identify constructs that have relatively high importance for the target construct (price acceptance and local brand acceptance), but also have relatively low performance (Ringle & Sarstedt, 2016). First, IPMA for price acceptance. Among independent constructs, product involvement has a higher level of importance (0.389) than other constructs. Thus, to increase price acceptance, aspects related to product involvement should be prioritized because these aspects have the greatest importance and average performance of the other constructs. Second, IPMA for local brand acceptance, price acceptance has a performance that is not too different from other constructs (78.405), but has the highest importance (78.405). In increasing local brand acceptance, aspects related to price acceptance should be prioritized because these aspects have the greatest importance and average performance of other constructs.

Table 6. **Importance Performance Map of The Target Construct "Price Acceptance" and "Local Brand Acceptance"**

Constructs	Price Acceptance		Local Brand Acceptance	
	Important	Performance	Important	Performance
1. Product involvement	0.389	72.357	0.397	72.357
2. Product knowledge	0.268	72.127	0.245	72.127
3. Prestige sensitivity	0.255	74.354	0.253	74.354
4. Price acceptance	-	-	0.876	78.405

Figure 3. **IPMA of Components of Price Acceptance**

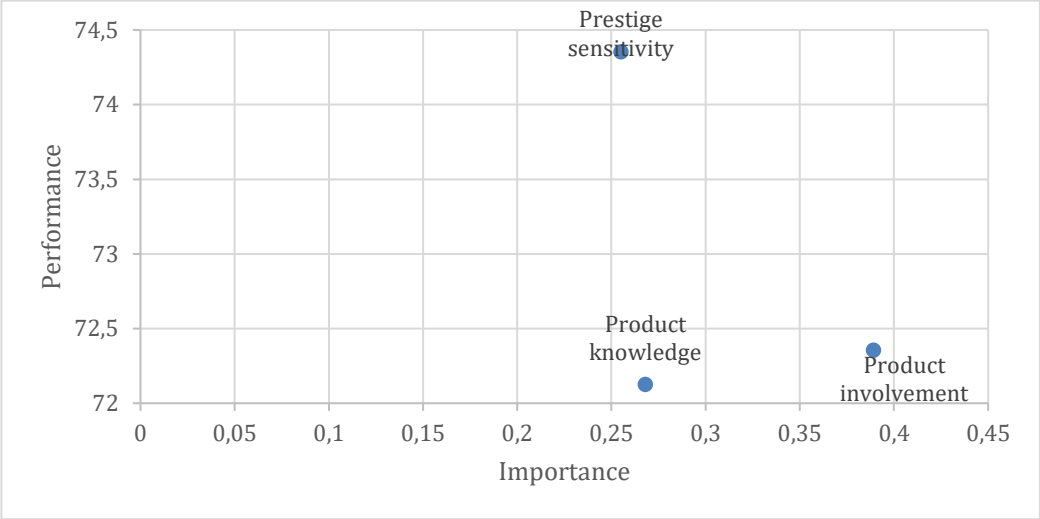
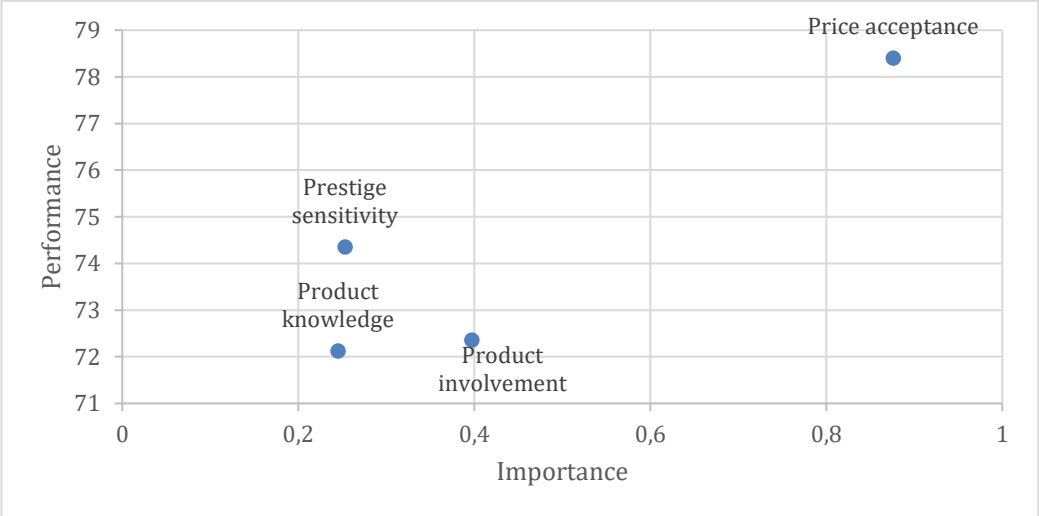


Figure 4. **IPMA of Components of Local Brand Acceptance**



Conclusion

This study proves that product involvement, product knowledge, and prestige sensitivity in one model can predict price acceptance and local brand acceptance. This result is also proven in previous studies (Nguyen & Nguyen, 2020; Özsomer, 2012; Yeboah-Banin & Quaye, 2021). The results of the R square test indicate that the model proposed in this study has applicability and explanatory power in explaining local brand acceptance. Theoretically, consumer acceptance of local brands has been described in previous studies using cultural identity theory (Zhang & Khare, 2009) and consumer culture theory (Steenkamp, 2019; Steenkamp et al., 2003) which explained that Consistency between one's identity and market stimuli is very important to understand how consumers evaluate and preferences for a local brand. As globalization intensifies, it is critically important to understand how a consumer's local identity influences his choice of a local brand. Although there have been studies related to local brand acceptance, the model in this study has been tested and confirmed to explain local brand acceptance which contributes to a deeper understanding of how consumers behave in buying leather fashion products with local brands.

In the effect on price acceptance, all independent constructs have a positive and significant effect on price acceptance. Consumers evaluate various factors before accepting the price offered. They argue that there is a standard price or fair price in the customer's memory (Nguyen & Nguyen, 2020). This study complements previous studies by proving that consumers consider product involvement, product knowledge, and prestige acceptance in determining price acceptance for local brand leather products. Of the three constructs, product involvement has the greatest influence and the highest level of importance in IPMA analysis. This proves that product involvement is the most important construct in influencing price acceptance which is in line with previous studies (Goldsmith et al., 2010; Ramirez & Goldsmith, 2009). Product involvement reflects the level of interest and the importance of a product. Customers who have a higher perception of product involvement may place more emphasis on product personal relevance than price; therefore, are more likely to accept the price offered (Nguyen & Nguyen, 2020). Consumers will more easily accept the price of local brand leather products if they have high product involvement. In addition, product knowledge and prestige sensitivity also need to be improved to increase price acceptance. This study contributes to the literature in recognizing the factors that influence price acceptance.

In the effect on local brand acceptance, the direct effect is only confirmed on product involvement and price acceptance which is in line with previous studies (Goldsmith et al., 2010; Yeboah-Banin & Quaye, 2021). IPMA test results also prove that these two constructs have the greatest influence compared to product knowledge and prestige sensitivity. However, price acceptance has the most dominant importance value compared to other constructs. These results prove that in increasing local brand acceptance, price acceptance should be prioritized. Value is reflected in the price received, and a good product for the price has a significant effect on local brand acceptance (Yeboah-Banin & Quaye, 2021). Therefore, these results provide new knowledge that local brand acceptance is not only related to consumer ethnocentrism (Cleveland et al., 2009), but price plays an important role in the acceptance of local brand.

Judging from the indirect effect and total effect, product knowledge and prestige sensitivity have a significant effect on local brand acceptance through price acceptance. This means that good product knowledge and acceptable prices will affect local brand acceptance. Likewise with prestige sensitivity, consumers must also consider product prices before accepting local brands brands. This once again proves the importance of the influence of price acceptance on local brand acceptance. Price acceptance is one of the cognitive responses of customers that depends on their appreciation of the product (Nguyen & Nguyen, 2020). Thus, this study proves that this cognitive consideration is the consumer's understanding of product knowledge and prestige that is obtained when choosing local brand.

Managerial Implication

Based on the results, the direct effect of price acceptance is influenced by all independent constructs, but the biggest influence is on product involvement. These results are also supported by the IPMA. Thus, to increase price acceptance aspects related to product involvement can be prioritized. In many emerging markets such as Indonesia, consumers often have to choose between global and local brands. Global products are often considered to have proven quality and standards, while local brands are associated with notional affinities

with consumers. On the negative side, local brand products are perceived to be of poor quality while global products are perceived to threaten the survival of the local economy (Özsomer, 2012; Swoboda et al., 2012). Thus, marketers of local brand products, especially local leather products, need to prioritize the aspect of product involvement by providing quality products that are in accordance with what consumers perceive so that the prices offered are acceptable to consumers. The support of the right marketing strategy can also increase consumer acceptance to attract new users.

In the effect on local brand acceptance, the results of direct influence and IPMA show that price acceptance has a dominant influence on local brand acceptance. Local brand acceptance by consumers of local brand products is prioritized by an acceptable price factor or a reasonable price. This is because there are not many well-known brands of leather products with local brands, so the main factor that consumers consider in leather product brands is price. A good product because the price has a significant effect on local brand acceptance (Yeboah-Banin & Quaye, 2021). Therefore, marketers can choose two different strategies, namely increasing the brand image of local leather products or continuing to sell at low prices. Improving the brand image of local leather products can make the product more valuable in the eyes of consumers so that price is not the main consideration. In contrast to that, marketers can also maintain selling local leather products at low prices. This is an appropriate short-term strategy because what consumers are currently considering is price.

Limitation and Future Research

This research has been able to broaden our understanding of local brand acceptance in local leather products. However, some limitations must be acknowledged. First, although the R value is in a satisfactory category, it must be admitted that many other theories can explain local brand acceptance. This study also does not compare consumer perceptions of local and global brand acceptance. Future research can complement these limitations. Second, the characteristics of the respondents in this study were more dominated by young women. The characteristics of respondents will determine their perception of a product. Future research is expected to be able to take respondents with more balanced characteristics. Respondents in this study were dominated by women and at a young age. Third, this research is limited to certain brands. Results may be different for brands not analyzed in this study.

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