



# Luxury consumption

*How new dimensions of luxury brand management affect Norwegian Generation Z's attitude towards luxury brands and the intention to acquire them?*

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## Executive summary

It is evident that Generation Z will dominate marketing in the next few years. However, there are still limited researches about their buying behavior patterns.

The luxury goods consumption among Generation Z is rather undiscovered, and therefore luxury brands may lack the knowledge to attract them. This research investigates the attitude towards luxury and underlying motives of Norwegian Generation Z to purchase luxury goods since the Norwegian luxury consumption market is fairly new and its rise coincided with new luxury branding strategies.

The possible factors based on characteristics of Generation Z and new aspects of the luxury brands' marketing profiles were identified as drivers to establish a causal relationship between those drivers and Norwegian Generation Z's attitudes and intention to purchase luxury fashion items.

The results show that Norwegian Generation Z is sensitive towards sustainability and may be influenced by social media influencers more than they expect, yet still value traditional attributes of luxury. This research also captured the differences in drivers to purchase luxuries between the genders. Our study suggests that luxury brands need to create specific marketing strategies based on the target group preferences for the Norwegian market to succeed among Norwegian youngsters.

*Keywords:* consumer behavior, Generation Z, Norwegian luxury consumers, luxury brand management, marketing, purchasing intention

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# 1. Introduction

This chapter will provide background information and the objectives of this study. In addition, the structure of the study will be presented.

## 1.1 Background

Over the last decades, the market for luxury goods has increased tremendously. The total luxury goods market grew by 5% in 2018 and is valued at 1.2 trillion euros in the world and is expected to grow by 3 to 5% per year through 2025 (D'Arpizio, Levato, Prete, Del Fabbro, & de Montgolfier, 2019). Within the worldwide success of the luxury industry, the Norwegian market seems to become more attractive for luxury brands as more and more luxury stores are opening in Oslo. The Danish Group 88 who is a retail agent in Norway for luxury brands states that Bottega Veneta, Gucci, and Burberry earned NOK 48 million for the year 2016 in Oslo (Dagens Næringsliv, 2017). It is expected that Norwegians will spend more on luxury goods inside the country instead of buying them overseas due to the weakness of the currency exchange rate of NOK to USD and EUR (Dagens Næringsliv, 2017; Deloitte Touché Tohmatsu Limited, 2019).

The global success of the luxury industry could be explained by luxury brands implementing new marketing strategies in order to meet the needs of new customer segments - Millennials and Generation Z. These two generations accounted for 47% of luxury goods consumers in 2018 and 33% of luxury goods purchases (D'Arpizio et al., 2019).

The tech-savvy and sustainable oriented customer segments have made a tremendous impact on the change of definition of luxury and the luxury marketing mix (Goldston, 2018). The perception of luxury has shifted from mainly focusing on the history behind the brand and the heritage, towards more focus on instant value creation (Deloitte Touché Tohmatsu Limited, 2019). As these "new" tech-savvy generations seek individual, seamless brand relationships, brands are investing all over the world to enter the digital market and rely on AI and Big Data (Deloitte Touché Tohmatsu Limited, 2019). Moreover, e-commerce and the role of social media influencers in luxury marketing campaigns are raising. For example, the Chinese influencer Mr. Bags is actively collaborating with luxury brands like Chloe and Dunhill (Mr.



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Bags, n.d.). The 2018 collaboration of Mr. Bag with Tod's resulted in USD 0.5 million sales online in 6 minutes (Deloitte Touché Tohmatsu Limited, 2019).

The new Generation Z and Millennials are the most dedicated concerning the matters of environment, sustainability, animal welfare, and ethical standards (Deloitte Touché Tohmatsu Limited, 2019). The studies indicate that 62% of Millennials said that retailers should do more sustainable activities (Hill & Lee, 2012). Hence, more and more luxury brands are implementing sustainable activities as part of their marketing mix and production. For example, Burberry introduced a new collection ECONYL made from sustainable nylon (Burberry Group PLC, 2019). The CEO of Kering Group had announced the sustainability strategy that resulted in removing animal fur from Gucci collections (Kering S.A, 2017), as well as other luxury brands like Versace, DKNY, Burberry, etc.

## 1.2 Research questions

As mentioned above, the growth of new customer segments, such as Millennials and Generation Z, has led to new aspects in managing a luxury brand. Luxury brands are adapting their strategies to appeal to the young generations that are known to belong to HENRY, which stands for High-Earners-Not-Rich-Yet (Hoffower, 2019). Business Insider (Hoffower, 2019) states that those HENRY's are six-figure earners and mainly consist of Millennials. However, Generation Z begins to evolve and about to start their careers as the oldest of them are graduating from studies. Therefore, it is natural to expect Generation Z to surpass Millennials in a decade and will dominate the luxury consumer market over the next few decades. This Generation is highly conscious of the brand and materialistic because it does not like to be compromised on the coolest product in comparison with colleagues and peers (Jain, Vatsa, & Jagani, 2014).

There are many studies of the perception of luxury by Millennials (e.g., Chu & Kamal, 2011; Rolling & Sadachar, 2017; de Kerviler & Rodriguez, 2019; Yu, Cho, & Kim, 2019; Casagrande Yamawaki & Srafaty, 2019, etc.). Many of them focus on the impact of sustainability (e.g., Rolling & Sadachar, 2018; Kapferer & Michaut, 2019) and social media marketing activities (e.g., Athwal, Istanbuluoglu, & McCormack, 2018) on Millennials' the perception of luxury brands and intention to purchase them.

Although Generation Z is also a strategic consumer target for the luxury industry, there is a very limited number of studies on the relationship of Generation Z to luxury brands (e.g., Jain et al., 2014; Juodžbalis & Radzevičius, 2016). Besides, as per our knowledge, there is no research on the impact of new aspects of luxury brand management such as sustainability, e-commerce, and collaborative culture, on Generation Z's intention to acquire luxury brands. Also, it would be interesting to study how new aspects of luxury brand management are shaping the attitude of the Norwegian Generation Z to luxury brands since the recognized luxury brand stores are new to the Norwegian market and arrived in Norway when the focus shifted towards younger generations and influenced their marketing strategies.

Given all this, this master's work is aimed at answering the following research questions:

**RQ1:** *What is the attitude of the Norwegian Generation Z towards luxury brands?*

**RQ2:** *How do new aspects of luxury brand management influence Norwegian Z's intention to acquire luxury brands?*

### 1.3 The organization of thesis

The next chapter of this thesis provides a theoretical basis and an overview of the definitions of luxury, aspects of managing luxury brands, the research's interest target group characteristics, and the Theory of Reasoned Actions. Chapter 3 describes the research design of the study along with the conceptual model and the methods that were chosen to collect and analyze data to answer research questions. This chapter also focuses on the validity and reliability of methods. Chapter 4 presents the results of data analysis, followed by a discussion of the research results and implications in chapter 5. The final chapter is a conclusion with the limitations of the study and suggestions for further research.

## **2. Theoretical framework**

This chapter begins with a definition of luxury to have a clear idea of what luxury is in general. The following discusses the concept of luxury brand management. This chapter also provides an overview of the characteristics of Generation Z, as we define them as the strategic consumer target of this study. Besides, the latest changes in luxury brand management are presented, specifically designed for the younger generation, which is expected to influence luxury attitudes, as well as Theory of Reasoned Action, which implies that attitudes can influence the intention to make a purchase.

### **2.1 Luxury**

Despite that luxury existed since ancient times, there is no single consensus definition of the luxury concept. The reasons for this are different, but various researches emphasize the fact that luxury is a relative and subjective concept (Mortelmans, 2005) with various dimensions, and that the perception of luxury changes rapidly with time. Kapferer & Bastien (2009) point out that luxury can be an absolute concept relating to an idealized, inaccessible lifestyle, or it can mean an abundance of pleasure beyond what the mind foresaw. It is important to point out that while reviewing the currently available literature, very limited information was found on definitions and perceptions of luxury by Generation Z.

#### **2.1.1 Traditional Luxury**

Historically, luxury has been an essential attribute of privileged social classes like nobles, aristocrats, royals, and later of wealthy capitalists and bourgeoisie. Kapferer and Bastien (2009) emphasize the historical role of luxury being a fundamental tool of social stratification. They claim that originally luxury was the result of a hereditary social stratum due to the strong hierarchical structure in society. Luxury was a word describing a product, industry, a material thing, and meant something expensive, accessible only to the rich. Danziger (2005) defined a traditional luxury as an object of the highest quality and symbolized an object that exhibits elegance and sumptuousness.

The definition of traditional luxury closely tied to conspicuous consumption, the oldest and most popular theory related to luxury. Veblen (1899) claims that people consume highly visible means to show wealth to others who then deduces status and power. Mauss (1954) linked conspicuous consumption to gift-giving, finding that seemingly irrational gift exchanges took place to gain status in the "prestige economy." Using Veblen's theory, Burden and Etzel (1982) found that luxury goods consumed in public are more likely to be more visible. Eastman, Goldsmith, and Flynn (1999) highlighted the relationship between status and conspicuous consumption for luxury products. They defined it as a motivational process by which people strive to improve their social situation through conspicuous consumption of consumer goods, which assign and symbolize status both for the individual and for significant others. Thus, traditional luxury is a concept that refers to expensive and exclusive products and services of high status, high fashion, and high comfort.

However, with the help of democratization and the rise of the middle class, internalization and global trade luxury perceptions have changed since it became more accessible to the masses, leading to the "masstige" of luxury (Silverstein & Fiske, 2003). Hence, luxury stopped being a signal of belonging to a higher social class. Moreover, researchers began to distinguish between old and new luxury because of the rise of new dimensions in the definition of luxury.

### **2.1.2 New luxury**

Danziger (2005) focuses attention on that old luxury was determined by the attractiveness of status and prestige-based products until the mid-1980s, when luxury began to shift toward an experiential perspective due to the rise of new generations of consumers-baby boomers. Hence, the new dimension of luxury emerged that focused on consumers' desires, experiences, and feelings. Buying luxury goods means buying a dream, and the mechanisms underlying consumers' reactions to luxury goods are usually impulsive, emotional, or extravagant (Dubois & Paternault, 1995). Luxury goods are those goods whose price exceeds what their functional value prescribes, which are considered symbols of the dream of wealthy life, thereby giving pleasure and distinction to their owners (Vigneron & Johnson, 1999). The study by Dubois, Laurent, and Czellar (2001, as cited in Heine, 2012) has identified essential attributes of luxury such as excellent quality, very high price, scarcity and uniqueness, aesthetics, and poly

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sensuality, ancestral heritage, and personal history, superfluousness (please refer to Appendix A for definitions).

Kapferer and Bastien (2009) have given an accurate definition of luxury that highlights its importance of hedonism and experience. Luxury is objects or services that are unnecessarily expensive: unnecessary - the consumer can live without them; no functional argument can justify the price, only a sense of privilege made of rare quality, hedonistic experience, symbolic elevation, and conspicuousness (Kapferer & Bastien, 2009). Hagtvedt and Patrick (2009) conduct numerous studies to examine the role of hedonistic pleasure in motivating the desire to buy luxury brands. They argue that luxury brands are more extensible than other brands because the promise of satisfaction leads consumers to believe that luxury is initially desirable for more product categories.

De Barnier, Falcy, and Valette-Florence (2012) identify luxury as a long-lasting product or a hedonistic experience that sells at a price that exceeds its functional values; tied to heritage, creativity, and culture, and available in a controlled distribution with highly personalized services and acts as a tool of social stratification by giving a sense of prestige. Mandel, Petrova, and Cialdini (2006) hypothesize that comparing with successful others may make consumers imagine that they are achieving a similar level of success and, in turn, change their future expectations and encourage them to favor luxury brands. In other words, the consumption of luxury goods for status allows the consumer to express and potentially raise their identity to socially significant others. Han, Nunes, and Dreze (2010) also consider status to be a principal motive for the consumption of luxury goods and that the financial situation plays a vital role.

However, due to the rise of masstige luxury, the definition of luxury concerning high price, scarcity and rarity may seem irrelevant. Silverstein and Fiske (2003) define the term "masstige brands" as brands that offer prestige to the masses. Heine (2012) then outlines that luxury brands are utilizing this concept. Thus, modern luxury is the goods and services that provide the same function and semiotics of traditional luxury but target a mass or semi-mass market (Blevis, et al., 2007). Luxury companies strive for the best feasible perception of the characteristics of a luxury product based on their target groups (Phau & Prendergast, 2000; Catry, 2003; Mortelmans, 2005). This is achieved by adequate marketing and primarily through communication measures (Vigneron & Johnson, 2004). This goes in line with the argumentation that luxury brands' marketing strategies define luxury nowadays because of the volatile nature of luxury (Kapferer & Bastien, 2009).

Highsnobiety (2019, p.15) has examined the recent changes happening in the luxury industry and proposed a new definition of luxury brands. The definition states that: “New luxury is defined by knowledge; aspiration is about cultural value; items are special because they are unique to the individual; status is demonstrated by access to the cultures represented by luxury items; luxury is a dynamic lifestyle that requires participation; value is tied to artful ideas executed at a high level; pieces personalized to a client’s identity.”

## 2.2 Luxury brands

With the rise of the middle class and mass consumption, traditional luxury brands, defined by exclusivity, have become less and less attractive as their affordability spreads (Fraser, n.d.) due to the rise of masstige brands. More and more the traditional luxury brands like Mercedes-Benz, Tiffany, and Burberry are extending by trading-down their product selection with affordable products (Silverstein & Fiske, 2003). In addition to that, non-luxury brands like Adidas with its Yeezy sneakers that cost 2500\$ per pair are trading-up (Silverstein & Fiske, 2003) and extending their product selection to the luxury segment. Hence, traditional dimensions of luxury brands relevant to older generations may seem irrelevant for new consumers.

Fionda and Moore (2009) identified seven dimensions of luxury brands, including brand/marketing strategy, product, and design, price exclusivity, communication strategy, leadership/brand designer, distribution strategy, and heritage. Evidentially due to the increase of masstige in luxury, the following definitions of luxury brands exclude the dimensions related to heritage, limited supply and distribution, and country of origin effect.

Ko, Costello, and Taylor (2017) have defined luxury brands as a branded product or service that consumers consider high-quality, that offer genuine value at the expense of the desired benefits, functional or emotional, that can cause a deep connection or resonance with the consumer; have a prestigious market image built on qualities such as craftsmanship or quality of service, and worthy of offering a premium price. This definition is in line with the current marketing strategy of luxury brands, which emphasizes the everyday use of luxury goods, focusing on quality, which implies the durability of the products offered, comfort and iconic significance of luxury goods through the symbols (Fraser, n.d.).

## 2.2.1 Brand identity

Kapferer and Bastien (2009, p. 117) highlight that "luxury is a brand first, and luxury second." The brand's positioning determines the brand, the goal of which is to become a brand that offers the most massive audience to a specific target audience concerning competitors (Kapferer, 2008). However, Kapferer and Bastien (2009) argue that positioning is irrelevant when it comes to luxury brand management. Instead, they emphasize the importance of brand identity. A brand is a name, design, symbol, or main feature that helps distinguish one or more products or services from a business or organization (Kotler & Keller, 2016). Identity, according to Kapferer and Bastien (2009, p.122), "expresses the tangible and intangible specificities of the brand" that is "nurtured from the brand's roots, its heritage, everything that gives it (brand) its unique authority and legitimacy in a specific territory of values and benefits."

Kapferer and Bastien (2009) address the issue of confusion in differentiating between the premium and luxury brands, as premium brands position themselves as brands providing high-quality products in the product category with a premium price that has been core dimensions related to luxury. Hence, Kapferer and Bastien (2009) highlight that brand identity for luxury brands is an essential aspect of successful brand management.

Kapferer and Bastien (2009) refer to Kapferer's (2008) identity prism that breaks down a symbolic dimension of brand identity into facets when examining luxury brands (please refer to Figure 1).

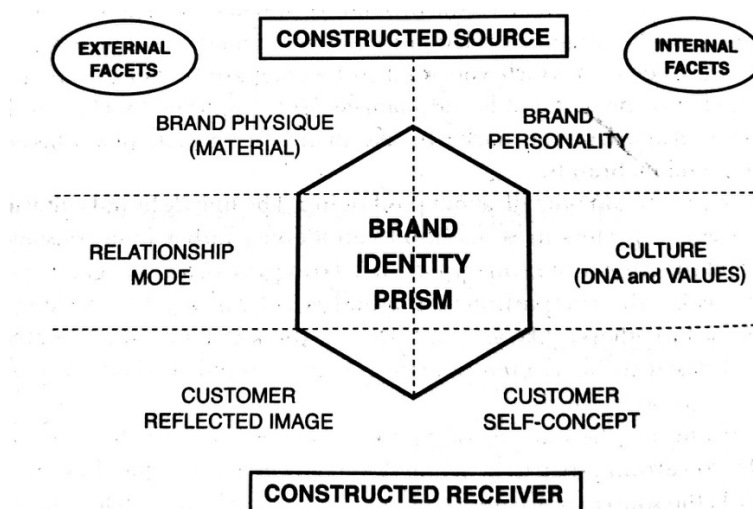


Figure 1. Luxury brand identity prism. Source Kapferer and Bastien (2009,p.122)

The physical aspect of the brand identity prism refers to non-verbal imagery of luxury brands, such as codes, signs, gestures, anything in the product that makes it stand out without looking at the logo (Kapferer & Bastien, 2009). An example of that could be a recognizable design of the Chanel Classic bag, which makes it stand out due to its iconic diamond-quilted leather and leather belt interwoven in a golden chain. The design of the bag is so iconic and recognizable even before the CC logo is seen.

Kapferer (2008) states that a brand has a personality and can be described through the same character traits as a person. Hence, Huber de Givenchy gave his brand nature to an elegant aristocratic woman, such as Audrey Hepburn, who was the muse of Huber de Givenchy.

As per facet of customer reflected image, Kapferer and Bastien (2009) argue that luxury brands are a reflection of self-offering to others. They state that luxury brands can be described by the image of their customers that are created by luxury brands themselves. Balmain offers the reflection of an educated, strongly independent, and confident woman that makes bold statements through extravagant and unique clothes (Arana Rivera, 2016).

The fourth facet represents the consumer's self-concept that is offered by a luxury brand. Kapferer and Bastien (2009) highlight that this facet is related to consumer's intimate relationship with luxury and intrinsic reflection on it. For example, the mentalization of Bottega Venetta's customer is in differentiating himself from other wealthy consumers by not buying Louis Vuitton as it is too familiar but instead buying something rare (Slowfootsteps, 2015).

The next two intermediary facets of the prism are culture and relationship. The luxury brand creates a cult and develops neophytes through the culture. Kapferer and Bastien (2009) argue that it is related to the brand's history and heritage, its deepest values, and the meaning of symbols that stand behind the brand. For instance, Dior represents a Parisian fashion culture, style, and chic despite being spread internationally (Dior Mag, n.d.). According to Kapferer and Bastien (2009, p. 125), the relationship facet "defines the nature of the relationship installed between the brand and its recipients." Thus, Versace unlocked sexuality in women.

Kapferer and Bastien (2009) highlight that brand identity is essential for luxury brands since it captures the uniqueness and creativity of the brand.



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## 2.3 New dimensions of luxury brand management

Generations' values and beliefs have changed during the last decades. In the '50s baby boomers were the new consumers who valued collectivism, in the '60s-'70s we saw a new generation of materialistic and status-driven consumers, while in the 80's-90's we got the millennials who were globalists in mind and had a self-minded pattern. The new Generation Z is people born from 1995-2010 and is highly influenced by the technological revolution of the '90s. This generation can multitask, have a more liberal view of society (Cheung, Glass, McCarty & Wong, 2017) and also feel a strong responsibility to make positive impacts on society. Generation Z is currently counting to be 2.52 billion people, and by 2020 were predicted to be counting 40% of all consumers (Cheung et al., 2017).

### 2.3.1 The characteristics of Generation Z

Several studies have made definitions that describe Generation Z. Stojanova and Tesařová (2015) found that the most typical qualities of Generation Z are confidence, freedom, individualism, addiction to technology, and promptness. According to the McKinsey & Co report (2018), Generation Z is more liberal concerning religion, race, and sexuality. Also, the gap between traditional women and man clothes has shrunk, and the Generation is more open to a diverse set of styles. On top of this, they can solve discussions and arguments pragmatically. Generation Z also demands high-speed internet, top quality applications, and web solutions, or the brand risks losing their attention (Cheung et al., 2017).

At the World Economic Forum 2019, the 16-year-old Swedish girl Greta Thunberg was one of the guests to discuss and talk about changes for a more sustainable world. Greta Thunberg has become a role model for a large number of Generation Z, and in 2019 young people around the world skipped school as an act of protest against climate change. Research from Nielsen Catalina Solutions & Tapinfluence report (2015) shows a significant increase in willingness to pay more for a product that comes from a company that is committed to having a positive social and environmental impact. In this study, they asked 30 000 people of all ages in sixty different countries. Some of the main findings were that from 2013 to 2015, there was an increase from 50% to 66% of the responders who wanted to pay extra for sustainable products. The generation that demonstrated the highest numbers amongst the respondents was

Generation Z, where 72% of the responders were willing to pay extra, compared to 2014, where the number was 50%.

The study by Firstinsight (2020) exhibits similar findings as Nielsen Catalina Solutions & Tapinfluence's (2015) study. According to them, 73% of Generation Z expressed a willingness to pay more price premiums for a sustainable product. Besides, the report states that 53 % of them were willing to pay 10 % more for a sustainable product exhibiting the highest proportion amongst the different generations. The research also shows that 72 % of Generation Z make purchase decisions based on value principles such as personal, social, and environmental. The paper concludes that future businesses need to implement sustainable practices, including packaging, upcycling, shipping, and retail model, in their value chain, to attract those customers. Moreover, the paper indicates that all generations predicted future retailers and brands to be more sustainable.

Ozkan and Solmaz (2015) investigated Generation Z's consumer behavioral patterns. In the study, they found 17 questions that could describe this generation and divided these questions into five different factors. The overall factors were Internet effect, Product Description, External Factors, Deals, and Product identity. The questions that had the highest importance were the questions connected to store price and internet price. Here they found that Generation Z checks the price of the product on the internet before purchasing it and will prefer to buy the product on the internet if the price is lower than in the store. The research also found that they highly prefer personalized products and willing to pay high fees if the product has extended longevity. These findings correspond with the findings of Firstinsight (2020), who also found that quality was the highest-scoring factor amongst value, craftsmanship, ethics, environmental concerns, and brand authenticity for Generation Z.

Generation Z grew up with the principles of sharing economy, which means that they do not have the same need for ownership of products but value access to goods and services such as streaming movies and music, car-sharing, and swapping clothes. This type of value creation connects consumers and also makes possibilities for generating additional income by taking part in the gig economy. Hence, consumers can take advantage of their existing relationship with the business and generate income by working temporarily for them, for example, with Airbnb (McKinsey & Co, 2018).

The internet plays a significant role in Generation Z's lives, and many have managed to create their businesses with help from the internet. They participate in activities where they can live-stream and share their experiences with their community (Allagui & Breslow, 2016). At the same time, they use this knowledge to capitalize, and as many as 22% of Generation Z state that they make their money through online activities (Cheung et al., 2017). Young entrepreneurs saw an opportunity to become millionaires through online platforms. For instance, a kid Ryan Toysreview has his own YouTube channel, where he reviews toys for kids and has 22 million subscribers, having revenue of 22 million USD as per 2017 (Perelli, 2019).

As written earlier, Generation Z is better at multitasking than Millennials. However, there could be downsides connected to being online and demand information always. Neuropsychiatrists from Harvard have seen that this can change the brain pattern and calls this phenomenon AADD or Acquired Attention Deficit Disorder (Rothman, 2014), which means that some may have problems concentrating on highly complex problems over time. The research shows that the constant input from short messages and videos from social media can be a reason why the brain expects new information regularly and struggles to concentrate on one task over a long time. Those substantiate the importance of making the right web solutions for brands to capture the attention of the demanding Generation Z (Rothman, 2014). Studies from Ozkan and Solmaz (2015), on the other hand, finds that Generation Z self-reports no smartphone addiction, but instead sees the smartphones as an essential part of their life. However, since addiction definition is a feeling that is arising from lacking results against an object, the Generation Z connection to the smartphone is not, by definition, an addiction.

As the Generation has more of an entrepreneurial spirit than former Generations, this will also change the employment market. Freedom is a significant preference, and Generation Z wants to work wherever they want and whenever they want. Hence, the labor conditions are being altered towards Generation Z's preferences. Moreover, Generation Z is skilled at seeing through what is authentic and what is fake, so transparency in the value chain is a crucial element to gain their trust in the product (Cheung et al., 2017).

### **2.3.2 The sustainability**

In 1987, the Brundtland Commission published its report, *Our Common Future*, to link the issues of economic development and environmental stability. In this report sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987).

As the Paris agreement from 2016 is valid from 2020, there is a raised pressure on consumers, politics, companies, and industries to have a sustainable profile in their actions. We have also seen in last year's economic forum in Davos, climate change was a big topic and that it is a complex and challenging topic to agree on (The New York Times, 2020). For many people, 2019 will be the year when the young Swedish girl Greta Thunberg managed to gather millions of kids to skip school on Fridays to demonstrate for the climate cause.

The fashion industry has a significant impact on the world's economy, environment, and societies. New reports have shown that the fashion industry stands for 10% of all humanity's carbon emissions as well as the fashion industry is the second-largest consumer of water supply in the world. The fashion industry also uses large amounts of raw material, toxic chemicals, and there has also been an increase in amounts of microplastic dissolving from synthetic clothing (World Bank, 2019). As the awareness towards mindful consumption increases, it will be essential to incorporate a sustainable business model to stay in the market (Sheth, Sethia & Srinivas, 2011).

Sustainability is a broad term and covers social problems and environmental problems. Social problems can be working conditions, health and safety, and abuse and harassment at the working place. Further, in this study, we will focus on the environmental impact the fashion industry has.

#### ***The sustainability and fashion***

The rapid world globalization has had a massive impact on how we produce and manufacture clothes. From initially producing clothes in our own countries, production is outsourced to countries with lower labor wages in the eastern part of the world. Today China is the world's biggest textile producer, and in 2018 exported 37,6% of the worldwide demand (Petro, 2020). The industry employs 75 million people and is the third-largest manufacturing sector behind the car manufacturing and technology sector (World Bank, 2019). Value chains from production to final product have become highly fragmented, and the result of this is difficulties

tracking where the origins of the product. Transparency in the industry has lacked, and for the consumer, it has been challenging to see the journey of the production.

*Water usage:* Water access is unevenly distributed around the world. As a Norwegian, it is hard to understand this since Norway has been so fortunate to have a near unlimited supply of water, but regions as North Africa, Middle East, and South Asia live under the constant stress of water shortage (Hansen et al., 2017) The fashion industry stands for usage of 93 billion cubic meters of water every year. This amount would be enough to meet the consumption need of five million people. (Hansen et al., 2017) A pair of jeans in total use 3781 liters of water in production and are equivalent to 33,4 kilograms of carbon emissions (World Bank, 2019).

*Usage of microfiber:* Clothes were initially made from high durable resources such as linen and wool. The oil industry opened the possibility of producing clothes from synthetic materials like spandex, acryl, polyester, and Nylon. These materials are lightweight, durable, and cheap to produce. One problem is that a polyester t-shirt has a double amount of carbon footprint than a cotton t-shirt. The polyester production realized approximately 706 billion kg of greenhouse gases in 2015 (Drew, 2017). Another problem with synthetic microfibers is that they dissolve into microplastic and often end up in the ocean. This results in harming wildlife, like fish and other animals. In the end, our food will be contaminated by plastic, and the ocean uses 450 years to break down, for example, a plastic bottle.

### ***Sustainability and luxury***

Luxury brands attract attention as they are the highest symbol of the consumption society, which now dominates the world. They are visible in airports, billboards, newspapers and envied by millions of people. The downside with this exposure is their vulnerability for harmful exposure (Kapferer & Michaut, 2015). Burberry burning up unsold stock worth 38 million dollars and Montblanc and Cartier destroying watches worth 572 million dollars got huge headlines and naturally got criticized (Pinnock, 2018). Before social media was a part of society, these scandals may have gone under the radar, but now one person is enough to damage a brand's reputation, and transparency has never been more critical for companies. Studies by Sheth et al. (2011) state that consumers who see the intrinsic value of the environment often will not associate with organizations that violate these values. Also, Kapferer and Michaut (2015) state that expensive products that do not respect the environment not only disappoint the customers but even create anger. The study states that brands cannot keep sustainable development as a corporate prerogative, but must prove it is concerned and

incorporate it in their value chains. As we defined Luxury as goods with outstanding quality, luxury brands must redefine their perception of Luxury and include sustainability as a part of quality (Kapferer & Michaut, 2015).

On the other hand, luxury items go in hand with attributes that include extraordinary high-quality craftsmanship with superior longevity and guarantee. For instance, Louis Vuitton offers a lifetime warranty on their bags (Kapferer & Michaut, 2015) which is an indicator of sustainability. Moreover, luxury brands are realizing the importance of transparency in the production chain in acquiring trust from consumers (Papadas & Avlonitis, 2014). Luxury brands are implementing transparency tools in their brand identity. For example, "Hands of Hermes" by Hermes and "Special day" by Louis Vuitton.

### **2.3.3 E-Commerce**

The consumption in the online retail market has been increasing, and in 2018 the worldwide sales reached 2,86 trillion US dollars (Angelovska, 2019). E-commerce gives many opportunities concerning the economics of scale, cost beneficial, and easier to reach a higher target (Hanson & Kalyanam, 2007). Thereby it also makes it harder to survive for traditional retail stores. In the US, there have been many examples of empty outlets that eventually had to shut down the business.

E-commerce refers to "electronic commerce" and is defined in several ways. Some authors refer to e-commerce as buying and selling of goods/services on the internet and include pre-sale, post-sale activities across the supply chain in the definition (Chaffey, 2004). This study will use the definition proposed by Laudon (2012). Laudon (2012, p. 49) defines e-commerce as "the use of the internet and the Web to transact business; more formally digitally enabled commercial transactions, which involve the exchange of value (e.g., money) across organizational or individual boundaries in return for products and services."

#### *Online Marketing and luxury*

Today a strong e-commerce strategy is essential to be implemented in the business structure to survive as a big luxury brand. But several brands were skeptical about how to fit luxury with the online world at the start of 2010. Kapferer and Bastien (2009) had a fear that the perception of luxury could be lost by selling their goods online because the two concepts "online" and "luxury" seemed contradictory.

The arrival of the internet created several challenges for luxury brands; some of the reasons may be that the brands have been structured in a way that is unaccustomed to change the company structure. These brands often have strong heritage and traditions where a limited amount of people access the world of Luxury. But the internet made luxury brands change from being rigid to more open and flexible (Okonkwo, 2010). One of the main challenges for luxury brands was to implement the internet across the whole business instead of treating the internet as their own business unit. Many of the brands had CEOs that did not use the internet or email and struggled to implement web solutions in the right way. Luxury brands made the mistake of using the internet as a single channel for communication or retailing instead of using it as a multi-channel for branding, communication, retailing, managing logistics, marketing, customer analysis, client services, etc. One of the biggest challenges luxury brands met was how to capture and represent the essence of the brand through their online web page, how to make a website that represents the personality, identity, and image of the brand. At the start, the brands focused on flashy websites that represented the catwalks and openings of new stores. The problem was that they were lacking balance with more content and functionality.

The arrival of social media, blogs, and vlogs also challenged the brands' business structure. Through social media, the customer became more powerful and could easier influence brands. The customer is in control of receiving messages from the brands if they want to endorse them, or worse, condemning the brand. Through social media such as Instagram, Facebook, and TikTok, customers are able to spread endorsement or generate debates about the brand, influencing millions of people in a couple of minutes.

### *Personalization*

As already mentioned, Generation Z highly values personalized products (Firstinsight, 2019). The luxury brands have made this possible through their e-commerce platform. Personalization is a special form of product differentiation. Historically personalized goods have been a sign of luxury and status, such as a tailored dress from a top designer or unique customized jewelry (Hanson & Kalyanam, 2007). New technologies and the possibility to store and buy personal data have made personalization cheap. Now personalization can be automated, made virtual, and can use existing data to leverage. This also makes it even more critical with personal data security. Cheung et al. (2017) argue for rising awareness amongst Generation Z for personal data storage, and brands need to have a secure and transparent overview of the data storage. The report showed that 62% of Generation Z are willing to share

purchase history with brands, but only with brands that offer secure storage and protection of personal data.

Personalization and customization have been crucial for luxury brands in their e-commerce strategy to provide luxury feeling online too. Brands like Louis Vuitton, Guerlain, and Anya Hindmarch, were the first brands to provide personalized web solutions. This allowed customer inclusion and satisfaction while fostering intimacy and creativity (Okonkwo 2010). For many of the luxury brands, it was a difficult task to extend the integration of personalized services from offline to online.

### *The power of social media influencers*

Influencers and bloggers are new terms that have become more important in digital marketing strategies. Since this is a rather new topic, there are limited academic definitions of influencers. Brown and Hayes (2008) define an influencer as "a third – party who significantly shapes the customers purchasing decisions, but may ever be accountable for it." Influencers collaborate with brands for presenting products or services to their followers and are paid by cash, products, or services (Tapinfluence, 2017). A study conducted by Berger and the Kelly Fay Group (2016) found that influencers are perceived as more knowledgeable, believable, and credible. Besides, they also found that 82% of respondents would follow influencers' advice. Another research conducted by Nilsen & Tapinfluence (2016) found that usage of influencers in promoting activities increase the ROI (return on investment) by 11 times compared to traditional forms of digital marketing since consumers exposed to influencer marketing had significantly higher purchasing rates compared to the control group, who were exposed to traditional online marketing.

Many celebrities are influencers in the fashion industry. Celebrities like Kanye West, Gigi Hadid, Travis Scott, and Ariana Grande are some of the celebrities who made collections with fashion brands in the last years. As these people often have a considerable fan base, these fan bases become a subculture where people want to wear the same clothes and act the way the celebrity does. Kanye West had massive success in collaboration with Adidas making the YEEZY collection in 2015 (Highsnobiety, 2019). Early models of the low-top knit 350 sneakers sold out as soon as they become available and the popularity of the West line collection directly correlated with his significance in pop-culture (Highsnobiety, 2019).



On the resale market, the YEEZY sneaker sold for 4-5 times higher than the original price. Generation Z has revolutionized the resale market, and from traditionally buying clothes for wearing them, the Generation buys clothes and apparel also as an investment. The Generation is adopting second-hand fashion two and half times faster than any other age group (Highsnobiety, 2019).

### **2.3.4 Collaboration culture**

Initially available to niche segments, luxury brands saw the potential in collaborating with street clothing brands, as for many young consumers the brand is not so much about the products it offers, but about the lifestyle and belief system it represents (Highsnobiety, 2019). Consequently, collaboration culture can provide a determination of value for young consumers.

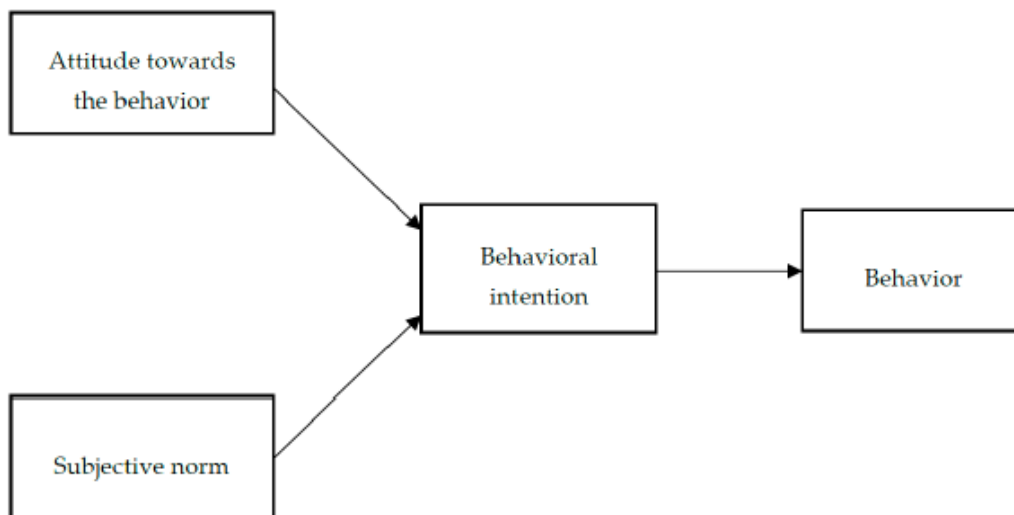
The growth of streetwear in the high-end segment can be explained by the democratization of luxury, which made the differences between high and low fashion unclear. Highsnobiety (2019) emphasizes the role of subcultures such as hip hop, surfing, ice skating, graffiti in street clothes. They also emphasize the role of art and cinematography, all that can be called pop culture.

The authors argue that luxury brands do not risk losing their luxurious status, but are struggling to stand out. Hence, luxury fashion brands are now collaborating with streetwear, social influencers, celebrities, and contemporary artists to stand out and to strike the right cultural references (Highsnobiety, 2019). For example, Gucci collaborated with street artist Trevor Andrew, who then transferred graffiti to Gucci's monogrammed objects. Gucci even made collections dedicated to SEGA and Disney. Another well-known collaboration is Louis Vuitton and Supreme, a fashion brand of street clothing representing the skateboarding culture. They launched a limited collection line, and this collaboration led to a 21% increase in revenue for fashion and leather goods for Louis Vuitton. For consumers to wear these items means to make it clear to peers that they understand this and share a value system that is rooted in unique products and experiences.

Ralph Lauren noted the importance of a culture of collaboration in growth strategy and, in partnership with the street apparel brand Palace had presented a new collection that appealed to a new Generation's values and taste.

## 2.4 Theory of Reasoned Action (TRA)

Many empirical studies are based on Ajzen and Fishbein's Theory of Reasoned Actions and are applied in a variety of areas, including consumer behavior and marketing. Theory of Reasoned Action (TRA) is an extension of the behavioral intention model and explores how attitude defines volitional behavior. It was developed by Ajzen and Fishbein (1975) to predict the behavior using the various determinants. TRA suggests that attitudes and subjective norms influence the intention of behavior when behavior is conscious and voluntary. In other words, people will consider the consequences of their behavior before they start doing it, and decide whether or not to proceed to it.



*Figure 2. Theory of Reasoned Action (TRA). Source Ajzen and Madden (1975)*

Fishbein and Ajzen (1975) noted that attitude is usually seen as a hidden or underlying variable that is supposed to direct or influence behavior and is defined as a positive or negative feeling about the fulfillment of behavior (Fishbein and Ajzen, 1980). Fishbein and Ajzen (1980) posit that the more a person exhibits positive behavior, the person reveals increased positive behavioral intention, vice versa.

Numerous studies found evidence that attitudes can affect buying intentions. Torbati and Asadi (2017) conducted a study of consumer behavior for luxury buyers using the Theory of Planned Behavior (TPB), which is an extended version of TRA. They emphasize that the Theory of Planned Behavior is established on the fact that people make a logical and wise decision based on available data. This theory consists of five components: attitude, mental norms, perceived behavioral control, intention, and behavior. Torbati and Asadi (2017) tested five hypotheses based on these components. They used the intention to acquire as an intermediary variable, which would then predict the actual behavior of the purchase. The hypothesis that the intention of the purchase leads to the actual purchasing behavior of luxury goods has not been confirmed. However, the most significant positive effect (52%) on purchasing intent was exerted by mental norms (Torbati & Asadi, 2017). Moreover, they found that attitude had a 40% positive impact on the intention to purchase. Therefore, since the attitude to the item is the result of its opinions and evaluation of the answers to these opinions (Torbati & Asadi, 2017), the attitude plays a vital role in prognosticating the intention of the purchase.

### 3. Methodology

This chapter provides an overview of the primary reasons for the chosen design and structure of the study. It discusses how the research process was administered and how the research model was developed and tested. The chapter also includes the methods' description utilized for the analysis of the data obtained from the studies.

#### 3.1 The selection process of luxury brands

Deloitte Touché Tohmatsu Limited (2019) distinguishes five types of product categories for the analysis of luxury brands performance: clothing and footwear, bags and accessories, cosmetics and fragrances, jewelry, and watches and multiple luxury goods (please see Figure 3).

**Product sector profiles, FY2017**

	Number of companies	Average size of companies by luxury goods sales (US\$m)	FY2017 Luxury goods sales growth*	Share of Top 100 luxury goods sales
Top 100	100	2,467	10.8%	100.0%
Clothing and footwear	38	1,112	3.2%	17.1%
Bags and accessories	9	1,674	1.5%	6.1%
Cosmetics and fragrances	11	3,680	16.1%	16.4%
Jewelry and watches	32	2,281	9.7%	29.6%
Multiple luxury goods	10	7,586	15.9%	30.8%

*Figure 3. Luxury products categorization. Source Deloitte Touché Tohmatsu Limited (2019, p.31)*

For the present study, we focus on the clothing and footwear product category. As can be seen from Figure 3, a large number of companies have those products. This can mean that luxury fashion brand companies are now dominating the market share. We also focus on the bags and accessories category due to its full availability in luxury fashion brands. Also, the Business Insider (Tyler, 2018) states that significant changes in luxury brands to attract Generation Z in a new era of luxury are happening in those luxury brands that have extensions in those categories.

Heine (2012) classifies the luxury brands by types of luxury levels, awareness, and business volume (please refer to Appendix B). Based on those definitions, our study focuses on the Top-Level luxury brands that are established beyond doubt as leading luxury brands (Heine, 2012). Since the scope of this research is to examine how new dimensions of luxury brand management affect the Norwegian Generation Z behavior attitudes towards luxury brands, we deliberately have chosen the flagship stores of luxury brands available in Oslo Luxury Fashion street for the analysis.

We assume that Norwegian Generation Z may not have in-depth knowledge about luxury brands. Hence, we focus on Star Brands that “strive for maximum brand awareness well beyond their actual target group.” Heine (2012) implies that even if relatively few people buy star brands, everyone can know the brand. He then classifies the star brands into little, significant, and global stars. Since Heine (2012) states that little stars are relatively less known, and big stars are lagging despite the achieved high level of awareness, we focus on global stars that are internationally well-known flagship brands. From these proposed definitions, we identify Burberry, Bottega Veneta, Balenciaga, Gucci, Hermes, Louis Vuitton, and Valentino as Top-Level Luxury Brands and Global stars. Consequently, this research focuses on studying the abovementioned brands’ marketing strategies. However, we were not able to classify them accordingly by Business Volume, since many of those brands operate in Norway with the help of agent retailers.

## 3.2 Research design

A research plan is a set of methods and procedures employed to collect and analyze variables indicated in a problem study. The choice of study design depends on the goals and objectives of the study (Saunders, Lewis, & Thornhill, 2009). The main objective of this study is to conduct an explanatory study and establish a causal relationship between the new aspects of luxury brand management and Norwegian Generation Z’s attitudes towards luxury brands. Consequently, this research applies the deductive approach when developing a model based on existing theory, and then a quantitative study is performed to answer the research questions of the current study. Moreover, this study aims to investigate the Norwegian Generation Z’s intention to purchase luxury brands, which is a rather unexplored area.

Based on the existing theory of luxury definitions, Generation Z’s description as consumers, and new marketing strategies, a linear regression model was created (please refer to Figure 4).

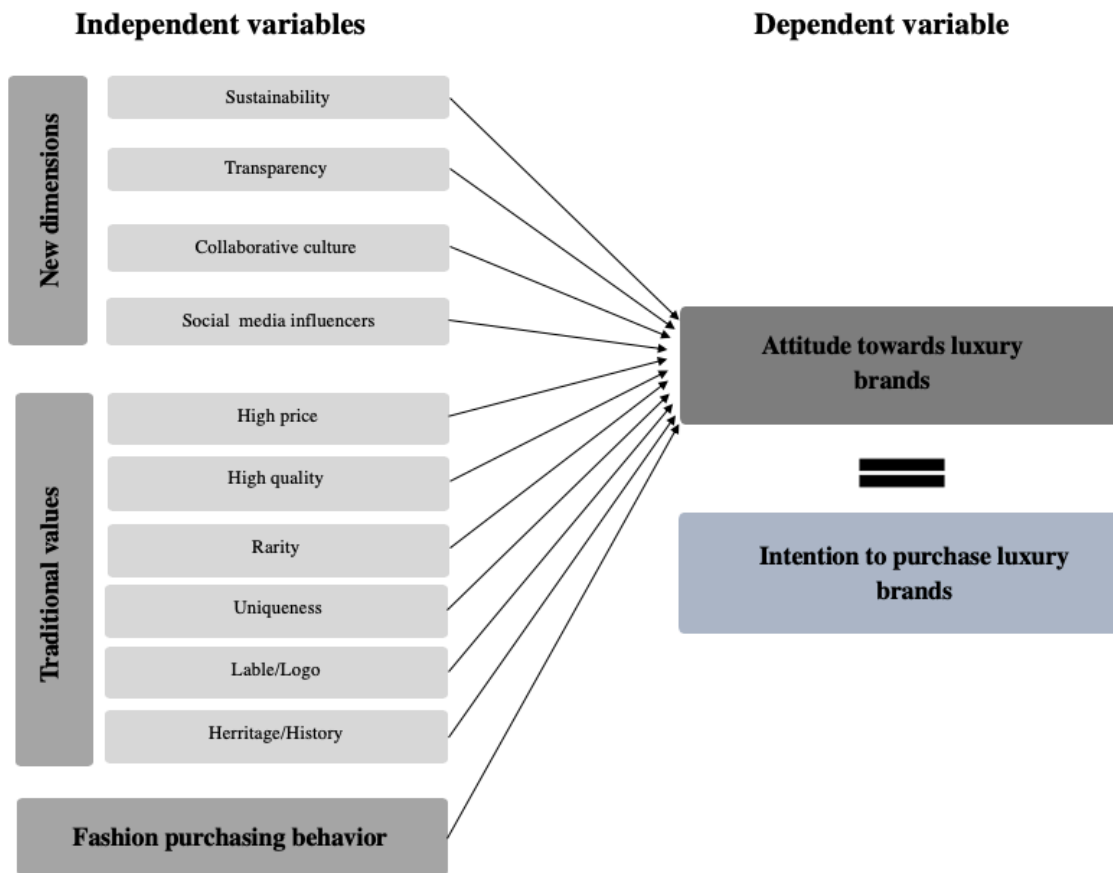


Figure 4. The conceptual model

The proposed model seeks to answer the question of how effective the current marketing strategy of luxury brands is to make the Norwegian Generation Z positive about luxury brands. To establish this causal relationship, we use attitudes towards luxury as a dependent variable, as several factors, including current aspects of luxury branding, can influence the attitude of the Norwegian Generation Z to luxury brands. Based on the results, the research also aims to explore Norwegian Generation Z's intention to purchase, as a previous study on luxury purchasing behavior shows that attitude has been one of the most significant indexes of predicting consumers' purchase intention (Torbaty & Asadi, 2017).

The literature distinguishes between definitions of traditional and new luxury. Consequently, independent variables are accordingly divided into two groups: traditional values and new dimensions of luxury. According to Kapferer and Bastien (2009) marketing strategy is currently defining luxury, hence novel marketing strategies in the industry may affect the dependent variable. The new dimensions include new marketing aspects of luxury branding that are used by selected for this study major luxury brands, such as those that can be found

relevant to the target audience of our study (Cheung et al., 2017; Highsnobiety, 2019). This group consists of factors, such as “collaborative culture”, “sustainability”, “transparency” and “influencers effect.” This research also studies the effect of traditional associations rooted in the conventional definition of luxury on our dependent variable, that include factors such as “high price”, “high quality”, “rarity”, “heritage/history”, “label” and “uniqueness”. Moreover, this study intends to measure the effect of fashion items’ purchasing behavior on attitudes and intention to purchase luxury brands. For that cause, the third independent variable for this study was used “Fashion purchasing behavior”.

The designated research strategy was based on the research objective, research question, time constraints, and resource accessibility.

### 3.3 Data collection process

A single method for collecting primary data using a questionnaire distributed through emails was chosen after careful assessment of other methods. The reason for choosing the survey method was that each person (respondent) is asked to answer the same set of questions. Thus, this provides an effective way to collect answers from a large sample prior to quantitative analysis (Saunders et al., 2009). Besides, the survey gives good control over the process.

In this study, the respondents answered the same set of questions in a predetermined order. It is noteworthy that the participants had to be distinguished by certain characteristics, such as Norwegian citizenship and a plausible age category, which made them suitable respondents for this survey. To meet these criteria, a survey was conducted among students at the Norwegian School of Economics NHH. The questionnaire was distributed to the students’ email addresses provided by the school. We are fully aware that this case makes us responsible in accordance with the General Data Regulation Procedure, so the survey was distributed with strict precautions. The survey was active online for three weeks, and two weeks later one reminder to take the survey was sent.

#### 3.3.1 Population and sample selection

The sample selected for this study was based on the objectives and goals of this study. The chosen population is Norwegian Generation Z. It was a natural starting point due to the rising share of Generation Z in the consumer market and the dynamic growth of the presence of

luxury brands in Norway. Sampling the entire population in this industry is not possible, so a sample was chosen.

It is vital that respondents have Norwegian citizenship and exhibit the right age group, and NHH students are credible respondents as the majority of them meet the requirements. However, the necessary filtering was carried out before the data analysis, since the survey was sent to all students (including the international and/or older students) and, thus, could create a bias for our data sample.

### **3.3.2 Survey design**

Data was collected using a self-administered questionnaire in a survey created by online tool Qualtrics. The survey was compiled in English, as Norwegian students at NHH demonstrate excellent language skills. For analysis, only completed questionnaires were taken into account. A message sent along with the questionnaire explained the scope of the study and presented the authors, guaranteed anonymity, and provided an approximate time to complete the survey. In addition, the survey layout was simple and professional using the NHH layout, which constantly reminds respondents of the nature of the study and its academic purpose.

The questionnaire consisted of 18 questions, 3 of which are presented in the form of matrix questions. A group of questions, including 1 matrix question, evaluated the purchasing behavior of respondents in relation to fashion items. All three matrix questions are independent variables measured in interval scales, consisting of 26 different statements with which respondents evaluate their agreement.

To reach our target audience, the questionnaire began with basic demographic questions. In addition, more specifically, the attitude to luxury brands was investigated, which then presented the dependent variable. The survey also included some questions about the knowledge of luxury brands selected for research and streetwear brands, and opinions on their sustainability were tested. Along with this, the question was asked about the possession of luxury fashion goods, since we suspect that owning luxury items may give a better knowledge of luxury brands' advantages, which, in turn, can improve the attitude. In addition, to get more knowledge about the preferences of the Norwegian Generation Z in the field of luxury goods, a set of 4 photos was presented. The questionnaire suggested choosing the most desirable subject, which included luxury branded fashion items with classic design and design made in collaboration with a third party.



For questions, a Likert-style rating scale is used to indicate the respondents agree or disagree on a 7-point rating scale, which was encoded accordingly. Depending on the type of question, two different types of answers were used:

<i>Indicators</i>	<b>Agreement</b>	<b>Attitude</b>
<i>7</i>	Strongly agree	Extremely positive
<i>6</i>	Agree	Moderately positive
<i>5</i>	Somewhat agree	Slightly positive
<i>4</i>	Neither agree nor disagree	Neither positive nor negative
<i>3</i>	Somewhat disagree	Slightly negative
<i>2</i>	Disagree	Moderately negative
<i>1</i>	Strongly disagree	Extremely negative

*Table 1. 7-point Likert-scale indications for agreement and attitude*

A complete survey can be found in the appendices section (Appendix C).

### 3.4 Validity and reliability

Reliability means the extent to which your data collection methods or analysis procedures produce consistent results. To overcome obstacles that may affect the reliability of the questionnaire, the following steps have been taken. First, Cronbach's alpha is used to assess the internal consistency of the reliability of the questionnaire. This measures the consistency of the answers to the questions in the survey, measuring how well the elements as a group are a prediction of the underlying concept. An accuracy factor closer or equal to 0.95 is considered an indicator of excellent reliability. However, the number of questions affects the alpha value. Very long questionnaires increase the value of alpha, but this does not mean an increase in internal consistency; a low alpha value can only mean a small number of problems. Since this study is also designed as exploratory research, the lower values can be dropped to 0.60 (Hair, Black, Barry, & Anderson, 2014). Those values are also confirmed to be acceptable measures for the reliability of questionnaires by some studies (Hinton, Brownlow, McMurray, & Cozens, 2004).

Using an online survey allows the researcher not to have direct contact with any of the participants, thereby ensuring their anonymity. Moreover, to increase the participation rate and veridical responses, an email was sent along with the questionnaire to all participants regarding the anonymity and confidentiality of the data as none of the answers can be traced to individuals. It was also indicated that participation was completely voluntary and that they could terminate the survey at any time. These aspects are important from an ethical perspective and increase the confidence of participants, thereby ensuring data reliability. Finally, an alternative form was used to ensure reliability. The same question is applied twice, usually in longer questionnaires, and serves as a control question. This is done in order to check whether respondents answer consistently. For this study, respondents had to answer similar questions about preferences for purchases on the Internet or in the store twice using multiple choice and agreement with the statements in the matrix question.

To ensure correct and valid results, the questionnaire was pre-tested several times before the actual data collection process. The purpose of the pilot test is to clarify questions so that respondents do not have difficulties with understanding the questions, and to fix minor errors before sending the final survey. The pilot tests show that potential respondents preferred less time-consuming surveys, the questionnaire was adjusted to be answered in less than 10 minutes, and the accuracy of time spent on the survey was measured. In addition, feedback on the clarity and wording of the questions, the flow of the survey, and its structure increase the reliability of the final survey. Testimonials from the pilot tests were useful for editing and ensuring the face validity of the survey.

Validity expresses the degree to which a measurement measures what it intends to measure. Internal validity refers to how accurately the indicators obtained as a result of the study quantify what it is intended to measure (Bolarinwa, 2015). An assessment of internal validity should ensure that the concepts that are measured should be based on theory, clearly representing the theoretical framework of the proposed study. Hence, the constructs "new dimensions" and "traditional values" were created on the basis of the theory and literature review of previous studies in this field, which ensures the high validity of this study.

External validity refers to how accurately the indicators obtained from the study sample describe the reference population from which the study sample was chosen (Bolarinwa, 2015). In other words, external validity is the extent to which the findings of this research apply to other studies, which is also referred to as generalizability. The study's population sample is a

group of students of specific nationality and particular educational institute. Despite that, the findings can be generalized in the scope of luxury market research for homogenous Scandinavian cultures. Moreover, those students are potential customers of luxury in Norway and at the international level in the near future. Hence, this undoubtedly raises the generalizability of the findings.

### *Response rate*

The survey was sent to 2943 students, representing the total number of students registered in the NHH database. Given the blocking situation, we knew that the response speed could be slow because students could be destroyed. Of the 2,943 emails sent, 272 participated in the survey, but only 215 completed it, which is 79%. A completion rate of 79% for the number of students who knew they were being surveyed indicates a high response rate (Nulty, 2008). However, the response rate is not the best way to assess the accuracy of the survey results, but the representativeness of the respondents. We assured that we targeted the representatives of our study, and for this purpose, the survey was conducted at NHH.

## 3.5 Data analysis

This section reports the techniques and measurements used for data collection and analysis and delineate the statistical methods used for analysis. Quantitative analysis of the data was carried out using the statistical analysis program SPSS.

### **3.5.1 Statistical techniques**

This section describes the process of data analysis and statistical methods that were used to answer the research questions.

*Step 1:* Descriptive statistics provide an overview of respondent responses, frequencies, and whether the data set has a normal distribution. Descriptive statistics are used to describe the characteristics of the sample. Frequencies provide an overview of how many respondents gave this particular answer. This is used to study the demographic characteristics of the sample, which are also used as control variables for further analysis to see the differences between these groups.

Indexes created as measurements of the pre-defined constructs. Besides, the samples are created based on control variables. This is part of the data preparation, in order to perform the ensuing statistical tests.

*Step 2:* Frequencies are also used to describe the nature of independent variables, as they are nominal variables. Descriptive statistics of independent variables include mean, range, and standard deviation. This step also includes the reliability test for the indexes of independent variables with the help of Cronbach's Alpha.

*Step 3:* Two groups are created based on the dependent variable and ownership of luxury brands. This is done to see whether the ownership factor influences the attitudes towards luxury brands. Further, data statistics, independent sample tests are run to determine significant differences between groups. This is done with the t-test in SPSS and Levene's test of Equality. Levene (1960) suggested using the absolute values of residuals or squared residuals in the ANOVA model, which turns a mean check into a deviation check that is relatively stable against the normality assumption. For this study, Levene's test is used to check if samples exhibit significant variances in relation to the dependent variable.

Further the same is done for all groups created based on control variables in SPSS for each construct.

*Step 4:* Correlation tests were first run between indicators of the same variables to check the internal consistency of the indices. Then, correlation tests between the independent variables were carried out, since a high correlation between them would indicate multicollinearity. Multicollinearity refers to a situation in which two or more explanatory variables in a multiple regression model are closely related. Multicollinearity is a problem because it undermines the statistical significance of an independent variable. All things being equal, the larger the standard error of the regression coefficient, the less likely it will be statistically significant.

Finally, Pearson's correlation coefficients between the independent variables and the dependent variable were calculated. The highly correlated scales are taken in the regression model, as a high correlation indicates support for a causal relationship and the existence of a relationship between the variables.

*Step 5:* The regression analysis determines the importance of each variable and its contribution to the model, explaining how an independent variable affects a dependent variable (Saunders

et al., 2009). Standard two-dimensional regression was first performed on dependent and revised independent variables (“traditional values”, “new dimensions” and “fashion purchasing behavior”). Then a stepwise regression with ANOVA was carried out to determine the most powerful prognostic model. The normality test was performed in addition to check the individual impact of independent variables’ scales on the dependent variable and to detect the collinearity.

### **3.5.2 Measurements**

Quantitative research is measurement-based and conducted in a systematic, controlled manner. The measures, that are numerical representations of the degrees of attributes, allow researchers to conduct statistical tests, analyze differences between groups, and determine the effectiveness of treatment (Hagan, 2014). To answer our RQ, the following constructs are implemented by transforming the attributes into definitions of variables based on theory.

#### *Dependent Variable*

The dependent variable in the research model is "attitudes towards luxury". The dependent variable was measured through the responses to the question "What is your attitude towards luxury brands?". The answers indicated positiveness or negativity of attitudes based on a 7-point Likert scale. Based on the responses, the research aims to establish the Norwegian Generation Z's intention to purchase, as attitude has been the most significant index of predicting consumers' purchase intention.

#### *Independent variables*

As already mentioned, the model for this study consists of 3 groups of independent variables. Measures of all variables are designed to reveal the influence of traditional associations, fashion purchasing behavior, or new marketing strategies on the intention to acquire luxury brands through attitudes towards luxury. Based on Pearson's correlation coefficient values (described in step 4), three constructs were build based on following the following statements:

**Construct “Traditional values”:**

<u>Questions</u>	<u>Statements</u>
<i>To what extent the following attributes are associated with luxury brands for you?</i>	<p>High quality of products;</p> <p>History of the brand and heritage;</p> <p>Rarity (not everyone can have it);</p> <p>High price;</p> <p>Recognizable label/logo;</p> <p>High level of customer service;</p> <p>Craftmanship;</p> <p>Unusual modern design (Uniqueness);</p>
<i>If you had an opportunity to purchase luxury fashion items, e.g., Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention?</i>	<p>Recognizable label/logo among my peers;</p> <p>Personalized services provided by the brand (e.g., transfer your initials on the item);</p> <p>The material information on the item</p>

Table 2. Construct “Traditional values”

**Construct “New dimensions”:**

<u>Questions</u>	<u>Statements</u>
<i>To what extent the following attributes are associated with luxury brands for you?</i>	<p>Cultural references (collections dedicated to subcultures e.g., skateboarding, street art, pop culture);</p> <p>Online presence;</p> <p>Worn by celebrities/influencers;</p> <p>Transparency in value chain</p>
<i>If you had an opportunity to purchase luxury fashion items, e.g., Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention?</i>	<p>Information about sustainability efforts;</p> <p>Design that was a result of collaboration with third party (ex. streetwear company, rappers and etc.) that is known by my peers;</p> <p>Social influencer followed by me has the same item;</p> <p>Ability to purchase the item online on brand's webpage;</p> <p>Web solutions are easy, fast and entertaining;</p>

Table 3. Construct “New dimensions”

---

**Construct “Fashion purchasing behavior”:**

<u>Questions</u>	<u>Statements</u>
<i>Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement.</i>	<i>I consider Sustainability when purchasing clothes, footwear, accessories and bags;</i>
	<i>I consider Transparency in value chains when purchasing clothes, footwear, accessories and bags;</i>
	<i>I follow social influencers on online platforms (e.g., YouTube, Instagram, Twitter, Facebook and etc.);</i>
	<i>Social influencers may affect my purchasing decision (e. if I see my favorite social influencer advertises/ has a collaboration with fashion brands)</i>

---

*Table 4. Construct “Fashion purchasing behavior”*

Construct “Traditional Values” consist of traditional values, that are measured using a combination of indicators used in other studies (please refer to section 2.1.1 and 2.2). The “New dimensions” and “Fashion Behavior” indicators have been adapted based on the theoretical background on Generation Z’s features and preferences to fit the study's purpose. The “New dimensions” indicators also reflect the analysis of current luxury marketing strategies. All concepts include drivers that can influence the intention to acquire luxury among Generation Z. Control variables were used to see the differences between groups and included combinations of following constants: age group (Generation Z versus millennium), nationality (Norwegian citizenship versus none), ownership of luxury items, and gender (female versus male).

## 4. Results

This chapter reveals the results gathered through questionnaire. The following chapters will be presented individually: descriptive statistics, independent T-tests, correlations, and regressions.

In total 215 responses were collected through the Qualtrics questionnaire. All outliers and respondents that didn't complete the questionnaire were omitted. After structuring the dataset, we were left with 202 respondents. These respondents were both international and Norwegian students in the age category of Generation Z and Millennials. Our RQ1 and RQ2 both focus on Norwegian Generation Z, thereby we filtered out all the respondents that didn't fit into this segment. After structuring the dataset again, we were left with 132 respondents. The Millennials and international students were included only in the group testing chapter (independent t-tests) to get a deeper insight into what distinguishes Norwegian Generation Z from other groups.

### 4.1 Descriptive Statistics

Among the 132 respondents 68 were men and 64 were females. Most of the students are either unemployed or combine studies with a part-time job. The respondents prefer shopping in-store (54 respondents) over online shopping (28 respondents), while 50 respondents prefer both online shopping and in-store shopping.

What is your current professional status?		Frequency
Valid	Student- unemployed	63
	Student- part time employed	65
	Student - full time employed	3
	Other	1
	Total	132

Figure 5. Professional status distribution

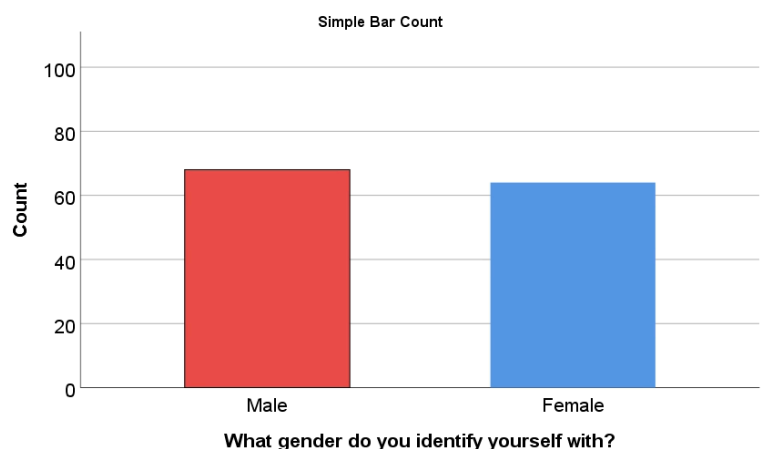


Figure 6. Gender distribution



### 4.1.1 Normality

To see if our data sample is normally distributed a sum\_variable was made in SPSS. This variable added up all the scale questions in our 3 factors: Fashion\_Behavior, Attribute\_Luxury & Drivers\_Luxury. The distribution of the data is shown in the figures on the side.

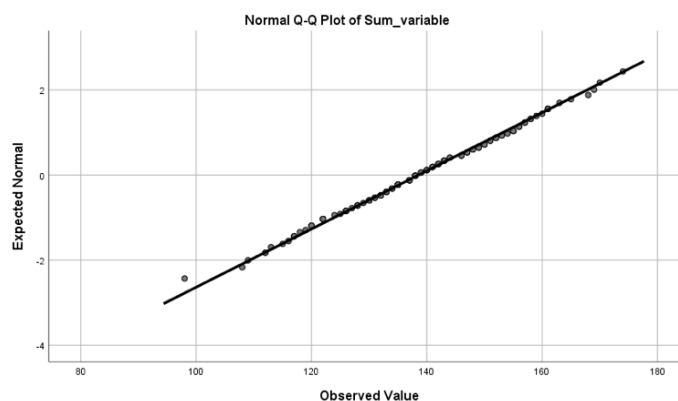


Figure 7. Normal Q-Q Plot

The figures show that the histograms have short tails and are normally distributed. Skewness and kurtosis values are both acceptable and have values of 0,39 and -0,27.

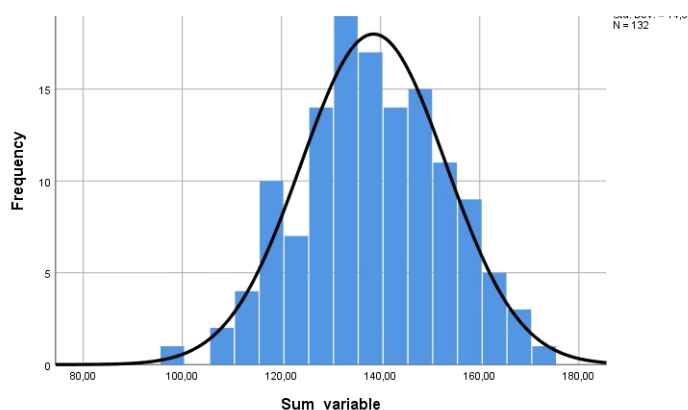


Figure 8. Normality histogram

A test for Cronbach's alpha values was run in SPSS to examine internal consistency. For the Fashion\_Behavior factor with 6 questions, the Cronbach's alpha value appeared to be 0,420. This is not an acceptable value, which means that the questions do not give a representative image for the overall factor. The reasons for the weak Cronbach's alpha value are that two items, "I prefer shopping online" and "I prefer shopping in-store", are contrary. Both of them have a negative total correlation, opposite to the rest of the items that have a positive total correlation. All items in sum need to either have a negative or positive correlation to give an acceptable Cronbach's alpha value. Thus, the two items "I prefer shopping online" and "I prefer shopping in-store" are not used further in the Fashion\_Behavior factor as after deleting these two items, the alpha increased to an acceptable value of 0,656. Through the SPSS tool, we further examined if there were more items that could be deleted to improve Cronbach's alpha values and none was found.

Reliability Statistics		Reliability Statistics	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
,420	6	,656	4

Figure 9. Cronbach's Alpha value before and after removing items

Both factors Luxury\_Attributes and Luxury\_Drivers have acceptable Cronbach's alpha values of 0,64 and 0,649 . For both factors all items have a positive total-item correlation.

#### 4.1.2 Statistics for Fashion Behavior Factor

Statistics					
		Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I consider Sustainability when purchasing clothes, footwear, accessories and bags	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I consider Transparency in value chains when purchasing clothes, footwear, accessories and bags	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands )
N	Valid	132	132	132	132
	Missing	0	0	0	0
Mean		4,45	3,96	3,88	3,52
Std. Deviation		1,378	1,474	2,068	1,727
Variance		1,898	2,174	4,275	2,984
Skewness		-,919	-,311	-,077	-,080
Std. Error of Skewness		,211	,211	,211	,211
Kurtosis		,494	-,637	-1,490	-1,266
Std. Error of Kurtosis		,419	,419	,419	,419

Figure 10. Fashion Behavior Statistics

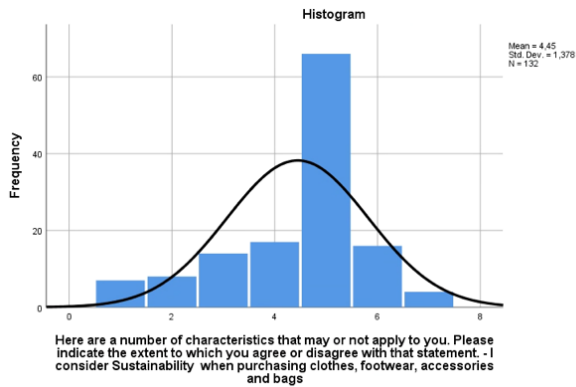


Figure 11. Histogram: Sustainability

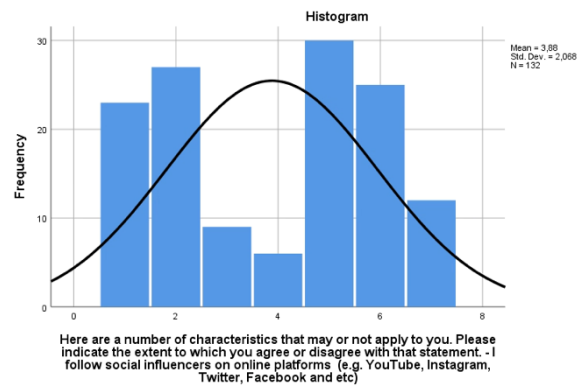


Figure 12. Histogram: I follow social influencers

Sustainability has the highest mean value and a low variance among other statements. After checking the responses for this item in detail, it is evident that the majority of respondents answered 5 on the Likert scale, thereby expressed the agreement to some degree. However, for an item “I follow social influencers on online platforms” the case is different. The mean value is 3,88, but the variance in responses is large, which means that the respondents exhibited opposite opinions on the agreement scale. The value of kurtosis -1,49 also tells that the normality curve is flatter and there is a high number of respondents in each tail of the histogram. This divides our sample into two groups, where both groups have strong opinions dragging responses in opposite directions. The values for skewness and kurtosis are acceptable for all items, as these values lay between -4 and 4.

### 4.1.3 Statistics for Luxury Attributes Factor

		Statistics												
		To what extent the following attributes are associated with luxury brands for you? - High quality of products	To what extent the following attributes are associated with luxury brands for you? - History of the brand and heritage	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	To what extent the following attributes are associated with luxury brands for you? - High price	To what extent the following attributes are associated with luxury brands for you? - Cultural references (collections dedicated to subcultures e.g. skateboarding, street art, pop culture)	To what extent the following attributes are associated with luxury brands for you? - Recognizable label/logo	To what extent the following attributes are associated with luxury brands for you? - Unusual modern design (Uniqueness)	To what extent the following attributes are associated with luxury brands for you? - Online presence	To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers	To what extent the following attributes are associated with luxury brands for you? - High level of customer service	To what extent the following attributes are associated with luxury brands for you? - Craftmanship	To what extent the following attributes are associated with luxury brands for you? - Transparency in value chain	
N	Valid	132	132	132	132	132	132	132	132	132	132	132	132	
	Missing	0	0	0	0	0	0	0	0	0	0	0	0	
Mean		6,08	5,55	5,54	6,15	4,10	5,48	4,29	4,02	4,76	4,81	5,23	3,84	
Std. Deviation		,896	1,058	1,269	1,045	1,283	1,333	1,373	1,287	1,607	1,504	1,353	1,210	
Variance		,803	1,119	1,609	1,091	1,647	1,778	1,886	1,656	2,582	2,262	1,830	1,463	
Skewness		-1,248	-,829	-,1259	-,1737	-,055	-,1127	-,229	-,087	-,594	-,328	-,306	,022	
Std. Error of Skewness		,211	,211	,211	,211	,211	,211	,211	,211	,211	,211	,211	,211	
Kurtosis		2,942	1,405	1,959	3,727	-,611	1,045	-,494	-,265	-,594	-,395	-,820	,742	
Std. Error of Kurtosis		,419	,419	,419	,419	,419	,419	,419	,419	,419	,419	,419	,419	

Figure 13. Luxury Attribute statistics

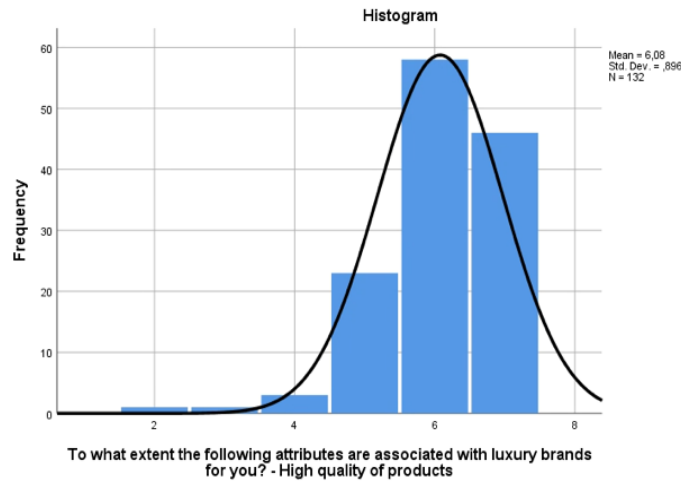


Figure 14. Histogram: High quality of product

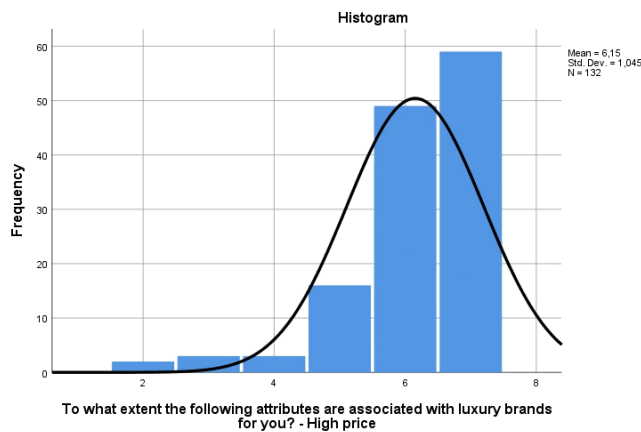


Figure 15. Histogram: High price

The items that has the highest mean values were the items concerning “High price connected to Luxury brands” and “High quality connected to the luxury brands”, with scores of 6,15 and 6,08. Both of these items also have high values of kurtosis, which indicates that most of the respondents answered in a similar way on the Likert scale. The item with the lowest score is “Transparency in the value chain” connected to luxury brands. This item has a score of 3,84, which is closer to neither agreement nor disagreement statement. Most of the items have low variance, except the items concerning “Worn by influencers/ celebrities” and “High level of customer service”. These two items have negative kurtosis, which indicates that the respondents replied on each side of the mean value that divides them into two groups. All items have acceptable kurtosis and skewness values between -4 and 4.

### 4.1.4 Statistics for Luxury Driver Factor

		Statistics							
		If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Recognizable label/logo among my peers	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Design that was a result of collaboration with third party (ex. streetwear company, rappers and etc.) that is known by my peers	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Personalized services provided by the brand (e.x. transfer your initials on the item)	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Social influencer followed by me has the same item	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Ability to purchase the item online on brand's webpage	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Web solutions are easy, fast and entertaining	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - The material information on the item
N	Valid	132	132	132	132	132	132	132	132
	Missing	0	0	0	0	0	0	0	0
Mean		3,98	4,29	3,23	3,71	2,86	3,95	4,39	5,06
Std. Deviation		1,660	1,428	1,407	1,541	1,492	1,673	1,571	1,532
Variance		2,755	2,039	1,978	2,375	2,226	2,799	2,468	2,347
Skewness		-,370	-,521	-,062	-,242	,391	-,412	-,710	-,970
Std. Error of Skewness		,211	,211	,211	,211	,211	,211	,211	,211
Kurtosis		-,943	-,282	-1,009	-,707	-,894	-,895	-,173	,571
Std. Error of Kurtosis		,419	,419	,419	,419	,419	,419	,419	,419

Figure 16. Statistics Luxury Drivers

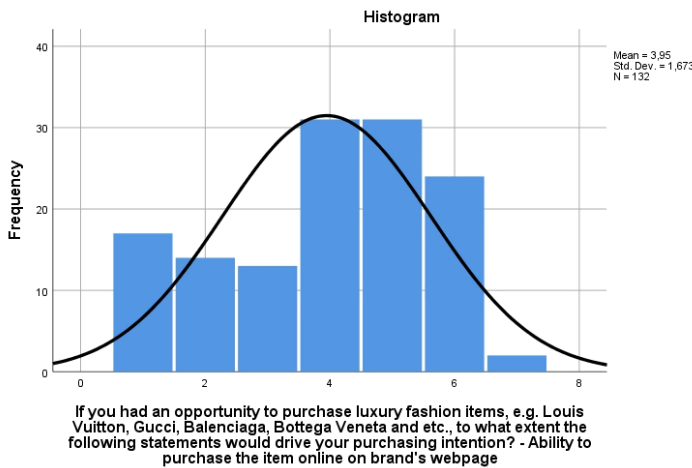


Figure 17. Histogram: Ability to purchase online

The items that drives our sample in a positive direction for an intention to purchase luxury are “Material information” (5,06), “Web solutions are easy, fast and entertaining” (4,39), and “Information about sustainability efforts”(4,29). For all items, the variance is larger in general

for this factor. This was expected as it evaluates drivers for purchasing a luxury item. Some of the respondents could have less experience with luxury items, as well as some of the respondents could have no desire to purchase luxury brands. It can be seen that the sample is divided when it comes to purchasing the item online on the brand's webpage (please refer to Figure 17).

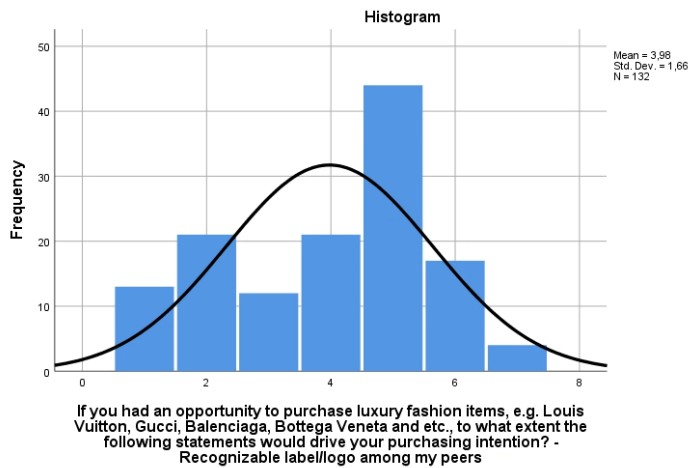


Figure 18. Histogram: Recognizable label/logo among my peers

The responses for the “Recognizable label/logo among my peers” item are not distributed equally as well. But the majority of the respondents “somewhat agree” that a recognizable label is an important driver for considering to purchase luxury brands. All the items, except “Material information”, have a negative kurtosis value, which indicates that many respondents are in each tail of the normality curve. The values are acceptable for both the kurtosis and skewness.

#### 4.1.5 Attitude and ownership of luxury items

The respondents' experience in luxury items was asked through two questions: “What is your attitude towards these luxury brands?” and “Do you own any luxury branded clothes, footwear, accessories, and bags?”

Group Statistics					
What gender to you identify yourself with?		N	Mean	Std. Deviation	Std. Error Mean
What is your attitude towards these luxury brands?	Male	68	4,25	1,250	,152
	Female	64	4,50	1,345	,168

Figure 19. Attitude by Gender

Do you own any luxury branded clothes, footwear, accessories and bags?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	80	60,6	60,6	60,6
	No	52	39,4	39,4	100,0
	Total	132	100,0	100,0	

Figure 20. Attitude towards luxury brands by Ownership of luxury items

What is your attitude towards these luxury brands?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Moderately negative	10	7,6	7,6	7,6
	Slightly negative	25	18,9	18,9	26,5
	Neither positive nor negative	39	29,5	29,5	56,1
	Slightly positive	26	19,7	19,7	75,8
	Moderately positive	28	21,2	21,2	97,0
	Extremely positive	4	3,0	3,0	100,0
	Total	132	100,0	100,0	

Figure 21. Attitude towards luxury brands

60,6% of the sample own a luxury item and 39,4% do not possess ownership of luxuries. The majority of respondents are neither positive nor negative regarding luxury brands. Adding up each side of the middle value, we find 43,9% on the positive side while 26,5 % is on the negative side of the scale. Further, we will examine how these two variables affect each other and other variables. When controlled for gender, it can be seen that females have a more positive attitude towards luxury brands than males, but the difference is not significant. A question regarding if the respondents find luxury brands and streetwear brands as sustainable were also added. The descriptive statistics show that our respondents have mean answers close to neither disagree or agree, but find streetwear brands to have a slightly more sustainable profile.



Group Statistics					
	What gender to you identify yourself with?	N	Mean	Std. Deviation	Std. Error Mean
Do you find these streetwear brands to have a sustainable profile?	Male	68	4,16	,822	,100
	Female	64	4,28	1,046	,131
Do you find these luxury brands to have a sustainable profile?	Male	68	3,85	1,069	,130
	Female	64	3,80	1,262	,158

Figure 22. Sustainability of brands by Gender

## 4.2 Independent sample T-test

This subchapter examines the difference between groups. Through running an independent sample t-test in SPSS, it can be seen if there are significant differences between the groups. As stated in chapter 3, the Levene's test of equality of variances was used to capture variances inside the groups. Both tests were run on a significance level of 0,05.

To see the differences between groups, the omitted categories of sample are included as separate sets. This is done to emphasize and understand what makes Norwegian Generation Z different from others. The first independent t-test examined if the attitude towards luxury brands is different between the respondents that own and do not own luxury among Norwegian Generation Z.

Group Statistics									
	Do you own any luxury branded clothes, footwear, accessories and bags?	N	Mean	Std. Deviation	Std. Error Mean				
What is your attitude towards these luxury brands?	Yes	80	4,60	1,337	,149				
	No	52	4,02	1,163	,161				

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
What is your attitude towards these luxury brands?	Equal variances assumed	6,241	,014	2,564	130	,011	,581	,226	,133	1,029
	Equal variances not assumed			2,641	119,380	,009	,581	,220	,145	1,016

Figure 23. T-test Attitude vs Ownership

Levene's test indicates that H0 (null hypothesis) should be rejected, and there is a significant difference between the variances in the two groups. Hence the second row of the independent sample test is being used where it can be seen that the p-value equals 0,009. This indicates a significant difference between the two groups. The respondents who own luxury branded items have a significantly higher positive attitude towards Luxury brands than the respondents that don't own luxury branded items.

#### 4.2.1 Factors vs Ownership of luxury items

The independent t-tests are run to examine whether there are significant differences between respondents who own and do not own luxury items in relation to the three factors: Fashion\_Behavior, Attribute\_Luxury, and Drivers\_Luxury. There were no significant differences in how the respondents from the two groups evaluated the different items in Fashion\_behavior. However, the two groups had significantly different mean values for the items "Worn by celebrities/influencers", "Information about sustainability efforts" and "Recognizable logo/label among my peers" in the Attribute and Driver factor.

Group Statistics										
		Do you own any luxury branded clothes, footwear, accessories and bags?	N	Mean	Std. Deviation	Std. Error Mean				
To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers	Yes		80	4,46	1,661	,186				
	No		52	5,21	1,419	,197				

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers	Equal variances assumed	3,488	,064	-2,678	130	,008	-,749	,280	-1,302	-,196
	Equal variances not assumed			-2,769	120,557	,007	-,749	,271	-1,285	-,213

Figure 24. T-test Worn by celebrities vs. Ownership

The output from Figure 24 for the Levene's test of equality shows that equal variance can be assumed with a value of 0,064. The p-value of the t-test equals 0,008, which indicates that there is a significant difference in the means of the two groups. The respondents who do not

own luxury items have a significantly higher mean towards luxury brands being associated with celebrities/influencers wearing luxury items.

Group Statistics										
		Do you own any luxury branded clothes, footwear, accessories and bags?	N	Mean	Std. Deviation	Std. Error Mean				
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	Yes		80	4,09	1,469	,164				
	No		52	4,60	1,317	,183				
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Recognizable label/logo among my peers	Yes		80	4,26	1,652	,185				
	No		52	3,54	1,590	,220				

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	Equal variances assumed	,757	,386	-2,023	130	,045	-,509	,251	-1,006	-,011
	Equal variances not assumed			-2,071	117,269	,041	-,509	,246	-,995	-,022
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Recognizable label/logo among my peers	Equal variances assumed	,045	,832	2,497	130	,014	,724	,290	,150	1,298
	Equal variances not assumed			2,518	112,046	,013	,724	,288	,154	1,294

Figure 25. T-test Sustainability efforts & Recognizable label/logo vs Ownership

The outputs from Figure 25 for sustainability and recognizable logo/label indicate that the two items have equal variances and that the H0 should not be rejected, hence we examine the first row of the independent samples test. The p-value for information about sustainability equals 0,045 and the p-value for "Recognizable label/logo among my peers" equals 0,014. Both values are below 0,05 and significant. Hence respondents who don't own luxury items value information about sustainability, as a purchasing driver significantly higher than for the respondents who already possess luxuries. The respondents who own luxury items valued recognizable label/logos among their peers significantly higher compared to the other group.

## 4.2.2 Norwegian Generation Z vs Gender

Group Statistics						
	What gender to you identify yourself with?	N	Mean	Std. Deviation	Std. Error Mean	
	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I consider Sustainability when purchasing clothes, footwear, accessories and bags	Male	68	4,15	1,469	,178
Female		64	4,77	1,205	,151	
Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands )	Male	68	2,79	1,607	,195	
	Female	64	4,30	1,508	,189	
Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	Male	68	3,18	1,916	,232	
	Female	64	4,63	1,972	,247	

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I consider Sustainability when purchasing clothes, footwear, accessories and bags	Equal variances assumed	6,828	,010	-2,636	130	,009	-.619	,235	-1,083	-.154
	Equal variances not assumed			-2,652	127,663	,009	-.619	,233	-1,080	-.157
Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands )	Equal variances assumed	1,821	,179	-5,530	130	,000	-1,503	,272	-2,040	-.965
	Equal variances not assumed			-5,541	129,999	,000	-1,503	,271	-2,039	-.966
Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	Equal variances assumed	,232	,631	-4,280	130	,000	-1,449	,338	-2,118	-.779
	Equal variances not assumed			-4,276	128,955	,000	-1,449	,339	-2,119	-.778

Figure 26. T-test Sustainability, Follow social influencers & Social influencer affect vs Gender

To understand the differences between the genders of Norwegian Generation Z, an independent t-test towards all scale items in the questionnaire was used. The results are illustrated in the output above for the factor Fashion\_Behavior.

The results illustrated in Figure 26 show that “I consider sustainability when purchasing clothes” does not have an equal variance for the respondents. Hence, we review the second row of the test and see that the p-value equals 0,009. Female respondents value this item significantly higher than the male respondents. The female respondents are close to the alternative answer that they somewhat agree for considering sustainability when purchasing fashion items. The two remaining items have an equal variance for its respondents and both have significant p-values of 0,000. Female respondents value items connected to social media and influencers significantly higher than the male respondents. The male respondents answered on the negative side of the Likert scale, with rankings closer to “somewhat disagree”.

### 4.2.3 Luxury Attributes vs Gender

**Group Statistics**

	What gender to you identify yourself with?	N	Mean	Std. Deviation	Std. Error Mean
To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers	Male	68	4,21	1,589	,193
	Female	64	5,34	1,417	,177
To what extent the following attributes are associated with luxury brands for you? - Recognizable label/logo	Male	68	5,16	1,277	,155
	Female	64	5,81	1,320	,165

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers	Equal variances assumed	2,040	,156	-4,333	130	,000	-1,138	,263	-1,657	-,618
	Equal variances not assumed			-4,348	129,631	,000	-1,138	,262	-1,656	-,620
To what extent the following attributes are associated with luxury brands for you? - Recognizable label/logo	Equal variances assumed	,003	,956	-2,879	130	,005	-,651	,226	-1,098	-,204
	Equal variances not assumed			-2,876	128,856	,005	-,651	,226	-1,098	-,203

Figure 27. T-test Worn by celebrities & Recognizable label/logo vs Gender

Through the Levene's test for equality, we interoperate that both items recognizable logo and "Worn by celebrities/influencers" have an equal variance for its respondents. The attribute that

luxury branded items are worn by celebrities/influencers has a p-value equal to 0,000, and the attribute that luxury brands are associated with a recognizable logo has the p-value equal to 0,005. Both items are ranked by female respondents significantly higher.

### 4.2.4 Luxury Drivers vs Gender

**Group Statistics**

	What gender to you identify yourself with?	N	Mean	Std. Deviation	Std. Error Mean
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	Male	68	4,04	1,450	,176
	Female	64	4,55	1,368	,171
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Ability to purchase the item online on brand's webpage	Male	68	4,28	1,665	,202
	Female	64	3,59	1,620	,203
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Social influencer followed by me has the same item	Male	68	2,54	1,376	,167
	Female	64	3,20	1,545	,193

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	Equal variances assumed	,130	,719	-2,046	130	,043	-,503	,246	-,989	-,017
	Equal variances not assumed			-2,050	129,999	,042	-,503	,245	-,988	-,018
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Ability to purchase the item online on brand's webpage	Equal variances assumed	,157	,693	2,396	130	,018	,686	,286	,119	1,252
	Equal variances not assumed			2,398	129,849	,018	,686	,286	,120	1,251
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Social influencer followed by me has the same item	Equal variances assumed	1,660	,200	-2,591	130	,011	-,659	,254	-1,162	-,156
	Equal variances not assumed			-2,582	126,100	,011	-,659	,255	-1,164	-,154

Figure 28. Sustainability, Online purchase & Social influencers vs Gender

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The three factors of the Drivers\_Luxury factor show that there are significant differences between the genders. From Figure 28 the Levene's test showed that all items have an equal variance for the respondents. The item "Information about sustainability efforts" has a p-value of 0,043, and the female respondents ranked this higher than the male participants. The driver "Ability to purchase the item online on the brands' webpage" has a p-value equal to 0,018, plus the male respondents ranked this item significantly higher. The last item "Social influencers followed by me has the same item" had a p-value of 0,011. Here both genders ranked the item in the low end of the scale, where the male respondents exhibited the mean values of 2,54, whereas for female participants it is 3,20.

#### **4.2.5 Independent t-tests for Norwegian vs International students**

To examine if the Norwegian respondents have significant differences from international students the independent t-test for Norwegian vs international students was applied. First, we decided the test the differences between Norwegian and international Generation Z. However, the weakness of the test is that there are only 22 international students among the Generation Z population, which is rather a small population.

When testing for all scale items in the questionnaire, two significant differences were found between the groups. Norwegian Generation Z ranks craftsmanship connected to luxury brands significantly higher than the international Generation Z. Besides, the international students rank "Worn by celebrities/influencers" significantly higher than the Norwegian respondents.

To make the test stronger, we looked into Norwegian students and international students of all age groups. The distribution of respondents was 167 Norwegian vs 35 international students. The four significant differences between the two groups were discovered when comparing the groups through independent t-tests. Norwegian students rank the craftsmanship and transparency of luxury brands higher than the international students. Moreover, the driver "Material information" is also ranked significantly higher among the Norwegians. The attribute for Luxury item "Worn by celebrities/influencers" is ranked significantly higher by the international students than the Norwegian students.

The last independent t-test applied is for Norwegian Generation Z vs Norwegian Millennials. Here there are no significant differences between the two groups.

### 4.3 Correlations

In the current subchapter, the correlations for Norwegian Generation Z between each item, both inside every factor and across the factors are examined. Pearson's correlation at a significance level of 0,05 is used to examine correlations between the scale variables. The correlations can give a good indication of what items are going to be used in the regression models. Hence, we are interested in the items that are correlated with the predicted variable of the model, which is “Attitude towards luxury brands.”

Connected to Fashion\_Behavior factor, two significant correlations between “I follow social influencers” and “Social influencers may affect my purchasing decision” were discovered:

**Correlations**

		What is your attitude towards these luxury brands?	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e. g. YouTube, Instagram, Twitter, Facebook and etc)	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands )
What is your attitude towards these luxury brands?	Pearson Correlation	1	,276**	,199*
	Sig. (2-tailed)		,001	,022
	N	132	132	132

Figure 29. Correlations: Attitude vs Fashion Behavior

Both items are positively correlated with the attitude towards luxury brands. The item “I follow social influencers on online platforms” is significant on 0,01 level while “social influencers may affect my purchasing decision” is significant on a 0,05 level.



There were five significant correlations connected to Attributes\_Luxury:

		Correlations												
		What is your attitude towards these luxury brands?	To what extent the following attributes are associated with luxury brands for you? - High quality of products	To what extent the following attributes are associated with luxury brands for you? - History of the brand and heritage	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	To what extent the following attributes are associated with luxury brands for you? - High price	To what extent the following attributes are associated with luxury brands for you? - Cultural references (collections dedicated to subcultures e.g. skateboarding, street art, pop culture)	To what extent the following attributes are associated with luxury brands for you? - Recognizable label/logo	To what extent the following attributes are associated with luxury brands for you? - Unusual modern design (Uniqueness)	To what extent the following attributes are associated with luxury brands for you? - Online presence	To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers	To what extent the following attributes are associated with luxury brands for you? - High level of customer service	To what extent the following attributes are associated with luxury brands for you? - Craftmanship	To what extent the following attributes are associated with luxury brands for you? - Transparency in value chain
What is your attitude towards these luxury brands?	Pearson Correlation	1	,336**	,250**	,397**	,048	-,155	,012	,214*	-,074	,076	,111	,263**	,106
	Sig. (2-tailed)		,000	,004	,000	,583	,076	,896	,014	,401	,384	,207	,002	,227
	N	132	132	132	132	132	132	132	132	132	132	132	132	132

Figure 30. Correlations: Attitude vs Attribute luxury

The attitude towards luxury brands had a positive correlation on a 0,01 level with “High quality of products”, “History of the brand and heritage”, ”Rarity” and “Craftmanship”. Uniqueness was also significantly correlated on a 0,05 level. All these items represent traditional Luxury attributes and are used to define Luxury by former studies presented in sections 2.1.

The correlation for Attitude vs Luxury\_Drivers are illustrated in the figure below:

		Correlations									
		What is your attitude towards these luxury brands?	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Recognizable label/logo among my peers	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Design that was a result of collaboration with third party (ex. streetwear company, rappers and etc.) that is known by my peers	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Personalized services provided by the brand (e.x. transfer your initials on the item)	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Social influencer followed by me has the same item	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Ability to purchase the item online on brand's webpage	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Web solutions are easy, fast and entertaining	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - The material information on the item	
What is your attitude towards these luxury brands?	Pearson Correlation	1	,199*	-,268**	,029	,119	,054	-,019	-,048	,173*	
	Sig. (2-tailed)		,022	,002	,744	,175	,539	,829	,582	,048	
	N	132	132	132	132	132	132	132	132	132	

Figure 31. Correlations: Attitude vs Luxury Drivers

As can be seen from Figure 31, attitude towards luxury brands has a positive correlation to two of the Luxury\_Driver items: “Recognizable label/logo among my peers” and “The material information on the item”. Both these items have a weak correlation and significant on a 0,05 level. The strongest correlation is exhibited by “Information about sustainability efforts”, which is significant on a 0,01 level and has a negative correlation. This means that the respondents who value sustainability efforts as a driver to purchase have a negative attitude towards luxury brands. However, the respondents who have a positive attitude towards luxury brands value sustainability efforts lower.

### *Correlation across the Factors*

When running a correlation test between all scale items, the output showed that most of the items were correlated with each other inside every factor. Since our regression model is focusing on predicting the attitude towards luxury brands, these correlations were not considered.

## 4.4 Regressions

Our RQ1 looks into the Norwegian Generation Z attitude towards Luxury brands. To be able to answer our research questions in the most accurate the linear regression model is used. The regression is run through SPSS in different ways. The regression is processed with the “enter mode”, where SPSS forces the chosen variables to predict the dependent variable. The “stepwise mode” is used then, as SPSS chooses the variables that had the most significant impact on the predicted variable. From the correlation matrix from section 4.3, the significant correlations are used as independent variables to make the regression model as strong as possible.

### **4.4.1 Enter Regression 1**

The first regression model we ran was with “new dimensions” as independent variables. Here we used new dimensions from the Attribute\_Luxury factor. The reason behind this was to be able to compare the “new dimensions” vs “the traditional dimensions” and how they predict attitudes towards luxury brands.

Model Summary <sup>b</sup>					ANOVA <sup>a</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model		Sum of Squares	df	Mean Square	F	Sig.
1	,259 <sup>a</sup>	,067	,037	1,274	1	Regression	14,757	4	3,689	2,274	,065 <sup>b</sup>
						Residual	206,054	127	1,622		
						Total	220,811	131			

a. Predictors: (Constant), To what extent the following attributes are associated with luxury brands for you? - Cultural references (collections dedicated to subcultures e.g. skateboarding, street art, pop culture), To what extent the following attributes are associated with luxury brands for you? - Online presence, To what extent the following attributes are associated with luxury brands for you? - Transparency in value chain, To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers

b. Dependent Variable: What is your attitude towards these luxury brands?

a. Dependent Variable: What is your attitude towards these luxury brands?

b. Predictors: (Constant), To what extent the following attributes are associated with luxury brands for you? - Cultural references (collections dedicated to subcultures e.g. skateboarding, street art, pop culture), To what extent the following attributes are associated with luxury brands for you? - Online presence, To what extent the following attributes are associated with luxury brands for you? - Transparency in value chain, To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers

Figure 32. Regression 1: summary of the model and ANOVA test

The output from the regression model summary shows that there is a low R square value, and that the model is significant on a 10% level. This indicates a weak model that predicts only 3,7 % of the variance of the dependent variable. The learnings from this led us to run Regression model 2 only with significant correlated items across the factors as independent variables. The coefficient table show that the item “Cultural references” is the only item with a significant impact on the dependent variable, and has a standardized coefficient beta value equal to -0,181. The coefficient table is illustrated in Appendix D.

#### 4.4.2 Enter Regression 2

Model Summary					ANOVA <sup>a</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model		Sum of Squares	df	Mean Square	F	Sig.
1	,374 <sup>a</sup>	,140	,120	1,218	1	Regression	30,885	3	10,295	6,938	,000 <sup>b</sup>
						Residual	189,925	128	1,484		
						Total	220,811	131			

a. Predictors: (Constant), If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts, Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands ), Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)

b. Predictors: (Constant), If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts, Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands ), Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)

Figure 33. Regression 2: summary of the model and ANOVA test

From the correlation matrix, three significant new dimensions are affecting the attitude towards luxury brands. The two items from the Fashion\_Behavior factor, such as “I follow social influencers on online platforms” and “Social influencers may affect my purchasing decisions” also have an impact on the dependent variable. The Luxury\_Drivers factor's item “Information about sustainability efforts” has as well a significant effect. However, these three variables predict 12% of the variance for the dependent variable (Figure 33), and the model is significant on a 0,001 level. This shows that the model is stronger than the first regression and indicates a better prediction of the dependent variable. However, the adjusted R square infers that 88% of the variance is not captured. We conclude that the model is stronger than the first regression, but still rather weak as according to Cohen (1992) the adjusted R square values below 0,12 indicate low effect.

### *Normality of standardized residuals and coefficients of the model*

The standardized residuals of the model are normally distributed and have skewness and kurtosis values of -0,143 -0,482. The standardized coefficient indicates that “Information about sustainability” (-0,253) and “I follow social influencers on online platforms” (0,252) has the steepest curve and the most impact on the dependent variable. The difference is that “I follow social influencers” has a positive impact on attitude while “Information about sustainability efforts” has an opposite effect on attitude. When respondent exhibits higher interest for sustainability, the prediction of the regression gets a lower value for attitude towards luxury. The last coefficient for “Social influencers may affect my purchasing decision” equals to 0,013 and has a weak impact on the dependent variable. All the independent variables have acceptable tolerance values above 0,2 and no collinearity was detected. The standardized coefficient Beta values and collinearity statistics are illustrated in Appendix E.

### **4.4.3 Enter Regression 3**

In the third regression we ran “traditional dimensions” as independent variables against the dependent variable attitude towards luxury.

Model Summary <sup>b</sup>					ANOVA <sup>a</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model	Sum of Squares	df	Mean Square	F	Sig.	
1	,530 <sup>a</sup>	,281	,240	1,132	1	Regression	62,012	7	8,859	6,918	,000 <sup>b</sup>
						Residual	158,798	124	1,281		
						Total	220,811	131			

a. Predictors: (Constant), If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Recognizable label/logo among my peers, To what extent the following attributes are associated with luxury brands for you? - High quality of products, If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - The material information on the item, To what extent the following attributes are associated with luxury brands for you? - History of the brand and heritage, To what extent the following attributes are associated with luxury brands for you? - Unusual modern design (Uniqueness), To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it), To what extent the following attributes are associated with luxury brands for you? - Craftmanship

b. Dependent Variable: What is your attitude towards these luxury brands?

a. Dependent Variable: What is your attitude towards these luxury brands?

b. Predictors: (Constant), If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Recognizable label/logo among my peers, To what extent the following attributes are associated with luxury brands for you? - High quality of products, If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - The material information on the item, To what extent the following attributes are associated with luxury brands for you? - History of the brand and heritage, To what extent the following attributes are associated with luxury brands for you? - Unusual modern design (Uniqueness), To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it), To what extent the following attributes are associated with luxury brands for you? - Craftmanship

Figure 34. Regression 3: summary of the model and ANOVA test

The traditional dimensions give a stronger model as the independent variables predict 24% of all the variance of the attitude towards luxury. The independent variables that were added are: “Recognizable label among my peers” and “High quality of products”. The ANOVA table indicates that the independent variables that were added into the regression has significant impact on the dependent variable. The F value of 6,918 in the ANOVA output is similar to the F value in the ANOVA output for new dimensions. Overall this is a stronger model than the second regression model. Hence, we conclude that the model gives a good prediction of the attitude towards luxury.

### *Normality of standardized residuals and coefficients*

The histogram together with the Shapiro-Wilk test for Normality indicate that our standardized residuals are normally distributed. The skewness equals -0,194 and kurtosis equals -0,642, both acceptable values. The standardized Beta coefficient output shows that “Rarity”(0,264) and “High quality of product”(0,222) has the steepest curve, and thereby have the largest impact on the dependent variable. The independent variable “Recognizable label/logo” has the least impact on the dependent variable with a coefficient of 0,063. All the independent

variables have acceptable tolerance values above 0,2 and no collinearity was detected. These findings are illustrated in Appendix F.

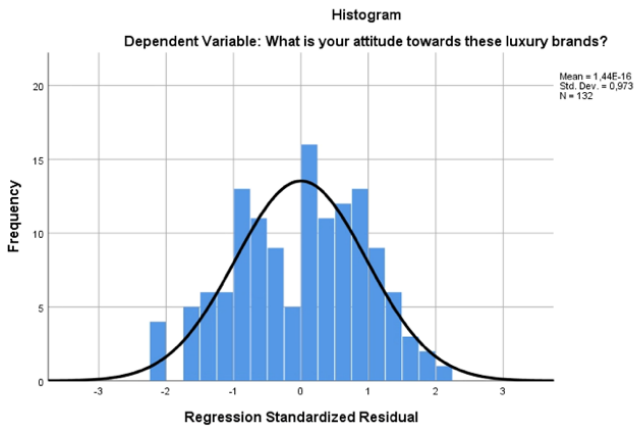


Figure 35. Regression 3: Normality histogram

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Standardized Residual	,062	132	,200 <sup>*</sup>	,985	132	,160

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

		Statistic	Std. Error	
Standardized Residual	Mean	,0000000	,08468144	
	95% Confidence Interval for Mean	Lower Bound	-,1675201	
		Upper Bound	,1675201	
	5% Trimmed Mean	,0133163		
	Median	,0362306		
	Variance	,947		
	Std. Deviation	,97291566		
	Minimum	-2,24200		
	Maximum	2,16847		
	Range	4,41047		
	Interquartile Range	1,53856		
Skewness	-,194	,211		
Kurtosis	-,642	,419		

Figure 36. Regression 3: Test of normality

### 4.4.4 Stepwise Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,397 <sup>a</sup>	,158	,151	1,196
2	,483 <sup>b</sup>	,233	,221	1,146
3	,532 <sup>c</sup>	,283	,266	1,112
4	,559 <sup>d</sup>	,312	,291	1,093
5	,581 <sup>e</sup>	,338	,311	1,077
6	,599 <sup>f</sup>	,359	,328	1,064

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34,794	1	34,794	24,316	,000 <sup>b</sup>
	Residual	186,017	130	1,431		
	Total	220,811	131			
2	Regression	51,444	2	25,722	19,592	,000 <sup>c</sup>
	Residual	169,366	129	1,313		
	Total	220,811	131			
3	Regression	62,402	3	20,801	16,808	,000 <sup>d</sup>
	Residual	158,409	128	1,238		
	Total	220,811	131			
4	Regression	68,966	4	17,241	14,420	,000 <sup>e</sup>
	Residual	151,845	127	1,196		
	Total	220,811	131			
5	Regression	74,583	5	14,917	12,853	,000 <sup>f</sup>
	Residual	146,227	126	1,161		
	Total	220,811	131			
6	Regression	79,318	6	13,220	11,679	,000 <sup>g</sup>
	Residual	141,493	125	1,132		
	Total	220,811	131			

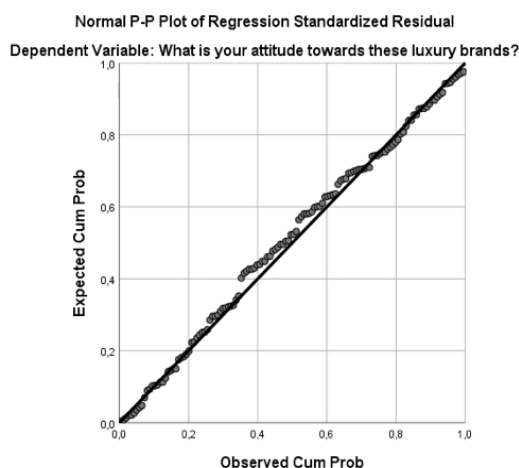
Figure 37. Stepwise regression: summary of the model and ANOVA test

For the fourth regression the stepwise mode in SPSS is used. The program chooses the variables from the whole questionnaire that have the most impact on the dependent variable. The model output is illustrated above. The variables SPSS chose to use as independent variables following items:

1. *Rarity* (from the Attribute questions);
2. *High quality of products* (from the Attribute questions);
3. *I follow social influencers on Instagram* (from the Fashion behavior questions);
4. *Information about sustainability*(from the Luxury driver questions);
5. *The material information on the item* (from the Luxury driver questions);
6. *The dummy variable that the person owns a luxury item.*

The summary of the model shows that “Rarity” by itself predicts 15,1% of the attitude towards luxury. When all the variables are taken into the regression model, the independent variables predict 32,8% of the variance of attitude towards luxury. This is a strong R squared value and gives us a good understanding of what changes the attitude towards luxury compared with the “enter regression 1” model. The ANOVA table shows that the F value is highest when only “Rarity” operates as an independent variable. When adding more variables to the regression the F value decreases. This is considered as normal as there are more possible outcomes with more variables. Finally, when all the six variables are added the F value decreases from 24,3 to 11,6.

### Normality of standardized residuals and Coefficients



Descriptives				Statistic	Std. Error
Unstandardized Residual	Mean			,0000000	,09045752
	95% Confidence Interval for Mean	Lower Bound		-,1789465	
		Upper Bound		,1789465	
	5% Trimmed Mean			,0238883	
	Median			,0619118	
	Variance			1,080	
	Std. Deviation			1,03927776	
	Minimum			-2,84803	
	Maximum			2,08639	
	Range			4,93441	
	Interquartile Range			1,41315	
	Skewness			-,335	,211
	Kurtosis			-,171	,419

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	,057	132	,200 <sup>*</sup>	,988	132	,276

\*. This is a lower bound of the true significance.  
a. Lilliefors Significance Correction

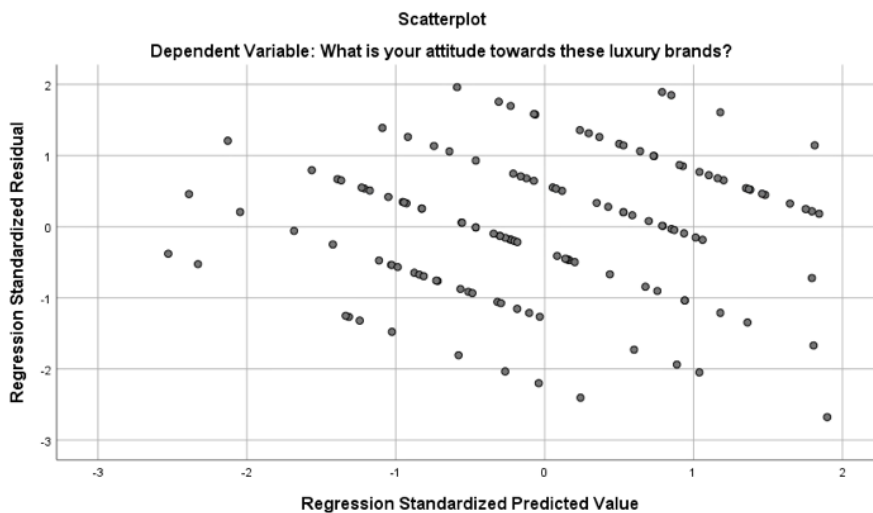
Figure 38. Stepwise regression:  
Normal P-P plot

Figure 39. Stepwise regression:  
Test of normality

The normal P-P plot of standardized residuals are close to the diagonal axis, the values of skewness and kurtosis are also indicating normally distributed residuals. Together with the Shapiro-Wilk test, we conclude that the standardized residuals are normally distributed. The standardized coefficients show that “Rarity” (0,267) have the largest value and thereby most impact on the dependent variable. As we also saw in regression 2 that “Information about sustainability” has a negative coefficient (-0,215), which lowers the attitude towards luxury. The tolerance numbers are all above 0,2 which indicates that the variables are not affected by collinearity. The VIF numbers are also acceptable and all below 10. The standardized Beta coefficients and collinearity statistics are illustrated in Appendix G.

### *Heteroscedasticity*

The scatterplot of standardized predicted values should have a random pattern in order to exclude the problems with heteroscedasticity. From the outputs, a pattern between the residuals and the predicted values can be seen (Figure 40). This can be a sign of heteroscedasticity. However, since 7-point Likert scaled question was used as a dependent variable and the values were in random order across this scale, the heteroscedasticity issues can be excluded. Hence, the regression model is valid.



*Figure 40. Stepwise regression: Scatterplot residuals*



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## 5. Discussions

The main objective of this study was to examine the attitude of the Norwegian Generation Z towards luxury goods and the intention to acquire them. The study focused on various aspects of luxury brand management, which were to predict the intention of the Norwegian Generation Z to purchase through attitudes as suggested by TRA model. Some key findings come from data analysis and are discussed in this section along with implications. Since there are limited studies for Generation Z related to luxury brands, previous studies related to Millennials were used as a starting point for comparison (e.g., Jain et al., 2014; Juodžbalis & Radzevičius, 2016).

### 5.1 Discussions of key findings

As stated earlier, Generation Z is one of the key consumer targets for luxury brands along with Millennials (D'Arprizio et al., 2019). Various reports describe (Deloitte Touché Tohmatsu Limited, 2019; McKinsey & Co, 2018) Generation Z as technically savvy, liberal, environmentally friendly, and sustainability-oriented consumers who prefer unique, personalized products (Nielsen Catalina Solutions & Tapinfluence, 2015; Ozkan & Solmaz, 2015; Stojanova et al. 2015; Cheung et al., 2017; Firstinsight, 2020). Even though Generation Z is also described as active Internet users (Allagui & Breslow, 2016), Norwegian Generation Z does not give preference to buying fashion goods on the Internet. Instead, respondents said they make purchases both in the store and on the Internet.

The 90.77% of the Norwegian Generation Z preferred the classic Gucci Marmont bag to the same bag, but with a collaboration design version. Also, when choosing men's sweaters, 51.11% chose the classic Ralph Lauren Polo sweater. Interestingly, the female respondents sought to choose a joint version of the sweater of the same brand and made up 53.85% of women of the Norwegian Generation Z, while 55.71% of the male respondents preferred the classic design. Phau and Prendergast (2000), Catry (2003), and Mortelmans (2005) indicate that luxury brands alter the perception of the luxury products features depending on their target audience. Hence, those findings may indicate that Norwegian Generation anticipates new brand identities that luxury brands are trying to create by referring to the streetwear brands to attract younger customers (Highsnobiety, 2019). Surprisingly, even though male respondents showed no preference for a more unique design, they showed slightly, but not significantly

more interest in recognizable logos/labels among their peers compared to the opposite gender. According to the study of O'Cass and McEwan (2004), young men (18–25 years old) pay more attention to the prominent use of the product, which is consistent with our findings. Tse, Belk, and Zhou (1989) and Eastman, Fredenberger, Campbell, and Calvert (1997) indicated that men can be more materialistic and have a stronger focus on external validation through visual portrayals of prestige and achievement as Veblen (1899) and Eastman et al. (1999) tied conspicuous consumption to the demonstration of wealth. However, the association between luxury and recognizable labels/logos are stronger for female representatives of Norwegian Generation Z.

When controlling for gender, attitudes toward luxury among women are somewhat more positive than among men. In addition, female respondents highlighted the importance of a sustainable profile when considering buying fashionable goods. A study by Trivedi and Khan (2015) shows that female consumers are generally more sensitive to sustainable consumption patterns. Also, female respondents indicated that they follow social influencers and that luxury brands are associated with celebrities or influential people who wear them, and this has a positive correlation with attitudes towards luxury brands. Although the female respondents indicated that their shopping habits are not affected by social media influencers, the results may indicate that they are more influenced than they think (Laura, 2018) as Berger and Kelly Fay Group (2016) indicates that social media influencers are generally perceived as credible.

Previous researches have reinforced Generation Z's concerns regarding sustainability and the environment. Throughout the questionnaire, there were several questions regarding sustainability. Data analysis shows that Norwegian Generation Z has the same behavioral patterns as Generation Z in general. Norwegian Z Generation and Norwegian Millennials are more interested in sustainability and material information when considering buying luxury brands compared to foreign students. Besides, the analysis shows that these two factors are interrelated. It would be natural to expect material information to be correlated with high quality, but no connection was found. This may indicate that the information on the materials provides better information on the raw materials used for the production of the item, and indicates its sustainability. However, a field experiment (NRK TV, 2020) in Norway shows that Norwegians, as a rule, do not look at the product's material information. The mentioned experiment took place in the second-hand clothing market. The authors divided the expensive and well-known luxury branded and fast-fashion branded stands for clothes separately. During the experiment, labels/logos were switched between luxury brands and fashion

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products. The buyers were from different generations, including the Norwegian generation Z. When consumers thought they were buying luxury brands, none of them looked at information about the material. Instead, they stated in an interview that the products they purchased were of the highest quality thanks to the luxury brand name. This conclusion may lead to the fact that although respondents position themselves as responsible consumers, in all likelihood, they do not pay attention to information about the material if they see luxury labels on the product.

Further, the Norwegian Generation Z did not express a firm opinion on the sustainability of the luxury brands, and the majority of respondents answered “neither agree nor disagree.” Kapferer and Michaut (2015) found evidence that there are a gap and inconsistency between a sustainable image and luxury goods. Data analysis shows that the information about sustainability efforts as a driver to purchase luxury items has a negative effect on attitude towards luxury brands. Consequently, this finding may indicate that the paradox of sustainable luxury exists for Norwegian Generation Z as well.

The main results of the data analysis showed that respondents who own luxury goods show a positive attitude towards luxury fashion compared to respondents who do not own luxury goods. Previous ownership of luxury goods averaged 4.60 towards a positive attitude, while other respondents showed indifference with an average ratio of 4.02. The general positive attitude towards luxury goods demonstrated by a group of respondents with brand ownership of luxury goods can be explained by the fact that pre-existing knowledge about products or brands can lead to a positive attitude towards these goods/brands (Blythe, 2005). In turn, pre-existing knowledge, in this case, the possession of luxury goods, may increase the likelihood of buying luxury brands in the future, since TRA implies that a positive attitude significantly increases the intention to make a purchase (Ajzen and Fishbein, 1980; Blythe, 2005). The results also show that people who are indifferent to the luxury fashion industry may not be aware of the benefits and features of luxury goods because they do not own them.

Both groups also possess different opinions about attributes of fashion items and have different ideas about what is important when considering to acquire luxury goods. The most significant difference between the groups is that respondents who do not own luxury goods associate celebrities with luxury goods of well-known brands more than respondents with luxury goods. This conclusion may be the result of the association that luxury brands are only available to privileged groups of people (Danziger, 2005; De Barnier et al., 2012) such as celebrities. In addition, the drivers of sustainability efforts and recognizable labels had significantly different

means for the two groups. For example, respondents who do not own luxury goods value information on sustainable efforts much higher than in the other group. On the other hand, they distaste a recognizable label/logo among their peers, unlike respondents who have luxury items.

Although some of the models could not predict the dependent variable, we can highlight the most important factors for the Norwegian Generation Z to form a positive attitude towards luxury brands and intention to acquire them from the results of the stepwise regression model. The results show that factors rarity and high-quality luxury products had the greatest impact on predicting attitudes towards luxury brands. These two elements have proven to be important factors for the Generation Z (Ozkan & Solmaz, 2015; Firstinsight, 2020) and are associated with luxury in previous studies (Danziger, 2005; Fionda & Moore, 2009; Kapferer & Bastien, 2009; Ko et al., 2017). The study by Firstinsight (2020) found that product quality was the highest for Generation Z among all factors in the shopping situation. Moreover, rarity was the strongest predictor, and only it predicted 15% of differences in attitude to luxury brands. A study by Dubois, Laurent, and Chellard (2001, cited in Heine, 2012) also showed that these two factors were among the most important attributes for describing luxury. Our quantitative deductive approach to this research is emphasized by these conclusions since our results are consistent with the results of previous studies.

The third important factor that can influence the attitude towards luxury brands is the following social influencers on online platforms, even though many respondents stated that influencers have no effect on purchasing decisions. It is dubious to argue that the Norwegian Generation Z considers them as role models, but the facts show that social media influencers can have a greater impact on them than they perceive.

A study from the Nielsen Catalina Solutions & Tapinfluence (2015) report showed that Generation Z has a significantly higher willingness to pay more for sustainable items than other products. The Firstinsight report (2020) also agrees with these findings. In a stepwise regression model, information about sustainability efforts is the fourth most important factor in predicting attitude towards luxury brands and exerted a negative impact on the dependent variable. The fifth most important factor is the material information about the product that enhances the attitude towards luxury.

## 5.2 Implications

### *Theoretical perspective*

This study aims to contribute to research on the topic of luxury brand management. Former researches on luxury brand management have mostly focused on the segments of baby-boomers and Millennials. However, Generation Z has become a major contributor to the consumption market, and the goal of this study is to reflect their perceptions, attitudes, and consumption needs in the luxury industry. Generation Z is the first generation who grew up with smartphones and 24/7 exposure to the Internet from their first days. Hence, we wanted to investigate if this unique generation has different preferences compared to previous generations when it comes to luxury consumption. Moreover, the perception of luxury has been changing.

First of all, through the in-depth analysis of the major luxury brands' profile, this study has identified new dimensions of luxury. Second of all, although Generation Z has specific features, we found similar results as prior studies, especially in connection to luxury traditional values, which reflects our deductive approach to the paper. Third, the fact that Generation Z is focused on sustainability and material information has also been widely presented by recent studies and has proven to have a major impact on our results as well. This study also gives insight knowledge on how new dimensions of luxury brand management are successful in attracting younger generations, which is a rather unexplored area. Moreover, this research contributes to a better understanding of Norwegian consumers and new customer segments in general.

### *Managerial implications*

As the climate in the luxury market changes, the marketing strategy for luxury brands must be dynamic to stay in a leading position in the market. Our findings imply that luxury brands need to diversify their marketing campaign most efficiently to succeed in the Norwegian market. Our data sample was separated from respondents owning luxury items and respondents that don't own luxury items. The two groups have different preferences when it comes to luxury consumption, and the difference across genders is also significant. Hence, we suggest that luxury brands need to create specifically tailored advertising campaigns based on gender and other factors to achieve more popularity in Norway.

The importance of sustainability recurred rapidly among the data sample. As this had a significant negative impact on the luxury attitude, it is advised to luxury brands to improve this image. The former studies also found evidence that there is a mismatch between luxury and sustainability. Kapferer and Michaut (2015) described the dilemma of a discrepancy between sustainability and luxury. The irony is that luxury brands are sustainable by nature with the superior quality of their products made with exceptional craftsmanship. If the marketing departments of luxury brands manage to merge their core attributes with sustainability, they have a huge potential to attract a large number of sustainably-minded customers.

## 6. Conclusion

This section concludes the research. It includes a summary of the results, limitations of the study, and suggestions for future research. The study aimed to answer two research questions:

**RQ1:** *What is the attitude of the Norwegian Generation Z towards luxury brands?*

**RQ2:** *How do new aspects of luxury brand management influence Norwegian Z's intention to acquire luxury brands?*

To answer the questions of the study, the corresponding theory was studied, and a theoretical model was proposed based on the existing theory and previous studies. Consequently, a survey was developed that aimed at measuring theoretical constructions. Thus, the methodology used was a quantitative method using a web survey followed by a quantitative analysis of the results.

### 6.1 Main findings

Since the rapid growth of luxury brands in the Norwegian market coincided with the rise of Norwegian Generation Z, it is interesting to study attitudes of the new consumer generation towards luxury brands and investigate what aspects of luxury can influence their intention to acquire luxuries in the future. Since luxury is a very subjective topic, we referred to Kapferer and Bastien's (2009) definition of luxury, which says that luxury nowadays is defined by its marketing strategy. Hence, it is natural to expect that those strategies are designed to target specific customers. Through extensive research of current luxury brands' marketing strategies in the fashion industry and Generation Z's features, those aspects that were specifically designed to attract younger generations were chosen. The prior studies show that Generation Z values sustainability and uniqueness, are heavy users of the internet, and possess an interest in technologies. The patterns of Generation Z's interests can be seen in current luxury fashion brands' profiles. This study made an effort to see the effect of those new dimensions on Norwegian Generation Z's attitudes towards luxury brands and also give an insight into what is important for them when considering to purchase luxury goods.

The findings of this research show that new dimensions, as collaborative culture and online presence of luxury brands, have little impact on young Norwegians' intention to purchase. They expressed sustainable consumption patterns when it comes to luxury fashion

consumption, especially female respondents and respondents who have never owned luxury goods. Moreover, the female respondents value more than male the recognizable labels and logos when it comes to luxury attributes. Despite that respondents stated that social media influencers have no effect on their purchasing intention, the findings hint inverse and there is a correlation with positive attitude towards luxury. Furthermore, the Norwegian Generation Z appraises the traditional values of luxury such as rarity and high quality when intending to purchase luxury brands.

This research provides insight into Norwegian Generation Z's luxury consumption motives. Most importantly, our study may provide knowledge to create an effective marketing strategy for entering or succeeding in the Norwegian luxury market.

## 6.2 Limitations of study

Regarding the limitations of this study, several factors should be considered. Firstly, there is a risk of bias in social desirability among respondents, which reduces the overall reliability of respondents' answers to what, in their opinion, should be responded to, rather than actual behavior. Respondents may desire to be more sustainable than they are since sustainability is considered moral and ethical. The same can be applied when it comes to following the social influencers on an online platform. Despite the fact that the majority of respondents answered that influencers on social networks do not affect their intentional purchasing behavior, the results of the study indicate the opposite. It may not be convenient for respondents to admit that someone may influence their choices. Therefore, a quantitative study combined with field experiments can provide additional explanations and findings to this study.

This study was aimed at exploring intentions to acquire luxury brands by measuring attitudes. Ergo, other determinants presented by the TRA model were not taken into account when evaluating the intention to acquire luxury goods. Consequently, there are more factors that can influence purchasing patterns, such as personality and personal preferences. Moreover, the key criticism of the theory of reasoned action is the lack of utility as the basis for behavior change interventions (Hagger, 2019). According to Torbati and Asadi (2017) the longer the period between intention and behavior, the greater the likelihood of unpredictable events that can lead to changes in the intention to commit behavior. Hence, this study does not predict actual purchasing behavior of luxury goods.



Third, all respondents in this study belong to the same organization. Therefore, the generalizability of the results of this study to other conditions may be limited. Contextual factors play an important role in generalizing the study. Nevertheless, the results of this research should be generalized to other consumers of the luxury industry, as some of the results of previous studies coincide with ours.

Finally, this study does not take into consideration the Norwegian cultural features, values, and specificities. For example, findings for collaboratively designed luxury goods imply that the Norwegian generation Z avoids vibrant and loud designs that can set them apart from the crowd. The *janteloven* is code of conduct, which is present in the Scandinavian countries. It can have a significant impact on this study, since *janteloven* is a set of unspoken social norms that prescribe, among other things, not to stand out. However, further investigation is needed to understand how cultural characteristics affect Norwegian Generation Z when in relation to luxury consumption.

### 6.3 Suggestions for further research

This study provides additional support for the conclusions presented in the literature, but also presents new results in less studied areas and sheds light on areas that require further research. The data set collected in this study may also provide several possible perspectives of the study.

First of all, a deeper understanding of the characteristics of the Norwegian generation Z, combined with cultural characteristics, is needed. Secondly, more research is needed in the field of luxury brand management in connection with new developments in the luxury industry. And most importantly, further research should focus on the intrinsic motives of potential and existing Norwegian luxury goods consumers to find reasons that drive luxury goods consumption. Additional research should be carried out through in-depth interviews and field experiments, since, to our knowledge, there are almost no studies related to luxury brands in relation to Norwegian consumers.



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## Appendix

### Appendix A

The Definition of Luxury Products by Dubois, Laurent, and Czellar (2001,p. 62),( as cited in Heine, 2012)

Excellent quality	The first notion is that of perceived excellent quality. The mental association between luxury and quality is so strong that for some respondents, the two words are almost synonymous.
Very high price	The second notion spontaneously associated with luxury, and almost as salient as the previous one, is that of a very high price. Such a perception is established either on the basis of the absolute value of the price or, more frequently, by comparison with non-luxury alternatives.
Scarcity and uniqueness	The third concept associated with luxury is that of scarcity. Scarcity is closely associated with the perceived excellent quality and high prices associated with luxury goods.
Aesthetics and polysensuality	The fourth aspect of luxury involves a strong aesthetic appeal. And, according to many consumers, it should always be the case. At the extreme, luxury products become pieces of art which have to be recognized as such.
Ancestral heritage and personal history	The fifth notion associated with luxury is its anchoring in the past. In consumers' mind, to be luxurious, products and services must have a long history and their elaboration processes as well as consumption should respect tradition.
Superfluosness	Finally, the concept of luxury implies some perceived superfluosness or uselessness. Luxury products are not felt to be necessary for survival. It is in this sense that consumers as well as researchers oppose luxuries and necessities.

### Appendix B

a) Luxury brands classification by Luxury Level (Heine, 2012)

Entry level luxury brands	As these brands rank just above the premium segment on the lowest luxury level, they are not even generally recognized as members of the luxury segment. Representative brands include Hugo Boss and Mercedes.
Medium level luxury brands	These brands are widely recognized as members of the luxury segment, but are a step behind the forefront of luxury. Examples include Dolce&Gabbana, Escada and Moschino.

Top level luxury brands	These brands are established beyond doubt as leading luxury brands. Examples include Armani, Cartier and Louis Vuitton.
Elite level luxury brands	As niche brands at the top of the top segment, these brands determine the benchmark of the best quality and highest exclusivity within their category. These brands target the “clientele de connoisseurs”, who do not just possess the necessary financial resources but also a “culture intellectuelle” .

b) Luxury brands classification by Awareness Level (Heine, 2012)

**Connoisseur brands** are limited awareness brands which often specialize in a niche market. These brands are made by and for connoisseurs, and do not even strive for high awareness beyond their relatively narrow target group of select insiders.

**Star brands** strive for maximum brand awareness well beyond their actual target group. This is in contrast to both connoisseur brands and mass-market brands, which aim at minimizing wastage in their brand communications outside their core target group consumers. Even if star brands are bought only by relatively few people, they preferably should be known by everyone.

c) Luxury brands classification by Business Volume (Heine, 2011)

Micro-scale brands	There are luxury brands, often business ventures, which do not have many more employees than the boss himself and have rather modest revenues of under € 10 million. Examples: Julisis and Mont Charles de Monaco.
Small-scale brands	Some brands specialize into markets with relatively little business volume, ranging from € 10 to 100 million. Example: Robbe & Berking.
Medium-scale brands	the “Mittelstand” of the luxury industry with revenues of more than € 100 million. Example: Poggenpohl.
Large-scale brands	Within the luxury industry there are not many of these large-scale businesses with revenues of more than € 250 million. Example: Escada.
Big player	Only a few star brands achieve revenues of more than € 1 billion. Example: Hugo Boss.
Giant player	However, there are high-turnover product categories such as cars, which allow very few brands to generate revenues of even more than € 5 billion. Example: Mercedes.

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## Appendix C

Survey:

NHH



To what age group do you belong?

17 and below

18 - 25

26 and above

Are you holding a Norwegian citizenship?

Yes

No

What gender to you identify yourself with?

Male

Female

What is your current professional status?

Student- unemployed

Student- part time employed

Student - full time employed

Other



Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement.

	Strongly Disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I consider Sustainability when purchasing clothes, footwear, accessories and bags	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consider Transparency in value chains when purchasing clothes, footwear, accessories and bags	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer purchasing fashion items online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer purchasing fashion items in store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands )	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How do you usually purchase fashion items ?

Online

In-store

Both

Do you own any luxury branded clothes, footwear, accessories and bags?

Yes

No

---

Are you familiar with some of these brands: Gucci, Balenciaga, Louis Vuitton, Hermes, Bottega Veneta, Valentino

Yes

No

---

Do you find above mentioned brands as luxury?

Strongly agree

Agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Disagree

Strongly disagree

---

---

What is your attitude towards these luxury brands?

Extremely positive

Moderately positive

Slightly positive

Neither positive nor negative

Slightly negative

Moderately negative

Extremely negative

Do you find these luxury brands to have a sustainable profile?

Strongly agree

Agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Disagree

Strongly disagree

---

Are you familiar with following streetwear brands: Holzweiler, Supreme, YEEZY, Carhartt.

Yes

No

---

Do you find these brands as luxury?

Strongly agree

Agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Disagree

Strongly disagree

---

Do you find these streetwear brands to have a sustainable profile?

Strongly agree

Agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Disagree

Strongly disagree

---

---

Which of the following items is more desirable for you?

Gucci Marmont Bag



Gucci Marmont by Trevor Andrew  
(a graffiti artist known as Guccighost)



Which of the following items is more desirable for you?

Polo Ralph Lauren sweater by PALACE (London based skateboard and clothing brand)



Polo Ralph Lauren sweater





Ability to purchase the item online on brand's webpage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Web solutions are easy, fast and entertaining	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The material information on the item	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Finish

## Appendix D

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,565	,607		7,519	,000		
	To what extent the following attributes are associated with luxury brands for you? - Transparency in value chain	,177	,096	,164	1,843	,068	,923	1,084
	To what extent the following attributes are associated with luxury brands for you? - Online presence	-,156	,094	-,154	-1,648	,102	,839	1,192
	To what extent the following attributes are associated with luxury brands for you? - Cultural references (collections dedicated to subcultures e.g. skateboarding, street art, pop culture)	-,183	,088	-,181	-2,088	,039	,979	1,021
	To what extent the following attributes are associated with luxury brands for you? - Worn by celebrities/influencers	,106	,074	,131	1,441	,152	,886	1,128

a. Dependent Variable: What is your attitude towards these luxury brands?



## Appendix E

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,708	,417		11,281	,000		
	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	-,230	,075	-,253	-3,079	,003	,996	1,004
	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	,158	,071	,252	2,232	,027	,528	1,895
	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - Social influencers may affect my purchasing decision (e. if I see my favourite social influencer advertises/ has a collaboration with fashion brands )	,010	,085	,013	,118	,906	,528	1,893

a. Dependent Variable: What is your attitude towards these luxury brands?

## Appendix F

		Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,238	,878		-1,410	,161		
	To what extent the following attributes are associated with luxury brands for you? - High quality of products	,321	,129	,222	2,488	,014	,729	1,372
	To what extent the following attributes are associated with luxury brands for you? - History of the brand and heritage	,128	,102	,104	1,258	,211	,843	1,186
	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	,270	,088	,264	3,084	,003	,792	1,263
	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Recognizable label/logo among my peers	,111	,063	,142	1,780	,078	,905	1,105
	To what extent the following attributes are associated with luxury brands for you? - Unusual modern design (Uniqueness)	,066	,078	,070	,843	,401	,845	1,184
	To what extent the following attributes are associated with luxury brands for you? - Craftmanship	,047	,086	,049	,549	,584	,715	1,399
	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - The material information on the item	,094	,068	,111	1,389	,167	,913	1,095

a. Dependent Variable: What is your attitude towards these luxury brands?

## Appendix G

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,121	,468		4,533	,000		
	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	,406	,082	,397	4,931	,000	1,000	1,000
2	(Constant)	-,068	,761		-,090	,929		
	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	,359	,080	,351	4,488	,000	,973	1,028
	To what extent the following attributes are associated with luxury brands for you? - High quality of products	,403	,113	,278	3,561	,001	,973	1,028
3	(Constant)	-,381	,746		-,511	,610		
	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	,341	,078	,333	4,369	,000	,966	1,035
	To what extent the following attributes are associated with luxury brands for you? - High quality of products	,382	,110	,264	3,467	,001	,969	1,032
	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	,141	,047	,224	2,976	,003	,987	1,013
4	(Constant)	,593	,843		,703	,483		
	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	,311	,078	,304	4,007	,000	,941	1,063
	To what extent the following attributes are associated with luxury brands for you? - High quality of products	,364	,109	,251	3,352	,001	,964	1,038
	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	,137	,047	,218	2,937	,004	,986	1,014

	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	-,160	,068	-,176	-2,343	,021	,961	1,040
5	(Constant)	,425	,834		,509	,611		
	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	,291	,077	,284	3,771	,000	,927	1,078
	To what extent the following attributes are associated with luxury brands for you? - High quality of products	,334	,108	,231	3,099	,002	,948	1,054
	Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	,125	,046	,199	2,709	,008	,973	1,028
	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	-,213	,071	-,235	-2,984	,003	,851	1,176
	If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - The material information on the item	,146	,066	,172	2,200	,030	,861	1,161
6	(Constant)	,241	,829		,291	,772		
	To what extent the following attributes are associated with luxury brands for you? - Rarity (not everyone can have it)	,283	,076	,276	3,708	,000	,925	1,081
	To what extent the following attributes are associated with luxury brands for you? - High quality of products	,310	,107	,214	2,898	,004	,937	1,067

Here are a number of characteristics that may or not apply to you. Please indicate the extent to which you agree or disagree with that statement. - I follow social influencers on online platforms (e.g. YouTube, Instagram, Twitter, Facebook and etc)	,125	,046	,199	2,740	,007	,973	1,028
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - Information about sustainability efforts	-,196	,071	-,215	-2,755	,007	,838	1,193
If you had an opportunity to purchase luxury fashion items, e.g. Louis Vuitton, Gucci, Balenciaga, Bottega Veneta and etc., to what extent the following statements would drive your purchasing intention? - The material information on the item	,157	,066	,185	2,392	,018	,855	1,169
Q7=Yes	,398	,194	,150	2,045	,043	,950	1,052

a. Dependent Variable: What is your attitude towards these luxury brands?