

# Influential Mechanism of Traditional Culture on Customer Loyalty of Regional Brand Products in China

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**Abstract:** In this paper, the influential mechanism of traditional culture embedding regional brand agricultural products on customer loyalty is analyzed by utilizing the PLS-SEM method, based on the SOR theoretical framework. More than 400 sample data were collected from consumers of geographical indication agricultural products such as Zhejiang West Lake Longjing tea and Lishui Mountain Farming products, Heilongjiang Wuchang rice, and apples from Shandong Yantai. The research results reveal that the embedding of traditional culture into regional public brand agricultural products has a positive impact on perceived functional value, perceived emotional value, and perceived social value, which in turn affects customer loyalty. The quality of channel integration plays a promoting role in the impact of traditional culture on perceived social value. Embedding traditional culture into regional branded agricultural products can inject new momentum into the development of regional public brands for geographical indication agricultural products. The effective integration of traditional culture and regional public agricultural product brands and the improvement of channel integration quality are powerful guarantees for promoting customer loyalty of regional brand agricultural products and enhancing the competitiveness of regional public brands.

**Keywords:** Marketing; Agricultural Products; Regional Public Brand; Customer Loyalty; Traditional Culture

## 1. Introduction

Culture is an asset that generates flows that can be used for production or consumption [1] and plays a crucial role in the development of

regional public brands [2], and the incorporation of cultural elements into regional brands is realistic and mutually reinforcing. In marketing practice, regional public brand products are often combined with culture, for example, Lishui combines regional name, regional landscape and farming culture to launch a regional public brand "Lishui Shangeng", which covers the whole region, the whole category and the whole industry chain [3]; Wuchang combines the Wuchang rice industry with the rice culture and the Wuchang spirit of "benevolence, righteousness, courtesy, wisdom and trust" to deepen the cultural connotation of the brand "Wuchang rice" and expand the brand influence [4]; Zhejiang "West Lake Longjing", which has topped the value list of China's regional public brand of tea for many years, incorporates a long history of tea culture and greatly enhances the cultural perception of consumers [5].

Regional brand products are more homogeneous, the use of culture to distinguish between different products is to create product differentiation, improve market competitiveness of the key, through culture to build a bridge of communication between the product and the consumer, allows manufacturers to reflect the value of the product through cultural connotations, but also allows consumers to bring the product closer to the distance through the cultural [6]. At the same time, under the rapid development of the Internet, the increasingly rich product market has increased the consumer's choice of purchase, consumer attitudes towards the same product in different regions has given rise to the branding of product selection, regionalisation tendency. Consumers have a stronger preference for products and brands in their own region, and when consumers perceive that the regional culture is more different from their own culture, they will reduce their preference for the brand [7],

which is not conducive to the formation of customer loyalty. Because traditional culture is the common cultural background of all the people in China, embedding traditional culture into regional public brands can weaken the preference effect of regional brands, expand the coverage of regional public brands, and stimulate the cultural resonance and emotional resonance of the consumers to generate the willingness to buy [8]. Consumers with a sense of cultural identity are a group of people who feel positive about the culture in which they live, and who tend to have a positive attitude towards branded products representing that culture because of their subjective emotional closeness to the culture, and who are therefore more likely to accept the branded products psychologically and to be loyal to the branded products in terms of their behaviour [9]. As a result, the embedding of traditional culture in regional branded products is a positive variable in the study of consumer behaviour.

Many scholars have studied perceived value as a mediating variable between regional brand products and customer loyalty from the perspectives of product services, marketing channels, etc. [10,11], but perceived value from the consumer's perspective also deserves considerable attention. Perceived value from a product perspective is measured in terms of the function and image embodied in the product, while perceived value from a consumer perspective is the value of the product as actually perceived by the consumer, measured in terms of the value actually felt by the customer. Customers' perceived value is derived from their motivation to engage in consumption [12], and for the traditional culture context of this study, consumers' identification with the traditional culture embedded in regional branded products can stimulate actual consumer perceptions and contribute to product purchase behaviour. Research has shown that incorporating elements of cultural or national attributes in a product or brand will stimulate positive consumer emotions and positively contribute to consumer purchases and stimulate positive and positive attitudes toward the brand [13]. Thus, perceived value is a precursor to customer loyalty, and consumers' perceived value stems from the traditional cultural embeddedness of regional branded products.

In the era of digital economy, the rapid

popularization of mobile Internet and the rapid development of e-commerce have influenced consumers' shopping channel choices, and more and more consumers are shopping through multiple channels such as mobile online stores, social media platforms, e-commerce platforms, and brick-and-mortar stores [14,15]. The number of touchpoints of interaction between enterprises and consumers has increased, and many enterprises combine offline channels, online e-commerce and mobile channels to provide consumers with a seamless consumption experience through high-quality channel integration [16], which has a positive impact on improving customer perceived value and promoting customer loyalty [17]. Therefore, this paper takes the quality of channel integration as a moderating variable to investigate the facilitating effect of channel integration quality on the path of the influence of traditional culture embedded in regional brand products on customer loyalty.

SOR (Stimulus-Organism-Response) theory is a fundamental theory in the field of psychology to analyze human behavior, emphasizing that consumer purchasing behavior is caused by physiological and psychological responses produced by various stimuli. Since customer loyalty is a psychological behavior, it is appropriate to use SOR theory to study the intrinsic link between traditional culture embedded in regional brand products and customer loyalty. Current research on the culture embedded in the regional brand is mostly focused on local characteristics and regional culture, and little attention has been paid to the embedding of the traditional culture, and the cultural construction of the regional communal brand in practice is just a simple grafting of the cultural resources, resulting in the consumers not feeling its unique value [18], and not realizing the purpose of the culture-driven regional industrial development. Therefore, it is urgent to study consumer behavioral loyalty in the field of culturally embedded regional brands. This paper incorporates SOR theory to answer the following questions based on previous research:

(1) How does the traditional culture embeddedness of regional brand products influence customer loyalty?

(2) Does the quality of channel integration strengthen the impact of the traditional culture

embedded in the regional brand products on customers' perceived value?

In order to answer the above questions, this paper collects sample data from consumers of geographical indication agricultural products such as Zhejiang Xihu Longjing Tea and Lishui Shangeng, Heilongjiang Wuchang Rice, and Shandong Yantai Apples, etc., and statistically analyses the data by using the PLS-SEM method. The research contribution of this paper lies in: First, the research dimension of customer loyalty antecedents is enriched by taking traditional culture embedded in regional brand products as the research object; Second, applying SOR theory to the study of customer loyalty is an extension of the theory; Third, it confirms the intrinsic mechanism that traditional culture embedded in regional brand products influences customer loyalty through perceived value. Fourth, in the context of omnichannel marketing, it confirms that high-quality channel integration contributes to the mechanism. The subsequent parts of this paper are organized as follows: the first part is literature review, the second part is hypothesis, the third part is methodology, the fourth part is data analysis and results, the fifth part is discussion.

## 2. Literature Review

### 2.1 Traditional Culture Embedded in Regional Brand Products

Regional brand refers to a specific region held by a number of related issues, product production, sales and promotion of common requirements, in order to enhance consumer awareness of the product, recognition and brand association, so that the regional product and image of the synergistic development of the brand, generally called "origin name + product name" [19]. The ultimate goal of regional branding is to improve the relationship with consumers, achieve customer loyalty and improve the competitiveness of regional products in the market, and an effective initiative for regional branding is to construct unique associations of consumers with the products of the region [20]. Culture is an important part of the regional brand, high recognition, easy to stimulate emotional resonance of traditional culture can reflect the values and consumption concepts of consumers in China, consumers can form

brand associations based on perceived cultural values, which helps to shape the regional brand [21].

The concept of "embeddedness" was first proposed by Polanyi and developed into the theory of embeddedness, which emphasises that economic behaviour is embedded not only in economic systems but also in non-economic systems [22]. Granovetter argues that the phenomenon of embedding is widespread, differing only in the degree of embedding, and categorises it into structural and relational embedding [23]. And later, Zukin and Dimaggio extended the theory of embeddedness by arguing that embeddedness includes structural embeddedness, political embeddedness, cultural embeddedness and cognitive embeddedness [24]. Traditional culture embedded in regional brands is the embedding of the cultural dimension, which refers to the incorporation of traditional cultural symbols and connotations into the production, sale and promotion of regional brand products. Jakubancs and Supphellen also suggest that cultural embeddedness can be analysed in two dimensions: descriptive and identification dimensions of culturally embedded products, which are widely recognised by scholars [25]. In this study, the traditional cultural embeddedness of regional public brands is categorised into two dimensions, cultural awareness and cultural identity, which are second-order constructs.

### 2.2 Perceived Value

Perceived value is a key variable influencing consumer behaviour, and there is much theoretical work on perceived value in academia, but there is no single standard for defining it [26]. Perceived value is a multidimensional concept, there are two existing ideas: one is divided from the perspective of "gain" and "loss", scholar Zeithaml believes that perceived value is the consumer's comprehensive evaluation of gain and loss in the process of buying products or enjoying services [27]; Scholar Dong Dahai points out that perceived value is the comparison of the value of goods felt by consumers in the process of purchasing with the expected value, comparing the difference between benefits and costs [28]. Secondly, it is divided from the overall perspective of perceived functional value, perceived

emotional value, perceived social value, etc.. Scholars Sheth et al. proposed from the customer perspective that perceived value should include five dimensions: social, emotional, functional, knowledge and situational, of which the functional dimension is particularly important [29]. Scholar Li Zongwei et al. constructed a consumer perceived value model from the perspectives of product perception, service perception and social perception to study the influencing factors of consumers' online purchase decisions [30]. Scholars Ding and Xiao classified perceived value into six dimensions, i.e., social value, quality value, service value, image value, altruistic value and economic value, to explore the relationship between customers' perceived value and brand preference in the new online shopping environment [31].

In today's society with rapid economic development, according to Maslow's Hierarchy of Needs Theory, consumer needs have expanded from safety needs, which can only be satisfied by the basic functions of the product, to social needs, respect, self-actualisation, etc., which can only be satisfied by the basic functions of the product. Therefore, this study proposes to take the perceived functional value, the perceived emotional value and the perceived social value as the three dimensions of perceived value, and refers to the PERVAL scale for the design of perceived value measurement indices.

### 2.3 Quality of Channel Integration

Channel integration quality refers to a manufacturer's ability to seamlessly integrate all channels, of which channel service configuration and interaction consistency are the main components. Channel service configuration refers to the combination of services that can be offered to the customer and their quality and degree of substitutability; interaction consistency refers to the ability to maintain consistent interactions between different channels to achieve a service experience for the customer [32,33]. Seamlessness due to channel service configuration and consistency due to interaction coherence are distinctive features of high channel integration quality [14]. Meanwhile, privacy security is particularly important in the context of the network

economy, where enterprises need to rely on information reflected in various customer touch points to provide consumers with personalised and customised products and services. Enterprises need to establish privacy assurance for consumers, including data security and safeguards for personal information, purchase information, and behavioural information, to improve consumer trust in the channel [34]. Based on the above analyses, privacy assurance, channel service configuration and interaction consistency can be the three basic components of channel integration quality in this research context.

## 3. Hypothesis

### 3.1 The Impact of Traditional Culture Embedded in Regional Brand Products on Perceived Value

The cultural embedding of regional brand products is an important antecedent to the study of consumer behaviour, and the cultural embedding of regional brand products affects factors such as brand image, brand communication, consumer experience and brand attitudes[35,36]; however, these studies do not explain why the embedding of culture in regional brand products can increase customer loyalty. One explanation that can be offered in conjunction with the SOR theory is that the stimulus generated by the embedding of traditional culture in the regional brand induces a change in the perceived value of the consumer, which promotes customer satisfaction at the psychological level and further stimulates customer loyalty at the behavioural level.

First, embedding culture in regional products can reflect the quality and characteristics of the products, reflect the uniqueness and differences of regional products, meet the diversified needs of consumers and their demands for quality, thus creating positive consumer attitudes towards regional branded products and improving their perceived functional value. Incorporate traditional cultural factors in product design, product packaging, services and other aspects, by improving the overall cultural environment atmosphere, so that consumers in the cultural experience to deepen the understanding of the product and feelings, so as to recognise the value of the product, to obtain a more

cost-effective products with cultural attributes. Secondly, consumers make purchasing decisions not only based on the functional value of regional public brand products, but also on the emotional experience they gain through cultural perception. The emotional value of a product or service is determined by the subjective experience of the consumer. This experience is shaped by the products consumed, the services received, and the external environment and other objects that stimulate the consumer. When consumers are immersed in the traditional cultural environment, they will produce the appropriate emotions in response to the stimuli [37]. The traditional culture of a country represents the collective cultural heritage of its people. The incorporation of traditional culture into a regional brand can foster a sense of psychological proximity among consumers, evoking a resonance with their cultural identity. This resonance can diminish the influence of consumers' regional brand preferences, enhancing the perceived emotional value of the brand.

Thirdly, Zeithaml and other scholars have demonstrated that the image of the product in the market, the output of the signal and other information will have an impact on the consumer's willingness to buy. Consumers will make value judgements based on the image of the product [27]. Therefore, the effective fusion of traditional culture and regional brand products can improve the brand image and positively affect the perceived social value. In the purchasing process, consumers will select products that align with their cultural preferences and tastes. Speciality products with traditional cultural elements or symbols can serve a symbolic role, providing utility to the customer's social self-positioning and image. This, in turn, can facilitate the acquisition of symbolic value in subsequent social interactions [37]. In light of the preceding discussion, the following hypotheses are put forth in this paper:

H1-a: traditional culture embedded in regional brand products significantly and positively affects consumers' perceived functional value.

H1-b: traditional culture embedded in regional brand products significantly and positively affects consumers' perceived emotional value.

H1-c: traditional culture embedded in regional brand products significantly and positively

affects consumers' perceived social value.

### **3.2 The Impact of Perceived Value on Consumer Loyalty**

A substantial body of research has demonstrated that perceived value has a positive influence on customer loyalty. Scholar Tian Ying conducted research on consumers of the Boxmart Fresh Life offline shop, confirming that consumers' perceived functional value and perceived emotional value have a positive impact on customer loyalty [38]. Every consumer is embedded in a specific social network and relies on both formal and informal communication to maintain interpersonal relationships. The brand of the product purchased is a kind of storage good that demonstrates the consumer's social status and wealth. It is highly correlated with the individual's self-concept and social image. Consequently, consumers are often attracted to brands or products associated with their identities and perceptions [39]. It can be concluded that perceived social value has a positive impact on customer purchases. Scholar Jing Wang used the SOR model to verify the mediating role of perceived value between brand image and purchase behaviour in the field of brand image, as well as its significant influence on purchase behaviour [40]. Based on the above analysis, this study hypothesizes:

H2-a: Perceived functional value significantly and positively affects customer loyalty.

H2-b: Perceived emotional value significantly and positively affects customer loyalty.

H2-c: Perceived social value significantly and positively affects customer loyalty.

H3: Perceived value mediates the effect between traditional culture embedded in regional brand products and customer loyalty.

### **3.3 The Impact of The Quality of Channel Integration**

Perceived value is situational and changes with personal situation, consumption and external environment (e.g., product type, brand, store type, physical shopping or e-commerce platform), etc., and efficient and convenient shopping can increase the perceived value [41]. It has been shown that the level of quality of omnichannel integration usually has an impact on customer perception, customer experience and customer purchase, and further affects

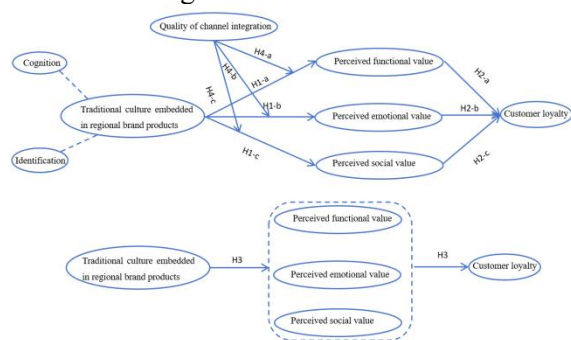
customer loyalty [42,43]. Especially in the network era, both the product itself and the purchase context will affect the perceived value, and channels with high integration and consistency can bring higher spatial and temporal convenience to consumers and increase their perceived value [17]. Based on the above analysis, this study assumes:

H4-a: Other things being equal, a high quality of channel integration enhances the positive impact of traditional culture embedded in regional brand products on consumers' perceived functional value.

H4-b: Other things being equal, a high quality of channel integration enhances the positive impact of traditional culture embedded in regional brand products on consumers' perceived emotional value.

H4-c: Other things being equal, a high quality of channel integration enhances the positive impact of traditional culture embedded in regional brand products on consumers' perceived social value.

Based on the above discussion, this paper summarizes all the hypotheses in the literature review as H1-H4, and proposes a conceptual model of this paper's research hypotheses H1-H4 summarized from the related literature, as shown in Figure 1.



**Figure 1. Mechanism of Traditional Culture Embedded in Regional Brand Products on Customer Loyalty**

## 4. Methodology

### 4.1 Data Collection

This study uses the survey data collected through the Questionstar platform to validate the proposed conceptual model. Questionstar is a professional questionnaire survey platform that supports multi-terminal and multi-channel. This study uses the survey data collected through the SoJump to validate the proposed conceptual model. SoJump is a professional

questionnaire survey platform that supports multi-terminal and multi-channel. A pre-test and pre-survey were conducted prior to the formal survey. In the pre-survey, 10 consumers with some knowledge of traditional culture and regional public brands were invited to conduct in-depth interviews to identify the more difficult to understand and easily misinterpreted questions, which were then modified to ensure that respondents could fully understand the questionnaire. After revising the first draft, 38 validated questionnaires were collected for pre-testing in this study. Its reliability coefficient Cronbach's  $\alpha$  is greater than 0.9, which indicates that the stability and internal consistency of the developed questionnaire is good. Subsequently, 500 official questionnaires were distributed through SoJump for this study, and 476 questionnaires were returned. After excluding questionnaires with contradictory answers, duplicate answers and other problems, 407 valid questionnaires were finally recovered in this study, with a validity rate of 85.50%.

**Table 1. Demographic Statistics**

Item	Type	Frequency	Percentage(%)
Gender	Male	113	27.76
	Female	294	72.24
Age	$\leq 25$	186	45.7
	25~35	112	27.52
	35~45	65	15.97
	45~55	38	9.34
	$\geq 55$	6	1.47
Education	High school or below	10	2.46
	College degree	51	12.53
	Undergraduate degree	280	68.8
	Graduate degree	66	16.22
Annual income (CNY)	$\leq 100,000$	124	30.47
	100,000-200,000	178	43.73
	200,000-300,000	80	19.66
	$\geq 300,000$	25	6.14

Table 1 summarizes the demographic characteristics of the sample. Female consumers (72.24%) accounted for a larger proportion of the sample than male consumers (27.76%); the majority of respondents were under the age of 45 (89.19%); in terms of educational attainment, the majority of respondents had a bachelor's degree (68.8%); and in terms of average household income, the

focus was on the range of 100,000-200,000 yuan per year.

#### 4.2 Measurement

The measurement scales in this study are proposed based on existing research and modified to enhance contextualization based on the current situation. All items were scored on a 5-point Likert scale, with 1 indicating "strongly disagree" and 5 indicating "strongly agree". The questionnaire in this paper is divided into five sections, the content of each item can be seen in Appendix A. The first part consists of demographic variables. The second part of the traditional culture embedded in regional brand products is a second-order construct that includes consumers' awareness and identification with the traditional culture embedded in regional brands. The measures on awareness are from Jakubanecs and Supphellen [25], and the measures of identification are from He J and Wang C L. [44], Charton-Vachet et al. [45]. The third part of the perceived value measure comes from Pan Yu et al. [46], Zhang et al. [47]. The fourth part is the measurement of channel integration quality, where the measures of channel service configuration, and interaction consistency are from Sousa & Voss [32] and Lee et al. [33]; The measure of privacy assurance is from Gao M and Huang L [43]. The fifth part is the measurement of customer loyalty, measured by repeat purchase and intention to recommend, using measures from Lee et al. [33].

#### 4.3 Data Processing

The partial least squares structural equation modeling (PLS-SEM) is a variance-based structural equation modeling method with the following characteristics: First, it does not require that variables follow the multivariate normal distribution assumption; second, it works well with small samples; and third, it can handle complex models with second-order constructs as well as mediation and moderation analyses. Therefore, this study applied PLS-SEM to examine the measurement and structural models using SmartPLS4. To ensure the accuracy of data analysis, this paper uses 5000 times bootstrap sampling method for significance test and mediation effect analysis.

### 5. Data Analysis and Results

#### 5.1 Common Method Bias

Because respondents answer all the questions in a questionnaire, they are susceptible to common method bias (CMB) problems. Therefore, in this paper, all items were included in an unrotated exploratory factor analysis using Harman's single-factor test, which showed that the first factor explained 32.6% of the variance, which is below the 50% benchmark, proving that no significant CMB exists.

#### 5.2 Measurement Model

Reliability indicates the consistency of measurement results and refers to the degree of stability of the results obtained by using the same method to measure the relevant variables. The reliability of this study was tested by Cronbach's coefficient (Cronbach's  $\alpha$ ), composite reliability (CR) and average variance extracted (AVE) and the results are shown in Table 2. All Cronbach's alpha values exceeded the recommended threshold of 0.6, and all CR values were greater than the 0.8 level, indicating that the sample data of this study passed the internal consistency test, i.e., all indicators had good reliability.

Validity refers to the correctness and validity of a measurement, reflecting the accuracy of the interpretations and inferences made by the scale. The validity of this study was tested by item loading, average variance extracted (AVE) and the results are shown in Table 2. Since the factor loadings of CI1 and CI2 were less than 0.55, they were excluded; the remaining indicators, CSC1, CSC2, IC1, IC2, IC3, were close to 0.6; CI6, CSC3, CSC4, CSC5, CSC6, CSC7 were close to 0.7, and the rest of the indicators were greater than 0.7, which was statistically significant. Meanwhile, Table 2 shows that the AVE value of channel integration quality is low at 0.367, but its CR value is 0.864, which still indicates good convergent validity, and the AVE values of the rest of the indicators are above 0.5, which indicates high convergent validity. In addition, this study examined the discriminant validity of the measurement model. Since the method used to deal with second-order constructs is the repeated indicator method, and the repetition of indicators leads to high correlation coefficients, it is sufficient to do the discriminant validity of the first-order

constructs only, and the results are shown in Table 3. The square roots of AVE for each construct is greater than the correlation coefficient between it and the other constructs,

so it can be shown that the questionnaire has good discriminant validity. In summary, the convergent and discriminant validity of the indicators are good.

**Table 2. Measurement Model**

Variable	Item	loading	Cronbach's $\alpha$	CR	AVE
awareness	CA1:When asked about cultural products, I think of traditional Culture	0.779***	0.675	0.821	0.605
	CA2:Products combined with the traditional culture are one of the symbols of Chinese culture	0.767***			
	CA3:Products that are integrated with the traditional culture are a mark of distinction from other similar products	0.787***			
identification	CI3:I think products that are combined with the traditional culture are trustworthy	0.738***	0.789	0.856	0.542
	CI4:I would like to learn more about the cultural activities related to traditional culture	0.755***			
	CI5:I like regional brand products that are integrated with the traditional culture	0.748***			
	CI6:I support the integration of the traditional culture with regional branded products	0.696***			
	CI7:I think it makes sense to combine the traditional culture with regional brand products	0.745***			
perceived functional value	PFV1:I value product performance and will buy products that meet my needs	0.803***	0.660	0.814	0.593
	PFV2:I value the quality of products and will buy good quality products	0.776***			
	PFV3:I think that products with traditional culture are good value for money	0.729***			
perceived emotional value	PEV1:I am often attracted to products that are integrated with the traditional culture	0.836***	0.729	0.847	0.649
	PEV2:I can experience a sense of national identity and cultural resonance when consuming products with the traditional culture	0.783***			
	PEV3:If I can experience the traditional culture while consuming the product, I will be happy	0.796***			
perceived social value	PSV1:I can connect with others through the traditional culture elements that are attached to my products	0.771***	0.700	0.832	0.623
	PSV2:Consuming products that are integrated with the traditional culture reflects my identity and cultural perceptions	0.820***			
	PSV3:The experience of consuming products with traditional culture can play a symbolic role in my self-positioning and image in social interactions	0.777***			
quality of channel integration	CSC1:I can purchase products through a variety of channels	0.563***	0.828	0.864	0.367
	CSC2:I have access to product information through multiple channels	0.579***			
	CSC3:I have access to technical support when purchasing products through multiple channels (e.g., online ordering for offline pickup)	0.632***			
	CSC4:I can get product feedback through multiple channels	0.640***			
	CSC5:I am aware of the services offered by different channels	0.668***			
	CSC6:I know how to use the services offered by different channels	0.663***			
	CSC7:I am aware of the differences in services offered by different channels	0.633***			
	IC1:Consistent product information (quality, price, etc.)	0.560***			



	displayed across channels				
	IC2:Consistent promotions displayed across channels	0.564***			
	IC3:Consistent delivery speed across channels	0.569***			
	AQ:My information is secure across channels	0.576***			
customer loyalty	CL1:I would recommend products embedded with traditional culture to others	0.816***	0.753	0.859	0.669
	CL2:If there is a need to buy a product, I will first choose the product that is embedded in the traditional culture	0.820***			
	CL3:I will buy again the product that combines with the traditional culture	0.819***			

Note:\*\*\*:p< 0.001.

**Table 3. Correlation Matrix**

	quality of channel integration	awareness	identification	customer loyalty	perceived emotional value	perceived functional value	perceived social value
quality of channel integration	0.606						
awareness	0.409	0.778					
identification	0.464	0.681	0.737				
customer loyalty	0.482	0.588	0.706	0.818			
perceived emotional value	0.424	0.655	0.730	0.687	0.805		
perceived functional value	0.475	0.651	0.689	0.600	0.695	0.770	
perceived social value	0.454	0.595	0.644	0.650	0.646	0.592	0.789

Note: The bold values on the diagonal are square roots of AVE.

### 5.3 Evaluation of Structural Models

Before verifying the results of hypothesis testing, this paper uses the VIF value to test the multicollinearity problem of the model, and the variance inflation factor(VIF)of the model is between 1.012 and 2.312, which are all beneath 3.3. Therefore, there is no multicollinearity problem in this study. In this paper, the explanatory ability of the model is evaluated by the coefficient of determination ( $R^2$ ), the  $R^2$  of perceived functional value, perceived emotional value, perceived social value, and customer loyalty are 0.581, 0.603, 0.498, and 0.556 in that order, which indicates that the model has a medium level of explanatory ability.

#### 5.3.1 Direct effects analysis

Bootstrapping with 5000 bootstrap samples was applied to examine the significance of the relationship between the variables and the results were reported in Table 4. The path coefficients of all direct effects in the conceptual model were significantly positive, and the embeddedness of traditional culture in the regional brand had a significant positive effect on perceived functional value ( $\beta=0.679$ ,  $p<0.001$ ), perceived emotional value ( $\beta=0.733$ ,  $p<0.001$ ), and perceived social value ( $\beta=0.573$ ,  $p<0.001$ ); Perceived functional value had a significant positive effect on customer loyalty

( $\beta=0.149$ ,  $p<0.05$ ), perceived emotional value had a significant positive effect on customer loyalty ( $\beta=0.379$ ,  $p<0.001$ ) and perceived social value had a significant positive effect on customer loyalty ( $\beta=0.317$ ,  $p<0.001$ ). Thus, H1a, H1b, H1c, H2a, H2b, and H2c were confirmed.

**Table 4. Direct Effects**

Direct effects path	$\beta$	T	P-value
H1a:traditional culture embedded in regional brand products→perceived functional value	0.679***	9.693	0.000
H1b:traditional culture embedded in regional brand products→perceived emotional value	0.733***	14.417	0.000
H1c:traditional culture embedded in regional brand products→perceived social value	0.573***	10.057	0.000
H2a:perceived functional value→customer loyalty	0.149**	2.492	0.013
H2b:perceived emotional value→customer loyalty	0.379***	5.412	0.000
H2c:perceived social value→customer loyalty	0.317***	5.702	0.000

Note:\*\*:p<0.01,\*\*\*:p<0.001.

### 5.3.2 Mediating effects analysis

The path coefficients and significance of the indirect effects of the model were checked by bias-corrected percentile bootstrapping at a 95% confidence interval. The results are shown in Table 5, verified that the mediating effect of perceived functional value ( $\beta=0.128$ ,  $p<0.05$ ), perceived emotional value ( $\beta=0.328$ ,  $p<0.01$ ), perceived social value ( $\beta=0.211$ ,  $p<0.01$ ) are significant between traditional culture embedded in regional brand products and customer loyalty, respectively. Moreover, Table 5 shows that the 95% confidence interval does not contain zero, again validating the presence of mediating effects in the model. In summary, H3 was proven.

**Table 5. Indirect Effects**

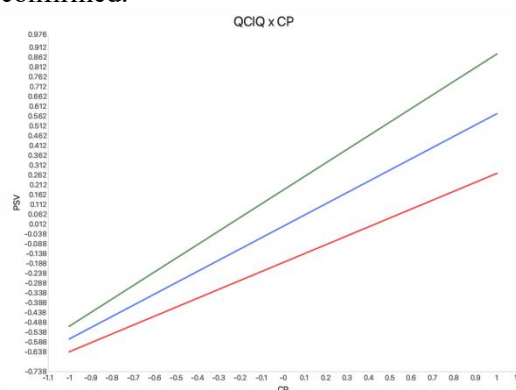
Indirect effect path	$\beta$	T	confidence interval	P-value
traditional culture embedded in regional brand products $\rightarrow$ perceived functional value $\rightarrow$ customer loyalty	0.128**	2.547	(0.029, 0.230)	0.011
traditional culture embedded in regional brand products $\rightarrow$ perceived emotional value $\rightarrow$ customer loyalty	0.328**	4.683	(0.197, 0.470)	0.000
traditional culture embedded in regional brand products $\rightarrow$ perceived social value $\rightarrow$ customer loyalty	0.211**	4.794	(0.132, 0.301)	0.000

Note: bootstrap=5000; \*\*:  $p<0.01$ , \*\*\*:  $p<0.001$ .

### 5.3.3 Moderating effects analysis

This study used the Bootstrapping to test the significance of the moderating effect of the model, and obtained that the quality of channel integration significantly contributes to the effect on perceived social value ( $\beta=0.119$ ,  $p<0.001$ ) in the effect of the embedding of traditional culture in regional brand products on perceived value, however, there was no significant effect on perceived functional value and perceived emotional value, as shown in Figure 2. The quality of channel integration has a significant moderating effect on the relationship between the embeddedness of traditional culture in regional brand products and perceived social value. Compared to the

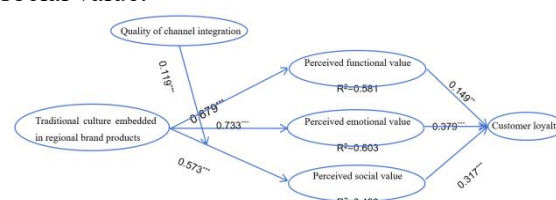
context of low quality of channel integration, channels with high quality of integration are more likely to enhance the positive impact of the embedded regional brand of the traditional culture on perceived social value. The moderating effect of channel integration quality is more effective in contexts with high channel integration quality. Hypothesis H4c is confirmed.



**Figure 2. Moderating Effects**

### 5.3.4 Evaluation of Structural Models

To summarize, as shown in Figure 3, the traditional culture embedded in regional brand products influences customer loyalty through perceived functional value, perceived emotional value, and perceived social value; The quality of channel integration reinforces the impact of the traditional culture embedded in regional branded products on perceived social value.



**Figure 3. Results of PLS-SEM Analysis**

## 6. Discussions and Future Research

### 6.1 Strategic Recommendation

Firstly, the utilisation of traditional culture as a means of promoting regional branding. From the empirical results, the traditional culture embedded in regional brand products improves customer loyalty by increasing the perceived value, which indicates that enterprises should focus on the cultural elements in their production and management, which can be divided into two aspects: cultural combination and cultural diffusion. In the combination with the traditional culture, the government and

enterprises should fully excavate and understand the traditional culture, ensure the authenticity of the culture as much as possible, and achieve a reasonable and effective combination, rather than copying or over-commercialization. In this way, it can not only bring consumers closer to the product through the emotions carried by the traditional culture, improve the perceived value and establish customer loyalty, but also spread the traditional culture through the product, and the two complement each other in a virtuous circle. At the same time, in order to increase the breadth and visibility of the Hehe culture embedded in the regional brand products, enterprises should actively publicize, specifically through WeChat official accounts, microblog, Red and other online social media platforms, as well as shopping malls, the subway, public transport and other offline platforms. By showcasing the essence and uniqueness of traditional culture embedded in the regional brand products in a rich format, continue to attract potential consumer groups. Secondly, it is of the utmost importance to ensure product quality in order to tap into the cultural connotations of the psychological distance between the consumer and the establishment of emotional resonance. As can be seen from the empirical results, both the direct and mediating effects validate the important role of perceived value in influencing customer loyalty by embedding traditional culture in the regional brand products. For this reason, enterprises should realize the effective combination of regional brand products and traditional culture in a way that can increase the perceived value of customers, not only focusing on the functional quality of the product, service quality, brand image, but also concentrating on mining the cultural value to form emotional resonance with consumers, so as to form a behavioral loyalty [48].

Thirdly, it is recommended that the construction of marketing channels be improved and that a seamless consumption environment be created. In this regard, enterprises should improve the quality of channel integration in three aspects: channel-service configuration, interaction consistency and privacy assurance. The foremost is to expand the range of channels and to ensure transparency and quality of

configuration across multiple channels; In addition, ensure consistency of content and service across channels by building connections between channels; Additionally, privacy is a very important factor in the era of digital economy, companies should focus on protecting the privacy of customers' personal information, financial information, etc., and create a trustworthy environment for consumers [43]. Deliver a seamless consumer experience by designing omnichannel marketing to increase perceived value and build loyalty.

## 6.2 Limitations and Future Research

This study has limitations. To begin with, this study has only considered the positive effect of cultural embeddedness, i.e., the embedding of traditional culture in regional brand products promotes customer loyalty, but it has not yet evaluated the negative effects of the "cultural embeddedness" development model, such as cultural and economic risks, so in the future, we can use this study as a basis to comprehensively consider both the positive and negative effects, and continuously improve the model framework to make more reliable development proposals. Secondly, this study did not consider the adaptability of different types of consumers to the influence mechanism. Future research could introduce consumer factors such as consumer personality into the model to analyse the differences in purchase choices under different consumer types. Thirdly, this study only considered the traditional cultural embeddedness of regional brand products as an important antecedent of customer loyalty. Future research should explore other possible factors.

## 7. Conclusions

This study proposes a theoretical model in conjunction with SOR theory to explore the intrinsic mechanism of the role between the embeddedness of traditional culture in regional brand products and customer loyalty. The results of the study show that: First, the embedding of traditional culture in regional brand products has a positive impact on perceived functional value, perceived emotional value, and perceived social value, which means that embedding traditional culture in regional brand products can bring higher perceived value to consumers, which is

an important factor influencing customer loyalty. Second, customer perceived value has a mediating role. The empirical results indicated that the mediating effects of traditional culture embedded in regional brand products→perceived functional value→customer loyalty ( $\beta = 0.128$ ), traditional culture embedded in regional brand products→perceived emotional value→customer loyalty ( $\beta = 0.328$ ), and traditional culture embedded in regional brand products→perceived social value→customer loyalty ( $\beta = 0.211$ ) once again prove the importance of perceived value. Third, the quality of channel integration plays a positive moderating role in the effect of traditional culture embedded in regional brand products on perceived value. The results of the study indicate that the impact of the traditional culture embedded in regional branded products on perceived social value is stronger in contexts where the quality of channel integration is high. Suppliers of regionally branded agricultural products should prioritise enhancing the quality of their channel integration, while simultaneously cultivating regional brands and capitalising on traditional cultural associations. This approach is conducive to enhancing the perceived value of consumers and fostering customer loyalty.

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