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Motivational Factors Influencing Millennials to Purchase and Consume Luxury Brands

– The Influence of Actual and Ideal Self-Congruity on Brand Attitude

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This thesis was written as a part of the Master of Science in Economics and Business Administration at NHH. Please note that neither the institution nor the examiners are responsible – through the approval of this thesis – for the theories and methods used, or results and conclusions drawn in this work.

Abstract

The thesis explores motivational factors that influence young consumers' brand attitudes towards luxury brands. Former research in this field is rather small-scale and the objective of this research was to provide new insights regarding how different luxury value perceptions affect consumer motivation. Particularly the effects of actual and ideal self-congruity were in central focus of the study in order to find out how and to what extent these factors influence millennial consumers when forming attitudes towards luxury brands. Furthermore, additional factors of materialistic value and status value were examined in regards of how and to what extent they affect consumer motivation. In order to answer the research question and to test the two hypotheses, a quantitative study was conducted by creating and distributing a survey among a multinational sample of university students and young graduates via social media and email. The findings indicate that ideal self-congruity influences millennial consumers to a larger extent than actual self-congruity when forming attitudes towards luxury brands. The effect is even more enhanced when a consumer places importance on materialistic value and/or status value. Both managerial and theoretical implications can be generated from the research. The results are of interest theoretically as the variables' effect on each other has not been studied previously, and for luxury brand managers who need guidance in choosing the right marketing and branding strategies when targeting young consumers.

Keywords: luxury brands, actual and ideal self-congruity, value perceptions, consumer motivation, brand attitude, brand equity, luxury branding

Preface

This thesis is written as part of my Master of Science in Economics and Business Administration degree at the Norwegian School of Economics (NHH). The thesis is a mandatory part of the master degree and counts for 30 study credits, marking the end my education at NHH within my main profile and major in Marketing and Brand Management.

Finalizing my master thesis has been a long, interesting, and rewarding process. My interest in luxury brand marketing was a great motivator to choose and research this topic. I was eager to learn in more detail how consumers perceive luxury brands and what are the motivational factors behind buying luxury brands and, therefore, I was motivated to spend so many hours of work to write this master thesis.

Finally, I would like to thank people who have helped me during the process of writing this thesis, including those who contributed by answering my questionnaire. Furthermore, I would especially like to thank my supervisor, Magne Supphellen, for his feedback, helpfulness and the valuable advices he provided me. I also want to thank the professors that I have had in my Marketing and Brand Management courses for inspiring me and enhancing my knowledge in the field.

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1. Introduction

1.1 Background

The global luxury market was estimated at €1.08 trillion in retail sales value in 2016, with 4% increase from the previous year, the market for personal luxury goods accounting for €249 billion. There has also been a significant growth in consumer preference for casual goods, especially in the apparel category. In addition, e-commerce reached an 8% market share, and overall discounted sales reached 37% of total market. (D'Arpizio et al, 2016) Particularly in the recent years, there is also a significantly increasing amount of young, generation-y consumers, that account a lot towards the growth of luxury spending. Generation-y or the millennials, i.e. people born in the 1980s and 1990s (The Economist, 2014), value luxury products at a younger age than the traditional luxury customers. They are also very different in their buying behavior, being more spontaneous, experimenting and exploring new brands. Thus, they are a contrast of the traditional luxury consumers that have more consistent spending behavior and brand loyalty. (Jay, 2012) It is estimated that by 2026 the main consumers of luxury will be the millennials and, therefore, managers need to adapt their marketing and brand management strategies accordingly to capture this large and rapidly growing customer segment to outperform the competition (The Economist, 2014).

The brand is a central part of consumer decision making. However, currently there is limited amount of research regarding the determinants of luxury consumption and luxury brand management. Particularly the connection between consumer perception of luxury and what causes customers to purchase luxury brands is lightly understood and widely unexplored. (Hennigs et al, 2013) To be able to successfully and effectively market and manage luxury brands, it is essential to understand what luxury means to the consumers and why they are purchasing luxury brands (Kapferer & Bastien, 2009). Luxury brands can satisfy consumers' psychological and functional needs, having a combination of four dimensions of value: financial, functional, individual, and social value (Wiedmann et al, 2007). From these four different luxury values the customers can be segmented by focusing on personally oriented vs socially oriented customers. In other words, whether luxury brands are purchased for own pleasure or for demonstration of success. (Kapferer & Bastien, 2009) Therefore, luxury brands need to deliver value in accordance with customers' subjective expectations and individual perceptions (Hennigs et al, 2013).

1.2 Research Questions

The purpose of this thesis is to study the impact that actual and ideal self-congruity have on millennial consumers' brand attitudes towards luxury brands. Furthermore, the impact of materialistic value and status value dimensions is studied in terms of to what extent they affect millennials' brand attitudes regarding luxury brands. Hence, this thesis aims to contribute to the knowledge of understanding young consumers' brand attitudes and further buying behavior regarding luxury brands in order to maximize the commercial potential of this particular target group and to address the right needs to grow the sales of this target group of generation-y consumers. By understanding the luxury value perceptions that drive brand attitudes and potentially motivate the growing customer group of millennials for their luxury purchases, marketers can adjust their marketing strategies accordingly. This thesis examines what is the best approach for luxury brand marketers to address the underlying consumer needs and different luxury value perceptions.

Despite the increasing importance of young consumers' contributing to the purchases of luxury brands, there has not been a lot of research in this area regarding what are the main luxury value perceptions for them, i.e. which are the driving factors in their buying behavior. Similar studies have been done regarding luxury fashion consumption and millennials (e.g. Giovannini et al, 2015) and consumers' luxury value perception (e.g. Wiedmann et al, 2007; Hennigs et al, 2013; Hennigs et al, 2015). My objective is to investigate how young consumers' brand attitudes are affected by actual and ideal self-congruity together with the influence of materialistic value and status value factors.

Therefore, the research question that this thesis intends to answer is the following:

How and to what extent are millennial consumers influenced by actual and ideal self-congruity when formatting attitudes towards luxury brands?

To find out the factors that are important to young consumers when they are in the situation of buying or consuming luxury brands, a literature review is conducted of the existing research and theory regarding the subject. After that a survey is carried out and the results analyzed in order to discover more information about this topic. Results will indicate what young consumers value in luxury brand consumption and what their perceptions regarding luxury brands are. Moreover, the results will allow marketers to understand the millennials based on their buying motives and to segment their customers accordingly.

1.3 Structure of the Thesis

This thesis is organized into 6 chapters, starting with an introduction in chapter 1 which overviews the study and the research questions are presented.

Chapter 2 presents theoretical background relevant to the research question. This part clarifies the underlying concepts of luxury, consumer perceptions, and dimensions of luxury value, simultaneously giving an overview about the topic and the current situation within the field of research. Moreover, the concept of luxury is described in more detail by luxury brand levels and categories as well as looking into luxury brands' marketing mix and luxury branding. To dig more into consumers' motivational factors for purchasing luxury, I review previous literature regarding different kinds of luxury consumers and consumer perceptions of luxury as well as different perspectives of value dimensions of luxury brands, including functional, experiential, and symbolic values of luxury brands, and then the four dimensions of luxury value being described, i.e. financial, functional, social, and individual value. Finally, different theories regarding personal and interpersonal value perceptions of luxury are looked into.

Based on the theoretical background, the conceptual model and research hypotheses are defined and discussed in chapter 3.

Chapter 4 describes the methods used, explaining research design and data collection. Moreover, the data analysis will be explained, including issues like validity and reliability.

In chapter 5 the main results of the underlying study are presented in regards of the two set hypotheses for the study.

Finally, main findings are discussed in chapter 6, including a presentation of theoretical and managerial implications. This final chapter also addresses limitations of the study and suggestions for future research.

At the end of the paper the list of references as well as the research questionnaire and additional information are attached in the appendices.

2. Literature Review

2.1 Luxury Brands and Luxury

The term luxury is widely used and an absolute definition for it does not exist. What is luxury for some, is not for others. (Kapferer & Bastien, 2014) However, there are certain attributes that are used to define luxury, which are: excellent quality, high price, scarcity and uniqueness, aesthetics and polysensuality, ancestral heritage and personal history, and superfluosness (Dubois et al, 2001). These characteristics are described in more detail in Table 1 below.

Excellent Quality	There is a mental association between luxury and quality, and for many they are almost synonymous. Generates a feeling of comfort, well-being, and security.
High Price	Often considered as a logical consequence of the perceived excellent quality. Luxury is not only expensive but might also require some non-monetary efforts for an acquisition.
Scarcity and Uniqueness	Truly luxury products are not mass-produced. Scarcity extends to availability and restricted distribution. A vision of luxury not being for everyone and being unique by limiting access to it.
Aesthetics and Polysensuality	Luxury has strong aesthetic appeal, including not only the goods but also the entire concept and people, creating a dream. Luxury is a hedonic experience, touching all the senses.
Ancestral Heritage and Personal History	To be perceived luxurious, brands need to have a long history, respect tradition, and tell a story. Appreciation for luxury combines one's personal history with luxury products.
Superfluosness	Perceived with uselessness as luxuries are not necessities even though they often combine the functional characteristics with additional benefits. Often also related to over-abundance.

Table 1: Characteristics of Luxury Products (Dubois et al, 2001)

The definition of luxury, thus, is quite vague as it can vary depending on person, product, situation, and over time (Kapferer & Bastien, 2014). The reason for this is further explained by Dubois et al (2001: 2), "The very nature of luxury goods, the variety of consumption situations and the everlasting philosophical debate over luxury lead to particularly complex and ambivalent consumer attitudes" towards luxury, particularly as consumer relations to luxury are multidimensional.

Luxury is not the equivalent to fashion or premium, even though these concepts are linked to each other and borrow associations from each other, as illustrated in Figure 1 (Kapferer & Bastien, 2014: 35). However, by only having a certain attribute of the previously mentioned (Table 1), such as high price, is not sufficient by itself to define luxury. Therefore, the upper-range branded premium products are often confused with luxury. Whereas for premium products price is based on functionality, performance and quality, for luxury it is related to scarcity, brand and storytelling (Turunen, 2015). On the other hand, many luxury brands adopt the behavior of fashion brands, whereas fashion seeks to belong to the world of luxury to improve the status (Kapferer & Bastien, 2014).

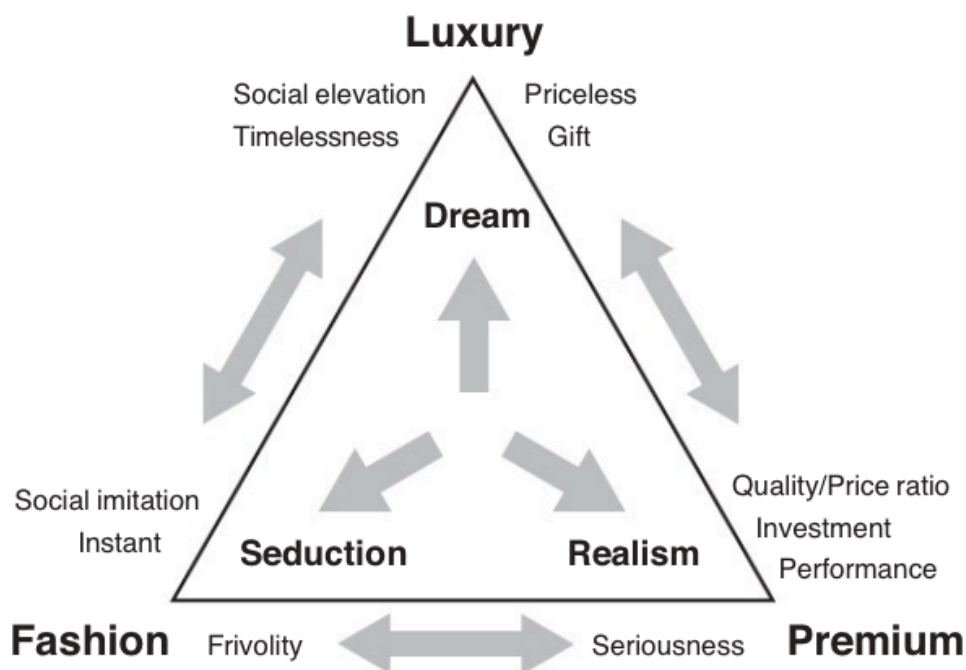


Figure 1: Positioning of Luxury, Fashion and Premium

Furthermore, luxury products are related to being a dream, whereas basic products correspond to a need, and in between are the branded products corresponding to a desire that lasts for a while and they are substitutable. Dreams are beyond needs or desires and are what luxury products respond to and separates luxury products from non-luxury products. (Kapferer & Bastien, 2014) Purchasing a luxury product is buying into a dream and these purchases are often impulsive, emotional or extravagant (Dubois & Paternault, 1995). Consequently, luxury is an industry with a high level of profitability with high margins in luxury product prices and high brand equity and brands' fame generate additional value for expensive, prime quality products (Kapferer, 1997).

2.1.1 Luxury Brand Levels

Luxury brands can be categorized by the degree of luxury, i.e. the accessibility level, divided into accessible, intermediate and inaccessible luxury brands (De Barnier et al, 2011). Other proposed luxury degree categorizations that are based on previous literature (Vigneron & Johnson, 1999; Kapferer, 2008; Corbellini & Saviolo, 2009) are summarized in Figure 2 (Turunen, 2015: 122). Particularly various brand extensions of luxury brands expanding to new categories has caused additional unclarity of how to define luxury. When luxury brands introduce lower-end extensions, consumers get a taste of the luxury brand at this accessible product level of, for example, perfumes. (Patrick & Prokopec, 2015)

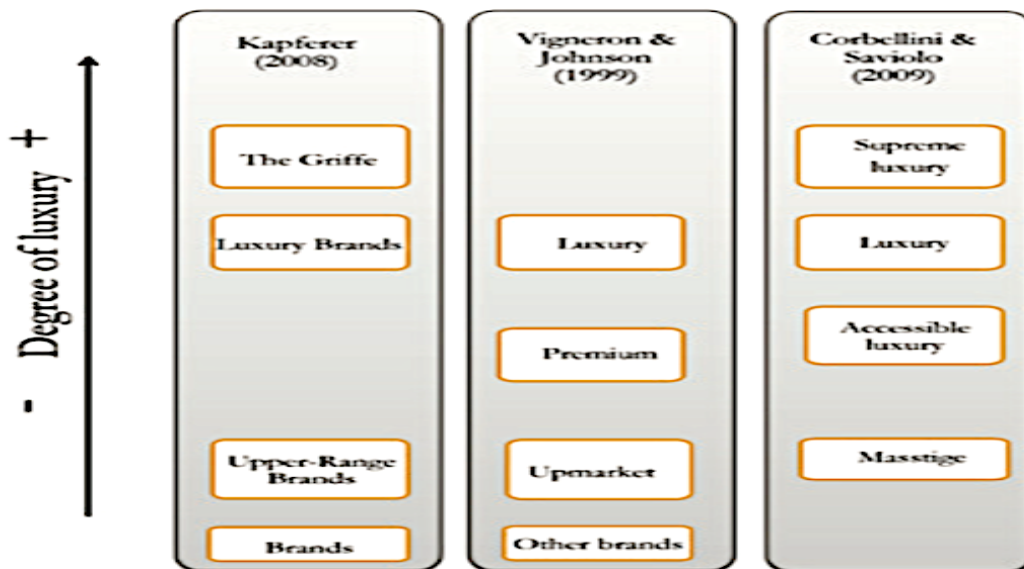


Figure 2: Different Degrees of Luxury

The framework proposed by Kapferer (1997: 254 & 2008) shows the hierarchy of different levels of luxury and their attributes in Figure 3. According to Kapferer (1997), there are three levels of brands and at the top of the pyramid is the griffe, which refers to the brand's creator's signature engraved on a unique work. The griffe is a unique work of art, its production being hand-made, and products are one of a kind items. However, brand extensions again can cause confusion particularly for such brands as, for example, Dior or YSL which are griffes for one part of their production and brands for other. On the other hand, brands like Ralph Lauren are not intended to be unique pieces but made in series, or brands like Hermès and Cartier that produce in small series within a workshop, belonging to the luxury brand level. On the level of the upper-range brands is the streamlined mass production of, for example, Dior or YSL cosmetics and perfumes.

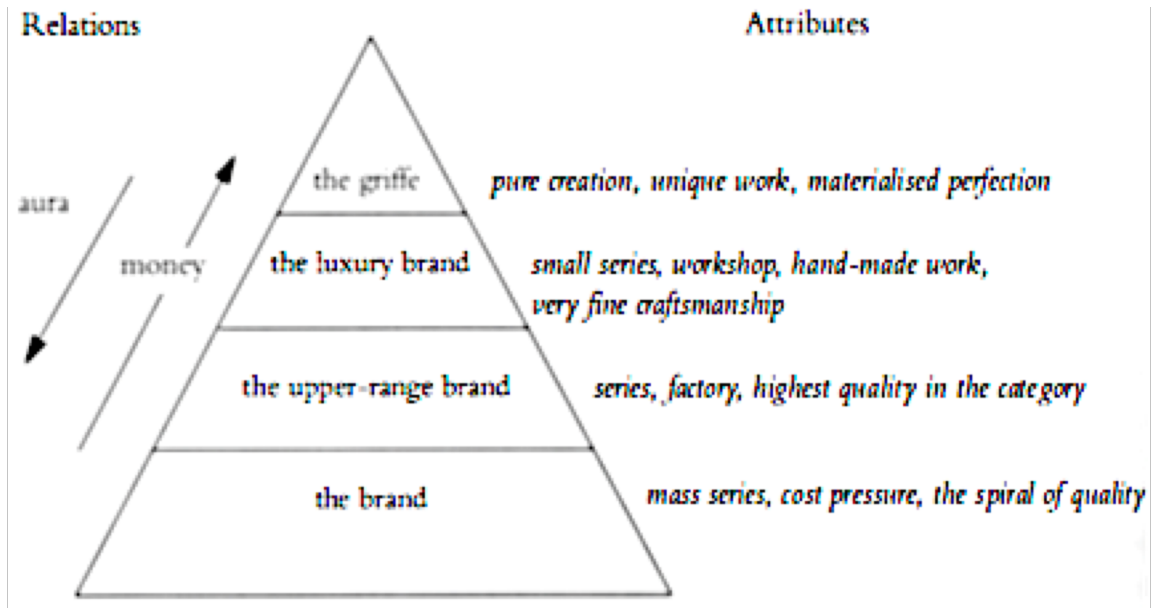


Figure 3: Luxury Brand Levels

Moreover, regarding Figure 3 there is also an aspect of a relation between brand aura and money. The more the luxury brands introduce the third level, i.e. the upper-range brand products, the more reality consumes dreams. In other words, the more a luxury brand is bought, the less it is dreamt about. Consequently, the more the brand sells, the more its aura needs to be protected to preserve the prestige. (Kapferer, 1997) Therefore, brand managers should avoid contamination of a brand from below by focusing too much on the easy sales from small products sold in larger quantities with high margins for rapid results, as that can damage the brand prestige (Kapferer & Bastien, 2014).

2.1.2 Luxury Categories

There are various categorizations of how to classify luxury industries and what industries to include in the categorization. Luxury categorization by Bain & Company (2016) includes ten segments of luxury product and service categories, led by luxury cars (in terms of revenue), personal luxury goods (including clothing, accessories, beauty products, watches, and jewelry), and luxury hospitality. These three segments together account for approximately 80% of the total retail sales value of luxury market in 2016 of an estimated total of €1.08 trillion. The other categories in respective order are: fine wines & spirits, fine food, fine art, designer furniture, private jets, yachts, and luxury cruises. However, also other product categories and industries could be included, such as electronics, beauty and cosmetic services, entertainment, home decoration, or interior accessories (Heine, 2012).

Luxury can also be categorized based on whether the products are consumed publicly or privately, i.e. by the different social settings of consumption. Publicly consumed products such as apparel or cars are seen by others, whereas privately consumed goods such as designer furniture and fine art are rarely seen by others. Some product categories, though, could belong to either categorization depending on a situation. For example, a fine wine can be consumed conspicuously in a restaurant or at home by oneself. (Heine, 2012) This categorization is an interesting aspect to discover how the social aspect distinction affects purchasing motives of consumers and the relevance of the conspicuousness value (further examined on page 29).

Kapferer & Bastien (2014) define the social aspect further as duality of luxury, i.e. being a combination of luxury for oneself and luxury for others. For a luxury brand to be a lasting financial success, it should have both social and personal aspect; luxury as a social statement and luxury as an individual pleasure. With luxury people can define themselves socially as they wish and can use luxury as a social marker. Furthermore, luxury should have a strong personal and hedonistic aspect as without it this simply is snobbery without the appreciation of luxury for oneself and the actual enjoyment and understanding. Although these kinds of snob consumers are a large proportion of luxury brands' clientele, luxury brands cannot rely on them and should rather aim to grow the core of faithful customers that appreciate brand's culture, identity and philosophy.

2.1.3 Luxury Brands' Marketing Mix

Luxury brands' marketing strategies and marketing mixes are quite different compared to mass products implementing classic marketing methodologies and techniques (e.g. positioning, pre-testing, surveys of consumers' wants and expectations, or benchmarking). On the other hand, for the lower degree product extensions of luxury brands, which are the so-called *masstige* or accessible level products such as fragrances, eyewear and accessories, to this category the classical marketing concepts do apply. (Kapferer & Bastien, 2008)

While using the traditional marketing strategies would help luxury brands grow, it would also put those brands off the luxury category (Bastien, 2015). Luxury brands, thus, require a very specific approach to brand management and marketing. Some of the main aspects that luxury brands need to focus on in order to design and market a true luxury experience are summarized in Table 2. The table sums up the concept of the marketing mix of luxury brands and their special characteristics (Fionda & Moore, 2009; Heine, 2012).

Product Policy	Premium image • Brand identity • Iconic products • Heritage
Pricing Policy	Superlative pricing strategy • Regular price increases
Distribution Policy	Selective distribution • Flagship stores • Waiting lists
Communication Policy	Communication of the luxury brand identity and personality • Fashion shows • Celebrity endorsement • PR • Sponsorship • Direct marketing • Advertising

Table 2: Luxury Brands' Marketing Mix Strategies

Regarding product policy, luxury brands rely on their developed individual brand identity and premium image. They have unique vision and standards that must be consistent instead of continuously changing according to new short-term market trends and expectations. Consistency builds and distinguishes the brand identity. Quality aspect is essential and can be signaled to customers by, for instance, generous warranties or attractive packaging to communicate symbolic meaning. (Keller 2009; Heine, 2012) The brand signature, product integrity, and iconic products are inherent to the brand DNA and iconic products should represent the brand signature, having close connection to the heritage of the brand. The brand DNA should be easily recognizable and thus primary brand associations can be strongly linked to the luxury brand. Luxury brands must have a distinctive brand identity and brand values that clearly differentiate both on functional and especially on emotional level as they relate to the symbolic nature and the intangibles of luxury brands. (Fionda & Moore, 2009)

Brand identity's importance is even more evident regarding luxury pricing policies since luxury brands should not have brand positioning or be compared with competition. Superlative prices apply to the dream aspect and an aspirational image, whereas reasonable prices appeal to reason and, thus, to comparison. However, luxury is not comparative and it is supposed to be difficult to access, be premium priced, and associated with rarity. Moreover, unlike for regular consumer goods, by raising prices continuously luxury brands actually increase demand as well as lose bad customers and simultaneously become attractive to new customers. (Kapferer & Bastien, 2009) Luxury brands need to focus on preserving the impression of exclusivity and instead of pushing sales, emphasize profit maximization, particularly as price is an important indicator of quality as well as prestige. Premium price must create strong intrinsic and extrinsic value for customers. (Keller, 2009) That way it can appeal to both the individual and social needs of customers (Kapferer & Bastien, 2014).

Considering distribution policy, luxury brands must have a selective channel strategy to control distribution to match the brand promise and ensure exclusivity and prestige. Therefore, luxury brands often have their own flagship retail stores and globally controlled prestige distribution. (Keller, 2009) Furthermore, the greater the inaccessibility of luxury, the stronger the desire. The more consumers spend time searching, waiting, and longing, the more they get to enjoy the luxury after all the obstacles. These obstacles can be financial with high price, logistical to find a shop, or time obstacle having to wait for weeks or even for years on a waiting list in order to get the desired luxury product. When there is no rarity, desire diminishes. Therefore, luxury brands need to focus on distribution rarity, particularly when there are no real shortages. (Kapferer & Bastien, 2009)

Finally, as for the communication policy of the marketing mix, luxury brands should be careful of not increasing brand awareness excessively as that might decrease demand, the opposite of the case for regular consumer brands. This applies particularly for connoisseur brands that are bought by individualistic consumers that aim to differentiate themselves from others and to express themselves. By growing brand awareness, luxury brands will attract the bandwagon consumers who consume luxury mostly to imitate their role models. Consequently, this will turn away the important individualistic customers – and the bandwagon consumers will again follow. Therefore, it is essential to keep the communication focused solely on the target group to keep the non-individualistic clients out by advertising, for example, at exclusive events or direct marketing. However, for so-called star brands that aim to have target consumers' maximum awareness of the brand, they might implement broader communication strategies, such as in magazines or through sponsorship. (Heine, 2012) In addition to the ones mentioned, to communicate brand personality and brand associations, luxury brands often use fashion shows, celebrity endorsement and PR in their marketing communications (Fionda & Moore, 2009). After all, the purpose of advertising of luxury is not to sell, but to create a dream so that consumers decide that as soon as they have the money, they will get this specific luxury product or brand (Kapferer & Bastien, 2009).

The marketing mix of luxury brands aims to maintain the premium image and quality of the luxury brand and to create and strengthen the brand associations and the aspirational image to strengthen the brand equity. The entire marketing mix should be aligned and consistent to ensure pleasurable purchase and consumption experiences. Luxury brands need to balance the nature of the brand's growth as well as have the balance of being close to both existing and prospective customers to maintain the prestige. (Nueno & Quelch, 1998; Keller, 2009)

2.1.4 Luxury Branding

As indicated by Kapferer and Bastien (2014: 116), “Luxury objects are objects of luxury brands.” A luxury brand is built from the reputation coming from its object and its service. Furthermore, Kapferer and Bastien (2014: 117) state that “A luxury brand is a brand first, and luxury second.” That is also what fundamentally differentiates luxury and artisanship.

For building and growing brand equity and a strong luxury brand, there are different strategic, tactical, financial, and organizational trade-offs that need to be addressed for managing the brand and its marketing programs. See Table 3 for more specific examples of each category (Keller & Webster, 2009). These trade-offs are inherent in marketing decision making for any brand. For luxury brand management and marketing the most significant trade-off decisions are classic vs contemporary image, acquisition vs retention, and exclusivity vs accessibility. Particularly regarding millennials, the trade-off between classic and contemporary image is essential as luxury brands often have much history and heritage that loyal long-time consumers value, but for the young this might not seem that relevant as they have a more contemporary view on how they judge brands. At the same time marketers of luxury brands need to determine how much to focus on existing customers in the short-term vs potentially profitable prospective customers in the long-term. Also, as discussed earlier, luxury brands have to be aspirational, but at the same time many luxury brands need to expand customer base with accessible-level products to have adequate growth in sales and profits. (Keller, 2009)

Strategic	Financial
<ul style="list-style-type: none"> • Retaining customers vs acquiring customers • Brand fortification vs brand expansion • Brand awareness vs brand image • Product performance vs user imagery • Points of parity vs points of difference 	<ul style="list-style-type: none"> • Short-term vs long-term objectives • Sales-generating vs brand-building • Easily measurable marketing activities vs difficult to quantify marketing activities • Quality maximization vs cost minimization
Tactical	Organizational
<ul style="list-style-type: none"> • Push vs pull • Continuity vs change • Classic vs contemporary image • Independent vs universal image 	<ul style="list-style-type: none"> • Global vs local • Customization vs standardization • Top-down vs bottom-up • Internal vs external focus

Table 3: Brand Marketing Trade-Offs

Building a luxury brand is highly concentrated on building unique, favorable, and strong perceptions and brand associations in consumer memory (Keller, 1993; Kapferer & Bastien, 2014). Marketing programs should improve the value of the brand and increase brand knowledge in terms of brand awareness (regarding brand recall and recognition) and brand image. In order to have consumers' favorable response to marketing activities of the brand, it is indispensable to establish these knowledge structures for the brand. (Keller, 1993)

According to Aaker (1997), brand equity consists of brand awareness, perceived quality, brand associations, brand loyalty, and other proprietary brand assets. Luxury brands having high brand equity provide value both to customers and to the company. Customers can easier interpret and process information as well as have confidence in their purchase decision. On the other hand, with high brand equity of a brand the firm can enhance its brand loyalty, prices and margins, trade leverage, be more effective in marketing programs, introduce successful brand extensions, and have a competitive advantage.

Brand equity of luxury brands can be measured, among others, in regards of brand imagery (i.e. brand associations) and brand feelings (i.e. brand attitude) that the brand evokes in a consumer, as much of the equity of luxury brands is intangible. "Brand imagery deals with the extrinsic properties of a product or service, including the ways in which the brand attempts to meet customers' psychological or social needs." (Keller, 2009: 295) Examples of categories of intangibles of brand imagery are user profiles (i.e. consumers' mental image of a typical or idealized brand user), purchase and usage situations (e.g. usage at a particular time, which location, for what type of activity), personality and values (i.e. how consumers feel and think about the brand), and history, heritage and experiences (i.e. associations of a brand's past, including personal experiences). Brand feelings are essential particularly for luxury brands. They are customers' emotional responses and reactions regarding the brand. These feelings can be strong or weak, and can be positive or negative. Brands can affect customers' feelings about themselves and their relationship with others. These feelings can be experiential and immediate (e.g. warmth, fun, excitement) or private and enduring (e.g. security, social approval, self-respect). The latter enduring feelings can further be divided into inner-directed feelings including a sense of security, comfort or self-assurance, and to outer-directed feelings like social approval. There could also be a combination of the inner-directed and outer-directed feelings such as self-respect of how the brand makes consumers feel about themselves and to feel proud and accomplished. It is valuable for brand marketers to understand the distinction of these inner- and outer-directed feelings to get the best effects from marketing. (Keller, 2009)

As mentioned before, luxury brands are highly profitable and their brand equity consists of extreme centralization of intangibles. The high financial value and high profit margins of luxury brands are highly explained by these intangibles, along with creativity of the objects, their heritage, and the distinction of the points of sale. (Kapferer & Bastien, 2014) Financial performance of a luxury brand can be increased by increasing brand strength and brand value. These two factors should be managed and increased together in order to enhance financial results. (Brand Image & Equity, 2017) Furthermore, to reinforce a luxury brand, marketing actions should consistently communicate consumers the meaning of the brand regarding brand awareness and brand image, protecting the main sources of the brand's equity (Keller, 1999). However, luxury brand's complexity is added to the branding in terms of "how to attract new customers without alienating existing customers in order to grow" (Keller, 2009: 300), and how to manage this trade-off.

Keller (1999) proposes different strategies for reinforcing brands. The objective is to create and enhance strong, favorable and unique brand associations in consumers' minds. Depending on whether brand associations are mainly product-related or non-product related, different benefits should be highlighted; for primarily product-related or functional benefits, focus should be on innovation in product design, etc., whereas for non-product related attributes and symbolic and experiential benefits (particularly for luxury brands), focus on imagery. For managing brand equity, there is also a trade-off between marketing activities that fortify the brand and, on the other hand, those that attempt to leverage brand equity for financial benefit of, for example, brand extensions. Therefore, it is vital to continuously reinforce the brand in order to strengthen brand awareness and brand image as these are the sources of brand equity that can generate massive financial benefits when managed well. Managing brand equity should have a long-term perspective and the brand meaning should continuously be reinforced and, in some instances, revitalized.

In order to further understand why people buy luxury brands, in the next sections I will dig into previous literature and theories of what are consumers' motivational factors as well as luxury perceptions and value dimensions that drive consumer behavior in the luxury sector. This is essential information for brand managers and marketers of luxury brands to build and grow strong brands and get the best results from their marketing and branding programs, resulting in reduced advertising expenses, higher price premiums, etc. (Keller, 1999).

2.2 Motivations for Purchasing and Consuming Luxury

To understand consumer motivations for purchasing luxury, it is crucial to understand the underlying value that the product has for the consumer when in use (Ballantyne & Varey, 2006). People consume products in different ways and the interpersonal and personal actions vary for different luxury consumers (Holt, 1995). Consumers seek to create a meaningful life regarding personal identity and social relationships so that products consumed contribute to the consumer's personal quality of life through the enjoyment coming from owning and consuming products and experiences (Pollay, 1983; Solomon et al, 2016). The consumer perception of luxury brands affects thus the relevance of consumption. To understand how consumers individualize their perceptions of luxury and how luxury brands change their daily lives, consumers' consumption values should be investigated. (Seo & Buchanan-Oliver, 2014)

In order to discover more about these aspects, I look into previous literature and frameworks proposed by, among others, Han et al (2010), Vigneron and Johnson (2004), Berthon et al (2009), and Wiedmann et al (2007) in the following sections.

2.2.1 Luxury Consumers

Luxury consumers can be divided to heavy users and occasional users, according to Kapferer and Bastien (2014). Until about year 2000 luxury market was largely growing because of a large number of middle class consumers purchasing luxury occasionally. Nowadays the main volume of luxury purchases comes from customers that consume frequently. The Western middle classes are increasingly worried about their future, thus, feeling more poor and moving towards the less affluent categories, whereas the wealthy purchasers have maintained their optimism, making up for the majority of the luxury market. This polarization of the market has given luxury brands the opportunity to grow sales of their entry-level masstige products to the middle class consumers who have kept their aspirations but are now more deliberate about their spending. On the other hand, young Chinese middle class customers are the opposite to the Western middle class ones as, even though they have significantly less money, their income is perceptibly increasing so they feel more optimistic and rich, making the luxury market in China very dynamic. A similar pattern could be explaining the growing numbers of generation-y consumers purchasing luxury, particularly after the recession of 2008 as they increasingly look for self-indulgence through luxury consumption (Jay, 2012).

In a research done by Kapferer (1998) with an international sample of affluent young consumers, four types of luxury clients were identified in terms of what luxury means to them and what characteristics they value in luxury products. Firstly, is the group that appreciates the beauty, excellence and uniqueness of the luxury product. Secondly, for the next segment the focus is on luxury products' creativity and sensuality. Thirdly, luxury value is based on timelessness and international reputation, thus being a safe choice. And finally, the fourth type of values are focusing on rarity and the most inaccessible products, these being the buyers of the most expensive items. It was also found that the fourth group consisted mostly of males, whereas the second segment consisted mostly of females. This could give some idea of differences between luxury consumption value distinction between males and females, indicating that males consume more the blatant signs of success whereas females value more creativity, sensuality and beauty. In this aspect, young males rather consume the sign to show their success. Also the third group of consumers is motivated by strong and visible signs and well-recognized brand names. On contrast, the second group is more concerned about showing their individuality and the first group sees themselves as connoisseurs, aesthetes and capable of appreciating exceptional products. This concept is summarized in Table 4 below.

	Main Values	Motivational Factors
Segment 1	Beauty, excellence, uniqueness	Being a connoisseur
Segment 2	Creativity, sensuality	Showing individuality
Segment 3	Timelessness, reputation	Visible signs, well-recognized brands
Segment 4	Rarity, inaccessibility	Show success blatantly

Table 4: Consumers' Concepts of Luxury and Motivation for Luxury Consumption

Another type of segmentation of luxury consumers is done by Han et al (2010). This study takes the aspect of consumers' motivational factors further, distinguishing customers based on the role of brand prominence for signaling status, meaning the conspicuousness of the logo on a product. The more a consumer has need for status, the more they use these so-called loud signals of showing the brand logo on products they consume. The opposite is for people with low need for status. Consumers with high wealth and low need of status rather signal between each other with quiet, not so obvious brand signals, the logo not being conspicuously displayed. Their premium-priced luxury products are recognized by other people belonging to

the same customer segment. On the other hand, wealthy customers in need for status consume loud luxury products to signal the less affluent that they are not one of them. And the less affluent with high need for status are consuming loud, mostly counterfeit luxury products since they cannot afford the real ones, to mimic the more affluent and want to be perceived as a member of the higher class. This segmentation is illustrated in Figure 4 (Han et al, 2010: 17). Therefore, consumers can be influenced by their own group, those that they aspire to be like, and those with whom they do not want to be associated with. (Han et al, 2010)

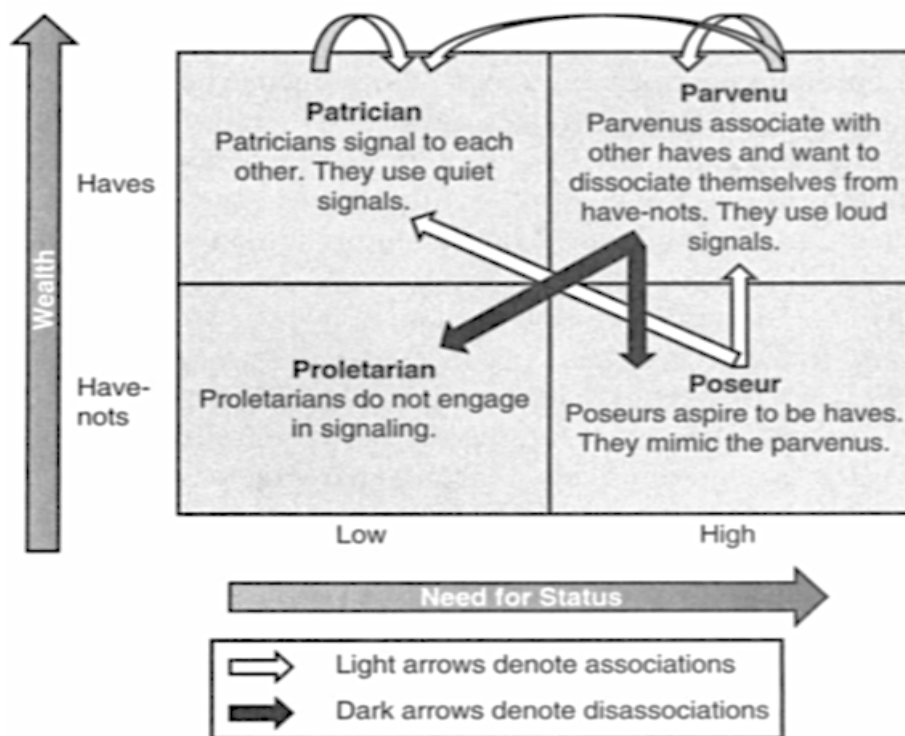


Figure 4: Luxury Customer Segments Based on Status Signaling Preferences

Accumulation of wealth does not always give a person status, but rather the evidence of wealth confers status (Veblen, 1965). This can explain the conspicuous consumption of luxury as the symbol of one's success. People often define others through objects that are consumed by them. People also regard their possessions as parts of themselves. Furthermore, individuals might use personal possessions, particularly luxury products, to help define self and reflect personal identity. An individual might consume his or her products to express individual sense of being or can also express belonging to a certain group. With material possessions people seek happiness and remind themselves of experiences, accomplishments and other people. Products that people possess convey a sense of past, show who they are, where they come from, and where they are going. (Belk, 1988)

2.2.2 Consumer Value

Value is “a key concept in understanding and predicting consumer behavior” (Jung Choo et al, 2012: 82-83). Unlike the actual value, customer value is an individual’s “preference for and evaluation of attributes, attribute performance and consequences that are perceived through the consumption process” (Jung Choo et al, 2012: 83). Another type of definition of consumer value is what consumers get from the purchase and the use of a product (such as benefits, quality, utility, or worth) versus what they pay (i.e. price, costs, or sacrifices) (Zeithaml, 1988; Woodruff, 1997) which results in attitude toward the product and an emotional bond with the product (Butz & Goodstein, 1996; Smith and Colgate, 2007). “The degree of emotional closeness that consumers feel towards a brand, rather than assessment of its features, will determine which brand they select” (Jung Choo et al, 2012: 87).

Consumer value is perceived uniquely by each individual consumer. It is conditional and contextual as it depends on the individual, the situation, or the product. Customer value is also relative in comparison to other known or imagined alternatives, and it is dynamic as it changes within individuals over time. (Holbrook, 1999) Consumers’ valuation of product or service value can be influenced by customer factors (e.g. personal circumstances, personal value system, and experience), consumption factors (e.g. situation or stage within the consumption cycle), product factors (e.g. perceived monetary and non-monetary costs, perceived risk, recognized product attributes, product symbolism, presentation, and perceived product outcomes), and market factors (e.g. availability, competition, and perceived equity) (Woodall, 2003). Furthermore, the motivation behind a value assessment can be intrinsic or extrinsic (Zeithaml, 1988; Holbrook, 1999) and the orientation of a value assessment can be self-oriented or other-oriented (Holbrook, 1999). Consumer value is created and delivered via interaction between a brand and its active customers, the emphasis being on the co-creation of customer value and on brand relationship, the consumer actively being part of creating and determining the value (Tynan et al, 2009).

To be able to deliver superior customer value and to have a competitive advantage, managers of luxury brands need to know what exactly do consumers value as “creating and delivering superior customer value to high-value customers will increase the value of an organization” (Woodruff, 1997: 140). Selecting a strategy for a particular product or market depends on the customers’ perception of value. Therefore, in the following sections I will dig into this subject in more detail, identifying various theories regarding consumers’ luxury value perceptions.

2.2.2 Luxury Perceptions

Not all brands are equally luxurious and, as discussed earlier, luxury does not have one clear definition. In addition, the degree of luxury for the same brand can be considered and perceived on a different level in different product categories and in different situations. For, example, Cartier may have higher perceived luxury in jewelry category and lower perceived luxury in apparel or fragrance category. In the same way Rolls-Royce is considered a luxury brand in car category, but not a luxury brand in airplane engines category. (Vigneron & Johnson, 2004; Kapferer & Bastien, 2014)

To facilitate distinguishing luxury brands, Vigneron and Johnson (2004) have developed a valuation model for measuring the amount of luxury comprised in a given brand. This Brand Luxury Index (BLI) comprises five perceived dimensions of a luxury brand (see Figure 5) (Vigneron & Johnson, 2004: 488). This framework includes three non-personal perceptions which are perceived conspicuousness, perceived uniqueness, and perceived quality. Furthermore, there are two personal-oriented perceptions of perceived hedonism and perceived extended self. According to Vigneron and Johnson (2004), these five are the key luxury dimensions that should be established and monitored for having a lasting luxury brand. It is essential for a brand to manage both the personal and interpersonal perceptions for a long-lasting financial success of a luxury brand (Kapferer & Bastien, 2014). Moreover, these five main perceptual factors are interrelated and are underlying in the decision making process of a consumer when assessing luxury brands. Consumers value all these five dimensions, however, some dimensions have different significance for different customers. The BLI scale can also be used for comparing different luxury brands and, thus, for recognizing competitive advantages identified in the target market. (Vigneron & Johnson, 2004)

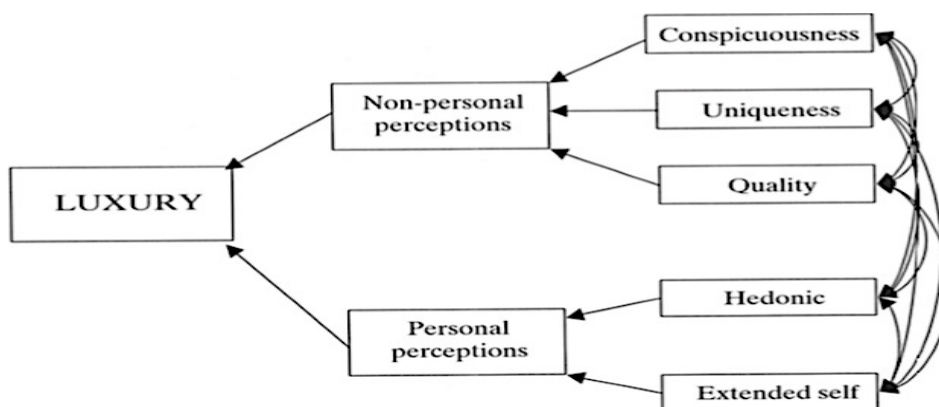


Figure 5: Brand Luxury Index: Personal and Non-Personal Perceptions of Luxury

2.2.3 Functional, Experiential and Symbolic Value of Luxury Brands

According to Berthon et al (2009), consumers' perceptions towards luxury brands have three value dimensions: functional, experiential and symbolic. Vickers and Renald (2003) also argue that there is a fundamental difference for these three dimensions for luxury brands and non-luxury brands as consumers expect more from luxury brands. Since these three value dimensions of luxury are contextual, they can change over time depending on the individual and socio-cultural beliefs, thus being co-created between a luxury brand and the consumers (Tynan et al, 2010).

The functional value dimension refers to the material representation of an object and to the core benefit and basic utilities, such as quality, functionality, reliability, durability, or craftsmanship. In this value dimension especially quality is essential since it signals how well the product can perform and what it does. (Wiedmann et al, 2007; Berthon et al, 2009)

The experiential value dimension represents the individual subjective value, referring to an individual's subjective taste and where one finds hedonic value in a brand. This can be evoked by brand experience related stimuli that are part of brand's identity, such as design, packaging, communication, and environments, affecting consumer's sensations, feelings, cognitions, perceptions, and behavioral responses. (Berthon et al, 2009) Hence, luxury products provide need- or want-satisfying consumption experiences (Holbrook, 1999). Luxury being perceived as rare, precious and unique can guide individual thoughts and feelings towards a luxury brand because of uniqueness-seeking motivations as well, besides the hedonic motivations (Hung et al, 2011). Experiential value, thus, answers what does the brand mean to the individual.

The symbolic value dimension looks into what the brand means to others and the symbolic nature of the brand in the social collective (Berthon et al, 2009). The symbolic value indicates conspicuousness, expensiveness and wealth (Hung et al, 2011). This is highly important for premium priced products and services as the symbolic nature signifies the developed dream and brand story. There is an aspect of what luxury brand signals to others about the person consuming the brand, i.e. other-directed signaling, such as showing wealth, prestige, performance, or style. (Berthon et al, 2009) The symbolic dimension also has the self-directed value aspect by what the signaling has to the signaler, extending one's self and one's conspicuousness (Belk, 1988). However, a brand's symbolic value works only in a community it is recognized at and when being outside of this community, the social purpose is diminished.

This is particularly important consideration for global luxury brands' management and marketing as social influence affects the purchase intention particularly for socially oriented consumers. (Tsai, 2005)

It is essential for luxury brands to manage well all these three dimensions and not overly focus on one dimension, neglecting the other two. For example, quality of a luxury brand should not suffer because of high focus on the symbolic aspect. Luxury brands should be a combination of material (objective, functional), individual (subjective, experiential), and social (collective, symbolic) spheres. (Berthon et al 2009)

2.2.4 Financial, Functional, Social and Individual Value of Luxury Brands

To better understand why consumers buy luxury products and how their perception of luxury value impacts their purchasing behavior, Wiedmann et al (2007) have developed a conceptual framework. It shows that financial, functional, individual, and social dimensions impact the consumers' luxury value perception and consumption. See the model in Figure 6 (Wiedmann et al, 2007: 5) on the next page. These four key luxury value dimensions are strongly correlated but not identical with each other, and influence consumers' overall luxury value perception. The sub-dimensions of these four key dimensions of luxury value perception are: price value (financial value), usability value, quality value and uniqueness value (functional values), self-identity value, hedonic value and materialistic value (individual values), conspicuousness value and prestige value (social values). Even if the overall luxury level of a brand may be perceived equally, the key luxury dimensions are perceived differently by different consumer segments. The luxury value model by Wiedmann et al (2007) facilitates to understand the conditions and drivers of luxury perception and, thus, consumer behavior as well. It, therefore, also helps to create, market and monitor luxury brands. The framework takes a large perspective on different potential luxury value drivers compared to other similar studies. In particular, it adds the financial value aspect and the functional value aspect, compared to studies like the earlier presented BLI-model of Vigneron and Johnson (2004) to add to the current research literature regarding consumer motives for luxury consumption as well as the consumer value perceptions of luxury that are behind the decision-making process when considering consuming particular luxury brands.

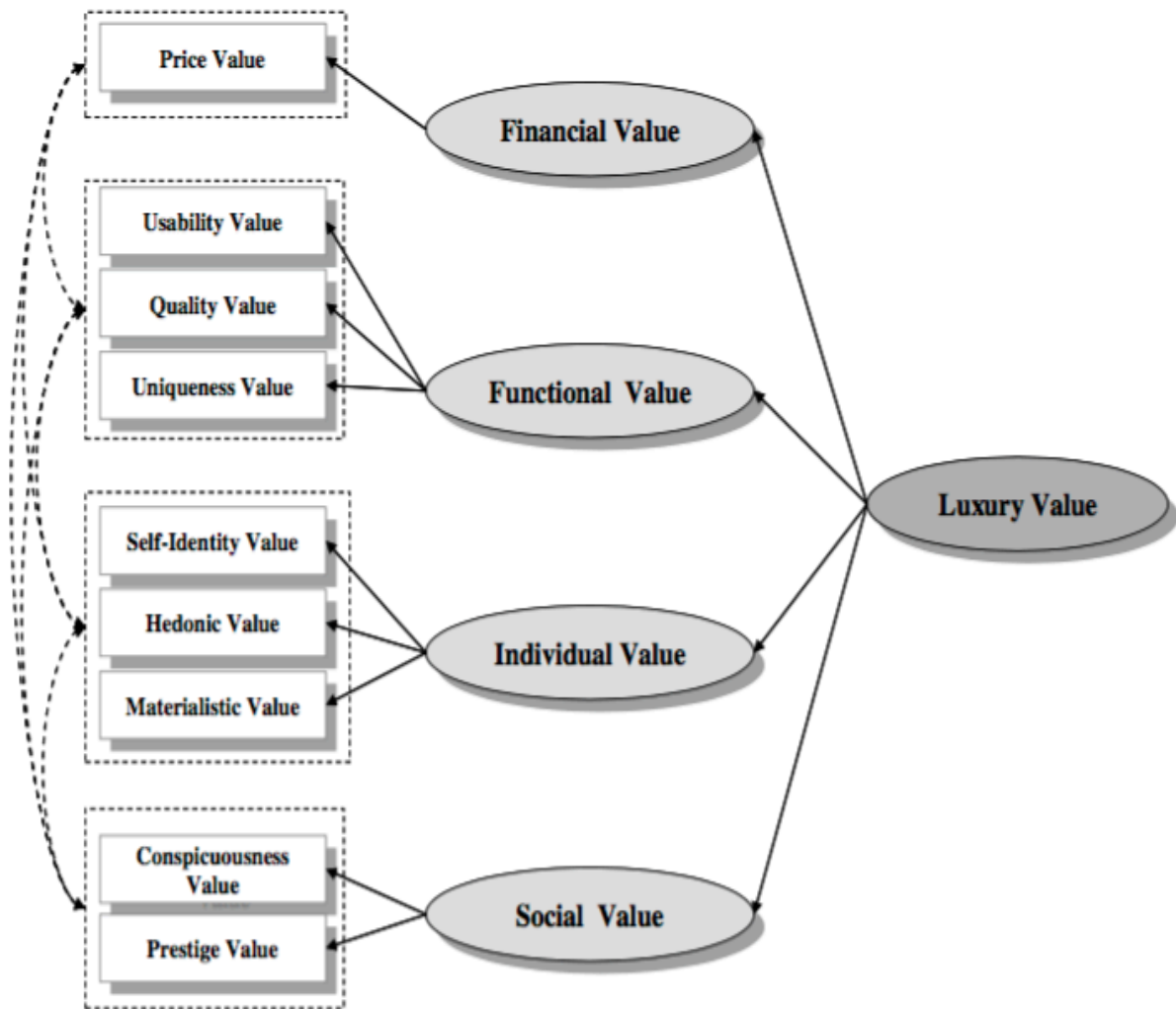


Figure 6: Value Perceptions and Their Impact on Luxury Value

I will now shortly present these different antecedent constructors for these four dimensions of luxury value perceptions of the model presented above by Wiedmann et al (2007: 5).

Price Value – High price of luxury is particularly perceived as an indicator of high quality, exclusivity, as well as status and prestige – high price even making certain luxury products or services more desirable to certain consumers (Tellis & Gaeth, 1990; Groth & McDaniel, 1993; Lichtenstein et al, 1993; Vigneron & Johnson, 1994 & 1999). Also when perceived price is higher than the actual one by, for example, having additional costs of time, energy, and such, additional value can be created (Dubois et al, 2001; Kapferer & Bastien, 2009).

Usability Value – Usability should be based on both the product's function and the consumers' needs. Consumers expect especially luxury products to function well and for a long time, and to look good, associating usability with the quality of use. The core benefit or a product or a service should satisfy consumer needs. (Wiedmann et al, 2007; Ciornea et al, 2011)

Quality Value – High quality is seen as one of the main fundamental characters of luxury and consumers expect luxury brands to offer excellent quality and performance, compared to non-luxury brands, thus consumers perceive luxury brands to be closely associated with superior quality and so they perceive more value from it (Garfein, 1989; Dubois & Laurent, 1994; Aaker, 1997; Dubois et al, 2001; Vigneron & Johnson, 2004; Kapferer & Bastien, 2009).

Uniqueness Value – Scarcity and uniqueness, as also some of the main characteristics of luxury brands, bring the perception of exclusivity which enhances consumers' desire and preference for a luxury brand, especially when the brand is also perceived as expensive (Groth & McDaniel, 1993; Verhallen & Robben, 1994; Dubois et al, 2001; Kapferer & Bastien, 2009). The more unique and expensive the brand is perceived, the more valuable it becomes as it is not easily affordable and not owned by many (Verhallen & Robben, 1994). Also consumers who have a high need for uniqueness usually adopt new products and services quicker (Bertrandias & Goldsmith, 2006). The uniqueness value can be important to both improving the self-image as well as the social image of the consumer. A consumer may seek uniqueness value by expressing the uniqueness through creative and original choices causing the approval of other, or by exposing themselves voluntarily for social disapproval with the unique choices of their possessions, or just having a desire to replace or change products as soon as they become commonplace to retain uniqueness. (Tian et al, 2001)

Self-Identity Value – This refers to how an individual perceives him or herself and that there is a significant importance in a relationship between an individual and his or her possessions. Consumer behavior is affected by the congruity of self-image and product-image, consumers aiming to affiliate the symbolic meaning of the luxury items they consume to their own identity, or use luxury items and brands to support and develop their own identity, which is also an excellent means for self-expression. (Sirgy, 1982; Belk, 1988; Dittmar, 1994; Graeff, 1996; Jamal & Goode 2001) The self-identity can also be divided to actual and ideal self-identity and a consumer may use luxury products and services to enhance the idealized image and identity of him or herself (Sirgy, 1982; Deeter-Schmelz et al, 2000), since we are what we possess, as argued by Belk (1988). Researchers (Sirgy, 1982; Belk, 1988; Puntoni, 2001) furthermore propose that the relationship between one's image of self and one's image of a product or a service is moderated by self-image congruity theory and affects consumers' purchasing behavior. Therefore, a consumer can continuously be reminded of who he or she is and use possessions to reflect not only the private-self but also the public-self. The self-identity value dimension is also closely related to materialism. (Webster & Beatty, 1997)

Hedonic Value – Luxury products and services often convey consumers an emotional value and intrinsic enjoyment (Dubois & Laurent, 1994; Vickers & Renand, 2003; Kapferer & Bastien, 2009). Consuming luxury products and services is likely to provide the subjective intangible benefit of emotional responses, such as sensory pleasure and gratification, aesthetic beauty, or excitement. However, hedonism is not only attached to simple pleasures or senses, but also retrieves pleasure from complex emotions that supplement different experiences. (Vigneron & Johnson, 2004; Ciornea et al, 2011) A consumer that is focused on the hedonic value aspect is less or not at all susceptible to interpersonal influence as their main motivation for consuming luxury is more emotional than functional benefit oriented and they rather want to get relaxation, self-respect, and inner self-congruency from the luxury purchased and consumed (Vigneron & Johnson, 2004; Tsai, 2005). For these consumers luxury consumption arouses feelings and affective states, received from personal rewards and fulfillment of purchasing and consuming luxury brands (Sheth et al, 1991; Westbrook & Oliver, 1991).

Materialistic Value – There are several definitions regarding materialism and researchers have different theories regarding the topic. However, as specified by Wiedmann et al (2007: 7) “possessions and their acquisition play a central role in the definitions of materialism”, and the more central role possessions have in one’s life, the more materialistic the person is and is more likely acquire material possessions, have positive attitudes towards purchasing, have a high priority to possessions and find them to be desirable (Belk, 1985). Possessions are also regarded as integral part of self-identity (Belk, 1985) and for some individuals possessions are highly treasured whereas for others not significantly (Csikszentmihalyi & Rochberg-Halton, 1978; Richins & Dawson, 1992; Ahuvia & Wong, 2002). Materialism is also more typical for younger generations, e.g. millennials, as there is a decline in materialism as the age increases. The possessions that are particularly important for young individuals tend to be those that give sense of independence or that assist accomplishment. (Belk, 1985) Materialism has also three elements: acquisition centrality, a pursuit of happiness, and possessions-defined success. Materialists place a central role for their material possessions in their lives, believe that owning the right possessions leads to well-being and happiness, and believe that success can be judged by the things people own. (Richins & Dawson, 1992; Ahuvia & Wong, 2002). Material possessions of particularly luxury goods are seen as symbolic representation of social class, status, personality, and social relations (Richins & Dawson, 1992; Richins & Rudmin, 1994). There is also a connection between materialism and the consumption to obtain status and materialism is highly associated with conspicuous consumption (Richins & Dawson, 1992).

Conspicuousness Value – Luxury goods are often purchased to be consumed conspicuously, i.e. publicly rather than privately because of their symbolic meaning that is evoked when being visible to others, as well as the individual's susceptibility to the reference group and to communicate a positive favorable impression to his or her reference group. Luxury brands can also help an individual to make a good representation as well as be important in search of social status. (Bearden & Etzel, 1982; Vigneron & Johnson, 2004; Husic & Cicic, 2009). Indeed, visible luxury can become an indispensable element in establishing one's social position. In this case, the intrinsic attributes of products are less important than their social meaning. (Chao & Schor, 1998) Thus, the more status a product or a brand has, the more likely it will be used by consumers that value conspicuous consumption (O'Cass & McEwen, 2004). When a person consumes a particular brand, he or she is communicating a desire to be associated with people that he or she perceives to consume the brand, thus reinforcing their desired self-image to the reference group (Deeter-Schmelz et al, 2000). For status-seeking consumers the perceived conspicuousness of a brand serves as an indicator of elitism and wealth, being positively related to the social luxury value perception (Wiedmann et al, 2007).

Prestige Value – Wiedmann et al (2007: 8) refer to this dimension as people's tenancy "to conform to the majority opinion of their membership groups when forming attitudes" and using brands as a symbolic sign to conform their position and belonging to a certain reference group. This is "positively related to the social luxury value perception for status orientated consumers" (Wiedmann et al, 2007: 8). Ciornea et al (2011) argue that the dimension of prestige value should be replaced by status value as it relates more to the social position of an individual whereas prestige (and other aspects of luxury) can be conveyed to the consumer.

In general, Wiedmann et al (2007) model seems to be the most complex and comprehensive. However, taking into account various previous research regarding the topic there could be also other values that could be taken into consideration. For example, Ciornea et al (2011) have added investment value to the financial value dimension and heritage value to the functional value dimension of the model. There are also many sub-dimensions that could be added to the proposed values, such as superfluosity, which relates closely to the value of materialism (Ciornea et al, 2011). Furthermore, I would like to focus more on the individual value and the social value dimensions and look into how these aspects affect consumers' overall perceived luxury value and the purchase intention of a luxury brand and what dimensions are necessary to take into account. These characteristics will be looked into in more detail in the following sections and the research.

2.2.3 Self-Directed and Other-Directed Luxury Consumption

As mentioned earlier, consumers have distinct personal luxury value perceptions and by addressing marketing strategies differently to different segments of customers, luxury brands can improve their purchase value. Luxury brands represent value to both the individual and their reference group. There are both the self-directed, i.e. personal oriented perceptions of luxury and other-directed, i.e. interpersonal oriented perceptions of luxury. (Wicklund & Gollwitzer, 1982; Vigneron & Johnson, 2004; Wiedmann et al, 2007; Berthon et al, 2009; Heine, 2012; Kapferer & Bastien 2014) Consumers' susceptibility to interpersonal influence and their concern about the impression they make on others varies between different people and, consequently, different people have different importance for self-directed and other-directed consumption of luxury products (Bushman, 1993). Even for the same brands or products, different segments of consumers will perceive the value differently (Wiedmann et al, 2007). Furthermore, situational conditions can affect the value preferences of consumers as well, such as economic, societal, or political factors (Vigneron & Johnson, 2004).

To put together all the discussed theoretical aspects in this literature review section, I have composed Figure 7 to summarize the main aspects that I have found from previous literature regarding personal oriented and interpersonal oriented perceptions of luxury. Based on these categories, also the research questions are developed, to further learn about the importance of different luxury values for millennials and what are the motivational factors that drive their consumption of luxury brands. Figure 7 aims to combine different luxury value dimensions into one framework and is divided into two dimensions of luxury value perceptions and has four sub-dimensions for each: hedonic value, self-identity value, materialistic value, and self-reward value (personal oriented perceptions of luxury) as well as conspicuousness value, prestige and belonging value, status value, and individuality value (interpersonal oriented perceptions of luxury). It, hence, adds the dimensions of self-reward and self-gifting value, status and credibility value, and individuality and self-expression value to the framework of Wiedmann et al (2007) and adds to the name of prestige value as prestige and belonging value, in order to make the meaning clearer. I will summarize these additional aspects below, reviewing previous literature. As these aspects are interrelated and form an individual luxury value perception, several luxury values need to be investigated in more detail to form a better understanding of consumer behavior in regards of purchasing and consuming luxury brands.

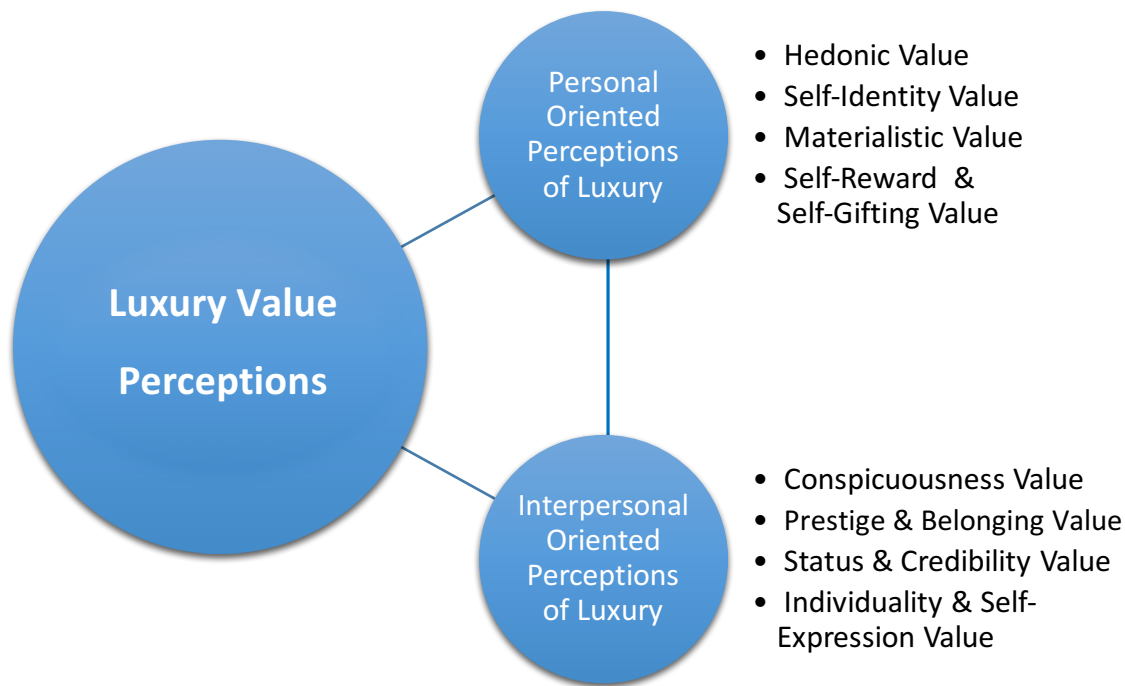


Figure 7: Summary of Personal and Interpersonal Perceptions of Luxury

Self-Reward and Self-Gifting Value – Gifting oneself with luxury brands can have various motives behind it, and even though it is highly a means of self-communication, it also has social communication context as well (Mick & DeMoss, 1990; Kauppinen-Räsänen et al, 2013). Kauppinen-Räsänen et al (2013) identify internal motivations for self-gifting to be utility (long-lasting), remuneration (including incentive and other experiential benefits; want to reward oneself after, for example, having worked hard), consolation (to cheer up oneself), allowance (to allow oneself to purchase self a luxury gift), self-regard (need to take care of oneself), indulgence and pampering (to feel better and delight oneself), nostalgia (to satisfy sentimental longing or wishful affection for the past), and celebration (e.g. a birthday or a promotion). People use self-gifting specially to reward oneself for accomplishments and for stress-relief after accomplishments (Mick & DeMoss, 1990), i.e. as a remuneration for achievements and also as an incentive for motivating oneself to achieve goals and then reward oneself when the goals are achieved (Kauppinen-Räsänen et al, 2013). In these cases, luxury brands are bought for oneself, not to show off for others really but rather to delight oneself and to have the pleasure of owning goods. On the other hand, self-gifting can also be a means of social communication, with main motivation being impression (to impress someone), confidence (how it makes oneself feel about self in a social context), credibility (others take one more seriously and treat one better), belonging (be part of one's reference group), and approval (positive feedback from one's reference group). (Kauppinen-Räsänen et al, 2013)

Status and Credibility Value – Status consumption involves purchasing luxury products to boost one's ego and, therefore, has to represent value to both the individual and his or her reference group (Vigneron & Johnson, 2004). To construct one's self-appeal, to form attitudes in one's membership groups, and to conform with, for example, one's professional position a person may use luxury brands (Wiedmann et al, 2007). An individual may want to conform to an affluent lifestyle and/or want to distinguish oneself from non-affluent lifestyles (Sirgy 1982; Belk 1988; Dittmar, 1994). As discovered in the study of Kauppinen-Räsänen et al (2013), to be taken more seriously, to be appreciated more by others, and to be treated better, a person may want to choose to consume luxury brands for these reasons. Also appearance is important to be favored by others. Particularly regarding young millennials this could be an important luxury value dimension to consider as to be considered credible and taken seriously, luxury brands can give the sense of status and credibility to oneself in a social context.

Individuality and Self-Expression Value – Individualistic consumers aim to express themselves particularly by showing their individuality through the consumption of particular connoisseur luxury brands and products that are not consumed by many others (Heine, 2012). These consumers value highly creativity and uniqueness of the luxury brands and products that they choose to consume (Kapferer, 1998). Individualistic consumers make their choices based on self-expressive attributes that represent their personal values and they aim to use luxury items for self-expression of their own identity, seeking to be different from others and not to be part of the masses (Jung Choo et al, 2012). To express oneself and one's individuality a consumer may seek either approval or disapproval of others in social settings with one's unique choices of possessions (Tian et al, 2001). This value dimension also comprises similarities with self-identity value and uniqueness value dimensions of the framework of Wiedmann et al (2007) and these consumers, therefore, are not as susceptible to the influence of a reference group as in the other interpersonal oriented dimensions. Individualistic consumers rather want to keep their choices unique and to express their personal values, aiming to differentiate themselves from non-individualistic consumers (Heine, 2012).

With a better understanding of these luxury value perceptions, marketers and researcher can use the framework for forming consumer segments. Consumer segmentation can be done in many forms. The traditional demographic segmentation traits serve as a basis for marketing strategy, however, non-demographic traits like values, tastes and preferences are influencing consumer behavior more. (Yankelovich & Meer, 2006) Therefore, segmentation based on psychographics is highly useful, particularly when products or services are highly related to

the concept of self or when the consumer is highly involved (Mitchell, 1994). Market segmentation is not only important for advertising but also for product innovation, pricing, and strategy. With good marketing segmentation that is properly applied, companies can tailor their products and services for the customer segments most likely to consume them. (Yankelovich & Meer, 2006) By adequately addressing target consumer segments' perceptions and values regarding why consumers buy luxury products, luxury brands can elicit more sales and profits from them. Brand marketers can also optimize the brand positioning and targeting strategies to be either more individualistic or social-oriented, depending on which luxury value needs they want to emphasize in different markets and in certain situations. Knowledge of these individual differences of consumers can be valuable to design appropriate marketing campaigns and branding strategies. (Wiedmann et al, 2007)

As discussed earlier, consuming luxury brands is highly motivated by the concept of impressing others and the internal drive to create a favorable social image about oneself to one's reference group. On the other hand, a personally oriented type of consumption is important for marketing and brand management of luxury brands. (Wiedmann et al, 2007) Moreover, traditionally luxury brands "have focused on creating symbolic meaning such as conspicuous and prestige value. However, today's consumers base their choices more on self-expressive attributes that represent their personal value" (Jung Choo et al, 2012: 87). Different segments of consumer groups can be formed based on individuals' susceptibility to interpersonal influence (Wiedmann et al, 2007). In order to learn more about consumer motives for consuming luxury brands, I will research in more detail consumer motivations based on selected luxury value perceptions from Figure 7 that I have constructed to summarize my literature findings about the topic.

3. Conceptual Development and Hypothesis

3.1 Conceptual Model

To enhance the understanding of consumer motives and value perception in relation to the consumption of luxury the question of what particularly adds luxury value in the consumer's perception needs to be discovered. This is defined through the dimensions of self-directed and other-directed luxury value perceptions to create an overall luxury value which will affect the consumer's purchase intention of a luxury brand. This way marketing and brand managers can have a clearer understanding of luxury consumer value and what kinds of value can be created to enhance brand attitudes regarding a luxury brand. I have chosen the self-identity value, i.e. actual and ideal self-congruity, to be researched in more detail, together with effects of materialistic value and status value influencing consumers' brand attitude regarding luxury brands, as illustrated in Figure 8. I have chosen to study these values as they are closely related to each other and it is important to have a better understanding of how actual and ideal self-congruity affect especially millennial consumers. Whether a person has high importance for materialistic value and/or status value will also be looked into what extent these values affect brand attitude of a luxury brand.

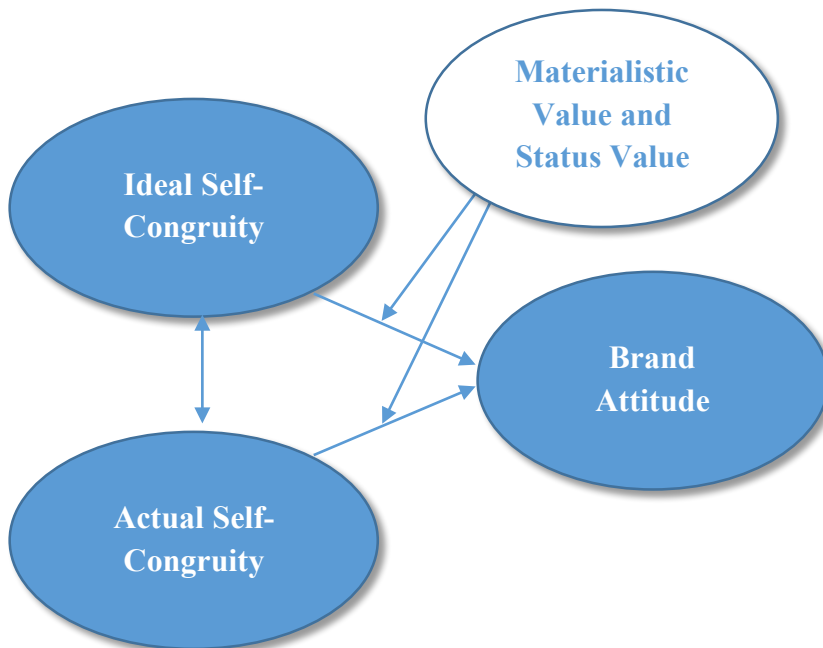


Figure 8: The Conceptual Model

3.2 Hypotheses

“Self-congruity refers to the likeliness of comparing oneself with other objects and stimuli” (Liu et al, 2012: 923). This study focuses on the effects of actual and ideal self-congruity and how a consumer’s self-image and luxury brand-image congruity affects brand attitude regarding luxury brands. As Grubb and Stern (1971: 382) propose, “consumers use a brand whose characteristics they perceive as congruent with their perception of themselves”, confirming Grubb and Hupp’s (1968) findings of congruence between consumers’ self-concepts, brand images, and their perceptions of stereotyped user images. The ideal self-image is the way an individual wants to be or would like to see him or herself and the meaning of self that the individual wishes others to associate with him or her, including attitudes, perceptions and feeling (Ross, 1971; Schenk & Holman, 1980). If the luxury brand purchased and consumed is recognized publicly and by the individual’s reference groups, as well as classified in a manner that matches and supports the individual’s self-concept, it can become a means to get desired reactions from one’s reference groups, resulting in confirmation and enhancement of the person’s self-concept (Grubb & Grathwohl, 1967; Grubb & Hupp, 1968; Grubb & Stern, 1971).

Hence, luxury brand consumption has a positive effect for approaching the ideal self-congruity by conveying the image and symbolic meaning of luxury brands to enhance an individual’s ideal self-image. As it has been discussed earlier, the relationship between an individual and his or her possessions is substantial and has a significant importance for self-expression, particularly as consumers may aim to affiliate the symbolic meaning of the luxury items they consume to their own identity, or use luxury items and brands to support and develop their own identity as well as enhance the ideal image and identity of self (Sirgy, 1982; Belk, 1988; Dittmar, 1994; Graeff, 1996; Deeter-Schmelz et al, 2000; Jamal & Goode, 2001). Moreover, as consumer behavior is affected by symbols, researchers have identified various theories in regards of describing, explaining, and predicting the role of consumers’ self-concepts in consumer behavior (e.g. Levy, 1959; Grubb & Grathwohl, 1967; Ross, 1971; Landon, 1974; Schenk & Holman, 1980; Sirgy, 1982; Belk, 1988; Dittmar, 1994; Graeff, 1996; Jamal & Goode, 2001; Helgeson & Supphellen, 2004). Because self-concept is of value to an individual, an individual’s behavior is directed toward the enhancement of own self-concept through consumption of luxury goods and brands as symbols to communicate the symbolic meaning to the individual him or herself and to others (Grubb & Grathwohl, 1967).

Brand attitude is an essential component for valuing a brand's equity. Brand attitude is an individual's overall evaluation of a brand and it depends largely on a consumer's own perceptions of the brand. (Aaker, 1997) Additionally, self-congruity can be used to explain and predict brand attitude and purchase intention (Sirgy et al, 1997; Helgeson & Supphellen, 2004) and, therefore, the effects of self-congruity on brand attitude are evaluated in this report. Because self-identity value, materialistic value, and status value are closely related to each other (Richins & Dawson, 1992; Dittmar, 1994; Webster & Beatty, 1997), I will look into how the importance of materialistic value and status value affect an individual's self-congruity and thus brand attitude of a luxury brand. These will be used as a moderating variable in the study to see if there is correlation between these variables and to discover how different consumers' brand attitudes are influenced by different values. With a better understanding of how these values impact consumers' brand attitudes towards luxury brands, marketers can target and segment their consumers more efficiently. Furthermore, conspicuousness value could also be considered in this part, but to keep the study more focused, I chose these two variables of materialistic value and status value as the most relevant ones to discover what kind of an impact from these variables will have on brand attitudes towards luxury brands.

To further dig into these aspects, the following two hypotheses are presented and tested:

H1: For luxury brands ideal self-congruity has a stronger effect on brand attitude than actual self-congruity.

H2: Ideal self-congruity has a stronger effect on brand attitude towards luxury brands when the consumer has a strong importance on materialistic value and/or status value.

Firstly, hypothesis 1 looks into whether consumers' brand attitude is more influenced by ideal self-congruity or actual self-congruity, suggesting ideal self-congruity to have a stronger influence on brand attitude regarding luxury brands. Secondly, hypothesis 2 suggests that ideal self-congruity has even a stronger effect on brand attitude of luxury brands when a consumer places a strong importance on materialistic value and/or status value.

4. Methodology

The purpose of this study is to investigate the influence of actual and ideal self-congruity when formatting attitudes towards luxury brands. This chapter explains the methodology chosen to answer the research question and to test the hypotheses. In this section I will describe my choice of research design and strategy as well as explain the data collection and data analysis for the study.

4.1 Research Design and Strategy

The research design is the general plan of how the research question will be answered and objectives are derived from the research question, turning the research question into a research project. Furthermore, the data collection should be specified as well as the constraints that will occur should be considered and discussed. As a whole, the reasoning behind the chosen particular research design should be reflected. (Robson, 2002; Saunders et al, 2009)

According to Saunders et al (2009) the research purpose can be exploratory, descriptive and explanatory and the research question can be both descriptive and explanatory. The first category, the exploratory study is particularly useful when the researcher is unsure of the precise nature of the problem. Exploratory research is very flexible and should be adaptable to change of a direction as new insights and data occur along the research, thus narrowing down as the research progresses. On the other hand, the second category, the descriptive study as the opposite portrays clearly and accurately persons, events or situations, and can be part of explanatory research. The phenomena should be clear already before collecting the data. Finally, the third category, the explanatory study emphasizes on explaining the relationship between variables to establish causal relationships between variables. Like in descriptive research, also explanatory research requires that the information is complete and accurate and the concepts of interest should be adequately measured (Kothari & Garg, 2012). I have decided to use the explanatory research design for my study as it is the most convenient method because this research aims to study the relationship between the variables in a new context.

Whereas research design is the overall plan for the research, research strategy focuses on the details of data collection and data analysis. The choice of a particular research strategy should also be guided by the research question and research objectives to allow the researcher to answer the particular research question and meet the research objectives. (Saunders et al, 2009)

Saunders et al (2009) describe seven different research strategies: experiment, survey, case study, action research, grounded theory, and archival research. From these different strategies I have chosen to do a survey as the most suitable approach for this study. Survey tends to be used for exploratory and descriptive research and is a common strategy in business and management research especially as it allows collection of a large amount of quantitative data in an economical way. Data is most often obtained by using a questionnaire and then standardizing the data for easy comparison. The data can be analyzed quantitatively using descriptive and inferential statistics. (Saunders et al, 2009)

4.2 Data Collection

A quantitative research approach using a survey was employed to test the hypotheses proposed and to obtain the information needed. “Quantitative is predominantly used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data” (Saunders et al, 2009: 151). Qualitative, on the other hand, is the opposite generating or using non-numeric data. The results obtained will be affected by the data collection techniques and procedures used. However, when choosing the methods to be used, it is essential to address them in regards of the specified research question and objectives. (Saunders et al, 2009)

There are two types of data that a researcher can use: primary and secondary data. Secondary data is data that has been originally collected for some other purpose, including raw data and published summaries, that can be reanalyzed to meet own research objectives and to answer own research question. However, for most research studies primary data is used to fully answer the research question as the new primary data is collected specifically for the research project that is in process. (Saunders et al, 2009) For my research project, primary data is collected to answer the research question and to meet the research objectives especially as there is not convenient secondary data available and as the relationship between different variables needs to be studied in detail.

Regarding the time horizon of my study, it is a cross-sectional study, meaning that it studies the phenomenon only at a particular time rather than over a longer period of time (Saunders et al, 2012). My research looks into the phenomenon in the current market situation and does not look into changes over time. In addition, the choice of using a survey is convenient also in this regard as cross-sectional studies often employ the survey strategy (Robson, 2002).

4.2.1 Construction of the Questionnaire and Measurements

The general form of a questionnaire can be either structured or unstructured. For my survey I have used the structured questionnaire with definite, concrete and pre-determined questions, all respondents receiving the same questionnaire with the exactly same wording and order of questions. Furthermore, the questionnaire contains closed questions with pre-set answers to choose from, not containing open questions. Thus, it is a highly structured questionnaire as the answers in respondents' own words are held to the minimum. Moreover, researchers should opt for the minimal amount of open questions as they are more difficult to interpret and to compare the obtained information. (Kothari, 2004)

The questionnaire was formatted following the general guidelines of Kothari (2004). The opening questions have been chosen to be easy and seek to arouse respondents' interest, followed by questions that are fundamental regarding the research problem. Relatively difficult questions were aimed to be placed towards the end. The question sequence was aimed to proceed in logical sequence moving from the more general, easier questions to the more specific and difficult ones, personal questions left to the end. The questionnaire was also designed to be reasonably short and simple. The entire questionnaire in a way that it was presented to the participants can be seen in Appendix A.

To specify luxury and non-luxury, some international well-known brands were presented for both categories for respondents to choose from in the beginning of the questionnaire so that they can visualize a brand for the following questions. For most further questions a 7-point Likert scale was used to estimate the answers, ranging from "strongly agree", "agree", "somewhat agree", "neither agree nor disagree", "somewhat disagree", "disagree", to "strongly disagree". The following questions were divided into subgroups of actual and ideal self-congruity, materialistic value, and status value, aiming to collect data for each factor that might be influencing respondent's brand attitude towards luxury brands. Questions containing respondents' personal characteristics, including a shortened version of the Crowne-Marlowe social desirability scale (Crowne & Marlowe, 1960) were at the end of the questionnaire, to assess to what extent respondents are concerned with social approval, as social desirability bias is considered to be one of the most common biases affecting the results of survey research (King & Bruner, 2000). Low scoring on this scale can indicate that the respondent is less concerned about social approval and is more willing to answer survey questions truthfully and represent him or herself accurately (Crowne & Marlowe, 1960).

4.2.2 Sample

For most research questions, such as for the one in this study, it is not possible to collect data from all cases included in the population. Therefore, a sample that represents the population accurately should be selected with an aim to generalize the findings to the population that the sample has been drawn from (Saunders et al, 2009). In order to answer the research question of this study, young millennial university students and graduates who consume luxury brands were chosen to collect the data from as the research is interested in this particular population. The main geographic locations that the research was targeting were Norway, Switzerland and Finland because of the good market conditions in these countries regarding luxury consumption as well as the location and connections of the researcher. The size of the sample was aimed to be over 100 respondents for this study in order to fulfill the requirements of efficiency, representativeness, reliability, and flexibility, which are the requirements of an optimal sample, according to Kothari (2004).

There are two kinds of sampling techniques, probability and non-probability sampling. Under the probability sampling design, which is also known as random sampling, “every item of the universe has an equal chance of inclusion in the sample” (Kothari, 2004: 60), which makes it likely that the sample will have the same composition and characteristics as the universe. In non-probability sampling, which is also known as judgement sampling or purposive sampling, on the contrary, the “items for the sample are selected deliberately by the researcher” (Kothari, 2004: 59). The group of sample items that are selected will be typical or representative of the large mass. (Kothari, 2004) For this study I have used the non-probability sampling because of the specificity off the research question and its focus on particular population.

There are also several methods that can be used for non-probability sampling: quota, purposive, snowball, self-selection, and convenience sampling. Quota sampling is entirely non-random and is in general used for interview surveys. Purposive sampling allows the researcher to use own judgement for selecting cases for the research in order to answer the research question. Snowball sampling is used mostly when identifying members of the desired population is challenging. Self-selection sampling is when the researcher allows each individual to identify their desire to take part in the research. Finally, convenience sampling selection is based on the easiness of getting responses. (Kothari, 2004; Saunders et al, 2009) This research employs self-selection sampling in combination with convenience sampling. The questionnaire was distributed through social media as well as by email.

4.3 Data Analysis

After the data has been collected, it must be processed and analyzed in conformity with the purpose of the research by summarizing and organizing results so that they answer the research question. Research studies often derive a large volume of raw data which must be appropriately reduced in order for the same data to be easily read and to be used for further analysis and, therefore, certain indices or measures to summarize the collected data must be developed. It is important to have all relevant data in order to make reflected comparisons and analysis. (Kothari, 2004) Processing, analyzing and interpreting data makes the data useful and turns raw data into information, enabling comparisons “through establishing statistical relationships between variables to complex statistical modelling” (Saunders et al, 2009: 414). The analysis of the data I collected from the survey questionnaire has been done using SPSS, where the collected information was analyzed with the use of statistical tools. Particularly descriptive statistics have been used as they enable to describe and to compare variables numerically (Saunders et al, 2009). “The role of statistics in research is to function as a tool in designing research, analyzing its data and drawing conclusions therefrom” (Kothari, 2004: 131).

The issue of ethics needed to be considered as well for the research project. Research ethics “relates to questions about how we formulate and clarify our research topic, design our research and gain access, collect data, process and store our data, analyze data and write up our research findings in a moral and responsible way” (Saunders et al, 2009: 184). First of all, the privacy and anonymity of participants was assured and data received handled with confidentiality. Participation to the survey was completely voluntary especially as people were not asked directly in person, but rather collectively through social media groups etc. to participate in the survey. Also withdrawing from the questionnaire was easy in case participants changed their mind during the questionnaire fill out process. The participants were also informed that what the questionnaire was for and for what reason the data was collected. Regarding the data analysis stage, it is important to be careful not to misrepresent the collected data and to have objectivity to get the right conclusions and recommendations. According to Saunders et al (2009), these are some of the main ethical issues that can arise during a research project and, therefore, particular attention was dedicated to them.

To guarantee the quality of the data and the research, the credibility of the research findings needed to be ensured with the focus on reliability and validity (Saunders et al, 2009). I address these issues in the next sections.

4.3.1 Reliability

Reliability refers to “the extent to which data collection techniques or analysis procedures will yield consistent findings” (Saunders et al, 2009: 156), “similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from the raw data” (Saunders et al, 2009: 600).

There can be four types of threats to reliability: participant and observer error, and participant and observer bias. Participant error was attempted to be minimized as the questionnaire was online so participants could choose when they want to complete the survey. Participants might also be biased to choose the answer that they find the most appropriate. However, responding to the questionnaire being completely anonymous, especially as responses were completed online, this should allow participants to express themselves freely and without any pressure to respond in a favorable way as they did not have to face the researcher in regards of choosing to complete the questionnaire. Finally, as there were only online channels and only one person collecting the answers, observer error should be low. (Robson, 2002; Saunders et al, 2009)

4.3.2 Validity

Validity refers to “the extent to which data collection method or methods accurately measure what they were intended to measure” as well as “the extent to which research findings are really about what they profess to be about” (Saunders et al, 2009: 603). In other words, it is “the extent to which your data collection techniques or analysis procedures will yield consistent findings” (Easterby-Smith et al, 2008: 109). Internal validity concerns whether the questionnaire represents the reality of the measured phenomenon. There are also certain threats to validity, which are history, testing, instrumentation, mortality, and maturation. (Robson, 2002) In case a respondent has had recently favorable or non-favorable experiences of either luxury or non-luxury brands, this might have an effect on findings. Also the respondents' current and recent financial situation might affect results of this study. The questionnaire itself was tested on three respondents before the final distribution to ensure that the required data can be collected through the survey and to aim to minimize the number of participants dropping out of the study. Moreover, the estimated amount of time for filling out the questionnaire was informed to the participants and the questionnaire was designed to be relatively short to minimize mortality.

Furthermore, regarding internal validity, the survey questionnaire should achieve to measure what it was intended to measure and should be representing the reality of what is being measured. Hence, it is important to know what a research really is measuring, the entire research study being focused on answering the research question and to meet the research objectives. (Saunders et al, 2009)

As proposed by Saunders et al (2009), to ensure the validity of the questionnaire for this study, among criterion-related validity and construct validity, content validity was reviewed to provide adequate coverage of the investigatory questions by careful literature review and prior discussion with other people. Criterion-related validity, to assess the predictive ability of the questions asked, was aiming to collect information to analyze consumers' brand attitude regarding luxury brands. These can be directive predictors of actual buying behavior, though, it is difficult to assure the criterion-related validity of this research. Finally, construct validity, referring to "the extent to which your measurement questions actually measure the presence of those constructs you intended them to measure" (Saunders et al, 2009: 373) is also taken into consideration and should be relatively high as the questions are adapted from several reliable studies measuring the same constructs.

External validity, also referred to as generalizability, concerns whether findings can be equally applicable to other research settings (Saunders et al, 2009). In the case of this study, the research project is related to existing theory and the findings propose a broader and additional theoretical significance than the cases that form the basis for this research. The non-probability sampling technique should represent the general population but, however, it is not possible to know whether the respondents really are consuming luxury in large amounts or only owning a few luxury brand products. Moreover, the sample items were selected from various nations, particularly residing in Northern and Western Europe, to get a more international review on the phenomenon, not focusing solely on one nation. It cannot be assured that the group of sample items are typical or representative of the large mass, particularly as convenience sampling and self-selection sampling were employed for the study. Thus, this limits the external validity.

5. Results

In this chapter the findings extracted from the questionnaire analysis are presented and discussed. First the descriptive statistics are presented, subsequently further looking into the background of survey respondents summarizing the results. After presenting the background results, the results of hypotheses testing are presented, regarding the effects of actual and ideal self-congruity as well as the effects of materialistic value and status value and how they affect respondents' brand attitudes towards luxury brands, looking into non-luxury brands as a comparison. The final sample size of viable responses that is used for the analysis is 114 items. All incomplete responses were eliminated from the study and the analysis.

5.1 Descriptive Statistics

The summary of descriptive statistics is presented in Table 5 below.

	N	Minimum	Maximum	Mean	Std. Deviation
BrandAttitudeLuxury	114	2.3333	7.0000	6.005848	1.0121994
BrandAttitudeNonLuxury	114	1.0000	7.0000	5.561404	1.2900922
ASCLuxury	114	1.0000	7.0000	4.576023	1.4130207
ISCLuxury	114	1.0000	7.0000	4.807018	1.5290660
ASCNonLuxury	114	1.0000	7.0000	5.201754	1.2469183
ISCNonLuxury	114	1.0000	7.0000	4.429825	1.3859271
MaterialisticValue	114	1.0000	7.0000	4.447368	1.3266435
StatusValue	114	1.0000	6.7143	3.304511	1.5518855
ASCLuxuryXMaterialisticValue	114	2.0000	49.0000	21.131997	10.6109840
ASCLuxuryXStatusValue	114	1.0000	47.0000	15.837093	10.2684648
ISCLuxuryXMaterialisticValue	114	1.8571	49.0000	22.365915	11.4769805
ISCLuxuryXStatusValue	114	1.0000	47.0000	16.798663	10.7253649
ASCNonLuxuryXMaterialisticValue	114	1.2857	41.9048	23.337093	9.0708070
ASCNonLuxuryXStatusValue	114	1.0000	39.8095	17.167920	8.7903567
ISCNonLuxuryXMaterialisticValue	114	1.2857	44.0000	19.909774	8.7851689
ISCNonLuxuryXStatusValue	114	1.0000	35.0000	14.555973	8.0914210
SociallyDesirableResponding	114	1.0000	2.0000	1.463659	.2212818
Age	114	18.00	37.00	26.0526	3.89654
Gender	114	1.00	2.00	1.4561	.50027
Education	114	1.00	3.00	1.8596	.51314
Valid N (listwise)	114				

Table 5: Summary of Descriptive Statistics

On Likert scale from 1 to 7, most variables' mean is closer to 7 which was on the survey as “strongly agree”. The statistics will be looked into in more detail in the following sections regarding respondents' background and hypothesis testing of the two hypothesis and to answer the research question. More detailed descriptive statistics can be seen in Appendix C, with minimum, maximum, mean, and standard deviation of each of the survey questions separately.

5.1.1 Background of the Respondents

This section looks into demographic characteristics of the survey sample as well as into the Marlowe-Crowne social desirability scale results of the survey.

The sample consisted of 54.39% (62) female respondents and 45.61% (52) male respondents. Regarding the education level of the sample, in terms of currently studying or the highest degree completed, the sample consisted of 21.05% (24) Bachelor, 71.93% (82) Master, and 7.02% (8) PhD respondents. The age range of the sample was from 18 to 37, with the median of 25 and the mean of 26.05. Age distribution of the sample can be viewed in more detail in Figure 9. Thus, the distribution of gender is quite good, whereas the sample consists of a high number of respondents obtaining or obtained a master's degree. Also the age range is good, representing millennial consumers of different ages.

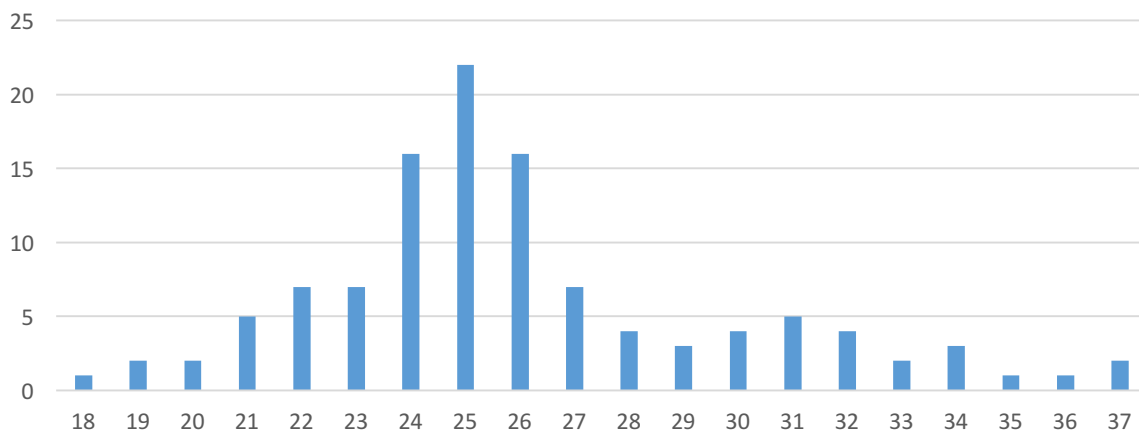


Figure 9: Age Distribution of the Sample

The study was focusing mainly on Nordic countries, in particular Norway and Finland, as well as Switzerland. Correspondingly, those are the countries where most responses were gathered from, based on respondents' country of residence (see Figure 10): Norway 49.12%, Switzerland 17.54%, and Finland 11.4%.

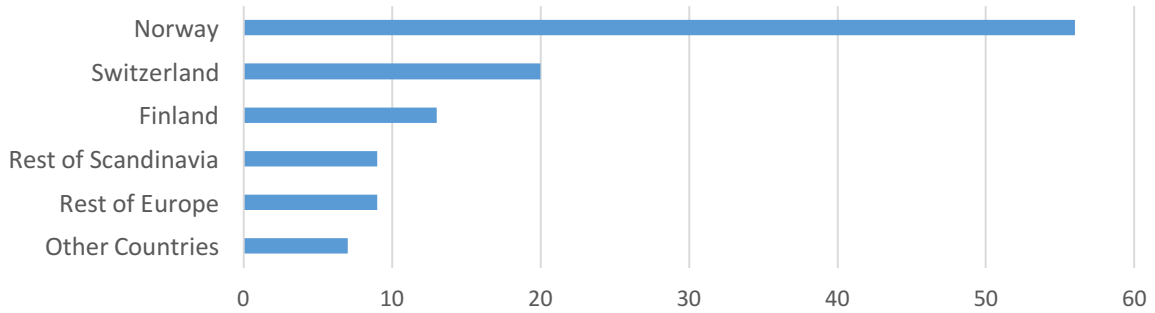


Figure 10: Respondents' Country of Residence

For the sample the income level was not particularly high as most respondents were currently fulltime students. Because of the international composition of the sample, focusing mainly on European countries, the income was asked in EUR/month and because respondents were mostly from Norway and Switzerland, neither of the countries using the set currency, the results were not feasible especially regarding the Norwegian respondents as many responded likely in NOK as several amounts very particularly high. Several responses could also be as in EUR/year as certain amounts were remarkably high to be a monthly salary. As a result, I do not take the results of this question into account for the analysis.

The Marlowe-Crowne social desirability scale results are illustrated in Table 6. More answers were totaled in the socially undesirable responses, hence, implying that the survey results should be relatively reliable and respondents are not in particular looking for social desirability in their answers to the questionnaire, though results could be stronger for better reliability.

Question:	T	F	
a) I have never intensely disliked anyone.	38	76	
b) I sometimes feel resentful when I don't get my way.	74	40	
c) I am always careful about my manner of dress.	52	62	Sum of total answers:
d) If I could get into a movie without paying and be sure I was not seen, I would probably do it.	34	80	Socially Undesirable: 428 / 53.63%
e) I don't find it particularly difficult to get along with loudmouthed, obnoxious people.	36	78	Socially Desirable: 370 / 46.37%
f) I sometimes think when people have a misfortune they only got what they deserved.	47	67	
g) I am sometimes irritated by people who ask favors of me.	57	57	

Table 6: Marlowe-Crowne Social Desirability Scale Results

Respondents were also asked to select a brand from both luxury and non-luxury category in order to answer further questions regarding their brand attitudes as well as questions concerning actual and ideal self-congruity. There were some brands provided from different product categories, mainly from cars category and personal luxury goods category including clothing, accessories, beauty products, watches, and jewelry brands. Respondents could also choose another brand that is not listed in the provided brands, if they wanted to. The most chosen brands from the luxury classification were Ralph Lauren, Tesla and Louis Vuitton, whereas from the non-luxury classification the most chosen brands were H&M, Zara and Nike.

Then respondents' attitudes towards these brands that they personally chose were measured regarding whether they "like the brand a lot", whether they "find it to be a good brand", and whether they "have positive attitude towards this brand". Regarding these three measures luxury brands scored slightly better (6.01) than the non-luxury brands (5.56), luxury brands averaging on the answer scale at "agree", whereas for non-luxury brands the average is between "agree" and "somewhat agree". Thus, both brand categories score quite well in regards of brand attitudes. In the next section I will examine what factors have affected the respondents' brand attitudes the most.

5.2 Hypotheses Testing

This study has two hypotheses to be tested:

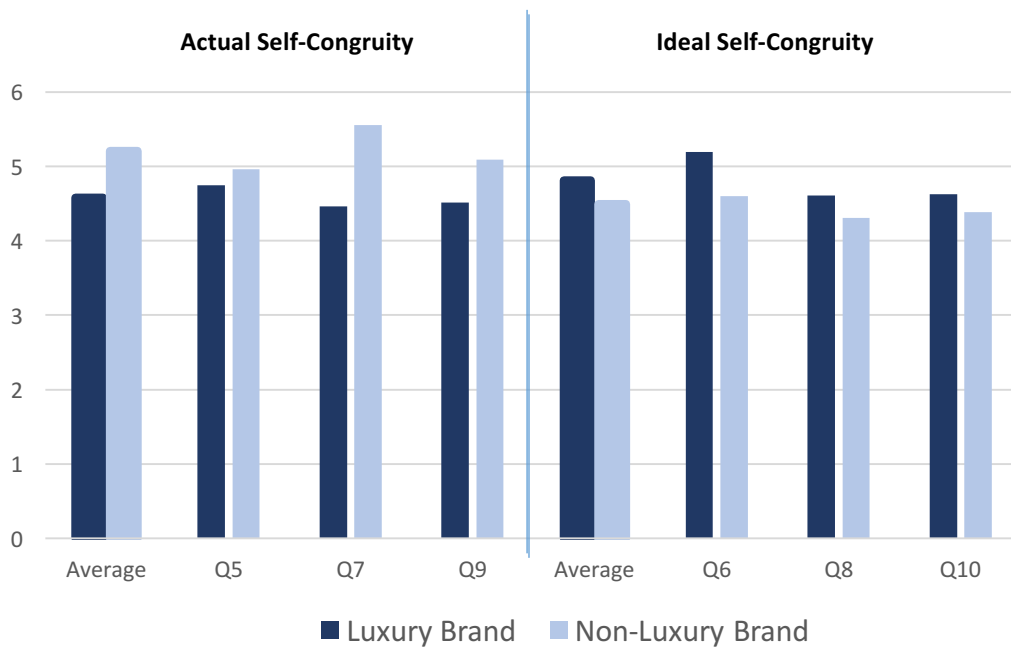
H1: For luxury brands ideal self-congruity has a stronger effect on brand attitude than actual self-congruity.

H2: Ideal self-congruity has a stronger effect on brand attitude towards luxury brands when the consumer has a strong importance on materialistic value and/or status value.

Regression analyses were done to test the hypotheses. Two regressions were run; one for luxury brands and another one for non-luxury brands, in order to test the effects of various independent variables' effect on brand attitude towards luxury brands and, as a comparison, towards non-luxury brands. The following sections will focus on the analysis of the survey results in order to test the two hypotheses and to answer the research question of the study.

5.2.1 The Effects of Actual and Ideal Self-Congruity

The first hypothesis emphasizes that for luxury brands ideal self-congruity has a stronger effect on brand attitude regarding luxury brands than actual self-congruity. This hypothesis was supported by the study results. As it is illustrated in Figure 11, it can be seen that for respondents' actual self-congruity non-luxury brands have a stronger influence, whereas for the ideal self-congruity luxury brands have a more significant influence. The difference in either category is not significant for any of the questions, though, show a clear pattern in responses. All three survey questions regarding actual self-congruity of respondents were influenced more by non-luxury brands, and the opposite for the three survey questions concerning respondents' ideal self-congruity where luxury brands had more influence. Therefore, the first hypothesis is supported.



Questions regarding **actual self-congruity**:

Q5= The brand X is consistent with how I see myself.

Q7= People similar to me consume brand X.

Q9= I can identify with people who consume brand X.

Questions regarding **ideal self-congruity**:

Q6= The brand X is consistent with how I would like to see myself.

Q8= People that I look up to consume brand X.

Q10= I would like to identify with people who consume brand X.

Figure 11: The Effects of Actual and Ideal Self-Congruity

Regarding the survey questions, the most significant difference was regarding the people similar to the respondent and whether they are consuming luxury brands or not. Results seem to be slightly implicating that the actual reference groups of the respondents are consuming more non-luxury brands, however, respondents see luxury brands to be consistent with how they would like to see themselves ideally.

5.2.2 The Effects of Materialistic Value and Status Value

The second hypothesis looks into the effects that materialistic value and status value have on respondents' brand attitudes towards luxury brands, together with actual and ideal self-congruity. This hypothesis, as well, was supported with the study results.

First of all, the results indicate that materialistic value has a higher importance for the sample than status value. Survey responses averaged for materialistic value at 4.45, whereas status value averaged at 3.31. Thus, materialistic value is to a certain extent important for the respondents of the survey, whereas status value did not have significant importance. These tendencies are summarized in Figure 12, which shows the averages resulted from each question regarding materialistic and status value perception as well as the total value highlighted in darker blue. In materialistic value the most important factors that the respondents found particularly important for them were “the possessions that I own are of a high importance to me”, “possessions that assist me in accomplishment are highly important to me”, and “owning products makes me feel well and happy”. For status value the difference between the average of different answers was not significant, though, the most important answers averaged to be the aspects of “I consume luxury brands to enhance my status”, I consume luxury brands to be taken seriously”, and I consume luxury brands to conform to an affluent lifestyle”.

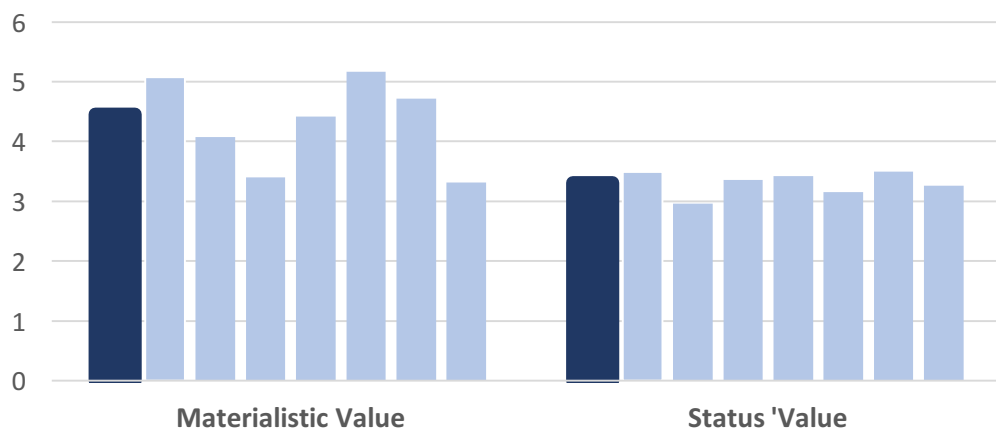


Figure 12: Materialistic Value and Status Value Perception Averages

Furthermore, it is even more important to understand the mediating effects of the measured materialistic value and status value perceptions of the respondents and to what extent they, together with actual and ideal self-congruency, affect respondents' brand attitudes towards luxury brands. Therefore, I calculated interactions between different independent variables:

actual and ideal self-congruity, materialistic and status value to test H2. These interactions are summarized in Table 7. Here it is possible to see that ideal self-congruity for luxury brands has a stronger effect than actual self-congruity when a consumer has a strong importance on materialistic value and/or status value. For this sample, especially materialistic value highlights this effect, but this is also true for status value. Thus, the more important a consumer places for materialistic value and/or status value in consumption, the more likely he or she is influenced by ideal self-congruity when forming brand attitudes towards luxury brands.

	Mean	Std. Deviation
Actual SC Luxury * Materialistic Value	21.132	10.611
Actual SC Luxury * Status Value	15.837	10.269
Ideal SC Luxury * Materialistic Value	22.366	11.477
Ideal SC Luxury * Status Value	16.799	10.725
Actual SC Non-Luxury * Materialistic Value	23.337	9.071
Actual SC Non-Luxury * Status Value	17.167	8.790
Ideal SC Non-Luxury * Materialistic Value	19.910	8.785
Ideal SC Non-Luxury * Status Value	14.556	8.091

Table 7: Interactions between Independent Variables

The results can be seen in more detail from the two regressions that have been done. The correlations of these can be examined in Table 8 regarding luxury brands and in Table 9 regarding non-luxury brands, with further statistics being available in Appendix D.

	Brand Attitude Luxury	ASC Luxury	ISC Luxury	Materialistic Value	Status Value	ASCLuxuryX Materialistic Value	ASCLuxuryX StatusValue	ISCLuxuryX Materialistic Value	ISCLuxuryX StatusValue	Socially Desirable Responding	Age	Gender	Educat
BrandAttitudeLuxury	1	0.527	0.601	0.241	0.235	0.441	0.365	0.476	0.398	-0.069	0.133	0.047	0.
ASCLuxury	0.527	1	0.704	0.42	0.329	0.85	0.703	0.669	0.545	-0.044	0.12	0.042	0.
ISCLuxury	0.601	0.704	1	0.491	0.389	0.716	0.574	0.859	0.695	-0.124	0.079	0.043	-0.
MaterialisticValue	0.241	0.42	0.491	1	0.529	0.805	0.571	0.83	0.603	-0.28	-0.008	-0.009	-0.
StatusValue	0.235	0.329	0.389	0.529	1	0.509	0.869	0.527	0.899	-0.263	0.183	0.093	0.
ASCLuxuryXMaterialisticValue	0.441	0.85	0.716	0.805	0.509	1	0.776	0.902	0.7	-0.213	0.081	-0.001	0.
ASCLuxuryXStatusValue	0.365	0.703	0.574	0.571	0.869	0.776	1	0.683	0.92	-0.255	0.209	0.087	0.
ISCLuxuryXMaterialisticValue	0.476	0.669	0.859	0.83	0.527	0.902	0.683	1	0.774	-0.237	0.063	-0.002	-0.
ISCLuxuryXStatusValue	0.398	0.545	0.695	0.603	0.899	0.7	0.92	0.774	1	-0.277	0.206	0.079	0.
SociallyDesirableResponding	-0.069	-0.044	-0.124	-0.28	-0.263	-0.213	-0.255	-0.237	-0.277	1	-0.143	-0.18	-0.
Age	0.133	0.12	0.079	-0.008	0.183	0.081	0.209	0.063	0.206	-0.143	1	-0.012	0.
Gender	0.047	0.042	0.043	-0.009	0.093	-0.001	0.087	-0.002	0.079	-0.18	-0.012	1	-0.
Education	0.104	0.043	-0.069	-0.005	0.049	0.019	0.049	-0.048	0.026	-0.012	0.491	-0.024	

Table 8: Correlations Luxury Brands

	BrandAttitude NonLuxury	ASC NonLuxury	ISC NonLuxury	Materialistic Value	Status Value	ASCNonLuxury XMaterialistic Value	ASCNonLuxury XStatusValue	ISCNonLuxury XMaterialistic Value	ISCNonLuxury XStatusValue	Socially Desirable Responding	Age	Gender	Educat
BrandAttitudeNonLuxury	1	0.617	0.729	0.079	-0.029	0.413	0.236	0.564	0.385	-0.034	-0.094	-0.135	-0.
ASCNonLuxury	0.617	1	0.717	0.124	-0.011	0.673	0.425	0.563	0.395	-0.044	0.001	-0.196	-0.
ISCNonLuxury	0.729	0.717	1	0.115	-0.039	0.506	0.299	0.769	0.541	0.088	-0.103	-0.051	-0.
MaterialisticValue	0.079	0.124	0.115	1	0.529	0.785	0.493	0.683	0.421	-0.28	-0.008	-0.009	-0.
StatusValue	-0.029	-0.011	-0.039	0.529	1	0.354	0.865	0.253	0.769	-0.263	0.183	0.093	0.
ASCNonLuxuryXMaterialisticValue	0.413	0.673	0.506	0.785	0.354	1	0.621	0.858	0.552	-0.213	-0.019	-0.145	-0.
ASCNonLuxuryXStatusValue	0.236	0.425	0.299	0.493	0.865	0.621	1	0.497	0.911	-0.214	0.142	-0.013	-0.
ISCNonLuxuryXMaterialisticValue	0.564	0.563	0.769	0.683	0.253	0.858	0.497	1	0.637	-0.084	-0.107	-0.062	-0.
ISCNonLuxuryXStatusValue	0.385	0.395	0.541	0.421	0.769	0.552	0.911	0.637	1	-0.102	0.06	0.026	-0.
SociallyDesirableResponding	-0.034	-0.044	0.088	-0.28	-0.263	-0.213	-0.214	-0.084	-0.102	1	-0.143	-0.18	-0.
Age	-0.094	0.001	-0.103	-0.008	0.183	-0.019	0.142	-0.107	0.06	-0.143	1	-0.012	0.
Gender	-0.135	-0.196	-0.051	-0.009	0.093	-0.145	-0.013	-0.062	0.026	-0.18	-0.012	1	-0.
Education	-0.129	-0.135	-0.089	-0.005	0.049	-0.098	-0.042	-0.074	-0.027	-0.012	0.491	-0.024	-0.

Table 9: Correlations Non-Luxury Brands

As it can be seen in Table 8, ideal self-congruity especially together with materialistic value have the highest importance on brand attitude towards luxury brands. Also the importance of status value highlights the ideal self-congruity over actual self-congruity. On the contrary, looking at Table 9, it can be noticed that materialistic value and especially status value have a very small impact on brand attitude in regards of non-luxury brands. This implies that if a consumer has significance for materialistic value or status value, he or she would opt for luxury brands rather than non-luxury brands.

As a result, both hypotheses are supported and next I will summarize the conclusions of the study in the following final chapter with a discussion of the main findings, implications, limitations, and suggestions for future research.

6. Discussion

The purpose of this thesis was to examine the motivational factors influencing millennial consumers when forming attitudes towards luxury brands. Moreover, the influence of actual and ideal self-congruity as well as the effects of materialistic value and status value were studied. The objective was to develop a broader understanding of why millennials purchase and consume luxury brands, based on their brand attitudes, in connection with the effects of different luxury value perceptions. Concurrently the research question, *“How and to what extent are millennial consumers influenced by actual and ideal self-congruity when forming attitudes towards luxury brands?”* must be answered. This field is yet researched to a small extent and needs to be explored in more detail. Therefore, the main objective of this study was to provide new discoveries and insights to the phenomenon of value perceptions affecting consumer purchase motivation of luxury brands and to create a foundation for future studies. This study contributes to the limited knowledge on the factors influencing particularly young consumers’ brand attitudes towards luxury brands. This research is an initial step towards understanding consumer behavior of millennials in the luxury brands context, and provides a basis from which others may build up upon. Moreover, the research findings also enrich the cross-category literature related to motivational factors influencing luxury brand purchase and consumption, allowing comparison between different luxury value perceptions. These topics are discussed and elaborated in the following sections, being based on established theory together with the results of the conducted study.

6.1 Main Findings

The literature review provided various frameworks and theories regarding luxury brand consumption and what motivates consumers to purchase and consume luxury. Especially the luxury value model by Wiedmann et al (2007) facilitated to understand the conditions and drivers of luxury perception and was the basis to build my research study upon. Various theories (e.g. Csikszentmihalyi & Rochberg-Halton, 1978; Sirgy, 1982; Belk, 1985 & 1988; Richins & Dawson, 1992; Dittmar, 1994; Sirgy et al, 1997; Ahuvia & Wong, 2002; Vigneron & Johnson, 2004; Wiedmann et al, 2007; Kauppinen-Räsänen et al, 2013) supporting the model were researched and the survey formatted. My study, however, was focused on new aspects of finding out correlations between different variables, that to my knowledge has not been researched earlier in this direction.

Even though many millennial consumers of the study sample are currently students, mostly belonging to a social group of low-income level, they still have a slightly better brand attitude towards luxury brands than non-luxury brands. This already indicates that the results could be more inclining towards consumers' ideal self-congruence having a significant influence on brand attitudes regarding luxury brands as they possibly cannot currently afford luxury brands to the extent that they would like to, but ideally they would prefer to opt for luxury brands over non-luxury brands if having the means for it.

Further in the survey analysis it was discovered that regarding luxury brands, ideal self-congruity does have a more significant importance over actual self-congruity. The respondents value especially the individualistic value in terms that the luxury brand they chose is consistent with how they would like to see themselves, whereas the social side is not as significant for them when looking into the ideal self-congruity of luxury brand consumption, i.e. other consumers' influence is not as important such as to identify with a person's reference group of people that he or she looks up to. However, on the actual self-congruity side, regarding non-luxury brands, especially social influence seems to be affecting consumers' brand attitudes towards non-luxury brands. Respondents find especially that people similar to him or her consume non-luxury brands and they can also identify well with people who consume non-luxury brands. This is well understandable as students with lower levels of income often spend time with people of the similar social class and can, thus, well identify with them and their actual self-congruity being influenced by their actual social groups. This also confirms the previous findings that consumers aim to associate to themselves the symbolic meaning of their luxury possessions that they consume to their own identity and to use luxury possessions to support and develop their identity (Sirgy, 1982; Belk, 1988; Dittmar, 1994; Graeff, 1996; Deeter-Schmelz et al, 2000; Jamal & Goode 2001).

Since self-identity value, i.e. actual and ideal self-congruity, is closely related to materialism value (Webster & Beatty, 1997) and status value, the correlations between these values was decided to be studied. Especially regarding materialism, possessions are an integral part of self-identity and some consumers have a high priority and importance for possessions, whereas for others not (Csikszentmihalyi & Rochberg-Halton, 1978; Belk, 1985; Richins & Dawson, 1992; Ahuvia & Wong, 2002). These findings from previous researches were supported and respondents with high importance especially for materialism value were scoring high on ideal self-congruity. This is not surprising that materialism was scoring relatively high in the results of the study as materialism is typical for millennial consumers, as compared to older

generations of consumers as there is a decline in materialism as the age increases (Belk, 1985). Furthermore, it was noticed the same results in this study that for young consumers especially possessions that assist in accomplishment are highly important for materialistic individuals as was also discovered by Belk (1985).

Materialism is further highly associated with the consumption to obtain status (Richins & Dawson, 1992), and status consumption has to represent value to both the individual and his or her reference group (Vigneron & Johnson, 2004). The study results indicate that regarding status value, the respondents consume luxury brands particularly to enhance their status and to be taken more seriously, as well as to conform to an affluent lifestyle. However, status value, i.e. giving the sense of status and credibility to oneself in a social context (Kauppinen-Räsänen et al, 2013), is not highly valued by respondents, them being more focused on the materialistic value, which is classified as individual value in the framework by Wiedmann et al (2007).

From this study it can be seen that individuals who do not place high value on materialistic value or status value, rather opt for non-luxury brands. The opposite is for luxury brands and it can be concluded that importance of these two values is positively related to attitude towards luxury brands. Furthermore, individuals that placed high value on materialistic value or status value had more importance for ideal self-congruity, both in luxury brands as well as in non-luxury brands, too. Therefore, it can be concluded from these findings that the higher the importance of materialistic value and/or status value, the higher the positive correlation with brand attitude towards luxury brands as well as positive correlation with ideal self-congruity.

Because respondents could be biased by social desirability, which could affect the survey results (King & Bruner, 2000), the results of the Marlowe-Crowne social desirability scale indicate that respondents are less concerned about social approval especially in responses regarding luxury brand attitudes as low scoring on this scale indicates that the respondent is less concerned about social approval and willing to represent him or herself accurately (Crowne & Marlowe, 1960). However, because the survey only had a shortened version of the Marlowe-Crowne scale, the results are not necessarily very accurate, though, give a general idea of the sample answering questions relatively truthfully. Also because of there being higher importance for materialistic value, which is an individual value, rather than status value, which is a social value, this could support that consumers with preference for individual materialistic value and luxury brands, being likely less concerned about social approval, also have scored lower on the social desirability scale.

6.2 Implications

6.2.1 Theoretical Implications

Literature regarding motivations of consuming luxury focuses mainly on various motivations on a larger scale. However, not much literature is dedicated on studying particular motivational factors in closer detail to see what effect they have on consumers' luxury purchase intentions, despite the importance of the phenomenon for luxury brand marketers and the literature regarding the topic. This is needed to create new theoretical frameworks to systematically analyze the underlying motivations of luxury purchasing and consumption. Simultaneously, the research also contributes to the emerging literature by proposing new topics to be studied further. This study covers research gaps in terms of looking into the effects that actual and ideal self-congruity have on luxury purchase intentions, establishing a framework to be researched further.

6.2.2 Managerial Implications

New knowledge about consumer motivation for purchasing luxury brands is valuable for luxury brand managers. Understanding the underlying motivations behind consumers' brand attitudes and purchase intentions can enhance a company's marketing mix and focus marketing efforts more efficiently. This study can assist managers' when deciding whether to focus more on consumers' actual or ideal self-congruency issues regarding luxury brand marketing that targets millennial consumers.

This research suggests that millennial consumers are more motivated by ideal self-congruity for consuming luxury brands rather than actual self-congruity. Furthermore, marketing and branding activities could be further focused on emphasizing materialistic values together with ideal self-congruity to get even more effective results when focusing luxury brand targeting on millennial consumers. Most significantly in terms of materialistic value perceptions of luxury, possessions that assist millennials in accomplishment has a high significance, in particular when emphasizing consumers' ideal self-congruity. Various factors are connected with each other and a thorough evaluation of consumers' motives is crucial, looking into additional value perceptions of luxury and their effects on consumers' brand attitudes, purchase motivations, as well as on actual and ideal self-congruity.

6.3 Limitations

Limitations of this thesis study need to be considered when referring to this study and for the future research. First of all, this paper was written as a master thesis, with its limitations regarding resources and time, which result in a limited scope of this paper. Further limitations are mainly related to the data collection and sampling concerns.

Regarding survey sampling, as the sample was self-selected together with convenience sampling it could be that the respondents do not represent the population, thus, the results cannot be generalized to the whole population. In addition, the obtained sample size is rather small and, therefore, the findings cannot be globally generalized either. The reason why the sample size was limited was because of time limitations and as people approached only through social media and email, and also there were several questionnaires that were only partly filled out, thus, they had to be eliminated from the study. The respondents were not offered any incentives either for filling out the survey questionnaire. Additionally, it is not possible to assure that the respondents are actually consuming luxury brands to a large extent. As many respondents do not have significant income currently, this can substantially affect their attitudes towards purchasing and consuming luxury brands, as well as their attitudes towards luxury brands themselves.

Because the sample was chosen to be an international one, the questionnaire was available in English. However, this is not the main language of any of the main target countries of the sample (Norway, Switzerland and Finland) and, consequently, this could cause difficulties or misunderstandings for some respondents, even though most respondents should not be affected by this, especially as self-selection was used so people could choose whether to participate or not or to drop out if they found the questionnaire to be too difficult to complete. Moreover, regarding the target countries and the size of the sample, the study is not representative for providing a global picture of the phenomenon.

Finally, one more limitation regarding this study is the lack of open-ended questions, which would have allowed respondents to express and explain their opinions in more detail. This would provide a more thorough understanding of underlying reasons of luxury consumption, though, many answers could be irrelevant regarding the chosen specific luxury value perceptions, as there are also several other ones that could be studied. Hence, it was determined not to include open-ended questions to avoid making the survey too extensive.

6.4 Future Research

In order to produce valid results that can be generalized to a broader target population, with a larger sample size and more careful selection of the sample items, further research is highly recommended in order to gain valuable insights and to enhance the knowledge and frameworks regarding the phenomenon. Furthermore, there are plenty of areas regarding different value perceptions affecting consumers' brand attitudes and purchase motivations of luxury brands for future research that currently lack extensive research.

The research could be further extended to a larger context in terms of choosing a more globally spread sample, particular consumer groups, or different age groups of the population, for example. Another example of expanding the study could be to be conducted in a longitudinal context by looking into how students' luxury consumption motives and attitudes towards luxury brands change over time, in particular with increased income level and lifestyle change, transitioning into new social group context. Additional ideas could be to differentiate between diverse luxury categories or different levels of luxury as attitudes and purchase intentions can be significantly different for various categories and different levels of luxury, depending in particular on consumers' personal interests and income level, among other things.

The research method used could also be different by doing a qualitative study to get broader insights to the phenomenon and so that the respondents can express their opinions in a more open way. This could be combined with a survey questionnaire that would be composed after the results of the qualitative study will be looked into, to focus on the most relevant aspects regarding the phenomenon and to possibly find new ideas to be studied.

Luxury brand consumption is a large and a growing phenomenon and needs to be researched in more detail. This gives several opportunities for the development of research in the field.

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Appendices

Appendix A – Questionnaire



This questionnaire is part of my master thesis study about luxury brand marketing to discover what motivates young customers to purchase and consume luxury brands.

Filling out the questionnaire takes about 5 minutes.

All answers are anonymous.

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Q1. To answer the following questions, choose one luxury brand that you are well familiar with:

- Ralph Lauren
- Gant
- Hugo Boss
- Michael Kors
- Tommy Hilfiger
- Louis Vuitton
- Dior
- Chanel
- Gucci
- Burberry
- Rolex
- Cartier
- Tesla
- Lamborghini
- Other, which?

Q2. Regarding the luxury brand you chose in Question 1, please answer the following questions.

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I like this brand a lot.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is a good brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have positive attitude towards this brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q3. To answer the following questions, choose also one non-luxury brand that you are well familiar with:

- H&M
- Zara
- Mango
- Nike
- Adidas
- Puma
- L'Oréal
- Swatch
- Fiat
- Other, which?

Q4. Regarding the non-luxury brand you chose in Question 3, please answer the following questions.

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I like this brand a lot.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is a good brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have positive attitude towards this brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

. Choose the most relevant answer that most corresponds to you for each of the following questions.

You cannot choose the same answer for the luxury brand and the non-luxury brand.

FOR ANSWERING EACH OF THESE QUESTIONS, USE THE LUXURY BRAND AND THE NON-LUXURY BRAND THAT YOU CHOSE IN Q1 AND Q3 FOR "BRAND X".

Q5. The brand X* is consistent with how I see myself.
(*use the luxury brand and the non-luxury brand that you chose in Q1 and Q3 for "brand X")

Luxury brand		Non-luxury brand
<input type="radio"/>	Strongly agree	<input type="radio"/>
<input type="radio"/>	Agree	<input type="radio"/>
<input type="radio"/>	Somewhat agree	<input type="radio"/>
<input type="radio"/>	Neither agree nor disagree	<input type="radio"/>
<input type="radio"/>	Somewhat disagree	<input type="radio"/>
<input type="radio"/>	Disagree	<input type="radio"/>
<input type="radio"/>	Strongly disagree	<input type="radio"/>

Q6. The brand X is consistent with how I would like to see myself.

Luxury brand		Non-luxury brand
<input type="radio"/>	Strongly agree	<input type="radio"/>
<input type="radio"/>	Agree	<input type="radio"/>
<input type="radio"/>	Somewhat agree	<input type="radio"/>
<input type="radio"/>	Neither agree nor disagree	<input type="radio"/>
<input type="radio"/>	Somewhat disagree	<input type="radio"/>
<input type="radio"/>	Disagree	<input type="radio"/>
<input type="radio"/>	Strongly disagree	<input type="radio"/>

Q7. People similar to me consume brand X.

Luxury brand		Non-luxury brand
<input type="radio"/>	Strongly agree	<input type="radio"/>
<input type="radio"/>	Agree	<input type="radio"/>
<input type="radio"/>	Somewhat agree	<input type="radio"/>
<input type="radio"/>	Neither agree nor disagree	<input type="radio"/>
<input type="radio"/>	Somewhat disagree	<input type="radio"/>
<input type="radio"/>	Disagree	<input type="radio"/>
<input type="radio"/>	Strongly disagree	<input type="radio"/>

Q8. People that I look up to consume brand X.

Luxury brand		Non-luxury brand
<input type="radio"/>	Strongly agree	<input type="radio"/>
<input type="radio"/>	Agree	<input type="radio"/>
<input type="radio"/>	Somewhat agree	<input type="radio"/>
<input type="radio"/>	Neither agree nor disagree	<input type="radio"/>
<input type="radio"/>	Somewhat disagree	<input type="radio"/>
<input type="radio"/>	Disagree	<input type="radio"/>
<input type="radio"/>	Strongly disagree	<input type="radio"/>

Q9. I can identify with those people who consume brand X.

Luxury brand		Non-luxury brand
<input type="radio"/>	Strongly agree	<input type="radio"/>
<input type="radio"/>	Agree	<input type="radio"/>
<input type="radio"/>	Somewhat agree	<input type="radio"/>
<input type="radio"/>	Neither agree nor disagree	<input type="radio"/>
<input type="radio"/>	Somewhat disagree	<input type="radio"/>
<input type="radio"/>	Disagree	<input type="radio"/>
<input type="radio"/>	Strongly disagree	<input type="radio"/>

Q10. I would like to identify with those people who consume brand X.

Luxury brand		Non-luxury brand
<input type="radio"/>	Strongly agree	<input type="radio"/>
<input type="radio"/>	Agree	<input type="radio"/>
<input type="radio"/>	Somewhat agree	<input type="radio"/>
<input type="radio"/>	Neither agree nor disagree	<input type="radio"/>
<input type="radio"/>	Somewhat disagree	<input type="radio"/>
<input type="radio"/>	Disagree	<input type="radio"/>
<input type="radio"/>	Strongly disagree	<input type="radio"/>

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. This part focuses on the personal motives for consuming luxury brands.

Q11. Choose the most relevant answer that most corresponds to you for each of the following questions.

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
a) The possessions I own are of a high importance to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) I have a high priority for purchasing possessions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) I find owning possessions to be desirable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) The possessions I own are an integral part of my self-identity.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Possessions that assist me in accomplishment are highly important for me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Owning products makes me feel well and happy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Possessions are an essential part in defining a person's success.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q12. Choose the most relevant answer that most corresponds to you for each of the following questions.

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
a) I consume luxury brands to enhance my status.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) I consume luxury brands to be appreciated more by others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) I consume luxury brands to be considered credible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) I consume luxury brands to be taken seriously.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) I consume luxury brands to be treated better.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) I consume luxury brands to conform to an affluent lifestyle.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) I consume luxury brands to distinguish myself from non-affluent lifestyles.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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. This part looks into respondent's background.

Q13. Please choose true/false for each of the following statements.

	True	False
a) I have never intensely disliked anyone.	<input type="radio"/>	<input type="radio"/>
b) I sometimes feel resentful when I don't get my way.	<input type="radio"/>	<input type="radio"/>
c) I am always careful about my manner of dress.	<input type="radio"/>	<input type="radio"/>
d) If I could get into a movie without paying and be sure I was not seen, I would probably do it.	<input type="radio"/>	<input type="radio"/>
e) I don't find it particularly difficult to get along with loudmouthed, obnoxious people.	<input type="radio"/>	<input type="radio"/>
f) I sometimes think when people have a misfortune they only got what they deserved.	<input type="radio"/>	<input type="radio"/>
g) I am sometimes irritated by people who ask favors of me.	<input type="radio"/>	<input type="radio"/>

Q14. Gender

- Female
 Male

Q15. Age

Q16. Education (currently studying or the highest degree completed)

- Bachelor
 Master
 PhD

Q17. Income in EUR/month (including scholarships, grants, etc.)

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We thank you for your time spent taking this survey.
Your response has been recorded.

Appendix B – Survey Questions with Sources

Concept	Questions	Source
Actual and Ideal Self-Congruity	Q5-Q10	Sirgy et al, 1997
Materialistic Value	Q11 a-g	Csikszentmihalyi & Rochberg-Halton, 1978; Belk, 1985; Richins & Dawson, 1992; Ahuvia & Wong, 2002; Wiedmann et al, 2007
Status Value	Q12 a-g	Sirgy, 1982; Belk, 1988; Dittmar, 1994; Vigneron & Johnson, 2004; Wiedmann et al, 2007; Kauppinen-Räsänen et al, 2013
Social Desirability	Q13 a-g	Crowne & Marlowe, 1960

Appendix C – Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
BrandAttitudeLuxury1	114	1.00	7.00	5.8596	1.23286
BrandAttitudeLuxury2	114	1.00	7.00	6.1140	1.03700
BrandAttitudeLuxury3	114	2.00	7.00	6.0439	1.05083
BrandAttitudeNonLuxury1	114	1.00	7.00	5.6228	1.33960
BrandAttitudeNonLuxury2	114	1.00	7.00	5.5526	1.38954
BrandAttitudeNonLuxury3	114	1.00	7.00	5.5088	1.39687
ASCLuxury1	114	1.00	7.00	4.7456	1.69753
ASCLuxury2	114	1.00	7.00	4.4649	1.67321
ASCLuxury3	114	1.00	7.00	4.5175	1.72043
ASCNonLuxury1	114	1.00	7.00	4.9649	1.54536
ASCNonLuxury2	114	1.00	7.00	5.5526	1.50569
ASCNonLuxury3	114	1.00	7.00	5.0877	1.56036
ISCLuxury1	114	1.00	7.00	5.1930	1.70827
ISCLuxury2	114	1.00	7.00	4.6053	1.69130
ISCLuxury3	114	1.00	7.00	4.6228	1.78187
ISCNonLuxury1	114	1.00	7.00	4.5965	1.67078
ISCNonLuxury2	114	1.00	7.00	4.3070	1.60269
ISCNonLuxury3	114	1.00	7.00	4.3860	1.44827
MaterialisticValue1	114	1.00	7.00	5.0702	1.56691
MaterialisticValue2	114	1.00	7.00	4.0702	1.66547
MaterialisticValue3	114	1.00	7.00	4.3860	1.78246
MaterialisticValue4	114	1.00	7.00	4.4123	1.72853
MaterialisticValue5	114	1.00	7.00	5.1667	1.55670
MaterialisticValue6	114	1.00	7.00	4.7105	1.61148
MaterialisticValue7	114	1.00	7.00	3.3158	1.81106
StatusValue1	114	1.00	7.00	3.4912	1.75613
StatusValue2	114	1.00	7.00	2.9561	1.74676
StatusValue3	114	1.00	7.00	3.3509	1.88606
StatusValue4	114	1.00	7.00	3.4211	1.87624
StatusValue5	114	1.00	7.00	3.1491	1.76110
StatusValue6	114	1.00	7.00	3.5000	1.86372
StatusValue7	114	1.00	7.00	3.2632	1.83406
SociallyDesirableResponding1	114	1.00	2.00	1.3333	.47349
SociallyDesirableResponding2	114	1.00	2.00	1.3509	.47935
SociallyDesirableResponding3	114	1.00	2.00	1.4561	.50027
SociallyDesirableResponding4	114	1.00	2.00	1.7018	.45951
SociallyDesirableResponding5	114	1.00	2.00	1.3158	.46688
SociallyDesirableResponding6	114	1.00	2.00	1.5877	.49442
SociallyDesirableResponding7	114	1.00	2.00	1.5000	.50221
Age	114	18.00	37.00	26.0526	3.89654
Gender	114	1.00	2.00	1.4561	.50027
Education	114	1.00	3.00	1.8596	.51314
Valid N (listwise)	114				

Appendix D – Survey Statistics

Luxury Brands:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663 ^a	.439	.372	.8018604

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.833	12	4.236	6.588	.000 ^b
	Residual	64.941	101	.643		
	Total	115.774	113			

Non-Luxury Brands:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769 ^a	.591	.543	.8722010

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	111.236	12	9.270	12.185	.000 ^b
	Residual	76.834	101	.761		
	Total	188.070	113			