EXAMINING THE ROLE OF LUXURY BRANDS IN YTOPIA

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INTRODUCTION

A vast body of knowledge exists with regards to the attitudes involved in the consumption of luxury brands. The purchase of products for their symbolic and social value rather than for their inherent utility in now widely recognised as a significant determinant of consumer behaviour (Mason 1992). With changes in industry trends, gaps in knowledge are created. Thus, it is important to examine luxury brands in relation to uniqueness. Moreover, whether consumers need for uniqueness is in fact a need for status in this younger emerging market.

This research plans to integrate earlier research from two academic areas that have examined uniqueness. First there is considerable research in psychology on how consumers use possessions to define identity (Knight and Kim 2007; Belk 1988; Campbell 1995; Clark, Zboja, and Goldsmith 2007; Goldsmith and Clark 2008; O'Cass and Frost 2002; Phau and Leng 2008; Simonson and Nowls 2000; Tian, Bearden, and Hunter 2001). Second marketing has examined how a variety of factors influence the consumption of certain products and brands. Studies have found for example, that status seeking consumers are concerned with their peers and use brands to convey this message (O'Cass and Frost 2002; Ruvio, Shoham, and Brencic 2008).

This paper will give a detailed description and analysis of the previous literature relating to the key constructs in this field. To begin with, a background of the constructs in the literature will be discussed. Followed by a discussion of how the constructs have been employed in previous studies. In the course of the review process, various gaps in the literature will be acknowledged for further study.

LITERATURE REVIEW

Australian Generation Y as Global Consumers

The Australian Generation Y market is a dynamic and extremely competitive environment (Phau and Leng 2008). It encompasses 26% of the adult population (Khoo and Conisbee 2008) with the benefit of offering a market segment open to generalisations. Though it appears to be a plethora of opportunities for new entrants
and a great scope for innovations, the target audience is notoriously hard to please and has been exposed to marketing since birth (Phau and Leng 2008; Khoo and Conisbee 2008). These consumers are impacted by all facets of technology, which makes them difficult to target and a very savvy consumer. According to Khoo and Conisbee (2008) Generation Y consumers have an apt cynicism towards marketing, they take risks, aspire to be creative and unique and are prepared to try fresh and unknown products and brands (Simonson and Nowls 2000).

Limited brand loyalty within this segment means traditional brands can quickly lose touch with these consumers. Spurred by 17 years of uninterrupted economic growth, this market is cash rich. Thanks to a decrease in the affordability of the housing market the average disposable income has increased and as a result Generation Y has enormous spending potential. In 2015 Generation Y will have the largest share of the consumer market and is set to dominate retail trade (Khoo and Conisbee 2008).

Generation Y women have a higher comparative disposable income with significantly greater spending power and potential, than both their predecessors Baby Boomers and Generation X. Generation Y men are a lot more liberal about the purchase of luxury products and stylish living. Consequently Generation Y men shop more than their predecessors and have increased their range of purchase (Khoo and Conisbee 2008).

However, limited research has been done using the Australian Generation Y market in regards to their attitudes towards uniqueness and luxury brands. According to Phau and Cheong (2009) consumers between the ages of 30 – 50 years have been the prime market for luxury goods. The importance of adult consumers has been explored in depth, but there has been less attention given to the emergence of symbolic consumption in young people.

**CONSUMERS’ NEED FOR UNIQUENESS**

The theory of consumers’ need for uniqueness stems from Synder and Fromkins (1977) work on uniqueness theory. The theory operates on the premise that consumers find a high level of similarity to others highly undesirable and seek to differentiate themselves. Adopting various behaviours in order to seek differentiation. Material expressions of uniqueness are highly valued as the social risks associated with this form of display and consumption is seen to be relatively low (Tian and McKenzie
The level of uniqueness consumers seek is constrained only by the need for social affiliation and social approval, leaving consumers to seek avenues to explore and demonstrate their uniqueness in ways that do not inhibit or result in social isolation and disapproval (Snyder and Fromkin 1977).

Research has found that consumers’ need for uniqueness is more specific than simply the need for individualisation and is also distinct from independence (Tian, Bearden and Hunter 2001). Consumers’ need for uniqueness reflects both the self-image and social image enhancement process and is dependent on the good becoming a publicly recognised symbol. This need to be different can be considered an individual’s motivation to counter conform to societal norms, one of three aspects in consumers’ need for uniqueness. This deviation from the norm is viewed as an avenue for individuals to enhance their self concept, through the utilisation of possessions, especially those deemed scare or rare (Tian, Bearden, and Hunter 2001; Snyder and Fromkin 1977).

Prior research on the effect of social interaction on consumer behaviour has identified conformity and rebellion as the two competing influences on decision making (Simonson and Nowls 2000; Eastman and Goldsmith 1999; Snyder and Fromkin 1977). The basic motivation behind differentiation or alternatively conformity is the enhancement of self image (Husic and Cicic 2009).

According to research conducted by Tian, Bearden and Hunter (2001) in the validation of consumers’ need for uniqueness scales, it was found that neither gender or education had an impact on consumers’ need for uniqueness. However a negative correlation was found with consumer age, which makes studying Generation Y consumers a key market segment.

There are three facets to which consumers need for uniqueness is apparent: creative choice counter-conformity, unpopular choice counter-conformity and avoidance of similarity (Knight and Kim 2007; Ruvio, Shoham, and Brencic 2008; Tian, Bearden, and Hunter 2001).

(1) Creative choice counter-conformity refers to the search for social differentness through the consumption of products that are acceptable to others (Knight and Kim 2007; Tian, Bearden, and Hunter 2001).
(2) Unpopular choice counter-conformity is where consumers’ willingly risk social disapproval to establish their uniqueness. They consume products considered outside group norms (Knight and Kim 2007).

(3) Avoidance of similarity refers to the consumers’ avoidance of mainstream products and the tendency to favour products or brands that are unpopular or not likely to become popular (Knight and Kim 2007).

For the purpose of this thesis, the conceptual definition proposed by Tian, Bearden and Hunter (2001, 52) is used:

“Consumers’ need for uniqueness is defined as the trait of pursuing differentness relative to others through the acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one’s self-image and social image.”

This conceptual definition was developed, by testing on consumer goods both in the scale development and in subsequent tests rather than services as it has been in the past and it has been applied to a fashion context (Knight and Kim 2007).

Linked as it is to the concept of conformity, consumers’ need for uniqueness deserves study as a motivating factor in purchase intentions as extant research shows it can have a significant effect on purchase decisions. An individual’s need for uniqueness is ultimately a psychological variable (Snyder and Fromkin 1977). It has been found that psychological (including the need for uniqueness) and brand antecedents of an individual had a significant and positive effect on conspicuous consumption, the “tendency for individuals to enhance their image, through overt consumption of possessions, which communicates status to others,” (O’Cass and McEwen 2004, 34). Furthermore, the congruency of self-concept, brand-image and brand aroused feelings contributed towards the antecedent for purchase decisions of conspicuous and unique brands.

The relationships of the three constructs have been studied regarding the topic of conspicuous consumption, where it has been found that purchase intentions can be predicted based on how congruent an individual’s measure of self-concept and brand-
image are. When there is a merger between an individual’s self-concept and the product image, predicting consumer behaviour can be seen as more accurate (Onkvisit and Shaw 1987). This has also been highlighted regarding the link between self-concept and consumption.

The study of uniqueness on replacement behaviours can be applied to the fashion industry where trends and styles are ever changing (Bertrandias and Goldsmith 2006). Many prior studies on fashion consumption, consumers’ need for uniqueness and status consumption have been done on a predominately Asian or a European sample (Knight and Kim 2007; O'Cass and Choy 2008; Park, Rabolt, and Jeon 2008; Ruvio, Shoham, and Brencic 2008; Kumar, Kim, and Pelton 2009). Few studies have been done using an Australian sample, in particular a unified gender Generation Y sample, thus there continues to be a lack of cross-cultural studies.

Previous research has been conducted on consumers’ need for uniqueness in several countries throughout Asia using Generation Y (Knight and Kim 2007; O'Cass and Choy 2008; Kumar, Kim, and Pelton 2009). Knight and Kim (2007) found that Japanese consumers purchase and use brands to fulfil their needs for uniqueness and individuality. Furthermore it was found that brand image perceptions were influenced by consumers need for uniqueness. Further research on Korean consumers established that there is a positive relationship between the need for uniqueness and the usage of global luxury brands (Park, Rabolt, and Jeon 2008) in comparison Amaldoss and Jain (2005) found consumers steer clear of the purchase of luxury and high quality goods due to their desire for uniqueness. Amaldoss and Jain (2005) however found that demand for a product among consumers who desire uniqueness increases as with its price. However, research by Bemheim (1994) shows that when status is sufficiently important relative to intrinsic utility, many people conform to a single standard of behavior, despite underlying heterogeneous preferences (Amaldoss and Jain 2005).

Research has shown this behaviour is symptomatic of consumers’ need for uniqueness, an enduring personality trait in which consumers actively pursue dissimilarity as a means of developing a unique self and social image (Clark, Zboja, and Goldsmith 2007; Tian, Bearden, and Hunter 2001; Knight and Kim 2007).
LUXURY APPAREL/BRANDS AND STATUS

Social determinants play a big role in the selection of brands. Research has shown the interaction between individuals and society demonstrates society’s responses and attitudes toward the inherent symbolic meaning of brands. Thus, consumer’s behaviour and likely purchase of a brand is determined by others (Shukla 2008). When consumers purchase and endorse a specific brand, they are communicating their desire to be associated with the kind of people also perceived to consume the brand (Phau and Prendergast 2000), the brands image and the lifestyle projected by the brand (Husic and Cicic 2009). Luxury brands possess a desirability that extends beyond their utilitarian functions and provides the consumer with a perceived status through ownership. Consequently luxury brands can command premium prices (Moore and Birtwistle 2005). According to O'Cass and Frost (2002) brands are increasingly seen as an important factor in creating and maintaining a sense of identity and achievement. “It is also evident that, certain brand dimensions and associations lead to increased marketplace recognition and economic success as a result of the value consumers place on them” (O'Cass and McEwen 2004, 26). The subsequent argument is such that luxury brands are often consumed to indicate status and as such displayed conspicuously to provide a visual representation (O'Cass and McEwen 2004). “Consumers are motivated by a desire to impress others with their ability to pay particularly high prices for prestigious products” (Husic and Cicic 2009, 234). Clark, Zboja, and Goldsmith (2007) characterise status as the relative position in the hierarchy of a group accorded to them by other members of the group, and is based on characteristics such as honour and prestige.

“Status is a form of power that consists of respect, consideration, and envy from others and represents the goals of a culture. Many people desire status and devote a lot of energy to acquiring it (Barkow 1992 as cited by Eastman and Goldsmith 1999, 42). Scholars distinguish three different types of status:

1. Status by assignment ie royalty
2. Status by achievement and
3. Status by consumption

Here the focus is on the final type of status, that which is acquired through possession.
Products as previously mentioned have symbolic uses. “Consumers acquire, own, use and display certain goods and services to enhance their sense of self, to present an image of what they are like, to represent what they feel and think, and to bring about the types of social relationships they wish to have” (Eastman and Goldsmith 1999, 42).

The acquisition of material goods is one of the strongest measures of social success and achievement with research demonstrating the prevalence of expressing status through possessions more often than through any other avenue (Sangkhawasi and Johri 2007). Eastman and Goldsmith (1999) express the views of Packard (1959) who defines ‘status seekers’ as consumers’ who continually seek to surround themselves with visible evidence of the superior rank they are claiming. The variance comes in the form of the extent to which consumers seek products that are seen to confer status, moreover consumers differ in how much they seek to gain prestige by consuming status goods (Eastman and Goldsmith 1999).

Status consumption has been viewed as the driving force behind the enhancement of social standing through the overt consumption of possessions (O'Cass and Frost 2002; Phau and Leng 2008; Piacentini and Mailer 2004; O'Cass and McEwen 2004). According to Husic and Cicic (2009) luxury items are becoming a necessity. As discretionary income increases and the media promotes immediate self-indulgence, consumers are seeking recognition from others. The behavioural tendency to value status and acquire and consume products that provide status to the individual (O'Cass and McEwen 2004) is reliant on the product becoming a publicly recognised good as is the case with consumers need for uniqueness. In fact, if luxury products are not priced high, they lose their rarity and exclusivity characteristics (Dubois and Duquesne, 1993). In some ways, a higher price makes consumers feel superior, one of the rare elite who can afford these products (Garfein, 1989).

According to recent research the consumption of luxury products is less about price and more about the pleasure derived from their use (Piacentini and Mailer 2004) with price only serving to act as a proof of quality. Research conducted by Piacentini and Mailer (2004) show teenagers from wealthier families are less likely to engage in status consumption with further research by Deeter-Schmelz et al. (2000) and O'Cass and McEwen (2004) ascertaining that consumers income has little effect on status
seeking behaviors’. Consumers at every class level have the desire to consume for status. Consumers today have a larger disposable income than ever before, most dramatically in the higher social classes and are willing to pay considerably higher prices for luxury products (Husic and Cicic 2009; Khoo and Conisbee 2008; Piacentini and Mailer 2004).

Even though status consumers and consumers’ with a high need for uniqueness buy luxury products for apparently opposite reasons, their basic motivation is the same, the enhancement of self image (Husic and Cicic 2009). A paradox exists; status consumers will purchase products with visible logos to conspicuously display status and wealth where as consumers’ with a need for uniqueness will also purchase luxury brands but pay a higher amount for a hidden brand label (Husic and Cicic 2009). According to extant literature this behaviour illuminates the present situation in luxury apparel. On one side consumers wish to distinguish themselves while on the other side there are those who imitate the ‘trend setters’ including their aspiration to distinguish themselves.

NORMATIVE INFLUENCE

“Susceptibility to reference group influence (normative) directly relates to an individual’s status consumption tendencies” (O'Cass and McEwen 2004, 34). Conceptually this means certain products and brands are used to provide entry into certain groups. It would appear that the need to identify with, or enhance, one’s image in the opinion of significant others operates closely with both status consumption and conspicuous consumption. This finding is important as both the consumption for status and uniqueness requires the impact of interpersonal influence (O'Cass and McEwen 2004; Tian and McKenzie 2001). Symbolic consumption is employed not only to create and maintain self but to distinguish a place in society (Wattanasuwan 2005) and cannot be achieved without the presence of others (O'Cass and McEwen 2004). Extant literature denotes the consumption of conspicuous goods is determined by normative group influence (Tian, Bearden, and Hunter 2001; Clark, Zboja, and Goldsmith 2007; Knight and Kim 2007; O'Cass and McEwen 2004).

Clark, Zboja, and Goldsmith (2007) see group membership as a necessity along with being psychologically satisfying. As consumers seldom operate in a vacuum, reference groups become paramount to decisions on product and brand purchases.
People imitate group members in order to be accepted as group members themselves (Eastman and Goldsmith 1999). Despite the influence of normative pressure many consumers choose to intentionally go against the group and distinguish themselves. The purchase of prestigious products and brands can alleviate the feelings of similarity and help consumers to feel unique. Similarly, status consumers desire to be elevated to a unique position within the group.

**SCARCITY/RARITY PRINCIPLE**

Luxury products do not exist today as they did in the past, where only a very select few could afford them they now operate in a paradox. Prices are high based on the attribute of exclusivity whilst selling to everyone (Husic and Cicic 2009). In order to appeal to consumers desire for uniqueness, marketers develop advertising messages that employ the product-scarcity principle (Tian, Bearden, and Hunter 2001). The product-scarcity principle operates on the notion that the perceived scarcity of the product enhances the desirability. The rarity principle operates on the same premise. As defined by Phau and Prendergast (2000, 122) the rarity principle suggests that “in order to maintain prestige, luxury brands must sustain high levels of awareness and tightly controlled brand diffusion to enhance exclusivity.”

Irrelevant of monetary value scarcity can increase the attractiveness of the product, as it can add a sense of specialness to the individual’s self-concept. Products and brands considered to be both scare and rare are particularly desirable to consumers who are high in need for uniqueness. The possession of scare products is also fuelled by the desire for status, having rare possessions can also be a marker of one’s higher social standing, one of the elite (Snyder 1992). According to Snyder (1992) as children we are taught that scare objects offer more intrinsic value than plentiful ones denoting a sense of uniqueness and the status afforded to the product. Extant literature shows luxury consumers’ want to be different no matter the price, so they turn to products to which others have limited access (Husic and Cicic 2009).

Luxury consumption is fuelled on the notion of scarcity. Seemingly luxury apparel is inhibited by consumers’ ability to pay high prices, meaning fewer consumers can afford the high price tags thus limiting the perceived scope of distribution and purchase. As Vuitton bags the affluent customers: How luxury goods companies woo the wealthy (2005) state why would consumers want to spend thousands of dollars on
a one of a kind designer item if it’s perceived to be a mass commodity. Alluding to the principle of the more you succeed in selling the less exclusive your product becomes, leading luxury brands to walk the fine line between mass market appeal and exclusivity and prestige.

**CONSUMERS’ BRAND PERCEPTIONS AND PURCHASE INTENTIONS**

Increasingly brands are seen as important in creating identity, a sense of achievement and identification for consumers. They have become “part of a new social protocol where your identity and self worth are determined by the visible brands on your body” (Husic and Cicic 2009,3). According to Belk (1988) the purchase of objects offers consumers a means of investing in self; therefore “brands strive to elicit strong, positive relationships with their target consumers” (Knight and Kim 2007). Consumers’ consider many aspects of the brand when making a purchase including evaluating if the brand satisfies their emotional needs (Kumar, Kim, and Pelton 2009).

According to Keller (2008) more and more companies are attempting to tap into consumer emotions with their brands. Previous research has found consumers respond to brands in two ways; cognitively and emotionally during the decision making process (Babin and Babin 2001; Knight and Kim 2007). With previous research finding emotional response plays a key role in determining purchase intention and is twice as likely to account for purchase intention than cognition (Knight and Kim 2007). Consumers’ who feel good and are pleased about the purchase of a brand will according to Kumar, Kim, and Pelton (2009) purchase and even re-purchase the brand even when given alternative options.

Knight and Kim (2007) who surveyed Japanese Generation Y consumers’ found emotional value had a significant impact on purchase intention as did Babin and Babin (2001). Consumers perceived emotional value refers to their affective reactions to a brand, this is especially true for fashion because a preoccupation with appearance and socially consumed goods is directly linked to the personality of consumers (Bertrandias and Goldsmith 2006; Knight and Kim 2007). As a product category, fashion induces a high level of involvement and interest due to its symbolic and hedonic nature (Kumar, Kim, and Pelton 2009) exposing consumers to others judgement making it both a socially and emotionally risky product (Bertrandias and Goldsmith 2006). As outlined by Park, Rabolt, and Jeon (2008) young Korean consumers consider global luxury brands as status-oriented possessions. It is therefore
assumed that this perception reinforces the purchase intentions of luxury brands for status seeking consumers.

Perceived quality as defined by Yoo and Donthu (2002) is the consumers’ subjective judgement about a brand’s overall excellence or superiority. With consumers as discussed earlier using multiple cues to determine brand quality including price, image, performance and country of origin. Similarly Keller (2001) defined brand judgment as “consumers’ personal opinions about brands based on how they combined performance and image associations including perceived quality, credibility, consideration, and superiority”.

According to Hoyer and Brown (1990) as outlined by Knight and Kim (2007, 273) consumers have a variety of different attitudes towards brands; however perceived quality is the most important attitude in terms of purchase intention particularly for unfamiliar brands. Knight and Kim’s (2007) results support this finding adding yet another dimension creative choice, which they found had a positive effect on perceived quality, implying that brands with a superior image play an important role in expressing uniqueness and individuality and ultimately impact purchase intention. With results from O’Cass and Choy (2008) supporting past literature that a relationship exists between brand status and brand attitude.

A multitude of factors, self-concept, need for uniqueness and the level of clothing interest can influence brand judgements. This study is designed to determine the factors influencing Australian consumers purchase intentions toward a luxury apparel brand (Kumar, Kim, and Pelton 2009).

RESEARCH GAPS
A review of past literature has highlighted certain key areas that have either not been studied before or have been studied in a limited capacity which serve to make this study more unique and meaningful. These areas will be referred to as gaps and they will be discussed in this section:

(a) Since material goods have been identified as a good form of demonstrating differentiation, consumers’ need for uniqueness has slowly gained popularity as a topic in the marketing discipline. The consumption patterns of consumers’
with varying degrees of uniqueness has been widely studied and applied to a number of consumer goods with the exclusion of luxury apparel, in particular mass customisation of luxury apparel.

(b) Despite the growing importance of Generation Y consumers’ who according to Khoo and Conisbee (2008) are set to dominate retail trade in the next five years, limited research has been done using an Australian Generation Y sample in regards to their attitudes towards uniqueness and luxury brands. Research by Phau and Cheong (2009) show consumers between the ages of 30 – 50 years have been the prime market for luxury goods. The importance of adult consumers has been explored in depth, but there has been less attention given to the emergence of symbolic consumption in young people. Studies that have been conducted with a Generation Y sample have been done throughout Asia and the US (Ruvio, Shoham, and Brencic 2008; Knight and Kim 2007; Lee et al. 2008; O'Cass and Choy 2008; Park, Rabolt, and Jeon 2008; Kumar, Kim, and Pelton 2009) allowing a basis for comparison but nevertheless a lack of cross cultural studies have been conducted on this demographic.

(c) Studies on fashion marketing in the literature have often been studied on products and brands that originate from the US (Knight and Kim 2007; Lee et al. 2008; Kumar, Kim, and Pelton 2009). Few studies have studied fashion marketing specifically luxury brands that originate from Europe, which is seen by many as the fashion hub of the world. Future studies could be done on a comparison of cross-cultural brands to other forms of fashion products such as haute couture and accessories. This calls for more research into the consumption of other forms of fashion products.

(d) Previous studies that have examined the effect of uniqueness and status on the consumption of fashion products, have always utilised the generic use of fashion clothing rather than a particular brand or product (O'Cass and McEwen 2004; Park, Kim, and Forney 2006). While using a particular brand or product, might increase the involvement and the reliability of the study.

**CONCLUDING COMMENTS**
In order to discover how consumers desire for uniqueness affects the purchase of luxury brand goods, marketers should first identify what leads young Australian consumers to purchase luxury brands and then devise the most effective strategies based on their findings. For the purpose of providing practical information to luxury brand marketers, this paper looked at the impact of uniqueness, status, brand judgements and emotional value on Australian Generation Y consumers’ and their relationship with each other with a distinct focus on haute couture luxury apparel.
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