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# The determinants of attitudes towards luxury: moderated by saving and luxury

Dissertação de Mestrado em Marketing, apresentada à Faculdade de Economia da  
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*Dedico esta dissertação aos meus queridos pais, pelo seu carinho, força e motivação. Sem eles certamente não conseguia chegar a este ponto. Acreditaram sempre nas minhas capacidades, mesmo quando eu achava que era impossível.*

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## RESUMO

O segmento de luxo continua a ser pouco investigado embora seja um segmento lucrativo e em grande crescimento. A fim de maximizar o seu potencial, as marcas de luxo devem ter uma compreensão total das atitudes e percepção dos seus clientes, especialmente da forma como as suas táticas de marketing afectam as atitudes e intenção de compra dos seus potenciais compradores.

O objectivo principal desta tese é investigar os efeitos da comunicação das marcas sobre as atitudes e intenção de compra no mercado de luxo. Estudos anteriores demonstraram que as marcas têm efeitos *priming* sobre os consumidores, ao passo que *slogans* têm um efeito de *priming* inverso. A marca de luxo irá induzir o consumidor a gastar mais, enquanto que uma marca que não seja de luxo não vai induzir em gastos. *Slogans* exercem um efeito reverso: um *slogan* destinado a um artigo de luxo induz frugalidade, ao passo que um *slogan* que implica poupança irá induzir o consumidor a gastar mais. Assim, este estudo tem como objectivo mostrar se uma mensagem de poupança ou de luxo afecta os hábitos de compra dos indivíduos no sector de luxo. Isto seria particularmente interessante para o sector de luxo, uma vez que as mensagens encontradas na comunicação das marcas podem ser mais facilmente alteradas em comparação com *slogans*. Além disso, as mensagens podem ser modificadas e adaptadas a públicos específicos, ao passo que um *slogan* costuma ser o mesmo para todos os públicos.

O grupo investigado para este estudo foi seleccionado por meio de redes sociais e da rede de contactos do autor. Devido ao facto da autora ser canadiana, os participantes são uma mistura de canadianos e portugueses. Um teste de amostra T não revelou diferenças significativas entre os participantes canadianos e portugueses.

Foi utilizada uma análise empírica com uma metodologia quantitativa e descritiva. O questionário foi distribuído a 133 participantes. Uma vez que o luxo pode ser um termo subjectivo, foi solicitado aos participantes que pensassem num produto de luxo e

associassem as afirmações/perguntas do questionário ao seu produto escolhido.

Em conclusão, os resultados deste estudo foram variados. Verificou-se que a mensagem de poupança não teve efeito sobre a intenção de compra ou sobre a percepção global de luxo dos consumidores. No entanto, a mensagem de luxo teve um impacto positivo sobre a intenção de compra e na percepção geral de luxo. De acordo com a revisão de literatura, a mensagem de luxo deveria ter tido um efeito negativo sobre a intenção de compra. Além disso, este estudo concluiu que a experiência única, o valor simbólico, a mensagem de luxo e o valor simbólico dirigido a outros, têm uma influência positiva sobre a intenção de compra. Além disso, verificou-se que a mensagem de luxo, a vaidade física e a influência social têm um efeito positivo sobre a percepção global de luxo. Ou seja, uma marca de luxo que quer aumentar as vendas deve-se focar nas experiências únicas oferecidas pela marca, no valor simbólico e no valor simbólico dirigido a outros, bem como numa mensagem de luxo. Se uma marca de luxo pretende aumentar a sua percepção geral entre os consumidores, deve-se focar na vaidade física, na influência social e numa mensagem de luxo.

Palavras-chave: Luxo; Atitudes face ao luxo; Intenção de compra no mercado de luxo; Slogans; Comunicação publicitária; Comportamento do consumidor.

## ABSTRACT

The luxury segment is one of the fastest growing and most profitable segments, yet it is largely understudied. In order to maximize their potential, luxury brands must have a clear understanding of the attitudes and perceptions their potential clients have, especially how their marketing tactics affect the attitudes and purchase intention of their potential buyers.

The main objective of this thesis is to investigate the effects advertising copy has on attitudes and purchase intention in the luxury market. Previous studies have shown that brands have priming effects on consumers, whereas, slogans have a reverse priming effect. A luxury brand will induce a consumer to spend more, whereas, a non-luxury brand will not induce spending. Slogans exert a reverse effect, a slogan aimed at luxury induces thriftiness, whereas, a slogan that implies saving will induce the consumer to spend more. Thus, this study aims to show whether a savings or luxury message, in the form of a message and not a slogan, affects the shopping habits of individuals in the luxury sector. This would be particularly interesting for the luxury sector, since messages found in advertisements can more easily be changed in comparison to slogans. In addition, the messages can be altered and tailored for specific audiences, whereas a slogan tends to be the same for all audiences.

The group investigated for this study was selected via social networking sites and the author's network of family and friends. Due to the author's Canadian heritage and current living conditions, the participants were from Portugal and Canada. A sample T test revealed no significant differences between Canadian and Portuguese participants.

An empirical analysis with a quantitative and descriptive methodology was used. The questionnaire was distributed to 133 participants. Since luxury can be a subjective term, participants were asked to think of a luxury product and associate the statements/questions in the questionnaire to their chosen product.

In conclusion, the results of this study were mixed. It was found that the savings

message had no effect on purchase intention or on the overall luxury perception of consumers. However, the luxury message had a positive impact on purchase intention and the overall luxury perception. In accordance with the literature review the luxury message should have had a negative effect on purchase intention. Furthermore, this study found that unique experience, symbolic value, luxury message, and other directed symbolic value all have a positive influence on purchase intention. Moreover, it was found that luxury message, vanity-physical and social influence, have a positive effect on overall luxury perception. In other words, a luxury brand that wants to increase sales should focus on unique experiences offered by the brand; symbolic value and other directed symbolic value as well as a luxury message to consumers. If a brand wishes to increase their overall perception among consumers they should focus on physical vanity, social influence and a luxury message.

Key words: Luxury; Attitudes towards luxury; Purchase intention in a luxury market; Slogans; Advertising Copy; Consumer Behaviour.



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## INTRODUCTION

What is luxury? In order to answer that question, one must first consider the origins of luxury. The term luxury derives from the Latin word *luxus*, meaning “excess, extravagance, vicious indulgence.” (Berthlon, 2009). The old French term is *luxurie* means “lasciviousness, sinful self-indulgence,” (Berthlon, 2009). Therefore, in early times luxury had a negative connotation and only in the seventeenth century did it begin to receive a positive connotation (Berthlon, 2009). According to Berthlon, luxury is more recently associated with “escape from, or cure of, the ordinary and the struggle for betterment” (Berthlon, 2009).

Luxury has been around for centuries, although, what is considered luxurious has evolved and changed over time. In the seventeenth century rare pearls, crystals, perfumes and spices from the Caribbean were considered luxury; the focus in the nineteenth and early twentieth century was on high-quality products of exceptional craftsmanship (Berthlon, 2009). With the industrial revolution came the ability to mass-produce products, and thus, luxury became more about the brand (Berthlon, 2009).

carefully crafted symbols, which go beyond the material, beyond the craftsmen to invoke a world of dreams, images, signs, and motifs. Yet luxury as symbol is hardly new. During the Ch'in dynasty, red coral from the Mediterranean was perhaps the greatest symbol of status among Chinese nobility; during the Cultural Revolution, pet dogs were considered symbols of decadent luxury. (Berthlon, 2009)

Overtime luxury has undergone major shifts in locus, in the nineteenth century its focus was on craftsmanship, durability and the functional dimension (Berthlon, 2009). The locus then shifted to the symbolic, luxury brands are portrayed by dream worlds (Berthlon, 2009). Berthlon speculates that the third shift in locus can be termed the experience economy. Luxurious services are now perceived as luxurious experiences, where luxury hotels no longer offer a luxury service, but an experience (Berthlon, 2009). However, it is imperative that managers of luxury brands focus on all three dimensions and not over-focus on one and neglect the others (Berthlon, 2009). A few luxury brands, such as Prada and Gucci, have placed greater emphases on the symbolic at the expense of the functional dimension. Quality has declined, and while growing sales with the growth of new markets has masked the decline, these brands have declined among

connoisseurs (Berthlon, 2009).

Some consider luxury to go against community values, while others see it as a way to escape the mundane (Berthlon, 2009). One thing is certain, although luxury is one of the fastest growing and profitable brand segments, it remains largely under investigated and poorly understood (Berthlon, 2009). Therefore the objective of this study is to study attitudes towards luxury and purchase intentions when faced with messages endorsing saving versus messages endorsing luxury. This is a cross sectional study based on a structured questionnaire.

## **BACKGROUND AND LITERATURE REVIEW**

Luxury is a necessity that begins where necessity ends.  
Coco Chanel

### **INTRODUCTION**

A literature review focused on the objective of this study was conducted. This chapter provides a brief summary of the review performed. A brief background and a review of the luxury market is presented, as well as the antecedents of luxury purchase intention and consequents of attitudes towards luxury.

### **BACKGROUND**

The luxury market has grown approximately 10% per year since the 1980s, which is a higher growth rate than the world economy (Heine, 2011). The global luxury market is estimated at about 1 trillion when one considers traditional and non-traditional categories (fashion, jewellery, tableware, cars, services, and travel) (Bain & Company 2011, p. 2; BCG 2010, p. 1 and 2; KPMG 2010, p. 15; Heine, 2011).

With current economic uncertainty, the luxury market is, nevertheless, forecasted to grow by about five to six percent per year (Bain & Company, 2011 p 15; Heine, 2011). Although the fastest growing and most profitable segment is the luxury goods segment (Berthon et al., 2009; Shukla & Purani, 2010), the value perceptions associated with it are still under-investigated and poorly understood (Tynan et al., 2010; Vigneron & Johnson, 2004; Wiedmann et al., 2009; Shukla & Purani, 2010). Therefore, as the luxury market prepares for a year of uncertainty ahead – growth attributed to the emerging markets is softening, while growth in the USA and Europe is slowly increasing – it is imperative that luxury brands are able to clearly identify what drives sales and strengthen their market strategy (Pedraza, 2013). In order to achieve this, luxury brands must have a clear understanding of the attitudes and perceptions their potential clients have after the

uncertain and tumultuous financial period experienced throughout the world. The recession slashed marketing budgets and has created prudent marketers who shifted the focus from bling to heritage craftsmanship and longevity (Walker, 2009).

It is no secret that over the past decade the force behind the growth of the luxury market is a combination of the emerging markets and the striving middle class. However, in order to overcome the recessionary pressures that curtailed middle class spending, and continue to grow, many luxury brands opted for luxury outlets as their growth strategy (Pedraza, 2013). Unfortunately this quickly dilutes the brand image for various reasons. Firstly, the articles available at the outlets are of lower quality than the articles sold in the retail locations. Secondly, they lack the craftsmanship necessary to be considered luxury goods. Thirdly, luxury brands have often focused on a message of indulgence and status. And lastly, shoppers believe that the articles at the outlet store were once present at the retail locations (Pedraza, 2013). Thus, in the short term, outlets may have seemed like a good idea for luxury brands, however in the long term this can have an extremely negative effect on the brands image.

## WHAT IS LUXURY?

Luxury is a process, an experience rather than a thing.  
Berthlon

To date there is no consensus on the definition of luxury, it is a relative term that carries a different meaning for different people (Heine, 2011; Kapferer 2001, p. 319; see also Büttner et al. 2006, p. 10; Christodoulides et al. 2009, p. 397; De Barnier et al. 2006, p. 5; Kapferer 1996, p. 76; Kapferer 1998, p. 44; Korneli 2007, p. 3; Reich 2005, p. 33; Valtin 2004, p. 15; Vigneron and Johnson 2004, p. 485 and Yeoman and McMahan-Beattie 2006, p. 321).

...luxury is a relative term that could refer to almost anything or nothing

depending on whom you ask. In addition, luxury has today become an inflationary used and worn out label for almost anything (Berry 1994, p. 3; Vickers and Renand 2003, p. 460). For instance, some discount supermarkets and beer brands claim to sell “luxury for everyone.” On the contrary, most luxury brands refrain from explicitly declaring their products as luxury, while at the same time actually selling more and more non-luxury products. In addition, there are an increasing number of non-luxury brands selling luxury products or “masstige” products with (at least) some feeling of luxury (Silverstein and Fiske 2003, p. 50; Truong et al. 2009, p. 376). (Heine, 2011)

Luxury is more than a specific characteristic or set of attributes, it is much more complicated and leads to the problem of a single definition (Berthon, 2009). Luxury is more than the material; one can't simply look at a luxury good and identify what it is that makes it a luxury good (Berthon, 2009). Luxury cannot be reduced to the material, it is a concept and as such is dependent on social and individual contexts (Berthon, 2009). In other words, what is considered luxury varies with social context and with personal choice, what one person finds luxurious another might find valueless (Berthon, 2009).

Wiedmann and Cornell also agree that luxury is difficult to define and think it is a combination of human involvement, limited supply and value recognition by others (Wiedmann, 2007; Cornell 2002, p. 47). Luxury can be contrasted to functional objects whose main purpose is to relieve discomfort, whereas luxury is desirable, provides pleasure, and is non-essential (Wiedmann, 2007; Berry, 1994).

To begin with, luxury is defined as something that is more than necessary. In contrast to necessity, some authors also characterize luxury by non-necessity and superfluity. The distinction between necessity and luxury is based on the availability or exclusivity of resources. While necessities are possessed by virtually everyone, luxuries are available exclusively to only a few people or at least only on rare occasions (Heine, 2011).

Chaudhuri has criticized the necessity-luxury theory above. Consumers spend the biggest portion of their income on goods that are neither a necessity nor a basic need, however, not all of these goods are considered luxury goods (Chaudhuri, 1998; Heine, 2011). Chaudhuri developed a seven-point scale to measure luxury and necessity as two separate variables and no significant relationship was found. Moreover, he found that certain items, such as cornflakes, frozen dinners and potato chips received low ratings on both variables, this suggests that a third category for ordinary items is needed (Heine,

2011). However, by not including ordinary goods as necessities, Bearden and Etzel somewhat considered this third category of goods (Bearden and Etzel, 1982; Heine 2011). The scale can be thought of as a necessity-ordinary-luxury scale (Heine, 2011).

For instance, most people rarely have moths in their wardrobe, but still do not consider this extraordinary occurrence a luxury. This demonstrates that the characterization of luxury as non-necessary and superfluous can be misleading because luxury is always meant to satisfy some human needs and desires. Luxury is anything that is desirable and more than necessary and ordinary ... Luxury products have more than necessary and ordinary characteristics compared to other products of their category, which include their relatively high level of price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning. (Heine, 2011)

Wiedmann states that luxury goods satisfy both psychological and functional needs and bring esteem to users (Wiedmann, 2007). According to Wiedmann, Arghavan and Zaichkowsky what differentiates luxury from non-luxury and counterfeits is the added psychological benefits luxury products bring. (Arghavan and Zaichkowsky 2000; Wiedmann, 2007)

Consumers can have both positive and negative feelings towards luxury (Hanzaee et al, 2012). According to Janzaee et al, “individuals spontaneously associated the term luxury with expressions such as upscale, quality, good taste and class, as well as flashiness and bad taste” (Hanzaee et al, 2012). Therefore, it can be said that the concept of luxury is a subjective matter since it can take on different forms and will depend on context and the people concerned (Hanzaee et al, 2012).

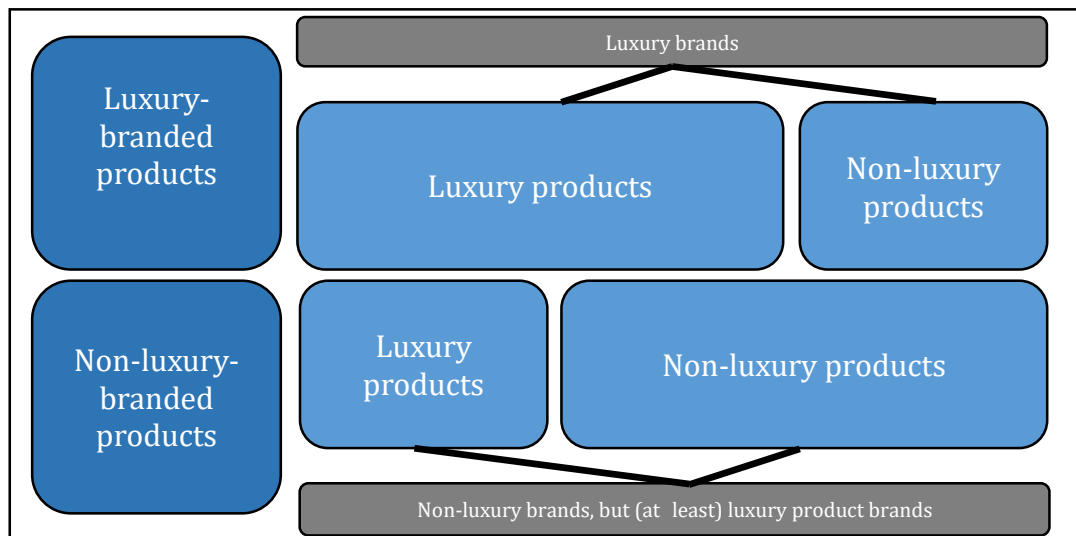
This paper will rely on the definition utilized by Kuang-peng Hung, Annie Huiling Chen, Peng, Hackley, Rungpaka & et al (2011). They have defined luxury as “a branded product that is carefully crafted, unique, and conspicuous” (Hung et al, 2011). In addition, luxury goods must represent value to the individual and their reference group (Wiedmann, 2007).

## Luxury Brands

Luxury brands are brands whose product portfolio comprises of luxury products, however, not all of their products need be luxury products (Kapferer and Bastien 2009b, p. 312; Heine, 2011). Although, non-luxury brands are perceived as having non-luxury products, this is not the case as many non-luxury brands offer luxury products (Heine, 2011). However, without luxury products it is impossible to have a luxury brand (Heine, 2011).

Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations. (Heine, 2011).

**Diagram 1: The Relationships between Luxury Products and Brands**



Source: Heine 2011

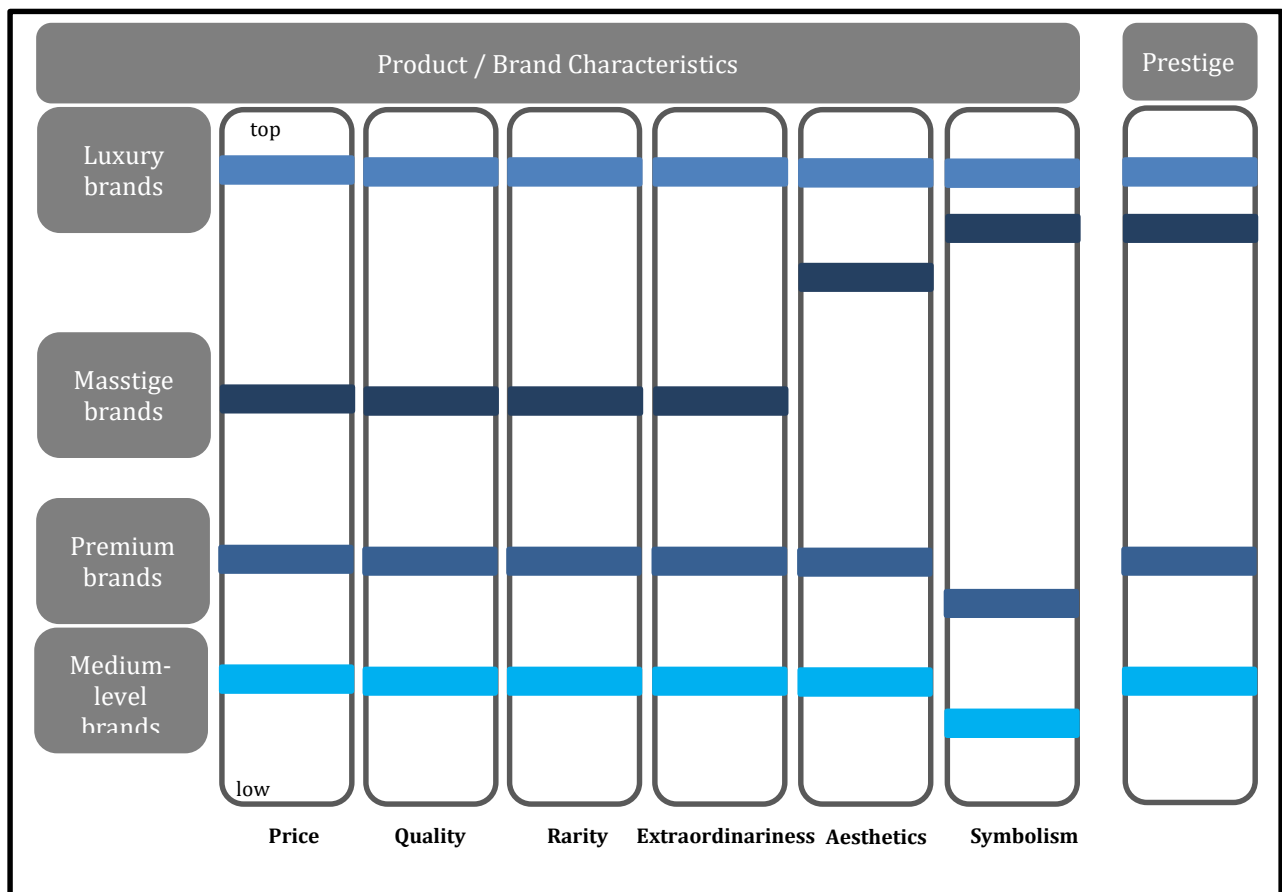
### Premium vs luxury brands

According to Heine, the main difference between premium and luxury brands is that luxury brands focus on "creating symbolic meaning" (Heine, 2011), whereas premium brands put much more emphasis on functional characteristics (Heine, 2011).

Masstige vs luxury brands

Masstige brands, also known as “new luxury”, are brands that offer prestige to the masses (Kapferer and Bastien 2009b, p. 312; Heine, 2011). Examples of masstige brands are Coach, Godiva, Starbucks and Victoria’s Secret (Silverstein and Fiske 2003, p. 51; Heine, 2011). Similarly to luxury brands, masstige brands place a high emphasis on symbolic benefits, prestige, shine and design, however, they are not luxury brands (Heine, 2011).

**Diagram 2: Luxury Brands vs. Premium and Masstige Brands**



Source: Heine 2011

Prestige Products and Brands

Prestige is not sufficient to distinguish luxury from non-luxury brands (Heine, 2011). Luxury brands have prestige, however, not all prestige brands are luxury brands (Heine, 2011). For example, Adidas sneakers (a premium brand) or Godiva chocolates (a



masstige brand) are high in prestige, but they are not luxury brands (Heine, 2011).

The study carried out by Dubois and Czellar (2002, p. 3) also demonstrates that in many categories, prestige can be achieved independently of luxury and that luxury and prestige are also perceived as different in the eyes of consumers. (Heine, 2011)

## THE FOCUS ON LUXURY

This study will allow the participant to state a luxury product of their preference, thus whether or not a participant considers a selected product a luxury product will not be an issue. According to Heine, participants should not be imposed a product the experimenter deems to be a luxury product since

... it is inappropriate to identify the characteristics of luxury products merely based on the respondent's statements, which could be biased by their lacking knowledge, confusions about the object of investigation and social desirability. (Heine, 2011)

Also, since we are measuring the antecedents of luxury purchase intention and purchase intention, it makes sense to measure those scales against an object the participant considers luxurious, and not an object the author feels is luxurious and desirable to all.

## WHAT DRIVES PURCHASE INTENTION?

It is not surprising that studies suggest that in order for consumers to perceive value from the higher prices charged for luxury brands, the marketing of luxury goods requires a unique approach (Shukla & Purani, 2010). Thus, it is imperative that luxury brands understand what drives the purchase of their products in order to create solid marketing campaigns that connect with their potential customers. In other words, they must take into consideration the antecedents of luxury brand purchase intention.

The antecedents of luxury purchase intention have been studied by Hung et al

(2011), Berthon et al. (2009), Tsai (2005), and Vigneron and Johnson (2004). Although the terms used by each may differ, they all refer “to the influence of the self and external world on luxury brand consumption”. (Hung et al, 2011). This paper will use the terms by Hung et al (2011), who identified various antecedents of luxury purchase intention: social influence, functional value, experiential value, symbolic value, physical vanity and achievement vanity. These antecedents help identify what drives the purchase of a luxury product.

### **Social influence**

Social influence is the external factor that stimulates an individual to purchase a luxury brand (Hung et al 2011). Consumers who are socially oriented tend to display their status and success through the acquisition of luxury brands (Tsai 2005).

In addition to the user's perceptions, which are internal, external factors also contribute to a possession's perceived value. This is because a brand's value can hardly operate outside of its community, and this is particularly apparent when the purpose of a luxury brand purchase is to signify wealth, trade up in social status, and/or seek approval (Hung et al 2011).

### **Functional value**

According to Shukla & Purani, “luxury goods are sought for their higher quality and functionality and have an association with the overall price perception” (Shukla & Purani, 2010). Functional value can be defined as what a product does and how well it performs and not what it represents (Hung et al., 2001; Berthon *et al.*, 2009; Sweeney and Soutar, 2001). At the core of functional value is quality, which “is the key to satisfying the consumers' need to fulfill functional value” (Hung et al., 2011). Functional value refers to whether a product possesses the desired characteristics, performs its desired function and is useful (Shukla & Purani, 2010). According to consumers a luxury product should be usable, high in quality and unique, and satisfy their desire to differentiate (Shukla & Purani, 2010). One of the most important purchasing factors is how useful a product is (Shukla & Purani, 2010). Therefore, the three elements used to describe functional value

are uniqueness value, quality value and usability value (Hanzaee et al, 2012).

Uniqueness Value:

Luxury brands rely heavily on exclusivity and a brand's value depends on how unique or rare it is (Hanzaee et al, 2012). Since distinction and exclusivity are expected from luxury brands, luxury brands attempt to control the unique experience through high-end department stores, specialty stores and personally owned boutique stores (Hanzaee et al, 2012).

Quality Value:

In order to perceive more value from luxury products, consumers tend to associate them with superior quality (Hanzaee et al, 2012). This perceived superior quality suggested in the brand name is one of the reasons consumers buy luxury products (Hanzaee et al, 2012).

Usability Value:

Usability value is the product's/service's core benefit in satisfying the consumer's needs (Hanzaee et al, 2012).

## Experiential value

de gustibus non est disputandum"—“there is no disputing taste.  
Berthlon

Experiential value is the subjective feeling or thought an individual has that the product is rare, precious, and unique (Hung et al, 2011). This value is capable of altering an individual's identification and behaviour (Hung et al, 2011; Holbrook, 1999). In other words, what determines luxury is ultimately a person's subjective taste (Berthlon, 2009). One person might consider an item/experience to be epicurean, while another might find it bland (Berthlon, 2009). Berthlon gives the example of the Kopi Luwak, the most expensive coffee in the world, which sells mainly in the United States and Japan for \$100-\$600 per pound (Berthlon, 2009). The Kopi Luwak receives mixed perceptions from coffee

connoisseurs, some value the unique bitter flavour, while others find it repulsive since the bitter flavour is due to the fact that the bean has gone through the digestive system of the Asian Palm Civet (Berthlon, 2009).

Nowadays marketers place a high emphasis on the experiential and brand experience, which is characterized as “sensations, feelings, cognitions, and behavioural responses evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments” (Berthlon, 2009).

Hanzaee et al, refer to the experiential value as hedonic value and describe it as the positive emotional experience that arises from consumption and attracts consumers to luxury products (Hanzaee et al, 2012).

### **Symbolic value**

When deciding what to purchase, consumers not only rely on the products’ utility, but also the symbolic value of the product (Wattanasuwan, 2005). Wattanasuwan states that symbolic meaning is present, whether consciously or unconsciously, in all voluntary consumption (Wattanasuwan, 2005). In other words, when given a choice people consume items that have a particular symbolic meaning (Wattanasuwan, 2005).

Symbolic value can be summed up as a product that portrays conspicuousness, expensiveness, and wealth. In other words, “some individuals consume a luxury brand for the symbolic meaning it communicates to the world about the owner's wealth and value” (Hung et al., 2011).

According to Hanzaee et al, they refer to symbolic value as social value and they divide social value by two dimensions: conspicuousness value and prestige value (Hanzaee et al, 2012).

### **Conspicuousness Value:**

According to Hanzaee et al, consumers will send positive signals about their status

to others through the consumption of luxury goods; furthermore, this effect is enhanced when there is a high level of reference group influence present (Hanzaee et al, 2012). Hanzaee et al, goes on to say that, “when individuals consume luxury goods and services conspicuously they are sending a signal to others about their relative status in society” (Hanzaee et al, 2012).

*Prestige Value:*

Across time and cultures, people have pursued status through consumption (Hanzaee et al, 2012). Luxury possessions are a symbolic sign of an individual belonging to a certain group, in addition they encourage individuals to conform to affluent lifestyles (Hanzaee et al, 2012).

**Symbolic meaning and a brand’s personality**

According to Heine, symbolic meaning is strongly connecting to brand personality (Heine, 2011), it conveys human values and lifestyles to the brand (Kapferer 2001, p. 321; Vigneron and Johnson 2004, p. 490). Heine identifies five major dimensions for luxury brand personality: modernity, prestige, sensuality, understatement and eccentricity (Heine, 2011).

Luxury products cannot symbolize anything, but just as with their aesthetics, they need to comply with the worldview and taste of the upper class. Kapferer and Bastien argue that “the DNA of luxury is the symbolic desire to belong to a superior class.” Therefore, all luxury brands have to possess a high level of prestige, which they also have to symbolize at least to some extent (Heine, 2011).

A luxury brand has a strong influence on the symbolic meaning of its luxury products (Meffert and Lasslop 2003, p. 5; Nueono and Quelch 1998, p. 62; Heine, 2011). In addition, product design (Kotler et al. 2007, p. 636; Valtin 2004, p. 116; Heine, 2011) or product information (for example linking a product to a celebrity), are two methods to attach symbolic meaning to a product (Heine, 2011). “Luxury products are often linked to popular celebrities, prestigious events or an attractive country-of-origin” (Keller 2009, p. 292; Heine, 2011).

### Self-directed symbolic/expressive value

Either through gift-giving or actual possession, luxury goods can make consumers feel good about themselves (Shukla & Purani, 2010). Several studies have found a link between luxury goods and the consumer's self-worth (Shukla & Purani, 2010; Tsai, 2005; Vigneron & Johnson, 2004). Self-directed symbolic/expressive value can be defined as "as the extent to which consumers attach or associate psychological meaning to a product" (Shukla & Purani, 2010; Smith and Colgate, 2007). In other words, possessions help us define who we are while accommodating our transitions, and allow us to reflect on our past and how we have changed (Wattanasuwan, 2005). In addition, possessions allow us to envision possible selves (Wattanasuwan, 2005).

### Other-directed symbolic/expressive value

Other-directed symbolic/expressive value refers to the desirability and status that luxury items provide users with (Shukla & Purani, 2010; Moore & Birtwistle, 2005). The consumer's experience can be shaped by interpersonal interactions and social environment (Shukla & Purani, 2010; Bearden, Netemeyer, & Teel, 1989; Verhoef et al., 2009), increasing the appeal of luxury goods. According to Wattanasuwan, consumption brings meaning to our life (Wattanasuwan, 2005). Consumption is used to locate us in society, as well as to maintain and create the self (Wattanasuwan, 2005). According to Hanzaee et al, "consumers may use luxury items to integrate symbolic meaning into their own identity" (Hanzaee et al, 2012).

### **Physical and achievement vanity**

There is no concise formal definition of vanity, although the term is used in many contexts (Netemeyer, 1995). According to Netemeyer, the term vanity encompasses two recurring themes: a physical appearance aspect and an achievement aspect (Netemeyer, 1995). Netemeyer goes on to say that "these two themes incorporate both a concern for, and a positive (perhaps inflated) view of, one's physical appearance and personal achievements" (Netemeyer, 1995). Therefore, Netemeyer concludes that vanity has four

trait components: concern for physical appearance; positive, and even inflated, view of physical appearance; concern for achievement; and lastly, a positive, and even inflated, view of achievement (Netemeyer, 1995).

Vanity is the connection “between an individual's self and his/her desired external world through symbolic and sensory fulfillment” (Hung et al 2011). Physical vanity can be somewhat hidden with the use of personal products, whereas vanity with regard to social status and power is an outward display of status objects (Hung et al., 2011).

Studies by Durvasula *et al.* 's (2001) linked vanity with the consumption of luxury fashion brands.

By studying the relationship between individuals who are prone to vanity and their spending on high-prestige products, they concluded these consumers will keep wanting and consuming new products, including fashion goods, to satisfy their voracious appetite and self-esteem. (Hung et al 2011)

In addition, Hung et al. further demonstrated that vanity not only affects behaviour, but it is also a moderator “between perceptions and the influence of social context on purchase intention (Hung et al, 2011; Feiereisen et al., 2009; Mandel et al., 2006).

### Physical Vanity

Netemeyer defines physical vanity as “an excessive concern for, and/or a positive (and perhaps inflated) view of, one's physical appearance” (Netemeyer, 1995). The demand for cosmetics, clothing and other appearance-related products is due to the fact that physical appearance is imperative in establishing an individual's self-concept (Netemeyer, 1995). A concern for physical attractiveness can lead to not only positive consumption behaviors (such as exercising or healthy eating habits), but to negative behaviors (such as eating disorders, cosmetic surgeries and addictive behaviors) (Netemeyer, 1995).

### Achievement Vanity

Netemeyer defines achievement vanity as “an excessive concern for, and/ or a positive (and perhaps inflated) view of, one's personal achievements” (Netemeyer, 1995). Consumer aspirations are strongly associated with personal and career goals (Dholakia and Levy 1987; Mason 1981; Netemeyer, 1995). According to Belk (1985), conspicuous consumption is one form of justifying an individual's drive for achievements (Netemeyer, 1995). Materialism is often a symbol of achievement and personal achievements are shown off with possessions (Netemeyer, 1995).

### What's in a message?

Laran, Dalton, & Andrade state that it has been shown that the brand of an item can affect the amount a subject is willing to spend. For example, when exposed to luxury brands, subjects claimed to spend 26% more on average than on neutral brands (Laran, Dalton, & Andrade, 2011). When exposed to brands associated with saving money, they indicated they would spend 37% less than on neutral brands (Laran, Dalton, & Andrade, 2011). Clearly, brands have an effect on consumer purchase intention. This finding is promising for luxury brands, since consumers report that they are willing to spend more on luxury.

Interestingly, this study included priming the same participants with slogans as well, and not just brands. When primed with a slogan that is meant to induce spending (a luxury slogan) subjects claimed to spend 26% less than on a neutral slogan. However, they claimed to spend 29% more when the slogan induced them to save in comparison to a neutral slogan (Laran et al., 2011).

Five experiments demonstrate that brands cause priming effects (i.e. behavioral effects consistent with those implied by the brand), whereas slogans cause reverse priming effects (i.e., behavioral effects opposite to those implied by the slogan). For instance, exposure to the retailer brand name "Walmart," typically associated with saving money, reduces subsequent spending, whereas exposure to the Walmart slogan, "Save money. Live better," increases it. (Laran, Dalton, & Andrade, 2011)



This finding may suggest that a strong luxury brand will have a positive effect on purchase intention and exposing consumers to a message aimed at saving can further compound this effect. People tend to perceive slogans as persuasion tactics and thus “the reverse priming effect is driven by a non-conscious goal to correct for bias and can occur without any conscious mediation (i.e., following subliminal exposure to the word "slogan"). These findings provide evidence that consumer resistance to persuasion can be driven by processes that operate entirely outside conscious awareness.” (Laran, Dalton, & Andrade, 2011)

This study will attempt to prime participants with the slogans used in the Laran, Dalton, & Andrade, study that have been slightly altered so that they may be applied to the brand the participant has selected. The objective is to discern if asking the participants to relate a luxury product to a given set of slogans/phrases will alter their purchase intention. The study will rely solely on print, similarly, luxury brands depend heavily on print when advertising (Kautsy, 2009), therefore, static imagery and content are paramount.

Anytime you can advertise and have a complementary editorial component as well, it's a much stronger message. Fashion magazines are one of the only places where women read the ads in the same way they read the articles... (Kautsy, C. 2009).

Brand names, slogans, endorsers, pricing and salespeople are only a few of the marketing tactics that influence consumer behaviour in an automatic manner that is subtle and that consumers are unaware of (Janiszewski 1988; Shapiro 1999; Wyer 2008; Laran, Dalton, & Andrade, 2011). Consumers may be induced to think or behave in a particular manner with even incidental exposure to a marketing tactic (Berger and Fitzsimons 2008; Fitzsimons, Chartrand, and Fitzsimons 2008; Laran 2010c). For example, Chartrand and Huber found that exposure to the brand name Walmart primes value, while exposure to the brand name Nordstrom primes luxury (Chartrand, Huber, et al. 2008). Laran, Dalton, & Andrade question whether all marketing tactics are equally effective in priming consumers and if there are tactics that may even produce the opposite effect of a marketers’ objective (Laran, Dalton, & Andrade, 2011). In other

words, some marketing tactics that imply spending money may actually induce the consumer to be thriftier, thus certain marketing tactics may have a reverse priming effect on behaviour (Laran, Dalton, & Andrade, 2011).

Laran, Dalton and Andrade believe priming effects of marketing tactics are reversed when the tactic is perceived as the source of persuasion by the consumer (Laran, Dalton, & Andrade, 2011). Although all marketing tactics are a source of persuasion, some are not perceived as such by consumers (Laran, Dalton, & Andrade, 2011). Consumers often resist marketing efforts thus leading one to assume that the perception regarding persuasion intent is equal across all marketing tactics (Dimofte, Forehand, and Deshpandé 2003; Knowles and Linn 2004; Meyers-Levy and Malaviya 1999; Laran, Dalton, & Andrade, 2011). However, Laran, Dalton, & Andrade, have found that the perception varies tremendously across tactics and in some cases can be quite favourable (Laran, Dalton, & Andrade, 2011).

Consumers tend to attribute humanlike personality to brands, develop emotional attachments and share commitments with brands instead of treating them like a marketing tactics (Aaker 1997; Aaker, Fournier, and Brasel 2004; Laran, Dalton, & Andrade, 2011). Since a brand name is a generic feature all products have (like price), consumers do not perceive it as a persuasion tactic (Laran, Dalton, & Andrade, 2011). On the other hand, slogans are used to persuade and sell (Dimofte and Yalch 2007; Laran, Dalton, & Andrade, 2011)

In order to fully comprehend what transpires behaviourally and psychologically when consumers are faced with brands vs slogans, a brief understanding of correction and automaticity is needed (Laran, Dalton, & Andrade, 2011). Correction research shows that mental processes and behaviours are initiated to correct for potential influence when consumers encounter a source of unwanted bias (Petty, Wegener, and White 1998; Williams, Fitzsimons, and Block 2004; Wilson and Brekke 1994; Laran, Dalton, & Andrade, 2011). Counterargument (Kardes 1988, 2005), negative evaluation of the persuasion source (Campbell and Kirmani 2000; Main, Dahl, and Darke 2007), and reversed

behaviours/preferences (Fitzsimons and Lehmann 2004; Wicklund 1970) are a few of the responses elicited by correction (Laran, Dalton, & Andrade, 2011).

Consumers may come to rely on routine, spontaneous processes and responses, the greater their exposure and knowledge of marketing tactics is (Darke and Ritchie 2007; Friestad and Wright 1994; Laran, Dalton, & Andrade, 2011). Behaviour, that was once a consciously mediated correction may be activated and can influence behaviour non-consciously if certain tactics are repeatedly met with scepticism (Bargh 1990; Laran 2010a; Laran, Dalton, & Andrade, 2011). Slogans can induce a non-conscious form of correction since they are used extensively, are perceived as persuasion tactics by consumers and consumers are continuously exposed to them in their daily life (Laran, Dalton, & Andrade, 2011).

Laran, Dalton, & Andrade, postulate that since slogans automatically activate a correction process and brands do not, then they should have opposite effects on behaviour (Laran, Dalton, & Andrade, 2011). In others words, consumers will behave in a manner consistent to the brands, but opposite to that implied by the slogans (Laran, Dalton, & Andrade, 2011). According to Laran, Dalton, & Andrade,

the correction process would extend beyond the slogan that provoked it and would affect a consumption decision that is not directly related to it. As is often the case, correction would be excessive and would result in a reversed behavioral effect (Laran, Dalton, & Andrade, 2011).

Furthermore research has shown that following exposure to prestige brands, consumers evaluate prestige products more favourably (Chartrand, Huber, et al. 2008; Laran, Dalton, & Andrade, 2011). Research shows the converse is also true, exposure to value brands leads consumers to evaluate value products more favourably (Chartrand, Huber, et al. 2008; Laran, Dalton, & Andrade, 2011). In sum, the brand Walmart will elicit thriftiness, whereas it's slogan, 'Save money. Live better', elicits indulgence (Laran, Dalton, & Andrade, 2011).

In summary, Laran, Dalton, & Andrade, conducted five studies that show that: marketing stimuli perceived as persuasion tactics causes a reverse priming effect; a non-

conscious correction goal mediates the reverse priming effect, and; this may occur without conscious intervention (Laran, Dalton, & Andrade, 2011). In other words, the brands generated a priming effect, whereas the slogans generated a reverse priming effect (Laran, Dalton, & Andrade, 2011). The “five experiments collectively suggest that exposure to marketing tactics can activate concepts and goals related to persuasion that generalize to subsequent consumer decisions and can provoke a behavioral backlash against the tactic” (Laran, Dalton, & Andrade, 2011).

### **Consequents of attitudes towards luxury**

In social psychology attitudes can be defined as "a relatively enduring organization of beliefs, feelings, and behavioral tendencies towards socially significant objects, groups, events or symbols" (Hogg, & Vaughan 2005, p. 150). In other words, attitudes are the perceptions and values individuals place on product attributes (Bass & Talarzyk, 1972). Attitudes towards luxury help an individual evaluate and compare luxury products; furthermore, understanding an individual's attitude towards luxury predicts consumer behavior (Smith et al, 2008).

Social psychology research helps explain how consumer attitudes are translated into consumer behavior. Researchers have focused on varying aspects of consumer attitudes and behavior, such as aspects of the consumer (Swinyard, 1993), social factors on consumer choice (White & Dahl, 2006), the differences between explicit and implicit consumer preferences and how they interact to impact consumer choice (Friese, Wanke, & Plessner, 2006), how consumer choice is impacted by affective versus cognitive aspects (Scarabis, Florack, & Gosejohann, 2006), and lastly researchers have focused on models of the attitude-behavior relationship, such as the theory of planned behavior (Ajzen, 1985; Smith et al, 2008).

### **Theory of planned behavior**

The theory of planned behavior, TPB for short, is used to predict human behavior and is one of the most well supported theories in social psychology (Smith et al, 2008). The theory revolves around the notion that behavioural decisions are not made spontaneously but are carefully reasoned processes influenced by attitudes, norms and perception of behavior control (Smith et al, 2008).

The model proposes that attitude (i.e., the evaluation of the target behavior), subjective norms (i.e., perceived social pressure regarding performance of the behavior), and perceived behavioral control (PBC; i.e., perceived control over performance of the behavior) influence behavior primarily through their impact on behavioral intention. Hence, intention is seen as the proximal determinant of behavior. PBC is thought to have both a direct effect on behavior and an indirect effect via intention. (Smith et al, 2008)

The model has received extensive research over the last two decades and has received widespread support (Smith et al, 2008; Armitage & Conner, 2001). In addition, the model has shown predictive capacity across many consumer domains, such as food choices (Cook, Kerr, & Moore, 2002; Louis, Davies, Smith, & Terry, 2007), intention to purchase products that are environmentally friendly (Kalafatis, Pollard, East, & Tsogas, 1999) or luxury products (Mannetti, Pierro, & Livi, 2002) or celebrity merchandise (Chiou, Huang, & Chuang, 2005), or use of coupons (Kang, Hahn, Fortin, Hyun, & Eom, 2006), and even shoplifting (Tonglet, 2002).

Furthermore, marketing psychologists believe that the TPB is not only useful for predicting consumer behavior, but also for influencing it (Smith et al, 2008; Bansal & Taylor, 1999; Fortin, 2000).

### **Segmenting attitudes towards luxury**

After a two-stage empirical study, with participants from over 20 different countries, Dubois et al have identified three segments to describe the different attitudes towards luxury (Dubois et al, 2005). The three segments identified were elitist, democratic and distance (Dubois et al, 2005). Individuals in the elitist segment view

luxury as only appropriate for a small elite, whilst those in the democratic segment view luxury as being open to a larger group (Dubois et al, 2005). More specifically, those who were identified as having elitist attitudes believe that few people should own luxury goods and that luxury is for people who are refined (Dubois et al, 2005). They believe luxury helps users differentiate themselves and shows that they have good taste (Dubois et al, 2005). Luxury is very expensive and shouldn't be mass produced nor available in supermarkets (Dubois et al, 2005).

On the other hand, those in the democratic segment tend to be more open minded regarding luxury and not only believe that everyone should have access to luxury, but that many people own luxury goods (Dubois et al, 2005). More specifically, they don't believe luxury is only for refined people, nor do they believe that education is needed to enjoy luxury (Dubois et al, 2005). Luxury may or may not be very expensive, it should be mass produced and widely available (Dubois et al, 2005). Dubois et al note that

this open attitude toward luxury is a positive one that connotes no specific restrictions. In fact, we also might regard it as a proselytizing posture: Luxury is good, and there is no reason why access to it should not be widely accessible. This concept is opposed to the vision of the elitists, who also think that luxury is good, but believe it is, and should be, restricted to a small group (Dubois et al, 2005).

Lastly, those categorized in the distance segment believe that they do not belong in the world of luxury (Dubois et al, 2005). There are various differences between this group and the previous two. The consumers identified as distant do not find luxury attractive, "like luxury less, dream less about it, do not think it makes life beautiful, are less interested in it, and are less likely to talk for hours about it" (Dubois et al, 2005). Distant consumers have a more negative perception of luxury and find it useless and too expensive (Dubois et al, 2005). In terms of behavior, they do not buy luxury goods and feel that a replica is just as good as the original item (Dubois et al, 2005). Moreover, they display feelings of estrangement towards luxury, they do not feel comfortable in a luxury store, claim that they do not know a lot about luxury, and feel repulsed if they use luxury items (Dubois et al, 2005). In addition, individuals in this segment feel like they are far removed from the world of luxury (Dubois et al, 2005). They feel that luxury is flashy and

old-fashioned and that users are trying to imitate the rich and are snobbish (Dubois et al, 2005). Lastly they also believe that luxury should be taxed more (Dubois et al, 2005).

### **Overall luxury value perception**

According to Smith and Colgate, overall luxury value perceptions are a very strong predictor of purchase intentions (Smith and Colgate, 2007; Shukla & Purani, 2010). In a similar fashion, Wiedmann et al. and Tynan et al have come to the same conclusion: luxury purchase intention may be significantly influenced by overall luxury value perceptions (Wiedmann et al, 2009; Tynan et al, 2010; Shukla & Purani, 2010).

### **Purchase intention**

Purchase intention has been shown by various scholars as having a direct impact on purchase behaviour (Hung et al, 2011; Ajzen and Driver, 1992; Pierre *et al.*, 2005; Schlosser *et al.*, 2006). For the purpose of this study, purchase behaviour would be difficult to measure, since it would imply that participants be faced with the decision to buy a luxury good at the time of the study and this would greatly limit the author's access to participants. Therefore, this study will focus on intention rather than behaviour.

## **CONCLUSION**

From the literature review it can be concluded that luxury brands must have a clear understanding of the attitudes and perceptions their potential clients have, especially since the luxury segment is one of the fastest growing and most profitable segments (Berthon et al., 200; Shukla & Purani, 2010). An attempt to define luxury and luxury brands was made using the differences between premium, luxury, masstige and prestige brands to highlight the definition.

Following the background and definition of luxury, the antecedents of luxury purchase intention were presented and defined. The antecedents of luxury purchase intention are: social influence, functional value, experiential value, symbolic value, physical vanity and achievement vanity. These antecedents help identify what drives the purchase of a luxury product.

Furthermore, studies were presented that show that a strong luxury brand will have a positive effect on purchase intention, in other words, consumers display a higher willingness to spend more on luxury brands versus non-luxury brands. Whereas, exposing consumers to a slogan aimed at saving elicits a greater willingness to spend. Therefore, a slogan aimed at saving can further compound the willingness consumers have to spend on luxury brands.

Finally, the consequents of attitudes towards luxury were presented. The consequents of attitudes towards luxury are overall luxury perception and purchase intention.



## CONCEPTUAL FRAMEWORK

### INTRODUCTION

After reviewing the literature and the theoretical framework of attitudes and purchase intention of luxury goods when presented with saving/luxury messages, this chapter will present the conceptual framework for this study. More specifically, it will detail the research paradigm, the proposed research model, and the hypothesis.

### RESEARCH PARADIGM

The purpose of this study is to investigate the attitude towards luxury items and purchase intention of luxury items. A model with variables drawn from a review of the literature in this area has been developed to analyze the impact on purchase intention. Various hypotheses, based on theoretical models recognized by others, have been generated and combined with the data obtained from the questionnaire distributed among participants.

In an article published in the Harvard Business Review, Laran, Dalton, & Andrade state that it has been shown that the brand of an item can affect the amount a subject is willing to spend. For example, when exposed to luxury brands, subjects claimed to spend 26% more on average than on neutral brands. When exposed to brands associated with saving money, they indicated they would spend 37% less than on neutral brands (Laran, Dalton, & Andrade, 2011). Clearly, brands have an effect on consumer purchase intention. This finding is promising for luxury brands, since consumers report that they are willing to spend more on luxury.

Interestingly, this study included priming the same participants with slogans as well, and not just brands. When primed with a slogan that is meant to induce spending (a luxury slogan) subjects claimed to spend 26% less than on a neutral slogan. However, they claimed to spend 29% more when the slogan induced them to save in comparison

to a neutral slogan (Laran, Dalton, & Andrade, 2011). This finding may suggest that a strong luxury brand will have a positive effect on purchase intention, furthermore, inducing consumers to spend more on luxury with a message aimed at saving can further compound this effect.

The main objective of this thesis is to investigate the effects advertising copy has on attitudes and purchase intention in the luxury market. More specifically, whether the savings message mentioned previously applies to the shopping habits of individuals in the luxury sector. This would be particularly interesting for the luxury sector, since messages found in advertisements can more easily be changed in comparison to slogans. In addition, the messages can be altered and tailored for specific audiences, whereas a slogan tends to be the same for all audiences.

## **PROPOSED RESEARCH MODEL**

After an extensive literature review on attitudes and purchase intention of luxury goods when presented with savings/luxury messages, a research model was developed. The model is comprised of various variables investigated by various authors. See Table 1 for a list of variables and respective authors.

**Table 1: Variables and their respective authors**

Variable	Author(s)
Savings message	Laran, Dalton, & Andrade (2011)
Purchase intention	Hung et al (2011)
Social influence	Hung et al (2011)
Self-directed symbolic value	Shukla & Purani (2010)
Other-directed symbolic value	Shukla & Purani (2010)
Symbolic value	Hung et al (2011)
Experiential value	Hung et al (2011) and Shukla & Purani (2010)
Functional value	Hung et al (2011) and Shukla & Purani (2010)
Vanity - physical	Hung et al (2011)
Vanity - achievement	Hung et al (2011)
Overall luxury perception	Shukla & Purani (2010)
Luxury message	Laran, Dalton, & Andrade (2011)

The model is comprised of independent and dependent variables, a list of the dependent and independent variables can be found in Table 2.

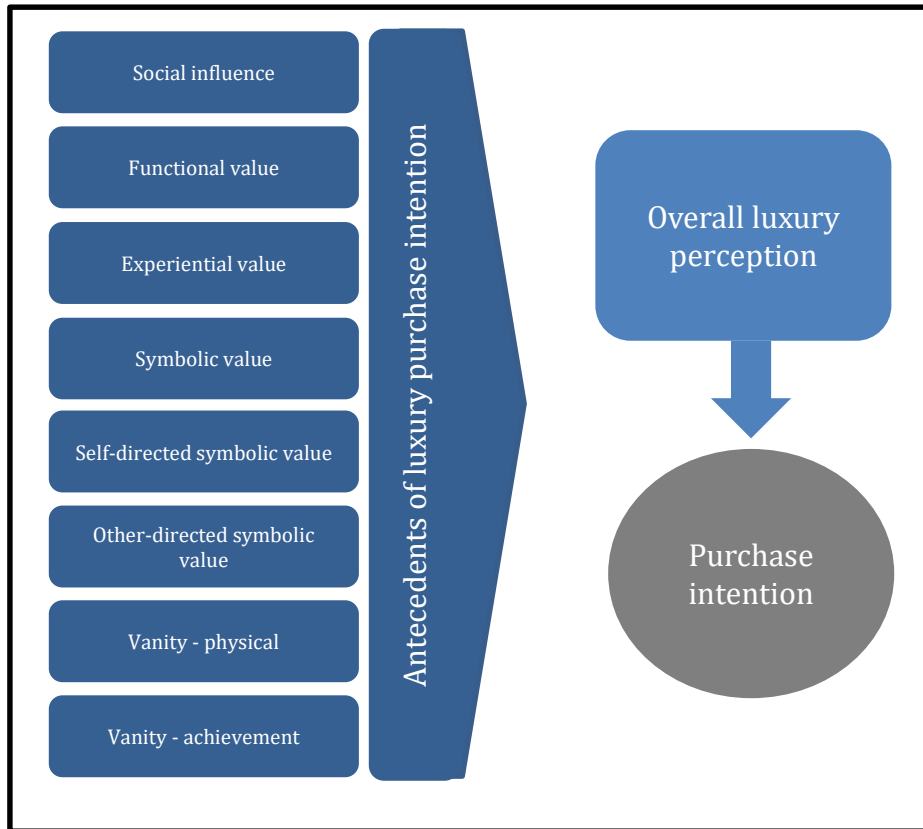
**Table 2: Independent and dependent variables**

Independent Variables	Dependent Variables
Savings message	Purchase intention
Social influence	Overall luxury perception*
Self-directed symbolic value	
Other-directed symbolic value	
Symbolic value	
Experiential value	
Functional value	
Vanity - physical	
Vanity - achievement	
Luxury message	
Overall luxury perception*	

\*Overall luxury perception is both a dependent and an independent variable.

The following diagram depicts the conceptual model.

**Diagram 3: Conceptual Model**



## HYPOTHESIS

This section will highlight the research hypotheses. The hypotheses were developed based on the relationships identified in the literature review between the independent and the dependent variables. Although the variables have been defined in a previous section, important aspects that relate to the hypothesis formation will be reiterated.

According to Laran, Dalton, & Andrade, saving slogans can entice an individual to spend more (Laran, Dalton, & Andrade, 2011). Laran, Dalton, & Andrade's study found

that when priming participants with a slogan that is meant to induce saving (a saving slogan) subjects claimed to spend 29% more than on a neutral slogan (Laran, Dalton, & Andrade, 2011). This is due to the fact that people tend to perceive slogans as persuasion tactics and thus they auto-correct and the reverse priming effect is witnessed (Laran, Dalton, & Andrade, 2011). Furthermore, slogans can induce a non-conscious form of correction since they are used extensively, are perceived as persuasion tactics by consumers and consumers are continuously exposed to them in their daily life (Laran, Dalton, & Andrade, 2011). Laran, Dalton, & Andrade, postulate that since slogans automatically activate a correction process and brands do not, then they should have opposite effects on behaviour (Laran, Dalton, & Andrade, 2011). In other words, consumers will behave in a manner consistent to the brands, but opposite to that implied by the slogans (Laran, Dalton, & Andrade, 2011).

According to Tsai, consumers who are socially oriented tend to display their status and success through the acquisition of luxury brands (Tsai, 2005). Social influence is the external factor that contributes to a possession's perceived value and stimulates an individual to purchase a luxury brand (Hung et al, 2011). Social value is especially apparent when a luxury purchase is made to signify wealth, to seek approval or increase in social status (Hung et al, 2011).

According to Wattanasuwan, we consume products that have a symbolic meaning to us, whether it is conscious or unconscious (Wattanasuwan, 2005). Hung et al. believe that people consume a luxury brand for the symbolic meaning it portrays to the world regarding their wealth and status (Hung et al., 2011).

According to Wattanasuwan, possessions help us define who we are and allow us to reflect on our past and how we have changed (Wattanasuwan, 2005). Luxury goods can make a consumer feel good about themselves (Shukla & Purani, 2010) and can increase their sense of self-worth (Shukla & Purani, 2010; Tsai, 2005; Vigneron & Johnson, 2004).

Luxury goods are appealing since they affect the social environment and interpersonal interactions of consumers' (Shukla & Purani, 2010; Bearden, Netemeyer, & Teel, 1989; Verhoef et al., 2009) as well as bring meaning to a consumers' life (Wattanasuwan, 2005). According to Hanzaee et al, consumers use luxury items in order to add symbolic meaning to their own identity (Hanzaee et al, 2012). Therefore, other-directed symbolic value refers to the desirability and status that luxury items provide users with (Shukla & Purani, 2010; Moore & Birtwistle, 2005).

Experiential value and/or brand experience is characterized as "sensations, feelings, cognitions, and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments" (Berthlon, 2009). According to Hanzaee et al (who refer to the experiential value as hedonic value), they describe it as the positive emotional experience that arises from consumption and attracts consumers to luxury products (Hanzaee et al, 2012).

According to Shukla & Purani, quality and functionality are essential when seeking luxury goods (Shukla & Purani, 2010). Functional value can be defined as what a product does and how well it performs and not what it represents (Hung et al., 2001; Berthon *et al.*, 2009; Sweeney and Soutar, 2001). Shukla & Purani further state that consumers expect luxury goods to have the following characteristics: be usable, of good quality, and unique enough to satisfy their urge to be different (Shukla & Purani, 2010). Therefore, the three elements used to describe functional value are uniqueness value, quality value and usability value (Hanzaee et al, 2012).

According to Netemeyer, physical and achievement vanity "incorporate both a concern for, and a positive (perhaps inflated) view of, one's physical appearance and personal achievements" (Netemeyer, 1995). Therefore, Netemeyer concludes that vanity has four trait components: concern for physical appearance; positive, and even inflated, view of physical appearance; concern for achievement; and lastly, a positive, and even inflated, view of achievement (Netemeyer, 1995).

Hung et al has found that vanity is a moderator “between perceptions and the influence of social context on purchase intention (Hung et al, 2011; Feiereisen et al., 2009; Mandel et al., 2006). In addition, studies by Durvasula *et al.* (2001) have linked vanity with the consumption of luxury fashion brands (Hung et al 2011). Netemeyer also states that materialism is often a symbol of achievement and personal achievements are shown off with possessions (Netemeyer, 1995).

According to Smith and Colgate, overall luxury value perceptions are a very strong predictor of purchase intentions (Smith and Colgate, 2007; Shukla & Purani, 2010). In a similar fashion, Wiedmann et al. and Tynan et al have come to the same conclusion: luxury purchase intention may be significantly influenced by overall luxury value perceptions (Wiedmann et al, 2009; Tynan et al, 2010; Shukla & Purani, 2010).

According to Laran, Dalton, & Andrade, and contrary to common sense, luxury slogans can entice an individual to spend less (Laran, Dalton, & Andrade, 2011). Laran, Dalton, & Andrade’s study found that priming participants with a slogan that is meant to induce spending (a luxury slogan), subjects claimed to spend 26% less than on a neutral slogan (Laran, Dalton, & Andrade, 2011). As previously mentioned, this is due to the fact that people tend to perceive slogans as persuasion tactics and thus they auto-correct and the reverse priming effect is witnessed. (Laran, Dalton, & Andrade, 2011). In others words, consumers will behave in a manner consistent to the brands, but opposite to that implied by the slogans (Laran, Dalton, & Andrade, 2011).

### **Savings message**

H1: There is a negative relationship between savings message and overall luxury perception.

H2: The savings message will have a positive impact on purchase intention.

### **Social influence**

H3: There is a positive relationship between social influence and overall luxury perception.

H4: There is a positive relationship between social influence and purchase intention.

### **Symbolic value**

H5: There is a positive relationship between symbolic value and overall luxury perception.

H6: There is a positive relationship between symbolic value and purchase intention.

### **Self-directed symbolic value**

H7: There is a positive relationship between self-directed symbolic value and overall luxury perception.

H8: There is a positive relationship between self-directed symbolic value and purchase intention.

### **Other-directed symbolic value**

H9: There is a positive relationship between other-directed symbolic value and overall luxury perception.

H10: There is a positive relationship between other-directed symbolic value and purchase intention.

### **Experiential value**

H11: There is a positive relationship between experiential value and overall luxury perception. In



H12: There is a positive relationship between experiential value and purchase intention.

#### **Functional value**

H13: There is a positive relationship between functional value and overall luxury perception.

H14: There is a positive relationship between functional value and purchase intention.

#### **Physical and achievement vanity**

H15: There is a positive relationship between physical vanity and overall luxury perception.

H16: There is a positive relationship between physical vanity and purchase intention.

H17: There is a positive relationship between achievement vanity and overall luxury perception.

H18: There is a positive relationship between achievement vanity and purchase intention.

#### **Overall luxury perception**

H19: There is a positive relationship between overall luxury perception and purchase intention.

#### **Luxury message**

H20: There is a positive relationship between luxury message and overall luxury perception.

H21: A luxury slogan will decrease purchase intention.

## CONCLUSION

This chapter discussed the research paradigm – which is to investigate the attitude towards luxury items and purchase intention of luxury items - as well as the impact of mediator variables. The proposed research model and the hypothesis were also presented.

With a basis on the literature review, a research model was presented using well-structured and approved scales. The scales were presented and discussed.

## METHODOLOGY

### INTRODUCTION

The previous chapter presented the conceptual framework for this study, whereas this chapter will describe the methodology used for this study. More specifically, it will detail the operationalization of the variables, followed by the procedure and a description of the sample and statistical analysis. The statistical analysis will detail final variable construction, independent sample t-test and multiple linear regression.

### VARIABLE OPERATIONALIZATION

Various authors have investigated all variables used in this study. The questionnaire was designed in both English and Portuguese and a five point Likert scale was used to measure agreement. The questionnaire was distributed in Portugal and Canada to a wide range of respondents. Table 3 illustrates the Likert scale used for both the English and Portuguese questionnaire.

**Table 3: Likert Scale**

Likert Scale	
English	Portuguese
1. Strongly disagree	1. Discordo totalmente
2. Disagree	2. Discordo
3. Neither agree nor disagree	3. Nem discordo, nem concordo
4. Agree	4. Concordo
5. Strongly Agree	5. Concordo plenamente

### Savings message

Laran, Dalton, & Andrade, presented subjects with slogans that promoted saving. The slogans were slightly modified in order to be relevant to the luxury item chosen by the respondent. See table 4 for the savings message scale.

**Table 4: Savings message scale**

Likert Scale	
English	Portuguese
1. Strongly disagree	1. Discordo totalmente
2. Disagree	2. Discordo
3. Neither agree nor disagree	3. Nem discordo, nem concordo
4. Agree	4. Concordo
5. Strongly Agree	5. Concordo plenamente

### Purchase intention after savings message

Purchase intention was measured twice in this study, once after presenting the participants with the savings message, and again after presenting the participants with the luxury message. Purchase intention was measured using the scale developed by Hung et al (2011). Table 5 lists the items of this scale.

**Table 5: Purchase intention scale**

Purchase intention scale			
English		Portuguese	
PIS1	I have a strong possibility to purchase my desired luxury product.	PIS1	Eu tenho forte possibilidade de comprar o meu produto de luxo desejado.
PIS2	I'm likely to purchase my desired luxury product.	PIS2	Estou propenso a comprar o meu produto de luxo desejado.
PIS3	I have high intention to purchase my desired luxury product.	PIS3	Eu tenho uma alta intenção de comprar o meu produto de luxo desejado.

### Social influence

The scale developed by Hung et al (2011) was used to measure social influence. See table 6 for the items of the scale.

**Table 6: Social influence scale**

Social Influence			
English		Portuguese	
SI1	Before purchasing my desired luxury product, it is important to know what brands will make a good impression on others.	SI1	Antes de comprar o meu produto de luxo desejado, é importante saber quais marcas vão impressionar os outros.
SI2	My friends and I tend to buy the same luxury brands.	SI2	Os meus amigos e eu costumamos comprar as mesmas marcas de luxo.
SI3	Before purchasing my desired luxury product, it is important to know what others think of people who use the product I desire.	SI3	Antes de comprar o meu produto de luxo desejado, é importante saber o que os outros pensam sobre pessoas que usam o meu produto de luxo desejado.
SI4	I tend to pay attention to what other luxury brands others are buying.	SI4	Eu presto atenção em que outras marcas de luxo as pessoas compram.
SI5	I like to know what luxury branded products make good impressions on others.	SI5	Eu gosto de saber quais produtos de luxo deixam boas impressões nos outros.
SI6	I actively avoid using luxury branded products that are not in style.	SI6	Eu evito usar produtos de luxo que estão fora de moda.

**Self-directed symbolic value**

Self-directed symbolic value was measured using the scale developed by Shukla & Purani (2010). Table 7 lists the items of this scale.

**Table 7: Self-directed symbolic value scale**

Self-directed symbolic value			
English		Portuguese	
SS1	I often buy luxury brand products that reflect my own image.	SS1	Eu costumo comprar produtos de luxo que refletem a minha imagem.
SS2	My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	SS2	A minha escolha de marcas de luxo depende de se elas refletem como eu me vejo e não como os outros me veem.
SS3	I am highly attracted to unique luxury products.	SS3	Eu sinto-me altamente atraído a produtos de luxo únicos.

**Other-directed symbolic value**

The scale developed by Shukla & Purani (2010) was used to measure other-directed symbolic value. See table 8 for a list of the items in the scale.

**Table 8: Other-directed symbolic value scale**

Other-directed symbolic value			
English		Portuguese	
OS1	I like to own new luxury products before others do.	OS1	Eu gosto de possuir novos produtos de luxo antes dos outros.
OS2	I dislike luxury products that everyone else has.	OS2	Eu gosto de produtos de luxo que os outros não tem.
OS3	Luxury products make me a fashion leader rather than a fashion follower.	OS3	Produtos de luxo tornam-me num líder de moda e não num seguidor de moda.

### Symbolic value

The scale developed by Hung et al (2011) was used to measure symbolic value.

See table 9 for a list of the items in the scale.

**Table 9: Symbolic value scale**

Symbolic value			
English		Portuguese	
SV1	My desired luxury product is conspicuous.	SV1	O meu produto de luxo desejado dá nas vistas.
SV2	My desired luxury product is expensive	SV2	O meu produto de luxo desejado é caro.
SV3	My desired luxury product is for the wealthy.	SV3	O meu produto de luxo desejado é para os ricos.

### Experiential value

Experiential value was measured using two scales, one developed by Hung et al (2011) and the other by Shukla & Purani (2010). Table 10 lists the items of this scale.

**Table 10: Experiential value scale**

Experiential value			
English		Portuguese	
EV1	My desired luxury product is precious.	EV1	O meu produto de luxo desejado é precioso.
EV2	My desired luxury product is rare.	EV2	O meu produto de luxo desejado é raro.
EV3	My desired luxury product is unique.	EV3	O meu produto de luxo desejado é único.
EV4	My desired luxury product is attractive.	EV4	O meu produto de luxo desejado é atrativo.
EV5	My desired luxury product is stunning.	EV5	O meu produto de luxo desejado é deslumbrante.
EV6	It is important to me to own really nice things.	EV6	Para mim, é importante possuir coisas bonitas.
EV7	Buying luxury accessories gives me a lot of pleasure.	EV7	Comprar produtos de luxo traz-me muito prazer.

### Functional value

Functional value was measured using two scales, one developed by Hung et al (2011) and the other by Shukla & Purani (2010). Table 11 lists the items of this scale.

**Table 11: Functional value scale**

Functional value scale			
English		Portuguese	
FV1	My desired luxury product is handmade (crafted)	FV1	O meu produto de luxo desejado é feito á mão (artesanal)
FV2	My desired luxury product has the best quality.	FV2	O meu produto de luxo desejado possui a melhor qualidade
FV3	My desired luxury product is sophisticated.	FV3	O meu produto de luxo desejado é sofisticado
FV4	My desired luxury product is superior.	FV4	O meu produto de luxo desejado é superior
FV5	In my opinion buying luxury products is really useful.	FV5	Comprar produtos de luxo é útil.
FV6	I consider my purchase of luxury products to be practical.	FV6	Eu considero as minhas compras de produtos de luxo práticas.

### Vanity – physical

Vanity – physical was measured using the scale developed by Hung et al (2011). Table 12 lists the items of this scale.

**Table 12: Vanity - physical scale**

Vanity – physical scale			
English		Portuguese	
VP1	I place a high emphasis on my appearance.	VP1	Eu dou muita ênfase à minha aparência.
VP2	My appearance is very important to me.	VP2	A minha aparência é muito importante para mim.
VP3	It is important that I look good.	VP3	É importante que eu me apresente bem.
VP4	I would feel embarrassed if I was around people and did not look my best.	VP4	Eu ficaria envergonhado se estivesse entre pessoas e não sentisse que pareço bem.
VP5	I will make an effort to look good.	VP5	Eu faço um esforço para me apresentar bem.

**Vanity – achievement**

The scale developed by Hung et al (2011) was used to measure vanity – achievement. See table 13 for a list of the items in the scale.

**Table 13: Vanity - achievement scale**

Vanity - achievement			
English		Portuguese	
VA1	My achievement is highly regarded by others.	VA1	Minhas realizações são altamente consideradas pelos outros.
VA2	I want others to look up to me because of my accomplishments.	VA2	Eu quero que os outros olhem para mim por conta das minhas realizações.
VA3	Professional achievements are an obsession with me.	VA3	As realizações profissionais são uma obsessão para mim.
VA4	Achieving greater success than my peer is important to me.	VA4	Realizações e sucesso maiores que os meus parceiros são importantes para mim.

**Overall luxury perception**

The scale developed by Shukla & Purani (2010) was used to measure overall luxury perception. See table 14 for a list of the items in the scale.



**Table 14: Overall luxury perception scale**

Overall luxury perception scale			
English		Portuguese	
OLP1	I purchase luxury products to gain/increase social status.	OLP1	Eu compro produtos de luxo para obter/aumentar o meu estatuto social.
OLP2	The uniqueness of a luxury product is important to me.	OLP2	O fato de um produto de luxo ser único é importante para mim.
OLP3	Higher price luxury brand products mean more to me.	OLP3	Produtos de luxo com um preço mais elevado têm mais significado para mim.

### Luxury message

Laran, Dalton, & Andrade, presented subjects with slogans that promoted spending. These slogans were slightly modified in order to be perceived as sentences/messages for this study. See table 15 for the savings message scale.

**Table 15: Luxury messages scale**

Luxury message scale			
English		Portuguese	
LM1	Luxury implies excellence.	LM1	O luxo conduz á excelência.
LM2	Luxury gives us better quality of life.	LM2	O luxo traz-nos uma nova qualidade de vida
LM3	I buy luxury products. Because I can.	LM3	Compro produtos de luxo. Eu posso.
LM4	I buy luxury products. Because I deserve it.	LM4	Compro produtos de luxo. Eu mereço.

### Purchase intention after luxury message

Purchase intention was measured twice in this study, once after presenting the participants with the savings message, and again after presenting the participants with the luxury message. Purchase intention was measured using the scale developed by Hung et al (2011). Table 16 lists the items of this scale.

**Table 16: Purchase intention scale**

Purchase intention scale			
English		Portuguese	
PIL1	I have a strong possibility to purchase my desired luxury product.	PIL1	Eu tenho forte possibilidade de comprar o meu produto de luxo desejado.
PIL2	I'm likely to purchase my desired luxury product.	PIL2	Estou propenso a comprar o meu produto de luxo desejado.
PIL3	I have high intention to purchase my desired luxury product.	PIL3	Eu tenho uma alta intenção de comprar o meu produto de luxo desejado.

### **Social Demographic Variables**

Participants were asked a few social demographic questions in order to obtain a better understanding of the individuals questioned. Social demographic questions asked were related to gender, age, civil status, monthly income, family size, education level and location. Table 17 lists the social demographic variables utilized in this study.

**Table 17: Social Demographic variables**

Social demographic variables			
English		Portuguese	
Sex	<ul style="list-style-type: none"> <li>• Female</li> <li>• Male</li> </ul>	Sexo	<ul style="list-style-type: none"> <li>• Feminino</li> <li>• Masculino</li> </ul>
Age	_____ years old	Idade	_____ anos
Civil Status	<ul style="list-style-type: none"> <li>• Single</li> <li>• Married/common law relationship</li> <li>• Divorced/separated</li> <li>• Widowed</li> </ul>	Estado Civil	<ul style="list-style-type: none"> <li>• Solteiro(a)</li> <li>• Casado(a)/ união de facto</li> <li>• Divorciado(a)</li> <li>• Viúvo(a)</li> </ul>
Education level	<ul style="list-style-type: none"> <li>• Primary school</li> <li>• High school</li> <li>• Professional certificate</li> <li>• Undergraduate degree</li> <li>• Graduate degree</li> </ul>	Nível de escolaridade	<ul style="list-style-type: none"> <li>• Ensino básico</li> <li>• Ensino superior</li> <li>• Curso profissional/ artístico</li> <li>• Licenciatura</li> <li>• Mestrado ou Doutoramento</li> </ul>
Family household size	<ul style="list-style-type: none"> <li>• 1</li> <li>• 2</li> <li>• 3</li> <li>• 4</li> <li>• 5</li> <li>• 6 or more people</li> </ul>	Número de pessoas do agregado familiar	<ul style="list-style-type: none"> <li>• 1</li> <li>• 2</li> <li>• 3</li> <li>• 4</li> <li>• 5</li> <li>• 6 ou mais</li> </ul>
Profession	<ul style="list-style-type: none"> <li>• Student</li> <li>• Employed</li> <li>• Self-employed</li> <li>• Unemployed</li> <li>• Retired</li> <li>• Housewife/ househusband</li> <li>• Other</li> </ul>	Profissão	<ul style="list-style-type: none"> <li>• Estudante</li> <li>• Trabalhador(a) por conta própria</li> <li>• Trabalhador(a) por conta de outrem</li> <li>• Desempregado(a)</li> <li>• Reformado(a)</li> <li>• Doméstica</li> <li>• Outro</li> </ul>
Monthly income	<ul style="list-style-type: none"> <li>• &lt;500 euros</li> <li>• 501-1000 euros</li> <li>• 1001-2000 euros</li> <li>• 2001-5000 euros</li> <li>• &gt;5000 euros</li> </ul>	Rendimento mensal	<ul style="list-style-type: none"> <li>• &lt;500 euros</li> <li>• 501-1000 euros</li> <li>• 1001-2000 euros</li> <li>• 2001-5000 euros</li> <li>• &gt;5000 euros</li> </ul>
Location	<ul style="list-style-type: none"> <li>• Country_____</li> <li>• City_____</li> </ul>	Local de residência	<ul style="list-style-type: none"> <li>• País_____</li> <li>• Cidade_____</li> </ul>

## PARTICIPANT SELECTION AND SAMPLE SIZE

Participants for this study were selected via social networking sites and the author's network of family and friends. The questionnaire was launched on Facebook and

shared by various acquaintances and friends; family members and their network of acquaintances were given paper copies of the questionnaire. Data was collected digitally and personally from June to December of 2014. The electronic questionnaire was available on google drive and the link was promoted on Facebook and via e-mail. Friends and family were encouraged to share the link with their circle of friends. Paper copies of the questionnaire were shared with friends and family members with limited technological access.

Due to the author's Canadian heritage and current living conditions, the participants were Portuguese and Canadian. Due to the nature of this study, a comparative analysis between Portuguese and Canadian participants was not done. A sample T test revealed no significant differences between Canadian and Portuguese participants. Furthermore, no differences were found between the results for the questionnaires gathered online and those collected in paper format.

## **THE QUESTIONNAIRE**

The questionnaire was almost entirely made of multiple-choice questions, with the exception of the first question (Think of a desire luxury product. Which product did you picture?) and a few demographical questions (age and location). The responses were completely confidential and participants were asked to think back to their desired luxury product at every question. The questions in the questionnaire fall into one of 6 categories. Table 18 details the categories and the questions in each.

**Table 18: Summary of questions**

<b>Luxury product</b>	
Luxury product	1 question
<b>Savings message &amp; purchase intention</b>	
Savings message	5 questions
Purchase intention	3 questions
<b>Antecedents of luxury brand purchase intention</b>	
Social influence	6 questions
Self-directed symbolic value	3 questions
Other-directed symbolic value	3 questions
Symbolic value	3 questions
Experiential value	7 questions
Functional value	6 questions
Vanity-physical	5 questions
Vanity-achievement	4 questions
<b>Overall luxury perception</b>	
Overall luxury perception	3 questions
<b>Luxury messages &amp; purchase intention</b>	
Luxury message	4 questions
Purchase intention	3 questions
<b>Social demographical questions</b>	
Social demographical questions	8 questions

The questionnaire was designed in goggle drive and the results were downloaded onto an excel sheet. In order to statistically analyze the results they were uploaded into SPSS (Statistical Package for the Social Sciences). The user license was provided by the Faculty of Economics at the University of Coimbra. All questions were answered by the participants, therefore the series mean was not utilized to fill in missing responses.

### Why have more than one item/question per variable?

There are various reasons why multi-item measures should be used instead of a single item measure (Gliem & Gliem, 2003). Nunnally and Bernstein (1994), McIver and Carmines (1981), and Spector (1992) identified the following:

individual items have considerable random measurement error, i.e. are unreliable. Second, an individual item can only categorize people into a relatively small number of groups. An individual item cannot discriminate among fine degrees of an attribute. Third, individual items lack scope (Gliem & Gliem, 2003).

In other words, the degree of reliability, accuracy and validity of single item measures is questionable (Gliem & Gliem, 2003).

### SAMPLE

The sample consists of 133 participants 89 were female (67%) and 44 (33%) were male.

**Table 19: Frequency of male/female participants.**

	Frequency	Percent	Cumulative Percent
Valid Female	89	66.9	66.9
Valid Male	44	33.1	100.0
Total	133	100.0	

In terms of nationality, 96 participants (72%) are Portuguese, while 37 (28%) are Canadian.

**Table 20: Frequency of participant nationality**

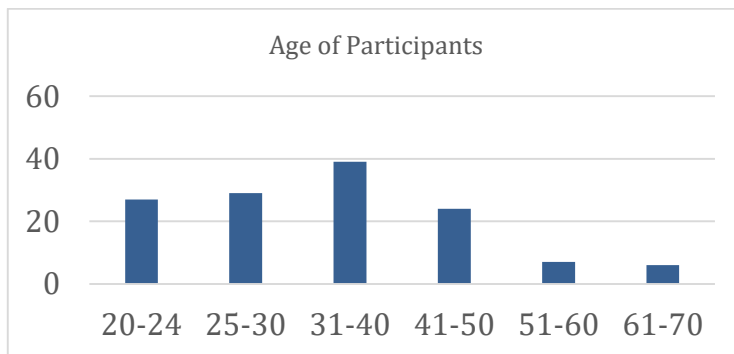
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Portugal	96	72.2	72.2	72.2
Valid Canada	37	27.8	27.8	100.0
Total	133	100.0	100.0	

42% of the participants are under the age of 31. 29% are 31-40 years old, 18% are 41-50 years old and 10% are over 51 years old. The fact that the questionnaire was published online and promoted on a social networking site to the author’s friends and acquaintances accounts for the fact that the vast majority of the participants are under the age of 40 and in the author’s age bracket.

**Table 21: Frequency of participant age**

	Frequency	Percent	Cumulative Percent
Valid	20-24	27	20.3
	25-30	29	21.8
	31-40	39	29.3
	41-50	24	18.0
	51-60	7	5.3
	61-70	6	4.5
	Total	132	99.2
Missing	System	1	.8
Total		133	100.0

**Diagram 4: Age of participants chart**



Approximately 50% of the participants in this study are either married or in a common law relationship, 46% are single and 4% are divorced or separated.

**Table 22: Frequency of participant civil status**

	Frequency	Percent	Cumulative Percent
Valid	single	61	45.9
	Married/Common law relationship	66	49.6
	Divorced/Separated	6	4.5
	Total	133	100.0

The majority of the participants are currently employed or self-employed– 73%, 12% are students, 4% are retired, 8% listed other as their current profession and 5% are unemployed.

**Table 23: Frequency of participant profession**

	Frequency	Percent	Cumulative Percent
Valid	Student	16	12.0
	self-employed	10	7.5
	employed	87	65.4
	unemployed	6	4.5
	retired	5	3.8
	housewife	1	.8
	other	8	6.0
	Total	133	100.0

Half of the participants have completed an undergraduate degree (50%) and 38% have completed a degree. Approximately 4% have a professional certificate, and 8% have a high school diploma or less.



**Table 24: Frequency of participant education level**

		Frequency	Percent	Cumulative Percent
Valid	Primary school	2	1.5	1.5
	Highschool	9	6.8	8.3
	Professional certificate	5	3.8	12.0
	Undergraduate degree	67	50.4	62.4
	Graduate degree	50	37.6	100.0
	Total	133	100.0	

Approximately 19% of participants listed their family household size as 1, 32% said their family household size consists of 2 people, 22% have a family household size of 3, 23% have a family household size of 4 and 5% have a family household size of over 4 people.

**Table 25: Frequency of participant family household size**

		Frequency	Percent	Cumulative Percent
Valid	1	25	18.8	18.8
	2	42	31.6	50.4
	3	29	21.8	72.2
	4	31	23.3	95.5
	5	5	3.8	99.2
	6 or more	1	.8	100.0
	Total	133	100.0	

Approximately 14% of participants earn less than 500 euros per month and 4% earn more than 5000 euros per month. 30% earn between 501-1000 euros per month, 24% earn 1001-2000 euros and 29% earn 2001-5000 euros per month.

**Table 26: Frequency of participant monthly income**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < 500 euros	18	13.5	13.5	13.5
501-1000 euros	40	30.1	30.1	43.6
1001-2000 euros	32	24.1	24.1	67.7
2001-5000 euros	38	28.6	28.6	96.2
> 5000 euros	5	3.8	3.8	100.0
Total	133	100.0	100.0	

## STATISTICAL ANALYSIS

The statistical analysis adopted in this study will be briefly described in the sections to follow.

### Descriptive Statistics

The first step in the statistical analysis process is descriptive statistics. The objective of descriptive statistics is to describe the main features of the data by providing simple summaries about the sample and the measures<sup>1</sup>. Descriptive statistics indicate the average behaviour of the sample with respects to the variable analyzed. In addition, it provides the minimum and maximum response for each variable as well as the standard deviation.

Descriptive statistics can be distinguished from inferential statistics. Inferential statistics are used to try to infer what the population thinks based on the sample data<sup>2</sup>.

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<sup>1</sup> <http://www.socialresearchmethods.net/kb/statdesc.php> last accessed June 25, 2015.

<sup>2</sup> ibid

In other words, inferential statistics is used to reach conclusions beyond the data, whereas, descriptive statistics describes what the data shows<sup>3</sup>.

A common tool in descriptive statistics is frequency distribution<sup>4</sup>. Frequency distribution is used to present the frequency count for each variable based on a demographical variable.

### Factor Analysis

Factor analysis is used in data reduction<sup>5</sup>. It identifies a small number of factors that can explain most of the variance from the larger number of variables<sup>6</sup>. In other words, factor analysis identifies factors that explain the correlations found in variables<sup>7</sup>.

The first step in Factor Analysis is to determine if the data can undergo the factor analysis process (Pasquali, 1999; Damasio, 2012). The two most common methods to determine if the data can undergo factor analysis are the Kaiser-Meyer-Olkin criterion (KMO) and Bartlett sphericity test (Dziuban & Shirkey, 1974; Damasio, 2012). Both methods were used in this study.

The KMO index is a statistical test that proposes the ratio of the variance of the items that can be explained by a latent variable (Lorenzo-Seva, Kiers & Timmerman, 2011; Damasio, 2012). This index indicates how appropriate factor analysis is for the data set (Hair et al., 2005, Damasio, 2012). KMO is calculated by dividing the square of total correlations divided by the square of the partial correlations of the variables analyzed (Field, 2005, Damasio, 2012). Its value may vary from zero to one (Damasio, 2012). Values

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<sup>3</sup> ibid

<sup>4</sup> <http://www.socialresearchmethods.net/kb/statdesc.php> last accessed June 25, 2015.

<sup>5</sup> <http://www.jou.ufl.edu/archive/researchlab/SPSS-Statistics-Base-Users-Guide-17.0.pdf> last accessed June 25, 2015.

<sup>6</sup> ibid

<sup>7</sup> ibid

equal to or near zero indicate that the sum of the partial correlations of the items evaluated is quite high compared to the sum of the total correlations (Damasio, 2012). In such cases, it is possible that factor analysis is inappropriate (Pasquali, 1999; Damasio, 2012). As a rule for interpreting KMO indices, values smaller than 0.5 are considered unacceptable, values between 0.5 and 0.7 are considered poor; values between 0.7 and 0.8 are considered good; values greater than 0.8 and 0.9 are considered excellent and outstanding, respectively (Hutcheson & Sofroniou, 1999, Damasio, 2012)

Bartlett's test of sphericity evaluates the extent to which the correlation matrix is similar to the identity matrix (Damasio, 2012). Only one factor is needed if the variables are perfectly correlated<sup>8</sup>. As many factors as variables will be needed if they are orthogonal<sup>9</sup>. Values of Bartlett's test of sphericity with significance levels  $p < 0.05$  indicate that the matrix is factorable (Tabachnick & Fidell, 2007; Damasio, 2012). In general, the results of KMO and Bartlett test of sphericity tend to be uniform, accepting or denying the possibility factor analysis (Dziuban & Shirkey 1974; Damasio, 2012).

One of the most important elements of the Factor Analysis is determining the appropriate number of factors (Artes, 1998). Hair et al. (1995) states that if too few factors are chosen then the researcher risks not identifying important structures within the data, and if too many factors are chosen the researcher may have a difficult time interpreting the results (Artes, 1998). Various criteria have been identified that assist in determining the correct number of factors, however when the different criteria are applied to the same data source, the number of factors each identify has been found to at times be different (Artes, 1998). As a rule of thumb, the researcher should compromise between the number of factors – which should be the least amount possible – and their interpretability (Artes, 1998). In practical situations it is common for the

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<sup>8</sup> [http://eric.univ-lyon2.fr/~ricco/tanagra/fichiers/en\\_Tanagra\\_KMO\\_Bartlett.pdf](http://eric.univ-lyon2.fr/~ricco/tanagra/fichiers/en_Tanagra_KMO_Bartlett.pdf) last accessed June 25, 2015.

<sup>9</sup> *ibid*

researcher to compare the various number of factors and use his/her good sense to determine the right amount (Artes, 1998).

The various methods to identify the number of factors are as follows:

1. Kaiser criterion - This criterion, also known as the latent root criterion was developed by Kaiser (1958) and states that the number of factors must be equal to the number of eigenvalues greater or equal to the average of the variances of the variables analyzed (Artes, 1998). In other words, components with an eigenvalue greater than 1.0 are retained and interpreted<sup>10</sup>.
2. Proportion of variance accounted for criterion - The number of factors is determined so that the set of factors explain a predefined percentage of the overall variability (Artes, 1998). In other words, factors that account for at least 5% of the variance are retained<sup>11</sup>. 70-80% of the total variance should be explained with all the factors retained<sup>12</sup>.
3. Screen test criterion - The eigenvalues for each component are listed in order, at a certain point the eigenvalue drop and begin to level off<sup>13</sup>. This criterion states that all the eigenvalues before the first one that level off should be retained<sup>14</sup>.
4. The interpretability criterion - Other methods have been developed for cases in which the original variables follow a normal distribution (Artes, 1998). These methods are the development of statistical tests that are founded on the assumption of normality (Artes, 1998). Among these is the Bartlett's test that

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<sup>10</sup>[http://www.utexas.edu/courses/schwab/sw388r7/Tutorials/PrincipalComponentsAnalysisintheLiterature/doc/html/028 Stage 4 Deriving Factors and Assessing Overall Fit.html](http://www.utexas.edu/courses/schwab/sw388r7/Tutorials/PrincipalComponentsAnalysisintheLiterature/doc/html/028%20Stage%204%20Deriving%20Factors%20and%20Assessing%20Overall%20Fit.html) last accessed June 25, 2015.

<sup>11</sup> ibid

<sup>12</sup> ibid

<sup>13</sup> ibid

<sup>14</sup> ibid

verifies the suitability of the estimated Factor Analysis model to represent the dependence of the data structure (Artes, 1998).

The observed variables belong to the same factor when, and if, they share a common variance (in other words, are influenced by the same underlying construct) (Brown, 2006; Damasio, 2012)

#### Sample size for factor analysis

Factor analysis estimates a large number of parameters and, for this to be done with the minimum amount of quality, a relatively large sample size compared to the number of variables involved is required (Artes, 1998). In literature there are a number of suggestions for selecting the appropriate sample size. For example Hair et al, (1995, p. 373) suggests that a sample size should be 20 times the number of variables involved (Artes, 1998). Reis (1997, p. 274) and Hair et al. (1995, p. 373) suggest that the sample size should be the greatest of, 100 or at least 5 times the number of variables (Artes, 1998). As previously mentioned, the sample size for this study is 133. According to Hair et al (1995), the sample size is insufficient (14 variables multiplied by 20 is 280). However, according to Reis (1997) the sample size meets the greatest of 100 or 5 times the number of variables (70) criterion. Damasio (2012) states that with respects to the minimum sample size, the quality of a factor analysis doesn't depend solely on the sample size, but on the quality of the instrument measured (Damasio, 2012).

#### Factor rotation

The factor rotation method utilized is just as important as choosing the correct number of factors (Damasio, 2012). Factor rotation is designed to facilitate the interpretation of the factors (Damasio, 2012).

The factor rotations can be of two types: orthogonal or oblique (Damasio, 2012). The orthogonal rotations assume that the factors extracted are independent of each

other (Damasio, 2012). Among this type of rotation, several methods are presented in literature such as: quartimax; Equimax; and varimax. The quartimax and equimax are rarely used (Hair et al., 2005; Damasio, 2012). This study will use the varimax method.

The most popular rotation method was developed by Kaiser (1958) and is known as varimax (Abdi, 2003).

For varimax a simple solution means that each factor has a small number of large loadings and a large number of zero (or small) loadings. This simplifies the interpretation because, after a varimax rotation, each original variable tends to be associated with one (or a small number) of factors, and each factor represents only a small number of variables (Abdi, 2003).

There doesn't appear to be a superior method among the several existing methods of simple oblique rotation (oblimin; quartimin; Promax, and others). In general, they all tend to provide similar results (Costello & Osborne, 2005; Damasio, 2012).

#### Variance explained Factor Analysis

In factor analysis, the explained variance refers to the proportion of variability a factor can explain based on a data set (Damasio, 2012). According to Tinsley and Tinsley (1987), factorial solutions that explain only 30% to 40% of common variance between items suggest a large percentage of unexplained variance (Damasio, 2012).

Peterson (2000) conducted a meta-analytic study in order to assess the level of explained variance in studies using Factor Analysis (Damasio, 2012). Peterson evaluated 803 factor analysis reported in 568 articles published between 1964 and 1999 (Damasio, 2012). The explained variance average was 56.6% (Damasio, 2012). 10% had a higher explained variance of 76%, and 10% had a lower explained variance of 34% (Damasio, 2012).

Factor Analysis reliability

The reliability of a factor structure can be obtained by various criteria, depending on both the choice of the researcher as well as how the study is designed (cross-sectional, longitudinal, etc.) (Damasio, 2012). Among several criteria presented in the literature, Cronbach's alpha ( $\alpha$ ), the calculation of the level of internal consistency, is the most used method in cross-sectional studies (Sijtsma, 2009; Damasio, 2012).

Cronbach's alpha coefficient measures the degree to which the items in a data matrix are correlated (Pasquali, 2009; Damasio, 2012). Generally, the obtained index varies between 0 and 1, although there is no lower limit for this ratio (Curtain, 1993; Damasio, 2012; Gliem & Gliem, 2003). If the items in the scale are internally consistent then the Cronbach's alpha will be close to 1 (Gliem & Gliem, 2003). In order to interpret the Cronbach's alpha, George and Mallery (2003) provide the following rules of thumb:

**Table 27: George & Mallery (2003) Rule of Thumb for interpreting the Alpha Cronbach Value**

Alpha Cronbach Value	Value interpretation
$\alpha > 0.90$	Excellent
$\alpha > 0.80$	Good
$\alpha > 0.70$	Acceptable
$\alpha > 0.60$	Questionable
$\alpha > 0.50$	Poor
$\alpha < 0.50$	Unacceptable

(Damasio, 2012; Gliem & Gliem, 2003)

An alpha of .8 is considered a very good objective (Gliem & Gliem, 2003). A high Cronbach's alpha doesn't mean the scale is unidimensional, it merely indicates that the items in the scale are internally consistent (Gliem & Gliem, 2003).

It is also important to note that the Cronbach's alpha is influenced by both the value of the correlations of the items, as well as the number of items (Damasio, 2012).



Therefore, factors with few items tend to have lower Cronbach's alphas (Cortina, 1993; Damasio, 2012).

### **Final Variable Construction**

A final list of variables was developed once a reliability analysis and a factor analysis was performed on the data. The reliability analysis provided the Alpha Cronbach value's needed in order to determine the level of internal consistency of the variables. Following the reliability analysis a factor analysis was performed and the KMO index, the Bartlett test of sphericity, total variance explained and number of dimensions was examined. Both the KMO index and Bartlett test of sphericity indicated that the data was factorable. Therefore, the following table contains details for the final variables.

**Table 28: Final variables**

Original Variable	Dimensions	Final Variable	Items	KMO index	Bartlett test of sphericity	Total variance explained	Alpha Cronbach's value
Savings message	1	SavMes	SMI1, SMI2, SMI3, SMI4, SMI5,	0.827	0.000	61.397%	0.839
Purchase intention	1	PurSav	PIS1, PIS2, PIS3,	0.692	0.000	79.749	0.872
Social influence	1	social	SI1, SI2, SI3, SI4, SI5, SI6,	0.811	0.000	50.195	0.798
Self-directed symbolic value	1	selfSym	SS1, SS2, SS3,	0.614	0.000	63.102	0.694 *a
Other-directed symbolic value	1	otherSym	OS1, OS2, OS3,	0.703	0.000	69.894	0.783
Symbolic value	1	Sym	SV1, SV2, SV3,	0.640	0.000	62.722	0.691
Experiential value	2	UniqueExp	EV1, EV2, EV3,	0.735	0.000	60.149	0.712 *b
		Pleasure	EV4, EV5, EV6,				0.709
Functional value	1	functional	FV2, FV3, FV4, *c	0.696	0.000	70.634	0.790
Vanity-physical	1	vanityPhy	VP1, VP2, VP3, VP4, VP5,	0.755	0.000	63.023	0.839
Vanity-achievement	1	vanityAch	VA2, VA3, VA4, *d	0.685	0.000	59.835	0.791
Overall luxury perception	1	overallLux	OLP1, OLP2, OLP3,	0.638	0.000	66.426	0.726 *e
Luxury message	1	LuxMes	LM1, LM2, LM3, LM4,	0.682	0.000	54.943	0.724
Purchase intention	1	PurLux	PIL1, PIL2, PIL3,	0.685	0.000	78.969	0.867

\*a: the third item, SS3, is the weakest item. Without it, the alpha Cronbach's would be 0.764, however, due to the low number of items in this variable, the researcher has decided not to remove item SS3.

\*b: the first item, EV1, is the weakest item. Without it, the alpha Cronbach's would be 0.755, however, due to the low number of items in this variable and the low impact on the alpha Cronbach's, the researcher has decided not to remove item EV1.

\*c: items FV1, FV5 and FV6 were excluded given their poor explanatory nature.

\*d: the first item, VA1 was deleted. With it, the alpha Cronbach's value was 0.775, after it's removal the alpha Cronbach's became 0.791.

\*e: the second item, OLP2, is the weakest item. Without it, the alpha Cronbach's would be 0.759, however, due to the low number of items in this variable and the low impact on the alpha Cronbach's, the researcher has decided not to remove item OLP2.

Both the Kaiser-Meyer-Olkin criterion (KMO) and the Bartlett sphericity test - the two most common methods to determine if the data can undergo factor analysis – were

executed on the data set. As a reminder, the KMO index should be above 0.7 and the significance levels in the Bartlett's test of sphericity should be less than 0.05. Approximately half of the variables have a KMO index of less than 0.7, but all are greater than 0.6 (purchase intention before saving: 0.692; self-directed symbolic value: 0.614; symbolic value: 0.640; functional value: 0.696; vanity achievement: 0.638; luxury message: 0.682; purchase intention after luxury message: 0.685). These values are considered poor. However, due to the fact that for the Bartlett's test of sphericity all the variables have a significance level of  $p < 0.05$ , more precisely all have a significance level of 0.000. Therefore, the researcher has concluded that although some of the KMO index values are poor – but are nevertheless acceptable - factor analysis can be executed on the data.

Through exploratory factor analysis a few items were removed due to their poor explanatory nature or lack of consistency. Items 1, 5 and 6 were removed from the functional scale (My desired luxury product is handmade (crafted); In my opinion buying luxury products is really useful; I consider my purchase of luxury products to be practical) and item 1 was removed from the vanity-achievement scale (My achievement is highly regarded by others). There is a high probability that there was a misunderstanding on the part of the participants. Alternatively, if one considers the items removed from the functional scale, it could be that participants had a difficult time relating these statements to their chosen luxury product (for example, it may be difficult to relate a luxury vacation with a handmade luxury product, or as being useful/practical). In terms of the vanity-achievement scale, participants may be highly ambitious and want others to look up to them, but might not be willing to admit that their achievements are highly regarded by others.

In terms of the proportion of variance accounted for, most variables account for at least 60% of the total variance, with the exception of social influence (accounted for 50.195%) and vanity-achievement (accounted for 59.835%). Some variables accounted

for over 70% of the total variance (purchase intention after saving – 79.749%, functional value – 70.634%, and purchase intention after luxury – 78.969%).

The alpha Cronbach's, a measure of the degree to which the items are correlated, was mostly above 0.7, an acceptable level. The two exceptions were self-directed symbolic value (alpha of 0.694) and symbolic value (0.691).

Once the exploratory factor analysis was completed, new variables were created in SPSS using the compute variable function. The new variables were used in the linear regression analysis.

### **Independent sample t-test**

The independent sample t-test, also known as the two-sample t test, “compares the means of one variable for two groups of cases” (SPSS manual, p. 307). The independent sample t-test provides descriptive statistics for each group and allows the researcher to examine whether age, sex, income, education level, country of origin, etc., affects the variable in question.

### **Multiple linear regression**

Multivariate analysis refers to all the statistical techniques that simultaneously analyze multiple measurements on individuals or objects under investigation (Hair et al. 2005). So any simultaneous analysis of more than two variables can be considered multivariate analysis (Hair et al. 2005). Fourteen variables were collected in this study; therefore a multivariate analysis will be utilized to analyze the data. Some authors state that the purpose of the multivariate analysis is to measure, explain and predict the degree of relationship between statistical variables (Hair et al. 2005). To be truly considered multivariate, all variables must be random and interrelated so that their different effects cannot be significantly interpreted separately (Hair et al. 2005).

Linear regression is a common method for multivariate analysis that provides a single method to analyze what once required multiple univariate analysis to be performed (Hair et al. 2005). Other multivariate techniques, however, are exclusively designed to handle multivariate aspects such as factor analysis, which identifies the structure inherent in a set of variables (Hair et al. 2005).

Linear Regression involves one or more independent variables and estimates the coefficients of the linear equation that will best predict the value of the dependent variable<sup>15</sup>.

Linear regression has the following three assumptions:

For each value of the independent variable, the distribution of the dependent variable must be normal. The variance of the distribution of the dependent variable should be constant for all values of the independent variable. The relationship between the dependent variable and each independent variable should be linear, and all observations should be independent<sup>16</sup>.

The linear regression analysis begins with an estimate of the coefficient of the linear equation that will best predict the value of the dependent variable<sup>17</sup>. The least squares method was used in this study to estimate the linear equation. With the least squares method the sum of the squares of the errors is minimized in the equation. In other words, the least squares method minimizes the sum of the squared residuals (the difference between an observed value and the value provided by a model).

The Pearson R test was used to evaluate the strength of the linear equation. The Pearson R test measures the linear correlation between the variables X and Y<sup>18</sup>. The value of r will either be positive – indicating a positive correlation – or negative – indicating a

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<sup>15</sup> <http://www.jou.ufl.edu/archive/researchlab/SPSS-Statistcs-Base-Users-Guide-17.0.pdf> last accessed June 25, 2015.

<sup>16</sup> ibid

<sup>17</sup> ibid

<sup>18</sup> [http://onlinestatbook.com/2/describing\\_bivariate\\_data/calculation.html](http://onlinestatbook.com/2/describing_bivariate_data/calculation.html) last accessed June 25, 2015.

negative correlation<sup>19</sup>. The value of  $r$  will fall in the range of  $-1$  to  $1$ <sup>20</sup>. An  $r$  value of  $0$  indicates there is no correlation, while an exact value of  $1/-1$  indicates perfect positive/negative correlation. According to Cohen (1998) values ranging from  $0.10$  to  $0.29$  may be considered small; values between  $0.30$  and  $0.49$  can be regarded as average; values between  $0.50$  and  $1$  and can be interpreted as large.

The determination coefficient ( $R^2$ ) is the square of the Pearson coefficient.  $R^2$  indicates the strength of the linear relationship between  $X$  and  $Y$ <sup>21</sup>. It provides a measure of how reliable a prediction can be made from a certain model<sup>22</sup>. The  $R^2$  values range from  $0$  to  $1$  and the closer to  $1$  the better the fit of the model. A variable that is a good predictor of the dependent variable will have a large  $R^2$ <sup>23</sup>. A change in  $R^2$  is achieved by removing an independent variable and variables that lower  $R^2$  should be removed.

The significance of the linear regression was tested using the ANOVA  $F$  test. The null hypothesis is that none of the independent variables add to the linear equation model. The null hypothesis is rejected with significance levels of less than  $0.05$  (Maroco 2003).

Once the variables that will be included in the model are selected, the next step is to select the most effective model. This study utilized the step wise method. At every step, the independent variable with the smallest probability of  $F$  not yet in the equation is entered<sup>24</sup>. If the probability of  $F$  of variables already in the equation becomes large,

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<sup>19</sup> <http://mathbits.com/MathBits/TISection/Statistics2/correlation.htm> last accessed June 25, 2015.

<sup>20</sup> *ibid*

<sup>21</sup> *ibid*

<sup>22</sup> *ibid*

<sup>23</sup> <http://www.jou.ufl.edu/archive/researchlab/SPSS-Statistcs-Base-Users-Guide-17.0.pdf> last accessed June 25, 2015.

<sup>24</sup> *ibid*

they are removed<sup>25</sup>. Once there are no more variables eligible to be removed or added to the equation, the method terminates<sup>26</sup>.

The variance inflation factor (VIF) was used to verify multicollinearity. If VIF values are below the critical level of 10, there is no multicollinearity (Pallant, 2005).

## CONCLUSION

This chapter began by presenting the variable scales used and describing in detail the procedure used in the study. The sample consists of 133 participants, where 89 were female (67%) and 44 (33%) were male. In terms of nationality, 96 participants (72%) were Portuguese, while 37 (28%) were Canadian. A sample T test revealed no significant differences between Canadian and Portuguese participants. Furthermore, participants were divided by age, civil status, employment status, education level, and monthly income, and sample T-tests were performed.

The statistical analysis adopted in this study was described. Factor Analysis was used to construct the final variables used in the study. First, it was determined using KMO and Bartlett's sphericity test that the data can undergo factor analysis. The varimax method was used for factor rotation. Once the factors were determined, this study relied on the Cronbach's alpha to measure the reliability of the factor structure.

A final list of variables was developed once a reliability analysis and a factor analysis was performed on the data. The reliability analysis provided the Alpha Cronbach's value needed in order to determine the level of internal consistency of the variables. Following the reliability analysis a factor analysis was performed and the KMO index, the Bartlett test of sphericity, total variance explained and number of dimensions

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<sup>25</sup> *ibid*

<sup>26</sup> *ibid*

was examined. Therefore, a final list of variables was obtained. Multiple linear regression was explained.



## **RESULTS**

### **INTRODUCTION**

The previous chapter presented the methodological framework for this study, whereas this chapter will present the results obtained. More specifically, it will begin by presenting the results of the descriptive analysis of the variables, the results from the multiple linear regression analysis, a discussion of the results describing which hypothesis were corroborated, and will end with the presentation of the revised conceptual model.

### **DESCRIPTIVE ANALYSIS OF THE VARIABLES**

Descriptive statistics provide a small glimpse of the sample's behaviour with regards to the variables in the study. The objective of descriptive statistics is to describe the main features of the data by providing simple summaries about the sample and the measures. Table 29 highlights the descriptive statistics for the sample in this study.

**Table 29: Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
SavMes	133	1.00	5.00	4.1820	.56217
PurSav	133	1.00	5.00	3.0727	1.10884
social	133	1.00	4.00	2.2907	.79578
selfSym	133	1.00	5.00	3.3860	.92099
otherSym	133	1.00	5.00	2.4486	.95791
Sym	133	1.00	5.00	3.6842	.80227
UniqueExp	133	1.00	4.67	2.5614	.83723
pleasure	133	1.00	5.00	3.7018	.77227
functional	133	1.00	5.00	3.8446	.79725
vanityPhy	133	1.00	5.00	3.6947	.65578
vanityAch	133	1.00	5.00	2.8496	.89873
overallLux	133	1.00	4.33	2.1003	.81235
LuxMes	133	1.00	5.00	2.6410	.83788
PurLux	133	1.00	5.00	2.9925	1.09902
Valid N (listwise)	133				

The variables with the highest means were Savings message and functional value. Participants strongly agreed with items presented in these scales.

Savings message has a mean of 4.1820, which implies that the majority of participants agree with all the statements in the savings message category. Participants readily identify with saving. However, the purchase intention after the savings message was 3.0727, which is practically neutral. This implies that after reading the savings message participants were neither strongly motivated nor strongly unmotivated to buy their luxury product.

Social value has a mean of 2.2907, which implies that when purchasing luxury items participants have little to no interest in the social connotations. The same can be said for other symbolic value, with a mean of 2.4486, participants have little interest in how others related to their luxury purchases.

Self-symbolic value has a mean of 3.3860, which implies that participants feel that luxury relates to their image of self. The same can be said for symbolic value, with a mean of 3.6842, participants are attracted to luxury items with symbolic value.

Unique experience with a mean of 2.5614, implies that participants are not necessarily interested in unique luxury items. They associate luxury with items that may not be perceived as unique.

Pleasure, a variable that measures how attractive and how it is important to own really nice things, has a mean of 3.7018, which implies participants perceive luxury items as attractive and that buying luxury brings them pleasure.

In general, participants agree that luxury items are of better quality and superior to others, in other words, functional value has a mean of 3.8446. The same can be said for vanity-physical, with a mean of 3.6947, participants partially agree that they make an effort to look good and place a high emphasis on their appearance. Interestingly enough, in terms of achievement vanity, participants do not strongly associate their ambitions with their luxury product.

The mean for overall luxury value is in the slightly disagree stage, with a mean of 2.1003. Participants also slightly disagreed with the luxury messages presented, with a mean of 2.6410. Interestingly, the purchase intention mean dropped once it was measured after the luxury message to 2.9925.

### **Independent sample t-test**

The questionnaire took into account demographic data provided by the participants. Using this information, and applying the Independent-Sample T-test (T-test), with a 95% confidence margin, we can evaluate which variables of the conceptual model were more demographically significant.

### Sex

Regarding gender, we note that two variables are impacted by this parameter and have statistically significant differences, they are: Unique experience and physical vanity. Table 30 presents the independent sample t-test for the two variables.

**Table 30: Independent sample t-test, gender**

	Sex	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig (2-tailed)
UniqueExp	Female	89	2.4307	0.8245	0.0874	0.047	-2.616	0.01
	Male	44	2.8258	0.80851	0.12189		-2.634	0.01
vanityPhy	Female	89	3.7865	0.67877	0.07195	0.08	2.334	0.021
	Male	44	3.5091	0.56971	0.08589		2.476	0.015

Males showed a stronger inclination to purchase products that provide a unique experience when compared with females. Although, both genders tended to disagree or remain neutral on the scale, males are more likely to purchase luxury items that refer to an experience, where females tend to prefer a luxury product.

Females identify more with physical vanity and they tend to place a higher emphasis on their appearance.

### Age

The cut point tool in the independent samples t-test was used to divide participants into two groups: those over the age of 30, and those who are under the age of 31. 30 was the cut point where participants began to show different opinions regarding the variables presented. Two variables were impacted by age: self-symbolic value and luxury message.

**Table 31: Independent sample t-test, age**

	Age	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig. (2-tailed)
Sym	> 30	76	3.5965	0.79687	0.09141	0.203	-1.425	0.157
	<= 30	56	3.7976	0.80824	0.10801		-1.421	0.158
LuxMes	> 30	76	2.7862	0.80799	0.09268	0.168	2.51	0.013
	<= 30	56	2.4241	0.83383	0.11143		2.498	0.014

Participants over the age of 30 tended to identify more with luxury items that reflect their self, whereas participants under the age of 31 identify less with luxury that reflects how they perceive themselves.

Participants over the age of 30 also identify with the luxury messages, whereas, participants under the age of 31 tend not to identify as strongly.

Civil status

The cut point tool in the independent samples t-test was used to divide participants into two groups: those who are single and others. Others is comprised of those who are married/common law relationship, divorced/separated, or widowed. One variable was impacted by civil status: achievement vanity.

**Table 32: Independent sample t-test, civil status**

	civil status	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig. (2-tailed)
VanityAch	Married/Common law relationship, divorced/separated , or widowed	72	2.7037	1.01715	0.11987	0.442	-1.999	0.048
	single	61	3.0492	0.96386	0.12341		-2.008	0.047

Participants who are single tend to score higher in the achievement vanity scale. They tend to be very ambitious and focused on professional achievements. This may be impacted by age, single participants tend to be younger, and therefore have more time

to dedicate to ambitious professional advancement.

Education level

The cut point tool in the independent samples t-test was used to divide participants into two groups: those with an undergraduate degree or a graduate degree and others. Others is comprised of those who completed primary school, high school or a professional certificate. The idea was to separate participants who attained a higher education from those who did not. Two variables were impacted by education level: functional value and purchase intention after savings message.

**Table 33: Independent sample t-test, education level**

	education level	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig. (2-tailed)
functional	undergraduate degree or graduate degree	117	3.8974	0.76497	0.07072	2.533	2.093	0.038
	less than an undergraduate degree	16	3.4583	0.94183	0.23546		1.786	0.091
PurLux	undergraduate degree or graduate degree	117	3.0712	1.0844	0.10025	0.017	2.269	0.025
	less than an undergraduate degree	16	2.4167	1.06458	0.26615		2.302	0.033

Participants who completed a higher education were more likely to be impacted by the function attributes of a luxury product. They seek items that are higher in quality and practical.

Participants who completed a higher education, were however, more likely to purchase a luxury item after being exposed to the luxury messages.

Family household size

The cut point tool in the independent samples t-test was used to divide

participants into two groups: those who have a family household size equal to or greater than 2 and those who live alone. One variable was impacted by family household size: self-directed symbolic value.

**Table 34: Independent sample t-test, family household size**

	FHS	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig. (2-tailed)
selfSym	>= 2	108	3.3056	0.92628	0.08913	0.116	-2.12	0.036
	< 2	25	3.7333	0.82776	0.16555		-2.275	0.028

Participants with a family household size of 1 are more likely to purchase luxury items that reflect how they see themselves (self-directed symbolic value), Participants with a family household size of two or more people, are more likely to purchase luxury items that reflect the family and not just themselves.

Profession

The cut point tool in the independent samples t-test was used to divide participants into two groups: those who are employed (self-employed, employed, other) and others. Others is comprised of participants who stated they are students, unemployed, retired or a housewife. The idea was to separate participants who are employed from those with limited to no income. One variable was impacted by profession: purchase intention after luxury message.

**Table 35: Independent sample t-test, profession**

	Profession	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig. (2-tailed)
PurLux	Student, unemployed, retired, or housewife	28	2.631	1.17357	0.22178	1.373	-1.981	0.05
	self-employed, employed, other	105	3.0889	1.06344	0.10378		-1.87	0.069

Participants who are employed displayed a higher purchase intention after a luxury message than participants who are not employed. This may be due to the fact that participants who are employed are more likely to be able to afford a luxury item.

Monthly income

The cut point tool in the independent samples t-test was used to divide participants into two groups: those who have a monthly income less than or equal to 2000 euros and those to have a monthly income greater than or equal to 2001 euros. Three variables were impacted by monthly income: purchase intention after savings message, physical vanity and purchase intention after luxury message.

**Table 36: Independent sample t-test, monthly income**

	Monthly income	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig. (2-tailed)
PurSav	>= 2001	43	3.4496	1.02064	0.15565	0.902	2.778	0.006
	<= 2000	90	2.8926	1.10929	0.11693		2.861	0.005
vanityPhy	>= 2001	43	3.8837	0.36314	0.05538	14.298	2.336	0.021
	<= 2000	90	3.6044	0.74168	0.07818		2.915	0.004
PurLux	>= 2001	43	3.3566	1.03738	0.1582	0.876	2.703	0.008
	<= 2000	90	2.8185	1.09037	0.11494		2.752	0.007

Participants who make over 2000 euros per month scored higher on both measures of purchase intention. They were more likely to purchase a luxury item after the savings message and after the luxury message. Participants who make over 2000 euros a month have a high disposable income, therefore, will be more likely to purchase a luxury item than a participant who makes less than 2000 euros a month.

Participants who make over 2000 euros a month also scored higher on the physical vanity scale. They tend to be more preoccupied with their appearance than



participants who make less than 2000 euros a month.

Location

Participants were either located in Canada or Portugal, therefore they were divided into two groups: Canada or Portugal. Three variables were impacted by location: purchase intention after savings message, physical vanity and purchase intention after luxury message.

**Table 37: Independent sample t-test, location**

	Country	N	Mean	Std. Deviation	Std. Error Mean	F	t	Sig. (2-tailed)
PurSav	Portugal	96	2.941	1.07931	0.11016	0.084	-2.24	0.027
	Canada	37	3.4144	1.12603	0.18512		-2.198	0.032
vanityPhy	Portugal	96	3.5958	0.74776	0.07632	28.917	-2.878	0.005
	Canada	37	3.9514	0.08699	0.0143		-4.579	0
PurLux	Portugal	96	2.8542	1.06712	0.10891	0.004	-2.379	0.019
	Canada	37	3.3514	1.11374	0.1831		-2.334	0.023

Canadian participants were more likely purchase a luxury item after being exposed to the savings message and the luxury message. This may be due to the fact that Canadian participants have a higher disposable income. Due to the higher disposable income they are also more likely to buy luxury products in general. Canadian participants also displayed a higher level of physical vanity. This may be due to the fact that the majority of the Canadian participants have professional jobs, where one’s physical appearance is important. In contrast, some of the Portuguese participants were students, retired, or unemployed.

## RESULTS: TESTING THE HYPOTHESIS

The multiple linear regressions using the stepwise method results will be presented in this section.

### Overall luxury perception model

The proposed model to measure overall luxury perception:

$$\text{overallLuxuryPerception} = \beta_0 + \beta_1 \text{ Savings message} + \beta_2 \text{ Social Influence} + \beta_3 \text{ Self-directed symbolic value} + \beta_4 \text{ other-directed symbolic value} + \beta_5 \text{ Symbolic value} + \beta_6 \text{ Experiential value (Unique experience)} + \beta_7 \text{ Experiential value (Pleasure)} + \beta_8 \text{ Functional value} + \beta_9 \text{ vanity-physical} + \beta_{10} \text{ vanity-achievement} + \beta_{11} \text{ luxury message} + \epsilon$$

Using multiple linear regression in SPSS, a linear equation model for overall luxury perception was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

**Table 38: overall luxury perception results**

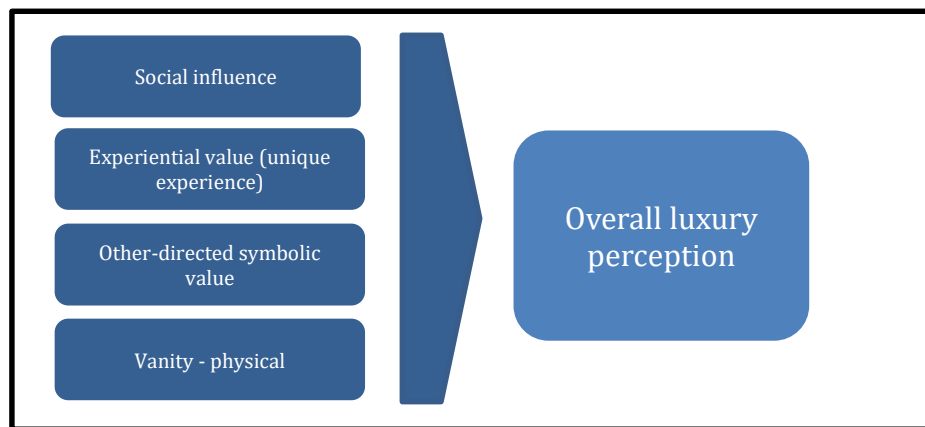
Variables	overall luxury perception
savings message	
social influence	0.299
self-directed symbolic value	
other-directed symbolic value	0.22
symbolic value	
Unique experience	0.159
pleasure	
functional value	
vanity-physical	0.132
vanity-achievement	
luxury message	0.211

R	0.717
R <sup>2</sup>	0.515
adjusted R <sup>2</sup>	0.495
constant	-0.597
F	26.925
significance	0.000
VIF	<2

Therefore, the final linear equation is:

$$\text{overallLuxuryPerception} = -0.597 + 0.299 \text{ Social Influence} + 0.220 \text{ other-directed symbolic value} + 0.159 \text{ Experiential value (Unique experience)} + 0.132 \text{ vanity-physical} + 0.211 \text{ luxury message} + \epsilon$$

**Diagram 5: Conceptual model for overall luxury perception**



The final model has a determination coefficient (R<sup>2</sup>) of 0.515 and an adjusted R<sup>2</sup> of 0.495. This implies that the model explains 51.5% of the variance of overall luxury perception.

The variables savings message, self-directed symbolic value, symbolic value, experiential value (Pleasure), functional value, and vanity-achievement are not part of the final model. This implies that only social influence, other-directed symbolic value, experiential value (unique experience), vanity-physical and luxury message impact overall luxury perception.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and F = 26.925. Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that social influence, other-directed symbolic value, experiential value (unique experience), vanity-physical and luxury message exert a positive influence on overall luxury

perception.

### Purchase intention after savings message model

The proposed model to measure purchase intention after the savings message:

$$\text{purchaseIntentionAfterSavingsMessage} = \beta_0 + \beta_1 \text{ Savings message} + \beta_2 \text{ Social Influence} + \beta_3 \text{ Self-directed symbolic value} + \beta_4 \text{ other-directed symbolic value} + \beta_5 \text{ Symbolic value} + \beta_6 \text{ Experiential value (Unique experience)} + \beta_7 \text{ Experiential value (Pleasure)} + \beta_8 \text{ Functional value} + \beta_9 \text{ vanity-physical} + \beta_{10} \text{ vanity-achievement} + \beta_{11} \text{ luxury message} + \epsilon$$

Using multiple linear regression in SPSS, a linear equation model for purchase intention after savings message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

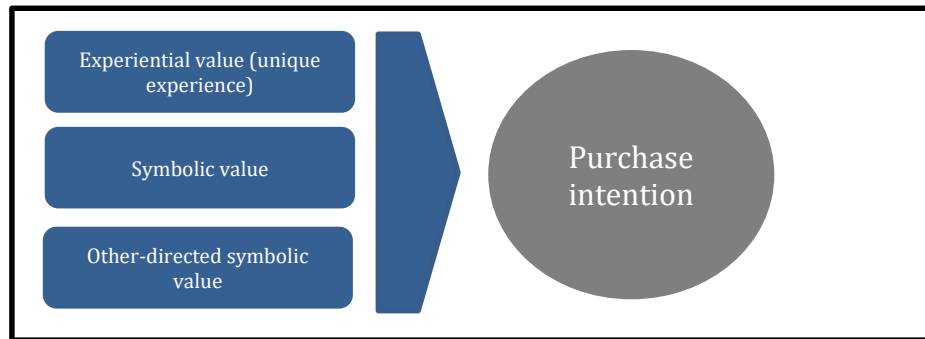
**Table 39: purchase intention after savings message results**

Variables	purchase intention after savings message
savings message	
social influence	
self-directed symbolic value	
other-directed symbolic value	0.209
symbolic value	-0.32
Unique experience	0.236
pleasure	
functional value	
vanity-physical	
vanity-achievement	
luxury message	0.212
R	0.547
R <sup>2</sup>	0.3
adjusted R <sup>2</sup>	0.278
constant	2.57
F	13.689
significance	0.000
VIF	<= 1.5

Therefore, the final linear equation is:

$$\text{purchaseIntentionAfterSavingsMessage} = 2.570 + 0.209 \text{ other-directed symbolic value} + -0.320 \text{ Symbolic value} + 0.236 \text{ Experiential value (Unique experience)} + 0.212 \text{ luxury message} + \epsilon$$

**Diagram 6: Conceptual model for purchase intention after savings message**



The final model has a determination coefficient (R<sup>2</sup>) of 0.3 and an adjusted R<sup>2</sup> of 0.278. This implies that the model explains 30.0% of the variance of purchase intention after savings message.

The variables savings message, social Influence, self-directed symbolic value, experiential value (pleasure), functional value, vanity-physical, and vanity-achievement are not part of the final model. This implies that only other-directed symbolic value, symbolic value, experiential value (unique experience), and luxury message impact purchase intention after savings message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and F = 13.689. Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that other-directed symbolic value, experiential value (unique experience), and luxury message exert a positive influence on purchase intention after the savings message, whereas, symbolic value has a negative influence on purchase intention after savings

message.

### Purchase intention after luxury message model

The proposed model to measure purchase intention after the luxury message:

$$\text{purchaseIntentionAfterLuxuryMessage} = \beta_0 + \beta_1 \text{ Savings message} + \beta_2 \text{ Social Influence} + \beta_3 \text{ Self-directed symbolic value} + \beta_4 \text{ other-directed symbolic value} + \beta_5 \text{ Symbolic value} + \beta_6 \text{ Experiential value (Unique experience)} + \beta_7 \text{ Experiential value (Pleasure)} + \beta_8 \text{ Functional value} + \beta_9 \text{ vanity-physical} + \beta_{10} \text{ vanity-achievement} + \beta_{11} \text{ luxury message} + \epsilon$$

Using multiple linear regression in SPSS, a linear equation model for purchase intention after luxury message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

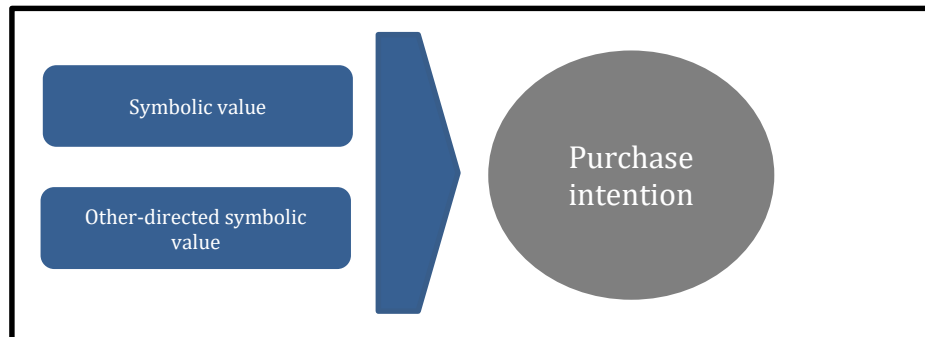
**Table 40: purchase intention after luxury message results**

Variables	purchase intention after luxury message
savings message	
social influence	
self-directed symbolic value	
other-directed symbolic value	0.269
symbolic value	-0.275
Unique experience	
pleasure	
functional value	
vanity-physical	
vanity-achievement	
luxury message	0.249
R	0.509
R <sup>2</sup>	0.259
adjusted R <sup>2</sup>	0.242
constant	2.762
F	15.777
significance	0.000
VIF	< 1.5

Therefore, the final linear equation is:

$$\text{purchaseIntentionAfterLuxuryMessage} = 2.762 + 0.269 \text{ other-directed symbolic value} + -0.275 \text{ Symbolic value} + 0.249 \text{ luxury message} + \epsilon$$

**Diagram 7: Conceptual model for purchase intention after luxury message**



The final model has a determination coefficient ( $R^2$ ) of 0.259 and an adjusted  $R^2$  of 0.242. This implies that the model explains 25.9% of the variance of purchase intention after a luxury message.

The variables savings message, social Influence, self-directed symbolic value, experiential value (unique experience), experiential value (pleasure), functional value, vanity-physical, and vanity-achievement are not part of the final model. This implies that only other-directed symbolic value, symbolic value and luxury message impact purchase intention after a luxury message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and  $F = 15.777$ . Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that other-directed symbolic value, and luxury message exert a positive influence on purchase intention after the luxury message, whereas, symbolic value has a negative influence on purchase intention after luxury message.

**Overall luxury perception model moderated by savings message**

The proposed model to measure overall luxury perception that has been moderated by a savings message is:

$$\text{overallLuxuryPerceptionXSavingsMessage} = \beta_0 + \beta_1 \text{ Savings messageXSavingsMessage} + \beta_2 \text{ Social InfluenceXSavingsMessage} + \beta_3 \text{ Self-directed symbolic valueXSavingsMessage} + \beta_4 \text{ other-directed symbolic valueXSavingsMessage} + \beta_5 \text{ Symbolic valueXSavingsMessage} + \beta_6 \text{ Experiential value (Unique experience) XSavingsMessage} + \beta_7 \text{ Experiential value (Pleasure) XSavingsMessage} + \beta_8 \text{ Functional valueXSavingsMessage} + \beta_9 \text{ vanity-physicalXSavingsMessage} + \beta_{10} \text{ vanity-achievementXSavingsMessage} + \beta_{11} \text{ luxury messageXSavingsMessage} + \epsilon$$

Using multiple linear regression in SPSS, a linear equation model for overall luxury perception moderated by savings message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

**Table 41: overall luxury perception moderated by savings message results**

Variables	overall luxury perception X Savings Message
savings messageXSavMes	
social influenceXSavMes	0.279
self-directed symbolic valueXSavMes	
other-directed symbolic valueXSavMes	0.256
symbolic valueXSavMes	
Unique experienceXSavMes	0.179
pleasureXSavMes	
functional valueXSavMes	-0.246
vanity-physicalXSavMes	
vanity-achievementXSavMes	
luxury messageXSavMes	0.218

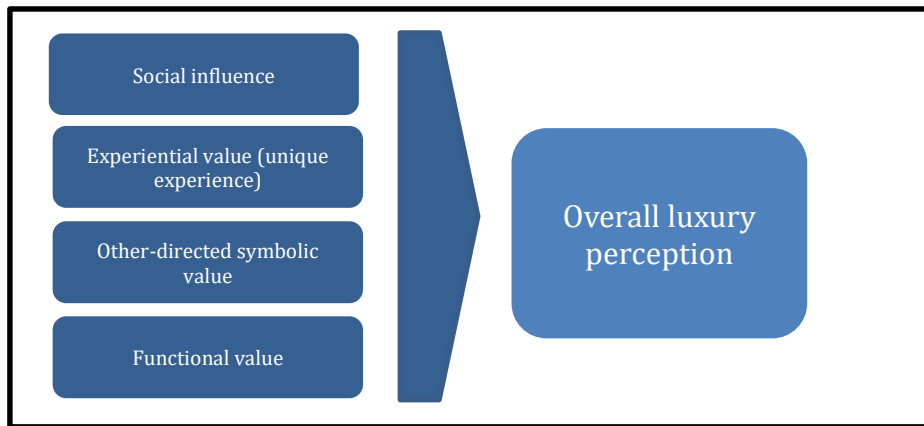
R	0.619
R <sup>2</sup>	0.384
adjusted R <sup>2</sup>	0.359
constant	0.895
F	15.807
significance	0.000
VIF	< 2.5



Therefore, the final linear equation is:

$$\text{overallLuxuryPerceptionXSavingsMessage} = 0.895 + 0.279 \text{ Social InfluenceXSavingsMessage} + 0.256 \text{ other-directed symbolic valueXSavingsMessage} + 0.179 \text{ Experiential value (Unique experience) XSavingsMessage} + -0.246 \text{ Functional valueXSavingsMessage} + 0.218 \text{ luxury messageXSavingsMessage} + \epsilon$$

**Diagram 8: Conceptual model for overall luxury perception moderated by savings message**



The final model has a determination coefficient (R<sup>2</sup>) of 0.384 and an adjusted R<sup>2</sup> of 0.359. This implies that the model explains 38.4% of the variance of overall luxury perception moderated by savings message.

The variables savings message, self-directed symbolic value, symbolic value, experiential value (pleasure), vanity-physical, and vanity-achievement are not part of the final model. This implies that only social influence, other-directed symbolic value, experiential value (unique experience), functional value and luxury message impact overall luxury perception moderated by savings message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and F = 15.807. Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that the variables moderated by savings message: social influence, other-directed symbolic value, experiential value (unique experience), and luxury message exert a positive influence on overall luxury perception moderated by saving message, whereas function value exerts a negative influence on overall luxury perception moderated by savings message.

#### **Purchase intention after savings message moderated by savings message model**

The proposed model to measure purchase intention after the savings message moderated by savings message:

$$\text{purchaseIntentionAfterSavingsMessageXSavingsMessage} = \beta_0 + \beta_1 \text{ Savings messageXSavingsMessage} + \beta_2 \text{ Social InfluenceXSavingsMessage} + \beta_3 \text{ Self-directed symbolic valueXSavingsMessage} + \beta_4 \text{ other-directed symbolic valueXSavingsMessage} + \beta_5 \text{ Symbolic valueXSavingsMessage} + \beta_6 \text{ Experiential value (Unique experience) XSavingsMessage} + \beta_7 \text{ Experiential value (Pleasure) XSavingsMessage} + \beta_8 \text{ Functional valueXSavingsMessage} + \beta_9 \text{ vanity-physicalXSavingsMessage} + \beta_{10} \text{ vanity-achievementXSavingsMessage} + \beta_{11} \text{ luxury messageXSavingsMessage} + \epsilon$$

Using multiple linear regression in SPSS, a linear equation model for purchase intention after savings message moderated by savings message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

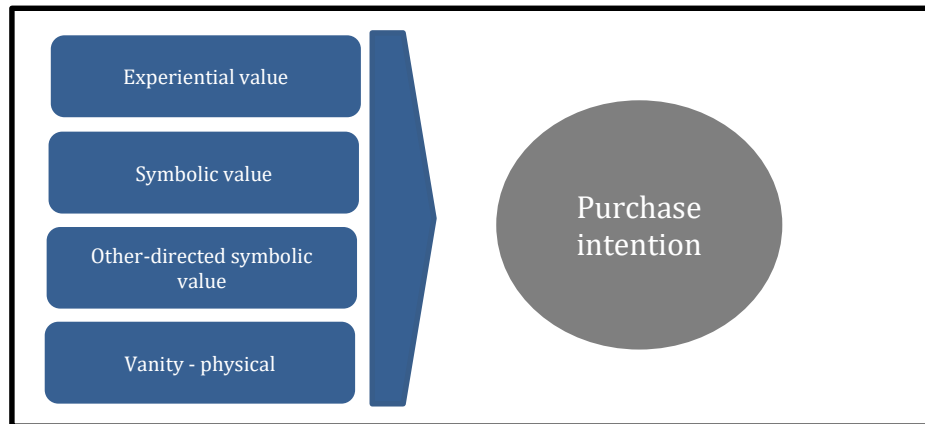
**Table 42: purchase intention after savings message moderated by savings message results**

Variables	purchase intention after savings message X Savings Message
savings messageXSavMes	
social influenceXSavMes	
self-directed symbolic valueXSavMes	
other-directed symbolic valueXSavMes	0.303
symbolic valueXSavMes	-0.448
Unique experienceXSavMes	0.305
pleasureXSavMes	
functional valueXSavMes	
vanity-physicalXSavMes	0.225
vanity-achievementXSavMes	
luxury messageXSavMes	
R	0.569
R <sup>2</sup>	0.324
adjusted R <sup>2</sup>	0.303
constant	2.221
F	15.317
significance	0.000
VIF	<2

Therefore, the final linear equation is:

$$\text{purchaseIntentionAfterSavingsMessage} = 2.221 + 0.303 \text{ other-directed symbolic value} + -0.448 \text{ Symbolic value} + 0.305 \text{ Experiential value (Unique experience)} + 0.225 \text{ vanity-physical} + \epsilon$$

**Diagram 9: Conceptual model for purchase intention after savings message and moderated by savings message**



The final model has a determination coefficient ( $R^2$ ) of 0.324 and an adjusted  $R^2$  of 0.303. This implies that the model explains 32.4% of the variance of purchase intention after savings message moderated by savings message.

The variables moderated by savings message: savings message, social Influence, self-directed symbolic value, experiential value (pleasure), functional value, vanity-achievement and luxury message are not part of the final model. This implies that only the variables moderated by savings message: other-directed symbolic value, symbolic value, experiential value (unique experience), and vanity-physical impact purchase intention after savings message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and  $F = 15.317$ . Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that the variables moderated by savings message: other-directed symbolic value, experiential value (unique experience), and vanity-physical exert a positive influence on purchase intention after the savings message, whereas, symbolic value moderated by savings message has a negative influence on purchase intention after savings message.

**Purchase intention after luxury message model moderated by savings message**

The proposed model to measure purchase intention after the luxury message moderated by savings message:

$$\text{purchaseIntentionAfterLuxuryMessageXSavingsMessage} = \beta_0 + \beta_1 \text{ Savings messageXSavingsMessage} + \beta_2 \text{ Social InfluenceXSavingsMessage} + \beta_3 \text{ Self-directed symbolic valueXSavingsMessage} + \beta_4 \text{ other-directed symbolic valueXSavingsMessage} + \beta_5 \text{ Symbolic valueXSavingsMessage} + \beta_6 \text{ Experiential value (Unique experience) XSavingsMessage} + \beta_7 \text{ Experiential value (Pleasure) XSavingsMessage} + \beta_8 \text{ Functional valueXSavingsMessage} + \beta_9 \text{ vanity-physicalXSavingsMessage} + \beta_{10} \text{ vanity-achievementXSavingsMessage} + \beta_{11} \text{ luxury messageXSavingsMessage} + \epsilon$$

Using multiple linear regression in SPSS, a linear equation model for purchase intention after luxury message moderated by savings message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

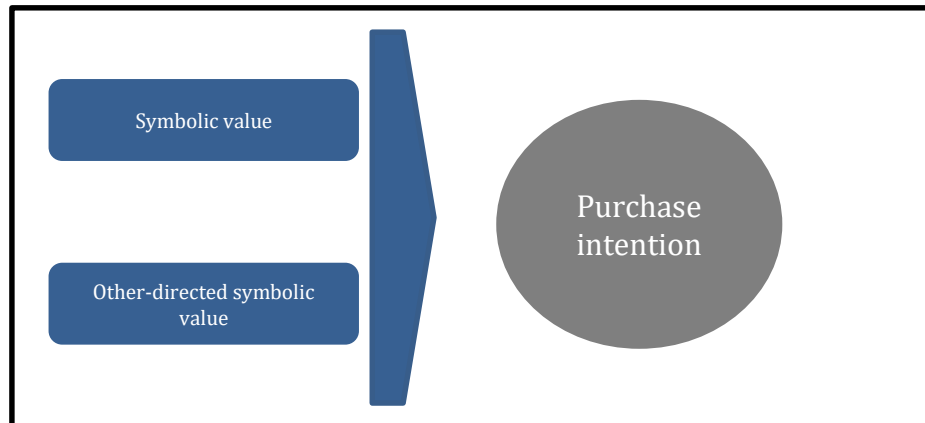
**Table 43: purchase intention after luxury message moderated by savings message results**

Variables	purchase intention after luxury message X Savings Message
savings messageXSavMes	
social influenceXSavMes	
self-directed symbolic valueXSavMes	
other-directed symbolic valueXSavMes	0.292
symbolic valueXSavMes	-0.321
Unique experienceXSavMes	
pleasureXSavMes	
functional valueXSavMes	
vanity-physicalXSavMes	
vanity-achievementXSavMes	
luxury messageXSavMes	0.311
R	0.52
R <sup>2</sup>	0.271
adjusted R <sup>2</sup>	0.254
constant	2.661
F	15.945
significance	0.000
VIF	<2

Therefore, the final linear equation is:

$$\text{purchaseIntentionAfterLuxuryMessage} = 2.661 + 0.292 \text{ other-directed symbolic value} + \\ -0.321 \text{ Symbolic value} + 0.311 \text{ luxury message} + \epsilon$$

**Diagram 10: Conceptual model for purchase intention after luxury message moderated by savings message**



The final model has a determination coefficient (R<sup>2</sup>) of 0.271 and an adjusted R<sup>2</sup> of 0.254. This implies that the model explains 27.1% of the variance of purchase intention after a luxury message moderated by a savings message.

The variables moderated by savings message: savings message, social Influence, self-directed symbolic value, experiential value (unique experience), experiential value (pleasure), functional value, vanity-physical, and vanity-achievement are not part of the final model. This implies that only the variables moderated by savings message: other-directed symbolic value, symbolic value and luxury message impact purchase intention after a luxury message moderated by savings message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and F = 15.945. Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that

the variables moderated by savings message, other-directed symbolic value, and luxury message exert a positive influence on purchase intention after the luxury message, whereas, symbolic value moderated by savings message has a negative influence on purchase intention after luxury message.

#### Overall luxury perception model moderated by luxury message

The proposed model to measure overall luxury perception that has been moderated by a luxury message is:

$$\begin{aligned} \text{overallLuxuryPerceptionXLuxuryMessage} = & \beta_0 + \beta_1 \text{Savings messageXLuxuryMessage} + \\ & \beta_2 \text{Social InfluenceXLuxuryMessage} + \beta_3 \text{Self-directed symbolic valueXLuxuryMessage} + \\ & \beta_4 \text{other-directed symbolic valueXLuxuryMessage} + \beta_5 \text{Symbolic} \\ & \text{valueXLuxuryMessage} + \beta_6 \text{Experiential value (Unique experience) XLuxuryMessage} + \beta_7 \\ & \text{Experiential value (Pleasure) XLuxuryMessage} + \beta_8 \text{Functional valueXLuxuryMessage} + \\ & \beta_9 \text{vanity-physicalXLuxuryMessage} + \beta_{10} \text{vanity-achievementXLuxuryMessage} + \beta_{11} \\ & \text{luxury messageXLuxuryMessage} + \varepsilon \end{aligned}$$

Using multiple linear regression in SPSS, a linear equation model for overall luxury perception moderated by luxury message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

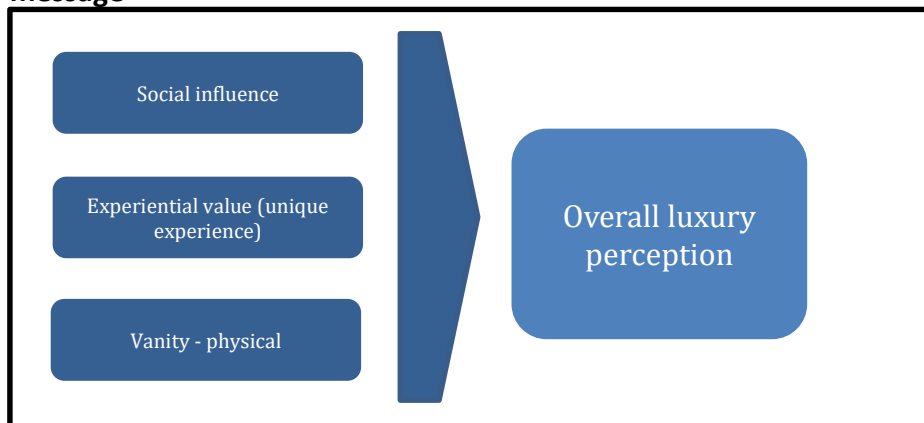
**Table 44: overall luxury perception moderated by luxury message results**

Variables	overall luxury perception X Luxury Message
savings messageXLuxMes	-0.543
social influenceXLuxMes	0.525
self-directed symbolic valueXLuxMes	
other-directed symbolic valueXLuxMes	
symbolic valueXLuxMes	
Unique experienceXLuxMes	0.312
pleasureXLuxMes	
functional valueXLuxMes	
vanity-physicalXLuxMes	0.456
vanity-achievementXLuxMes	
luxury messageXLuxMes	
R	0.721
R <sup>2</sup>	0.52
adjusted R <sup>2</sup>	0.505
constant	1.053
F	34.688
significance	0.000
VIF	<6

Therefore, the final linear equation is:

$$\text{overallLuxuryPerceptionXLuxuryMessage} = 1.053 + -0.543 \text{ Savings messageXLuxuryMessage} + 0.525 \text{ Social InfluenceXLuxuryMessage} + 0.312 \text{ Experiential value (Unique experience) XLuxuryMessage} + 0.456 \text{ vanity-physicalXLuxuryMessage} + \epsilon$$

**Diagram 11: Conceptual model for overall luxury perception moderated by luxury message**





The final model has a determination coefficient ( $R^2$ ) of 0.520 and an adjusted  $R^2$  of 0.505. This implies that the model explains 52.0% of the variance of overall luxury perception moderated by luxury message.

The variables moderated by luxury message: self-directed symbolic value, other-directed symbolic value, symbolic value, experiential value (pleasure), functional value, vanity-achievement, and luxury message are not part of the final model. This implies that only the variables moderated by luxury message: savings message, social influence, experiential value (unique experience) and vanity-physical impact overall luxury perception moderated by luxury message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and  $F = 34.688$ . Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that the variables moderated by luxury message: social influence, experiential value (unique experience), and vanity-physical exert a positive influence on overall luxury perception moderated by luxury message, whereas savings message moderated by luxury message exerts a negative influence on overall luxury perception moderated by luxury message.

### Purchase intention after savings message moderated by luxury message model

The proposed model to measure purchase intention after the savings message moderated by luxury message:

$$\text{purchaseIntentionAfterSavingsMessageXLuxuryMessage} = \beta_0 + \beta_1 \text{ Savings messageXLuxuryMessage} + \beta_2 \text{ Social InfluenceXLuxuryMessage} + \beta_3 \text{ Self-directed symbolic valueXLuxuryMessage} + \beta_4 \text{ other-directed symbolic valueXLuxuryMessage} + \beta_5 \text{ Symbolic valueXLuxuryMessage} + \beta_6 \text{ Experiential value (Unique experience) XLuxuryMessage} + \beta_7 \text{ Experiential value (Pleasure) XLuxuryMessage} + \beta_8 \text{ Functional valueXLuxuryMessage} + \beta_9 \text{ vanity-physicalXLuxuryMessage} + \beta_{10} \text{ vanity-achievementXLuxuryMessage} + \beta_{11} \text{ luxury messageXLuxuryMessage} + \epsilon$$

Using multiple linear regression in SPSS, a linear equation model for purchase intention after savings message moderated by luxury message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

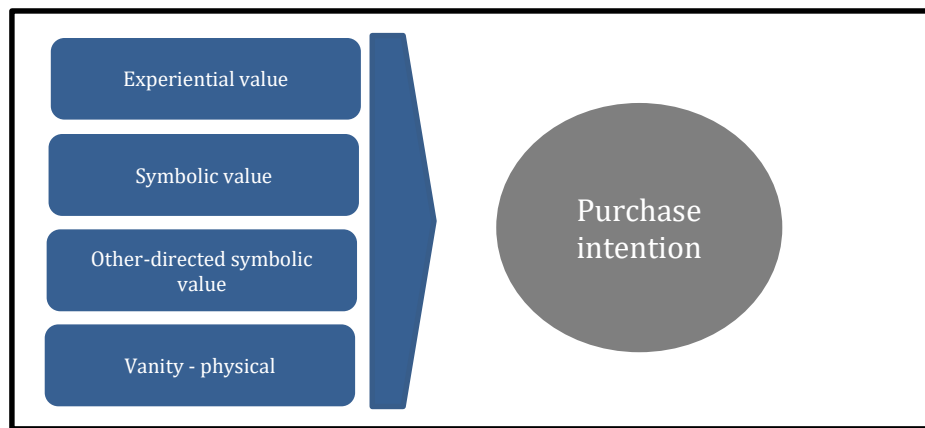
**Table 45: purchase intention after savings message moderated by luxury message results**

Variables	purchase intention after savings message X Luxury Message
savings messageXLuxMes	
social influenceXLuxMes	
self-directed symbolic valueXLuxMes	
other-directed symbolic valueXLuxMes	0.268
symbolic valueXLuxMes	-0.588
Unique experienceXLuxMes	0.405
pleasureXLuxMes	
functional valueXLuxMes	
vanity-physicalXLuxMes	0.345
vanity-achievementXLuxMes	
luxury messageXLuxMes	
R	0.554
R <sup>2</sup>	0.307
adjusted R <sup>2</sup>	0.285
constant	2.374
F	14.173
significance	0.000
VIF	<4

Therefore, the final linear equation is:

$$\text{purchaseIntentionAfterSavingsMessageXLuxuryMessage} = 2.374 + 0.268 \text{ other-directed symbolic valueXLuxuryMessage} + -0.588 \text{ Symbolic valueXLuxuryMessage} + 0.405 \text{ Experiential value (Unique experience) XLuxuryMessage} + 0.345 \text{ vanity-physicalXLuxuryMessage} + \epsilon$$

**Diagram 12: Conceptual model for purchase intention after savings message moderated by luxury message**



The final model has a determination coefficient (R<sup>2</sup>) of 0.307 and an adjusted R<sup>2</sup> of 0.285. This implies that the model explains 30.7% of the variance of purchase intention after savings message moderated by luxury message.

The variables moderated by luxury message: savings message, social Influence, self-directed symbolic value, experiential value (pleasure), functional value, vanity-achievement and luxury message are not part of the final model. This implies that only the variables moderated by luxury message: other-directed symbolic value, symbolic value, experiential value (unique experience), and vanity-physical impact purchase intention after savings message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and F = 14.173. Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that the variables moderated by luxury message: other-directed symbolic value, experiential value (unique experience), and vanity-physical exert a positive influence on purchase intention after the savings message, whereas, symbolic value moderated by luxury message has a negative influence on purchase intention after savings message.

#### **Purchase intention after luxury message model moderated by luxury message**

The proposed model to measure purchase intention after the luxury message moderated by luxury message:

$$\begin{aligned} \text{purchaseIntentionAfterLuxuryMessageXLuxuryMessage} &= \beta_0 + \beta_1 \text{ Savings} \\ &\text{messageXLuxuryMessage} + \beta_2 \text{ Social InfluenceXLuxuryMessage} + \beta_3 \text{ Self-directed} \\ &\text{symbolic valueXLuxuryMessage} + \beta_4 \text{ other-directed symbolic valueXLuxuryMessage} + \\ &\beta_5 \text{ Symbolic valueXLuxuryMessage} + \beta_6 \text{ Experiential value (Unique experience)} \\ &\text{XLuxuryMessage} + \beta_7 \text{ Experiential value (Pleasure) XLuxuryMessage} + \beta_8 \text{ Functional} \\ &\text{valueXLuxuryMessage} + \beta_9 \text{ vanity-physicalXLuxuryMessage} + \beta_{10} \text{ vanity-} \\ &\text{achievementXLuxuryMessage} + \beta_{11} \text{ luxury messageXLuxuryMessage} + \epsilon \end{aligned}$$

Using multiple linear regression in SPSS, a linear equation model for purchase intention after luxury message moderated by luxury message was derived. The least squares method and the stepwise method were used to derive the  $\beta$  coefficients. The results are presented in the table below.

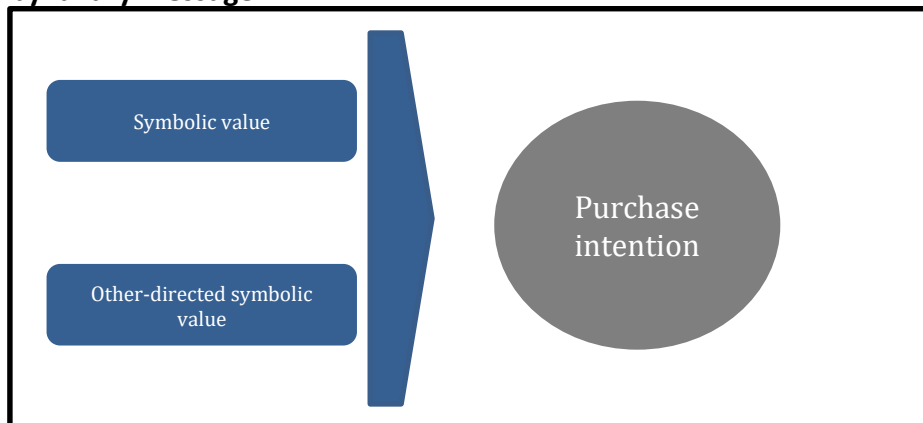
**Table 46: purchase intention after luxury message moderated by luxury message results**

Variables	purchase intention after luxury message X Luxury Message
savings messageXLuxMes	0.479
social influenceXLuxMes	
self-directed symbolic valueXLuxMes	
other-directed symbolic valueXLuxMes	0.413
symbolic valueXLuxMes	-0.513
Unique experienceXLuxMes	
pleasureXLuxMes	
functional valueXLuxMes	
vanity-physicalXLuxMes	
vanity-achievementXLuxMes	
luxury messageXLuxMes	
R	0.508
R <sup>2</sup>	0.258
adjusted R <sup>2</sup>	0.241
constant	2.236
F	14.979
significance	0.000
VIF	<4

Therefore, the final linear equation is:

$$\text{purchaseIntentionAfterLuxuryMessageXLuxuryMessage} = 2.236 + 0.479 \text{ Savings messageXLuxuryMessage} + 0.413 \text{ other-directed symbolic value} + -0.513 \text{ Symbolic value} + \epsilon$$

**Diagram 13: Conceptual model for purchase intention after luxury message moderated by luxury message**



The final model has a determination coefficient (R<sup>2</sup>) of 0.258 and an adjusted R<sup>2</sup> of 0.241. This implies that the model explains 25.8% of the variance of purchase intention after a luxury message moderated by a luxury message.

The variables moderated by luxury message: social influence, self-directed symbolic value, experiential value (unique experience), experiential value (pleasure), functional value, vanity-physical, vanity-achievement and luxury message are not part of the final model. This implies that only the variables moderated by luxury message: savings message, other-directed symbolic value, and symbolic value impact purchase intention after a luxury message moderated by luxury message.

The significance level of the linear regression was tested with the ANOVA F test, which showed a satisfactory level of significance of 0.000 and  $F = 14.979$ . Significance levels below 0.05 are considered good; therefore, we can reject the null hypothesis.

From the results obtained with multiple linear regression, we can conclude that the variables moderated by luxury message: savings message and other-directed symbolic value exert a positive influence on purchase intention after the luxury message, whereas, symbolic value moderated by luxury message has a negative influence on purchase intention after luxury message.

The following tables summarize the results presented above:

**Table 47: summary of results**

Variables	overall luxury perception	purchase intention after savings message	purchase intention after luxury message
savings message			
social influence	0.299		
self-directed symbolic value			
other-directed symbolic value	0.22	0.209	0.269
symbolic value		-0.32	-0.275
Unique experience	0.159	0.236	
pleasure			
functional value			
vanity-physical	0.132		
vanity-achievement			
luxury message	0.211	0.212	0.249

R	0.717	0.547	0.509
R <sup>2</sup>	0.515	0.3	0.259
adjusted R <sup>2</sup>	0.495	0.278	0.242
constant	-0.597	2.57	2.762
F	26.925	13.689	15.777
significance	0.000	0.000	0.000
VIF	<2	<= 1.5	< 1.5

**Table 48: summary of results moderated by savings message**

Variables	overall luxury perception X Savings Message	purchase intention after savings message X Savings Message	purchase intention after luxury message X Savings Message
savings messageXSavMes			
social influenceXSavMes	0.279		
self-directed symbolic valueXSavMes			
other-directed symbolic valueXSavMes	0.256	0.303	0.292
symbolic valueXSavMes		-0.448	-0.321
Unique experienceXSavMes	0.179	0.305	
pleasureXSavMes			
functional valueXSavMes	-0.246		
vanity-physicalXSavMes		0.225	
vanity-achievementXSavMes			
luxury messageXSavMes	0.218		0.311

R	0.619	0.569	0.52
R <sup>2</sup>	0.384	0.324	0.271
adjusted R <sup>2</sup>	0.359	0.303	0.254
constant	0.895	2.221	2.661
F	15.807	15.317	15.945
significance	0.000	0.000	0.000
VIF	< 2.5	<2	<2

**Table 49: summary of results moderated by luxury message**

Variables	overall luxury perception X Luxury Message	purchase intention after savings message X Luxury Message	purchase intention after luxury message X Luxury Message
savings messageXLuxMes	-0.543		0.479
social influenceXLuxMes	0.525		
self-directed symbolic valueXLuxMes			
other-directed symbolic valueXLuxMes		0.268	0.413
symbolic valueXLuxMes		-0.588	-0.513
Unique experienceXLuxMes	0.312	0.405	
pleasureXLuxMes			
functional valueXLuxMes			
vanity-physicalXLuxMes	0.456	0.345	
vanity-achievementXLuxMes			
luxury messageXLuxMes			
R	0.721	0.554	0.508
R <sup>2</sup>	0.52	0.307	0.258
adjusted R <sup>2</sup>	0.505	0.285	0.241
constant	1.053	2.374	2.236
F	34.688	14.173	14.979
significance	0.000	0.000	0.000
VIF	<6	<4	<4

## DISCUSSION OF THE RESULTS

The objective of this study was to study the attitudes towards luxury and purchase intention when faced with messages endorsing saving versus messages endorsing luxury. The proposed research model was divided into nine sub-models in order to undergo regression analysis. The statistical procedure resulted in the identification of determinants affecting the dependent variables of each model, and a confirmation or non-confirmation of the defined assumptions.

Hypothesis can be corroborated, partially corroborated or not corroborated. A hypothesis can be partially corroborated when it is a two-dimensional variable, where one of the dimensions is corroborated. In this study, for example, only one variable was classified as a two-dimensional variable, experiential value. The two dimensions for



experiential value were named unique experience and pleasure. Hypotheses classified as corroborated are those, who despite having more than one dimension have significance for all of them. Hypothesis that are classified as not corroborated are variables who have no significance in any dimension.

The following table presents a summary of the results of each hypothesis.

**Table 50: summary of hypothesis results**

Hypothesis	Description	Result
1	There is a negative relationship between savings message and overall luxury perception.	Not corroborated
2	The savings message will have a positive impact on purchase intention.	Not corroborated
3	There is a positive relationship between social influence and overall luxury perception.	Corroborated
4	There is a positive relationship between social influence and purchase intention.	Not corroborated
5	There is a positive relationship between symbolic value and overall luxury perception.	Not corroborated
6	There is a positive relationship between symbolic value and purchase intention.	Not corroborated*
7	There is a positive relationship between self-directed symbolic value and overall luxury perception.	Not corroborated
8	There is a positive relationship between self-directed symbolic value and purchase intention.	Not corroborated
9	There is a positive relationship between other-directed symbolic value and overall luxury perception.	Corroborated
10	There is a positive relationship between other-directed symbolic value and purchase intention.	Corroborated
11	There is a positive relationship between experiential value and overall luxury perception.	Partially corroborated*
12	There is a positive relationship between experiential value and purchase intention.	Partially corroborated*
13	There is a positive relationship between functional value and overall luxury perception.	Not corroborated
14	There is a positive relationship between functional value and purchase intention.	Not corroborated
15	There is a positive relationship between physical vanity and overall luxury perception.	Corroborated
16	There is a positive relationship between physical vanity and purchase intention.	Not corroborated
17	There is a positive relationship between achievement vanity and overall luxury perception.	Not corroborated
18	There is a positive relationship between achievement vanity and purchase intention.	Not corroborated

19	There is a positive relationship between overall luxury perception and purchase intention.	Not corroborated
20	There is a positive relationship between luxury message and overall luxury perception.	Corroborated
21	A luxury slogan will decrease purchase intention.	Not corroborated*

\*Justification given below.

The justification for why some hypothesis were partially corroborated, and why some were not corroborated will be given below.

Hypothesis, H1 and H2 were not corroborated. Contrary to what was found in the Laran, Dalton, & Andrade, studies, the savings message had no impact on all dependent variables. Laran, Dalton, & Andrade, also found that generic saving messages that are not directly attributed to the luxury item had no impact on purchase intention (Laran, Dalton, & Andrade, 2011). Therefore, it is possible that participants did not attribute the savings message to their luxury item.

Hypothesis 4 was not corroborated although previous studies show that social influence has a positive impact on purchase intention (Hung et al, 2001; Algesheimer *et al.*, 2005; Bearden and Etzel, 1982; Lalwani, 2002). Although, this study did not corroborate hypothesis four, it did corroborate that there is a positive relationship between social influence and overall luxury perception.

Although, H6: There is a positive relationship between symbolic value and purchase intention, was not corroborated, there was a relationship between symbolic value and purchase intention. The hypothesis stipulated that this relationship would be positive, when in fact it was negative. Examining the scale used for symbolic value one can understand why participants would disagree with the items. Most participants would not view themselves as wealthy, nor would they openly admit that their luxury item is conspicuous. Therefore, participants tended to disagree with the items in the scale and symbolic value was shown to have a negative impact on overall luxury perception and

purchase intention. Although, in previous studies conducted by Berthon *et al.* (2009) and Vigneron and Johnson (2004), symbolic value was shown to have a positive effect, this study, and the study conducted by Hung et al (2011), show that symbolic value has a negative relationship. Therefore, this hypothesis corroborates the results found in the Hung et al (2011) study.

Items in the symbolic value scale:

My desired luxury product is conspicuous.  
My desired luxury product is expensive  
My desired luxury product is for the wealthy.

Hypothesis H7 and H8 were not corroborated. In this study no relationship was found between self-directed symbolic value and the dependent variables. Once again, this goes against what was found in the Shukla & Purani study. The Shukla & Purani study found that there is a negative relationship between self-directed symbolic value and overall luxury perception (Shukla & Purani, 2010).

Both hypothesis 11 and 12 were partially corroborated. Both hypothesis deal with experiential value, which was shown to have two dimensions. H11: There is a positive relationship between experiential value and overall luxury perception. The study showed that there is a positive relationship between experiential value (unique experience dimension) and overall luxury perception. There was no relationship found between experiential value (pleasure) and overall luxury perception. H12: There is a positive relationship between experiential value and purchase intention. The study showed that there is a positive relationship between experiential value (unique experience dimension) and purchase intention after savings message. There was no relationship found between experiential value (unique experience dimension) and purchase intention after luxury message. Once again, there was no relationship found between experiential value (pleasure) and purchase intention. This is contrary to previous studies that have found a direct impact between experiential value and purchase intention (Hung et al. 2001).

Furthermore, the data from previous studies did not support two factors for the experiential value scale (Hung et al., 2001).

Hypothesis 13 and 14 were not corroborated. This study found no relationship between functional value and the dependent variables. This is contrary to what was found in the Hung et al study, where a relationship was found between functional value and purchase intention.

Hypothesis 16 was not corroborated, this study found no relationship between physical vanity and purchase intention. However, there was a relationship found between physical vanity and overall luxury perception (hypothesis 15). Hung et al found supporting evidence for the effect of physical vanity on purchase intention.

Hypothesis 17 and 18 found no relationship between achievement vanity and the dependent variables. Once again, this is contrary to what was found in the Hung et al study.

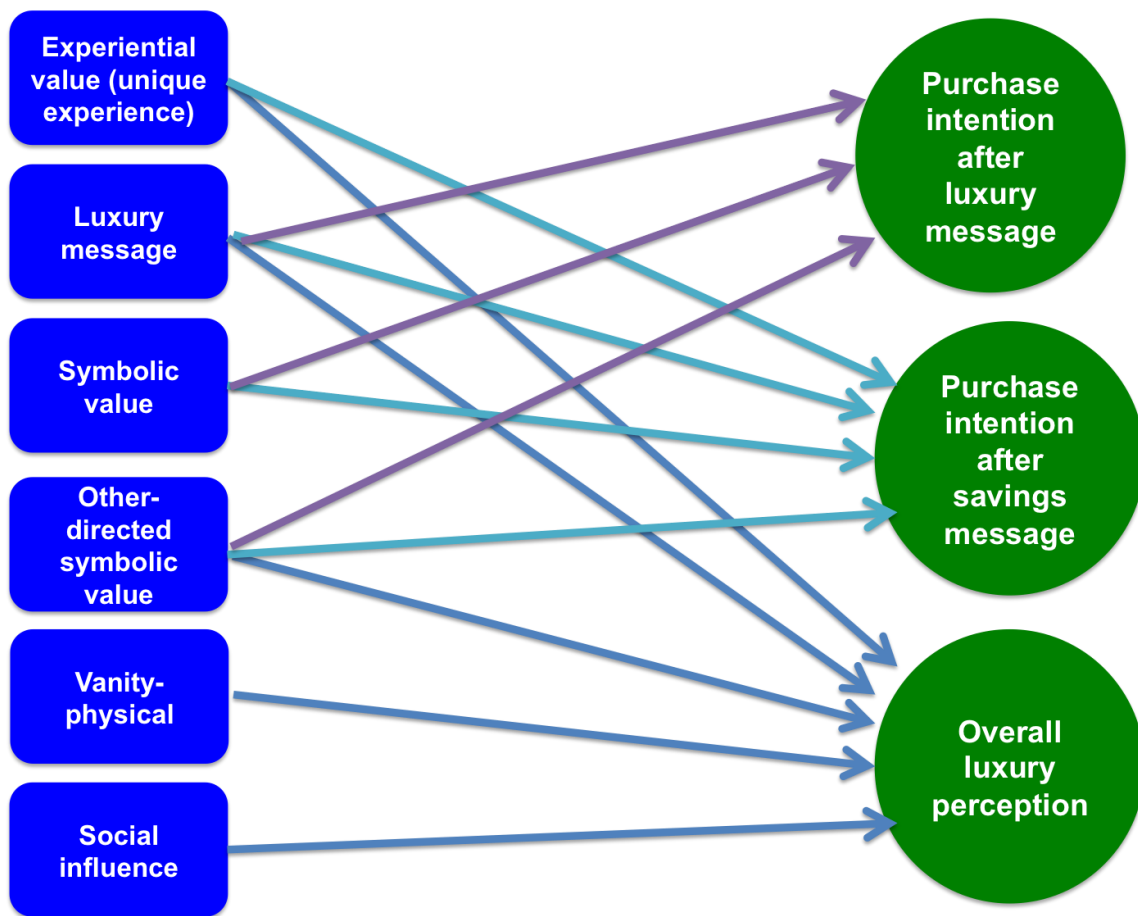
Interestingly, hypothesis 19 was not corroborated in this study. There was no relationship found between overall luxury perception and purchase intention. At first glance this seems counterintuitive. However, if the luxury items selected by the participants are examined, one can see that participants selected exorbitantly priced items (Ferraris, watches that cost over \$20,000, luxury homes, etc.), therefore, although the overall luxury perception may be positive, participants may not intend to purchase those items. The Shukla & Purani study found that there is a relationship between overall luxury perception and purchase intention.

In H21 it was proposed that a luxury slogan will decrease purchase intention, however the opposite was found to be true. Contrary to what was found in Laran, Dalton, & Andrade, studies, the luxury message had a positive impact on all dependent variables (purchase intention after savings message, purchase intention after luxury message and overall luxury perception). The luxury message increases overall luxury perception, which may increase purchase intention independent of a savings message. The luxury messages

are 'feel good about luxury' slogans, whereas the savings message tends to focus more on money and spending. The messages in the scale used in this study may have led participants to feel better about luxury and in turn increased their purchase intention.

### CONCEPTUAL MODEL PROPOSED

Diagram 14: The final conceptual model proposed for this study



Please note, four variables initially presented in the conceptual model were not included. The variables, savings message, self-directed symbolic value, functional value and vanity

– achievement, were found to have no effect on purchase intention or overall luxury perception in this study.

## CONCLUSION

This chapter began by presenting the results of the sample t-test for each demographic variable presented. This was followed by the results from the multiple linear regression analysis using the stepwise method.

From the results obtained with multiple linear regression analysis the following can be concluded. Social influence exerts a positive influence on overall luxury perception.

Other-directed symbolic value exerts a positive influence on overall luxury perception, except when it is moderated by the luxury message, and on both purchase intention after savings message and purchase intention after luxury message.

Experiential value (unique experience) exerts a positive influence on overall luxury perception and on purchase intention after savings message.

Vanity-physical exerts a positive influence on overall luxury perception, except when it is moderated by savings message, and on purchase intention after savings message when it has been moderated by either savings message or luxury message.

Luxury message exerts a positive influence on overall luxury perception, except when it has been moderated by luxury message, and on purchase intention after savings message, when it has not been moderated by saving or luxury message, and purchase intention after luxury message when it has been moderated by the luxury message.

Luxury message has a positive influence on purchase intention after luxury message when it has not been moderated by either the savings message or the luxury message.

Savings message has a positive influence on purchase intention after luxury message when it has been moderated by luxury.

Symbolic value has a negative influence on purchase intention after savings message and on purchase intention after luxury message.

Savings message has a negative influence on overall luxury perception when it has been moderated by the luxury message.

Functional value has a negative influence on overall luxury perception when it has been moderated by the savings message.

This was followed by a presentation of the results of each hypothesis. Based on the results obtained, the following hypothesis were corroborated: There is a positive relationship between social influence and overall luxury perception; There is a positive relationship between other-directed symbolic value and overall luxury perception; There is a positive relationship between other-directed symbolic value and purchase intention; There is a positive relationship between physical vanity and overall luxury perception; and, There is a positive relationship between luxury message and overall luxury perception.

The following were partially corroborated: There is a positive relationship between experiential value and overall luxury perception; and, There is a positive relationship between experiential value and purchase intention.

The following were not corroborated based on this study: There is a negative relationship between savings message and overall luxury perception; The savings message will have a positive impact on purchase intention; There is a positive relationship between social influence and purchase intention; There is a positive relationship between symbolic value and overall luxury perception; There is a positive relationship between symbolic value and purchase intention; There is a positive relationship between self-directed symbolic value and overall luxury perception; There is a positive relationship

between self-directed symbolic value and purchase intention; There is a positive relationship between functional value and overall luxury perception; There is a positive relationship between functional value and purchase intention; There is a positive relationship between physical vanity and purchase intention; There is a positive relationship between achievement vanity and overall luxury perception; There is a positive relationship between achievement vanity and purchase intention; There is a positive relationship between overall luxury perception and purchase intention; and A luxury slogan will decrease purchase intention.

Using the results gathered above, the conceptual model was redesigned and presented.



## CONCLUSION

### INTRODUCTION

The previous chapter presented the results obtained in this study, whereas this chapter will present the conclusions. More specifically, a review of the study was presented, the limitations of the study were identified, and future implications were presented.

### GENERAL CONCLUSIONS

The main objective of this thesis was to investigate the effects advertising copy has on attitudes and purchase intention in the luxury market. More specifically, whether a savings message presented to would be consumers alters the shopping habits of individuals. Previous studies have found that slogans can have an effect on the shopping habits of consumers (Laran, Dalton, & Andrade, 2011). This would be particularly interesting for the luxury sector, since messages found in advertisements can more easily be changed in comparison to slogans. In addition, the messages can be altered and tailored for specific audiences, whereas a slogan tend to be the same for all audiences.

The literature review presented a brief history of the concept of luxury, as well as an introduction to how people view luxury and the antecedents of luxury purchase intention. A review of what drives purchase intention, behaviour theory and attitudes was conducted in order to understand what happens psychologically when people are presented with a savings/luxury message for a luxury item that they find desirable. A research model was developed and presented.

The literature review revealed that people are willing to spend more on luxury brands when compare to neutral or non-luxury brands (Laran, Dalton &Andrade, 2011). The opposite occurs with slogans, people spend more on slogans that promote saving, and less on slogans that promote luxury (Laran, Dalton &Andrade, 2011). Therefore,

brands cause a priming effect, whereas slogans cause a reverse priming effect (Laran, Dalton & Andrade, 2011). This can be interesting for luxury brands and how they communicate with their customers. This finding may suggest that a strong luxury brand will have a positive effect on purchase intention and exposing consumers to a message aimed at saving can further compound this effect. In addition, this may imply that a luxury message may not be the most effective way to increase sales and entice customers to buy luxury.

This study attempted to prime participants with the slogans used in the Laran, Dalton, & Andrade, study that were slightly altered so that they may be applied to the brand the participant selected in the study. The objective is to discern if asking the participants to relate a luxury product to a given set of slogans/phrases will alter their purchase intention. The results were mixed. It was found that the savings message had no effect on purchase intention or on the overall luxury perception of consumers. However, the luxury message had a positive impact on purchase intention and the overall luxury perception. This is contrary to the findings in the Laran, Dalton & Andrade (2011) study. In accordance with the literature review the luxury message should have had a negative effect on purchase intention. There are various reasons why this may not have been the case:

1. In the midst of a lengthy questionnaire, participants may have not associated their product with the statements, but merely answered the statements generically.
2. Participants might not have perceived the luxury message as a marketing tactic and therefore, the reverse priming effect did not take place. Reverse priming takes place when consumers perceive the stimuli to be an overt marketing tactic (Laran, Dalton, & Andrade, 2011).
3. The luxury item the participants selected might not be a realistic purchase for the participant, and thus, although the intention to

purchase is there, the act of purchasing might never occur. This might leave the participant indifferent to marketing tactics regarding the item.

Although, the conceptual model originally proposed in this study was not corroborated, the fact that the luxury message affects purchase intention is promising and requires future research.

### **IMPLICATIONS OF THIS STUDY**

The luxury market has grown approximately 10% per year since the 1980s, which is a higher growth rate than the world economy (Heine, 2011) and the global luxury market is estimated at about 1 trillion dollars (Bain & Company 2011, p. 2; BCG 2010, p. 1 and 2; KPMG 2010, p. 15; Heine, 2011).

With current economic uncertainty, the luxury market is, nevertheless, forecasted to grow by about five to six percent per year (Bain & Company, 2011 p 15; Heine, 2011). Although the fastest growing and most profitable segment is the luxury goods segment (Berthon et al., 200; Shukla & Purani, 2010), the value perceptions associated with it are still under-investigated and poorly understood (Tynan et al., 2010; Vigneron & Johnson, 2004; Wiedmann et al., 2009; Shukla & Purani, 2010). Therefore, it is imperative that marketing professionals in the luxury segment fully understand their consumers and what drives growth in their market.

This study found that experiential value, - more specifically unique experience - symbolic value, luxury message, and other directed symbolic value all have a positive influence on purchase intention. Moreover, it was found that luxury message, vanity-physical and social influence, have a positive effect on overall luxury perception. In other words, a luxury brand that wants to increase sales should focus on unique experiences offered by the brand; symbolic value and other directed symbolic value as well as a luxury

message to consumers. If a brand wishes to increase their overall perception among consumers they should focus on physical vanity, social influence and a luxury message.

## LIMITATIONS AND FUTURE IMPLICATIONS

To ensure the success of this thesis and avoid the occurrence of errors, various measures were considered during the research, nonetheless some limitations may be identified.

The main limitation was lack of time; this prevented a more in-depth research, both in relation to the theoretical framework and the practical aspect of this study. This limitation also affected the data collection, which was mainly conducted over the Internet; therefore, the accuracy of the data as well as possible misinterpretation of the questions is a strong possibility (Marconi & Lakatos, 2007).

Another major limitation of the study is that the luxury item the participants selected might not be a realistic purchase for the participant, and thus, although the intention to purchase is there, the act of purchasing might never occur. This might have an effect on the responses given in the questionnaire and might leave the participant indifferent to marketing tactics (savings and luxury messages) presented in the study.

This study briefly touched upon the finding that how people perceive a brand's communication determines how they will process it and in turn behave (Laran, Dalton, & Andrade, 2011). In other words, if people perceive marketing communication as an overt marketing tactic, reverse priming will take place (Laran, Dalton, & Andrade, 2011). An additional limitation of this study is that participants might not have perceived the luxury message as a marketing tactic and therefore, the reverse priming effect did not take place. Brand names, slogans, endorsers, pricing and salespeople are only a few of the marketing tactics that influence consumer behaviour in an automatic manner that is subtle and that consumers are unaware of (Janiszewski 1988; Shapiro 1999; Wyer 2008; Laran, Dalton, & Andrade, 2011). Therefore, the priming effects of marketing tactics are reversed when the tactic is perceived as the source of persuasion by the consumer (Laran,

Dalton, & Andrade, 2011). Although all marketing tactics are a source of persuasion, some are not perceived as such by consumers (Laran, Dalton, & Andrade, 2011).

Consumers tend to attribute humanlike personality to brands, develop emotional attachments and share commitments with brands instead of treating them like a marketing tactics (Aaker 1997; Aaker, Fournier, and Brasel 2004; Laran, Dalton, & Andrade, 2011). Since a brand name is a generic feature all products have (like price), consumers do not perceive it as a persuasion tactic (Laran, Dalton, & Andrade, 2011). On the other hand, slogans are used to persuade and sell (Dimofte and Yalch 2007; Laran, Dalton, & Andrade, 2011)

Slogans can induce a non-conscious form of correction since they are used extensively, are perceived as persuasion tactics by consumers and consumers are continuously exposed to them in their daily life (Laran, Dalton, & Andrade, 2011).

This study should be repeated with two different sets of participants: one set is exposed only to the savings messages and the other set to the luxury messages. The messages must be presented in such a manner such that consumers perceive them as a marketing tactic. In order for this study to succeed a sufficiently large number of participants will be needed. It should be noted that the objective of this study is not to clarify manners in which to trick consumers to purchase more, but to fully understand how marketing can sometimes have the opposite effect on consumers. Luxury brands should continue to focus on unique experiences and the value they add to consumers, while understanding how to better communicate with their customers.



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## APPENDIX

### APPENDIX 1: QUESTIONNAIRE IN PORTUGUESE

#### INQUÉRITO SOBRE AS MARCAS DE LUXO

Pense num produto de luxo que deseja possuir e responda a todas as perguntas nestes questionário com esse produto em mente.

O questionário apresenta esse produto de luxo como o *seu produto de luxo desejado*.

Qual é o produto que deseja?

\_\_\_\_\_.

I. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância da forma como cada uma das seguinte frases representam o seu produto de luxo desejado (variável: slogans de poupança. Escala: “The Curious Case of Behavioral Backlash: Why Brands Produce Priming Effects and Slogans Produce Reverse Priming Effects” Laran et al (2010)):

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Poupar incentiva-me.	1	2	3	4	5
2	Eu valorizo o meu dinheiro.	1	2	3	4	5
3	Eu foco no valor dos produtos.	1	2	3	4	5
4	Os preços são importantes para mim.	1	2	3	4	5
5	Procuro sempre as melhores ofertas.	1	2	3	4	5

II: Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: intenção de compra. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention”)

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Eu tenho forte possibilidade de comprar o meu produto de luxo desejado.	1	2	3	4	5
2	Estou propenso a comprar o meu produto de luxo desejado.	1	2	3	4	5
3	Eu tenho uma alta intenção de comprar o meu produto de luxo desejado.	1	2	3	4	5

III. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Influencia social. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention”):

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Antes de comprar o meu produto de luxo desejado, é importante saber quais marcas vão impressionar os outros.	1	2	3	4	5
2	Os meus amigos e eu costumamos comprar as mesmas marcas de luxo.	1	2	3	4	5
3	Antes de comprar o meu produto de luxo desejado, é importante saber o que os outros pensam sobre pessoas que usam o meu produto de luxo desejado.	1	2	3	4	5
4	Eu presto atenção em que outras marcas de luxo as pessoas compram	1	2	3	4	5
5	Eu gosto de saber quais produtos de luxo deixam boas impressões nos outros	1	2	3	4	5
6	Eu evito usar produtos de luxo que estão fora de moda	1	2	3	4	5

**IV. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Valor simbólico auto-direcionado. Escala: Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Eu costumo comprar produtos de luxo que refletem a minha imagem.	1	2	3	4	5
2	A minha escolha de marcas de luxo depende de se elas refletem como eu me vejo e não como os outros me veem.	1	2	3	4	5
3	Eu sinto-me altamente atraído a produtos de luxo únicos.	1	2	3	4	5

**V. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Valor simbólico direcionado para os outros. Escala: Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Eu gosto de possuir novos produtos de luxo antes dos outros.	1	2	3	4	5
2	Eu gosto de produtos de luxo que os outros não tem.	1	2	3	4	5
3	Produtos de luxo tornam-me num líder de moda e não num seguidor de moda.	1	2	3	4	5

**VI. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Valor simbólico. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention”**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	O meu produto de luxo desejado dá nas vistas	1	2	3	4	5
2	O meu produto de luxo desejado é caro	1	2	3	4	5
3	O meu produto de luxo desejado é para os ricos	1	2	3	4	5

**VII. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Valor experiencial. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention” e Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	O meu produto de luxo desejado é precioso	1	2	3	4	5
2	O meu produto de luxo desejado é raro	1	2	3	4	5
3	O meu produto de luxo desejado é único	1	2	3	4	5
4	O meu produto de luxo desejado é atrativo	1	2	3	4	5
5	O meu produto de luxo desejado é deslumbrante	1	2	3	4	5
6	Para mim, é importante possuir coisas bonitas.	1	2	3	4	5
7	Comprar produtos de luxo traz-me muito prazer.	1	2	3	4	5

**VIII. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Valor funcional. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention” e Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	O meu produto de luxo desejado é feito á mão (artesanal)	1	2	3	4	5
2	O meu produto de luxo desejado possui a melhor qualidade	1	2	3	4	5
3	O meu produto de luxo desejado é sofisticado	1	2	3	4	5
4	O meu produto de luxo desejado é superior	1	2	3	4	5
5	Comprar produtos de luxo é útil.	1	2	3	4	5
6	Eu considero as minhas compras de produtos de luxo praticas.	1	2	3	4	5

**IX. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Vaidade – física. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention”):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Eu dou muita ênfase à minha aparência	1	2	3	4	5
2	A minha aparência é muito importante para mim	1	2	3	4	5
3	É importante que eu me apresente bem	1	2	3	4	5
4	Eu ficaria envergonhado se estivesse entre pessoas e não sentisse que pareço bem	1	2	3	4	5
5	Eu faço um esforço para me apresentar bem	1	2	3	4	5

**X. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Vaidade – realizações. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention”):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Minhas realizações são altamente consideradas pelos outros	1	2	3	4	5
2	Eu quero que os outros olhem para mim por conta das minhas realizações	1	2	3	4	5
3	As realizações profissionais são uma obsessão para mim	1	2	3	4	5
4	Realizações e sucesso maiores que os meus parceiros são importantes para mim	1	2	3	4	5

**XI. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: Percepção do luxo. Escala: Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Eu compro produtos de luxo para obter/aumentar o meu estatuto social.	1	2	3	4	5
2	O fato de um produto de luxo ser único é importante para mim.	1	2	3	4	5
3	Produtos de luxo com um preço mais elevado têm mais significado para mim	1	2	3	4	5

**XII. Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância da forma como cada uma das seguinte frases representam o seu produto de luxo desejado (variável: slogans de luxo. Escala: “The Curious Case of Behavioral Backlash: Why Brands Produce Priming Effects and Slogans Produce Reverse Priming Effects” Laran et al (2010)):**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	O luxo conduz á excelência.	1	2	3	4	5
2	O luxo traz-nos uma nova qualidade de vida	1	2	3	4	5
3	Compro produtos de luxo. Eu posso.	1	2	3	4	5
4	Compro produtos de luxo. Eu mereço.	1	2	3	4	5

**XIII: Através de um círculo (o) ou de uma cruz (x), indique o seu nível de concordância/discordância com cada uma das seguintes afirmações (variável: intenção de compra. Escala: Hung et al (2011). “Antecedents of luxury brand purchase intention”)**

		Discordo totalmente	Discordo	Não concordo nem discordo	Concordo	Concordo totalmente
1	Eu tenho forte possibilidade de comprar o meu produto de luxo desejado.	1	2	3	4	5
2	Estou propenso a comprar o meu produto de luxo desejado.	1	2	3	4	5
3	Eu tenho uma alta intenção de comprar o meu produto de luxo desejado.	1	2	3	4	5

**XIV. Por último, solicitamos-lhe alguma informação para efectuarmos uma caracterização do perfil dos entrevistados:**

**Sexo:**

- (1) Feminino  
 (2) Masculino

**Idade:** \_\_\_\_\_ anos

**Número de pessoas do agregado familiar:**

- 1     2     3  
 4     5     6 ou mais

**Estado civil:**

- (1) Solteiro(a)  
 (2) Casado(a)/união de facto  
 (3) Divorciado(a)  
 (4) Viúvo(a)

**Profissão:**

- (1) Estudante  
 (2) Trabalhador(a) por conta própria  
 (3) Trabalhador(a) por conta de outrem  
 (4) Desempregado(a)  
 (5) Reformado(a)  
 (6) Doméstica  
 (7) Outro. Qual? \_\_\_\_\_

**Nível de escolaridade:**

- (1) Ensino básico  
 (2) Ensino secundário  
 (3) \_\_\_\_\_ Curso profissional/artístico  
 (4) Licenciatura  
 (5) Mestrado ou Doutoramento

**Local de residência:**

País \_\_\_\_\_  
Cidade \_\_\_\_\_

**Rendimento mensal:**

- (1) <500 euros  
 (2) 501-1000 euros  
 (3) 1001-2000 euros  
 (4) 2001-5000 euros  
 (5) >5000 euros

**Muito Obrigada pela Sua Colaboração.**

## APPENDIX 1: QUESTIONNAIRE IN ENGLISH

### LUXURY BRANDS QUESTIONNAIRE

Please think about a luxury product that you want to own. Answer all questions in this questionnaire with that product in mind.

I will refer to this product as your *desired luxury product* in the questionnaire.

What is the product that you pictured?

\_\_\_\_\_.

**I. With a circle (o) or an (x) indicate your level of agreement / disagreement with how each of the following phrases represents your desired luxury product (variable: savings slogans. Scale: “The Curious Case of Behavioral Backlash: Why Brands Produce Priming Effects and Slogans Produce Reverse Priming Effects” Laran et al (2010)):**

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1 Saving motivates me.	1	2	3	4	5
2 I value my money.	1	2	3	4	5
3 I focus on value.	1	2	3	4	5
4 Prices matter to me.	1	2	3	4	5
5 I always look for the best deals.	1	2	3	4	5

**II: With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: purchase intention. Scale: Hung et al (2011). “Antecedents of luxury brand purchase intention”):**

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1 I have a strong possibility to purchase my desired luxury product.	1	2	3	4	5
2 I’m likely to purchase my desired luxury product.	1	2	3	4	5
3 I have high intention to purchase my desired luxury product.	1	2	3	4	5

**III. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Social influence. Scale: Hung et al (2011). “Antecedents of luxury brand purchase intention”):**

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1 Before purchasing my desired luxury product, it is important to know what brands will make a good impression on others.	1	2	3	4	5

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
2	My friends and I tend to buy the same luxury brands.	1	2	3	4	5
3	Before purchasing my desired luxury product, it is important to know what others think of people who use the product I desire.	1	2	3	4	5
4	I tend to pay attention to what other luxury brands others are buying.	1	2	3	4	5
5	I like to know what luxury branded products make good impressions on others.	1	2	3	4	5
6	I actively avoid using luxury branded products that are not in style.	1	2	3	4	5

**IV. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Self-directed symbolic value. Scale: Shukla et al (2011). "Comparing the importance of luxury value perceptions in cross-national contexts"):**

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	I often buy luxury brand products that reflect my own image.	1	2	3	4	5
2	My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	1	2	3	4	5
3	I am highly attracted to unique luxury products.	1	2	3	4	5

**V. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Other-directed symbolic value. Scale: Shukla et al (2011). "Comparing the importance of luxury value perceptions in cross-national contexts"):**

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	I like to own new luxury products before others do.	1	2	3	4	5
2	I dislike luxury products that everyone else has.	1	2	3	4	5
3	Luxury products make me a fashion leader rather than a fashion follower.	1	2	3	4	5

**VI. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Symbolic value. Scale: Shukla et al (2011). Hung et al (2011). "Antecedents of luxury brand purchase intention"):**

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	My desired luxury product is conspicuous.	1	2	3	4	5
2	My desired luxury product is expensive	1	2	3	4	5
3	My desired luxury product is for the wealthy.	1	2	3	4	5

**VII. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Experiential value. Scale: Hung et al (2011). "Antecedents of luxury brand purchase**



intention” and Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	My desired luxury product is precious.	1	2	3	4	5
2	My desired luxury product is rare.	1	2	3	4	5
3	My desired luxury product is unique.	1	2	3	4	5
4	My desired luxury product is attractive.	1	2	3	4	5
5	My desired luxury product is stunning.	1	2	3	4	5
6	It is important to me to own really nice things.	1	2	3	4	5
7	Buying luxury accessories gives me a lot of pleasure.	1	2	3	4	5

VIII. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Functional value. Scale: Hung et al (2011). “Antecedents of luxury brand purchase intention” and Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	My desired luxury product is handmade (crafted)	1	2	3	4	5
2	My desired luxury product has the best quality.	1	2	3	4	5
3	My desired luxury product is sophisticated.	1	2	3	4	5
4	My desired luxury product is superior.	1	2	3	4	5
5	In my opinion buying luxury products is really useful.	1	2	3	4	5
6	I consider my purchase of luxury products to be practical.	1	2	3	4	5

IX. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Vanity - physical. Scale: Hung et al (2011). “Antecedents of luxury brand purchase intention”):

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	I place a high emphasis on my appearance.	1	2	3	4	5
2	My appearance is very important to me.	1	2	3	4	5
3	It is important that I look good.	1	2	3	4	5
4	I would feel embarrassed if I was around people and did not look my best.	1	2	3	4	5
5	I will make an effort to look good.	1	2	3	4	5

X. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: Vanity - achievement. Scale: Hung et al (2011). “Antecedents of luxury brand purchase intention”):

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	My achievement is highly regarded by others.	1	2	3	4	5
2	I want others to look up to me because of my accomplishments.	1	2	3	4	5

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
3	Professional achievements are an obsession with me.	1	2	3	4	5
4	Achieving greater success than my peer is important to me.	1	2	3	4	5

**XI. With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: overall luxury perception. Scale: Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):**

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	I purchase luxury products to gain/increase social status.	1	2	3	4	5
2	The uniqueness of a luxury product is important to me.	1	2	3	4	5
3	Higher price luxury brand products mean more to me.	1	2	3	4	5

**XII. With a circle (o) or an (x) indicate your level of agreement / disagreement with how each of the following phrases represents your desired luxury product (variable: spending money slogans. Scale: “The Curious Case of Behavioral Backlash: Why Brands Produce Priming Effects and Slogans Produce Reverse Priming Effects” Laran et al (2010)):**

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	Luxury implies excellence.	1	2	3	4	5
2	Luxury gives us better quality of life.	1	2	3	4	5
3	I buy luxury products. Because I can.	1	2	3	4	5
4	I buy luxury products. Because I deserve it.	1	2	3	4	5

**XIII: With a circle (o) or an (x) indicate your level of agreement / disagreement with each of the following statements: (variable: purchase intention. Scale: Hung et al (2011). “Antecedents of luxury brand purchase intention” and Shukla et al (2011). “Comparing the importance of luxury value perceptions in cross-national contexts”):**

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	I have a strong possibility to purchase my desired luxury product.	1	2	3	4	5
2	I’m likely to purchase my desired luxury product.	1	2	3	4	5
3	I have high intention to purchase my desired luxury product.	1	2	3	4	5

**XIV. Lastly, I have a few demographic questions in order to get a better sense of the interviewees’ profile:**

**Sex:**

- (1) Female  
 (2) Male

**Age:** \_\_\_\_\_ years old

**Family household size:**

- 1     2     3  
 4     5     6 or more people

**Civil Status:**

- (1) Single
- (2) Married/Common law relationship
- (3) Divorced/Separated
- (4) Widowed

**Location:**

Country\_\_\_\_\_

City\_\_\_\_\_

**Education level:**

- (1) Primary school
- (2) High school
- (3) Professional certificate
- (4) Undergraduate degree
- (5) Graduate degree

**Monthly income:**

- (1) <500 euros
- (2) 501-1000 euros
- (3) 1001-2000 euros
- (4) 2001-5000 euros
- (5) >5000 euros

**Thank you for your participation.**