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Influencing Factors and Role of Emotions in Luxury Consumption

A study of Millennials' attitudes, beliefs and value perception
of luxury goods and services

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<p>The objective of the thesis is to examine the role of emotions, attitudes and influencing factors leading to luxury consumption. The target group chosen for the thesis study are the Millennials who were born in 1978-2000.</p> <p>The research is implemented through an Internet-mediated questionnaire with multiple-choice and open-ended questions. The open-ended questions allowed the 53 respondents to express a variety of opinions freely, which was useful for the research.</p> <p>The research results of the questionnaire suggest that some consumers have ambivalent feelings regarding to the emotional state before, during or after purchase. Many consumers expressed mixed feelings of both happiness and regret.</p> <p>The research results revealed that expensiveness and high quality were positively related to the high price set by luxury brands.</p> <p>The author's hypothesis statement on the most influencing factors is income level and consumer emotions/want. Furthermore, when respondents were given the option of multiple choices in determining influencing factors leading to purchase, majority of the respondents believed those factors to be emotions and wants. In addition when respondents were asked to select specifically one factor that influenced them the most to purchase luxury goods, majority of the respondents selected income level.</p>	
Keywords	Luxury, respondents, emotions, value, perception

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1 Introduction

The luxury market is growing and constantly attracting a larger number of consumers into purchasing luxury goods. The overall number of luxury consumers has increased from 140 million globally to more than 350 million in the past 15 years (Levy, O. 2015). Luxury goods are being showed off and shared in various social media websites in addition with online advertising of these products. Thus luxury products have quite a strong social presence and in some ways nowadays have become a necessity for many individuals.

Democratization of luxury has been one of the greatest changes in the luxury sector during the past decade. Democratization of luxury has lowered the barrier of entry and granted access to a larger group of consumers. Moreover nearly all luxury brands offer products that start from low price points such as socks and other accessories. Nowadays it is common for luxury brands to have product ranges extend from from \$20 socks to \$20,000 couture pieces. Hence, selling products as entry-level luxury brands as well as elite- level brands is a challenge some luxury brands are facing today (Okonkwo 2007).

The luxury industry possesses the power to take advantage of some exceptional rules that work for luxury brands. These rules are exceptional since they are in contradiction to some basic economic and marketing theories, such as in the case of luxury goods it is suggested to increase prices annually in order to increase demand (Kapferer and Bastien 2009).

Theories of Dubois and Kapferer & Bastien were identified among the first to recognize the importance of international luxury products and brands in academic literature.

Two important studies by Dubois, Laurent and Czellar particularly relevant to thesis will be analysed. The first study analysed will be Dubois's, Laurent's and Czellar's (1994), a research on exploring the meanings attached to the word "luxury". The second study analysed is Dubois's, Laurent's and Czellar's research explaining the concept of luxury and attitudes of consumers towards luxury products.

The idea of luxury products is linked to aristocrats, European kings and Chinese emperors and nobles, who were the only ones to afford luxury goods made by the best craftsmen.

Okonkwo (2007) suggests that luxury and fashion have been relevant as far back as the Babylonian, Egyptian and Roman Empires, when fashion was identified as a key social element reflected through clothing, cosmetics and accessories. Apparel and lifestyles were important and luxury and fashion was recognized in the society.

In the eighteenth century shopping developed into a significant cultural activity. Improvements in the transport and manufacturing technologies further increased the activities of buying and selling. With the rapid growth of towns and cities, shopping became an important part of everyday life.

The nineteenth century is particularly known as an important period in creating the luxury goods sector. Today known as some of the most prestigious and valuable brands; Guerlain (1828), Louis Vuitton (1854), Hermès (1837) were born in the nineteenth century along with Burberry (1856). Later on in the 20th century more brands such as Gucci (1921) and Prada (1913) evolved.

(See Appendix 3: Luxury fashion brands index)

1.1 Objective of the research

The objective of the thesis is to examine the role of emotions, attitudes and influencing factors leading to luxury consumption. The target group chosen for the thesis study are the Millennials. The specification of the Millennials varies from one source to another, However the author has decided to use the definition given by O'Donnel & Yarrow (2009), who defined the Millennials being those born between 1978-2000, the youngest respondent being 16 years of age and the oldest respondent being 38 years of age.

Millennials have been a popular consumer group to be researched in many sectors. Moreover O'Donnel and Yarrow (2009) stated that the Millennials are revolutionizing the retail and whatever works with the Millennials will increasingly work with all generations.

The objective is to find out the most influencing factors that drive the observed group to purchasing luxury goods in addition with understanding the emotional state and role of emotions that is leading them to purchasing luxury goods.

The research questionnaire will help understand the most common influences that lead to luxury consumption. Furthermore the author is interested in analysing the divergent reasons besides the generic motives that lead to purchasing of luxury goods.

1.2 Definition of Millennials

(1956, p. 21) stated that "age and differences of age are among the most basic and crucial aspects of human life and determinants of human destiny."

The target research group in this thesis are the Millennials. The specific delineation of the Millennials varies from one source to another however, the author has decided to use the definition given by O'Donnel & Yarrow (2009), who defined the Millennials being those who are born in the years 1978-2000. The author has chosen this particular delineation since the scope of ages of those born in 1978-2000 is a good fit with the research.

Millennials refer to people mostly in their 20's and 30's who have become a popular research target since they are known for their influences on their own purchasing behaviour as well as on those around them (Kueh & Voon 2007, 660 ; O'Donnel & Yarrow 2009, 1).

Lee Caraher (2014) states that Millennials are known as the first digitally native generation, having technology touching virtually every aspect of their lives while growing up. Their knowledge and interest of the marketplace and love of technology have made them a force to be reckoned with. Nowadays standards are even higher since along with rest of the nation, Millennials considers their purchases, loyalties and search for collaboration and partnership with brands and retailers more carefully (O'Donnel & Yarrow 2009, 2).

2 Luxury

2.1 Definition of luxury products

"Luxury is a necessity that begins where necessity ends."

Coco Chanel, 1883–1971

Having a universal definition for "luxury" is complicated, since luxury means different things to different people. The difference between luxury and ordinary is either very small or enormously large. Chevalier and Mazzalovo (2012, 1) state that "Luxury of one is not necessarily that of another". Most importantly any normal good can become luxury in a certain situation. The definition and value of luxury might change depending on context.

Heine (2011, 41) summarizes the definition of luxury products as compared to other products of their category. Luxury products have more than necessary and ordinary characteristics including their high level of price, quality, aesthetics, rarity, extraordinariness and symbolic meaning.

Kapferer and Bastien (2012) define luxury as: "Luxury designates objects or services which are needlessly expensive: non necessary—one can live without it—no functional argument can ever justify their price, only the feeling of privilege made of rare quality, hedonistic experience, symbolic elevation and conspicuousness".

In economic terms a luxury good can be defined as a good for which demand increases when income increases. The increase in income results in a bigger percentage of increase in demand for luxury goods. Therefore Income Elasticity of Demand (YED) is greater than one. Thus in economic terms luxury goods can be perceived as for example the ones with the highest price and quality in the market. Furthermore McKinsey (1990) defines luxury brands as those whose price and quality ratios are the highest in the market and their price is significantly greater than the price of products with similar tangible features.

2.2 History of luxury

Luxury has been among us for a long time. As far back to the Babylonian, Egyptian, Greek and Roman Empires, fashion was known to be a key social element reflecting the society through clothing, cosmetics and accessories (Okonkwo 2007). Furthermore this analysis clarifies that apparel and lifestyles were essential and luxury and fashion was recognized in the society.

“Luxury is so deeply rooted in human nature that you have to look for its origins a long way back in our history – indulge in a little bit of anthropology, in fact” (Kapferer and Bastien 2009, 6).

Kapferer and Bastien (2009) state that far back in history, organized societies and leading groups had symbols and lifestyles specific to them. Therefore certain leading groups used certain accessories and clothing in order to signal their place in the society.

“The rise of consumerism” an article by Matthew White suggests that in the eighteenth century shopping grew into an important cultural activity (White, M 2014). Improvements in the transport and manufacturing technologies increased opportunities for buying and selling. With a fast growth of towns and cities, shopping became an essential part of everyday life. Window shopping along with the purchase of goods developed into a cultural activity in its own right. Many exclusive shops were established in the elegant districts in the Strand and Piccadilly in London and in spa towns like Bath and Harrogate. An example is shown below in figure 1.

Shopping for glassware at Messrs. Pellatt and Green's, 1809



Image of Pellatt and Green's glassware shop in St Paul's Churchyard, London (1809) as an example of the rise in luxury goods in the early 19th century.

Figure 1. Example of luxury goods in 19th century

"There can be no luxury brand without roots, without a history..." (Kapferer and Bastien 2012, 93). The nineteenth century was an important period in creating the luxury goods sector. Today known as some of the most prestigious and valuable brands, Louis Vuitton (1854) and Hermès (1837) were born in the nineteenth century along with Burberry (1856). (See appendix 3: luxury fashion brands index)

2.3 Characteristics of luxury products

Luxury products have certain characteristics that set them apart from other products in the market.

Determination of characteristics of luxury products may vary from one source to another. In order to define characteristics of luxury products the author is using a study carried out by Heine (2012). This particular study is relevant in defining characteristics of luxury products in this thesis since the characteristics are determined from a con-

sumers' perspective and the study in this thesis investigates consumer perceptions towards luxury products as well.

Heine (2012) suggests that according to the results attained from his research consumers perceptions of luxury products can be divided into six main characteristics that are, price, quality, aesthetics, rarity, extraordinariness and symbolism. The characteristics can be subcategorised which might not be necessary for all luxury products as shown below in table 1.

Major Characteristics	Manufacturing Characteristics	Concrete Product Characteristics	Abstract Product Characteristics
Price		Price	
Quality	Expertise of manufacturer	Material & Components	Durability & Value
	Manufacturing complexity	Construction & Function principle	Comfortability & Usability
		Workmanship	Functionality & Performance
		Features	Safety
		Product size	
		Service	
Aesthetics			Aesthetics
Rarity		Rarity	
Extraordinariness			Extraordinariness
Symbolism			Symbolism

Table 1. Characteristics of luxury

The figure shows the major characteristics of luxury which can be subcategorised to manufacturing characteristics, concrete product characteristics and abstract product characteristics. Concrete characteristics represent physical product attributes and can be observed directly.

Analysis of Heine's (2012) study and results through the six main characteristics of luxury products (consumer's point of view):

Price:

Price is regarded as the most objective and the easiest –to-measure criteria to evaluate the luxuriousness of a product. Moreover price was mentioned by all of the respondents in characterizing luxury products. Price proves to be extremely important to some of the respondent who enjoy owning luxury products that look expensive, one of the respondent commented that “There’s no way I’d drive a Porsche – this car is just for people who cannot afford something else”.

Quality:

Superior quality was associated as a characteristic of luxury product by all respondents. Quality was subcategorized to manufacturing characteristics, concrete characteristics and abstract characteristics.

Expertise of manufacturer: respondents believe that the manufacturers of luxury products being talented and creative and leading experts in their area of excellence.

Manufacturing complexity: Often refers to the fact that products are not being mass produced, thus manufacturing requires tremendous effort. One of the respondents commented that: “manufacturing one of the excellent Lange & Söhne wristwatches often takes one and a half years”.

Aesthetics:

Nearly all of the respondents find aesthetics as an obvious characteristic that luxury products should have. Moreover aesthetics was mentioned by the respondents most frequently compared to the other characteristics. One of the respondents described her visit to the Gucci boutique in Miami as “sex for the eyes”. Another respondent highlighted the importance of aesthetics by stating that: “The well-designed object is essential in life to feel well”.

Rarity:

Rarity is another characteristic that luxury consumers appreciate in an item. One of the respondents described that “I was the only one with this bag – and that adds a great additional value”. Another respondent expressed that “I have already had this bag for a year and now everyone is walking around with one – so I’m going to get rid of it soon”. Hence, it can be understood that consumers seek for rarity in luxury products and seeing the same luxury item carried by too many people may decrease the value of the item.

Extraordinariness:

This was another feature mentioned by most of the respondents. The extraordinariness of a luxury refers to design and construction. In order for a luxury product to be extraordinary, it must have a different design or construction principle. One of the respondents described her new blouse as “seems to be army-style from a distance, but from close-up it appears to be covered in small trees”.

The respondents explained their expectations of wanting something peculiar from a luxury product for instance captured in a detail of the product such as special buttons on a shirt or a unique position of the button border etc.

Symbolism:

Symbolism is a non-functional, however important aspects expected from luxury products. One of the respondents described that symbolism in particular products “have a lot to say – they talk to you”.

2.4 Difference between products and brands

It is important to understand the difference between products and brands, since luxury sectors tend to offer brands instead of products.

Joseph (2015) explains the difference between a product and a brand by stating that "products" perform functions and "brands" offer an emotion.

Products tend to have very minor differentiations for instance given any category, majority of the products have used the same ingredients and the performed functions are similar to other products in the particular market sector. Hence, products offer ingredients, functions and fulfil customer's needs.

Brands are different from products in the sense that they do fulfil customers' needs in addition to satisfying customers' wants. Joseph (2015) states that consumers do not fall in love with products, they fall in love with brands. Hence, brands are those which fulfil customers' wants.

A comparison chart between product and brand is shown below in table 2.

BASIS FOR COMPARISON	PRODUCT	BRAND
Meaning	A product is an item which is ready for sale in the market.	A brand is something which distinguishes a product from other products in the market.
What is it?	A product is What you need?	A brand is What you want?
Uniqueness	A product can be easily copied.	A brand has a distinguished identity, that cannot be copied.
Created by	Manufacturers	Customers
Can it be replaced?	Yes	No
What they do?	A product performs the functions.	A brand offers value.
Appearance	A product may be tangible or intangible in nature.	A brand is intangible.
Time Horizon	A product can be outdated after some time.	Brand remains forever.

Table 2. Comparison chart between a product and a brand

2.5 Level of luxury

One of the major means of differentiation for luxury products and brands is the luxury level (Esteve and Hieu-Dess 2005). According to Heine (2011), luxury brands can be categorised into four different groups: entry-level, medium-level, top-level, and elite-level as shown in figure 2 below.

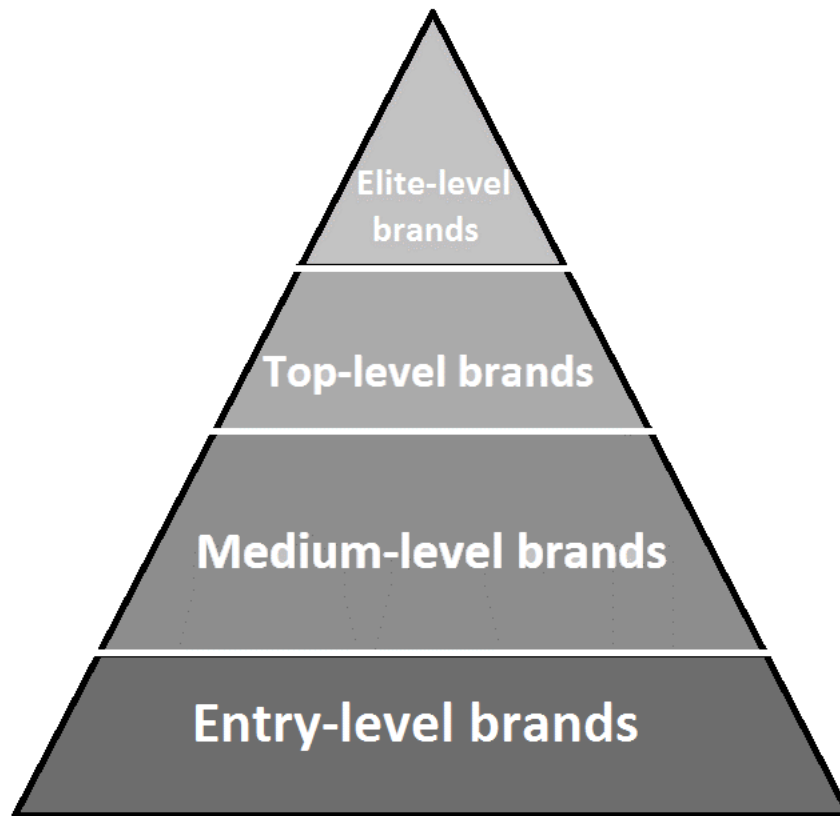


Figure 2. Luxury pyramid by luxury level (Heine 2011, 51)

- **Entry-level luxury brands:** These brands are not generally even recognized as members of the luxury segment since these are ranked just above the premium segment which is the lowest luxury level. Representative brands include Hugo Boss and Mercedes.
- **Medium-level luxury brands:** These brands are extensively recognized as members of the luxury segment, however they are slightly behind the forefront of luxury. Examples include Dolce & Gabbana, Escada and Moschino.
- **Top-level luxury brands:** These brands are without a doubt established as leading luxury brands. Examples involve Armani, Cartier and Louis Vuitton.

- Elite-level luxury brands: These brands are niche brands in the top segment. These brands are determinates for benchmarking the best quality and highest exclusivities within their category. Examples involve Puiforcat which is a luxury brand belonging to the elite-level within the silverware segment (Marguier 2007, p. 42). These brands target the "clientèle de connaisseurs," who possess the necessary financial resources in addition with a "culture intellectuelle" (Lombard 1989, p. 16).

Categorization of luxury brands changes over time. Brands are ranked in comparison to other luxury brands according to the relativity of luxury (Heine 2011).

Democratization of luxury has been one of the greatest changes in the luxury sector during the past decade. The democratization of luxury has lowered the barrier of entry and granted access to a larger group of consumers. Meaning, mass premium brands such as Zara and Primark offer replica luxury products for example clothes and accessories, at lower costs. Furthermore, nearly all luxury brands now have products starting at low price points. Many brands such as Armani have extended their product portfolios to include lower-priced ranges (Okonkwo 2007).

Democratization of luxury has affected changes in rankings due to wide variations in prices of some luxury brands. For example nowadays some luxury brands ranked in the entry-level brands may as well be ranked in the elite-level brands, due to huge variations between the lowest costing products to the highest ranging couture piece (Okonkvo 2007).

Rambourg's pyramid of luxury goods (Willett 2015) presents categorization of brands according to their luxuriousness in addition to price ranges. Furthermore the pyramid shows how major brands range in terms of accessibility from everyday luxuries such as Starbucks to ultra-high-end luxury for example Graff diamonds.

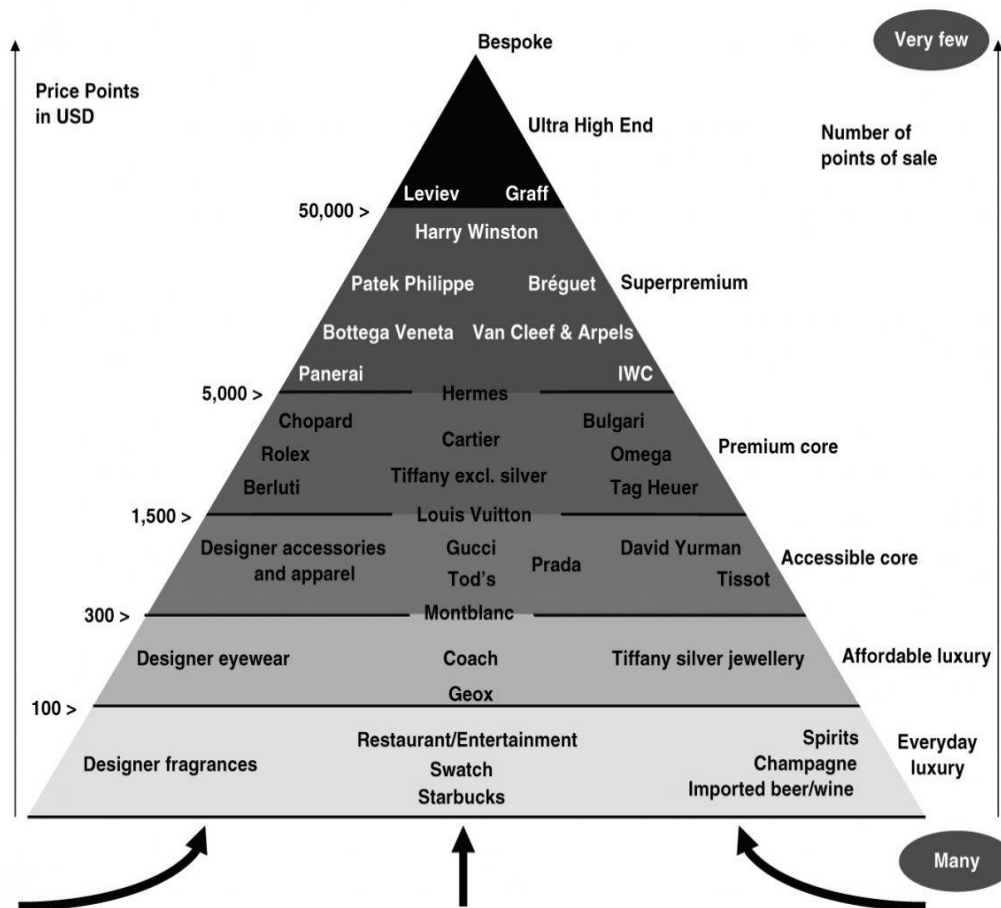


Figure 3. Rambourg's luxury power ranking pyramid (Willett 2015)

The Rambourg's pyramid presented above is divided into six ranges: Everyday luxury, affordable luxury, accessible luxury, premium core, super-premium and the ultra-high end.

The everyday luxury and affordable luxury range of Rambourg's pyramid can be perceived as Heine's (2011, represented earlier above) entry-level brands. Furthermore, (Rambourg's) accessible core and premium core can be observed as (Heine's) medium-level brands. Additionally (Rambourg's) super-premium can be seen as (Heine's) top-level brands range. Furthermore (Rambourg's) ultra-high end range can be perceived as (Heine's) elite-level brands.

Having reviewed various ranges of luxury and approximate price ranges of particular brands, the author's presumption is that the thesis scope will be established around

Rambourg's accessible core and premium core and Heine's medium level brands. In addition with Rambourg's super-premium and Heine's top-level brands.

Rambourg's superpremium and ultra-high-end and Heine's elite-level brands ranges are relatively high priced to be perceived in the given market. Furthermore Rambourg's everyday luxury and affordable luxury and Heine's entry-level brands have relatively low prices to be perceived in the given market.

3 Dimensions of value perception

It is important to understand the meaning of luxury for consumers' and the reason behind consumers' luxury consumption. Additionally, how consumers' luxury value perception influences their luxury consumption.

Values can be generally understood as ones beliefs that direct to desired behaviour (Schultz and Zelenzy 1999). Moreover, individuals consumption values are determinants of explaining why consumers decide to avoid or purchase certain products (Sheth et al. 1991), customers' purchase choices are influenced by various types of values (Wiedmann, Hennigs, Siebels 2007).

Individuals' motives and value perceptions towards luxury consumption are not just linked to social factors of showing off status and desire of impressing other people.

In order to gain an integrated understanding of consumers' luxury value perceptions, the author is using the four dimensions of value perceptions: the financial, functional, individual and social dimensions defined by Wiedmann, Hennings and Siebels (2007).

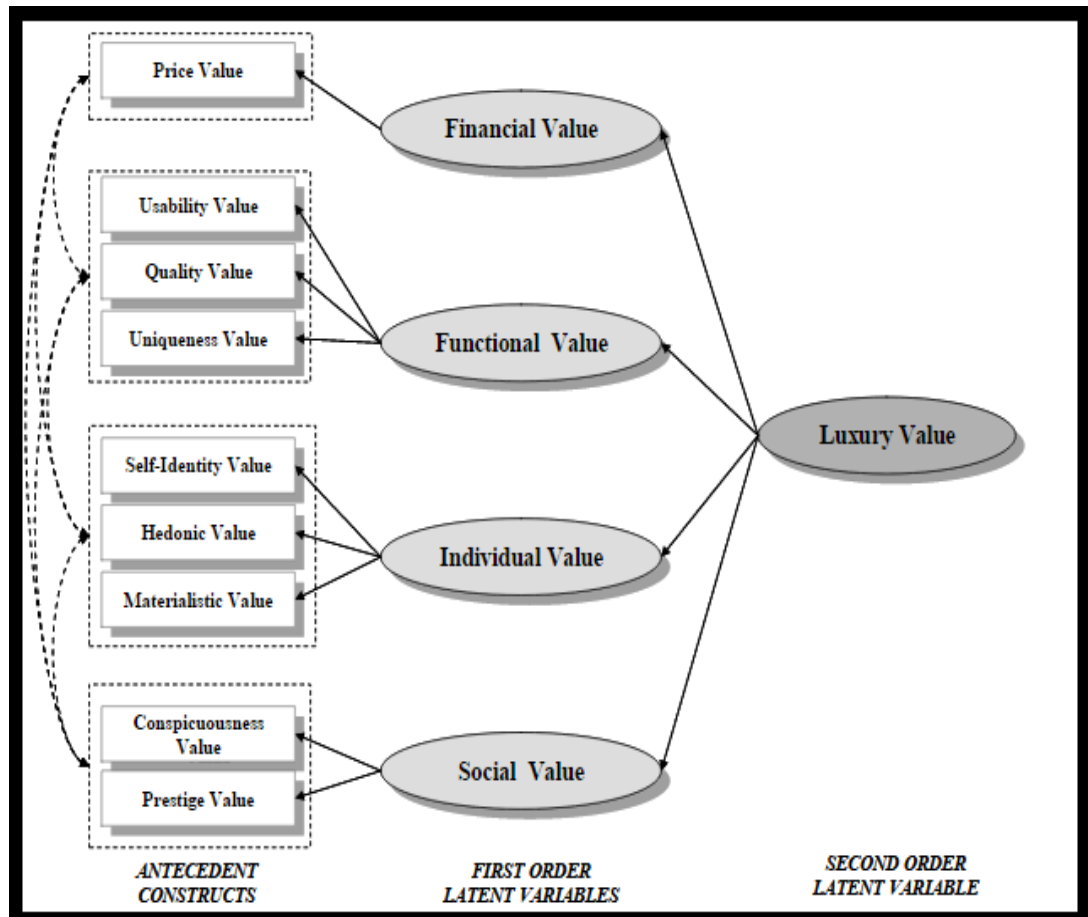


Figure 4. Luxury value perceptions

Each dimension has antecedent constructs most of which were also implemented in the research questionnaire carried out in this thesis. The four dimensions and their antecedent constructs are explained below.

3.1 Financial dimension

The financial dimension is regarding directly to the monetary characteristics , for example price, resale cost, discount, and investment.

Price Value:

Price is one of the main characteristics in defining luxury products (Dubois, Laurent and Czellar, 2005). Regarding luxury goods, the price of an item can hold a positive effect in defining the observation of high quality (Erickson and Johansson 1995).

Moreover, individuals obsessed with status tend to use the price of a product as an indication of prestige (Berkowitz et al. 1992; Groth and McDaniel 1993).

Luxury goods present an exception to the law of demand, since in the case of luxury goods an increase in the price does not necessarily refer to a decrease in demand (McGee 2004). Supporting this statement as an exception to luxury brands it is suggested to increase prices on a yearly basis in order to increase demand (Kapferer and Bastien 2009). Furthermore, the marketing strategy prestige pricing is common in the luxury industry. Placing a higher price in order to propose higher quality value and/or higher status (McCarthy and Perreault 1987). Furthermore this can make particular goods or services more attractive (Groth and McDaniel 1993).

Nevertheless, Wiedmann, Hennigs and Siebels (2007) stated that it is important to understand that in order to be recognized as a luxury product or service it is not necessary for a product or service to be expensive. Moreover, Wiedmann, Hennigs and Siebels (2007) point out that specific items for example wedding ring or ancestral heirloom may be regarded as luxury goods due to sentimental value rather than a high price tag. Therefore a product or service does not become luxurious only because of its high price. Further backing this statement Kapferer & Bastien (2009) pointed out that it is a common error to assume that in order to turn any product into luxury product all that is needed is to increase the price. Jacoby and Olson (1977) states that consumers tend to and are able to separate the difference between the actual price of a product and the perceived which is judged by the customer. Thus when defining luxury products, price is only one of the main characteristics.

Heine (2012) explains that products that are expensive cannot be necessarily qualified as luxury products, although price is a crucial component in confirming the strategic positioning, luxury goods prices should be based on the imaginary not on the costs. Moreover price/quality ratio or premium prices are the highest in luxury products. However higher relative prices matter more. Price is a contributor on the luxury status and enhances exclusivity. Therefore luxury brands tend to offer only a small number of discounts (J. Hoffmann, I. Coste-Manière 2012).

3.2 Functional dimension

The functional dimension is addressing to the products core advantages and basic usefulness. The functional dimensions focus on product features such as usability value, quality value and uniqueness.

Usability Value:

Consumers expect the purchased product to function correctly, have an attractive appearance, be long-lasting, and perform as anticipated and promised (Fennel 1978).

The usability value is connected to the efficiency and certain functions of a product. Furthermore, products and services are designed to perform particular functions and the core benefit can be met through the usability of a product or service in order to achieve the goal of satisfying consumer needs (Wiedmann, Hennigs and Siebels 2007). Park (1986) stated Usability as a concept that has been studied and understood as ease of use and can be explained by the physical, concrete, technical or abstract product or service dimensions.

Furthermore consumer needs and a particular product's properties are both the basis of the usability value, in addition usability value may be judged on the basis of objective or subjective factors depending on individual assessment and certain purpose of use (Wiedmann, Hennigs and Siebels 2007).

Quality Value:

Quality is one of the main facets in characterizing luxury products Dubois, Laurent and Czellar (2005).

Gentry et al. (2001) states that one of the major reasons of consumers luxury consumption is the extremely high quality portrayed by the luxury brand name.

Dubois and Laurent (1996) and Vigneron, and Johnson (2004) described the quality value in the content of luxury usually regards the fact that products are often hand-

made instead of being mass-produced, therefore, luxury brands offer outstanding quality and performance in comparison with non-luxury brands in the market.

Heine (2012) emphasized that quality is an extremely important factor linked with luxury products. The aim of most luxury brands is to create long lasting high quality products, which will not get ruined even after a long period of use and rather be mended and desirably gained increased value over time and consumers would be able to hand them on to their grandchildren. Furthermore, Aaker (1991) suggests that consumers associate luxury goods with high brand quality and reassurance in order to perceive more value from the products.

Uniqueness Value:

Verhallen and Robben (1994) states higher level of uniqueness perceived gives a brand increased value.

The uniqueness value is relative to the presumption that the perceived exclusivity and uniqueness of a limited product increases the consumer's desire for a brand.

Furthermore, Vigneron and Johnson (2004) suggest that it is possible to meet consumer's desires of differentiation and exclusivity only when consumption and usage of certain brands is granted solely to an exclusive clientele.

Therefore, for example democratization in the luxury sector is such a huge challenge for luxury brands that desire to offer some of their products with low price points. Furthermore, backing the argument: Heine (2011) describes that luxury image and rarity is reduced when sales volumes are increased, consequently the numbers of sales is reduced as well. Meaning increase in amounts of products sold may risk future successes of the product.

Wiedmann, Hennigs and Siebels (2007), suggest that luxury products and services are not meant to be affordable and purchasable for everyone to possess since else they would not be referred as luxury goods.

Wiedmann, Hennigs and Siebels et al (2007), suggests that although the overall luxury brand levels can be perceived equally, it is expected that various sets of consumers perceive the core dimensions of luxury differently across cultures. Hence, the effect of each factor and core dimension regarding the overall luxury value perception can differ depending on culture.

3.3 Individual dimension

This dimension addresses personal issues, for example materialism, hedonism, and self-identity based on an individual's personal tendency in relation to luxury consumption.

Self-Identity value:

Self-identity is concerned with one's internal (private) facet, it refers to the manner of an individual's perception of oneself (Mehta 1999; Sirgy and Johar 1999; Jamal and Goode 2003).

Puntoni (2001) stated that in regard of luxury brands self-congruity has a significant impact on luxury consumption. Furthermore, luxury items can be used by consumers to combine the symbolic significance to their own identity (Holt 1995; Vigneron and Johnson 2004). Luxury brands may be used to support or build up one's personal identity (Douglas and Isherwood 1979; Hirshman 1988; Dittmar 1994).

Self-identity is concerned with the internal aspect of oneself and the way individual's perceive themselves (Mehta 1999; Sirgy and Johar 1999; Jamal and Goode 2003). Regarding luxury goods, Puntoni (2001) stated that self-congruity has a strong effect on luxury consumption. Furthermore, individuals tend to use luxury products to combine the symbolic importance to their personal identity (Holt 1995; Vigneron and Johnson 2004) or luxury brands may be used as boosters to develop their personal identities (Douglas and Isherwood 1979; Hirshman 1988; Dittmar 1994).

Hedonic Value:

Particular products and services hold a sentimental value and provide intrinsic enjoyment along with their operational benefits (Hirschman and Holbrook 1982). Furthermore researches regarding luxury consumption have presented that luxury products tend to offer personal intangible benefits (Dubois and Laurent 1994).

Heine (2012, 61) summarizes symbolism as the brand standing for "the best from the best for the best" and its charisma filling the room, regardless of either conspicuous or understated nature, deep inside, it is swollen with pride.

Sweeney and Soutar's (2001) consumer value model recognized emotional value to play an important role in determining consumer value. Emotional value was defined as "the utility derived from the feelings or affective states that a product generates" (Sweeney and Soutar's 2001 p. 211). Thus, explaining feelings of enjoyment resulted through products or services, emotional value can be viewed as the hedonic advantages individuals chase from a consumption experience.

Hirschman and Holbrook (1982) explained hedonism relative to the purchasing behaviours of consumers as "those facets of consumer behaviour that relate to the multi-sensory, fantasy and emotive aspects of one's experiences with products" (Hirschman and Holbrook 1982 p.92).

Moreover, the emotional reactions towards luxury consumption such as sensory pleasure, aesthetic beauty, excitement or gratification have been repeatedly identified through research regarding the concept of luxury (Benarrosh-Dahan 1991; Fauchois and Krieg 1991; Roux and Floch 1996; Vigneron and Johnson 2004).

Voss, Spangenberg, and Grohmann (2003), defined hedonic consumption as caused from "sensations derived from functions performed by products". Thus, hedonism explains the observed personal utility and properties that are essentially attractive and gained by purchasing and consuming luxury goods or services to arouse affective states and feelings obtained from personal rewards and fulfilment (Sheth et al. 1991).

Materialistic Value:

Defining materialistic values with a single definition is complicated, since there are various perspectives materialism can be analysed from.

Wiedmann, Hennigs and Siebels (2007) stated that materialism can be explained through the amount of importance material possessions have in one's life, the more materialistic an individual is the more probable it is for him to acquire possessions and give priority to material possessions and relate positive attitudes to acquisition.

Individuals that are highly materialistic may see possessions as desirable properties and are more likely to dedicate time and effort to activities related to products (Belk 1985).

Furthermore consumers targeting materialistic possessions depend strongly on external cues, preferring possessions that are consumed in publicly (Richins and Dawson 1992; O'Cass and Muller 1999). Moreover, this may be linked with understanding materialistic individuals by whom possessions are used as a means of communication to others in order to characterize and manage impressions of oneself, and inform ones status to others (Douglas and Isherwood 1979; Belk 1985).

3.4 Social dimension

Social dimension indicates points such as conspicuousness and prestige. Moreover the social dimension emphasises on the perceived benefits that consumers attain from products or services that are recognized in particular social groups.

Conspicuousness value:

Publicly consumed goods are more likely to be conspicuous luxury goods than goods consumed privately, furthermore conspicuous consumption has a major effect in formulating preferences for various goods purchased or consumed publicly (Braun and Wicklund 1989; Vigneron and Johnson 2004). Hence, luxury brands are more likely to be essential to people seeking for a particular social status and ranking of certain

brands in a society is an important aspect in conspicuous consumption (Wiedmann, Hennigs and Siebels 2007).

Prestige value:

Wiedmann, Hennigs and Siebels (2007) stated that goods usually involve social referencing and prestigious values and setting up one's self appearance as underlying factors of luxury consumption. Furthermore individuals desire to own luxury brands serves as an indicator of wanting to belong to certain groups. For example individuals may use prestigious brands during the week days in order to uphold their professional position, and use modest brands on the weekends to keep up with social standards within their community (Wiedmann, Hennigs and Siebels 2007).

4 Theoretical basis

4.1 Dubois's, Laurent's and Czellar's research (1994) analysis:

Dubois's, Laurent's and Czellar's (1994) research was on exploring the meanings attached to the word "luxury", by using a two-step survey methodology.

Initially, a professional psychologist carried out in-depth interviews with sixteen (16) consumers selected from various fields of occupations. Selection of both males and females was equally represented in the panel and the age variation was seven- teen (17) to seventy. All interviews were taped and carried out face-to-face at home. A battery of attitudinal items was developed on the basis of the results obtained from the qualitative research and regulated to a sample of 440 French consumers.

Through the results obtained from the qualitative research, many relevant themes emerged in relation to the concept of luxury. Initially, the word "luxury" itself is spontaneously associated with other terms for instance (in decreasing order of frequency) "upscale", "quality", "good taste", "class", but also "flashiness" and "bad taste".

Moreover, both good taste and bad taste are associated with luxury, in some cases by the same people which indicates that some respondents had mixed feelings and contradictory opinions on the matter. In addition for many respondents, the luxury prod-

ucts are desirable at a day dreaming level. Whenever a purchase of a specific luxury product is considered, guilt feeling arises however, that feeling is transgressed into running away from the daily routines for at least a temporary period of time.

The results suggested that the concept of luxury encapsulates symbolic and cultural values. Furthermore upscale products are naturally linked with material goods. Many respondents referred to abstract concepts during the interviews, for example space, time or freedom in order to explain their perceptions of luxury.

Many respondents felt that the concept of luxury was relative and idiosyncratic. Furthermore during the interviews, many respondents explained "their" luxury, as if they were referring to a secret garden, only familiar to them. Moreover the mixed feelings and contradicting opinions may be due to the dual nature of luxury: a word in "itself" and a word for "me". Therefore, it can be understood that plenty of negative feelings are associated with "others" luxury, while positive feelings are kept for "my" luxury.

The overall results obtained from the qualitative research suggest ambivalent nature of respondents feelings. However majority of the respondents consider the concept of luxury being directly affiliate with "good taste", is "pleasant", "not old-fashioned" and "useful", additionally, "flashy" and "too expensive for that what it is." Most of the respondents had positive attitudes when commenting on their personal rapport to luxury.

4.2 Dubois's, Laurent's and Czellar's research (2001) analysis:

Another consumer based explanatory study was carried out by Dubois, Laurent and Czellar in 2001 in order to analyse the concept of luxury and attitudes of the consumers towards luxury products. Sixteen respondents were interviewed by a professional interviewer. Of the sixteen respondents, 10 were female and 6 were male, all aged between 17- 70. One product at least had been acquired by all the respondents that they found luxurious. Luxury product definition varied from one respondent to another.

Respondents were asked to remember their last purchase and the occasion.

Respondents were also asked to describe what they thought about luxury and what they ideas they associated with luxury.

Based on the views and comments of the respondents of Dubois's, Laurent's and Czellar's research, six facets emerged which would help defining the domain of the content. The facets are presented below.

Excellent quality:

Luxury and quality were high associated mentally by many respondents and for some respondents luxury and quality could be used as synonyms [According to one of the respondents of Dubois's, Laurent's and Czellar's research (respondent 7)].

Quality of a product can be easily judged when the consumers are buying those products/services frequently based on their personal experiences. However, for luxury products, since they are not purchased frequently and some of them might be bought only once e.g. engagement rings. The study indicates that for the judgment of such luxury products/services, the respondents used two main factors. The first was to find a component or ingredient that was special and used in the elaboration process of the luxury product. The second was to perceive expertise and delicacy in the manufacturing process of the luxury product/service. The respondents believe that luxury products are thought to be manufactured by paying attention to details and require a certain craftsmanship which encourages perfection of the product. One of the respondents replied:

If I can afford it and whenever I have a chance, I try to buy quality clothes, you have to admit that all of the top fashion designers are always using the best quality fabrics... So of course if you feel like having really beautiful things, you turn to them because they always have marvelous fabrics, perfectly cut, faultless, no problem ... (Respondent 2)

It is clear from the respondent's views that luxury products are expected to be more reliable and durable as they are of high quality. However, a luxury product that does not meet the expectation level, are immediately disqualified and is considered as cheap.

Very high price

High price is also associated very frequently when talking about luxury products/services. Many respondents believed that a very high price has a logical association with the excellent quality of luxury product/services. As one of the respondents said:

Quality doesn't always mean a lot of money, but it's true that they often go together,...(Respondent7)

Those who can afford to buy a luxury product, the very high price is justified for them as they know that they will be paying for a high quality product and that brings them a feeling of comfort and security. On the other hand, those who cannot afford to buy luxury products, very high prices are considered as a barrier and for them the very high prices are not justified even when the quality is there.

Scarcity and uniqueness

Another closely associated factor with luxury besides quality and high prices is scarcity. Given the very special skills and components used for manufacturing a luxury product, the respondents believed that the luxury products cannot be mass-produced. Many consumers expect luxury products to have limited addition. Beyond buying access to luxury products, luxury shops provide the consumer with a feeling of refinement and wellbeing. Those who can afford to purchase a custom made good, describe their experience as wonderful and gives them a feeling of uniqueness.

Aesthetics and Polysensuality

Luxury products are considered as a piece of art and they are to be recognized as such. Strong aesthetic appeal is also involved when defining a luxury product. It is not restricted to the luxury product itself but also expected from the people who consume these luxury products and how they are presented.

Most consumers described their consumption of a luxury product sensual. Luxury products are not only expected to look good but are also expected pleasant to touch, feel, hear or taste. One respondent said:

I often buy clothes depending on how they feel on my skin ... (Respondent 6).

Luxury enhances one's self –concept and can give the consumer the feeling of being powerful, strong, beautiful and free the frustrations of the world. However, it requires knowledge and experience.

Ancestral heritage and personal history

Luxury products or services should have a story to tell. They should have a history and their elaboration process should be able to respect tradition.

As the time goes by, luxury antiques acquire more and more value and the owners cherish more their valuable possessions. The feeling is further enhanced when the owners believe that to appreciate the luxury is a process intertwined with personal history instead of acquiring a luxury product in a snapshot. When consumers buy a luxury product, they expect that it will be in their possession for a long time and may be also pass them to the future generation. If carefully maintained, luxury symbols can become forever living symbols showing human creativity and intelligence.

Superfluosity

Superfluosity is also a word used sometimes to describe luxury meaning products that are not important for living. Due to this reason, many consumers and researchers oppose luxuries and necessities (Berry 1994, Kemp 1998). In order for a product or service to be regarded as luxury, the product should enhance not the functional value but the additional benefit of a different nature. According to one respondent:

Luxury items, meaning jewelry, pictures, books...are things you buy for the pleasure they give you, things that you don't need... (Respondent 14)...

Different people can have a different meaning for superfluosness of which one can be over abundance. Overabundance of something can give the consumer a feeling or freedom, freedom to do as he like, freedom to behave as he pleases. When such freedom is applied to purchase, such freedom provides the consumer with a fear free, right to variety seeking buying behaviour.

The main objective for carrying out the study was to understand what luxury meant for different people. What are the most common factors that come to mind that can be associated with luxury. The study sheds light on how important these factors are for the consumers and what they expect from their luxury products when they make the purchase.

The study gives us insight information about how consumers relate themselves to luxury and the feelings behind the process, from planning to buy a luxury product to passing it on to their next generations.

5 Implementation of the research

The research was carried out by qualitative and quantitative data gathered through an internet-mediated questionnaire with multiple-choice and open-ended questions. The open-ended questions allowed the respondents to express a variety of opinions freely, was useful during data analysis. Additionally the questionnaire involved a section of an empirical investigation regarding factors of influences which helped in understanding and identifying the determining factors.

The exploratory research done through the questionnaire mainly helped to gain an understanding of attitudes and emotions of Millennials towards luxury goods. In addition it revealed value perceptions of consumers towards luxury products.

5.1 The research Process

The research process starts with some theoretical information which is used to form some kind of hypothesis. Then different methodologies are used to carry out the research and upon analysing the received data, some conclusion is drawn at the final stage. The stages are as shown below in figure 5.

The Research Process

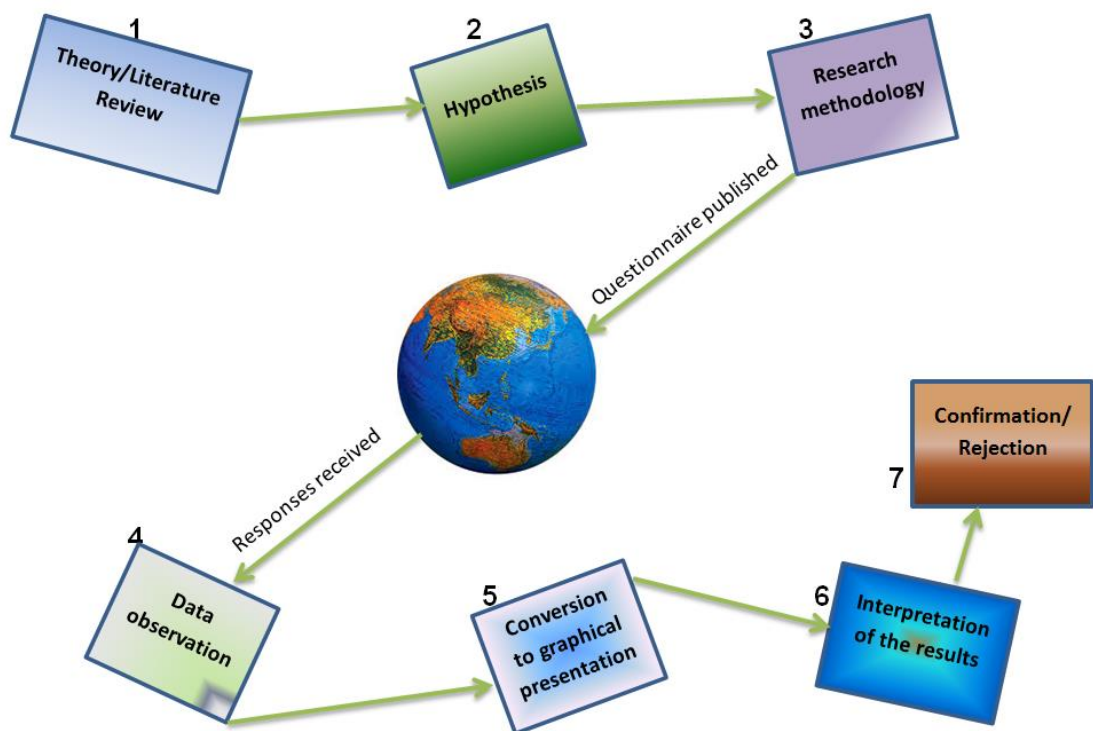


Figure 5. Author's own construction of different stages of the research process

5.2 Background information

Before any research it is crucial to identify the main questions that must be answered. Thus, incorporate those into the research questionnaire.

The questionnaire was named "Luxury Consumption". The questionnaire was created using Google Forms and was distributed to the respondents using both social media [Facebook] and social contacts [through email, phone]. The questionnaire started with a section of basic background information requirements: age, gender and status. The

ages were divided accordingly to the target research group: Millennials. Definition of Millennials in this research was adopted by O'Donnel & Yarrow (2009), who defined Millennials being those born between 1978-2000. Therefore the scope of ages provided in the research was the youngest respondent being 16 and the oldest respondent being 38.

The author aimed to receive answers to three different matters through the research. The three main matters are mentioned below:

1. Role of emotion in luxury consumption
2. Consumers' Value perceptions towards luxury and luxury products and/or services
3. Influencing factors leading to luxury consumption and the most influencing factor leading to luxury consumption.

Furthermore the literature review carried out in the thesis was closely concentrated to the topics mentioned above.

5.3 Target group

The aim was to receive responses from a minimum of 50 respondents, ideally approximately 50% being females and around 50% being male.

The questionnaire was answered by 53 respondents of which 64% were females and the remaining 36% were males.

Gender

Gender	Percentage
Female	64%
Male	36%

Table 3. Gender of respondents for the research

Age of respondents

Column %	Female	Male	NET
16 - 20	15%	0%	9%
21 - 29	79%	84%	81%
30 - 38	6%	16%	9%
NET	100%	100%	100%

Age by Gender
sample size = 53; 95% confidence level

Table 4. Respondents' ages

Current employment status

Column %	Female	Male	NET
Part-time working student	38%	21%	32%
Student	12%	26%	17%
Unemployed	9%	0%	6%
Working	41%	53%	45%
NET	100%	100%	100%

Current Status by Gender
sample size = 53; 95% confidence level

Table 5. Current employment status of respondents

5.4 Hypothesis

The author's hypothesis is that role of emotions plays an essential role in desires and "wants" rather than "needs" of purchasing luxury products. Moreover, level of income is a strong influencing factors leading towards luxury consumption of the target group: Millennials. The author believes the most important perceived values and characteristics that these consumers expect from a luxury product are high quality, uniqueness

and symbolism. However, the author is keen to find out more detailed and varying influencing factors of purchase.

5.5 Research Methodology

Initially a pragmatic approach was selected. Pragmatic approach also refers to using and having the freedom to use mixed methods, techniques and procedures associated with either qualitative or quantitative data.

The pragmatic approach was selected in case of not receiving enough responses and having to change the research method of "questionnaire" to for example personal interviews or focus groups in order to receive the answers. However, once the targeted 50 responses were likely to be achieved, the deductive reasoning approach was adopted. The deductive reasoning approach refers to a "top-down" approach.

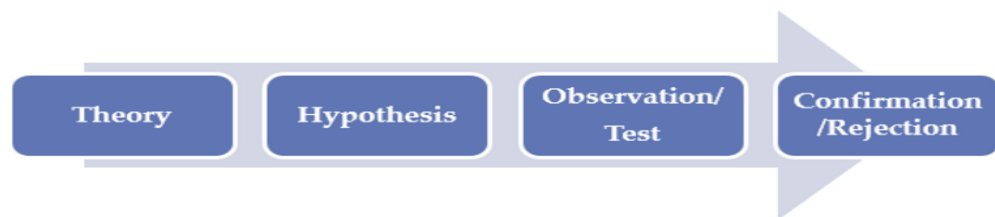


Figure 6. Deductive reasoning

Firstly a theory about a topic is narrowed down, and specific hypothesis is implemented, furthermore the hypothesis is tested and finally observations are collected to confirm test the hypothesis and with specific data and original theories. Moreover deductive reasoning can be explained as "reasoning from the general to the particular" (Pellissier, 2008, p.3).

6 Results and discussion

Question 1: What does luxury mean to you?

Defining "luxury" is complicated as mentioned in section 2.1. Therefore, this question was an open-ended question with plenty of space given for one to define the meaning of luxury to them. This question was intended to find out what "luxury" meant to the

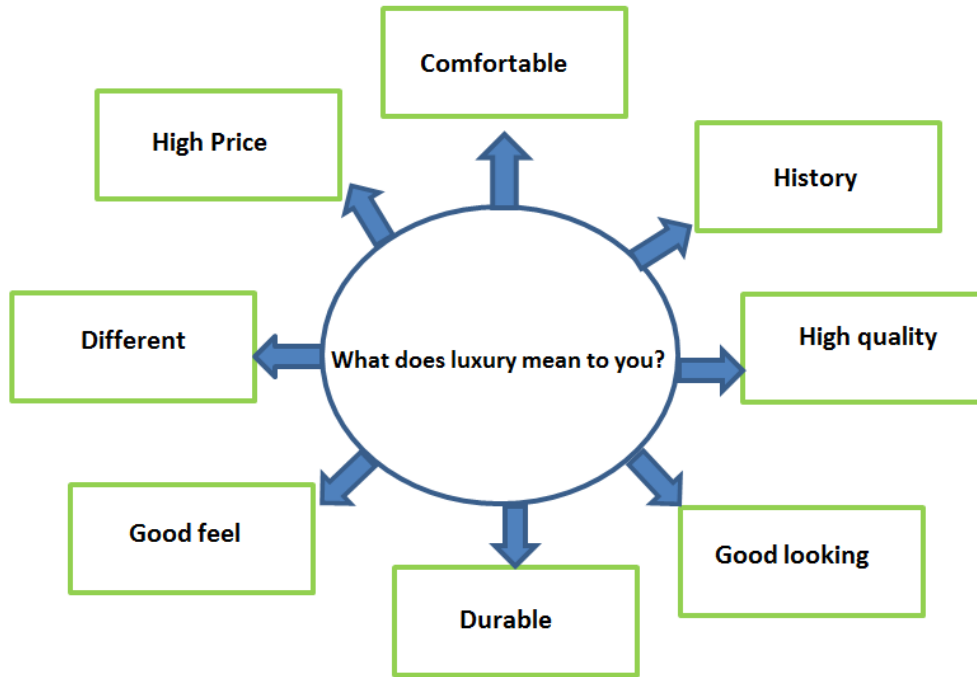


Figure 8. Respondent's definition of luxury

Further responses to of "What does luxury mean to you? involved:

Some respondents referred to luxury in terms of feelings and experiences, while other described the meaning of luxury to them as desirable products they wish to possess. Moreover "expensiveness" and "quality" were mentioned most frequently by all respondents.

Uniqueness and "rarity" and was another attribute described by some respondents,

Male/21-29/part-time working student: "Something that is comfortable, rare , looks good and durable."

Some of the respondents described the meaning of luxury as an experience or feeling, possibly gained or wanted from particular services:

Furthermore, "Expensiveness" and "high quality" are linked in definitions of the meaning of luxury. Many respondents were referred luxury to travel and vacation, further understood as one's leisure time.

Female/21-29/student: "If material: expensive things, if real luxury for my own wellbeing: awesome experiences, amazing use of time"

Question 2: Do you prefer to buy luxury products/services over non-luxury products/services? why/why not? Mention some examples.

This was another open-ended question with plenty of space provided for the respondents to answer. The aim of this question was to find out if respondents preferred buying luxury products and services over non-luxury goods and services. Moreover the question aimed to gain possibly opinions and comparisons between luxury and non-luxury goods.

Majority of the respondents [about 70%] preferred luxury products and services over non-luxury goods and service. The most common reason addressed to preferring luxury goods over non-luxury goods was "quality", "durability" and "rarity/uniqueness".

However, many agreed to prefer some items such as leather handbag or jacket in luxury goods and items such as an umbrella to be a non-luxury purchase. Some respondents expressed that in they do not prefer purchasing luxury goods and services over non-luxury goods since they feel like luxury goods/services are overpriced and not worth the money. Furthermore they expressed liking simple and ordinary products. In this section many respondents expressed the frequencies of their purchases on some level, for example mentioning that they like to purchase luxury goods/services "occasionally" for example on "birthdays" or "special occasions".

Many respondents stated that buying luxury goods over non-luxury goods make them feel special and good about themselves, for example:

Male/21-29/working: "Yes because they last longer , they have better quality and they make me feel good about myself"

Some of the respondents explained their feelings when using the purchased luxury product, which clearly indicates an emotional value attached to the product and brand, for example:

Female/21-29/part-time working student: "Yes, because when I buy luxury products I feel happy every time I am using them. For example carrying a designer handbag or wearing good quality materials gives me pleasure."

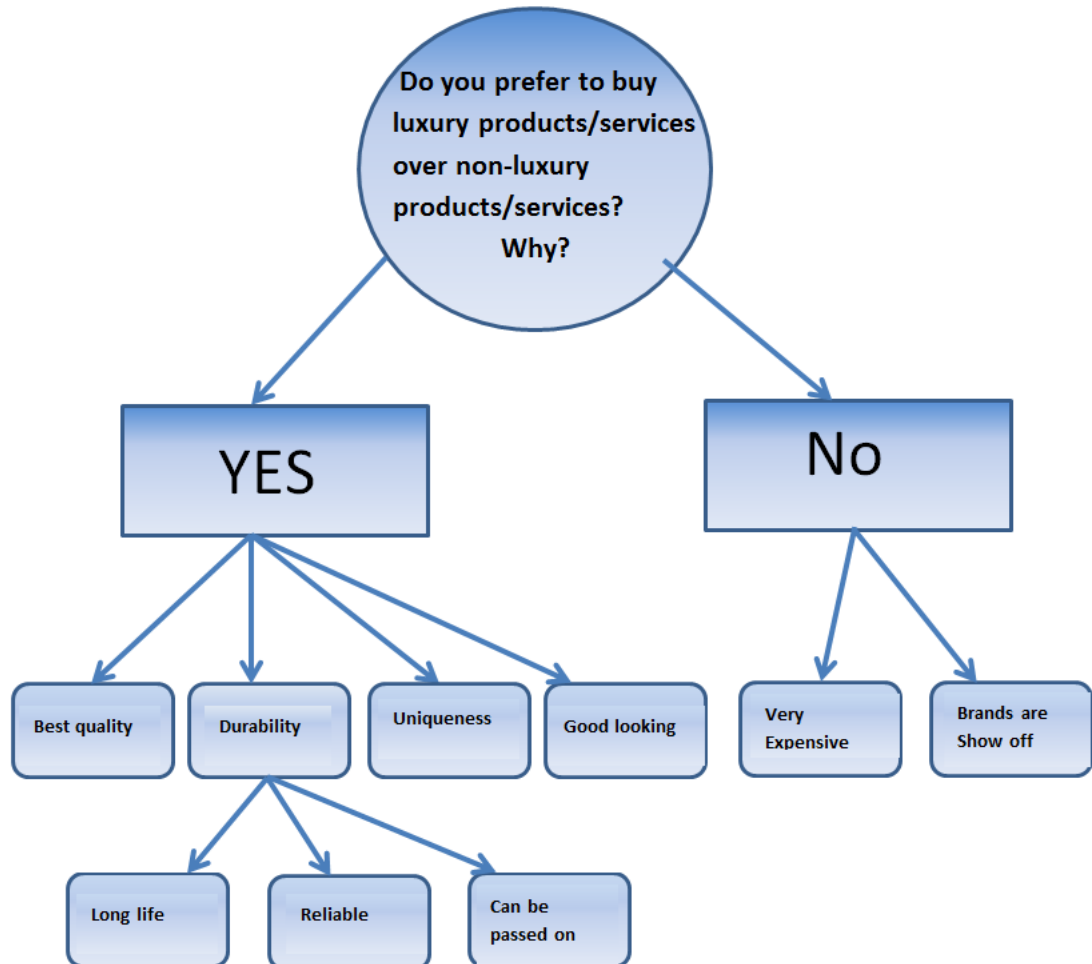


Figure 9. A few of the respondent's answers

Question 3: How do you feel when purchasing luxury goods? (What/Why? Happy, Satisfied, Regret etc)

Many respondents [around 77%] associated positive feelings regarding their purchase of luxury goods;

Male/21-29/student "Satisfied, proud, confident"

There were a number of respondents who has mixed feelings of happiness and sadness, for example:

Some of the respondents admitted feeling guilty while the purchase and explained that later on positive feelings were established:

Female/21-29/part-time working student: “Sometimes I feel guilty if I spend too much money but usually happy.”

Majority of the respondents expressed feeling of happiness when purchasing luxury products. Furthermore many respondents had ambivalent feelings of “regret”, “guilt” or happiness. There were respondents who expressed feelings mostly “regret” and others feeling “mostly happy”.

Question 4: For which of the following reasons if any, do you buy luxury products/services?

Reasons for buying luxury products/services	Percentage %
Good feeling	75%
To reward myself	70%
To gain confidence	35%
To feel more attractive	30%
It makes me stand out	55%
It signals my status	15%
Other	10%

Table 6. Response percentage

This question offered the choice to select more than one reason/feeling to identify the reason behind a luxury purchase. This aim of this question was to investigate the role of emotions linked and involved in luxury consumption. The given options “good feeling”, “to reward myself”, “to gain confidence”, “to feel more attractive” “it makes me

stand out", "it signals my status" are all feelings and emotions felt or gained possibly before, during or after a luxury purchase.

The majority of the respondents selected "good feeling" as at least one of the reason of luxury consumption, being 75% of respondents. Furthermore many of the respondents buy luxury products or services in order to reward themselves, for example after an achievement. The second most common reason of luxury consumption was "to reward myself", being 70% of the respondents.

Many respondents mentioned wanting to buy luxury products due to "rarity" and "uniqueness" which is linked with the feeling of wanting to stand out, 55% of respondents expressed the reason of luxury consumption being "it makes me stand out".

Some of the respondents stated that buying luxury products and using luxury services increases their confidence, 35% agreed with "to gain confidence" being one of the s justifying luxury consumption. Moreover 30% respondents expressed that the reason for luxury consumption is "to feel more attractive".

Out of the respondents 15% stated one reason of luxury consumption being "it signals my status" and 10% of the respondents informed the reason to be "other" than mentioned above or additional to the reasons mentioned above.

Question 5: When buying luxury goods/services, is your purchase decision usually based on need or want?

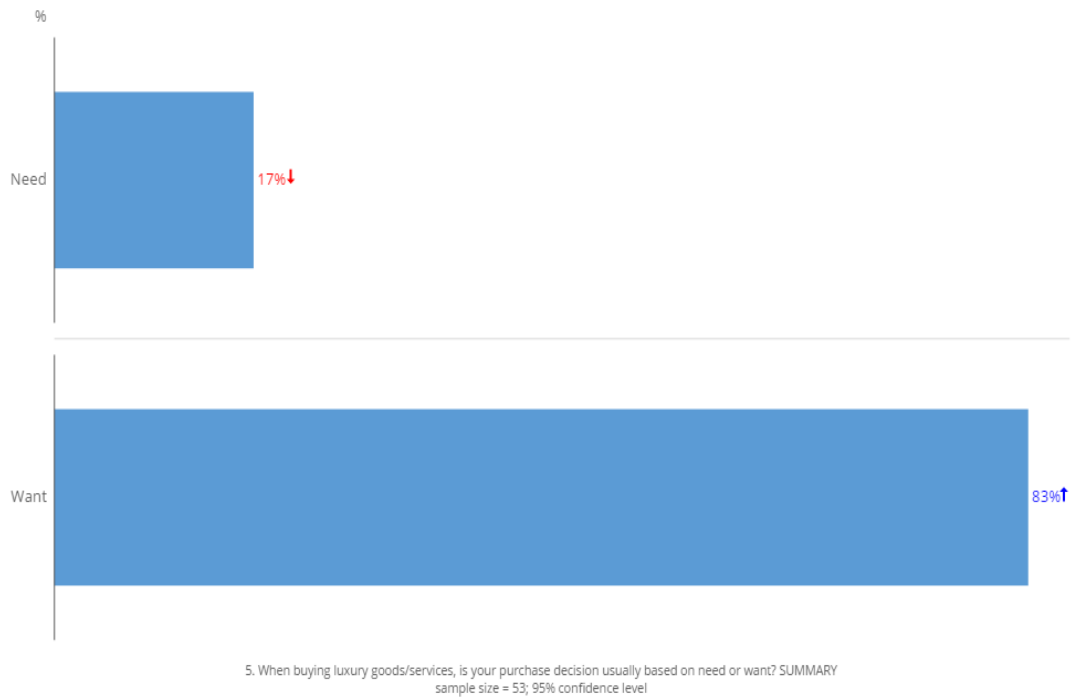


Figure 10. Luxury Need/want

Column %	16 - 20	21 - 29	30 - 38	NET	Column %	Female	Male	NET
Need	0%	16%	40%	17%	Need	15%	21%	17%
Want	100%	84%	60%	83%	Want	85%	79%	83%
NET	100%	100%	100%	100%	NET	100%	100%	100%

Table 7. Gender and age comparison with need or want luxury product

The objective of this question was to find out that when buying luxury products or services is emotional basis “need” or “want”. Only one choice could be selected in this question. The majority of 83% of respondents identified the emotion being “want” when buying luxury products or services. The rest being 17% of respondents stated that the emotion they feel is “need” when buying luxury products or services.

Question 6: Identify the influencing factors leading you to purchase (You may select more than one option)

Influencing factors leading to purchase of the luxury item

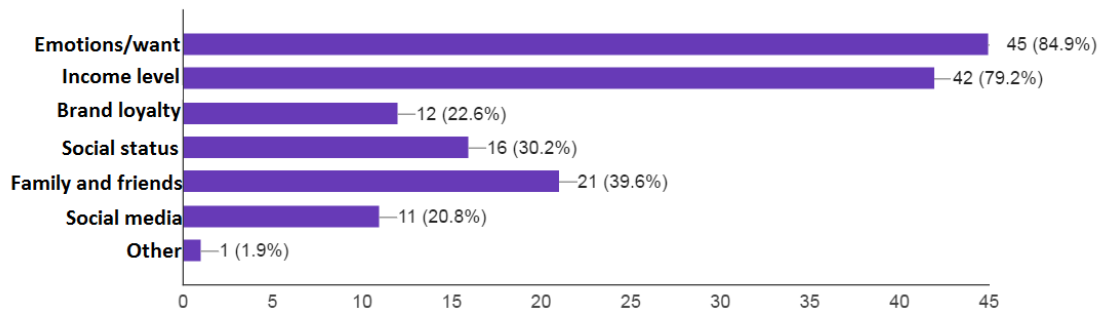


Figure 11. Influencing factors leading to purchase

In this question, the respondents had the option to choose more than one option. The aim behind this question was to understand the factors, due to which a respondent is tempted to buy a luxury product over non luxury products.

A big number of respondents (85%) believed that the most influencing factor is the want and the emotional feelings receive get when they purchase a luxury product/service. Along with emotions, income level was almost as big of a factor as emotions/want scoring about 80%. This means that while the respondents understood the feelings behind purchasing a luxury product, income level would also be side by side when they are making the purchase decision. The higher income level, the more luxury product they can afford to buy.

Family and friends are the next influencing factors for the respondents with a percentage of around 40%. The next following factor was social status at about 30% and brand loyalty and social media falling at about 20%.

Question 7: Which of the above/other is the most influencing factor for you that lead to buying a luxury product/service?

The objective of this question was to detect the influencing factors leading to purchasing luxury goods and/or services.

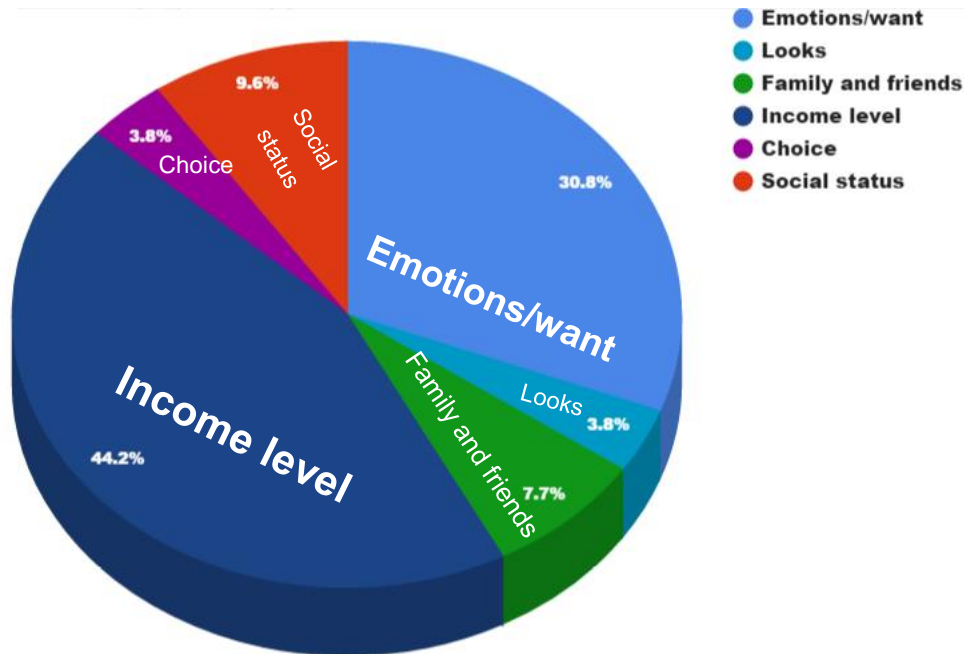


Figure 12. Most influencing factors of luxury

Majority of the respondents, 44.2 % selected "income level" to be at least one of the influencing factors leading to purchase. The second most influencing factor is emotions/wants. 30.8% of the respondents agreed with this. Moreover 9.5% selected one of the influencing factors leading to purchase being "social status". 7.7% of respondents selected "family and friends". Furthermore respondents added their own opinion by commenting on the "other" category and 3.8 expressed that their "choice" is an influencing factor furthermore 3.8% stated that "looks" is an influencing factor leading to purchase.

Question 8: When you purchase a luxury product, is it important for you that the brand name/logo is visible on the item?

Column %	Age 16-20	Age 21-29	Age 30 or more
YES	100%	56%	33%
NO	0%	44%	67%
NET	100%	100%	100%

Table 8. Luxury product logo responses

This was a question with one choice option either "yes" or "no". The aim of this question was to find out that do consumers who purchase luxury brands want the brand they are wearing to be visible and recognizable by everyone around them.

Furthermore, do consumers perhaps wish to have the brand name visible for themselves or are they satisfied with possibly being only ones to know the value of their product.

All respondents aged from 16-20 selected answered "yes". Moreover 56% of respondents aged from 21-29 selected "yes" and the remaining 44% respondents from this category selected "no". Furthermore 33% of respondents aged from 30-38 answered "yes" and 67% selected "no".

Question 9: In order for a product to be counted as a luxury product, it must have which of the following factors? (more than one option may be selected)

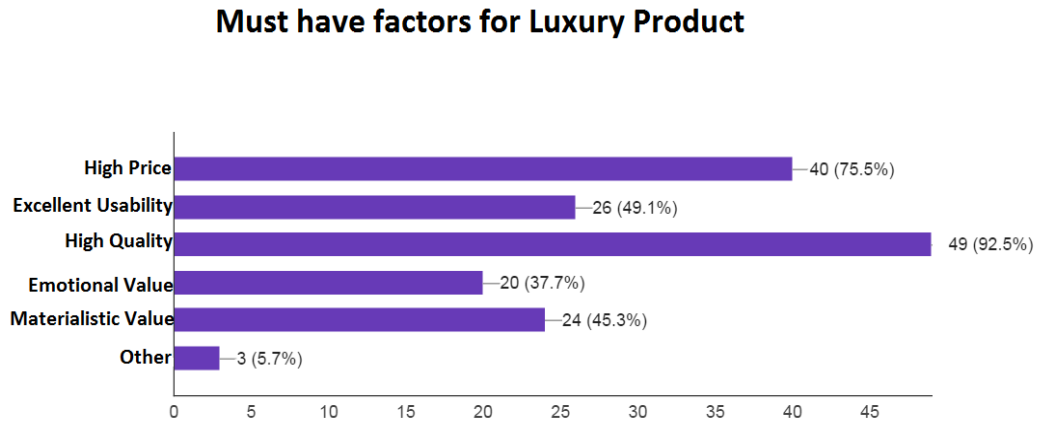


Figure 13. Must have factors for luxury product

Respondents had a choice to select more than one option in this question. The aim of this question was to find out consumers value perceptions towards luxury products furthermore which of the above or other characteristics they believe luxury products must have.

The total amount of respondents was 53. It was observed that 40 out of 53 respondents selected "High Price" as one of the characteristics a luxury product must have resulting in 75.5%. Moreover 26 out of 53 respondents selected "Excellent Usability" as one of the properties a luxury product must possess.

Furthermore 49 out of 53 being 92.5% respondents perceived "High Quality" as one of the characteristics a luxury product must have. Moreover 20 out of 53 respondents being 37.7%, believed that luxury products must involve the "Emotional Value". Additionally 24 out of 53 responses being 45.3%, suggested that luxury products must have "Materialist Value". Furthermore 3 out of 53 being 5.7% selected "other" which referred to quality related attributes.

Question10: What is your favorite luxury brand (you own a product of)?

The aim of this question was to investigate the “luxury level” discussed in section 2.5 to determine on which level these brands are ranked. Majority of the brands mentioned by respondents rank in Rambourg’s accessible and premium core and Heine’s medium level brands such as Louis Vuitton, Rolex and Gucci. Some of the brands such as Coach and Geox are ranked in Rambourg’s affordable luxury range and Heine’s entry-level brands.

Armani was owned by most of the male respondents whereas Michael Kors (MK) and Donna Karan New York (DKNY) was most commonly owned among female respondents.

FEMALE	MALE
DKNY(5)	Armani(6)
Dior(3)	Boss(2)
Guerlain(2)	D&G
Lancome	Gucci(2)
LV	Guess
Guess(2)	LV
Longchamp	Nike(2)
Michael Kors(5)	Rolex
Burberry	Sony
Estee Lauder	Geox
Apple	
Armani(2)	
Calvin Klein	
Coach	
Gucci(2)	
Tommy Hilfiger	

Table 9. Most favourite luxury brands

Hypothesis confirmation/rejection

Having analysed the research questionnaire results, the hypothesis composed by the author can be accepted. Before the observations and analysis of the research ques-

tionnaire results, the author anticipated that want and income level will be significant factors in influencing luxury consumption, which they were, thus the hypothesis can be accepted. Additionally the author anticipated that the most important perceived values and characteristics that consumers expect from a luxury product are high quality, uniqueness and symbolism. The results of the research questionnaire suggested that the most desired characteristics for luxury products/services were high quality and uniqueness.

7 Conclusion and future recommendations

The research results of the questionnaire suggested that some consumers had ambivalent feelings regarding the emotional state before, during or after purchase. Many consumers expressed feeling both happiness and regret. The research results revealed that expensiveness and high quality were positively related to high price set by luxury brands.

The author's hypothesis statement on the most influencing factors was income level and consumers emotions/want. The research results revealed that when respondents were given the option of multiple choices in determining influencing factors leading to purchase, majority of the respondents believed those factors to be emotions and wants. Moreover when respondents were asked to select specifically one factor that influenced them the most to purchase luxury goods, majority of the respondents selected income level. Furthermore social media did not result as a significant influencing factor.

The fact that the results obtained from the research were supported by the existing theoretical findings to a high extent, gives some sort of reliability of the results obtained in this thesis study. Nevertheless 53 respondents sound relatively high amount of responses for a research of this sort and therefore are validated and can be accepted to some level. However, if assumed that a marketer takes a survey of group of 53 people and decides to implement future strategies on this based data, the results are likely to be highly erroneous due to the fact that the population size is enormous compared to the sample size.

It was notable in the research analysis that age differences have quite high variation in opinions. Therefore, the authors' recommendation for future research would be to ask respondents to identify their exact ages.

The questionnaire involved open-ended questions which did provide substantial data. However, the majority of respondents answered with only a couple of words. Fewer words offer less information on the matter. As a recommendation for future research of this sort, the author suggests arranging individual interviews or focus groups in order to reveal deeper opinions and reasoning from the respondents through further questioning and discussion within the focus group.

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Appendix 1: Research questionnaire

Gender:

- female
- male

Age:

- 16 – 20
- 21 – 29
- 30 or more

What is your current situation?

- Student
- Working
- Student but part-time working
- Unemployed

1) What does luxury mean to you?

2) Do you prefer to buy luxury products/services over non-luxury products/services? why/why not? Mention some examples

3) How do you feel when purchasing luxury goods?

4) For which of the following reasons if any, do you buy luxury products/services?

- Good feeling
- To reward myself
- To gain confidence
- It makes me feel more attractive
- It makes me stand out of the crowd
- It signals my status
- Others _____

5) When buying luxury goods/services, is your purchase decision usually based on need or want?

- Need
- Want

6) Identify the influencing factors leading you to purchase(You may select more than one option)

- Emotions/wants
- Income level
- Brand loyalty
- Social status
- Family and Friends
- Social Media
- Other_____

7) Which of the above/other is the most influencing factor for you that leads to buying a luxury product/service?

8) When you purchase a luxury product, is it important for you that the brand name/logo is visible on the item?

- Yes
- No

9) In order for a product to be counted as a luxury product, it must have which of the following factors? (more than one option may be selected)

- High price
- Excellent usability
- High quality
- Emotional value
- Materialistic value
- Other:_____

10) What is your favorite luxury brand(you own a product of)?

Appendix 2: Respondent profiles in Dubois's, Laurent's and Czellar's research (2001)

(1) Female, 46 years, project study manager in a metal construction company, married to a CPA, two children

(2) Male, 50 years, administrative director of an exclusive men's club, married to an engineer, two children

(3) Male, 63, years, restaurant owner and merchant, married to a factory manager, three children

(4) Female, 70 years, wife of a high-level civil servant, two children

(5) Female, 53 years, civil servant at the Ministry of Culture

(6) Female, 29 years, music teacher, lives with a professor of economics, one child

(7) Female, 26 years, primary school teacher, unemployed, spent a great part of her life in different countries due to the profession of her father

(8) Male and female, around 55 years, public relations manager in an industrial company, wife works at home, no child

(9) Female, 17 years, graduating year of high school, both parents are senior managers

(10) Male, 53 years, well-known foreign journalist, divorced, two children, has lived in Paris for four years

(11) Female, 25 years, architecture student; male, 27 years, advertising manager, son of a Parisian banker, two children

(12) Male, 49 years, computer scientist, married to a foreign language teacher, two children 46

(13) Male, 45 years, typewriter repairer and office furniture seller, married to a middle-level executive, two children

(14) Female, 39 years, bookseller specializing in ancient books, lives with a jewel designer, no child.

Appendix 3 : Luxury fashion brands index (Okonkwo 2007, 45-47)

Brand name*	Year	Founder	Country
1 Guerlain	1828	Pierre Francois Pascal Guerlain	France
2 Hermès	1837	Thierry Hermès	France
3 Loewe	1846	Enrique Loewe Roessberg	Spain
4 Cartier	1847	Louis Francois Cartier	France
5 Bally	1851	Carl Franz Bally	Switzerland
6 Louis Vuitton	1854	Louis Vuitton	France
7 La Maison Worth	1858	Charles Frederick Worth	France
8 Burberry	1856	Thomas Burberry	England
9 Lancel	1876	Alphonse and Angele Lancel	France
10 Cerruti	1881	The Cerruti Brothers	Italy
11 Bvlgari	1884	Sotirios Voulgaris	Italy
12 Lanvin	1889	Jeanne Lanvin	France
13 Jeanne Paquin	1890	Jeanne Paquin	France
14 Berluti	1896	Alessandro Berluti	France
15 Fendi	1897	Adele Casagrande Fendi	Italy
16 Paul Poiret	1904	Paul Poiret	France
17 Trussardi	1910	Dante Trussardi	Italy
18 Ermenegildo Zegna	1910	Ermenegildo Zegna	Italy
19 Chanel	1910	Gabrielle Coco Chanel	France
20 Madeleine Vionnet	1912	Madeleine Vionnet	France
21 Jean Patou	1912	Jean Patou	France
22 Prada	1913	Mario Prada	Italy
23 Balenciaga	1919	Cristobal Balenciaga	Spain
24 Gucci	1921	Guccio Gucci	Italy
25 Hugo Boss	1923	Hugo Boss	Germany
26 Norman Hartnell	1923	Norman Hartnell	England
27 Rochas	1924	Marcel Rochas	France
28 Elsa Schiaparelli	1927	Elsa Schiaparelli	France
29 Salvatore Ferragamo	1927	Salvatore Ferragamo	Italy
30 Nina Ricci	1932	Nina Ricci	France
31 Roger Vivier	1937	Roger Vivier	France
32 Celine	1945	Celine Vipiana	France
33 Bioni	1945	Nazareno Fonticoli and Gaetano Savini	Italy
34 Christian Dior	1947	Christian Dior	France
35 Pucci	1948	Emilio Pucci	Italy
36 Louis Feraud	1949	Louis Feraud	France
37 Pierre Cardin	1950	Pierre Cardin	France
38 Max Mara	1951	Achille Maramotti	Italy
39 Hanse Mori	1951	Hanae Mori	Japan
40 Givenchy	1952	Hubert de Givenchy	France
41 Chloé	1952	Jacques Lenoir and Gaby Aghion	France
42 Mary Quant	1955	Mary Quant	England
43 Krizia	1957	Mariuccia Mandelli	Italy
44 Guy Laroche	1957	Guy Laroche	France
45 Missoni	1958	Rosita and Ottavio Missoni	Italy
46 Mila Schön	1958	Mila Schön	Italy
47 Sergio Rossi	1950s	Sergio Rossi	Italy
48 Valentino	1960	Valentino Garavani	Italy

Brand name*	Year	Founder	Country
49 Yves Saint Laurent	1962	Yves Saint Laurent	France
50 Azzaro	1962	Loris Azzaro	Italy
51 Cacharel	1962	Jean Bousquet	France
52 Jean-Louis Scherrer	1962	Jean-Louis Scherrer	France
53 Karl Lagerfeld	1963	Karl Lagerfeld	France
54 Judith Leiber	1963	Judith Leiber	USA
55 Richard Tyler	1964	Richard Tyler	Australia
56 Emmanuel Ungaro	1965	Emmanuel Ungaro	France
57 Roberto Cavalli	1965	Roberto Cavalli	Italy
58 Bottega Veneta	1966	Vicence Bottega Veneta	Italy
59 Paco Rabanne	1966	Paco Rabanne	Spain
60 Ralph Lauren	1967	Ralph Lauren	USA
61 Calvin Klein	1968	Calvin Klein	USA
62 Sonia Rykiel	1968	Sonia Rykiel	France
63 Anne Klein	1968	Anne Klein	USA
64 Jil Sander	1968	Jil Sander	Germany
65 Zandra Rhodes	1969	Zandra Rhodes	England
66 Corne des Garçons	1969	Rei Kawakubo	Japan
67 Oscar de la Renta	1969	Oscar de la Renta	USA
68 Paul Smith	1970	Paul Smith	England
69 Kenzo	1970	Kenzo Takada	France
70 Bill Blass	1970	Bill Blass	USA
71 Issey Miyake	1970	Issey Miyake	Japan
72 Vivienne Westwood	1971	Vivienne Westwood	USA
73 Mulberry	1971	Roger Saul	England
74 Yohji Yamamoto	1972	Yohji Yamamoto	Japan
75 Diane Von Furstenberg	1972	Diane Von Fürstenberg	USA
76 Manolo Blahnik	1972	Manolo Blahnik	England
77 Thierry Mugler	1973	Thierry Mugler	France
78 Alberta Ferretti	1974	Alberta Ferretti	Italy
79 Giorgio Armani	1974	Giorgio Armani	Italy
80 Perry Ellis	1975	Perry Ellis	USA
81 Jean Paul Gaultier	1976	Jean Paul Gaultier	France
82 Escada	1976	Wolfgang and Margaretha Ley	Germany
83 Helmut Lang	1977	Helmut Lang	Austria
84 John Rocha	1977	John Rocha	Ireland
85 Ana Molinari	1977	Ana Molinari	Italy
86 Gianni Versace	1978	Gianni Versace	Italy
87 Gianfranco Ferré	1978	Gianfranco Ferré	Italy
88 J.P. Tod's	1978	Diego Della Valle	Italy
89 Azzedine Alaïa	1980	Azzedine Alaïa	France
90 Marina Rinaldi	1980	Achille Maramotti	Italy
91 Michael Kors	1981	Michael Kors	USA
92 Carolina Herrera	1981	Carolina Herrera	USA
93 Anna Sui	1981	Anna Sui	USA
94 Kenneth Cole	1982	Kenneth Cole	USA
95 Elie Saab	1982	Elie Saab	Lebanon
96 Moschino	1983	Franco Moschino	Italy
97 Nicole Farhi	1983	Nicole Farhi	England
98 Thomas Pink	1984	Thomas Pink	England

	Brand name*	Year	Founder	Country
99	Karl Lagerfeld	1984	Karl Lagerfeld	France
100	Tommy Hilfiger	1984	Tommy Hilfiger	USA
101	Donna Karan	1984	Donna Karan	USA
102	Marc Jacobs	1984	Marc Jacobs	USA
103	Dries Van Noten	1985	Dries Van Noten	Belgium
104	Dolce & Gabbana	1985	Domenico Dolce and Stefano Gabbana	Italy
105	Patrick Cox	1986	Patrick Cox	England
106	Hogan	1986	Diego Della Valle	Italy
107	Issac Mizrahi	1987	Issac Mizrahi	USA
108	Christian Lacroix	1987	Christian Lacroix	France
109	Ted Baker	1988	Ted Baker	Scotland
110	John Galiano	1989	John Galiano	England
111	L.K. Bennett	1991	Linda Kristin Bennett	England
112	Christian Louboutin	1992	Christian Louboutin	France
113	Alexander McQueen	1994	Alexander McQueen	England
114	Anya Hindmarch	1994	Anya Hindmarch	England
115	Hussein Chalayan	1994	Hussein Chalayan	England
116	Marni	1994	Consuelo Castiglioni	Italy
117	Alessandro Dell'Aquila	1995	Alessandro Dell'Aquila	Italy
118	Viktor & Rolf	1995	Viktor Horsting and Rolf Snoeren	Netherlands
119	Paul & Joe	1996	Sophie Albou	France
120	Jimmy Choo	1996	Tamara Mellon	England
121	Mathew Williamson	1996	Mathew Williamson	England
122	Julien McDonald	1997	Julien McDonald	England
123	Narciso Rodriguez	1997	Narciso Rodriguez	USA
124	Alice Temperley	1999	Alice Temperley	England
125	Zac Posen	1999	Zac Posen	USA
126	Luella	2000	Luella Bartley	England
127	Stella McCartney	2001	Stella McCartney	England
128	André Ross	2004	Andrew Ross Blencowe	France
129	Tom Ford	2006	Tom Ford	USA

* Some brands might have been omitted as a result of either the unavailability of data regarding their founding dates and origins or the reluctance of the brands to reveal these.

Appendix 4: Additional luxury consumption research response examples

Question 1: What does luxury mean to you?

Uniqueness and “rarity” and was another attribute described by some respondents,

Male/21-29/part-time working student: “Something that is comfortable, rare , looks good and durable.”

Some of the respondents described the meaning of luxury as an experience or feeling, possibly gained or wanted from particular services:

Male/21-29/student: “relaxing, enjoyable, a service/product that provides freedom from the daily life worries”

For some respondents the meaning of luxury referred to, the feeling of comfort, one’s image socially, and particularly good looks:

Male/21-29/working: “Comfort, popularity and good looking”

Majority of the respondents referred the meaning of luxury being “extravagant” “above the average” etc and of excellent quality:

Male/30-38/student: “something exclusive and of high quality”

Furthermore, “Expensiveness” and “high quality” are linked in definitions of the meaning of luxury. Many respondents were referred luxury to travel and vacation, further understood as one’s leisure time.

Female/21-29/student: “If material: expensive things, if real luxury for my own wellbeing: awesome experiences, amazing use of time”

Some respondents identified both tangible products and experiences as luxury to them:

Female/21-29/working: “Good quality products, fine dining and clean well-furnished hotels and beach resorts. “

Quite many of the respondents experience the feeling of luxury while dining in a “good” or high class restaurant:

Female/21-29/working: “Products that are unique and stand out. For me luxury can mean to stay in a 5 star hotel and going to a good restaurant.”

Almost all of the respondents included products and service’s particularly with high price, for example :

Female/30-38/ working: “Travelling first class, staying at an expensive hotel and designer clothes.”

Question 2: Do you prefer to buy luxury products/services over non-luxury products/services?

Many respondents stated that buying luxury goods over non-luxury goods make them feel special and good about themselves, for example:

Male/21-29/working: “Yes because they last longer , they have better quality and they make me feel good about myself”

Male/21-29/part-time working student: “No. The prices are too high otherwise would happily buy.”

Male/21-29/working: “Yes because they have better quality and they last longer”

Some of the respondents informed they like to purchase important things from luxury brands, for example:

Female/21-29/working:” Depends on the purchase, sometimes when I need a nice item for heavy use I buy a luxury product for the quality and looks. Sometimes I don't care so much and buy non-luxury items as well, especially if I am not ready to put much money into it or it is not so important to me.”

Some of the respondents explained their feelings when using the purchased luxury product, which clearly indicates an emotional value attached to the product and brand, for example:

Female/21-29/part-time working student: “Yes, because when I buy luxury products I feel happy every time I am using them. For example carrying a designer handbag or wearing good quality materials gives me pleasure.”

Many respondents stated that they like to buy luxury goods to reward themselves for an achievement etc. Moreover luxury goods are seen as precious and valuable items that one has to deserve and earn For example:

Female/21-29/working: “Yes but usually only on special occasions, like to reward myself with a vacation or expensive handbag when I have achieved something or if it’s my birthday.”

Question 3: How do you feel when purchasing luxury goods? (What/Why? Happy, Satisfied, Regret etc.)

“When I purchase luxury goods occasionally, I feel like I have deserved them, it makes me feel happy and special.”

“Very happy and satisfied and luxury products make me feel special and more confident.”

“If I buy luxury goods, I feel good but also regret that I have spent so much money.”

“I feel more attractive and happy”

“Happy mostly but of course tiny bit of regret as so much money has been spent unnecessarily”

“I feel excited happy and sanctified with my purchase.”

“I purchase luxury goods sometimes as a reward for myself so usually I feel happy and excited!”

“I feel really satisfied that i am treating myself with luxury products. I actually do not regret at all, even if it destroys my budget.”

“Normally happy. If I know I cannot afford it then I feel bad.”

“Happy, if the product matches my expectation about it.”

