

A Cross-Cultural Study of Motivation for Consuming Luxuries

**A thesis submitted in partial fulfilment of the requirements for
the Degree of Doctor of Philosophy**

At

Lincoln University

By

Gareth M. Allison

Lincoln University

2008

Abstract

This research investigated three main research questions. First, can the structure and nature of motivation for the consumption of luxury products be identified? Second, are there differences between consumers from different parts of the world in their motivation for consuming luxury products? Third, can cultural values be used to predict motivation for the consumption of luxury products?

Data was obtained by way of an online survey at a New Zealand University, and via a mixed-mode survey at a public University in Thailand. A total of 307 (NZ $n=130$; Thai $n=177$) usable responses were obtained.

In respect of the first research question, the model of motivation for consuming luxuries developed by Vigneron and Johnson (1999) was empirically tested. This model proposed that five forms of motivation would exist; status, uniqueness, conformity, quality, and hedonic. In the present study, a four factor model of consumer motivation was uncovered, consisting of status-seeking, pleasure-seeking, uniqueness-seeking, and value-seeking. Value-seeking emerged as the most important motivation for the consumption of luxury products. Status-seeking was the least important form of motivation. This finding suggests that the conventional emphasis in the luxury products literature, on status as a motivator of luxury consumption, may be misplaced.

In respect of the second research question, differences were found to exist between New Zealanders and Thais in the importance that respondents attach to the different forms of motivation for consuming luxuries (Wilks Lambda = 0.540, $F= 61.167$, $p = <0.001$). A series of univariate ANOVAs identified that Thais possess higher levels of value-seeking motivation than New Zealanders ($F = 15.152$, $p = 0.000$), and that New Zealanders possessed significantly higher levels of pleasure-seeking than Thais ($F = 87.589$, $p = 0.000$). No significant difference was found to exist between New Zealanders and Thais in respect of status-seeking and uniqueness-seeking.

In order to investigate the third and final research question, it was necessary to measure the orientation of participants in the research towards a set of cultural values. The four-

quadrant individualism, collectivism and vertical, horizontal typology of cultural orientation was used as the basis of cultural values in this research (Triandis, 1995). This typology suggests that there are two forms of individualism: vertical (VI) and horizontal (HI), and two forms of collectivism: vertical (VC) and horizontal (HC). This was measured on the scale developed by Singelis, Triandis, Bhawuk and Gelfand (1995). The cultural orientation of individuals was found to be more heterogeneous within countries than was anticipated. Whilst, as expected, Thais primarily orientated towards VC, there were significant numbers of individuals who orientated towards HI and HC. New Zealanders were largely split between HI and HC.

Correlation analysis and a series of multiple regressions were conducted in order to investigate the relationship between cultural orientation and motivation for consuming luxuries. VI and VC were found to be related to status-seeking. VI and HC were positively related to pleasure-seeking, and VC was found to be negatively related to pleasure-seeking. HI was related to uniqueness-seeking. VC and HI were found to be related to value-seeking.

Acknowledgements

In many ways the acknowledgments section of my thesis is proving the hardest portion to write. The debt of gratitude that I owe to so many people is so large that I am struggling to find the words to do justice to their contribution. The contributions that have been made both to this research, and to my life, while the thesis evolved are immense. I would be a lesser person without these people in my life.

First, I would like to thank my supervisors in this endeavour: Dr David Cohen and Dr Ian MacDonald. I will always be thankful for their wisdom and knowledge, but more importantly for their deep concern for me as a person. It has been an honour to work with them.

I would also like to pay tribute to the examiners of this thesis, their thorough scrutiny and insightful comments have helped to improve this research. Their diligence in examining this thesis is appreciated.

In addition to my supervision team there are members of the Commerce faculty at Lincoln who have provided me with great encouragement and support. I met Annette Brixton on my first trip to Lincoln; she was friendly, helpful and efficient on that occasion and remained so throughout my career at Lincoln. Deborah O'Connor also helped to pave the way, making dealing with the necessary bureaucracy of a University as easy as possible. Professor Caroline Saunders taught me that academia can be fun and the virtue of telling a good story. I am also indebted to Mike Clemes and Liz Nichols for their support and encouragement.

My research would not have been possible without the assistance of my Thai colleagues: Visit Limsombunchai and Sutana Thanyakhan. For your help in obtaining data and translating my research instrument into the Thai language I am eternally grateful. I would also like to thank Paul Rutherford for helping to me to advertise for participants.

In many respects a PhD is a lonely journey. Without the camaraderie of my fellow students it would have been far lonelier. In particular my thanks extend to Anna O'Connell, Anita Wreford, Janine Alfeld, Ed Hearnshaw, Julia Wu, Lise Morton and

Sukhbir Sandhu. To Mark Wilson and Sharon Forbes I owe extra thanks and probably half a dozen coffees each or perhaps a few wines are more appropriate at this juncture! I would also like to thank Jacinta Hawkins, my friend and colleague at AUT with whom I have shared the last stages of this journey. Thank you all for your friendship and the stimulating discussions.

I am not sure how I can begin to thank my parents: Brian and Judy Allison. Their love and support has been overwhelming for many years, and particularly during the period this thesis was written. Quite simply this thesis would not have been possible without them.

To my son Corby, thanks for the smiles! They make it all worthwhile.

My beautiful wife Nicola has been the rock on which my life has been based. When I met Nicola I was in the early stages of this research and she does not yet know me without the weight of a PhD on my shoulders. In this respect she has been truly remarkable. The personal qualities that she has exhibited, in putting up with me through this process, have been incredible. It would take another thesis to thank her properly for the love, support and encouragement that she has given me....but no more doctorates....I promise!

Table of Contents

Abstract	i
Acknowledgements	iii
Table of Contents	v
List of Tables	viii
List of Figures	x
 CHAPTER 1: Thesis Introduction	 1
1.1 Background	1
1.2 Structure of Thesis	7
 CHAPTER 2: Literature Review: Motivation for Consuming Luxury Products	 9
2.1 Definition(s) of a Luxury Product	9
2.1.1 Lancaster's Theory of Demand	11
2.1.2 Perceptions of Luxury	12
2.2 Motivation for Consuming Luxury Products	14
2.2.1 Motivation	14
2.2.2 Initial Conceptualisations of Motivation for Consuming Luxury Products ..	14
2.2.3 Modern Literature on Motivation for Consuming Luxury Products	19
2.2.4 Status Motivations	22
2.2.5 Uniqueness Motivations	26
2.2.6 Conformist Motivations	28
2.2.7 Quality Motivations	29
2.2.8 Hedonic Motivations	30
 CHAPTER 3: Literature Review Part 2, Cultural Orientation	 32
3.1 The influence of Culture on Consumer Behaviour	32
3.2 Definition(s) of Culture	32
3.3 Measuring Culture	33
3.4 Cultural Values	35
3.4.1 Individualism / Collectivism and Vertical / Horizontal Dimensions of	
Cultural Values	41
3.5 Application of INDCOL and VH Cultural Dimensions to Consumer Behaviour.	
.....	45
3.6 Influence of Culture on Motivation for Consuming Luxuries	46
 CHAPTER 4: Model Development and Hypotheses	 49
4.1 Model of Motivation for the Consumption of Luxury Products	49
4.2 Differences between New Zealanders and Thais in Motivation for Consuming	
Luxury Products	51
4.3 Relationship between Cultural Values and Motivations for the Consumption of	
Luxury Products	54
4.3.1 Influence of Cultural Values on Status Motivation for the Consumption of	
Luxury Products	55
4.3.2 Influence of Cultural Values on Uniqueness Motivations for the	
Consumption of Luxury Products	57
4.3.3 Influence of Cultural Values on Conformist Motivations for the	
Consumption of Luxury Products	58

4.3.4	Influence of Cultural Values on Quality Motivations for the Consumption of Luxury Products	59
4.3.5	Influence of Cultural Values on Hedonic Motivations for the Consumption of Luxury Products	60
CHAPTER 5: Method.....		61
5.1	Preliminary Research	61
5.2	Exploratory Qualitative Research.....	61
5.3	Development of the Instrument	62
5.4	Translation of the Instrument from English to Thai	66
5.5	Pre-testing of the Instrument	67
5.6	Sample.....	67
5.7	Administration of Survey Instrument	70
5.7.1	Consistency of Responses across Different Modes of Administration for the Thai Portion of the Sample.....	71
5.8	Choice of Statistical Tests.....	73
5.8.1	Factor Analysis	73
5.8.2	One Sample <i>T</i> -test.....	74
5.8.3	ANOVA	75
5.8.4	MANOVA	75
5.8.5	Pearson Product Moment Correlation and Multiple Regression	75
CHAPTER 6: Results and Discussion		76
6.1	Descriptive Statistics.....	76
6.1.2	Age and Gender	76
6.1.3	Cultural Orientation of Respondents	77
6.1.5	Weekly Discretionary Spending Money	78
6.1.6	When was a Luxury Product Last Purchased?	79
6.1.7	Type of Luxury Product Last Purchased	80
6.1.8	Perceived Expense of Last Luxury Product Purchased	82
6.2	Cultural Orientation	83
6.2.1	Factor Analysis	83
6.2.2	Multicollinearity Test for Cultural Orientation Factors.....	86
6.2.3	Discussion: Structure of Cultural Orientation	87
6.2.4	Cultural Orientation of Respondents	88
6.2.5	Relative Cultural Orientation of New Zealanders and Thais	90
6.3	Motivation for the Consumption of Luxury Products	95
6.3.1	Factor Analysis	95
6.3.2	Multicollinearity Test for Motivation Factors.....	98
6.3.3	Discussion: Structure of Motivation for Consumption of Luxury Products	98
6.3.4	Analysis of Mean Scores.....	101
6.4	Analysis of Differences / Similarities between New Zealanders and Thais in Motivation for Consuming Luxury Products.....	105
6.4.1	MANOVA.....	105
6.4.2	ANOVAs	105
6.4.3	Discussion: Results of Differences and Similarities in Motivation for Consuming Luxury Products	106
6.5	Relationship between Cultural Orientation and Motivation for Consuming Luxury Products	108
6.5.1	Pearson Product Moment Correlation	108

6.5.2	Multiple Regression	109
CHAPTER 7: Summary, Limitations of Research and Directions for Future		
Research		125
7.1	Summary of Thesis	125
7.2	Summary of Results.....	126
7.2.1	Group 1 Hypotheses.....	126
7.2.2	Group 2 Hypotheses.....	127
7.2.3	Group 3 Hypotheses.....	128
7.3	Theoretical Implications	130
7.4	Practical Implications	134
7.5	Limitations of Research	135
7.6	Directions for Future Research.....	137
References		139
Appendices		161
APPENDIX A: FOCUS GROUP INTERVIEW GUIDE		162
APPENDIX B: Q-Sort Exercise and Initial Item Pool.....		164
APPENDIX C: English Version of Survey Instrument.....		167
APPENDIX D: Thai Version of Survey Instrument		174
APPENDIX E: Initial Rotated Factor Matrix for Factor Analysis of Cultural Orientation Scale.....		181
APPENDIX F: Scree Plot for Factor Analysis of Motivation for Consuming Luxuries		184
APPENDIX G: Initial Rotated Factor Matrix for Factor Analysis of Motivation for Consuming Luxuries		185
APPENDIX H: Relative Importance of Different Forms of Motivation for Consuming Specific Luxury Products		186

List of Tables

Table 2.1:	Studies identifying motives for the consumption of luxury products	22
Table 3.1:	Hofstede's Original Dimensions of Work Related Values	36
Table 3.2:	Hofstede Scores for Four Countries	36
Table 3.3:	Correlations between Hofstede's INDCOL and PD Value Types, and the Schwartz value Types	42
Table 3.4:	Summary of Major Cultural Orientation Studies	43
Table 6.1:	Age and Gender of Respondents	76
Table 6.2:	Cultural Orientation of Respondents	77
Table 6.3:	Annual Income of Respondents	78
Table 6.4:	Relative Disposable Income of New Zealanders and Thais in US\$	79
Table 6.5:	Timing of most recent purchase of a luxury product	80
Table 6.6:	Product Category of Most Recent Luxury Purchase by Nationality and Gender	81
Table 6.7:	Perceived Expense of Last Luxury Product Purchase	82
Table 6.8:	Eigenvalues and percentage of variance of factors for cultural values items	84
Table 6.9:	Final Rotated Factor Matrix for Cultural Values Data	86
Table 6.10:	Regression Analysis – Multicollinearity Test	87
Table 6.11:	Percentage of Respondents based on importance attached to each cultural construct	91
Table 6.12:	Means and Significance Testing for New Zealanders and Thais on Cultural Orientation Factors	93
Table 6.13:	Eigenvalues and percentage of variance of factors for luxury motivation items	96
Table 6.14:	Final Rotated factor Matrix for Motivation for Consuming Luxury Products	97

Table 6.15:	Regression Analysis – Multicollinearity Test	98
Table 6.16:	Means, T-Test and Analysis of Variance for Luxury Consumption Motivators for New Zealanders and Thais	102
Table 6.17:	Pearson Correlation Analysis of Cultural Orientation Factors and Luxury Consumption Motivation Factors	109
Table 6.18:	Beta Coefficients and t-Statistic for the Regression of Status-Seeking with Cultural Orientation Factors	110
Table 6.19:	Beta Coefficients and t-Statistic for the Regression of Uniqueness-Seeking with Cultural Orientation Factors	114
Table 6.20:	Beta Coefficients and t-Statistic for the Regression of Value-Seeking with Cultural Orientation Factors	117
Table 6.21:	Beta Coefficients and t-Statistic for the Regression of Pleasure-Seeking with Cultural Orientation Factors	120
Table 7.1:	Summary of Hypothesis Testing for Motivation for Consuming Luxury Products	126
Table 7.2:	Summary of Hypothesis Testing for Differences between New Zealanders and Thais in their Motivation for Consuming Luxury Products	127
Table 7.3:	Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Status Motivation for Consuming Luxuries	128
Table 7.4:	Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Uniqueness Motivation for Consuming Luxuries	129
Table 7.5:	Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Quality Motivation for Consuming Luxuries	129
Table 7.6:	Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Hedonic Motivation for Consuming Luxuries	130

List of Figures

Figure 2.1:	Interpersonal and Personal Effects on Prestige Consumption	20
Figure 3.1:	Theoretical distribution of Value Scores in a Collectivist and an Individualist Culture	35
Figure 3.2:	Typical Configuration of Schwartz Value Types at the Individual Level	39
Figure 3.3:	Configuration of Values Typically Obtained at the Cultural Level of Analysis by Schwartz	40
Figure 3.4:	Diagrammatic Representation of Individualism versus Collectivism, Horizontal versus Vertical, Dimensions	45
Figure 3.5:	Marketing Implications of Cultural Differences for the Consumption of Luxury Products	48
Figure 4.1:	Proposed Model of Consumer Motivation for the Consumption of Luxury Products	49
Figure 4.2:	Research Model: Influence of Cultural Orientation on Motivation for the Consumption of Luxury Products	55
Figure 5.1:	Relative Position of New Zealand and Thailand on PDI and IDV	68
Figure 6.1:	Visual Representation of the Cultural Orientation of New Zealand and Thai Respondents	92
Figure 6.2:	Position of New Zealand and Thai Respondents in Respect of Different Forms of Cultural Orientation	94
Figure 6.3:	Consumer Motivation for the Consumption of Luxury Products	101

CHAPTER 1: Thesis Introduction

1.1 Background

Why do people want to consume luxury products? Strictly speaking they do not need these products for their survival. Yet, increasingly consumers are engaging in the consumption of luxury products. For example, Unity Marketing (2006) reported that the typical luxury consumer increased their spending on luxury products by 18 percent between 2005 and 2006. It is predicted that demand for luxury products will continue to grow by five to seven percent per annum (Braithwaite, 2005). A significant proportion of luxury sales are now made not to the rich but to the middle classes in society. Little is known about what motivates people to consume luxury products.

The consumption of luxury by the rich has received considerable attention ever since Veblen's (1899) promulgation of the theory of conspicuous consumption (e.g., Hirschman, 1990; Mason, 1981; Stanley, 1989). This reflects a historical reality in which the consumption of luxury products was the preserve of the upper echelons of society. Despite the growth in the luxury sector we know surprisingly little about the phenomenon of luxury consumption as it is practiced by many consumers.

The dominance of the luxury sector by the upper classes has at least two key influences. First, historically only the elite had the financial means to afford luxury products. When Veblen (1899) wrote his seminal work "The theory of the leisure class," American society was dominated by a visible handful of business and landowning families who were socially and economically superior to their contemporaries. Profligate consumption of luxuries was viewed as being a characteristic of these elite. The consumption habits of the masses, through necessity, were focused far more on survival and respectability than on indulgence.

Second, attitudes towards the consumption of luxury products in the past were ambivalent at best. The influential 19th century social commentator Henry David Thoreau (1854) reflected this social more in his influential treatise 'Walden': "*Most of the luxuries, and many of the so-called comforts of life, are not only not indispensable, but positive*

hindrances to the elevation of mankind” (p. 11). This attitude towards luxury continued well into the 20th century as evidenced by Twitchell (2002): *“When I was growing up in the middle class of the 1950s, luxury objects were lightly tainted with shame. You had to be a little cautious if you drove a Cadillac, wore a Rolex, or lived in a house with more than two columns out front. The rich could drip with diamonds, but you should stay dry. Movie stars could drive convertibles; you should keep your top up. If you've got it, don't flaunt it” (p. 38).* The negative view of luxury has at various times been enforced legally with sumptuary laws and other formalised disincentives for consuming luxury products (Hunt, 1996).

The influence of both of these factors has diminished in recent times. Whilst vast inequality still exists in the world today, a far larger proportion of society is in a position to indulge themselves through the consumption of luxury products. At the start of the 21st century fourteen percent of American households possessed incomes in excess of US\$100,000, an increase of five percent from 1990 (Gardyn, 2002).

This trend has been mirrored in other parts of the world. In New Zealand the number of people reporting incomes in excess of NZ\$100,000 almost tripled in the ten years between 1996 and 2006 (Statistics New Zealand, 2007a). Even when adjusted for inflation, this represents a substantial increase in the numbers of New Zealanders in the highest income bracket. The average weekly household income of New Zealanders has also increased substantially since 1998. In 1998 the average weekly income for New Zealanders was NZ\$265. By 2007 this had increased to NZ\$667. Taking into account inflation, this represents more than a two-fold increase in weekly income (Statistics New Zealand, 2007b). This signifies a growing middle class with greater incomes.

These patterns are also reflected in developing countries with the growth of a middle class (Fletcher & Melewar, 2001). A specific example of this trend is the increase in monthly household income in Thailand. Between 1990 and 2000 average monthly income in Thailand increased from 5625 Thai Baht to 12,150 Thai Baht (National Statistical Office Thailand, 2008). The proportion of people in society that are able to afford luxury has increased.

Attitudes towards luxury consumption have also evolved. The consumption of luxury products is now perceived positively by many consumers. It is also no longer seen as the exclusive preserve of the elite. Dubois, Laurent and Czellar (2001) discovered that whilst some consumers still possess negative attitudes to luxury, many consumers now possess positive attitudes to luxury. Some consumers are fascinated with luxury. These consumers may derive great pleasure from consuming luxury products. Others may have a positive view of the sign value of a luxury product – the ability of the luxury product to communicate to others who they are.

Accompanying these changes in income and attitudes has been a downward extension of the market for luxuries to the middle and even lower classes in society. This has included the extension of luxury to new product categories. For example, water is a product that is generally considered to be a necessity. Yet, certain brands of bottled water, such as Fiji Water and Evian, are positioned as luxuries.

The trickle-down and trickle-across theories (Michman & Mazze, 2006) provide some insight into how luxury consumption can spread. The trickle-down theory suggests that the consumption habits of the societal elite will trickle down to the lower classes. For example, innovations in fashion might occur at the major fashion shows in Milan, Paris and New York that are at first solely consumed by the elite. As time passes these innovative new fashions pass from the elite, to the well-to-do, and then finally to the masses. The trickle-across phenomena occurs when a new product is introduced simultaneously for the elite, the middle classes, and the remainder of the populace. Different levels of price and quality might be obtainable through different distribution channels. Many luxury brands have produced brand extensions where distribution has been wider and prices lower than their standard offerings. The designer Karl Lagerfeld, for instance, produced a range of clothing for the international high street chain H&M. Lagerfeld's offering proved immensely popular and spread consumption of a range of designer fashion to a far wider audience than is generally the norm.

Another development has been the emergence of a consumer culture. The limited production capacity of the economy in times gone by severely reduced the material aspirations of consumers. Today's economy means that the acquisition of a wide range of

consumer goods is within the reach of a far greater number of consumers. This represents a change from a producer culture to a consumer culture.

These changes have contributed to the democratisation of luxury (Twitchell, 2002). The bulk of luxury consumers are no longer the wealthy, but the middle classes. One way in which this has been manifested has been the trading-up trading-down approach. This occurs when consumers scrimp and save on commodity items so that they can afford to purchase luxury in an area that is of subjective importance to them.

The increased prominence of the luxury product sector has seen increased interest in academic circles in the phenomenon since the 1990s (e.g., Dubois & Laurent, 1994; Dubois, Laurent & Czellar, 2001; Lu, 2004; Nia & Zaichkowsky, 2000; Nueno & Quelch, 1998; Riley, Lomax & Blunden, 2004; Summers, Belleau & Xu, 2006). Despite this interest, there is a dearth of research that empirically investigates what motivates consumers to consume luxury products. This is an important issue because consumers do not purchase luxury products per se, rather, they purchase perceived motive satisfaction or problem solutions. In particular, there is a lack of research that focuses on the non-traditional consumers of luxury, and whose notion of luxury may be set at a lower-level than the upper echelons of society.

Luxury in the time of Veblen was for the few. Today it is for the many. This poses a challenge for marketers of luxury products. A defining characteristic of luxury was exclusivity. The rich consumed luxury. Others did not. For luxury marketers the traditional approach has been to position their product as an exclusive product. Inherent in this approach was the perception that a luxury product conveyed status. The outcome of 'invidious distinction' signalled through the consumption of luxuries may not result when the masses also consume luxury. Traditional conceptualisations of why people want luxury may no longer apply when luxury is no longer the preserve of the elite.

Understanding exactly what motivates ordinary people to consume luxury products will enhance the ability of marketers to position their products for maximum advantage. This leads to the first research problem for this thesis: Can the structure and nature of motivation for the consumption of luxury products be identified?

The consumption of luxury products is a phenomenon that spans national boundaries. The same luxury brands and products are often marketed cross-culturally. As such, it can be argued that demand for luxury products is globally consistent. This raises the intriguing question as to whether culture has any relevance for the consumption of luxury products. Culture is viewed within this research as providing a mechanism for members of society to conduct themselves in a way that is appropriate within their society (Arnould, Price & Zinkhan, 2004).

The global spread of luxury items, such as Rolex watches and Glenfiddich Scotch whisky, appears to provide support for the school of thought that suggests that markets are becoming more homogenous in their preferences due to a global convergence of income, media, and technology. This argument has as its antecedent an influential article by Levitt (1983) who argued that consumers were becoming homogenous across the globe as technology was prompting a desire for standardized products of high quality and low price rather than customised expensive products. Some authors expect this convergence to result in consumer needs, tastes and lifestyles to become standardised cross-culturally (Bullmore, 2000; Czinkota & Ronkainen, 1993; Dholakia & Talukdar, 2004). By way of example, the 'Americanization' of global media has been seen as creating a 'global teenager' in possession of similar values regardless of their cultural origin. As a result, it has been argued that there is a greater similarity in the values of teenagers from different cultures than in the values of teenagers and older people from the same country (Anderson, Tufte, Rasmussen & Chan, 2007; Assael, 1998).

Some marketing scholars have questioned the assumption of global markets. They argue that cultural context needs to be considered when attempting to understand the behaviour of consumers and in particular their motivations (Antonides, 1998; Kotler, 1986; McCracken, 1989; Suerdem, 1993). The view of these authors emphasises that culture is an important variable in consumer behaviour and will continue as a source of differentiation between markets. With respect to the global teenager hypothesis, this argument appears to have a degree of empirical support. Schaefer, Hermans and Parker (2004) observed significant differences between teenagers from China, Japan and the USA in both the level of materialism and the psychological structure of the materialism construct. This would appear to contradict the argument that the emergence of a global teenager is an indicator of a convergence of culture.

Even if consumers from different countries consume the same luxury product, this does not necessitate that motivation for consuming luxury products will be the same. For example, differences in motivation for consuming luxury products have been suggested between South-East Asians and Westerners even when the same luxury product is consumed (Wong & Ahuvia, 1998).

Whether differences exist between consumers from different countries in their motivation for consumption, and the nature of any difference, is an important consideration for marketers. For products that are marketed cross-culturally, a marketer has a choice between standardisation and adaptation of their marketing mix. If consumers from different countries want the same products for the same reasons then a standardised marketing strategy has the advantage of economies of scale. If consumers from different countries want some products for different reasons then it may make sense for marketers to adapt their marketing strategy to specific cultures.

There is minimal research that empirically investigates motivation for the consumption of luxury products on a cross-cultural basis. This leads to the second research problem addressed by this research: Are there differences between consumers from different parts of the world in their motivation for consuming luxury products?

A simple assessment of whether consumers from different nationalities are similar or different in their motivation for consuming luxury products is fraught with conceptual and practical difficulties. Cross-cultural researchers frequently point to difficulties in using the nation state as the unit of analysis in cross-cultural studies (e.g., McSweeney, 2002a; 2002b; Myers & Tan, 2002). The homogeneity of individual-level cultural orientation within the artificial boundaries of a nation state is questionable. Within New Zealand, there exists a strong Maori culture that holds a set of values, which are in some cases very different from the values of European New Zealanders (Henry & Pene, 2001). Within Thailand a number of distinct regional cultures exist and different values are emphasised (Albritton & Prabudhanitisarn). Discoveries about attitudes and behaviours of New Zealanders and Thais who possess values entirely consistent with the mainstream culture may not have relevance for individuals whose value structure is different from that mainstream. Individuals whose values are different from the dominant values in their

society may be members of an identifiable group. Individuals may, for unidentifiable reasons, also possess their own set of values. There can be no clear and consistent value set that applies to all.

Researchers have identified a number of cultural values in order to delineate cultures (e.g., Hofstede, 1980; Schwartz, 1992; 1994; Trompenaars, 1993). The value schemes developed by these researchers can be used to describe the value orientation of a society. They can also be used to identify the cultural values of individuals within a society. These value schemes can then be used to assist in predicting the behaviour of consumers in a variety of different contexts (e.g., De Mooij, 1998a; 1998b).

The use of a set of values to explain behaviour offers a few advantages over the use of a nation state as the explanatory variable. The use of a nation state does not allow the researcher to identify what characteristics of a society account for a particular behaviour. Further, it does not allow for variations at the individual level. All results are aggregated to a national mean. This may be misleading in some situations. If cultural values are measured at the individual level, this allows for individual differences to be taken into account. More specificity about the potential causes of behaviour is also present.

If differences are found to exist between consumers from different parts of the world, this may be of little assistance to marketers whose luxury products are sold in markets other than those studied. Establishing whether relationships exist between cultural values and motivation for consuming luxury products would be advantageous for the marketers of luxury products. This would allow for informed marketing strategy decisions to be made in a wide range of countries. Hence, the third and final research question: Can cultural values be used to predict motivation for the consumption of luxury products?

1.2 Structure of Thesis

The remainder of this thesis is organised in the following manner. Chapter 2 reviews definitions of luxury, and conceptualises how luxury is viewed in this research. The literature on motivation for consuming luxuries is reviewed in two parts: pre-1950, and

post-1950. Each form of motivation for consuming luxuries identified in the literature is then reviewed in greater depth.

Chapter 3 discusses the influence of culture on consumer behaviour, and describes various attempts to measure culture. From this discussion two major dimensions of cultural orientation are identified: Individualism and collectivism, and vertical and horizontal. The influence of these forms of cultural orientation on consumer behaviour, and the consumption of luxuries is then reviewed.

Chapter 4 presents a series of research models. The first of these is in respect of motivation for consuming luxuries. The second model is in respect of the influence of cultural orientation on motivation for luxury consumption. A total of 31 testable hypotheses pertaining to the research questions outlined in this chapter are then presented.

Chapter 5 provides an outline of the method employed for investigating the research questions, and for testing the hypotheses. The development of a survey instrument is described. How the survey was administered is described. The choice of statistical techniques used within the research is justified.

Chapter 6 presents and discusses the results obtained in this research. First, the descriptive statistics are presented and discussed. Then results in respect of cultural orientation, motivation for consuming luxuries, differences between cultures, and the influence of cultural orientation on motivation for consuming luxuries are presented and discussed.

Chapter 7, the final chapter, summarises the thesis, as well as discussing some of the theoretical and practical implications of the research. Some of the limitations of the study are identified. The thesis concludes with some directions for future research.

CHAPTER 2: Literature Review: Motivation for Consuming Luxury Products

The goal of this chapter is to outline the nature of luxury and to review the literature on motivation for the consumption of luxury products. From this review a number of forms of motivation for the consumption of luxury products are identified for use in this thesis.

2.1 Definition(s) of a Luxury Product

What then is luxury? It is a word without any precise idea, much such another expression as when we say the eastern and western hemispheres: in fact, there is no such thing as east and west; there is no fixed point where the earth rises and sets; or, if you will, every point on it is at the same time east and west. It is the same with regard to luxury; for either there is no such thing, or else it is in all places alike (Voltaire, 1738, p. 280).

The above passage written by Voltaire in 1738 in his essay “On commerce and luxury” illustrates a difficulty in defining luxury. Luxury has different meanings for different people. The saying “one person’s junk is another person’s treasure” reflects this. This difficulty is reflected in a lack of agreement within the academic literature as to how the concept ‘luxury’ should be defined. There is also a lack of congruence between how the concept is understood by consumers and the work of academics.

The Collins English Dictionary (1999) defines luxury in terms of what it is not: “something that is considered an indulgence rather than a necessity” (p. 876). This basic dichotomy does not appear to capture what luxury means for the average consumer. For example, in modern western societies ownership of a small car is generally not considered a luxury, even though it is unlikely to be necessary for human survival. Neither is it likely to be considered a necessity, especially in environments where there is ease of access to other forms of transportation. Defining luxury by what it is not – not a necessity – does not appear adequate. A more workable definition of luxury is required for the purposes of this research.

A more formalised means of determining whether a product is a luxury can be found in the field of economics; this is the income elasticity of demand of the product (Frank, 2006). Represented by η , this is calculated as follows:

$$\eta = \frac{\% \Delta Q}{\% \Delta Y}$$

where ΔQ is the change in quantity demanded and ΔY represents change in average market income.

This is a measure of responsiveness of purchase decisions to a variation in the average market income. An increase in market income will produce a less than proportional change in demand for a necessity item, such as toilet paper. In other words, there may be no increase in the quantity of toilet paper purchased when incomes rise. The income elasticity of a necessity will lie in the range $0 \leq \eta \leq 1$.

For some products the proportional increase in quantity demanded when there is an increase in income is greater than 1. These products can be considered luxuries. If income increases these items may be purchased more frequently. Frequently cited examples are expensive jewellery and foreign travel.

Whilst useful for determining whether a product is a luxury at the aggregate level, income elasticity of demand does not illustrate how an individual defines a product as a luxury. A consumer does not walk into a store and think ‘that product is a luxury because its income elasticity of demand is greater than 1’. For some consumers, items like foreign travel may continue to be purchased at the same rate regardless of a change in income. However, this method can be adapted to the individual. A product can be defined as a luxury for an individual, if they spend a larger proportion of their income on it when their income rises. However, this does not identify what products an individual will treat as a luxury. This is a subjective decision dependent on the individual’s circumstances and preferences.

2.1.1 Lancaster's Theory of Demand

An underlying premise of the current research is that consumers do not demand a luxury product per se; rather they derive utility from certain characteristics or attributes of luxury products. A modern marketing text defines a product as “*a bundle of physical, service, and symbolic attributes designed to enhance a consumer's want satisfaction*” (Boone & Kurtz, 2001, p. 329). This definition of a product is compatible with the theory of demand put forward by Kelvin Lancaster (1966; 1971) who argued that goods are demanded for the characteristics that they possess, in contrast to being demanded for the sake of the good itself. Consumers are not able to acquire the characteristics that they seek independent of the goods and services that contain the desired characteristics. Thus Lancaster (1979) states:

...goods are simply a transfer mechanism whereby characteristics are bundled up into packages at the manufacturing end, pass through the distribution and marketing processes as packages, and are then so to speak, opened up to yield their characteristics again at the point of consumption (p. 20).

Using Lancaster's (1966: 1971) theory, the utility a consumer receives from a product can be written as the following equation where characteristics are labelled by the letter Y:

$$U = U(Y_1, Y_2, Y_3, \dots, Y_N)$$

and where the items inside the brackets are N characteristics that are of importance to the individual's subjective well-being.

An individual may place particular importance on one or more attributes of a product, considered to be more relevant to their subjective well-being. In order to understand what makes a product a luxury, it is important to understand what attributes cause individual consumers to desire the product. One way of assessing this is to look at what attributes result in a perception of luxury.

2.1.2 Perceptions of Luxury

It is important to note that perceptions of luxury are subjective. The subjective nature of the luxury concept has been illustrated through research. Dubois and Czellar (2002), for example, discovered through in-depth interviews that luxury was linked to subjective ideas of beauty and comfort as well as objective perceptions of a sumptuous lifestyle.

Consumer perception of luxury is influenced by the personal preferences of the individual and their surrounding significant others (Vickers & Renand, 2003). One manifestation of the individual nature of consumer perceptions of luxury is the framing of luxury in terms of what the individual perceives to be possible. For some individuals, a one week holiday at a budget domestic destination might be considered luxurious as it is in the upper spectrum of what can be achieved. For other wealthier individuals, the threshold for what constitutes a luxury holiday might be set considerably higher.

What constitutes luxury might also vary at the individual level dependent on the situation. A common and inexpensive commodity like beer might be considered to be a luxury, if one is thirsty in the desert. Situational influences on perceptions of luxury can include things as diverse as environment (Yang, Allenby & Fennell, 2002), reference groups (Bearden & Etzel, 1982) and the occasion of consumption (Graeff, 1997).

Consistent with Lancaster's (1966; 1971) definition of a product as a bundle of attributes, consumers are likely to make subjective assessments of a product's luxuriousness, based on the attributes that they perceive a product to possess. Vickers and Renand (2003) suggest that consumers are likely to make their assessment of luxury based on perceived functional, experiential, and symbolic attributes of the product.

One symbolic attribute often associated with luxury is the perceived prestige of a product (Grossman & Shapiro, 1988; Nia & Zaichkowsky, 2000). The meaning of prestige appears to be regarded as self-evident within the consumer behaviour literature, with little attention paid towards how it should be defined. One attempt to define prestige was made by Lichtenstein, Ridgway and Netemeyer (1993), with their construct 'prestige sensitivity': "*favourable perceptions of the price cue based on feelings of prominence and status that higher prices signal to other people about the purchase*" (p.236).

The narrow focus adopted by Lichtenstein, Ridgway and Netermeyer (1993) does not include all product attributes that might cause a consumer to regard a product as prestigious. A more inclusive definition of 'prestige preference,' formulated in the context of investigating prestige evaluations within the clothing industry reads: "*an individual's preference for shopping in clothing stores where the combination of patron status, store type and atmosphere, merchandise price, quality, branding, and fashion combine to create a particular prestige level*" (Deeter-Schmelz, Moore, Goebel, & Solomon, 1995, p. 395). Combining these definitions, it would appear that, prestige can be defined as a multi-faceted concept wherein a variety of attributes combine to engender feelings of prominence or status signalled to other people about the purchaser.

It is not sufficient to define luxury merely in terms of prestige. In spite of a considerable overlap between the concepts of prestige and luxury it is important to note that consumers view prestige as a distinct concept, albeit related to, luxury (Dubois & Czellar, 2002). Many goods that are prestigious will be luxurious, but not all. One of the informants in Dubois and Czellar's (2002) study provides the following example:

For me this is a luxury restaurant that's not at all prestigious. For the good reason that when I went there I found it really bad. I found that it was very expensive, service was disastrous, and then the menu, well it was medium, in any case it wasn't worth the price... Everything is made to be comfortable, yes, it's more in the appearances The prestige, it's really in the art of cooking, and there you'll find none of it (p. 6).

Prestige is not synonymous with luxury as evidenced by the array of additional factors that contribute to luxuriousness. Other product attributes that have been seen as having an overlap with the perceived luxuriousness of products include the price of the product (Lichtenstein, Ridgway & Netemeyer, 1993), scarcity of the product (Verhallen, 1982), and a product's technical superiority (Quelch, 1987). Luxury is a multi-dimensional concept that incorporates many different product attributes.

The challenge for marketing academics and practitioners is to understand the types of higher order product attributes that cause consumers to perceive products as being

luxurious and thereby motivating consumption. The remainder of this chapter is an exploration of the types of attributes that motivate consumers in their decision to consume luxury products.

2.2 Motivation for Consuming Luxury Products

2.2.1 Motivation

Motivation is what drives behaviour; thus, it has explanatory force in terms of what an individual does. A motive is conceptualised as an unobservable inner force that (a) triggers behaviour, (b) predicates the general nature of the behaviour, and (c) remains influential until the motive has been satisfied (Quester, Neal, Pettigrew, Grimmer, Davis & Hawkins, 2007). Motives that drive behaviour can vary widely from the physiological motives, such as the need for food and shelter, to more psychological needs such as the need for affiliation (e.g., Piacentini & Mailer, 2004; Maslow, 1943). Motivation is an acknowledged influence on consumer behaviour (e.g., Pincus, 2004). The remainder of this chapter explores the nature and forms of motivation influencing the consumption of luxury products.

2.2.2 Initial Conceptualisations of Motivation for Consuming Luxury Products

The consumption of luxuries has historically been seen as the preserve of a self-indulgent, rich and small minority of individuals within society. It has been argued that the dominant thought paradigm toward luxury consumption has been that any consumption beyond that which was necessary for survival was morally wrong (e.g., Weber, 1905). The phenomenon of consuming luxuries was not seen to have a great macroeconomic impact, and as such did not receive the same level of scrutiny as the consumption of necessities has received (Mason, 1998). There have, however, been sporadic attempts to explain the phenomenon of luxury consumption.

Most historical discussions of luxury consumption motivation utilise Thorstein Veblen's renowned treatise "The theory of the leisure class," first published in 1899, as their starting point. Veblen (1899) was writing in a period where extravagance in consumption was increasing in frequency, particularly amongst the nouveau riche (Chaudhuri & Majumdar, 2006). However, the consumption of luxury products dates further back than the advent of the 20th century. This can be seen in the sumptuary laws of the Ancient Roman Republic (Raffield, 2002), and the tombs of the Egyptian Pharaohs (Fagan, 2004).

The academic discussion of the consumption of luxuries also predates Veblen's (1899) work. The propensity of merchants to attempt to emulate their betters through consumption, and the perceived desirable economic consequences of this activity, was noted by Mandeville as early as 1714 in "The Fable of the Bees" – a poetic satire of England at the time (Mandeville, 1732). Mandeville viewed consumption of luxuries as a positive stimulant for the economy. The influential economist John Maynard Keynes was to reflect this view two centuries later, with his suggestion that subjective motivations such as ostentation and extravagance could stimulate demand and were thus beneficial for the economy (Keynes, 1936). The notion of consuming in order to improve one's social standing was thereby identified at least as early as the 18th century and continued on through to the beginning of 20th century.

The poet and philosopher Jean François, Marquis de Saint-Lambert, an acquaintance of Voltaire, wrote of luxury in an essay published in the Encyclopédie in 1764. He believed that the desire for luxury stemmed from a desire to procure a more comfortable existence. For Saint Lambert (1764), the desire for better living was tantamount to the pursuit of pleasure: "*LUXURY: It defines the use one makes of wealth and industry to procure a pleasant existence*" (p. 478). This desire to enrich one-self manifests itself in different ways dependent upon the society:

The savage has his hammock which he buys with pelts; The European has his sofa and his bed. Our women put on red and diamonds; the women of Florida put on blue and glass beads (p. 478).

Adam Smith in his seminal economic treatises of the later 18th century, 'The Theory of Moral Sentiments' (1759) and 'An Inquiry into the Nature and Causes of the Wealth of

Nations' (1776), reiterates the point that some people might consume to send signals to others as regards their social position, however erroneously this represents their status. Smith (1759) opined that ostentatious display of luxury products might be desired by a vain man as he:

...sees the respect which is paid to rank and fortune, and wishes to usurp this respect, as well as that for talent and virtues. His dress, his equipage, his way of living, accordingly, all announce both a higher rank and a greater fortune than really belong to him (p. 256).

In a similar vein to Smith (1759; 1776), John Rae (1834) argued that consumption of luxuries was the result of individual vanity. Indeed, he viewed luxury consumption as expenditure occasioned by the passion of vanity. This could be recognised through its degree of scarcity, expensiveness, and its general profligacy. However, some goods, regardless of their cost, were not a luxury as they had functional benefits. These were viewed as of no use to the vain individual seeking to show-off.

Although Rae (1834) condemned 'conspicuous' consumption motivated by vanity, he acknowledged that some visible consumption of non-necessary goods might be justifiable at the individual level, if the individual is motivated by self-respect and / or the need to sustain a position within the community. Rae (1834) reflected the views of Adam Smith (1776), who in an oft quoted passage illustrates how this might occur:

By necessities I understand, not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without. A linen shirt, for example, is, strictly speaking, not a necessary of life. The Greeks and Romans lived, I suppose, very comfortably, though they had no linen. But in the present times, through the greater part of Europe, a creditable day labourer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty, which, it is presumed, no body can fall into without extreme bad conduct. (p. 870)

Far more ingrained in the public consciousness than John Rae, however, is Thorstein Veblen, whose influence on academia is still felt today. Veblen (1899) did not see economic principles as working in isolation, and perceived that other disciplines such as psychology and sociology might inform economic understanding (Mason, 1998). Indeed, contemporary economists regarded Veblen as primarily a sociologist rather than an economist. Veblen (1891; 1899) saw status as a driving force in society, and wealth as its primary indicator in the society of the late 19th century. It was not sufficient to possess wealth to acquire status; this wealth needed to be publicised.

One mechanism for publicising wealth was through the consumption of luxuries. Veblen (1899) described the phenomenon of conspicuous consumption: the ostentatious use of goods or services to signal status to other members of a society. The leisure class would obtain satisfaction from the reaction of others to the wealth that they displayed in consuming an expensive product conspicuously (Mason, 1981). This invidious comparison (Veblen, 1899) provides a rationale for the conspicuous consumption of luxury products. The theory of conspicuous consumption remains influential today.

The motivation for consuming to enhance or maintain one's self esteem, alluded to by both Smith (1759; 1776) and Rae (1834), was further developed by Duesenberry (1949). He argued that it is a basic drive of every individual to maintain their self-esteem, that the individual's self-esteem is inextricably linked to their social standing and that of the groups to which they belong. Duesenberry (1949) argued that the consequence of this for consumption was what he termed the demonstration effect, which he described thus:

What kind of reaction is produced by looking at a friend's new car or looking at houses or apartments better than one's own? The result is likely to be a feeling of dissatisfaction with one's own house or car. If this feeling is produced often enough it will lead to action which eliminates it, that is, to an increase in expenditure (p. 27).

The demonstration effect could apply where the individual or group perceived that expenditure was necessary in order to maintain the status quo with individuals or groups perceived to be of a similar social standing. This is reflected in the saying "keeping up

with the Joneses.” Duesenberry (1949) also argued that the demonstration effect might also apply where the consumption levels of lower social groups had increased. An increase in consumption may be necessary to maintain a social distance. Consumers might also purchase and use higher quality goods to join aspirational groups. Changes in consumption were largely determined by the frequency with which individuals and groups made unfavourable comparisons with the other groups and individuals.

The later half of the 1940s was a period of increased affluence, particularly in the United States, and this was reflected in an influential article by Harvey Leibenstein (1950) which is still used as the basis for many discussions of luxury consumption in the modern context. Morgenstern (1948) had argued that the summation of aggregate individual demand curves could not be used to calculate aggregate demand curves, as he believed that individual demand curves were not independent of each other. The work of Leibenstein (1950), in response to Morgenstern (1948), was an exploration of the external effects which he believed might impact upon an individual’s demand curve: the bandwagon, snob and Veblen effects.

Bandwagon effects occurred because of a consumer’s motivation to conform to the expectations of groups with whom he or she wished to be associated, or to be fashionable. The mirror opposite of the bandwagon effect was the snob effect that occurred due to consumer’s desire for exclusivity, to be better than the common folk. The final effect was drawn from the work of Veblen, but was more narrowly defined as those effects on consumption that resulted when demand was a function of the product price, and intended as a means of invidious distinction (Leibenstein, 1950). The three forms of motivation identified by Leibenstein (1950) came to dominate how motivation for the consumption of luxury products was conceptualised until the 1990s.

An element of consumer theory that was not available to those who wrote on luxury consumption prior to the 1950s is symbolic interactionism. When applied to the consumer behaviour context, symbolic interactionism suggests that products will be purchased for their symbolic attributes as well as their functional attributes (Levy, 1959). In other words, the products that we consume are symbols, and these symbols send messages about who we are. A Rolex watch is a symbol that says something about its owner. The bulk of motives associated with the consumption of luxuries up to the 1950s can all be

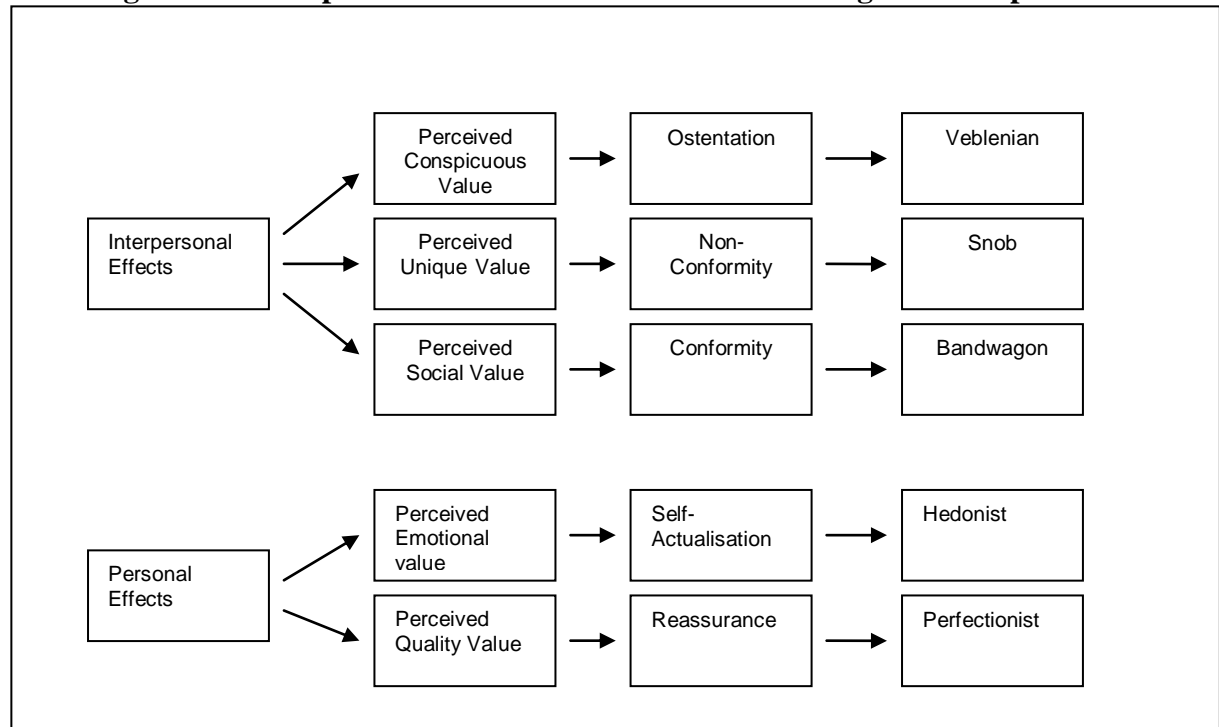
classified within the symbolic interactionist perspective. Status motivation (Keynes, 1936; Leibenstein, 1950; Rae, 1834; Smith, 1759; 1776; Veblen, 1899) is reflective of a desire to symbolise status through consumption. Uniqueness motivation (Leibenstein, 1950) is reflective of a desire to symbolise difference through consumption. Conformist motivation (Duesenberry, 1949; Leibenstein, 1950; Mandeville, 1732; Rae, 1834; Smith, 1776) is reflective of a desire to symbolise that one belongs through consumption.

2.2.3 Modern Literature on Motivation for Consuming Luxury Products

In a review of the literature pertaining to the consumption of prestige goods, Vigneron and Johnson (1999) identified additional types of motivation for consuming luxuries. Drawing on the work of Dubois and Laurent (1994) two additional forms of motivation, not mentioned by Leibenstein (1950), were identified: consumers desire to consume a luxury product for its perceived functional value and for its perceived hedonic value. Functional and hedonic value can be categorised as personal or independent forms of motivation and are not dependent upon the consumption preferences of others and do not fit within the symbolic interactionist perspective.

Their model of prestige-seeking consumer behaviour illustrated in Figure 2.1 also includes the traditional interdependent forms of motivation for consuming luxury products derived from Leibenstein (1950) perceived conspicuous (veblen) value, perceived unique (snob) value, and perceived social (bandwagon) value. Incorporating both independent and interdependent motivations for consuming luxuries is a significant advance as a more holistic view of demand for luxuries is provided than what has previously been conceptualised. The other major contribution of Vigneron and Johnson (1999) is that a conceptual scheme that can be used for further investigation of consumer motivation for consumption of higher echelon products was developed. This conceptual scheme is illustrated in Figure 2.1.

Figure 2.7: Interpersonal and Personal Effects on Prestige Consumption



(Adapted from Vigneron & Johnson, 1999)

The conceptualisation of demand for luxuries developed by Vigneron and Johnson (1999) has not been empirically tested in relation to motivation of consumers for consuming luxury products. Nevertheless, some support can be found in the literature for the notion that motivation for the consumption of luxury brands and products are fuelled by both independent and interdependent motivations.

In a related empirical study, using business students at an Australian university, Vigneron and Johnson (2004) developed a semantic differential scale to measure perceptions of brand luxury. This scale included items pertaining to conspicuousness, uniqueness, extended-self, quality, and hedonism. All of these attributes were validated as contributing to perceptions of brand luxuriousness. Whilst that study validated the conceptual model developed by Vigneron and Johnson (1999), there is a distinction between their research and the current research project. Vigneron and Johnson (2004) investigated the degree of perceived luxury on a continuum. This research is concerned with establishing what motivates the consumption of luxury products.

Dubois, Laurent and Czellar (2001) identified six dimensions of luxury after conducting both qualitative and quantitative research into attitudes towards luxury. The qualitative

portion of their research was conducted in a Western setting with 14 respondents. The quantitative portion of their study was conducted using management students in Europe, North-America, and the Asia-Pacific region. Six characteristics of luxury products were identified: price, quality, uniqueness, aesthetics, personal history, and superfluousness.

Vickers and Renand (2003) argued that luxury goods satisfy the functional, experiential and symbolic interactive needs of consumers. A consumer's functional need is described as a response to an externally generated need, such as the need to perform a task well. An experiential need is described as fulfilling the consumer's need for sensory pleasure, variety and other cognitive stimulation (e.g., beauty). A consumer's symbolic interactive need is thought to correspond with a consumers' need for status, membership of a group and enhancement of the self. The symbolic interactive concept as utilised by Vickers and Renand (2003) is a broader concept than the status, uniqueness and social concepts proposed by Vigneron and Johnson (1999). The broad concept (symbolic interactive) does not allow for the same degree of precision in uncovering motives as the conceptual model developed by Vigneron and Johnson (1999). These needs may also be seen as satisfying consumer needs for non-luxury products but in different ratios. For example, Vickers and Renand (2003) found that symbolic interactionism accounted for 48 percent of the variation in motivation for consuming luxury china, compared to twenty percent for non-luxury china. Functionalism accounted for fourteen percent of variation in motivation for consuming luxury china compared to 41 percent for the non-luxury version of the same product. Experientialism accounted for 28 percent for luxury china and seven percent of the variation in motivation for non-luxury china.

Tsai (2005) using data collected from Europe, North America and Asia-Pacific illustrates that personal motivations such as self-directed pleasure, self-gift giving, quality assurance, and congruity with the internal self all influence consumers repurchase intentions in respect of luxury brands.

Table 2.1 contains a summary of the literature that identifies motives for the consumption of luxury products. Consumer motivation for consuming luxury products can be categorised as primarily fitting into the five forms of motivation (status, uniqueness, conformist, quality, and hedonic) identified by Vigneron and Johnson (1999). The remainder of this chapter seeks to provide more detail about these different motives.

Table 2.1: Studies identifying motives for the consumption of luxury products

Motivational Categories for Consuming Luxury Products					
Authors	Status	Uniqueness	Conformist	Quality	Hedonic
Mandeville (1732)			Emulation		
de St Lambert (1764)					Pleasure
Smith (1759 /1776)	Ostentation		Self-Respect		
Rae (1834)	Vanity		Position in Society		
Veblen (1899)	Conspicuous Consumption				
Keynes (1936)	Ostentation Extravagance				
Duesenberry (1949)			Demonstration Effect		
Leibenstein (1950)	Veblen Effect	Snob Effect	Bandwagon Effect		
Vigneron & Johnson (1999/2004)	Conspicuous Value	Uniqueness Value	Social / Extended-Self Value	Functional Value	Hedonic Value
Dubois, Laurent & Czellar (2001)	Price Superfluosness	Uniqueness		Quality	Aesthetic
Vickers & Renand (2003)	Symbolic Interactive need	Symbolic Interactive need	Symbolic Interactive need	Functional Need	Experiential Need
Tsai (2005)				Quality Assurance	Self-Directed Pleasure

2.2.4 Status Motivations

Within this research status consumption is defined as *the desire of individuals to improve their social standing through the conspicuous consumption and / or non-conspicuous consumption of luxury consumer products that are perceived to confer and symbolise status both for the individual and / or surrounding significant others.*

The pursuit of status is a motive commonly associated with the purchase of luxury products (e.g., Leibenstein, 1950; Veblen, 1899; Vigneron & Johnson, 1999). The desire for status has been recognised by many businesses, with many products being promoted as status goods (Mason, 1984). Consumer status-seeking is so prevalent that even preschool children make associations of status with consumer products (Mayer & Belk,

1982). The desire to portray status is thought to be an important influence in many aspects of consumer behaviour (e.g., Berthnall, Crockett & Rose, 2005; van Kempen, 2003).

That differentiation exists amongst individuals and groups has been acknowledged by many social scientists as an almost universal phenomenon. It applies across a variety of social situations wherein people are sorted into different social roles, to which different responsibilities, rights and rewards are attached (Gould, 2002). This phenomenon has been observed amongst both large and small societies. Sahlins (1963), for example, observed status differences within the indigenous societies of Melanesia and Polynesia. He describes the nature of the Melanesian big-man as follows: *“His every public action is designed to make a competitive and invidious comparison with others, to show a standing above the masses that is product of his own personal manufacture”* (p. 289). Success in these endeavours raised the status of the Melanesian male above that of his peers.

It has been argued that status can be acquired through three different means: assignment (e.g., nobility), achievement (e.g., outstanding performance in sport or career) and consumption (Eastman, Goldsmith & Flynn, 1999). The current research is not directly concerned with status acquired through assignment or achievement. Rather, this research is concerned with status acquired through consumption – that is the perception that status may accrue to an individual because she or he consumes a product.

The pursuit of status through consumption appears to be a phenomenon that is common to human society, across time and across cultures. Wallendorf and Arnould (1988), for example, observed that certain consumption behaviours amongst women in Niger was predicated by a desire for status. Success for urban Chinese has come to be defined by owning a 200 to 300 square metre house that adds little to the quality of life and ownership of an automobile. Dong (2006) attributes these consumption phenomena as being attributable to the pursuit of status.

As a consequence, individuals are most likely to use products that are socially consumed, when the desire to portray status is the dominant motive for purchase and use (Hwan Lee, 1990). Bearden and Etzel (1982) showed that when a high level of reference group influence is present, it is more likely that public luxuries will be consumed, the

assumption being that the consumer wishes to send a positive signal about their status to significant others.

The predilection of some consumers for socially consumed status products helps to explain the predominance of conspicuous consumption in the literature as an explanation for status-seeking consumer behaviour. Veblen's (1899) theory of conspicuous consumption is premised on the notion that when individuals consume luxury goods and services conspicuously they are sending a signal to others about their relative status in society. Mason (1981) views satisfaction resulting from conspicuous consumption as being a consequence of audience reaction to the wealth displayed by the purchaser, and not from the actual qualities of the good or service.

Status consumption and conspicuous consumption are frequently identified in the literature as being essentially the same concept. O'Cass and McEwen (2004), for example, cite Kilsheimer (1993) as defining status consumption as:

...the motivational processes by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolise status both for the individual and surrounding significant others (p. 341).

O'Cass and McEwen (2004) argue that such a definition defines one concept in terms of another, and as such is incorrect. This proposition was supported by a factor analysis which found that items measuring status consumption and items measuring conspicuous consumption loaded better on a two factor solution than a one factor solution. The two forms of consumption were, however, found to be related to a significant extent.

Brekke and Howarth (2002) note that products may reinforce an individuals' own self-worth or status, as well as communicate the individuals' self-worth to others. This statement draws upon symbolic interactionism theory, specifically the role of goods and services in creating identity. Material goods can, according to Dittmar (1992) "...symbolically communicate the personal qualities of individuals; that they are, for instance, artistic, extroverted, conventional, adventurous or open minded" (p. 79). In the

symbolic interactionist paradigm, the meanings that may be conveyed to others may also be conveyed to one's self. In other words, we see ourselves as we believe others see us.

One of the meanings that can be conveyed through material goods is relative status. As Dittmar (1992) points out:

...gender, class, and status are clearly marked by certain kinds of possessions and dress. During socialization, we learn to understand the map of our social environment in terms of which material possessions signify which social categories (p. 70).

One can suggest that when consumption of luxury products is non-observable (e.g., household possessions and underwear), the primary motivation for consumption may be to signify one's status to oneself. This is in contrast to the concept of conspicuous consumption, where the motivation is to signify one's status to others. As such, status consumption may be a multi-dimensional concept which incorporates both conspicuous consumption and serves as a means for the self-referencing of one's own status (Brekke & Howarth, 2002).

There are a number of studies that provide empirical support for the existence of status motives for consumption. Chao and Schror (1998) provide evidence of the existence of status consumption motivations for a range of cosmetics, in the US, with consumers favouring higher priced cosmetics for their status signalling attributes. Chao and Schror (1998) found several factors to be correlated to a propensity to engage in status consumption: income, occupation, urban and suburban residence, and being Caucasian.

Eastman, Goldsmith and Flynn (1999) developed a short form scale to measure status consumption. As part of the validation procedures for the development of their survey instrument they found that it positively correlated with a number of products identified as having the potential to confer status on their owners: clothing and personal care items, beer, athletic shoes, cars, eating at status restaurants, shopping at speciality stores, and membership in Greek social organisations.

In a study conducted in Bolivia, van Kempen (2007) found some evidence amongst an ethnic group of compensatory consumption, a form of status consumption. This is status consumption by those with a relatively low social standing, which serves as compensation for their lower status (Caplovitz, 1967). Whilst one indigenous ethnic group was found to engage in this form of consumption, another indigenous ethnic group did not exhibit the same propensity. The tendency of this ethnic group to seek status through their traditional prestige system was advanced as an explanation, as to why they did not seek status through consumption.

2.2.5 Uniqueness Motivations

For this research, uniqueness motivation for the consumption of luxury products is defined as *the desire of individuals to demonstrate their uniqueness and / or exclusivity through the consumption of luxury consumer products that are perceived to be different and / or exclusive both by the individual and / or surrounding significant others.*

A common perception of luxury products is that they are scarce (e.g., Giacalone, 2006). A paradox exists for the marketers of luxury products in that an increase in sales may erode the perception of luxury due to a decrease in perceived exclusivity (Catry, 2003; Dubois, Czellar & Laurent, 2005). Uniqueness motivation for the consumption of luxury products is similar in many respects to the status motivation for the consumption of luxury products, in that it provides an opportunity for the consumer to differentiate themselves from others. The desire for uniqueness has, however, been identified as providing a distinct rationale for the consumption of luxury products (Leibenstein, 1950).

For some consumers, the desire to acquire and use products that few others possess, regardless of their luxury status, is a powerful motivating factor in their purchase decision (Harris & Lynn, 1996; Snyder & Fromkin, 1980). The extent to which this desire is present differs between consumers (Harris & Lynn, 1996). From a psychologist's perspective, the desire for unique products stems from a social comparison process when the individual desires to be perceived as different from other individuals (Festinger, 1954). It is a complex desire which stems from personal, inter-personal and social-interaction antecedents. For some consumers a desire for uniqueness may manifest itself

in countercultural ways that have little if anything to do with luxury products. For many other consumers however, the desire for uniqueness might be revealed through the pursuit of exclusive and rare products.

The purchase and use of unique products might be driven by a range of motivations, not just a desire to be different. Uniqueness as a motivator for consumption has some overlap with the notion of conspicuous consumption (Mason, 1998), and as an extension of the self (Belk, 1988). In spite of, or perhaps because of, the multifaceted nature of uniqueness, a number of researchers have attempted to gain a greater understanding of uniqueness, as a motivator of consumer behaviour.

Relevant to the consumption of luxury products is the work of Lynn and Harris (1997) who view the desire for unique consumer products as a goal-oriented state, influenced by the need for uniqueness (Snyder & Fromkin, 1980) status aspiration (Cassidy & Lynn, 1989), and materialism (Belk, 1985). In the context of this research, status aspiration has been identified as a separate construct, and its incorporation in a definition of the uniqueness motivation would be confusing and unhelpful. Lynn and Harris (1997) incorporate materialism in their definition of the desire for unique consumer products, arguing that materialistic people will pursue uniqueness and social status through consumption to a greater extent than non-materialistic people. This argument could be extended to all three forms of inter-personal motivations that are being investigated in this research. Accordingly, materialism has not been incorporated in the definition of uniqueness motivation in this study.

There appears to be a positive relationship between the perceived scarcity of a product and the value of the product for consumers. Commodity theory suggests that the value or desirability of things that can be possessed increases, as the scarcity increases. In a test of this theory, Lynn (1991), utilising a meta-analysis of 41 previous studies, found that scarcity had a reliable and largely consistent positive effect on value. This reinforces the assumption that the motivation of some consumers to consume luxury products will increase as the perceived uniqueness of the product increases (Groth & McDaniel, 1993; Verhallen & Robben, 1994).

2.2.6 Conformist Motivations

Within this research conformist motivation for the consumption of luxury products is defined *as the desire of individuals to improve both their self-concept through the consumption of luxury consumer products that are perceived to conform to the perceived expectations and lifestyles of groups to which the individual socially aspires both for the individual and surrounding significant others.*

Many individuals have a desire to be accepted. One way that people perceive that they can gain acceptance is via their consumption choices. According to Belk (1988) people regard their possessions as part of their extended-self. The things that people own can be used to define who they are. Products can also be used to send a symbol to others as to who the individual is (Levy, 1959). One message that can be sent is that the consumer of the product belongs to a group. For example, owning the right brands of clothing may help a consumer to fit in with a group.

For many individuals the groups that they aspire to are those that can be considered prosperous and prestigious. The desire to conform to the social expectations and lifestyles of these groups affects the behaviour of individuals as consumers. The perception exists that consumption of certain products is associated with affluence and success in life (Dittmar, 1994; Hirschman, 1988). Individuals may consume luxury products as a means of conforming to group expectations (Leibenstein, 1950; McCracken, 1986; Mick, 1986; Solomon, 1983).

Bearden and Etzel (1982) illustrated the importance of reference group influence on consumer decisions. Consumers may seek to conform to the expectations of their aspired groups by consuming public luxuries. It has been suggested that consumers who are materialistic, and disposed to interpersonal influence, may be more inclined towards the consumption of luxury products (Bearden, Netermeyer & Teel, 1989; Richins, 1994). The rationale for this suggestion is that individuals who seek to conform to upper echelon social groups may be more concerned with outward appearances.

A recent study illustrates that consumers in Asia possess conformist motivations for the consumption of luxury products. Li and Su (2007) documented that Chinese consumers

possess conformist motivations when consuming luxury products as it serves to enhance, maintain, or save face.

2.2.7 Quality Motivations

For this research the desire to consume a luxury product due to the perceived quality of the product is defined as *the desire of individuals to experience high levels of quality through the consumption of luxury consumer products that are perceived to possess technical superiority and high performance levels by the individual.*

Very few, if any, products have no functional value. As Veblen (1899) noted in his influential treatise: *“It would be hazardous to assert that a useful purpose is ever absent from the utility of any article or of any service, however obviously its prime purpose and chief element is conspicuous waste”* (p. 80). A Rolex watch tells the time superbly, as well as potentially having social value for its owner. A Lamborghini or Maserati has the functional characteristic of providing transport for its driver from point A to point B, as well as possessing other less tangible attributes.

Individuals may consume luxury items simply because they are perceived to be functionally better than their less luxurious counterparts. Even when luxury goods are consumed primarily for their social value, it would be churlish to suggest that the consumer of luxuries pays no thought to the functional utility of the good. For example, a consumer may perceive a Rolex watch to have better functionality as a timepiece than a cheap digital watch. A Lamborghini or a Maserati may be perceived to have greater functionality as an automobile than a cheaper Japanese or American automobile. Vigneron and Johnson (1999) suggest that a consumer may be confident in wearing a luxury brand of clothing, as they will feel confident in the designers style judgment. Indeed, superior quality has been viewed by some as the defining characteristic of the luxury product (Quelch, 1987). A luxury brand is expected to exhibit higher levels of quality than similar but less prestigious brands (Garfein, 1989; Roux, 1995).

Consumers may be attracted to luxury goods for their perceived quality as they perceive that higher-priced luxury products, by definition, possess higher levels of quality (Rao & Monroe, 1989). The role of perceived quality in motivating consumption of luxury products has not been subjected to a great deal of empirical scrutiny, possibly due to the self-evident nature of the proposition. In a recent study, Tsai (2005) found that the quality assurance inherent in luxury products was significant in consumers repurchase intentions.

2.2.8 Hedonic Motivations

Within this research hedonic motivation for the consumption of luxury products is defined *as the desire of individuals to experience positive feelings and affective states through the consumption of luxury consumer products that they perceive will provide positive feelings and affective states for the individual.*

Several definitions of luxury highlight defining characteristics such as comfort, beauty (Dubois & Czellar, 2002), and pleasure (de Saint Lambert, 1764; Kapferer, 1997). By extension, this suggests that some consumers may be attracted to luxury products because of a positive emotional experience, which they may perceive will result from the consumption experience.

The marketing literature has long recognised that certain goods and services have emotional appeal over and above their functional utility (Hirschman & Holbrook, 1982; Sheth, Newman & Gross, 1991). In a seminal article, Hirschman and Holbrook (1982) define hedonic consumption as those facets of consumer behaviour that relate to the multisensory, fantasy, and emotive aspects of the product usage experience. Similarly, Vigneron and Johnson (1999) define the hedonic effect in luxury consumption as occurring when consumers seek to arouse feelings and affective states. Individual pleasure and satisfaction are paramount.

Emotional responses to luxury have been identified in research on the semiotics of luxury. These include aesthetic beauty, enjoyment, and sensory pleasure (Fauchois & Krieg, 1991). The importance of the hedonic motive for the consumption of luxury products was

recognised by Dubois and Laurent (1994), who noted that a large proportion of consumers subscribe to this motive when consuming luxuries.

CHAPTER 3: Literature Review Part 2, Cultural Orientation

3.1 The influence of Culture on Consumer Behaviour

Culture has been seen as an important influence on human behaviour, with the assumption that an individual's behaviour in particular contexts is usually reflective of their cultural value system. This value system is internalised over time as individuals are socialised as members of a group (Luna & Gupta, 2001). Culture is thought to influence individual preferences, how decisions are made (Ford, Pelton & Lumpkin, 1995; McDonald, 1994; 1995), what actions are taken based on those decisions, and how the world is perceived (McCort & Malhotra, 1993).

It is inevitable that such a pervasive force will influence how individuals act in the consumer context (Luna & Gupta, 2001) in a variety of ways. Researchers have ascertained that culture influences consumer cognition (Aaker & Maheswaran, 1997; Bergadaa, 1990), affect (Lam, 2007; Lee & Green, 1991), and behaviour (Shim & Gehrt, 1996). Motivation for consumption is also influenced by the consumer's cultural orientation (e.g., Belk, Ger & Askegaard, 2003; Ko, Roberts & Cho, 2006; Nicholls, Li, Kranendonk & Mandakovic, 2003). For example, Aaker and Maheswaran (1997) suggest that motivational drivers of consumption differ between individualist and collectivist cultures. Individualists have a greater focus on differentiation, and a relatively greater need for uniqueness. Collectivists are driven by a focus on similarity, and a relatively greater need to blend in.

3.2 Definition(s) of Culture

Whilst it has been established that culture is an important influence on the way that consumers behave, scholars do not agree on the meaning of culture, let alone its influence on behaviour. The terms culture, country, nation, and society have often been used interchangeably, contributing to the confusion as to how culture should be operationalised

(Sekaran, 1983). Over half a century ago Kroeber and Kluckhohn (1952) identified more than 160 definitions of culture. It is likely that a contemporary count would greatly expand the number of ways in which culture has been described.

In this research it is understood that culture is something that is linked to a language, a specific time period, and a place (Triandis, 1995). Thus, within New Zealand there is a cultural difference between those whose first language is English, and those whose first language differs. This does not mean that the culture of an English speaking New Zealander of 2008 is the same as that of English speaking New Zealanders from the 1920's. It also does not mean that an English speaking New Zealander has the same culture as an English speaking American. These criteria, whilst useful as outlining preconditions for the existence of a culture, do not explain the nature of culture.

Definitions of culture can be seen as existing on a continuum. At one end of the scale culture is seen as comprising values (Hofstede, 1980; Schwartz, 1992; 1999). A mid point on the scale views culture as an extended-set of mental processes, incorporating beliefs and values (Sojka & Tansuhaj, 1995). At the other end of the scale culture is seen as incorporating absolutely everything that individual's think, do and own (Ferraro, 1994).

For this research, culture is defined in accord with modern consumer behaviour scholars who define a society's culture as *"frameworks for action and understanding that enable one to operate in a manner acceptable to other members"* (Arnould, Price & Zinkhan, 2004, p. 142). The members of a culture employ their understanding of their culture, regardless of cognisance, as a lens through which the world is comprehended. Culture provides a set of rules for making sense of the world, and provides accepted ways in which to interact with the world.

3.3 Measuring Culture

Culture, broadly defined, as it is in this instance, is of little practical value to a researcher as an independent variable. A framework is required that allows the researcher to compare and contrast cultures, as well as the cultural orientation of individuals. A set of

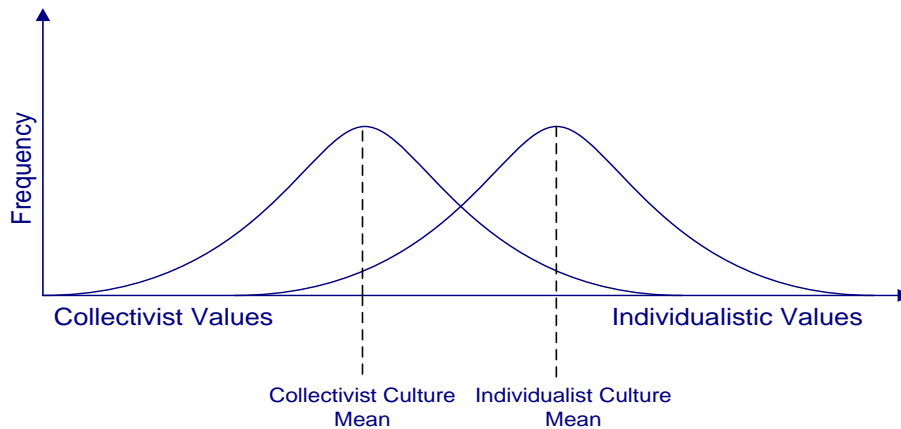
measures are required that enable a researcher to differentiate between different forms of cultural orientation (Smith & Bond, 1999).

A common approach in cross-cultural research has been to use nationality as an indicator of cultural orientation. There is a theoretical reason why this may be possible. Citizens of a nation are subject to the same set of laws and governmental policies that govern many aspects of their existence. Possession of a shared history is common. In practical terms this approach has an advantage. It is relatively simple to delineate cultures on this basis. Individuals from one nation will often differ from individuals from another nation in their values and behaviours. Consumer researchers may be interested in whether consumers from different nations are different or similar. They may not be concerned with the antecedents of the similarity or difference.

However, this approach has a major weakness. It does not take account of the diversity of the human condition within nations. The culture of a farmer in Southern Italy is likely to vary on several key dimensions from that of an urban sophisticate living in Milan. A Hispanic Texan may have a very different set of cultural orientations than a Caucasian resident of Alaska. Conversely, the cultural orientation of New Zealanders and Australians may have more similarity than difference. To assume homogeneity within a nation assumes that the life experiences, genetic makeup, and environment of individuals within the nation are identical. To assume heterogeneity between nations assumes that individuals from different nations do not possess similarities. This is clearly not the case.

An example of heterogeneity within nations can be illustrated using the case of Individualism and Collectivism. Individualism and Collectivism are two forms of cultural values that are usually seen as being diametrically opposed. Different societies are often presumed to orientate toward either one of these value types. However, this is usually based on the mean scores for a society on each of these values. At the individual level there may be substantial variation, as illustrated in Figure 3.1.

Figure 3.1: Theoretical distribution of Value Scores in a Collectivist and an Individualist Culture



(Adapted from Smith & Bond, 1999)

3.4 Cultural Values

The approach to charting cultures that has assumed the greatest currency in cross-cultural consumer research has been to attempt to map variations in human values. Cultural values, in a broad sense, can be described as widely held beliefs about what is desirable (Quester et al., 2007). Cultural values are viewed in this research as only being a subset of culture. However, much can be inferred from the dominant values of a society and the values that are held by individuals.

The seminal work in this field is that of Geert Hofstede (1980; 2001) whose initial research was based on a sample of 117,000 employees from 40 countries in a single organisation that he called Hermes, subsequently revealed as IBM. The data that Hofstede utilised were not intended to be used as the basis of a cross-cultural study of values. His data were reduced to 40 country level responses by taking the mean scores on each variable for each country, as there were an adequate number of responses from each country to justify aggregation of the data. The mean scores were then factor analysed to produce four underlying dimensions. These form the basis of Hofstede's schema for classifying and comparing nations based on their work-related values. A further extension of Hofstede's analysis to incorporate an additional dimension resulted from the work of a group of researchers called the Chinese Culture Connection (1987). These researchers identified an additional dimension of cultural value, through emic research in the Chinese

context, that they referred to as Confucian work dynamism, now referred to as Long-term orientation (e.g., Hofstede, 2001). The dimensions of work-related cultural values as interpreted by Hofstede (1980; 1983) are described in Table 3.1.

Table 3.1: Hofstede's Original Dimensions of Work Related Values

Value Type	Definition
Power Distance	The extent to which inequality is seen as an irreducible fact of life
Uncertainty Avoidance	The lack of tolerance for ambiguity and the need for formal rules
Individualism v. Collectivism	Individualism is a concern for yourself as an individual as opposed to concern for the priorities and rules of the group to which you belong (collectivism)
Masculinity v. Femininity	The extent of emphasis on status goals and assertiveness (masculinity) as opposed to personal goals and nurturance (femininity)
Long-Term Orientation	The extent to which the choice of focus for people's efforts is the future or the present.

Hofstede (1983) later extended his sample to incorporate fifty national cultures and three regions. Despite omitting the former communist bloc countries and the majority of Africa, the global coverage of his research was unparalleled at the time. Hofstede (1980; 1983) produced a set of indices based on the mean score of each country. These indices indicate the extent to which the society orientates toward each of these values. The country scores for New Zealand, Thailand, China and the US are illustrated in Table 3.2. This portrays differences and similarities between these different societies, in their orientation toward the different cultural values.

Table 3.2: Hofstede Scores for Four Countries

	Power Distance	Uncertainty Avoidance	Individualism Collectivism	Masculinity Femininity	Long-Term Orientation
NZ	22	49	79	58	30
Thailand	64	64	20	34	56
China	80	60	20	50	118
US	40	46	91	62	29

Table 3.2 illustrates that Thais and Chinese are very similar in the extent to which they orientate toward collectivism and uncertainty avoidance. Although possessing similar tendencies in respect of masculinity/femininity, power distance (PD), and long-term orientation China scores higher on each of these dimensions. New Zealanders and Americans possess a pattern of similarity, although Americans are more individualistic, and more accepting of inequality (PD), than New Zealanders. Sharp differences exist between the two Western countries and the two Asian countries across all dimensions.

Hofstede (1980; 2001) has been employed as the basis of many cross-cultural studies (Chandy & Williams, 1994). Hofstede's (1980; 2001) dimensions, or constructs based on Hofstede's dimensions, have been independently validated in a large and diverse range of marketing and consumer behaviour contexts (e.g., Dawar, Parker & Price, 1996; De Mooij, 1998a; 1998b; Jung & Kau, 2003; Liu, Furrer & Sudharsahn, 2001; Nguyen, Jung, Lantz & Loeb, 2003; Sun, Horn & Merrit, 2004). The general approach has been to use one or more of Hofstede's dimensions as an independent variable, and attribute behaviour to that dimension.

However, support is not universal for Hofstede's (1980; 2001) conceptualisation, with a number of scholars critical of the reliance on Hofstede's dimensions of culture in cross-cultural research. These criticisms include his use of the nation state as the unit of analysis of culture (e.g., Baskerville, 2003; McSweeney, 2002a; 2002b; Myers & Tan, 2002). A further criticism is that any attempt to measure dimensions of culture is that cultural dimensions are too simplistic an idea to capture the richness and complexity of national cultures (McSweeney, 2002a; 2002b; Williamson, 2002). Concerns have also been raised over the representativeness of Hofstede's data, in that they were sourced entirely from within one organisation (IBM) that has been described as having a distinct corporate culture (Smith & Bond, 1999). Hofstede's sample was also primarily male and drawn from specific divisions of the organisation. His data was collected in the late 1960s and early 1970s. Given the historical nature of the data upon which Hofstede based his analysis, it is perhaps unsafe to assume that cultural values have not altered significantly, given the vast technological and social changes that have affected many parts of the world.

An alternative scheme for classifying cultural values has emerged in subsequent research conducted by the Israeli psychologist Shalom Schwartz and his colleagues (Schwartz, 1992; 1994; Schwartz & Bilsky, 1987; 1990). Schwartz's analysis is based on the premise that values may have different meaning for respondents from different cultures. For example, humility may have a very different meaning for a Buddhist Monk in Thailand, than it has for an American sports star. This problem confounds attempts to establish a universal set of values. To remedy this Schwartz first attempted to research relationships amongst values independently in each country that he studied. Schwartz identified fifty-six values which he included in a questionnaire that asked respondents to identify to what extent these values were 'a guiding factor in my life'. Data were collected from two samples in each country, secondary school teachers and students.

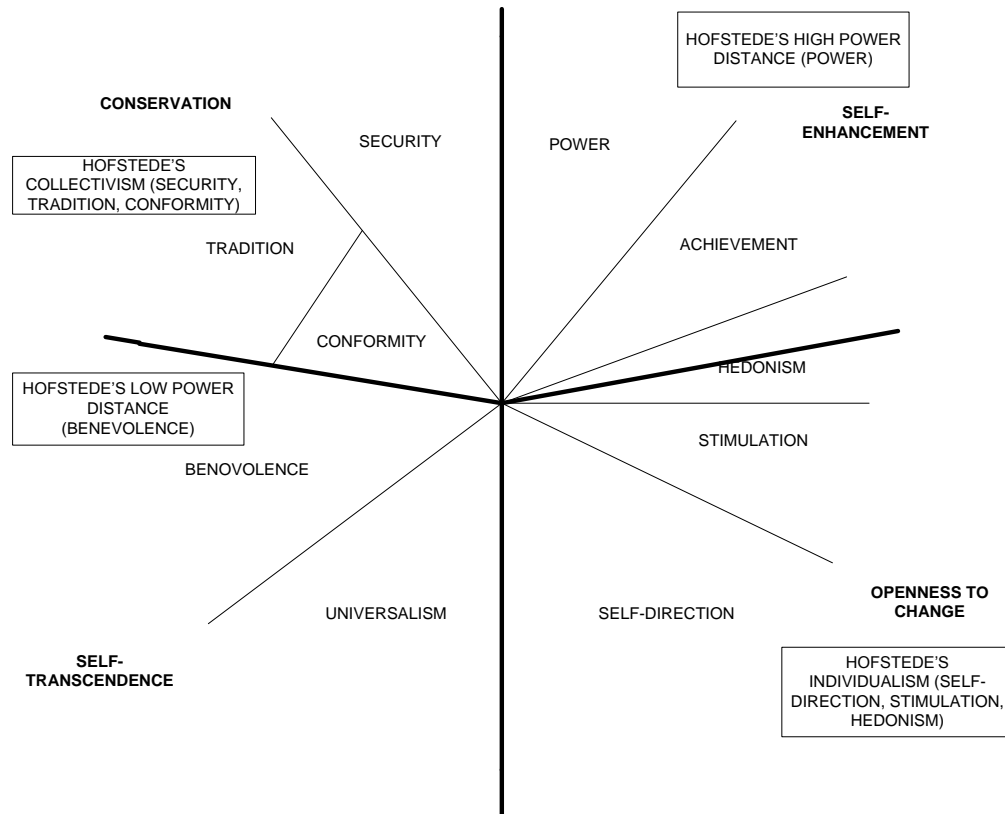
Schwartz used smallest space analysis to analyse his data. This method establishes the position of the means within a multidimensional space, where the statistical distance between the values is a measure of their psychological distance. This procedure does not establish the relative importance of values in each culture, but rather which values group together. Sagiv and Schwartz (1995) report the analysis of eighty-eight samples from forty countries, where a consistent value structure amongst the sampled values was found. Forty-five of the original 56 values were found to have meanings that are consistent across samples. This suggests that there is a consistent relationship between values amongst individuals, from a diverse array of cultures, although the extent to which these values are endorsed may vary between cultures. Schwartz's (1992) findings are focused at the level of the individual.

The typical configuration of Schwartz's individual-level values is illustrated in Figure 3.2. Values on one side of the circular structure are generally found to be in opposition to values on the other side of the structure. Thus it is very unusual for an individual to hold these conflicting values concurrently. An individual who is guided by values within the hedonism sphere, for example, is unlikely to be guided by values within the tradition sphere, and so on.

Schwartz (1992) identified four higher-order values: self-enhancement, openness to change, self-transcendence, and conservation. Each of these higher-order values is roughly represented by a quadrant in Figure 3.2. The relationship of Schwartz's (1992)

higher order values and lower-order values is illustrated in Figure 3.2. Each higher-order value comprises lower-order values that usually group together. For example, the higher-order value self-transcendence comprises the lower-order values benevolence and universalism. The lower-order value type ‘hedonism’ fits both the self-enhancement and openness to change higher-order values. As such, it straddles two quadrants in Figure 3.2.

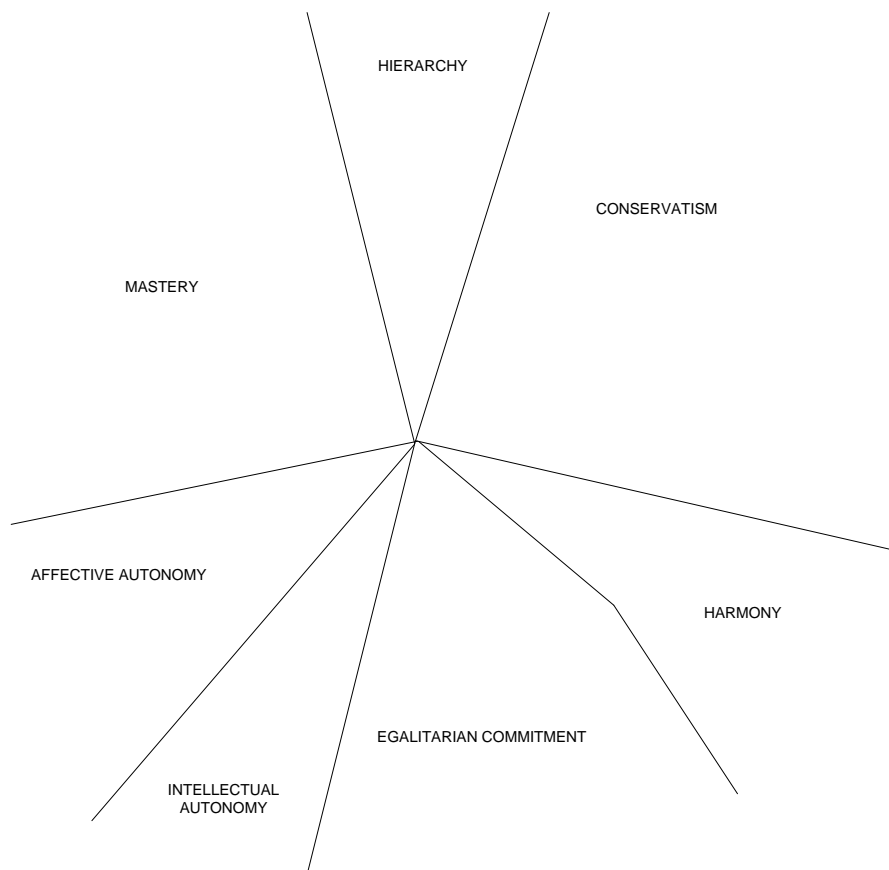
Figure 3.8: Typical Configuration of Schwartz Value Types at the Individual Level



Schwartz values have some similarity with Hofstede's (1980) value types, as illustrated in Figure 3.2. There is a degree of resemblance between Schwartz's (1992) higher-order value of openness to change and Hofstede's (1980) Individualism. Similarity exists between conservation and collectivism. High PD has similarity with the lower-order value of power. Low PD has similarity with the lower-order value of benevolence. Hofstede's individualism and collectivism, and high and low power-distance roughly fit the four quadrants uncovered in Schwartz's research. The similarities between Hofstede's dimensions and Schwartz's dimensions are further outlined in Table 3.3.

Schwartz (1994) also modelled the configuration of values at the country level by using an additional smallest space analysis to ascertain the structure and distribution of country averages. At the country level the data was better represented by seven value types, as opposed to the ten value types identified in the individual level analysis. The typical configuration of Schwartz's cultural level values is illustrated in figure 3.3.

Figure 3.3: Configuration of Values Typically Obtained at the Cultural Level of Analysis by Schwartz



(Source: Adapted from Schwartz, 1994)

Again similarities exist between Hofstede's values and Schwartz's individual level values. The values affective autonomy and intellectual autonomy are related to Hofstede's individualism. Schwartz's value conservatism parallels Hofstede's collectivism. Hierarchy and Mastery have parallels with high PD, and egalitarian commitment parallels low power-distance.

Another major stream of research into cultural values that has some similarity in common with Hofstede and Schwartz is that of Trompenaars and his collaborators (Smith, Duggan & Trompenaars, 1996; Trompenaars, 1993). This research used a questionnaire largely based on values identified in sociology and social anthropology by North American researchers. This was administered to a managerial sample in nearly fifty countries in the late 1980s and early 1990s. A multidimensional scaling technique was employed identifying several dimensions. Two of these parallel the dimensions uncovered by Schwartz and Hofstede. The first of these is egalitarian commitment-versus-conservatism, which closely parallels a similar dimension reported in Schwartz's (1992, 1994) research. The other major dimension uncovered in Trompenaars research was loyal involvement versus utilitarian involvement. Hofstede's (1980) dimension of individualism / collectivism has a degree of conceptual similarity with loyal involvement / utilitarian involvement, as both refer to the way in which individuals perceive their obligations to the group.

3.4.1 Individualism / Collectivism and Vertical / Horizontal Dimensions of Cultural Values

Hofstede, Schwartz, and Trompenaars have defined a large range of cultural values. These three major studies of cultural values have identified two major dimensions of culture.

The first of these is described by Schwartz (1994) as a "*view of the person as an autonomous entity who enters voluntarily into relationships versus an entity who lacks autonomous significance and finds meaning only as part of a collectivity of interdependent, mutually obligated others*" (p. 106). This value type is described by Hofstede as "individualism versus collectivism", by Schwartz (1994) as "Intellectual and affective autonomy" and "Egalitarian Commitment versus Conservatism", and by Smith, Duggan and Trompenaars (1996) as "loyal involvement versus utilitarian involvement." This value type will be referred to in this research as individualism/collectivism (INDCOL).

The second universal value type is described by Schwartz (1994) as a "*preference for equal versus hierarchical treatment of people and allocation of resources*" (p. 106). This

is variously called “power distance” (Hofstede, 2001), “Egalitarian Commitment versus Hierarchy and Mastery” (Schwartz, 1994), and “egalitarian commitment versus conservatism” (Smith, Duggan & Trompenaars, 1996). This is referred to in the current project as vertical and horizontal (VH).

Correlations between Hofstede’s dimensions of INDCOL and PD (related to VH), and Schwartz’s dimensions indicate a relationship between the constructs identified by these researchers. These relationships are presented in Table 3.3.

Table 3.3: Correlations between Hofstede’s INDCOL and PD Value Types, and the Schwartz value Types

Schwartz Types	<i>Hofstede Dimensions</i>			
	<i>Teacher Samples</i>		<i>Student Samples</i>	
	IDV	PD	IDV	PD
Conservatism	-.56*	.45*	-.66*	.70*
Hierarchy	-.51*	.27	-.22	.06
Mastery	-.24	.26	-.19	.28
Affective Autonomy	.46*	-.45*	.85*	-.83*
Intellectual Autonomy	.53*	-.35	.48*	-.49*
Egalitarian Commitment	.51*	-.37	.45*	-.47*
Harmony	.18	.01	.26	-.17
Autonomy: Affective & Individual	.54*	-.47*	.81*	-.79*

Note: IDV = Individualism, PD = Power Distance *p<.05, one-tailed
(Adapted from Schwartz, 1994)

Table 3.4: Summary of Major Cultural Orientation Studies

	Hofstede (1980) Work Values	Schwartz (1992) individual values	Schwartz (1994) cultural values	Smith, Duggan & Trompenaars (1996)
Individualism	Individualism: A concern for yourself as an individual	Openness to Change: 1: Hedonism: Pleasure and sensuous gratification for oneself 2: Stimulation: Excitement, novelty, and challenge in life 3: Self-Direction: Independent thought and action-choosing, creating, exploring	Intellectual Autonomy: There is a cultural preference towards individuals developing their own ideas Affective Autonomy: It is a desirable state that the individual actively pursues positive affective experiences	Utilitarian Involvement: The individual will be involved in a group on the basis of utilitarian considerations
Collectivism	Collectivism: A concern for the priorities and rules of the group to which you belong	Conservation: 1: Tradition: Respect, commitment and acceptance of the customs and ideas that traditional culture or religion provide the self 2: Conformity: Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms 3: Security: Safety, harmony and stability of society, of relationships, and of self	Conservatism: The individual primarily identifies with the group and accordingly places an emphasis on relationships. There is a bias in favour of the status quo, and behaviours that disturb convention and / or the group are discouraged	Loyal Involvement: The individual will be involved in a group on the basis of loyal considerations
Vertical	High Power-Distance: Inequality is seen as an irreducible fact of life	Power: Social status and prestige, control or dominance over people and resources	Hierarchy: A hierarchical unequal distribution of power, roles, and resources is legitimised. Individuals are socialised to accept their obligations and roles within society, behaviours that disturb these societal conventions are discouraged Mastery: The environment, both social and natural, should be controlled by groups and individuals through positive action so that the interests of the group or individual are advanced	Conservatism: Ascribed status is prioritised over achieved status
Horizontal	Low Power-Distance: Equality between individuals	Benevolence: Preservation and enhancement of the welfare of people with whom one is in frequent personal conflict	Egalitarian Commitment: Individuals regarded as having shared interests, furthered by concern for the wellbeing of others and cooperation.	Egalitarian Commitment: Achieved status is prioritised over ascribed status

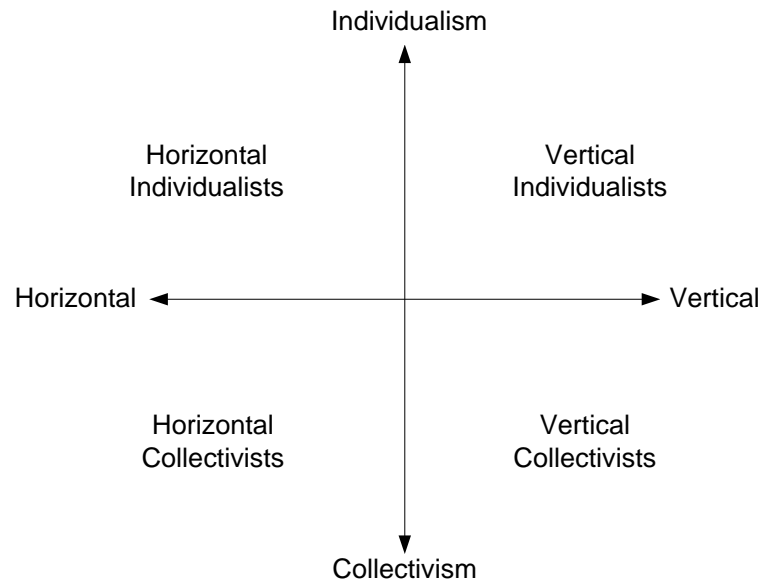
The consistent findings of researchers of a value type that mirrors Hofstede's INDCOL dimension has been reflected in the high degree of interest that the construct has attracted (Bond, 1994). This form of value dichotomy has parallels with sociological categories developed in pre-war German sociology (Tönnies, 1957): *gesellschaft* (an orientation to favour self-interest over that of large associations), and *gemeinschaft* (an orientation towards large associations to the detriment of the individual's self-interest). Similarities also exist between the cultural value of INDCOL and the distinction made in psychological theory between independent and interdependent construal of the self (Markus & Kitayama, 1991). An independent view of the self emphasises the uniqueness and separateness of individuals, whilst an interdependent view of the self emphasises connectedness, social context, and relationships with others. An independent view of the self is commonly thought to be typical of westerners, whereas, an interdependent view of the self is thought to be typical of easterners.

In Hofstede's analysis there is a high level of correlation between the INDCOL dimension and the PD dimension. Hofstede (2001) reported a correlation coefficient of $r = -.68$ between individualism and PD across fifty three countries and three regions. Of the countries for which he presents data, thirty-three countries can be categorised as collectivist with high PD. Fifteen countries are individualistic, and have low PD. Only five countries (Spain, South Africa, Italy, France, and Belgium) are individualist with high PD, and only one country (Costa Rica) is collectivist with low PD. A similar pattern of relationships was found in Schwartz's (1994) data.

However, the correlation between INDCOL and PD is not absolute, as illustrated by the exceptions noted above. It is likely that this correlation would be weaker at the individual level. The two constructs are conceptually different, and both individuals and cultures may not fit the expected pattern of correlation. Triandis (1995) identifies four types of individual-level cultural orientation based on these different value types: (1) (independent/same) horizontal individualism (HI); (2) (interdependent/same) horizontal collectivism (HC); (3) (independent/different) vertical individualism (VI); and (4) (interdependent/different) vertical collectivism (VC). This configuration of cultural

orientation is illustrated in Figure 3.4. This model of cultural orientation was used as the basis for investigating cultural orientation in the present research.

Figure 9.4: Diagrammatic Representation of Individualism versus Collectivism , Horizontal versus Vertical, Dimensions



3.5 Application of INDCOL and VH Cultural Dimensions to Consumer Behaviour

The influence of INDCOL in the context of consumer behaviour has been investigated by a number of researchers. INDCOL has been frequently used as both an independent variable and an explanatory variable when contrasting the behaviour of consumers in different cultures (e.g., Laroche, Kalamas & Cleveland, 2005; Lee, Soutar, Daly, Kelley & Louviere, 2007; Malai, 2007; Mourali, Laroche & Pons, 2005; Watkins & Liu, 1996). Andersen, Tufte, Rasmussen and Chan (2007), for example, found that there were significant differences between ‘tweens,’ from an individualistic culture and a collectivist culture, in terms of the adoption and consumption of new media. De Mooij (1998, cited in Hofstede, 2001) correlated the data obtained from Hofstede’s IBM sample with consumer surveys conducted by various market research agencies. This showed a consistent different pattern of behaviour between consumers from highly individualist countries versus consumers from highly collectivist countries.

The VH dimension has not been examined in the consumer context to the same extent as INDCOL. There is evidence that suggests that the extent of PD within a culture is a predictor of certain consumer behaviours (Singh, 2006; Yaveroglu & Donthu, 2002). The impact of the VH cultural dimension is, however, distinct from that of INDCOL (Shavitt, Lalwani, Zhang & Torelli, 2006).

The dominance of the INDCOL dimension in cross-cultural consumer research illustrates the importance of this dimension in understanding the way people think and act. However, as with any broad dimension, there are limitations on the insights that can be gained. For example, individualism broadly defined would incorporate the countries of Scandinavia and the US. Yet, individualism in these countries varies significantly. The behaviour of consumers also varies between these two countries. In the US consumers are concerned with improving their status and standing out, whereas in Scandinavia consumer focus is on expressing their uniqueness, and establishing a capability to be self-reliant (Triandis & Singelis, 1998). The use of the broad measure of individualism/collectivism fails to illustrate why these individualistic cultures vary in their behavioural tendencies.

Shavitt et al. (2006) argue that refinement of the INDCOL would produce better results in cross-cultural consumer research. They argue that the incorporation of the VH dimension with the INDCOL dimension of culture will produce superior results. They show that the four category typology of cultural orientation illustrated in Figure 3.4 may enhance understanding of consumer persuasion, country of origin evaluations, and prevalence of different advertising themes (e.g., status appeals). However, little is known about the influence of the different forms of INDCOL (VI, VC, HI, and HC). Previous research has primarily contrasted the US (VI) with East Asian countries (VC), whilst largely ignoring the horizontal cultures (see Oyserman, Coon & Kemmelmeier, 2002, for a review).

3.6 Influence of Culture on Motivation for Consuming Luxuries

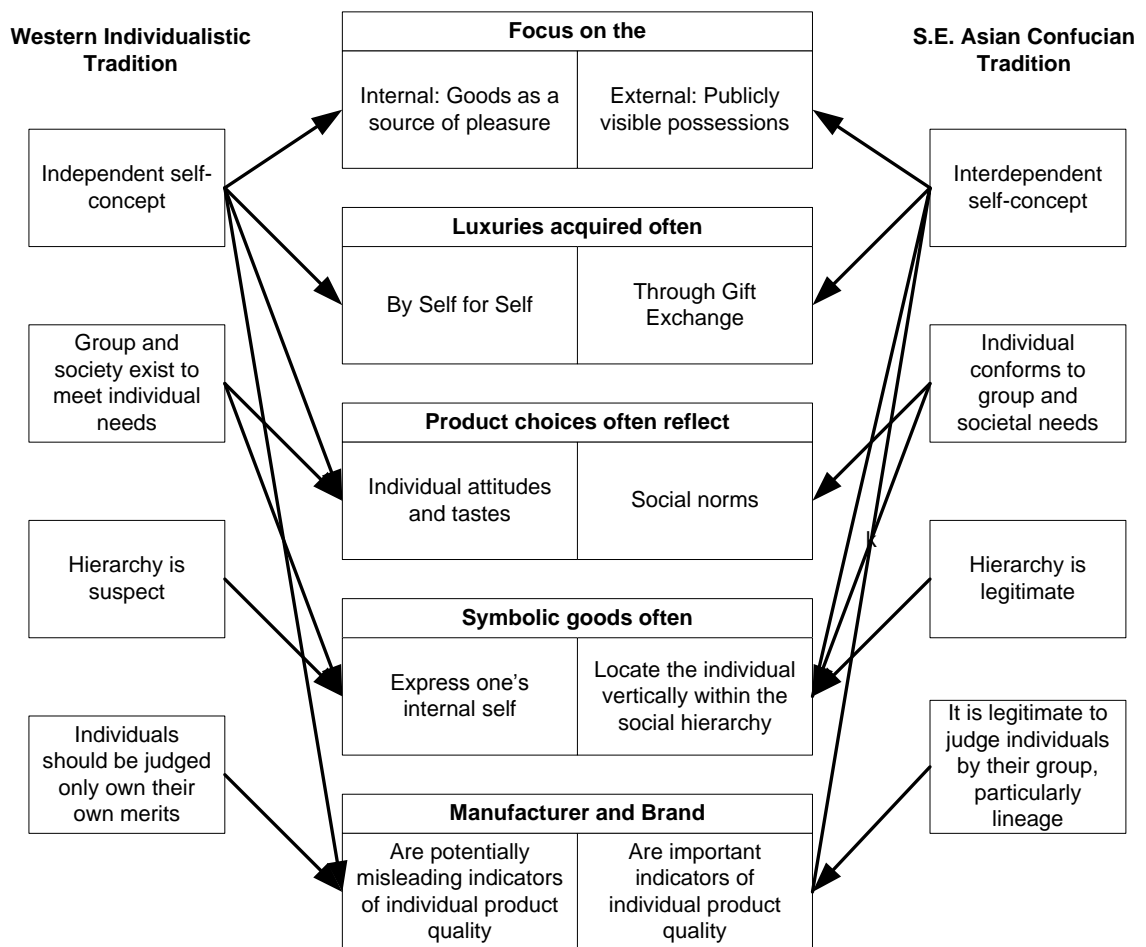
There is minimal research into the influence of cultural orientation on consumer motivation for the consumption of luxury products. In one cross-cultural study, Dubois et al. (2002) established three orientations towards luxury. Elitism, the first of these, implies that luxury should be the preserve of elites within society (most likely the respondents

themselves) as a certain level of refinement and education is required to appreciate luxury. Luxury is seen as a way of differentiating themselves from others, and it should be expensive. The second orientation, democratization, in contrast, implies that many people do, and should, own luxury products. Luxury should not be expensive, and it is not a source of differentiation amongst individuals. The final orientation toward luxury is termed distance. Respondents who identified with this orientation believe that they are apart from the world of luxury, are not likely to buy luxury products, are not infatuated with luxury, and are more likely to view luxury products as too expensive. Of the countries included in the study, Denmark, New Zealand, and Holland were closest to the democratization orientation. Hungary, Poland, and France were closest to the Elitism orientation. The closest countries to the distance orientation were Portugal, Italy, and Spain. Interestingly, all the countries included in Dubois et al. (2002) research can be considered Western, yet a wide variance amongst them was found.

Some insights into cultural influence on consumer motivation for consuming luxuries can be gleaned from a conceptual paper authored by Wong and Ahuvia (1998). They note the same luxury products are consumed across different cultures but that does not necessitate that motivation for consumption is consistent across those cultures. Wong and Ahuvia (1998) go on to propose differences in motivation for the consumption of luxuries between the Western and South East Asian Confucian cultures. Their propositions are illustrated in Figure 3.5. These propositions are indicative of how motivation for the consumption of luxuries might vary across cultures.

Several of the traits identified as belonging to the western tradition and the south-east Asian tradition are representative of either the INDCOL or the VH dimensions of cultural orientation. Wong and Ahuvia (1998) appear to suggest that Westerners are HI in their cultural orientation, and that southeast Asians are VC. Their conceptual model suggests that HI westerners will consume luxuries for pleasure and uniqueness. VC south-east Asians are presumed to consume luxuries for status, conformity, and quality.

Figure 3.5: Marketing Implications of Cultural Differences for the Consumption of Luxury Products



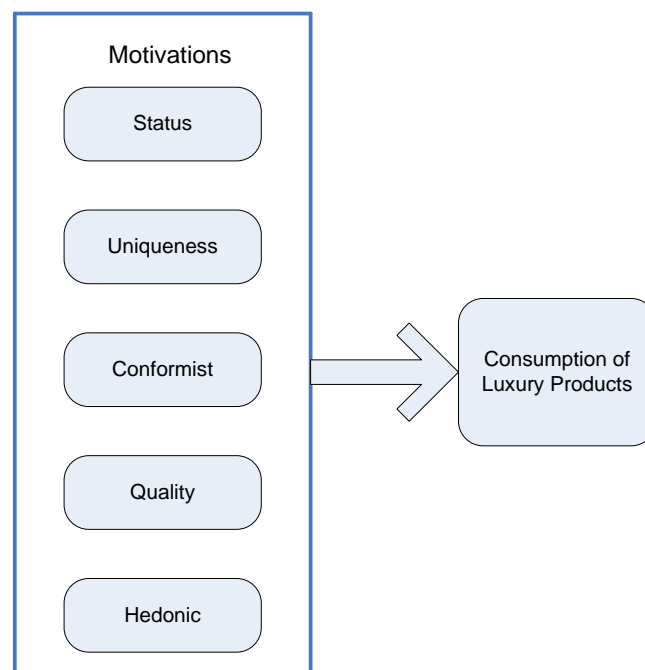
(Source: Wong & Ahuvia, 1998)

CHAPTER 4: Model Development and Hypotheses

4.1 Model of Motivation for the Consumption of Luxury Products

The review of the literature identified five major motivational categories for the consumption of luxury products: status, uniqueness, conformity, functionality, and hedonic. The literature suggested that each of these motivational types contributes to a consumer's decision to engage in the consumption of luxuries, although the importance of each may differ between consumers. This conceptualisation mirrors the model put forward by Vigneron and Johnson (1999), which thus far has not been tested in respect of consumer motivation for the consumption of luxury products. The research model is illustrated in Figure 4.1.

Figure 10.1: Proposed Model of Consumer Motivation for the Consumption of Luxury Products



The pursuit of status has been frequently associated with the consumption of luxuries. In the 18th century Adam Smith viewed the consumption of luxuries as an ostentatious

display (Smith, 1759; 1776). Veblen (1899) developed the influential notion of conspicuous consumption which informs us that luxuries are consumed in order to portray status. The theoretical influence of status motivation on consumer purchase of luxuries has been empirically confirmed by a number of researchers (e.g., Chao & Schror, 1998; Eastman, Goldsmith & Flynn, 1999; van Kempen, 2007). Hence:

H1: *Consumers of luxury products will possess high levels of status motivation*

Leibenstein (1950) concluded that consumers of luxury products might be motivated by a desire for differentiation from others. Researchers have confirmed that the uniqueness of luxury products is an important consideration in a consumers purchase choice (e.g., Dubois, Laurent & Czellar, 2002; Verhallen & Robben, 1994). Hence:

H2: *Consumers of luxury products will possess high levels of uniqueness motivation*

Mandeville (1732) noted that people might consume luxurious products in order to emulate their social superiors. Leibenstein (1950) used the term bandwagon effect to describe the phenomenon of individuals consuming products consumed by others. That consumers are motivated to consume luxuries in order to conform to societal expectations has been confirmed by researchers (e.g., Bearden & Etzel, 1982; Li & Su, 2007). Hence:

H3: *Consumers of luxury products will possess high levels of conformist motivation*

It is often expected that a luxury product will be of higher quality than non luxury products in the same category (Garfein, 1989; Roux, 1995). The higher quality of luxury products is thought to be a significant factor in attracting consumers (Rao & Monroe, 1989; Tsai, 2005). Hence:

H4: *Consumers of luxury products will possess high levels of quality motivation*

In the 18th Century de Lambert (1764) highlighted that luxury was synonymous with the pursuit of pleasure. Today, the consumption of luxury products is often seen as conferring hedonic benefits (Dubois & Czellar, 2002; Vigneron & Johnson, 1999). Many consumers are thought to possess hedonic motives for the consumption of luxuries (Dubois & Laurent, 1994; Tsai, 2005). Hence:

H5: *Consumers of luxury products will possess high level of hedonic motivation*

4.2 Differences between New Zealanders and Thais in Motivation for Consuming Luxury Products

Prima-facie, it appears that global demand for luxury products is a worldwide phenomenon. If this is correct it would provide some support for the argument that global markets are becoming more homogenous due to a global convergence of income, media, and technology (Dholakia & Talukdar, 2004). This argument, derived from Levitt (1983), suggests that consumer needs, tastes, and lifestyles will become standardised cross-culturally (Bullmore, 2000; Czinkota & Ronkainen, 1993). The counter-argument is that consumers from different cultural backgrounds are, in fact, becoming more diverse. Sheth (1986), for example, observed that rather than becoming homogenous, markets were in fact becoming more diverse with a proliferation of local products and brands materialising. In a conceptual paper, Wong and Ahuvia (1998) argue that whilst similar luxury products are consumed in Western and South-East Asian Confucian cultures, reasons for consumption may vary as a result of different cultural characteristics of those societies. For example, they posit that consumers with an independent self-concept (Westerners) will be attracted to luxury products as a source of pleasure, and that luxury products consumed will reflect individual attitudes and tastes. Consumers with an interdependent self-concept they argue will be attracted to luxury products as publicly visible possessions, and that product choice will reflect social norms. New Zealand and Thailand have been chosen as the locations for this research. New Zealand is viewed as a typical Western country and previous research indicates individuals have an independent self-concept, whereas Thailand is a country where individuals tend to possess an interdependent self-concept (Hofstede, 1980; 2001). Hence:

H6: *Differences exist between New Zealanders and Thais in the importance they attach to different types of motivation for consuming luxuries.*

If differences do exist between New Zealanders and Thais in the importance attached to different forms of motivation for consuming luxuries, it may be possible to identify specific attributes on which Thais and New Zealanders differ. It is anticipated that Thais are more accepting of hierarchy in their society than New Zealanders (Hofstede, 1980; Schwartz, 1992, 1994). Wong and Ahuvia (1998) argue that when a society emphasises social difference, a need is created to mark that difference with goods that symbolise the consumer's position in the hierarchy (Wuthnow, Hunter, Bergesen, and Kurzweil, 1984). Different influences are exerted in Western societies such as New Zealand. Affluence has become a fact of life for many middle and upper-class consumers in Western nations. Once this occurred the focus of consumers shifted from a display of status, towards self-expression and self-actualisation (Abramson and Inglehart, 1995; Inglehart, 1990). This suggests that these factors will lead to differences between New Zealanders and Thais, in the level of status motivation for the consumption of luxury products. Hence:

H7: *Differences exist between New Zealanders and Thais in the importance they attach to status motivation for consuming luxuries*

It is anticipated that Thais will hold more collectivist values than New Zealanders who are presumed to be more individualistic (Hofstede, 1980; Schwartz, 1992, 1994). A consequence of collectivism is the pressure exerted by the group to conform to social norms, especially in social situations (Tse, 1996). In the context of consuming luxury products, this is seen as exerting pressure on consumers to purchase certain products because they conform to social norms (Wong & Ahuvia, 1998). In Thailand the brand purchased by an individual's parent has been found to be a more important predictor of purchase behaviour than the individual's personal opinion of the brand (Childers & Rao, 1992). In individualistic Western nations conformity is often seen in pejorative terms. In the consumer context this manifests itself in the idea that products purchased should be reflective of the consumer's internal-self (Wong & Ahuvia, 1998). This implies that these factors will result in differences between New Zealanders and Thais in the importance

that they attach to uniqueness and conformist motivations for the consumption of luxury products. Hence:

H8: *Differences exist between New Zealanders and Thais in the importance they attach to uniqueness motivation for consuming luxuries.*

H9: *Differences exist between New Zealanders and Thais in the importance they attach to conformist motivation for consuming luxuries.*

A high level of quality is regarded as being synonymous with luxury products (Quelch, 1987). Tsai (2005) found that consumers place emphasis on the quality assurance inherent in luxury products. It is suggested that both New Zealanders and Thais will be motivated to consume luxury products by the quality of the product. Hence:

H10: *Differences do not exist between New Zealanders and Thais in the importance they attach to quality motivation for consuming luxuries.*

The pleasure that an individual receives from their consumption of the hedonic attributes directly gratifies the individual and not the members of their group. If an individual drinks an expensive glass of champagne, the pleasure that they may receive from the taste and smell of the champagne is not shared with members of the groups to which they belong. For consumers who prioritise the importance of the group, such as those in collectivist cultures, the pleasure of consuming a luxury product may assume lesser importance than the social roles that the product fulfils. In contrast, an individualistic consumer may place an emphasis on the sensory gratification that they may perceive to accrue from the consumption of a luxury product. As has been noted previously, it was expected that New Zealanders are more individualistic than Thais. Differences in the level of hedonic motivation for the consumption of luxury products are anticipated between New Zealanders and Thais. Hence:

H11: *Differences exist between New Zealanders and Thais in the importance they attach to hedonic motivation for consuming luxuries.*

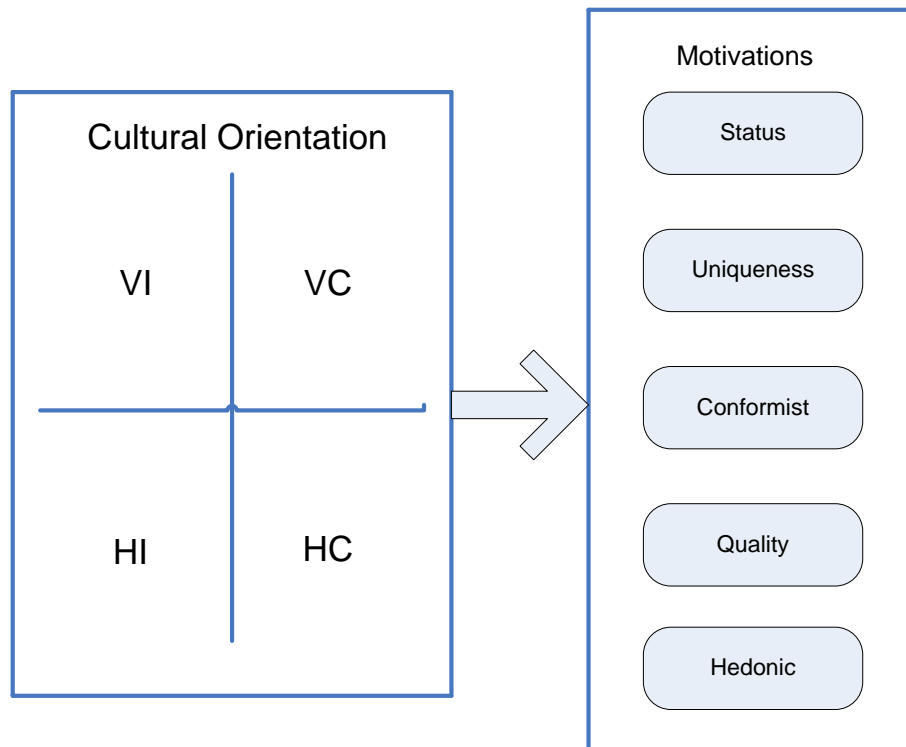
4.3 Relationship between Cultural Values and Motivations for the Consumption of Luxury Products

Culture is defined here as “*frameworks for action and understanding that enable one to operate in a manner acceptable to other members*” (Arnould, Price & Zinkhan, 2002, p. 142). A review of the literature on culture revealed that for culture to have usefulness as an independent variable it is necessary that a means for measuring culture is employed (Smith & Bond, 1999). The predominant means employed by cross-cultural researchers for measuring and delineating culture is to identify and measure a set of values (e.g., Hofstede, 1980; Schwartz, 1992; 1994; Trompenaars, 1993).

There is variation within the literature as to the nature and structure of cultural values that can be used for differentiating between cultures. Consensus does exist in respect of two types of cultural values that have emerged in all of the major studies of cultural values. These value-types can be summarised as a “*view of the person as an autonomous entity who enters voluntarily into relationships versus an entity who lacks autonomous significance and finds meaning only as part of a collectivity of interdependent, mutually obligated others*” (Schwartz, 1994, p. 106). For this research this value-type is referred to as INDCOL. The other consistent value-type to emerge from research into cross-cultural values has been described as a “*preference for equal versus hierarchical treatment of people and allocation of resources*” (Schwartz, 1994, p. 106). Here this value type is referred to as VH.

Cultural values have been shown to influence consumer behaviour (e.g., Laroche, Kalamas & Cleveland, 2005; Lee et al., 2007; Malai, 2007; Mourali, Laroche & Pons, 2005; Watkins & Liu, 1996). This implies that the nature and extent of consumer motivation for the consumption of luxury products may be influenced by the consumer’s cultural orientation. A basic research model illustrating this assumption is presented in Figure 4.2.

Figure 4.2: Research Model: Influence of Cultural Orientation on Motivation for the Consumption of Luxury Products



The remainder of this chapter sets out a number of hypotheses pertaining to the influence of cultural orientation on each distinct form of motivation for consuming luxuries.

4.3.1 Influence of Cultural Values on Status Motivation for the Consumption of Luxury Products

The pursuit of status is regarded by some as a universal human phenomenon (Gould, 2002). It has been identified that status can be acquired through achievement, ascription, and consumption (Eastman, Goldsmith & Flynn 1999). The way in which status is acquired varies substantially between cultures. For example, a study in Bolivia identified that one Indian tribe sought status through the consumption of Western products, whereas another Indian tribe sought status through their traditional prestige system (van Kempen, 2007). Additionally, there may be differences between cultures in the extent to which its members overtly seek status. Triandis (1995) suggested that in vertical cultures inequality is seen as a fact of life and that rank determines privileges. In horizontal cultures members believe that status is suspect and they do not wish to stand out.

The literature suggests that individuals in vertical cultures may have a propensity for seeking status through consumption. Huberman, Loch and Onculer (2004) found that the intensity of the striving for status and the desirability of a public display of status is related to Hofstede's (1980; 2001) PD indices. Wong and Ahuvia (1998) proposed that in Confucian societies, where hierarchy is legitimate, goods serve to locate individuals vertically within the social hierarchy. Thus goods could be used to signify relative status to other members of society and this may occur more frequently in societies that place greater emphasis on the individual's position within society.

The INDCOL dimension of culture is also thought to have an impact on a consumer's status-seeking behaviour. A high price, which is often viewed as an antecedent to conspicuous consumption (e.g., Mason, 1983), has been observed to be of more importance as a product attribute in collectivist than in individualist cultures (Wickliffe & Pysarchik, 2001). It has been proposed that consumers from collectivist cultures are likely to place more emphasis on publicly visible possessions than consumers from individualistic societies (Wong & Ahuvia, 1998). It is an element of the theory of conspicuous consumption that consumers may seek to satisfy others in their society through their pursuit of status in their consumption choices (Mason, 1981). This suggests that pursuit of status may be more prevalent in a society where individuals are interconnected.

Consequently consumers whose cultural orientation is VC are expected to have a high level of status motivation for the consumption of luxury products. Consumers whose cultural orientation is HI can be expected to have low levels of status motivation. There is mixed evidence in respect of consumers whose orientation is either VI or HC. Accordingly, the following hypotheses are proposed:

H12: *There will be no relationship between an individual's orientation towards VI and status motivation for consuming luxuries*

H13: *There will be a positive relationship between an individual's orientation towards VC and status motivation for consuming luxuries*

H14: *There will be a negative relationship between an individual's orientation towards HI and status motivation for consuming luxuries*

H15: *There will be no relationship between an individual's orientation towards HC and status motivation for consuming luxuries*

4.3.2 Influence of Cultural Values on Uniqueness Motivations for the Consumption of Luxury Products

The extent to which an individual desires to differentiate their self from others is thought to vary according to the individual's cultural orientation. Utilising a sample of Japanese students, Yamaguchi (1994) ascertained that collectivism correlated negatively with the need for uniqueness ($r = -0.43$). The reverse may also be true, with individuals from an individualist orientation being more likely to desire uniqueness.

There is some research that supports these propositions in the consumer literature. Lee and Kacen (1999) found that an independent self-concept related positively to purchase reasons associated with uniqueness. The likelihood of consumer innovation, being the uptake of new and different products, has been found to be higher in countries that are high in individualism (Yaveroglu & Donthu, 2002). Moon, Chadee and Tikoo (2008) report that individualism positively effects a consumers intention to buy a personalised product in an online setting. Consumers from high PD cultures are less likely to accept new products (Yeniyurt & Townsend, 2003), whereas those from low PD cultures arguably have a higher coefficient of innovation than those from high PD cultures (Yaveroglu & Donthu, 2002).

Consequently consumers whose cultural orientation is HI are expected to have a high level of uniqueness motivation for the consumption of luxury products. Consumers whose cultural orientation is VC can be expected to have low levels of uniqueness motivation. There is mixed evidence in respect of consumers whose orientation is either VI or HC. Accordingly, the following hypotheses are proposed:

H16: *There will be no relationship between an individual's orientation towards VI and uniqueness motivation for consuming luxuries*

H17: *There will be a negative relationship between an individual's orientation towards VC and uniqueness motivation for consuming luxuries*

H18: *There will be a positive relationship between an individual's orientation towards HI and uniqueness motivation for consuming luxuries*

H19: *There will be no relationship between an individual's orientation towards HC and uniqueness motivation for consuming luxuries*

4.3.3 Influence of Cultural Values on Conformist Motivations for the Consumption of Luxury Products

Collectivist consumers are more likely to purchase products for reasons of group affiliation (Lee & Kacen, 1999), or to fit in with social norms (Wong & Ahuvia, 1998). The coefficient of imitation, a measure of the extent to which individuals imitate their peers, has also been found to be higher in collectivist cultures than in individualist cultures, and in cultures that are high in uncertainty avoidance (Yaveroglu & Donthu, 2002). As such, it is proposed that collectivist consumers will possess high levels of conformist motivations for consuming luxuries, and that individualist consumers will possess low levels of conformist motivations. Accordingly the following hypotheses are proposed:

H20: *There will be a positive relationship between an individual's orientation towards VI and conformist motivation for consuming luxuries*

H21: *There will be a positive relationship between an individual's orientation towards VC and conformist motivation for consuming luxuries*

H22: *There will be a negative relationship between an individual's orientation towards HI and conformist motivation for consuming luxuries*

H23: *There will a negative relationship between an individual's orientation towards HC and conformist motivation for consuming luxuries*

4.3.4 Influence of Cultural Values on Quality Motivations for the Consumption of Luxury Products

The quality of a luxury product has been described as its *sine qua non* (Quelch, 1987). It is suggested that consumers of all cultural orientations will have a desire to consume luxuries for perceived functional superiority. This proposition appears to be supported by the literature. In a cross-cultural study contrasting the attitudes to possessions by adults in Arizona and in an Islamic Hausa society in the north of Niger, Wallendorf and Arnould (1988) found that functional items were often amongst the Arizonans favourite possessions. In contrast, the favourite possessions amongst their Niger sample were goods that were magical and religious in nature, but they also expressed their liking of functional goods such as livestock and tools. There is also evidence to suggest that Chinese consumers make their purchase decisions based on the utilitarian benefits of a product (Tse, 1996) with up to 83 percent of Chinese consumers purchasing branded clothing due to perceived functional superiority (Lane & Dyckerhoff, 2006). Hence:

H24: *There will be a positive relationship between an individual's orientation towards VI and quality motivation for consuming luxuries*

H25: *There will be a positive relationship between an individual's orientation towards VC and quality motivation for consuming luxuries*

H26: *There will be a positive relationship between an individual's orientation towards HI and quality motivation for consuming luxuries*

H27: *There will be a positive relationship between an individual's orientation towards HC and quality motivation for consuming luxuries*

4.3.5

Influence of Cultural Values on Hedonic Motivations for the Consumption of Luxury Products

The extent to which individuals seek self pleasure through their consumption habits may differ between cultures. It has been proposed that consumers from individualistic cultures will place emphasis on goods as a source of pleasure (Wong & Ahuvia, 1998). When the emphasis is on an individual's well-being they are more likely to consume products for the personal pleasure that a product gives them. In contrast, a collectivist places emphasis on the well-being of the group. The pleasure felt by an individual in the consumption of a luxury product is not felt by other members of the group. As a consequence it is likely that individualists will possess higher levels of hedonic motivation for the consumption of luxury products than collectivists.

Hence:

H28: *There will be a positive relationship between an individual's orientation towards VI and hedonic motivation for consuming luxuries*

H29: *There will be no relationship between an individual's orientation towards VC and hedonic motivation for consuming luxuries*

H30: *There will be a positive relationship between an individual's orientation towards HI and hedonic motivation for consuming luxuries*

H31: *There will be no relationship between an individual's orientation towards HC and hedonic motivation for consuming luxuries*

CHAPTER 5: Method

5.1 Preliminary Research

The initial stages of this research consisted of a review of the literature pertaining to the consumption of luxuries and the influence of culture on consumption. The literature review identified several motivators of luxury consumption as reported in Chapter 2 and a model of cultural values was identified as reported in Chapter 3. A model of potential relationships between variables unearthed in the literature review was developed in Chapter 4.

5.2 Exploratory Qualitative Research

A series of three focus groups was convened with students at a New Zealand University from different cultural groups. The groups contained between four and seven participants. One group consisted of New Zealand students (n=7), the other two groups consisted of overseas students studying in New Zealand, one with Asian students (n=4) and one with European students (n=4). The purpose of the focus groups was to qualitatively inform quantitative enquiry. Specifically, the focus groups sought to explore what motivated the consumption of luxury products, to investigate the sorts of products that informants considered to be luxuries, and why the participants categorised these products as luxuries.

The focus groups were semi-structured, based on an interview guide (see Appendix A) that set forth the major topics of enquiry. Questions were open-ended and designed to obtain the views of participants with only minimal influence from the researcher who moderated all of the focus groups. The interactions were voice-recorded. These were transcribed, themes were delineated, and comments were collated under each theme. Theme-by-theme analysis was then conducted.

5.3 Development of the Instrument

Although this section describes the development of each part of the survey instrument independently, it should be noted that each section of the instrument was not developed in isolation. The overall size of the survey instrument and time that potential respondents would spend completing the instrument was a concern at all stages of development.

Section 1 of the survey was designed to measure consumer motivation for the consumption of luxury products. The scale development paradigm recommended by Churchill (1979) was used as a basis for developing a measure of consumer motivation for consumption of luxury products. The steps employed to develop measures of the constructs were; (1) the literature on motivation for consuming luxury products were reviewed, (2) qualitative data were collected from three small-group discussions, (3) a list of items was generated in respect of each form of consumer motivation for consuming luxuries identified, (4) data were collected from six experts that reduced the list of items to a manageable number, (5) data were collected from a pre-test and analysed, and (6) reliability and validity was assessed after the main data collection phase.

A concern in the development of measures of constructs is the number of items to be employed in the measurement of constructs. Sekaran (2003) recommends that multiple-item scales are used to measure complex constructs. This allows for greater reliability in measurement as measurement errors tend to be self-correcting (Peter, 1979). In addition, multiple item measures are considered appropriate for the measurement of complex constructs (Peter, 1979), such as forms of motivation for consuming luxury products. Accordingly, the development of measures proceeded on the basis that multiple items were required for the measurement of each construct.

The identification of different forms of motivation for the consumption of luxury products from the literature review has been presented previously in this research (see Chapter 2). After the constructs to be investigated were finalised, the literature was reviewed for appropriate forms of measurement. Bruner (2003) recommends that the following criteria are employed when selecting items or scales for measuring constructs: (1) face validity,

(2) psychometric quality, and (3) typicality and acceptability. The present research addressed these issues, as will be presented below.

The development of an initial item pool began with the identification of a small number of items from the literature. These were assessed by the researcher and met the criteria identified by Bruner (2003). The eight item 'desire for unique consumer products' (DUCP) scale developed by Lynn and Harris (1997) was adopted in its entirety as it was considered to have prima-facie suitability for measuring the extent to which consumers were motivated by uniqueness in their decision to consume luxury products. Several items from the 'status consumption' scale developed by Eastman, Goldsmith, and Flynn (1999) were adapted for use. Several of the items contained this scale were adapted to better fit the requirements of the present research. A number of scales and items that have previously been developed in the literature were rejected for use in this research as they either failed to meet the criteria for inclusion, or were considered inappropriate for use due to over-complexity. (For example, see the items developed by Tsai, 2005.)

After reviewing published scales it was apparent that it would be necessary to develop a number of new items. These new items were required as the researcher considered existing measures to be inappropriate for use in this research, based on the criteria outlined by Bruner (2003). New items were developed based on either the construct definition, or statements made by focus group participants. These new items were included in an initial item pool, along with the items derived from existing scales. The initial item pool contained a total of 52 items. Twelve items were designed to measure quality motivation for consuming luxuries; ten items were designed for measuring hedonic motivation, twelve items related to conformity motivation, ten to status motivation, and eight items were designed to measure uniqueness motivation. These items are all general attitudinal statements toward luxury products and reasons for purchase.

After the initial item pool of 52 items was developed a process of refinement was undertaken to reduce the number of items to a parsimonious level. A modified Q-Sort methodology was used to refine the sub-scales. Q-Sort methodology usually proceeds on the basis that a large number of items (often cards or photographs) are sorted into piles based on their similarity with respect to specified criteria. The number of items in each pile is pre-specified to fit a normal distribution. Q-Sort methodology is considered to be

useful in uncovering the underlying value in a set of items (Weimer, 1999). This method has been used in a variety of disciplines for investigating value and preference (e.g., Dijkstra & van der Bij, 2002; Lee & Yu, 2004; Martin & Steelman, 2004). It has also been employed in a tourism marketing context (Fairweather & Swaffield, 2002). The number of items (52) submitted to the Q-Sort exercise was at the lower end of the threshold recommended by Huges (1974) for a Q-Sort exercise.

The initial list of 52 items was submitted to a six member panel consisting of doctoral students specialising in consumer behaviour (2) and/or economics (2), and lecturers specialising in marketing (1) and economics (1). The questionnaire was delivered to participants by hand and the instructions were explained in-person. The panel was provided with a list of the items along with a brief synopsis of each type of motivation that had been identified from the literature and the focus groups. They were asked to code each item to the category that they felt the item represented. They were then asked to assess the usefulness of the measure on a scale of 1 (not at all useful) to 5 (extremely useful). The panel was also asked for their comments and recommendations. The Q-Sort questionnaire and instructions for participants are contained in Appendix B. This appendix contains the full list of items submitted to the expert panel.

All six of the Q-Sort responses were usable. The data from the Q-Sort exercise was entered into an Excel spreadsheet. The construct that the judges felt that each item represented along with the usefulness rating was entered into the spreadsheet. One judge allocated more than one category to a large numbers of items. It was decided to retain these responses and allocate a partial score to these responses. The number of times that an item was coded correctly was calculated. The average usefulness score for measuring the construct was calculated for each item. For each construct (status, uniqueness, conformity, quality, and hedonic) four items were retained for use in the final survey instrument. The four items selected were those that had the highest inter-judge reliabilities. When two items possessed the same inter-judge reliability, the item with the highest average usefulness score was selected. Several comments received from the expert panel lead to improvements in the wording of some items. After the Q-sort procedure had been completed a total of 20 items remained. These items comprise Section 1 of the instrument.

The purpose of the items contained in Section 2 of the instrument was to assess whether patterns of motivation identified from the measures contained in Section 1 apply to specific types of luxury products. Based on statements made by discussion group participants and two Thai doctoral students a number of luxury products were selected as having broad appeal: sunglasses, massage treatments, restaurant meals, and home theatre systems. Of these products, sunglasses can be considered a publicly consumed good, and a restaurant meal a publicly consumed service. A home theatre system can be considered a privately consumed good, and a massage treatment a privately consumed service. This allows for a cursory assessment as to whether differences in motivation exist between publicly and privately consumed products, and between goods and services.

Five statements relating to a reason for purchase were generated for each product. Each statement related to one of the five constructs (status, uniqueness, conformity, quality, and hedonic) being studied. These statements were based on the focus group discussions, the literature on luxury consumption and advertising appeals from three high-end magazines which contained a significant number of advertisements for luxury products. Survey respondents are asked to rank each of these statements according to the importance the respondent would attach to each statement if they were considering purchase of the product in question. Respondents were asked to assign the rank '1' as denoting the most relevant statement and the rank '5' as denoting the least relevant statement.

The purpose of section 3 of the survey instrument was to measure the orientation of respondents toward the individualism versus collectivism, and the vertical versus horizontal dimension of culture. Appropriate measures of these dimensions were taken from the literature. The 32 item scale developed by Singelis, Triandis, Bhawuk and Gelfand (1995) was utilised for this study. This scale consists of four sub-scales which have been shown to possess acceptable reliability and construct validity. This scale has been previously used in cross-cultural studies (Abraham, 1998; Osihi, Schimmack, Diener & Suh, 1998) and in studies of university students from different cultures (Choiu, 2001; White, 2005).

Section 4 of the survey instrument measured a number of demographic and behavioural variables. The final version of the survey instrument is included in this thesis as Appendix C.

5.4 Translation of the Instrument from English to Thai

The method adopted for translating the survey instrument from English to Thai was a modified back-translation strategy that incorporated such elements of the committee approach to maximise conceptual, semantic, and normative similarities between the two versions of the survey instrument.

The initial translation of the instrument from English into Thai was by a Thai doctoral student who had been in residence in New Zealand for over three years and is fully proficient in English. A back-translation from Thai to English was by a translator employed by the translation service of the New Zealand Department of Internal Affairs. The translated English version was compared with the original English version of the survey instrument. Several items in the two English versions were found to have inconsistency of meaning. The translation process was repeated after which all items were considered to have an appropriate degree of conceptual and linguistic equivalence.

Two Thai post-graduate students were consulted as to the appropriateness and meaning of each item in the Thai version of the survey instrument. The intent of each item was outlined by the researcher and the Thai post-graduate students were asked to comment as to whether the item achieved this aim and whether the item was likely to be understood correctly. This process occurred after the first translation and was repeated in respect of items amended in the second iteration of the translation process. Some minor changes were made to the Thai version of the instrument as a result. These were grammatical changes, and did not affect the substance of the instrument.

The Thai version of the instrument is included in this thesis in Appendix D.

5.5 Pre-testing of the Instrument

A pre-test of the instrument was conducted based on the guidelines outlined by Malhotra (1999). A snowball sampling method was used to recruit fifteen respondents for the initial pre-test. Ten of the respondents were New Zealanders and five were Thai. All respondents were students in line with the demographic profile of the intended sample for the main stage of data collection. The pre-test was conducted by way of a personal interview to give the interviewer the opportunity to observe the reactions and attitudes of respondents to the questions. All of the initial pre-test interviews were conducted in English by the primary researcher. The respondents were asked to think aloud whilst answering the questionnaire (protocol analysis). A debrief was held with each respondent after they had completed the entire instrument. No significant problems were encountered during this phase of pre-testing.

A further ten respondents were identified using snowball sampling. Seven of these respondents were New Zealanders and three were Thai. These respondents were asked to complete the online version of the survey instrument. This step was necessary to assess whether any problems existed with the mode of delivery. No issues were identified during this stage of the pre-test.

5.6 Sample

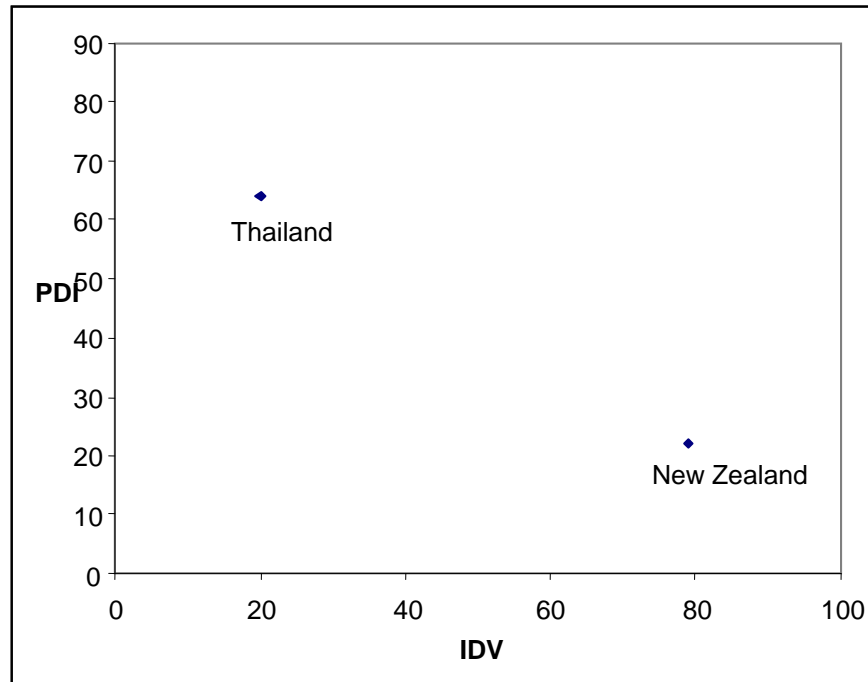
The sampling frame for this research was students from a University in New Zealand and a public University in Thailand. University students have previously been used in a number of studies of luxury (e.g., Dubois, Laurent & Czellar, 2001; Eastman, Goldsmith & Flynn, 1999; Kapferer, 1997). Importantly, there appears to be theoretical justification for using students to investigate the luxury construct cross-culturally. There are a number of studies that have attributed increased consumption of luxuries to changed demographic circumstances such as a growing population of upwardly mobile young consumers (Roux, 2002), an ageing wealthier population (Frances, 2002), and a greater relative number of people with higher incomes (Gardyn, 2002). It is arguable that the students of today will

become, or are already, upwardly mobile young consumers and will possess relatively high incomes in the not too distant future.

An important issue in cross-cultural research is whether or not samples are equivalent on the dimensions other than those that are being studied. For example, if in the context of the present study samples were taken from different demographic groups in different countries it would be reasonable to assume that differences in the propensity of consumers to purchase luxuries might be found that could be attributable to demographic variables such as income or education. The use of students may assist in ensuring the equivalence of samples across cultures. In a cross-cultural study of materialism, Ger and Belk (1990; 1996) used a sample of business students, as individual difference variables, such as age, education and socio-economic status, were seen to be relatively homogenous. It was acknowledged that in less affluent countries, business students were likely to be relatively more elite. The trade-off with adopting this approach is that the samples may not be generalisable to the wider cultural group. However, sample homogeneity should take precedence in a cross-cultural study (Van de Vijver & Leung, 1997).

Thailand and New Zealand have been chosen for both their similarities and differences on their country rankings and numeric scores on the individualism and collectivism, and power-distance dimensions in Hofstede's (1980; 2001) research. The relative positions of Thailand and New Zealand on the power-distance, and individualism and collectivism dimensions of Hofstede's (1980; 2001) work are illustrated in Figure 5.1. This allows for the testing of hypotheses relating to differences in the types of value that consumers attach importance to, in respect of luxury products, being attributable to differences in cultural dimensions.

Figure 11.1: Relative Position of New Zealand and Thailand on PDI and IDV



(Derived from Hofstede, 2001)

Participants were recruited by a series of advertisements at both the New Zealand and Thai Universities. In New Zealand, an advertisement was placed on the student intranet, and was also emailed to students courtesy of the student body President. In Thailand, advertisements were placed on the University website, the Economics Faculty website, and the student club website. Additionally, about 500 flyers were handed out. In both countries, participation was incentivised by a chance to win an iPod. The advertisement informed potential participants of the nature of the research, and provided a link to the survey webpage. If an individual wished to take part in the survey, they were required to click on the link and would then be redirected to the survey. The flyers handed out in Thailand contained the web address for the survey, along with the request to participate.

Unfortunately there was an inadequate response to the advertisements requesting participation in the online survey in Thailand. Participants were then recruited for the paper-based version of the Thai language instrument through an undergraduate course. One hundred and sixty one copies were handed out. It was made clear that participation was voluntary and confidential.

5.7 Administration of Survey Instrument

Data was collected by way of an online survey set up on Apollo, the online survey package utilised by Lincoln University. In normal circumstances, an online survey would exclude significant numbers of the general population in both New Zealand and Thailand. In Thailand, internet penetration in 2007 was 12.5 percent of the population, whilst New Zealand's internet penetration rate was significantly higher at 74.9 percent (Miniwatts Marketing Group, 2007). Conducting an online survey amongst the general population would exclude 87.5 percent of Thailand's population and 25.1 percent of New Zealand's population. This would cause significant problems with representativeness and generalisability of the research. That neither New Zealand nor Thailand has 100 percent internet penetration was not considered to be a major concern, as the sampling frame for was students at Universities. All students within the sampling frame have access to the Internet through computing facilities provided by their respective University. Whilst there may be some students who do not use the internet at all, it was thought that this would constitute only a small percentage of students.

The online survey in Thailand elicited only 41 responses. This response rate was clearly unsatisfactory. A decision was made to seek further responses from students at the Thai University by administering a paper-based version of the instrument. This was administered to students undertaking a finance course at the Thai University. One hundred and sixty surveys were handed out. One hundred and forty-one valid responses were received. The two versions were identical, except for the mode of administration. There was not sufficient time nor funds to pre-test the paper-based version.

A total of 368 responses were obtained after administration of the three surveys. One hundred and eighty-five responses were received in New Zealand, and 183 were received in Thailand.

The sample from the New Zealand University included data from 55 respondents who were not New Zealanders. These are excluded, as it was felt that they unnecessarily complicate a direct comparison between New Zealand and Thailand. Data collected from six respondents who completed the online survey in Thailand was excluded, as their

demographic profile indicated that they could not have been students at a public University in Thailand. The online version of the Thai survey was advertised on the University webpage and it appears that several non-students chose to complete the survey. In Thailand, the maximum age for sitting an entrance exam to gain entrance to a public university is 25, and a maximum period of eight years is allowed for a Bachelor degree. The maximum age for an undergraduate student at a public University in Thailand is thus 33. Further, based on advice from a faculty member at the public University in Thailand, it was considered extremely unlikely that an undergraduate student would be aged over 30. Accordingly, all data from Thai respondents aged over 30 is excluded from the analysis. Therefore, the full descriptive and statistical analysis utilises a dataset of 307 responses, of which 130 were from New Zealand and 177 from Thailand.

There were a number of invalid responses to the items contained in Section 2 of the survey. Section 2 asked respondents to assign an importance ranking to each item. In the online version of the survey instrument this was a forced choice. If a respondent had entered the rank 1 for an item in the set they could not assign that rank to another item in the set. An issue arose in respect of the paper version of the instrument that was completed by the majority of Thai respondents. The paper version had not been subjected to a pre-test. The paper version requested that respondents assign a separate rank to each item but in contrast to the online version did not force this choice. Between 16 and 18 invalid responses were received for each item. Some respondents did not complete any items. Some respondents assigned the same rank to one or more items. These responses have been excluded from any analysis that involves Section 2.

5.7.1 Consistency of Responses across Different Modes of Administration for the Thai Portion of the Sample

Thirty-five Thai students completed the online version of the survey and 142 completed a paper version. In order to test the equivalency of responses between the two-sets of respondents a series of multiple analysis of variance (MANOVA) tests were conducted in respect of the items in each section of the survey instrument.

For Section 1, the Wilks Lambda is $\Lambda = 0.828$, $F(20, 151) = 1.574$, $p = 0.066$. This indicates that there is no significant difference in responses to Section 1 between those

who completed the online version and the paper version. Follow-up univariate analysis of variance (ANOVA) revealed that a significant difference existed only in respect of two items from Section 1. These items are (1) “I am inclined to purchase a luxury product if it will continue to deliver value over the long-term” ($F = 4.367, p = 0.038$), and (2) “If my friend buys something expensive I will consider purchasing the same item” ($F = 8.556, p = 0.004$).

Wilks Lambda for Section 2 is $\Lambda = 0.875, F(18, 140) = 1.110, p = 0.349$. This indicates that no significant difference exists between the two sets of respondents in terms of their responses to Section 2. Follow-up univariate ANOVAs were performed to assess the extent of difference in response for each item. These tests revealed that significant differences existed in respect of only two items in this section. These items both related to home theatre systems. The items are (1) “Many of my friends now own quality systems and this system equals theirs at the very least” ($F = 5.899, p = 0.016$), and (2) “This home theatre delivers a supreme level of sensory pleasure” ($F = 4.253, p = 0.041$).

The MANOVA for Section 3 resulted in a Wilks Lambda of $\Lambda = 0.761, F(32, 141) = 1.381, p = 0.104$. As such, no significant difference exists between the two sets of respondents in respect of section 3 of the survey instrument. Follow-up univariate ANOVAs were performed to assess the extent of difference in response for each item. These tests revealed that significant differences existed in respect of only three items in this section. These are item 36 “If a co-worker gets a prize I would feel proud” ($F = 6.526, p = 0.011$); item 42 “It is important that I do my job better than others” ($F = 5.350, p = 0.022$); and item 46 “I like privacy” ($F = 6.115, p = 0.014$).

There was only minimal difference between the two sets of respondents in respect of the items contained in Section 4. The only significant difference was in respect of annual income. Respondents to the online survey reported a higher annual income than respondents to the paper survey. Online respondents had a median income of 45,000-60,000 Thai Baht compared to <15,000 Thai Baht for paper respondents. This suggests that there may be a relationship between wealth and the ability to complete an online questionnaire amongst Thai students.

It was considered that the differences in responses above did not compromise this study. For the first three sections of the instrument, differences in response were only present in respect of two items. These differences, whilst significant, were not large. This can be considered a random occurrence. The higher income of online respondents did not translate into a systematic difference in response to other portions of the survey.

5.8 Choice of Statistical Tests

These statistical techniques are primarily used with respect to the analysis of the motivation for consuming luxury products items and cultural orientation items measured by Section 1 and Section 3 of the survey. In addition to the tests described in the following sections, a range of descriptive statistics will be employed for exploring the demographic data contained in Section 4 of the survey instrument.

5.8.1 Factor Analysis

Factor analysis was used to explore whether the data obtained from Section 1 and Section 3 of the survey conform to the conceptualised structure of motivations for the consumption of luxury products, and for cultural orientation respectively. Factor analysis was also used to identify a smaller set of variables for use in subsequent multivariate analyses (Hair et al., 2006). Once the dimensionality of motivation for the consumption of luxury products and cultural orientation had been established the resultant factors were used as variables in subsequent analyses, including correlation analysis and multiple regression.

The approach taken in this research was to run an exploratory factor analysis to ascertain the number of factors that best represent the data. Exploratory factor analysis was preferred over confirmatory factor analysis as some uncertainty existed over the structure of motivation for consuming luxuries. The measures developed to measure motivation for consuming luxuries in this study have not been established as reliable and valid measures in accordance with established standards (e.g., Campbell & Fiske, 1959). As such, it is necessary to establish that the items developed in this research are appropriate for use. Clark and Watson (1995) argue that exploratory factor analysis should be employed as an essential step in the scale development process, to establish both the unidimensionality

and the discriminant validity of a scale. Subsequent research might employ a confirmatory factor analysis once valid measures have been firmly established.

The maximum likelihood method of factor analysis was employed, with an orthogonal varimax rotation. Orthogonal rotation was preferred over an oblique rotation in this study as an important objective of the research was to assess the relative importance of different forms of motivation for consuming luxuries. Highly correlated factors, as can occur with an oblique rotation, would complicate this assessment. Further, factor structures tend to be robust across different methods of extraction and rotation (Guadagnoli & Velicer, 1988; Snook & Garush; Watson, Clark & Harkness, 1994).

In determining the number of factors to be selected as best representing the underlying structure in the data the following methods were taken into consideration: (1) the Eigenvalue greater than one criterion, (2) the percentage of variance accounted for by each factor, (3) inspection of the scree plot, and (4) the interpretability of the factors. All four methods were used conjunctively to determine the number of factors that best summarise the data.

5.8.2 One Sample *T*-test

A one sample *t*-test can assist a researcher to assess whether the sample population conforms to a given standard or hypothesis (Malhotra, 1999). Respondent's *t* will thus be used to test hypotheses relating to the importance that consumers attach to the different forms of motivation for the consumption of luxury products.

A given or known standard is required for a one-sample *t*-test. In this research the standard against which the hypotheses will be tested is the neutral midpoint of the measure of each variable under test. The one-sample *t*-test illustrates the extent to which the sample population differs from the hypothesised norm. If a significant and positive difference exists between the sample mean and the midpoint of the measure, this would support the hypotheses that suggest that consumers will possess a high level of the different forms of motivations for consuming luxury products. One sample *t*-tests have

previously been used to assess the extent of deviation from the neutral midpoint of a scale in a variety of research contexts (e.g., Lee, 2003; Silvera & Neilands, 2004).

5.8.3 ANOVA

Analysis of Variance (ANOVA) was used to test a number of hypotheses that relate to differences or similarities between New Zealanders and Thais in respect of specific motivation(s) for the consumption of luxury products, and their specific cultural orientation(s).

5.8.4 MANOVA

Multivariate analysis of variance (MANOVA) was used for assessing the difference between the means of two groups where there is more than one (correlated) dependent variable, and it is not possible to combine the variables (Hair et al., 2006). Specifically, MANOVA was used to test for a difference exists between the New Zealand and Thai cohorts in respect of their overall motivation for the consumption of luxury products.

5.8.5 Pearson Product Moment Correlation and Multiple Regression

The Pearson product moment correlation was employed as an initial test of hypotheses pertaining to relationships between cultural orientation dimensions, and motivation for consuming luxury products dimensions. A series of multiple regressions were employed in order to assess the influence of cultural values on motivation for the consumption of luxury products. The independent predictor variables are the factors derived from the factor analysis of the items contained in Section 3 of the survey relating to respondents cultural orientation. The dependent variables are the derived from the factor analysis of the items contained in Section 1 of the survey instrument relating to motivation for consuming luxuries.

CHAPTER 6: Results and Discussion

6.1 Descriptive Statistics

Section four of the survey instrument contained questions pertaining to the demographic profile of respondents and their purchasing habits in respect of subjectively perceived luxury products. Descriptive results from the answers to section four of the instrument are contained in Section 6.1.

6.1.2 Age and Gender

Survey respondents were asked to report their age and gender. Aggregated results obtained from respondents are contained in Table 6.1.

Table 6.1: Age and Gender of Respondents

		NZ (n=130) (%)	Thailand (n=177) %	Total Sample (n=307) %
Gender	Male	33	29	31
	Female	67	71	69
Age	18	8	2	5
	19	20	5	11
	20	20	29	25
	21	14	48	34
	22	8	11	10
	23	2	2	2
	24	3	1	2
	25	4	0	2
	25+	22	2	9
	Mean	24.11	20.82	
	Std. Deviation	8.15	1.34	

A significant difference exists in age between the New Zealand sample and the Thai sample ($F = 27.618$, $p = 0.000$). The mean age of the New Zealand respondents is just

over 24 years, and the mean age of Thai respondents is just under 21 years. The New Zealand sample has a number of mature students (aged over 25) included. This reflects the reality of a New Zealand University student population. As discussed in Chapter 5, students in a Thai public University must be enrolled by the age of 25, and it is extremely unlikely that there are any students aged over 30 at a public university.

Table 6.1 illustrates that over two-thirds of both Thai and New Zealand respondents are female. Whilst this does not invalidate the results of this research, it may have implications for the generalisability of the research findings.

6.1.3 Cultural Orientation of Respondents

Respondents were asked to identify their primary cultural orientation. Aggregated results obtained from their responses are contained in Table 6.2.

Table 6.2: Cultural Orientation of Respondents

Cultural Orientation	NZ (n=130) (%)	Thailand (n=177) %	Total Sample (n=307) %
NZ European	95	0	40
Maori	3	0	1
NZ Chinese	2	0	1
Thai	0	100	58

The vast majority of New Zealanders who responded identified themselves culturally as New Zealand Europeans (95 percent). Only three percent identified themselves as Maori, and two percent as Chinese. This resulted in a sample that is not representative of the wider New Zealand population. However, this sample possesses the advantage of a relatively homogenous cultural sample. This study does not investigate the wider New Zealand population.

All Thai respondents identified that they were culturally Thai. The survey instrument allowed respondents to identify whether they belonged to a different Thai sub-cultural group. No Thai respondents selected this option.

Results of this study can only be seen as pertaining to the dominant cultural group within each country. Insufficient numbers of minority groups responded to the survey to allow for meaningful comparison between cultural groups within either country.

6.1.4 Annual Income of Respondents

Respondents were asked to specify their annual income before tax. The results for this question are reported in Table 6.3.

Table 6.3: Annual Income of Respondents

Annual Income	NZ (\$) %	Thai (Baht) %
<15,000	71	51
15,000-30,000	22	5
30,000-45,000	3	5
45,000-60,000	2	10
60,000-75,000	1	10
75,000-90,000	1	7
90,000-105,000	1	2
105,000-120,000	0	8
>120,000	0	2

Income before tax for both New Zealanders and Thais is skewed towards the lower income brackets. This is not surprising, as students are generally known to be a low-income group.

The consumption of luxury products has traditionally been considered the preserve of the upper echelons of society (Mason, 1998). A low-income group such as students are often not regarded as a group that would be consumers of luxury products. However, the results presented in Table 6.5 suggest that even a low income group are regular consumers of products that they consider to be luxuries.

6.1.5 Weekly Discretionary Spending Money

For New Zealanders, the mean weekly discretionary spend was \$96.30, with a standard deviation of \$94.54. Weekly discretionary spend ranged from \$0.00 to \$500. For Thais, the mean weekly discretionary spend was 1378.40 Thai baht, with a standard deviation of

1256.24 baht. Weekly discretionary spend ranged from 200 baht to 10,000 baht. The disposable income of New Zealanders and Thais is illustrated in Table 6.4.

Table 6.4: Relative Disposable Income of New Zealanders and Thais in US\$

	New Zealand	Thailand
Mean Discretionary Income	NZ\$96.30	Baht 1378.40
Std Deviation	NZ\$94.54	Baht 1256.24
Minimum Discretionary Spend	NZ\$0	Baht 200
Maximum Discretionary Spend	NZ\$500	Baht 10,000
Disposable Income US\$ based on PWT	US\$66.41	US\$115.44

Purchasing power parity (PPP) suggests that price levels in two countries should be identical after these have been converted into a common currency. Measures of PPP can be used as a basis for comparing the standard of living between countries. Employing the Penn World Table (PWT) (Heston, Summers & Aten, 2006) New Zealand's PPP in 2003 was 1.45, whereas for Thailand PPP was 11.94. This means that NZ\$1.45 was required to purchase the same quantity of goods and services in New Zealand as US\$1 would purchase in the US, and that 11.94 Thai Baht was required to purchase the same amount of goods and services in Thailand.

Based on these figures the mean disposable income for New Zealanders in US\$ terms adjusted for PPP is US\$66.41. For Thais it is US\$115.44. This shows that the relative disposable income of Thai respondents to this survey appears to be substantively higher than that of the New Zealand respondents.

This analysis suggests that the Thai respondents had a higher disposable income than their New Zealand counterparts. This may have implications for some of the subsequent results reported in this chapter. Thais may be able to purchase luxuries on a more frequent basis, and this may colour their perceptions.

6.1.6 When was a Luxury Product Last Purchased?

Respondents were asked to specify when they last purchased a product that they considered to be a luxury product. Table 6.5 summarises the results from this question based on nationality.

Table 6.5: Timing of most recent purchase of a luxury product

“When did you last purchase a product that you considered to be a luxury product”	New Zealanders %	Thais %	Total %
Last Week	44	37	40
Last Month	20	37	30
Last 3 Months	14	10	11
Last 6 Months	12	7	10
Last Year	5	7	7
Over 1 year	3	2	2
Never	2	0	1

The results presented in Table 6.5 indicate that virtually all respondents have purchased a product that they consider to be a luxury at some stage in their life. Only two percent of New Zealanders, one percent of the total sample, claim never to have purchased a luxury in their lifetime. A majority of both New Zealanders (64 percent) and Thais (74 percent) claim to have purchased a luxury product within the last month. This indicates that student respondents from both countries are familiar with the purchase of products that they subjectively perceive to be luxuries. This also confirms findings obtained from the focus group discussions, and also appears to confirm the observed phenomenon of the democratisation of luxury (Twitchell, 2002).

6.1.7 Type of Luxury Product Last Purchased

Respondents were asked to specify the category of luxury product that they most recently purchased. Table 6.6 summarises the results obtained from this question based on both nationality and gender.

The results presented in Table 6.6 indicate that the type of luxury product that was most recently purchased varies by both nationality and gender. The most common category of luxury product purchased across the entire sample was fashion accessories. Fashion accessories were far more prevalent among Thai students than their New Zealand counterparts, with almost half the Thai students reporting this category as their most recent purchase. This product category was not popular among New Zealand students of either gender, with around five percent of the New Zealanders reporting a purchase in this

category. This result suggests that luxurious fashion accessories are extremely important for Thai students, but not for New Zealand students.

Table 6.6: Product Category of Most Recent Luxury Purchase by Nationality and Gender

	NZ Male (%)	NZ Female (%)	Thai Male (%)	Thai Female (%)	Total (%)
Fashion Accessories	5	7	47	49	28
Clothing	5	28	19	24	21
Alcohol	16	6	14	13	11
Electronics	26	13	2	1	9
Entertainment	9	10	5	3	7
Dining	2	3	9	5	5
Travel	2	8	2	1	4
Other	7	6	2	3	4
Food	14	3	0	0	3
Leisure Equipment	7	5	0	0	3
House wares	5	3	0	0	2
Automobile	2	5	0	1	2
Never	0	3	0	0	1

The next most common category of luxury product purchased was clothing. Around a quarter of New Zealand and Thai females reported this category as representing their most recent luxury purchase. Just fewer than twenty percent of Thai males also reported purchases in this category. Purchase of clothing as the most recent luxury purchase was reported by only five percent of New Zealand males. This indicates that among the New Zealand student population females are more likely to buy luxurious clothing than males.

Amongst the survey respondents the third most common category of luxury purchase was alcohol. Around fifteen percent of New Zealand males and Thais of both genders had purchased alcohol that they considered to be a luxury. New Zealand females were less likely to have purchased alcohol as their last luxury purchase, with only six percent reporting this category.

The fourth most common category of recently purchased luxury product was electronics. Differences appear to exist in the inclination to purchase electronics based on both nationality and on gender within the New Zealand sample. Virtually none of the Thai

sample had purchased electronics, whereas amongst the New Zealand sample thirteen percent of females had purchased electronics, and over a quarter of males had made a luxury electronic purchase.

Amongst the other product categories reported, entertainment, travel, automobiles, and food were more common amongst New Zealanders and dining was more common amongst Thais. Overall there appears to be greater variability amongst New Zealanders in the type of luxury products that they have purchased than amongst Thais. Eighty percent of Thai males and 86 percent of Thai females most recent luxury purchase can be accounted for by three product categories: fashion accessories, alcohol, and clothing. Fifty-four percent of New Zealand males' most recent luxury purchase is represented by three product categories: electronics, alcohol, and food. Fifty-one percent of New Zealand female's most recent luxury purchase relates to three categories: clothing, electronics, and entertainment. There also appears to be a greater difference between genders in terms of the types of luxury products purchased within the New Zealand sample than within the Thai sample.

6.1.8 Perceived Expense of Last Luxury Product Purchased

The perceived expensive to acquire of the most recently purchased luxury product was measured on a 9 point rating scale. The scale was anchored with 1 being inexpensive, and 9 being very expensive. The mean scores and standard deviations for both nationalities are reported in Table 6.7.

Table 6.7: Perceived Expense of Last Luxury Product Purchase

	New Zealand	Thai	Total	F	sig
Mean	3.9538	4.2965	4.1490	2.893	.090
Std. Deviation	1.87956	1.61477	1.73903		

Table 6.7 indicates a difference between New Zealanders and Thais of about 0.35 on a 9 point likert scale. An ANOVA was conducted to assess whether this is a significant difference. The result of the ANOVA is reported in Table 6.7 and indicates that the difference between the New Zealand sample and the Thai sample, in terms of the perceived expensiveness of their most recent luxury purchase, is small and not significant.

6.2 Cultural Orientation

Section 3 of the survey consisted of a 32 item scale developed by Singelis et al. (1995) to measure the VH and INDCOL four quadrant typology of cultural orientation.

A factor analysis was conducted to purify this scale and to establish the dimensionality of the cultural orientation of the respondents to the survey. MANOVA and univariate ANOVAs were performed on the derived factors to establish whether differences existed between New Zealanders and Thais in their cultural orientation. Rank order analysis and a series of t-tests were employed to establish the cultural orientations of importance for New Zealanders and Thais.

6.2.1 Factor Analysis

A factor analysis was conducted utilising the data gathered by Section 3 of the survey instrument. The items contained in this section were developed by Singelis et al. (1995) and operationalises the four quadrant typology of cultural orientation. This scale is broken into subscales which contain an equal number of items ($n=8$) respectively, designed to measure VI, VC, HI, and HC.

The maximum likelihood method was employed to conduct the factor analysis. According to Hair et al. (2006) this type of method is suitable when the objective is to identify constructs within a data set. Varimax rotation is thought to be helpful in aiding interpretation of the factor matrix (Hair et al., 2006). It was anticipated that the 32 items would load onto four factors as described by Singelis et al. (1995).

During the first iteration of the factor analysis, several tests were performed to ascertain the quality of the sample. The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.758, well in excess of the minimum of 0.5 recommended by Hair et al. (2006).

Bartlett's test of sphericity resulted in a Chi-Square of 2561.354 indicating this is statistically significant at the 0.001 level. The Goodness-of-Fit test resulted in a Chi-Square of 712.642, also statistically significant at the 0.001 level demonstrating that it was appropriate to perform a factor analysis.

Table 6.8 presents the Eigenvalues and percentage of variance for the largest ten factors obtained during the first iteration of the factor analysis.

Table 6.8: Eigenvalues and percentage of variance of factors for cultural values items

	Factors									
	1	2	3	4	5	6	7	8	9	10
Eigenvalue	4.12	3.68	2.45	2.33	1.52	1.30	1.17	1.08	1.04	.99
% of Variance	12.9	11.52	7.68	7.29	4.76	4.08	3.66	3.39	3.26	3.11

Analysis of the Eigenvalues suggests that nine factors can be retained due to Eigenvalues over the threshold of one. The total variance accounted for by the nine factors is 58.576 percent. Before a determination of the number of factors to be retained can be made, the final two methods for determining the number of factors need to be considered.

The scree plot for the factor analysis is illustrated in Appendix E. An inspection of the scree plot suggested that a five factor solution was appropriate as there is a distinct trailing off of the curve after factor five.

The fourth method of determining the number of factors is the interpretability of factors. The initial rotated factor matrix is attached as Appendix F. If a factor loading of 0.40 is used as the initial cut-off point, there are five items that load on factor one, five items on factor two, three items on factor three, three items on factor four, three items on factor five, one item on factor six, two items on factor seven, two items on factor eight, and no items on factor nine. This suggests that only five factors should remain. There are several items that do not possess simple structure. One factor is uninterpretable. Once this was considered, and the offending items removed from analysis, only four factors remain that possess at least three items with significant factor loadings.

The following is a summary of the analysis above:

1. Eigenvalue criteria suggest a nine factor solution, as there are nine factors with an Eigenvalue greater than one.
2. The percentage of variance method suggests a ten factor solution as ten factors are required to account for greater than sixty percent of the total variance in the data.

3. Inspection of the scree plot suggests that a five factor solution is appropriate.
4. Only four factors have at least three items with significant loadings and simple structure.

Based on the preceding analysis a four factor solution was specified for subsequent refinement of the factor solution. This is consistent with the pattern that emerged in the development of the scale (Singelis et al., 1995) and confirmed by subsequent researchers (e.g., White, 2005). Whilst a five factor solution was suggested by the analysis of the scree plot, a decision was made to omit this factor. This decision was made on the basis of having interpretable factors that had at least three items possessing simple structure.

The next iteration of the factor analysis used the maximum likelihood method with varimax rotation and specified a four factor solution. The factor scores were saved as variables for use in subsequent analyses. A cut-off of 0.40 was applied for the factor loadings as this is generally seen as signalling a high enough correlation coefficient of the item with the factor (Leech, Barrett & Morgan, 2008). Factor one had five items that loaded significantly, factor two had five items, factor 3 had six items, and factor four had three items. The items that did not possess simple structure and those that did not load significantly were excluded from subsequent analysis.

A further iteration of the factor analysis was conducted with a four factor solution specified. This iteration of the factor analysis was conducted without the items that did not possess simple structure. This produced a rotated factor matrix where only one item loaded at less than 0.40. This item was removed and the factor analysis was performed again. The final rotated component matrix with Eigenvalues, percentage of variance in the data accounted for by each factor and Cronbach Alphas for the resultant subscales is presented in Table 6.9.

In Table 6.9 the Cronbach alphas range from 0.767 to 0.517. Only the alpha for the horizontal collectivism subscale is below the threshold score of 0.6 for determining whether a scale possesses satisfactory internal consistency reliability (Malhotra, 1999). After reviewing this subscale it was determined that the scale be retained as presented in Table 6.9 for two reasons. First, all items clearly belong to the horizontal collectivism

construct. Second, whilst the reliability does not reach the threshold of 0.6, it is not excessively low.

Table 6.9: Final Rotated Factor Matrix for Cultural Values Data

Item	Factor			
	VI	VC	HI	HC
When another person does better than I do I get tense and distressed (VI)	.881			
It annoys me when people perform better than I do (VI)	.799			
It is important that I do my job better than others (VI)	.570			
Winning is everything (VI)	.465			
We should keep our aging parents at home with us (VC)		.761		
Children should be taught to place duty before pleasure (VC)		.589		
I would do what pleases my family even if I detest the activity (VC)		.583		
I would sacrifice an activity that I enjoy if my family did not approve of it (VC)		.464		
I am a unique individual (HI)			.734	
I often do my own thing (HI)			.572	
I like privacy (HI)			.549	
What happens to me is my own doing (HI)			.509	
To me pleasure is spending time with others (HC)				.595
I feel good when I cooperate with others (HC)				.536
The well-being of my co-workers is important to me (HC)				.442
Initial Eigenvalue	2.913	2.064	1.853	1.612
% variance	19.418	13.760	12.356	10.748
Cronbach's Alpha	.767	.697	.677	.517

6.2.2 Multicollinearity Test for Cultural Orientation Factors

Table 6.9 appears to illustrate a factor solution that yields clear distinction between the different factors. An additional test was conducted to establish that all factors belong to separate constructs. Two regression analyses were conducted using a dependent variable (status-seeking) and the emergent factors as independent variables (the constructs as measured on a summated scale of the items attached to each factor as contained in Table 6.9). The first regression utilised the stepwise method, and the second utilised the enter method. The summated scales were used for this analysis, as opposed to the derived factor scores. The purpose of this test is to establish whether multicollinearity exists. A

significant increase in the r^2 from one method to another is indicative of the presence of multicollinearity. If present this would indicate that the factors are not separate constructs. Table 6.10 contains the results of this test. The increase in r^2 from one method (stepwise) to the other (enter) is 0.011. The small change suggests that the different constructs do not represent the same phenomena.

Table 6.10: Regression Analysis – Multicollinearity Test

Dependent Variable	Predictor Variable	B	Std. B	t	Sig	R ² (Model)
Status ^a	(constant)	.000		-.004	.997	.115
	Vertical Collectivism	.271	.253	4.627	.000	
	Vertical Individualism	.232	.233	4.269	.000	
Status ^b	(Constant)	.001		.016	.987	.126
	Vertical Individualism	.231	.233	4.276	.000	
	Vertical Collectivism	.265	.247	4.534	.000	
	Horizontal Individualism	-.110	-.102	-1.876	.062	
	Horizontal Collectivism	-.019	-.016	-.292	.770	

^aMethod: Stepwise

^bMethod: Enter

6.2.3 Discussion: Structure of Cultural Orientation

The four quadrant VI, VC, HI, and HC typology of cultural orientation was confirmed by the factor analysis. The original construct that each item in Table 6.9 was originally intended to measure is illustrated in parentheses in Table 6.9. All items correlate with other items that purport to measure the same construct. This justifies the retention of the VH and INDCOL operationalisation.

However, the results obtained from the factor analysis of the 32 item scale (Singelis et al., 1995) employed to measure the four quadrant typology of cultural orientation raises an issue with the robustness of the scale. The final rotated factor solution illustrated in Table 6.9 differs substantively from that which was uncovered by Singelis et al. (1995), and by other researchers who have employed the scale in their research (e.g., White, 2005).

Specifically, the number of items that load onto each factor has been significantly reduced. When the number of items in a scale is reduced after administration this poses a challenge to the robustness of the scale. The reliability of the scale, in particular, comes into question. The meaning of a construct that was originally operationalised using x number of items may be altered if y number of items are employed to measure it.

One reason why the number of items has been reduced in this study compared with others is that a higher cut-off for the factor loading for retaining items was applied. In the current study, a cut-off of 0.4 was used. This contrasts with White (2005), for example, who employed a cut-off of 0.3 and largely replicated the results obtained in the original scale formulation. This suggests that the retained items in this scale have a higher average correlation coefficient than has been the case in some other studies. This improves the validity of the scale.

The inability to replicate the Singelis et al. (1995) scale in this study mirrors the experience of some other researchers (e.g., Kurman & Sriram, 2002; Soh & Leong, 2002). A probable issue with the scale is that 32 items is not particularly parsimonious. Since the data used in this study was collected Sivadas, Bruvold, and Nelson (2008) have published a reduced version of the VH / INDCOL scale. This uses 14 of the original items derived from the Singelis et al. (1995) scale. The present study retained 15 items. However, only 6 items are common to both the derived scales used in this research and the reduced scale validated by Sivadas, Bruvold and Nelson (2008).

It has been argued that the use of the four quadrants VI, VC, HI and HC typology of cultural orientation is a theoretical advance on the use of a dichotomous measure of individualism versus collectivism in consumer research (Shavitt et al., 2006). However, it is suggested that substantial improvements need to be made in respect of the measurement of these constructs if full use is to be made of them.

6.2.4 Cultural Orientation of Respondents

A MANOVA was conducted to assess if there were differences between the two national samples on a linear combination of the different cultural orientations being VI, VC, HI, and HC. The assumptions of independence of observations and homogeneity of

variance/covariance were checked and met. A significant difference was found, (Wilks Lambda $\Lambda = 0.426$, $F = 101.152$, $p = <0.001$.) The MANOVA confirms the expectation that the New Zealand portion of the sample would possess different cultural orientations than the Thai portion (Hofstede, 1980; Schwartz, 1992; 1994).

Follow-up univariate ANOVAs confirmed a significant difference between New Zealand and Thai respondents in terms of their orientation towards VI ($F = 16.199$, $p = 0.000$), VC ($F = 350.322$, $p = 0.000$) and HI ($F = 12.625$, $p = 0.000$). No significant difference was found in respect of HC.

These results indicate that the two cohorts differ significantly on three of the four different cultural orientations. The New Zealand cohort placed greater importance on values consistent with the VI and HI cultural archetypes than the Thai cohort. This would seem to support the findings of other researchers (Hofstede, 1980; Schwartz, 1992; 1994), documenting that New Zealand is a more individualistic country than Thailand.

Prior research has indicated that Thais have a greater inclination towards the vertical dimension of culture than New Zealanders (Hofstede, 1980; Schwartz, 1992; 1994). The coefficients distinguishing New Zealanders and Thais on VI and VC in this study only partially support these findings. A significant difference exists between New Zealand and Thai groupings on the VI cultural archetype with New Zealanders being more likely to possess these values ($\beta = 0.363$, $p = 0.000$, multivariate $\eta^2 = 0.051$). Thais, as expected, are far more likely than New Zealanders to possess values consistent with VC ($\beta = -1.179$, $p = 0.000$, multivariate $\eta^2 = 0.536$).

These results suggest that the vertical dimension of culture has some relevance for some New Zealanders, but only when it is consistent with individualistic traits. This can be contrasted with Thais who embrace the vertical dimension of culture, but only in a collectivist manner.

However, some caution should be exercised in extrapolating the results obtained in this analysis to the wider New Zealand and Thai populations. The samples used to obtain these results were obtained from a small sample of students from two universities. These samples are not representative of the wider populations. That significant differences

emerged between the two groups contained in this research was not unexpected, and appears to largely confirm the results obtained in more substantive studies. The significant difference obtained in respect of VI and the lack of a significant difference obtained in respect of HC would need to be confirmed by more extensive research before these results could be generalised.

6.2.5 Relative Cultural Orientation of New Zealanders and Thais

This section seeks to establish the relative position of New Zealand and Thai cohorts in the sample in terms of the cultural constructs listed in Table 6.9.

6.2.5.1 Rank Order Analysis

A summated scale was created for each of the constructs identified in Table 6.9. A weighted average based on a five point scale was obtained. A rank order number from one to four was then assigned to each construct for each individual. Where an individual had obtained the same weighted score on two different constructs the same rank was assigned. For example, if the two highest ranking constructs had the same value the rank “one” was assigned to both, and the rank “three” was assigned to the next highest scoring item. Results of this analysis are contained in Table 6.11.

Table 6.11 indicates that over half of New Zealanders scored highest on HI, and that a further 40 percent of New Zealanders ranked second highest on this cultural orientation. HC also appears to be representative of a large number of New Zealanders, with almost half ranking highest on this dimension and a further third ranking second highest. The results also show that New Zealanders included in the survey are not culturally orientated towards the vertical dimension, in either the individualistic or collectivist form. Based on this analysis, it appears that the primary cultural orientation of the New Zealand students, in this study, is horizontal, with significant numbers of both individualists and collectivists.

Table 6.11: Percentage of Respondents based on importance attached to each cultural construct

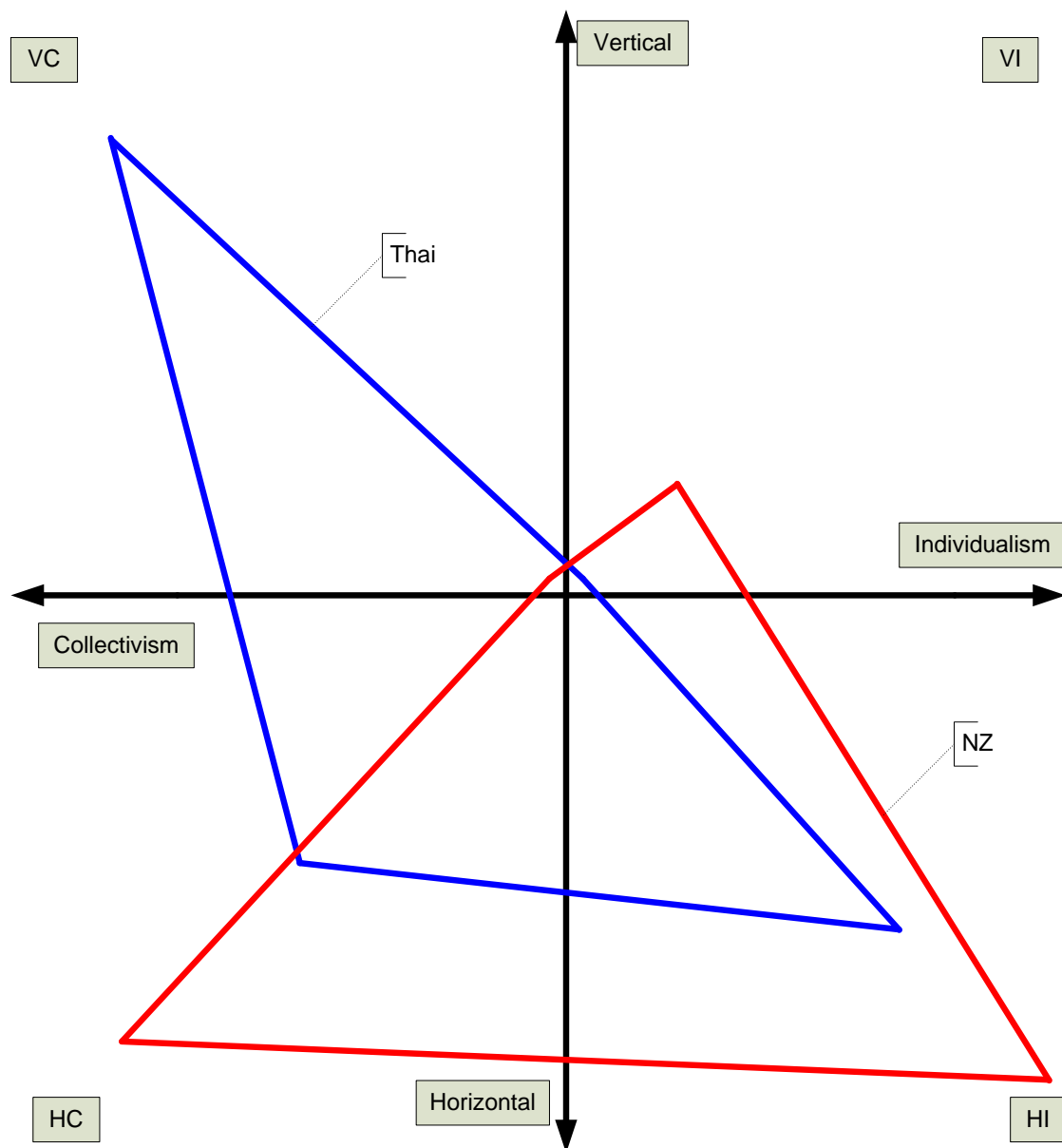
	New Zealanders (%)	Thais (%)	Total (%)
Vertical Individualism (rank)			
1	12	2	6
2	11	5	7
3	45	21	31
4	32	73	56
Vertical Collectivism (rank)			
1	2	49	29
2	8	38	25
3	42	9	23
4	48	4	23
Horizontal Individualism (rank)			
1	52	36	43
2	40	23	30
3	6	34	22
4	2	6	4
Horizontal Collectivism (rank)			
1	48	29	37
2	35	31	33
3	5	32	23
4	2	8	7

Note: Where more than one cultural archetype received the same score based on a weighted average of the summated scale they were given the same rank. As such percentages in this table may not add to 100%.

The form of cultural orientation that appears to best represent Thai portion of the sample is VC. Almost half of the Thai respondents scored highest on this dimension, and almost forty percent scored second highest on this dimension. Interestingly, three-quarters of the Thais ranked VI as the construct that was the least relevant for them. Significant numbers of Thai respondents also ranked highly on both horizontal dimensions. Overall it appears that among the Thai cohort in this study the strongest identification is with the collectivist dimension of culture and this manifests itself more often in its vertical form than its horizontal form.

Figure 6.1 illustrates the number of New Zealanders and Thais who primarily identified with each form of cultural orientation in the four quadrant typology.

Figure 12.1: Visual Representation of the Cultural Orientation of New Zealand and Thai Respondents



6.2.5.2 Analysis of Mean Scores

Table 6.12 illustrates the mean scores of New Zealanders and Thais on each subscale based on a five-point scale. The t-statistic for both nationalities, the data set as a whole, and the ANOVAs are also reported in Table 6.12. A positive t-statistic represents a relatively high orientation towards the construct, whilst a negative t-statistic represents a low level of orientation towards the construct.

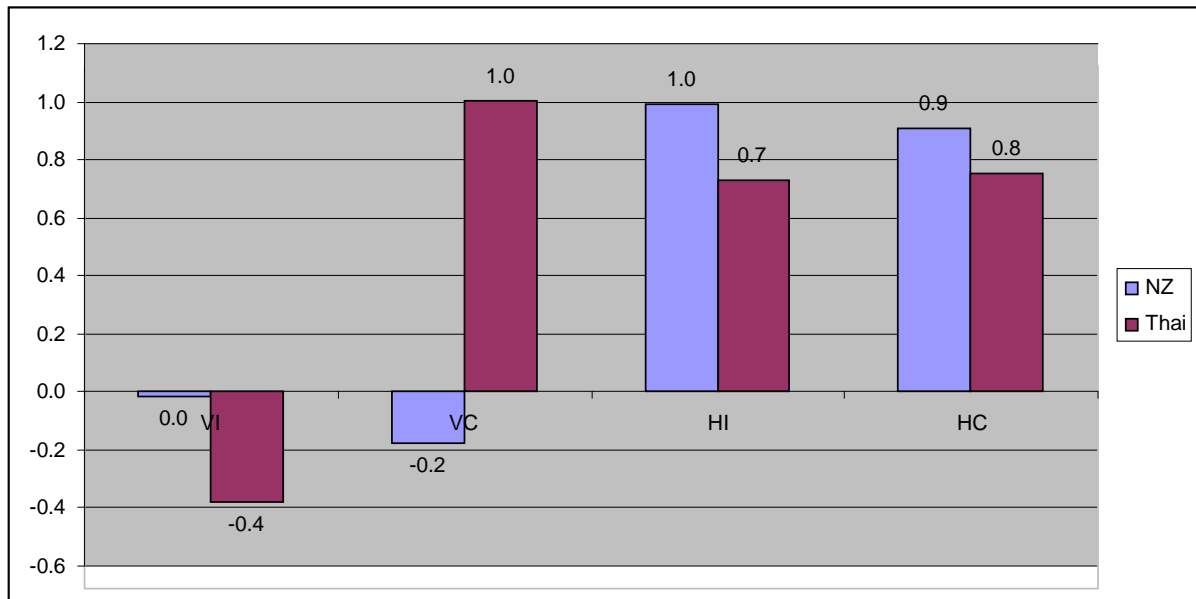
Table 6.12: Means and Significance Testing for New Zealanders and Thais on Cultural Orientation Factors

	VI	VC	HI	HC
New Zealand				
Mean	2.9885	2.8212	3.9923	3.9051
Std. Deviation	.79659	.59734	.53640	.61033
<i>t</i>	-.165	-3.414	21.164	16.909
sig. (2-tailed)	.869	.001	.000	.000
Thailand				
Mean	2.6207	4.0028	3.7300	3.7557
Std. Deviation	.76531	.50071	.70428	.61435
<i>t</i>	-6.754	26.571	13.712	16.318
sig. (2-tailed)	.000	.000	.000	.000
Total				
Mean	2.7803	10.897	3.8418	3.8186
Std. Deviation	.79763	.79743	.64966	.61703
<i>t</i>	-4.810	10.897	22.630	23.169
sig. (2-tailed)	.000	.000	.000	.000
ANOVA				
F	16.672	353.053	12.625	4.449
Sig	.000	.000	0.000	.036

There was only a minimal gender-based effect on cultural orientation in the data set. For New Zealanders, there is a gender-based difference in the importance attached to VI ($F = 3.313$, $p = <0.05$). New Zealand males are more likely to be orientated towards VI than New Zealand females. No significant gender based differences exist for VC, HI or HC amongst New Zealanders. No significant gender-based differences in cultural orientation existed for Thais.

Figure 6.2 illustrates the positions of the New Zealand and Thai cohorts in relation to the mid-point of the scale.

Figure 6.2: Position of New Zealand and Thai Respondents in Respect of Different Forms of Cultural Orientation



6.2.5.3 *Discussion of Results for Cultural Orientation of New Zealanders and Thais*

The finding that VC is the dominant form of cultural orientation for the Thai portion of the data provides reinforcement for prior results obtained by cross-cultural values researchers (Hofstede, 1980; Schwartz, 1992; 1994). However, although VC is the dominant cultural orientation among the Thai cohort, both HI and HC existed at substantial levels.

Among the New Zealanders surveyed, both horizontal dimensions of culture assumed importance, although a small number of individuals had an orientation towards VI. This finding is at odds with that of other researchers who have ascertained that New Zealanders were primarily individualistic and horizontal in their orientation (Hofstede, 1980; Schwartz, 1992; 1994). The finding that HC reflects the orientation of a substantial number of the New Zealanders in this study appears to be at odds with the findings obtained in these major studies of cultural values. Although the results obtained in this study challenge the assumption that New Zealanders are primarily HI some caution should be exercised in generalising these results to the wider population. However, it does appear that there is a wide variation within the sample employed in this study in terms of their cultural orientation.

The results obtained from an analysis of the mean scores of each cohort on the cultural orientation scales mirror those obtained from the rank order analysis. Both sets of results suggest that there is substantial variation in cultural orientation at the individual level. Another trend to emerge in the data is that many individuals possess values that are consistent with more than one cultural orientation. This documents that it is possible for individuals to possess a range of cultural values that have motivational importance. Whilst an individual may primarily orientate on one typology, the primary orientation should not be regarded as exclusive.

The results obtained here illustrate both the importance of measuring cultural orientation rather than relying on existing measures of cultural orientation, and the importance of employing an individual's values rather than an aggregated mean in analysing the effects of cultural orientation on behaviour. A reliance on an aggregated measure carries with it the possibility of distorting results.

6.3 Motivation for the Consumption of Luxury Products

6.3.1 Factor Analysis

A factor analysis was conducted utilising the data from Section 1 of the survey instrument. The items contained in this section were developed specifically for this study. As described in Chapter 5 four items were designed to measure the five types of motivation for the consumption of luxury products: status, uniqueness, conformist, quality and hedonic suggested by Vigneron and Johnson (1999).

The methods used for the factor analysis mirror those described in Section 6.3.1 utilising the maximum likelihood method with varimax rotation (Hair et al., 2006). It was hypothesised that the 20 items would load onto the five types of motivation suggested by Vigneron and Johnson (1999).

During the first iteration of the factor analysis, several tests were performed to examine the adequacy of the sample. The Kaiser-Meyer-Olkin statistic was 0.838, in excess of the

recommended minimum of 0.50 (Hair et al., 2006). Bartlett's test of sphericity had a Chi-Square of 2.174.040, which was statistically significant at the 0.001 level. The Goodness-of-Fit test resulted in a Chi-Square of 208.620 also statistically significant at the 0.001 level. These tests indicated that a factor analysis was appropriate for this data.

The initial factor analysis produced five factors with Eigenvalues over one. These five accounted for 61.452 percent of the initial variance. Table 6.13 presents the Eigenvalues and percentage of variance for each of these factors. This would suggest that a five factor solution is appropriate for representation of this data.

Table 6.13: Eigenvalues and percentage of variance of factors for luxury motivation items

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Eigenvalue	5.459	2.545	1.828	1.439	1.019
Percentage of Variance	27.294	12.726	9.141	7.196	5.095

The scree plot of the factor analysis for the motivation for consuming luxury products items is contained in Appendix G. Examination of the scree plot suggested that a five factor solution was appropriate, as from factor five onwards there is a distinct trailing-off of the slope (Malhotra, 1999).

The initial rotated factor matrix for this analysis is contained in Appendix H. Six items loaded on factor one in excess of 0.40, six items on factor two, three items on factor three, two items on factor four, and three items on factor five. Only four factors had at least three items that loaded in excess of 0.40, indicating that a four factor solution was more appropriate, as this was more interpretable.

The factor analysis was then repeated with a four factor solution specified. This produced a rotated factor matrix that possessed one item that did not have simple structure, and one item that did not load above the threshold of 0.40. These items were removed and the factor analysis was performed again. The resulting rotated factor matrix is presented in Table 6.14.

Table 6.14: Final Rotated factor Matrix for Motivation for Consuming Luxury Products

Item	Factor			
	Status Seeking	Pleasure Seeking	Uniqueness Seeking	Value Seeking
It is important that I advertise my success by owning luxury products	.790			
I hope people think I am wealthy when they see me with a luxury product	.737			
It is important that people know that a luxury product that I own was expensive	.726			
A luxury product is worth more if people think it is a status product	.715			
People are more likely to accept me if they see me with a luxurious product	.609			
Sometimes it is necessary to purchase a luxury product to gain membership of a group	.569			
A luxury product is more valuable to me if it has the ability to make me feel better about myself		.677		
My reason for consuming luxuries is that it puts me in a good mood		.655		
Luxury products should give me pleasure		.590		
The performance of a luxury product is my major reason for purchase		.530		
I prefer the luxury products that my friends already own		.526		
If my friend buys something expensive I will consider the same purchase		.448		
I enjoy shopping at stores that carry merchandise that is unusual			.764	
I am more likely to buy a luxury product if it is unique			.727	
I am attracted to rare things			.560	
I tend to be a fashion leader rather than a fashion follower			.413	
I am inclined to purchase a luxury product if it will continue to deliver value over the long-term				.514
I tend to evaluate whether a luxury product is value for money before purchasing it				.467
Initial Eigenvalue	5.353	2.187	1.791	1.300
% variance	29.738	12.148	9.949	7.223
Cronbach's Alpha	.865	.681	.721	.469

6.3.2 Multicollinearity Test for Motivation Factors

The derived factors presented in Table 6.14 appear to be clearly distinct from one another. In order to test this assumption regression analyses were performed following the procedure outlined in Section 6.3.2 above. The change in R^2 from the stepwise method to the enter method is only 0.006. This confirms that multicollinearity is not present between the derived luxury consumption motivation factors.

Table 6.15: Regression Analysis – Multicollinearity Test

Dependent Variable	Predictor Variable	B	Std. B	t	Sig	R^2 (Model)
Expensiveness of last luxury product purchased ^a	(constant)	4.160		41.203	.000	.041
	Status-seeking	.316	.162	2.781	.006	
	Value-seeking	.332	.154	2.163	.031	
Expensiveness of last luxury product purchased ^b	(Constant)	4.155		41.121	.000	.047
	Status-seeking	.296	.152	2.586	.010	
	Pleasure-seeking	.152	.077	1.309	.192	
	Uniqueness-seeking	.052	.026	.436	.663	
	Value-seeking	.339	.128	2.175	.030	

^aMethod: Stepwise

^bMethod: Enter

6.3.3 Discussion: Structure of Motivation for Consumption of Luxury Products

A four factor solution for consumer motivation was derived from the factor analysis. The key difference from the five factor solution conceptualised in the literature (Vigneron and Johnson, 1999) is that conformist motivations did not emerge as a separate factor. Two of the three items designed to measure conformist motivation that were retained in the final

factor solution loaded with the items that were designed to measure status motivation. This suggests that consumers do not make a distinction between status motivations and conformist motivations. All the items that loaded onto this factor can be interpreted as indicating a desire on the part of the consumer to signal status. This might manifest itself as signalling status to undetermined others or to members of a specific group. This factor can be described as “status-seeking”.

The resultant subscale for status-seeking contains six items and has a high Cronbach’s alpha of 0.865. This indicates that these six items are a reliable measure of status-seeking motivation for the consumption of luxury products.

The second factor to emerge from the factor analysis can be described as “pleasure-seeking”. Of the four items that loaded on this factor, two were designed to measure hedonic motivation, one item was designed to measure quality motivation, and one item was designed to measure conformist motivation. The item designed to measure quality motivations is “The performance of a luxury product is my major reason for purchase”. Superior performance has been shown to lead to increased pleasure in the consumer (Oliver, Rust & Varki, 1997). This might explain why an item exploring the influence of performance on purchase is related to items measuring hedonic motivation. Consumers may anticipate that outstanding performance of a product will lead to pleasure.

The final item that loaded on this factor is “I prefer the luxury products that my friends already own”. Designed to measure conformist motivation, this item does not appear to relate well to the other items that loaded onto the pleasure-seeking factor. An argument can be advanced that consumers may be motivated to purchase luxury products already owned by friends, as they have observed that the product in question is one that has provided satisfaction and pleasure to its owner. It is somewhat unlikely that they would be motivated to purchase a luxury product that has not proved pleasurable to its owner. Consumers may use the behaviours and opinions of their friends (e.g., continued ownership of a luxury product) as a surrogate indicator that the luxury product will provide them with satisfaction, an example of informational influence (Neal, Quester, & Hawkins, 2006).

The resultant subscale for pleasure-seeking contains four items and has a reasonable Cronbach's alpha of 0.681. This is a reasonable level of internal reliability for the pleasure-seeking scale.

The third factor derived from the analysis is styled "uniqueness-seeking". This factor contains all four items derived from the DUCP scale (Lynn & Harris, 1997) included in the survey instrument to measure uniqueness motivation. The resultant subscale possesses good internal reliability (Cronbach's Alpha = 0.721), and can be considered a good measure of uniqueness-seeking.

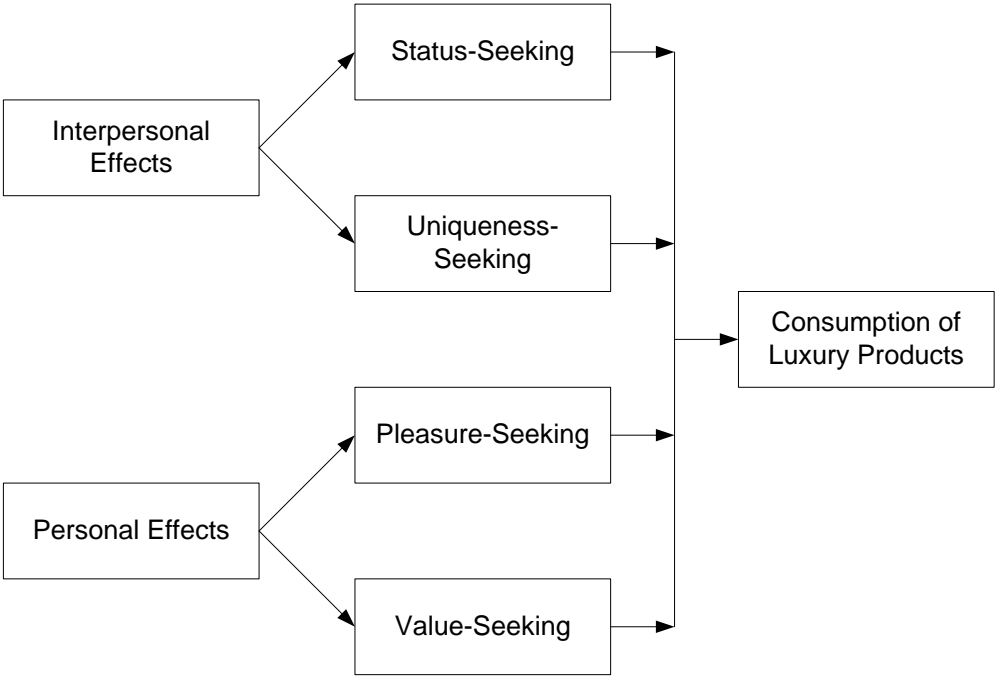
The final factor to emerge from the factor analysis is composed of two items called "value-seeking". Both items that loaded onto this factor were designed to measure quality motivation for the consumption of luxury products. The items were interpreted as value-seeking rather than quality-seeking, as they both directly address the contribution of the products perceived value to the consumption decision. Of the other items that purported to measure quality motivation, one loaded on the pleasure-seeking factor, and the other was removed from the analysis as it loaded on several factors.

The value-seeking factor that emerged from the analysis has two problems. First, the factor only contains two items, less than the three items generally recommended. Second, the resultant subscale appears to have poor internal reliability (Cronbach's alpha = 0.469). There is also a substantial amount of conceptual similarity between the two items; "I am inclined to purchase a luxury product if it will continue to deliver value over the long-term" and "I tend to evaluate whether a luxury product is value for money before purchasing it". For this reason the factor has been retained. Although the factor has been retained for subsequent analysis extreme caution should be exercised when interpreting the results obtained using this factor.

When viewed as a whole, the derived factor solution contains both interpersonal (status-seeking and uniqueness-seeking) and personal (pleasure-seeking and value-seeking) motives for consuming luxury products. This appears to confirm the views of Vigneron and Johnson (1999), that personal motives contribute to demand for luxury products, and confirms the research findings of Tsai (2005), that personal motivations contribute to consumers deciding to consume luxury products. Based on the foregoing analysis, a

model of how consumer motivation might lead to the consumption of luxury products is illustrated in Figure 6.3.

Figure 6.3: Consumer Motivation for the Consumption of Luxury Products



The model of consumer motivation for the consumption of luxury products presented in Figure 6.3 adds to the literature on the consumption of luxury products and can be used as a basis for future investigation of the phenomenon of luxury product consumption.

6.3.4 Analysis of Mean Scores

A summated scale was created for each of the four motivational factors identified in Table 6.14. The mean scores on the four motivational factors were calculated and are reported in Table 6.16, along with t-tests based on the whole sample and for each nationality separately. Conformist motivation is not included in Table 6.16 as it did not emerge as a separate factor. Consequently **H3** was not tested as conformist motivation did not emerge as a separate factor.

Table 6.16: Means, T-Test and Analysis of Variance for Luxury Consumption Motivators for New Zealanders and Thais

	Status Seeking	Pleasure Seeking	Uniqueness Seeking	Value Seeking
New Zealand				
Mean	8.5692	12.4615	12.8154	16.3538
Std. Deviation	3.45475	2.47481	2.67282	3.27040
<i>t</i>	-11.323	2.126	3.478	15.179
sig. (2-tailed)	.000	.035	.001	.000
Thailand				
Mean	9.2955	9.6207	12.9205	17.5480
Std. Deviation	3.17827	2.64061	3.33028	2.09415
<i>t</i>	-11.061	-12.050	3.842	34.613
sig. (2-tailed)	.000	.000	.000	.000
Total (NZ & Thailand)				
Mean	8.9869	10.8355	12.8758	17.0423
Std. Deviation	3.31259	2.90908	3.06395	2.71672
<i>t</i>	-15.744	-6.979	5.151	32.065
sig. (2-tailed)	.000	.000	.000	.000
ANOVA				
F	3.625	87.589	.088	15.152
Sig	.058	.000	.767	.000
Eta ²	.012	.225	.000	.047

Based on the results contained in Table 6.16, status-seeking did not emerge as an important motivator of the consumption of luxury products. This was the case for both cohorts in the data, with the mean scores for both groups indicating that the consumers in this study did not place importance on status-seeking as a motivator of luxury consumption. Hypothesis **H1** is not supported as consumers do not possess high levels of status-seeking motivation for consuming luxury products. The finding that the consumers do not possess significant levels of status-seeking motivation for the consumption of luxury products is inconsistent with prior research findings (Chao & Schror, 1998) suggesting that the pursuit of status is an important motivator of a consumers decision to consume luxury products. There are several possible explanations for this finding.

The respondents to this survey are students with incomes below the average societal level in both New Zealand and Thailand, and thus may not be actual consumers of products

that are universally recognised as symbolising prestige and status within their society. The prestige-pricing strategy employed by many marketers of luxury products advocates setting the price of a product to appeal to status-conscious consumers (Groth & McDaniel, 1993). Differences have been found to exist in the level of perceived conspicuous value of products in the luxury products sphere (Vigneron and Johnson, 2004). Thus, some luxury products may possess more worth as status products than others. The purchase of true status products may not be considered by consumers whose incomes do not allow for this, and as such the importance of status-seeking through consumption may not assume as much importance as it may do for those who are able to afford recognised status-products. Income and occupation have previously been found to correlate with status consumption (Chao and Schror, 1998). The result of the multiple regressions contained presented in Table 6.15 indicate that a weak relationship existed between status-seeking and the perceived expensiveness of the last luxury product purchased. This indicates the possibility that as the price of the luxury product consumed increases the importance of status-seeking motivations may also increase.

Another possible explanation for the finding that status-seeking motivations were not important for the respondents in this research is that consumption choices may not be a legitimate means of acquiring status amongst students in New Zealand and Thailand. Eastman, Goldsmith and Flynn (1999) confirmed that status may be acquired through assignment, achievement, and consumption. When discussing an ethnic group in Bolivia who also do not seek status through consumption, van Kempen (2007) advances the argument that this ethnic group still sought status through their traditional prestige system rather than by their consumption choices. A similar argument may be advanced in respect of New Zealand and Thai students. They may seek status through achievement (e.g., sporting success and / or academic success), or assignment (e.g., their parents social standing), before consumption.

Another plausible explanation for the lack of importance assigned by consumers to status-seeking motivation for the consumption of luxury products is that people may give biased answers that are socially acceptable. Motives for consumption may be either manifest or latent. Manifest motives are those that are freely admitted and are often consistent with the prevailing value system of a society, such as a desire to help others. Latent motives are those motivations that the consumer may not be aware of, or may not be willing to

admit to, such as the desire to harm others (Neal, Quester, & Hawkins, 2006). In a society that has a horizontal value system, such as that possessed by the New Zealand cohort, overt pursuit of status might be seen as socially undesirable, and not freely admitted by respondents as it is in conflict with the prevailing value system. For a vertical society, represented by the Thailand cohort, this explanation makes less *prima-facie* sense.

The results reported in Table 6.16 indicate that uniqueness-seeking is a significant motivator of the consumption of luxury products for consumers ($t = 5.151$, $p = 0.000$). This finding appears to hold for both the New Zealand respondents ($t = 3.478$, $p = 0.001$) and the Thai respondents ($t = 3.842$, $p = 0.000$). **H2** is therefore supported as consumers possess high levels of uniqueness motivations for the consumption of luxury products. This appears to confirm previous research findings that motivation for consuming luxury products increases in line with the perceived scarcity of the luxury product (Groth & McDaniel, 1993; Verhallen & Robben, 1994).

Based on the results presented in Table 6.16, value-seeking is a significant motivator of the consumption of luxuries ($t = 32.065$, $p = 0.000$). For both New Zealanders ($t = 15.179$, $p = 0.000$) and Thais ($t = 34.613$, $p = 0.000$) value-seeking emerged as the most important motivation for the consumption of luxury products. Hypothesis **H4** is therefore supported, as value-seeking is a significant motivator for consumers. That consumers are motivated to consume luxury products by their perceived value is not surprising and confirms previous research (Tsai, 2005).

There are mixed results for the influence of pleasure-seeking motives on a decision to purchase a luxury product. The overall t-test for consumers is -6.979 ($p = 0.001$). This suggests that consumers generally are not influenced by pleasure-seeking. However, this result was influenced by a large difference between the two cohorts. When the results are analysed on the basis of nationality, mixed results emerge for the significance of pleasure-seeking. New Zealanders appear to be motivated by pleasure-seeking in their decision to consume luxury products ($t = 2.126$, $p = 0.035$). Conversely, Thais do not appear to be motivated by pleasure-seeking ($t = -12.050$, $p = 0.000$). **H5** is partially supported as New Zealand consumers possess high levels of pleasure-seeking motivation, whereas Thai consumers do not.

6.4 Analysis of Differences / Similarities between New Zealanders and Thais in Motivation for Consuming Luxury Products

6.4.1 MANOVA

MANOVA was used to assess whether there were differences between New Zealanders and Thais on a linear combination of status-seeking, pleasure-seeking, uniqueness-seeking, and value seeking. Assumptions of independence of observations and homogeneity of variance/covariance were checked and met.

A significant difference was found (Wilks Lambda $\Lambda = 0.540$, $F = 61.167$, $p = <0.001$). **H6** proposed that differences will exist between New Zealanders and Thais in the importance they attach to different types of motivation for the consumption of luxury products. The MANOVA result supports this hypothesis.

6.4.2 ANOVAs

A series of follow-up ANOVAs were performed to assess whether differences existed between New Zealanders and Thais in respect of each form of motivation. **H7** proposed that a difference would exist between New Zealanders and Thais in respect of status-motivation. The ANOVA testing this hypothesis was not significant at the 0.05 level ($F = 3.625$, $p = 0.058$). **H7** is, therefore, unable to be supported. This result confirms that there is no difference between New Zealanders and Thais in their level of status-seeking motivation for consuming luxury products.

ANOVA also indicated that no significant difference exists between New Zealanders and Thais in respect of uniqueness-seeking ($F = 0.088$, $p = 0.767$). This result is confirmed by the effect size obtained ($\text{Eta}^2 = 0.000$). Thus **H8**, that proposed a difference would exist in respect of uniqueness motivation, is not supported. This result suggests that New Zealanders and Thais are alike in their levels of uniqueness-seeking motivation for the consumption of luxury products.

H9 cannot be tested, as conformist motivations did not emerge as a separate motivational category in the factor analysis.

H10 proposed that no difference would exist between New Zealanders and Thais in respect of quality motivation. The results of the ANOVA, using value-seeking as a proxy for quality motivation, indicate that this hypothesis can be rejected ($F = 15.152$, $p = 0.000$). The Eta^2 result for this ANOVA (0.047), however indicated that this can only be considered as a small effect.

H11 proposed that a difference would exist between New Zealanders and Thais in respect of hedonic motivation. The ANOVA testing this hypothesis indicated that a significant difference existed between New Zealanders and Thais in respect of pleasure-seeking ($F = 87.589$, $p = 0.000$). The effect size for this ANOVA can be categorised as a medium effect ($\text{Eta}^2 = 0.225$) **H11** is, therefore, supported.

6.4.3 Discussion: Results of Differences and Similarities in Motivation for Consuming Luxury Products

A significant difference was found between the New Zealand and Thai cohorts in the level of importance attached to the various motivations for the consumption of luxury products. This finding appears to support the proposition put forward by Wong and Ahuvia (1998) that differences will exist between Westerners and South-East Asians in their motivation for consuming luxuries. This significant difference also appears to cast doubt on the assertion that global markets are becoming homogenous (Bullmore, 2000; Czinkota & Ronkainen, 1993; Dholakia & Talukdar, 2004; Levitt, 1983).

No significant difference was found between the New Zealand and Thai cohorts in the importance that they attached to status-seeking motivation for the consumption of luxury products. This suggests that the level of status-seeking is constant across the countries studied. In this respect markets might be homogenous. This is an intriguing finding, as it was expected that consumers in a society that emphasises hierarchy (Thailand) would be more likely to signal their relative status through their consumption choices (Wong and Ahuvia, 1998; Wuthnow et al., 1984). It has been argued that once affluence becomes a

fact of life for consumers, then their focus shifts from a display of status towards self-expression and self-actualisation (Abramson & Inglehart, 1995; Inglehart, 1990). This may provide an explanation for the relatively low level of status-seeking motivation for the consumption of luxury products amongst both New Zealand and Thai respondents. University students in Thailand are likely to come from the more affluent sections of their society. As such, they may mirror their affluent western counterparts in not attaching a great deal of importance to status-seeking motivation for consuming luxuries. Other motivations may assume greater importance.

The form of motivation that had the greatest difference between the New Zealand and Thai cohorts was pleasure-seeking motivation. That a difference exists on this form of motivation was expected (Wong & Ahuvia, 1998). This finding appears to confirm the argument that in a collectivist society, such as Thailand, personal pleasure does not assume a great deal of importance. The extended group cannot experience the pleasure obtained from consuming luxuries; as such it assumes lesser importance.

Respondents from New Zealand and Thailand were also found to differ in the importance that they attached to value-seeking motivation. This result was not expected as it was thought that all consumers would place emphasis on quality motivations. Perhaps the difference can be explained by a greater propensity amongst Thai respondents, when compared with New Zealand respondents, to judge the quality of a product by its brand (Erdem, Swait & Valenzuela, 2006; Wong & Ahuvia, 1998). If a luxury brand is seen as an indicator of quality, it makes sense that the pursuit of quality will form part of a consumer's motivation for consuming a luxury. If quality is not seen as a corollary of a luxury product, then seeking quality through the consumption of luxuries may assume lesser importance.

Surprisingly, no significant difference was found between the New Zealand and Thai cohorts in the motivational importance that they attach to uniqueness. This result is surprising as it was expected that New Zealanders, who were presumed to be individualistic in their cultural orientation, would place greater emphasis on the perceived ability of a luxury product to define themselves as individuals than Thais, who were presumed to be more collectivist in their cultural orientation. A possible explanation of this finding might be grounded in the types of products purchased by the respective

groups. Thai respondents were far more likely to purchase luxury fashion accessories than New Zealand respondents. Fashion accessories might serve as an expression of individuality in an otherwise collectivist schema.

6.5 Relationship between Cultural Orientation and Motivation for Consuming Luxury Products

This section examines relationships between cultural orientation and different forms of motivation for the consumption of luxury products. Cultural orientation is operationalised using the vertical and horizontal, individualism and collectivism dimensions of culture as described in Section 6.3 of this Chapter. Motivation for consuming luxury products is operationalised using the four factor model described in Section 6.4 of this chapter.

The relationships between cultural orientation and motivation for consuming luxury products is tested in the first instance by correlation analysis, and then via a series of multiple regressions. Combined results from the correlation analysis and the multiple regressions are used in order to test hypotheses **H12 to H19** and **H24 to H31**, relating to anticipated effects of cultural orientation on motivation for consuming luxury products. Hypotheses **H20 to H23**, which referred to hypothesised relationships between cultural orientation and conformist motivation for the consumption of luxury products, are not tested, as conformist motivations did not emerge as a separate motivational factor.

6.5.1 Pearson Product Moment Correlation

A Correlation analysis investigated whether there were statistically significant relationships between derived cultural value factors (VI, VC, HI, and HC) and the derived motivation factors (status-seeking, pleasure-seeking, uniqueness-seeking, and value-seeking). The derived factor scores were used for this analysis. All outliers were removed from the data prior to conducting the correlation. An inspection of scatterplots revealed that the assumption of linearity was satisfied. A Pearson product moment correlation was judged as the appropriate means for conducting the correlation. The results of the Pearson product moment correlation are presented in Table 6.17.

Table 6.17: Pearson Correlation Analysis of Cultural Orientation Factors and Luxury Consumption Motivation Factors

	VI	VC	HI	HC
Status-Seeking (r)	.265	.281	-.071	-.056
Sig.	.000	.000	.235	.344
Pleasure-Seeking (r)	.329	-.416	.048	.177
Sig.	.000	.000	.418	.003
Uniqueness-Seeking (r)	.014	.049	.194	.075
Sig.	.812	.407	.001	.205
Value-Seeking (r)	-.140	.241	.271	-.039
Sig.	.018	.000	.000	.514

Nine of the 16 relationships in Table 6.17 are significantly correlated at the 0.05 level. Seven of the correlations are significant at the 0.001 level. The strongest relationship is a negative correlation between VC and pleasure-seeking ($r = -0.416$). Based on Cohen's (1992) guidelines, this can be considered a medium to large effect. The other significant relationships can be considered as of small to medium size.

The relationships uncovered in this analysis are modest. This implies that there are other influences on motivation for consuming luxuries, other than cultural orientation. This is not disputed. Nevertheless, uncovering relatively minor relationships in social science research can be considered important.

These results suggest that an individual's cultural orientation may influence both the type of motivation for consuming luxury products and the degree of this motivation. However, as with any correlation analysis, causality can not be attributed to any of the variables involved.

6.5.2 Multiple Regression

As causality cannot be implied from a correlation analysis, it was necessary to perform subsequent analyses in order to investigate the influence of an individual's cultural orientation on their motivation for consuming luxury products. What follows is a series of multiple regressions that employ the cultural orientation factors as independent variables and the motivational factors as dependent variables.

6.5.2.1

Multiple Regression of Cultural Orientation Factors and Status-Seeking

Linear multiple regression was used to assess the relative strength of four independent predictor variables on a dependent criterion variable. The four independent predictor variables were VI, VC, HI, and HC. The dependent variable in this analysis was status-seeking. The derived factor scores were used for conducting the analysis. All outliers were removed from the data set prior to conducting the analysis.

The multiple regression yielded an r^2 of 0.148 and an adjusted r^2 of 0.136, indicating the goodness of fit of the model. The standard error of the estimate was 0.824. Nearly 15 percent of the variation in status-seeking can thus be explained by cultural orientation (VI, VC, HI, and HC). The model yielded an F statistic of 12.496, significant at 0.000, indicating that the model is significant.

Individual regression coefficients were then tested to determine the significance of each independent variable. Table 6.18 displays the resulting beta values and t-statistic for this analysis.

Table 6.18: Beta Coefficients and t-Statistic for the Regression of Status-Seeking with Cultural Orientation Factors

	Unstandardized Coefficients		Standardized Coefficients	t	Significance Levels
	B	Std. Err	Beta	B	Sig
(constant)	-.012	.048		-.249	.804
VI	.229	.053	.236	4.322	.000
VC	.301	.056	.291	5.338	.000
HI	-.082	.058	-.077	-1.414	.158
HC	-.059	.066	-.049	-.889	.375

(F Statistic = 12.496, $p = 0.000$, $r^2 = 0.148$, Adjusted $r^2 = 0.136$)

The results in Table 6.18 show that the independent variables VI and VC contribute significantly to the prediction of status-seeking. This confirms the results of the Pearson correlation in Table 6.17, that there is a significant relationship at the 0.001 level between both the VI ($r = 0.265$, $p = 0.000$) and VC ($r = 0.281$, $p = 0.000$) forms of cultural orientation and status-seeking motivation for luxury consumption. **H12**, that no relationship would exist between VI and status motivation for consuming luxuries, can be

rejected. **H13** proposing that a positive relationship would exist between VC and status motivation cannot be rejected.

The results summarised in Table 6.18 indicate that no significant relationship existed between the independent variables HI and HC, and the dependent variable, status-seeking. This confirms the results of the Pearson correlation reported in Table 6.17, that no significant relationship exists between the HI ($r = -0.071$, $p = 0.235$) and HC ($r = -0.056$, $p = 0.344$) forms of cultural orientation, and status-seeking as a motivator for the consumption of luxury products. **H14**, that a negative relationship would exist between HI and status motivation for consuming luxury products, is rejected. **H15**, that there is no relationship between HC and status motivation, cannot be rejected.

6.5.2.2 *Discussion: Effect of Cultural Orientation on Status-Seeking*

Both the Pearson correlation and the multiple regression results indicate that a significant, but weak, relationship exists between VI and VC, and status-seeking motivations for the consumption of luxury products. No significant relationship was found between HI and HC, and status-seeking motivations for the consumption of luxury products. These results suggest that the vertical and horizontal dimension of cultural values is a better predictor of status-seeking motivation than the individualism and collectivism dimension of cultural values.

In one important respect this finding makes intuitive sense. If an individual regards inequality in society as acceptable and as a fact of life, it is likely that they will be cognisant of their relative position in society and be concerned by this. This may make them more likely to possess status-seeking motivation for the consumption of luxury products if they perceive that their relative position in society will be improved through this consumption. An individual who perceives society as relatively equal is less likely to be concerned by their relative position in the society. As a consequence they may be less likely to be motivated to consume a luxury product for status-seeking reasons as the conferral of status is less relevant in a horizontal society than in a vertical society.

That an individual's score on the vertical dimensions of culture (VI and VC) can predict, albeit weakly, status-seeking behaviour in motivation for the consumption of luxury products confirms previous research conducted in different cultures and contexts. Research has illustrated that individuals in the US (VI) seek distinction and success (Markus & Kitayama, 1991; Triandis & Gelfand, 1998; Weldon, 1984). As de Mooij (1998) observes, in the US success is communicated and displayed due to a societal tendency to show-off. In contrast, HI societies such as Australia and the Scandinavian countries, a greater emphasis is placed on modesty as a virtue. Individuals who conspicuously advertise their status are regarded with some suspicion (Askgaard, 1992; Daun, 1991, 1992; Feather, 1994; Nelson & Shavitt, 2002; Triandis & Gelfand, 1998). This suggests that the use of products to communicate status may be more acceptable in cultures that are VI than in cultures that are HI. This appears to be supported by the results of this research.

Within VC cultures, an individual's social standing is thought to be influenced by the status of the individual's family and other groups to which the individual belongs (Shavitt, Lalwani, Zhang, & Torelli, 2006). Wong and Ahuvia (1998) argue that when seen with luxury products, South East Asians (VC) are viewed favourably, as this reflects well on their familial obligation. The consumption of luxury products may also thus reflect well on their social groups. HC societies such as the Israeli kibbutz do not place emphasis on status, rather on values such as honesty, directness and cooperation (Triandis & Gelfand, 1998). The consumption of products that locate the individual and his or her group in a vertical hierarchy appears to be more acceptable in a VC society than a HC society. This presumption appears to be supported by the results of this study.

In an unpublished study, Shavitt, Zhang, and Johnson (cited in Shavitt et al., 2006) found that the prevalence of status themes in advertising was greater in vertical cultural contexts than in horizontal cultural contexts. In a content analysis of 1200 magazine advertisements from VI (US), VC (Korea, Russia, and Poland), and HC (Denmark), countries they found that the highest prevalence of status appeals was to be found in VC countries, with the HC country having the least amount of status appeals. Ads in the VI country that emphasised status were in-between the frequency of status ads in the VC countries and the HC country. In an additional unpublished study, Shavitt, Zhang, and Johnson (cited in Shavitt et al., 2006) asked respondents in four separate samples to write

advertising appeals that they personally would find persuasive. In three out of the four samples, the vertical or horizontal orientation of respondents predicted the extent to which they emphasised status in their advertising appeals. A vertical orientation positively correlated with the use of status appeals, whilst a horizontal orientation correlated negatively. The findings reported in these studies provide support for the results reported in this research that a vertical cultural orientation is positively related to status-seeking motivation for the consumption of luxury products.

Shavitt, Zhang, and Johnson (cited in Shavitt et al., 2006), in addition to finding a positive relationship between status appeals and a vertical cultural orientation, also found a negative relationship between status appeals and a horizontal cultural orientation. This finding is not reflected in the results of this study. It was expected that a negative relationship would be found between HI and status-seeking. However, only a small and insignificant negative relationship was found between these constructs. This pattern was repeated with respect to HC. These results suggest that an individual's orientation towards the horizontal dimensions of culture is not a useful predictor of the presence or the lack of status-seeking motivation for the consumption of luxury products. Any variation in their orientation towards status-seeking in individuals who are orientated towards the horizontal dimensions of culture appears to be a random effect.

The relatively weak relationship of VI and VC with status-seeking motivation for consumption of luxury products might be explained by consumption not being viewed as an effective means of communicating status amongst the New Zealand and Thai student populations. There is some evidence to suggest that individuals with a VC cultural orientation place emphasis on ascribed status positions in a hierarchy in their determination of status (Wade-Benzoni, Okumura, Brett, Moore, Tenbrunsel, and Bazerman, 2002). Status amongst students might also be conferred through academic excellence or sporting achievement, as they may not yet possess the income levels required to purchase the type of products generally considered to be prestigious luxury products such as cars and jewellery. For example, a US study found that income, business ownership, age, gender, and education are demographic variables that can be used to predict ownership of a prestigious automobile (Byun and DeVaney, 2006). Chao and Schror (1998) found that status consumption was correlated with income and occupation in the US. These factors might help to explain the relatively weak relationship, apparent

in the present research, between VI and VC, and status-seeking motivation for the consumption of luxury products.

6.5.2.3 *Multiple Regression of Cultural Orientation Factors and Uniqueness-Seeking*

Linear multiple regression was used to assess the relative strength of the four independent predictor variables on a dependent criterion variable (VI, VC, HI, and HC). The dependent variable in this analysis was uniqueness-seeking. The derived factor scores were used for conducting this analysis. All outliers were removed from the data set prior to conducting the analysis.

The multiple regression yielded an r^2 of 0.036 and an adjusted r^2 of 0.022 which indicates the goodness of fit of the model. The standard error of the estimate is 0.850. Around 3.6 percent of the variation in pleasure-seeking can be explained by cultural orientation (VI, VC, HI, and HC). This indicates that in respect of uniqueness-seeking, cultural orientation has very little predictive value.

Individual regression coefficients were then tested to determine the significance of each independent variable. Table 6.19 displays the resulting beta values and t-statistic for this analysis.

Table 6.19: Beta Coefficients and t-Statistic for the Regression of Uniqueness-Seeking with Cultural Orientation Factors

	Unstandardized Coefficients		Standardized Coefficients	t	Significance Levels
	B	Std. Err	Beta	B	Sig
(constant)	.009	.050		.176	.860
VI	.037	.055	.039	.675	.501
VC	.054	.058	.054	.937	.350
HI	.175	.060	.170	2.921	.004
HC	.054	.068	.046	.795	.427

(F Statistic = 2.567, $p = 0.038$, $r^2 = 0.035$, Adjusted $r^2 = 0.021$)

The results of the regression indicate that there is no significant relationship between VI and uniqueness seeking. This confirms the correlation analysis presented in Table 6.17 (r

= 0.014, $p = 0.812$). **H16**, that hypothesised no relationship existed between VI and uniqueness motivation, must be retained.

H17 hypothesised that there would be a negative relationship between VC and an individual possessing uniqueness motivation for the consumption of luxury products. This hypothesis can be rejected, as no significant relationship was obtained in either the multiple regression as detailed in Table 6.19 or the correlation analysis presented in Table 6.17 ($r = 0.049$, $p = 0.407$).

H18, hypothesising that there would be a positive relationship between HI and uniqueness motivation for the consumption of luxury products, cannot be rejected. However, HI only has minimal predictive power in respect of uniqueness-seeking, significant at 0.001. The weak relationship between the variables is confirmed by the Pearson correlation ($r = 0.196$, $p = 0.001$).

H19 hypothesised that there would not be a significant relationship between HC and the possession of uniqueness motivation for the consumption of luxury products. This hypothesis cannot be rejected. No significant relationship was uncovered in the multiple regression, reported in Table 6.19 or in the correlation analysis reported in Table 6.17 ($r = 0.075$, $p = 0.205$).

6.5.2.4 *Discussion of the Effect of Cultural Values on Uniqueness-Seeking*

Based on the analysis summarised in Tables 6.17 and 6.19, within this research cultural orientation offers little explanatory power in respect of an individual's propensity to consume luxury products based on uniqueness motivations. Orientation towards VI, VC, and HC has no significant effect on the likelihood that individual consumers will possess uniqueness-seeking motivation.

The only form of cultural orientation that had a significant effect on uniqueness-seeking was HI. However, only a small percentage of the variance in uniqueness-seeking is explained by HI. This result is not surprising. HI was measured by items such as "I am a unique individual" and "I often do my own thing." Both of these items strongly

emphasise the importance of uniqueness to the individual. It is perhaps surprising that the relationship between HI and uniqueness-seeking was not stronger.

In many respects the lack of influence of cultural values on uniqueness-seeking is surprising. Prior research had indicated that it could be expected that consumers who are orientated towards the individualistic dimensions of culture would possess significantly higher levels of uniqueness-seeking motivation for the consumption of luxury products than their collectivist orientated peers (Lee & Kacen, 1999; Moon, Chadee & Tikoo, 2008; Yamaguchi, 1994; Yaveroglu & Donthu, 2002).

The results obtained in this research suggest that consumer desire for uniqueness-seeking in their consumption is relatively independent of cultural orientation. The mean scores obtained in the country level analysis show that uniqueness-seeking is an important motivation for many respondents. The finding that some collectivists desire luxury products for their perceived uniqueness mirror the results obtained by Chang (2005) in a Masters thesis. That thesis investigated perceptions of Taiwanese college students in the US towards luxury products as status symbols. One finding reported in the thesis was that Taiwanese students were motivated to purchase luxury products in order to express their personal taste and individuality, and that the desire to conform to a peer group was not a factor in the purchase decision. The author attributes this result to a potential shift to individualistic values from collectivist values, and to growing influence of Western culture. The cultural orientation of respondents was not measured In Chang's (2005) research. In the current research cultural orientation was measured and there was only minimal effect on the desire for uniqueness based on cultural orientation. Chang's (2005) explanation may have some merit, but would require further research as it was not investigated in the present effort. If true, it would offer some support for the proposition that consumer preferences globally are becoming more homogenous (Bullmore, 2000; Czinkota & Ronkainen, 1993; Dholakia & Talukdar, 2004; Levitt, 1983), at least in respect of their desire for uniqueness when consuming luxuries. Whilst a consistent desire for uniqueness regardless of cultural orientation emerged in this research, the nature of this desire and how it is expressed may differ.

6.5.2.5

Multiple Regression of Cultural Orientation Factors and Value-Seeking

Linear multiple regression was used to assess the relative strength of four independent predictor variables on a dependent criterion variable (VI, VC, HI, and HC). The dependent variable in this analysis was value-seeking. Value-seeking is employed as a proxy for quality motivation for the purpose of testing hypotheses **H24** to **H27**. The derived factor scores were used for conducting this analysis. All outliers were removed from the data set prior to conducting the analysis.

The multiple regression yielded an r^2 of 0.156 and an adjusted r^2 of 0.144. The standard error of the estimate was 0.607. Cultural orientation (VI, VC, HI, HC) thus predicts 15.6 percent of the variation in value-seeking. The model yielded an F statistic of 12.962, significant at 0.000, indicating that the model is significant. It should be emphasised that the low alpha score (.469) obtained for the value-seeking scale needs to be considered when interpreting the results of the regression contained in Table 6.20.

Individual regression coefficients were then tested to determine the significance of each independent variable. Table 6.20 displays the resulting beta values and t-statistic for this analysis.

Table 6.20: Beta Coefficients and t-Statistic for the Regression of Value-Seeking with Cultural Orientation Factors

	Unstandardized Coefficients		Standardized Coefficients	t	Significance Levels
	B	Std. Err	Beta	B	Sig
(constant)	.030	.036		.840	.402
VI	-.093	.040	-.128	-2.332	.020
VC	.191	.042	.249	4.540	.000
HI	.225	.043	.284	5.179	.000
HC	-.022	.050	-.024	-.432	.666

(F Statistic = 12.962, $p = 0.000$, $r^2 = 0.156$, Adjusted $r^2 = 0.144$)

The results of the regression presented in Table 6.20 indicate that VI has a negative relationship with value-seeking and is significant at the 0.020 level. This confirms the

correlation analysis ($r = -0.140$, $p = 0.018$). **H24** proposed that a positive relationship would exist between VI and quality motivation. This hypothesis can be rejected.

A positive relationship between VC and value-seeking exists. This confirms the result of the correlation analysis ($r = 0.241$, $p = 0.000$). Hence, **H25**, hypothesising a positive relationship between VC and quality motivation (using value-seeking as a proxy for quality motivation), can be retained.

H26 hypothesised the existence of a positive relationship between HI and quality motivation. This hypothesis cannot be rejected on the basis of the multiple regression and the correlation analysis ($r = 0.271$, $p = 0.000$).

H27 hypothesised a positive relationship between HC and quality motivation, and can be rejected, as no significant relationship was found in either the multiple regression or the correlation analysis ($r = -0.039$, $p = 0.514$).

6.5.2.6 *Discussion of the Effect of Cultural Orientation on Value-Seeking*

The following discussion should be read in light of problems identified in respect of the value-seeking scale in Section 6.3.3 above. Perhaps the most interesting result uncovered in this analysis is that there is a form of cultural orientation (VI) that is negatively correlated with value-seeking. It was anticipated that all consumers would be, at least in part, attracted to the perceived quality of luxury products. This appears to have some support for consumers with divergent cultural orientations (VC & HI) both attracted to value-seeking. However, the finding that VI is negatively correlated with value-seeking appears to defy this tendency. At face value, this is a difficult phenomenon to explain. No research was uncovered that investigated the effect of the vertical and horizontal, and individualism versus collectivism dimensions of culture, on an individual's propensity to seek quality in their consumption choices.

Some insights can be gained from research using the individualism versus collectivism as conceptualised by Hofstede (1980; 2001). Collectivism has been found to be positively correlated with consumer reliance on surrogate indicators of quality such as brand

credibility in their consumption decisions (Erdem, Swait & Valenzuela, 2006). Thus a collectivist may place reliance on the luxury brand as an indicator of quality. The desire to acquire quality and value may be reflected in their motivation for consuming luxury products. Conversely, no such relationship appeared to exist between individualism and a brand's credibility as an indicator of quality. This study did not take into account the enhanced distinctions made between individualism and collectivism enabled by the incorporation of the horizontal and vertical dimensions. However, it may help to explain why VI differs substantively from VC in the level of attraction to value-seeking sought from consuming luxuries. If VI consumers do not use a perception of luxury as an indicator of quality, it may well be that their decision to consume luxury is not reliant upon the perceived value or quality of the product. This also appears to confirm the proposition put forward by Wong and Ahuvia (1998) that in Confucian South-East Asia (VC) a manufacturer and a brand are indicators of a product's quality, whereas in a VI country such as the US these are potentially misleading indicators.

The positive relationship between HI and value-seeking emphasises that VI and HI are two very different cultural orientations. Based on the logic set out in the preceding section, it might be expected that HI consumers would not desire luxury products for their perceived quality in line with the position for VI consumers. This is not the case in the current research, as the importance of value-seeking increases as the level of an individual's orientation towards HI increases. A recent study of cultural values and service quality expectations amongst Generation Y consumers in Malaysia has illustrated that low power-distance consumers have high expectations of service quality (Kuen & Voon, 2007). Horizontally orientated consumers may have higher expectations of quality, compared to vertically orientated consumers. This may help explain the difference between VI and HI in the importance attached to value-seeking as a motivation for consuming luxury products. Yet, this argument offers little explanation as to the reasons for this preference.

In this study, HC emerged as having no significant relationship with value-seeking. That is, value-seeking does not appear to motivate the consumption of luxury products for HC consumers. Once again, this appears to be a contradictory result. HI and VC, which both have one dimension of cultural orientation in common with HC, have a positive relationship with value-seeking. In fact, based on the preceding arguments, the HC

cultural orientation should have the strongest alignment with value-seeking, as both collectivism (Erdem, Swait & Valenzuela, 2006; Wong & Ahuvia, 1998) and low PD (Kuen & Voon, 2007) have previously been associated with a strong desire for quality in consumers consumption choices. There does not appear to be a simple answer as to why HC has no relationship with value-seeking. Further research is required to investigate the cause of this result.

6.5.2.7 *Multiple Regression of Cultural Orientation Factors and Pleasure-Seeking*

Linear multiple regression was used to assess the relative strength of four independent predictor variables on a dependent criterion variable. The four independent predictor variables were VI, VC, HI, and HC. The dependent variable in this analysis was pleasure-seeking. The derived factor scores were used for conducting this analysis. All outliers were removed from the data set prior to conducting the analysis.

The multiple regression yielded an r^2 of 0.254 and an adjusted r^2 of 0.244. The standard error of the estimate was 0.758. Around a quarter of the variation in pleasure-seeking can be explained by cultural orientation (VI, VC, HI, and HC). The model yielded an F statistic of 24.559 significant at 0.000 indicating that the model is significant.

Individual regression coefficients were then tested to determine the significance of each independent variable. Table 6.21 displays the resulting beta values and t-statistic for this analysis.

Table 6.21: Beta Coefficients and t-Statistic for the Regression of Pleasure-Seeking with Cultural Orientation Factors

	Unstandardized Coefficients		Standardized Coefficients	t	Significance Levels
	B	Std. Err	Beta	B	Sig
(constant)	-.002	.044		-.039	.969
VI	.281	.049	.295	5.789	.000
VC	-.382	.052	-.376	-7.378	.000
HI	.004	.053	.004	.078	.938
HC	.152	.061	.128	2.502	.013

(F Statistic = 24.559, $p = 0.000$, $r^2 = 0.254$, Adjusted $r^2 = 0.244$)

The results of the multiple regression indicate that VI is a significant predictor of pleasure-seeking. A positive relationship exists between VI and pleasure seeking can thus be deduced. Support for this finding is provided by the Pearson correlation between these two variables ($r = 0.270$, $p = 0.000$). Based on these results, **H28**, which stated that there would be a positive relationship between these variables, should be retained.

The Beta score for the regression of pleasure-seeking and VC indicates that a negative relationship exists. Thus an increase in the orientation towards VC will lead to a decline in pleasure seeking. This confirms the Pearson correlation ($r = -0.450$, $p = 0.000$) that indicated a negative relationship. Hence, **H29**, which proposed that there would be no relationship between the constructs, can be rejected.

The results of the regression, presented in Table 6.21, indicate that HI does not contribute to prediction of the dependent variable pleasure seeking. **H30**, which proposed that there would be a positive relationship between HI and hedonic motivations for the consumption of luxuries, can be rejected.

The regression shows a small positive relationship between HC and pleasure-seeking which confirms the relationship between the variables indicated by the Pearson correlation ($r = 0.143$, $p = 0.16$). **H31**, which stated that no relationship existed, can be rejected.

6.5.2.8 *Discussion of the Effect of Cultural Orientation on Pleasure-Seeking*

The results obtained from the Pearson product moment correlation and the multiple regression tests indicate that possessing VI and / or HC have a positive influence on an individual's propensity to have some measure of pleasure-seeking motivation for the consumption of luxury products. A negative relationship exists between the level of pleasure-seeking motivation and an individual having a VC cultural orientation. No relationship was found to exist between HI and pleasure-seeking motivation. No clear pattern emerges from the data regarding the influence of cultural values on pleasure-seeking motivation.

The cultural value type that has the strongest predictive value in respect of pleasure-seeking motivation for the consumption of luxury products is VC. There is a strong negative relationship between an individual's orientation towards VC and the individual possessing pleasure-seeking motivation for the consumption of luxury products. The negative relationship uncovered in the data may help to explain why Thai respondents, who have a strong orientation towards VC, possess significantly lower levels of pleasure-seeking motivation for the consumption of luxury products than New Zealand respondents, who are not orientated towards VC.

The finding in the current research that there is a negative relationship between VC and pleasure-seeking motivation for the consumption of luxury products provides some support for the proposition put forward by Wong and Ahuvia (1998), that consumers who have an interdependent self-concept would not place much emphasis on the hedonic attributes of luxury products, relative to consumers with an independent self-concept. This proposition is supported by studies into the frequency of hedonic appeals of advertising in different cultures showing that advertisers do not place as much emphasis on hedonic appeals in Asian collectivist cultures as they do in Western individualist ones. These studies also illustrate that hedonic appeals are more frequent in Western countries, and where there has been a greater exposure to Western influences (Cheng & Schweitzer, 1996; Tse, Belk & Zhou, 1989).

Wong and Ahuvia's (1998) proposition that collectivistic individuals will not place much emphasis on pleasure-seeking motivation for the consumption of luxury products is not supported in its totality by the data obtained in this research. The relatively small positive relationship between a consumer's orientation towards HC and their possession of pleasure-seeking motivation for the consumption of luxury products uncovered in this research suggests that the individualism versus collectivism dimension of culture on its own does not explain the presence, or lack of presence, of pleasure-seeking motivation in individuals. Several recent studies have illustrated that the nature and meaning of individualism and collectivism varies between cultures (e.g., Gelfand, Bhawuk, Nishii & Bechtold, 2004; Rhee, Uleman & Lee, 1996). The propensity of individuals to possess pleasure-seeking motivation for the consumption of luxury products differs between individuals who are orientated towards the vertical form of collectivism and individuals

who are orientated towards the horizontal form of collectivism. Shavitt et al. (2006) argued that a refinement of the individualism versus collectivism dimension of culture by incorporating the horizontal versus vertical dimension may enhance understanding of culture based differences in consumer behaviour. This research indicates that incorporating the horizontal versus vertical dimension of culture with individualism versus collectivism dimension of culture might provide a superior level of understanding in respect of the influence of culture on pleasure-seeking motivation for the consumption of luxury products.

A ready explanation of why consumers who are orientated towards HC are more likely to possess pleasure seeking motivation for the consumption of luxury products than their counterparts who are orientated towards VC is not apparent. The conceptual work of Wong and Ahuvia (1998) that posits a difference between consumers in the extent that they are influenced by perceived hedonic value of a luxury product appears to be situated in a comparison of a VC culture (South-East Asia) and a VI culture (The United States), and does not appear to take into account different manifestations of collectivism. This is reflective of the bulk of research into differences between individualist cultures and collectivist cultures which focus on East Asian cultures (VC) and the US (VI) (Oyserman, Coon, & Kemmelmeier, 2002). The type of motives generally associated with HC (maintaining benevolent relationships, common goals with others, social appropriateness, sociability, and cooperation) (Shavitt et al., 2006) are not consistent with pleasure-seeking motivation. Pleasure-seeking appears on its face to be a selfish motivation that is not consistent with HC. Further research is needed to explain the relationship between HC and pleasure-seeking motivation for the consumption of luxury products uncovered in this research.

The cultural dimension with the highest positive predictive value in respect of pleasure-seeking motivation for the consumption of luxury products is VI. The propensity of consumers who are orientated towards VI appears to be confirmatory of the argument advanced by Wong and Ahuvia (1998, p. 450):

Hedonic value primarily gratifies the internal, private self. No matter how closely P emphasizes with O, when O eats a piece of chocolate, s/he tastes it in a way that P does not. Therefore,

people with an independent self-concept who emphasize the importance of the internal self should also emphasize the importance of hedonic experience as a motivation for luxury consumption.

Gregory and Munch (1996) discovered that individualists in the US, generally thought to be VI (Shavitt et al., 2006), placed emphasis on hedonism as a motive for their purchase decisions. Although horizontal and vertical cultural dimensions were not measured in that study, it appears to be consistent with the findings of the current research.

Similar to the situation with VC and HC in respect of pleasure-seeking, the influence of individualism on pleasure-seeking motivation for the consumption of luxury products is not consistent across its horizontal and vertical manifestations. Whilst a significant relationship exists between VI and pleasure-seeking, no relationship exists between HI and pleasure-seeking. Again, this indicates that refinement of the individualism versus collectivism cultural dimension with the horizontal versus vertical cultural dimension yields a greater depth of understanding.

CHAPTER 7: Summary, Limitations of Research and Directions for Future Research

7.1 Summary of Thesis

Three research questions were addressed in this research. First, can the structure and nature of motivation for the consumption of luxury products be identified? Second, are there differences between consumers from different parts of the world in their motivation for consuming luxury products? Third, can cultural values be used to predict motivation for the consumption of luxury products?

Based upon a review of the literature pertaining to motivation for consuming luxury products and cultural orientation, a number of hypotheses were proposed. An ancillary research question was also addressed. This relates to the cultural orientation of the respondents. The vertical and horizontal, individualism and collectivism four quadrant typology (Singelis et al., 1995; Triandis, 1995) was used to categorise the cultural orientation of individual New Zealanders and Thais.

The first set of hypotheses addressed the first research question: can the structure and nature of motivation for the consumption of luxury products be identified? The five dimension model of motivation for consuming luxury products developed by Vigneron and Johnson (1999) was employed as a base for this portion of the research. This model suggested that consumer motivation for the consumption of luxury products could be accounted for by five forms of motivation: status, uniqueness, conformity, quality, and hedonic.

The second set of hypotheses addressed the second research question: are there differences between consumers from different parts of the world in their motivation for consuming luxury products? These hypotheses looked at whether there were differences between consumers from a Western country (New Zealand) and a South-East Asian country (Thailand) in the nature of their motivation for consuming luxury products.

The third set of hypotheses addressed the final research question: can cultural values be used to predict motivation for the consumption of luxury products? This relationship looked at the relationship between individuals cultural orientation based on the vertical and horizontal, individualism and collectivism, and the degree to which they possessed each form of motivation for the consumption of luxury products.

Based on the literature and an exploratory qualitative study, a survey instrument was developed to collect Data was obtained by way of an online survey at a university in New Zealand, and by way of a mixed-mode survey at a public university in Thailand. A total of 307 (NZ n=130; Thai n=177) usable responses were obtained.

7.2 Summary of Results

7.2.1 Group 1 Hypotheses

Table 7.1 provides a summary of the first set of hypotheses and the results obtained.

Table 7.1: Summary of Hypothesis Testing for Motivation for Consuming Luxury Products

	Hypothesis	Outcome
H1	Consumers of luxury products will possess high levels of status motivation	Not Supported: $t = -15.744$, $p = .000$
H2	Consumers of luxury products will possess high levels of uniqueness motivation	Supported: $t = 5.151$, $p = .000$
H3	Consumers of luxury products will possess high levels of conformist motivation	Not tested
H4	Consumers of luxury products will possess high levels of quality motivation	Supported: $t = 32.065$, $p = .000$
H5	Consumers of luxury products will possess high level of hedonic motivation	Partial Support: NZers possess $t = 2.126$, $p = .035$, Thais do not possess $t = -12.050$, $p = .000$

It was anticipated that consumers would possess five different forms of motivation for the consumption of luxury products: status, uniqueness, conformity, quality and hedonic (Vigneron & Johnson, 1999). A factor analysis revealed that a four factor solution was the most appropriate solution for the items measuring motivation for consuming luxury.

These four factors were labelled status-seeking, uniqueness-seeking, value-seeking, and pleasure-seeking. Conformist motivations did not emerge as a separate factor. The items designed to measure conformist motivation tended to factor together with the status items. This suggests that these two forms of motivation for consuming luxury products may not be distinct from the perspective of the respondents in this research.

Contrary to the importance placed on the pursuit of status as a reason for people choosing to consume luxuries, status-seeking did not emerge as an important motivator of luxury consumption. Value-seeking appears to be the most important reason for consuming luxuries, followed by uniqueness-seeking. Pleasure-seeking is an important motivator for New Zealanders, but not for Thais.

7.2.2 Group 2 Hypotheses

Table 7.2 provides a summary of the second set of hypotheses and the results obtained.

Table 7.2: Summary of Hypothesis Testing for Differences between New Zealanders and Thais in their Motivation for Consuming Luxury Products

	Hypothesis	Outcome
H6	Differences exist between New Zealanders and Thais in the importance they attach to different types of motivation for consuming luxuries.	Supported: (MANOVA) Wilks Lambda $\Lambda = .540$, $F = 61.167$, $p = <.001$
H7	Differences exist between New Zealanders and Thais in the importance they attach to status motivation for consuming luxuries	Not Supported: (ANOVA) $F = 3.625$, $p = .000$
H8	Differences exist between New Zealanders and Thais in the importance they attach to uniqueness motivation for consuming luxuries.	Not Supported: (ANOVA) $F = .023$, $p = .880$
H9	Differences exist between New Zealanders and Thais in the importance they attach to conformist motivation for consuming luxuries.	Not tested
H10	Differences do not exist between New Zealanders and Thais in the importance they attach to functional motivation for consuming luxuries.	Not Supported: (ANOVA) $F = 15.152$, $p = .000$
H11	Differences exist between New Zealanders and Thais in the importance they attach to hedonic motivation for consuming luxuries.	Supported: (ANOVA) $F = 87.589$, $p = .000$

As expected a difference was found between New Zealand respondents and Thai respondents in the importance that they attach to different forms of motivation for consuming luxuries. Specifically, differences were found to exist in terms of value-

seeking, and pleasure-seeking. The most significant difference between consumers from the two cohorts was in the importance attached to pleasure-seeking. Surprisingly, little difference existed in the importance attached to uniqueness-seeking. It was expected that “collectivist” Thais would attach less importance to this form of motivation than New Zealanders. No difference was found to exist between the two groups of respondents on the status-seeking dimension.

7.2.3 Group 3 Hypotheses

Tables 7.3 to 7.6 provide a summary of the final set of hypotheses and the results obtained.

Table 7.3: Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Status Motivation for Consuming Luxuries

	Hypothesis	Outcome
H12	There will be no relationship between an individual's orientation towards VI and the status motivation for consuming luxuries	Not Supported: $r = .265$, $p = .000$
H13	There will be a positive relationship between an individual's orientation towards VC and status motivation for consuming luxuries	Supported: $r = .281$, $p = .000$
H14	There will be a negative relationship between an individual's orientation towards HI and status motivation for consuming luxuries	Not Supported: $r = -.071$, $p = .235$
H15	There will be no relationship between an individual's orientation towards HC and status motivation for consuming luxuries	Supported: $r = -.056$, $p = .344$

Within this research the extent of an individual's status-seeking motivation for the consumption of luxury products appears to be influenced by the extent to which they are orientated towards the vertical dimensions of culture. However, there appears to be no relationship between an individual's orientation towards the two horizontal cultural orientations and status-seeking.

Table 7.4: Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Uniqueness Motivation for Consuming Luxuries

	Hypothesis	Outcome
H16	There will be no relationship between an individual's orientation towards VI and uniqueness motivation for consuming luxuries	Supported: $r = .014$, $p = .812$
H17	There will be a negative relationship between an individual's orientation towards VC and uniqueness motivation for consuming luxuries	Not Supported: $r = .049$, $p = .407$
H18	There will be a positive relationship between an individual's orientation towards HI and uniqueness motivation for consuming luxuries	Supported: $r = .194$, $p = .001$
H19	There will be no relationship between an individual's orientation towards HC and uniqueness motivation for consuming luxuries	Supported: $r = .075$, $p = .205$

Within this research an individual's cultural orientation does not appear to influence the extent of their uniqueness-seeking motivation for the consumption of luxury products ($r^2 = 0.035$). This result is contrary to expectations. It was thought that an individualistic orientation would be related to a desire for uniqueness. Only HI has a significant positive relationship with uniqueness-seeking, but this is a weak effect.

Table 7.5: Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Quality Motivation for Consuming Luxuries

	Hypothesis	Outcome
H24	There will be a positive relationship between an individual's orientation towards VI and quality motivation for consuming luxuries	Not Supported: $r = -.140$, $p = .018$
H25	There will be a positive relationship between an individual's orientation towards VC and quality motivation for consuming luxuries	Supported: $r = .241$, $p = .000$
H26	There will be a positive relationship between an individual's orientation towards HI and quality motivation for consuming luxuries	Supported: $r = .271$, $p = .000$
H27	There will be a positive relationship between an individual's orientation towards HC and quality motivation for consuming luxuries	Not Supported: $r = -.039$, $p = .514$

Within this research cultural orientation appears to have some effect on the extent of an individual's value-seeking motivation for the consumption of luxury products ($r^2 = 0.156$). Orientation towards VC and HI has a significant positive effect on value-seeking. That these two seemingly dichotomous cultural orientations are positively related to value-seeking, whereas the other two are not is somewhat surprising.

Table 7.6: Summary of Hypothesis Testing for Relationships between Cultural Orientation Factors and Hedonic Motivation for Consuming Luxuries

	Hypothesis	Outcome
H28	There will be a positive relationship between an individual's orientation towards VI and hedonic motivation for consuming luxuries	Supported: $r = .329$, $p = .000$
H29	There will be no relationship between an individual's orientation towards VC and hedonic motivation for consuming luxuries	Not Supported: $r = -.416$, $p = .000$
H30	There will be a positive relationship between an individual's orientation towards HI and hedonic motivation for consuming luxuries	Not Supported: $r = .048$, $p = .418$
H31	There will be no relationship between an individual's orientation towards HC and hedonic motivation for consuming luxuries	Not Supported: $r = .177$, $p = .003$

The influence of cultural orientation on individuals pleasure-seeking motivation can be categorised as being of a medium to large size ($r^2 = 0.254$). The most important relationship is a medium to large negative relationship between VC and pleasure-seeking. Both VI and HC are positively related to pleasure-seeking. No significant relationship exists between pleasure-seeking and HI.

7.3 Theoretical Implications

This thesis presents a refined model of consumer motivation for the consumption of luxury products. Prior research had suggested that a five factor model would be appropriate for representing consumer motivation for consuming luxuries (Vigneron & Johnson, 1999). This conceptualisation had not been previously tested. The results of this research, although limited by weaknesses in the sample employed, suggest that a four factor model, comprising status-seeking, uniqueness-seeking, pleasure-seeking, and value-seeking, is a better representation of the different forms of motivation for consuming luxury products. The key difference between this research, and the proposition of Vigneron and Johnson (1999), was that conformist motivation did not emerge as a separate motivational category. The student respondents in the current research do not make a distinction between conformist motivations and status motivations for consuming luxuries. This model offers greater refinement to that put forward by Vickers and Renand (2003), in that it differentiates between different forms of symbolic motivation for consuming luxuries.

The results obtained in this research appear to support the previously untested proposition, that consumers possess both interpersonal and symbolic motivations (status-seeking and uniqueness-seeking) and personal motivations (value-seeking and pleasure-seeking). This suggests that consumers are cognisant of the social value of luxury products and the personal benefits that might accrue from consuming luxury products. The four-factor model of consumer motivation for consuming luxury products proposed here can serve as a basis for future research into the phenomenon of luxury product consumption. An original set of scales was also developed for the measurement of these motivations for consuming luxuries.

The pursuit of status has been frequently advanced as the major motivation for consumption of luxuries. The current research suggests that this emphasis may be misplaced. Of the four forms of motivation for consuming luxuries identified in this study, respondents attached the least importance to status-seeking motivation. This poses some challenges, in respect of our understanding of the consumers of luxury. This research suggests that the most important motivator of luxury consumption is value-seeking. This finding suggests that the most important element in determining whether a product is a luxury is that the product has superior value, when compared with the alternatives.

This research empirically investigated a previously under-researched area of consumer behaviour: Whether differences exist in consumer motivation for the consumption of luxury products across cultures. This research produced some surprising results. It was intriguing that no significant difference existed between the New Zealand students and the Thai students in terms of uniqueness-seeking. This result appears to fly in the face of assumptions that South-East Asian consumers would be less inclined towards uniqueness motivations, when compared with Western consumers (Wong & Ahuvia, 1998). Unfortunately, this research did not address the antecedents of this finding. Of the four forms of cultural orientation, only HI had a positive relationship with uniqueness-seeking, albeit a very weak relationship.

This research also illustrates that the Thai students attached significantly more importance to value-seeking motivation for consuming luxuries than the New Zealand students. The

Thai students were also slightly more inclined towards status-seeking than the New Zealand students, although this was not a significant difference.

The major difference uncovered between the New Zealand and Thai students was the extent to which pleasure-seeking motivates the consumption of luxury products: providing some empirical support for the proposition advanced by Wong and Ahuvia (1998) that in the Western individualistic tradition luxury products are viewed as a source of pleasure. In particular individuals orientated towards VI are most likely to possess pleasure-seeking motives, and individuals orientated towards VC are very unlikely to possess this motive for consuming luxuries.

The New Zealand and Thailand samples are both heterogenous in their cultural orientation. Previous research had suggested that New Zealanders would generally conform to HI cultural orientation, and Thais would conform to VC cultural orientation (Hofstede, 1980; Schwartz, 1992; 1994). Respectively these emerged as the most important cultural orientation for each culture. There was substantial variation within each culture. Many individuals orientated towards more than one form of cultural orientation, and others orientated towards a different cultural orientation. In part, this finding might be attributable to this research employing a different sample than two of the major studies into cultural orientation. Hofstede's (1980) sample was drawn from employees within IBM. In contrast, the present effort drew its sample from a student population. This may account for some of the divergence from previous studies. The variance from previous studies might be an artefact of the samples characteristics. Additionally, there may have been a cultural shift, since data was collected for the aforementioned study in the 1970s.

The four quadrant typology of cultural orientation appears to have superior predictive ability for the consumption of luxury products, than using INDCOL as the sole measure of cultural orientation might have produced. This confirms the arguments put forward by Shavitt, et al. (2006) that the VI, VC, HI, and HC model would produce superior results than INDCOL in predicting consumer behaviour. This research illustrates the superiority of the four quadrant typology of cultural orientation in a specific area of consumer behaviour.

In respect of status-seeking, both the presence of VI and VC cultural orientations was related to this form of motivation. HI and HC had no relationship with status seeking. This illustrated that status-seeking is influenced by an individual's vertical orientation, not by their orientation on INDCOL. A large volume of cross-cultural research has focused on a comparison of the US (VI) with East Asia (VC). The VH distinction on INDCOL uncovered in this research, in respect of the importance attached to status-seeking, may not have been uncovered using such an approach.

Pleasure-seeking motivation was negatively influenced by orientation towards VC, and positively influenced by VI and HC. This illustrates a distinct difference between the two different forms of collectivism, which may also not have been uncovered using a traditional INDCOL measure.

The only form of cultural orientation not to influence value-seeking motivation was HC. The opposing forms of cultural orientation, HI and VC, both positively influenced the extent of value-seeking, and VI negatively influenced value-seeking. This finding poses several theoretical questions as to why this occurred. The antecedents of these findings were not investigated in this study. These results illustrate differences between the different forms of INDCOL and VH cultural orientations.

Only in respect of uniqueness-seeking motivation for consuming luxuries did the four quadrant typology of cultural orientation fail to provide any real guidance as to which consumers would possess the motivational type. This is, in and of itself, an important finding. The assumption presented in the literature (e.g., Wong & Ahuvia, 1998), and also made by the researcher, was that individualistic tendencies would lead to a greater need for uniqueness, than collectivist tendencies. Based on the results of this research, it appears that uniqueness-seeking motivation is not influenced by cultural orientation. As such, individual variation in uniqueness-seeking must be explained by factors other than cultural orientation.

7.4 Practical Implications

This project sampled students, with limited incomes. In spite of their limited incomes, this group reported that they are frequent consumers of products that they considered to be luxuries. Seventy percent of respondents reported that they had consumed a product that they considered to be a luxury in the last month. This appears to confirm the phenomenon of the democratization of luxury (Twitchell, 2002). It also provides some useful insights into what motivates ‘ordinary’ people to consume luxury products. These findings have relevance for marketers seeking to position products as luxuries in the eyes of ordinary consumers, and in motivating these consumers to purchase their products.

An important consideration for marketers is the type of appeal used in advertising. Some advertisements are designed to appeal to the rational side of a consumer’s decision-making process, and others are designed to appeal to a consumer’s emotional side (Belch & Belch, 2004). Status appeals, which appeal to consumer’s emotional side, have often been associated with the advertising of luxury products. In this research the most important type of motivation for consuming luxuries was value-seeking. Uniqueness-seeking was also important amongst both cohorts in the sample. In seeking to promote products as luxuries marketers may be advised to consider incorporating appeals that focus on consumer’s desire for value and uniqueness. Status appeals may have some relevance, where there are large numbers of consumers whose cultural orientation is either VI or VC.

A distinct difference between the New Zealand and Thai students is the importance attached to pleasure-seeking motivation for consuming luxuries. A strategic consideration when marketing products in cross-cultural contexts is whether to adopt a standardised or adapted marketing mix. The results obtained in this research suggest that an adapted marketing strategy may be appropriate. This does not necessarily have to proceed on a country-by-country basis. The cultural orientation of a country may assist in determining the appropriate marketing mix. If the results obtained in this research are correct then hedonic advertising appeals are unlikely to have a great deal of resonance in countries where there are a large number of consumers orientated towards VC.

7.5 Limitations of Research

As with any research project, this study has a number of limitations, and the results must be interpreted in light of these. As such, several theoretical and practical limitations must be mentioned.

Generalisability of the results of this study is clearly a concern. Respondents to the survey were all students, both in New Zealand and Thailand. Some elements of luxury consumption, such as status consumption, have previously been found to be related to demographic variables such as age and income (Chao & Schror, 1998). By limiting this research to a student population, the importance of different forms of motivation for consuming luxury products may have been misrepresented. Another concern is that because of limited incomes, respondents answers may have been in respect of products that perceived as being within their realm of affordability. They may not have been considering the sorts of products that might be considered luxurious by more affluent sectors of society. However, respondents did indicate that they were consumers of luxury products, and as such are qualified for research into luxury consumption.

Another concern with the generalisability of the results is that only two countries were studied. This is not a large enough selection of countries to randomise variance on non-cultural factors, and to eliminate alternative hypotheses (Brislin, Lonner & Thorndike, 1973). For this reason Adler, (1983) had stated that cross-cultural studies involving only two or three countries, should be treated as pilot studies. Extension of this research to additional countries is required before the results contained herein can be regarded as being widely applicable.

A further limitation exists in terms of the measurement of consumer motivation and cultural orientation, and the scales used. Whilst every effort was made to develop a reliable and valid measure of the different forms of motivation for consuming luxury products, there are several weaknesses that are apparent. First, the scale development process has not established a generalisable measure. The scale has only been validated in this study. Subsequent use of the scale may produce different results. It may have been possible to avoid this limitation by employing an even more extended scale development

process. However, this was not feasible in the current study, due to considerations of time and cost. There is a particular concern with the measurement of value-seeking. This was measured with two items, and had a low Cronbach's alpha.

Some concern also exists in respect of the measurement of cultural orientation, utilising the scale developed by Singelis et al. (1995). The present study did not replicate the constructs obtained in previous studies. This suggests that different (but similar) constructs are being measured. This makes comparison with other studies utilising this measure difficult. If different items are used to measure a construct, the construct is not identical between the studies, and comparison between studies is not trustworthy.

Scalar Inequivalence is a concern in cross-cultural research. This phenomenon occurs when respondents systematically respond to a scaled question in a way that effects the validity of the measure. Research has illustrated the respondents from different countries answer scales in different ways (Steenkamp and Baumgartner, 1998; Steenkamp and Ter Hofstede, 2002). It is possible that New Zealand and Thai respondents used the scales in this research in different ways, thus reducing the accuracy of measurement.

There may be an element of social response bias in the data obtained in this research. This is the tendency of respondents to a survey to avoid giving socially undesirable responses to researchers, even when they are assured of confidentiality. It may be that an overt desire to signal status is perceived negatively by society. If this has occurred in this study, it may help in explaining the low score of consumers from both cohorts on the status-seeking dimension. No steps were taken in this study to eliminate social response bias.

A final limitation of this study was that it was not performed in respect of a range of specific luxury products. It was a deliberate decision not to specify products to be tested, as it was felt that consumers make their own subjective judgements as to what is a luxury. Section 2 of the survey instrument was designed to assess whether there was a consistency in the importance attached to different forms of motivation for consuming luxury products. The intention was to use the results obtained from this section to assess how well the results obtained for generic preferences for different forms of motivation for the consumption of luxuries matched with selected products. Unfortunately, measurement of motivation for specific products was obtained at a different level of measurement than

the generic scales. This made proper of the results difficult, and the results obtained from this section are not included in the main body of this thesis. A summary of the results obtained from Section 2 of the survey instrument is contained in Appendix I.

7.6 Directions for Future Research

Several potential, useful, and interesting future research directions have emerged from this research. Some of the major possibilities are noted as follows.

This research has illustrated the superiority of the four quadrant typology of cultural orientation for understanding differences in consumer behaviour across cultures, when compared with INDCOL. There are numerous consumer studies that have attributed causality to INDCOL. These studies could be replicated, but with a measure of VI, VC, HI, and HC substituted for INDCOL. This suggestion reflects the call by Shavitt et al. (2006) for further research into consumer behaviour utilising the four quadrant typology of consumer behaviour. Replicating INDCOL studies with the refined measure may provide cross-cultural consumer marketers with more complex and detailed knowledge of the effect of cultural orientation on consumer behaviour.

In order to enable such research it is suggested that a more reliable measure of VI, VC, HI, and HC is developed. The scale developed by Singelis et al. (1995) did not prove to be a satisfactory measure of the four quadrant typology of cultural orientation. Purification of the scale for the purposes of this research produced a reduced version of the scale, at variance with the results obtained by others researchers. This means that measurement of the cultural orientation varies from measurement in other studies, and the same constructs are not necessarily being measurement. Subsequent to the present study, Sivadas, Bruvold and Nelson (2008) have published a reduced version of Singelis et al. (1995) scale. The items in that version of the scale vary significantly from the items retained in the current research. It is suggested that further improvement in the measurement of VI, VC, HI and HC may be possible.

One approach to this issue might be to employ a best-worst scaling (BWS) approach. BWS is an extension of Thurstone's (1927) random-utility based model for paired

comparison judgements. This involves respondents making a judgement about the best/worst, most/least etc., items, cues, or objects in sets of three or more multiple items (Marley & Louviere, 2005). This approach to measurement may be particularly appropriate when it is likely to be used cross-culturally, as it negates the problem of scalar inequivalence; that is, the tendency of respondents to systematically answer items on a basis other than what the items were designed to measure (Paulhaus, 1991). This issue is of concern in cross-cultural research, as there is significant evidence that scale use differs between respondents from different countries (Steenkamp & Baumgartner, 1998; Steenkamp & Ter Hofstede, 2002). It is suggested that BWS would lead to improved measurement of orientation towards VI, VC, HI and HC. BWS could also be employed to enhance measurement of motivation for consuming luxuries, especially in a cross-cultural context.

The results of this research also suggest future research directions relating to motivation for consuming luxury products. The current research was only conducted in two countries. Extension of this study to additional countries would enhance the generalisability of the findings. Further, this research was conducted using a student sample. Several of the findings might be influenced by the demographic characteristics of this group, and may not be applicable to wider society. The research could also be extended to a wider cross-section of society.

A specific research finding that is worthy of further investigation was that the New Zealand and Thai students did not differ in the importance attached to uniqueness-seeking. The antecedents of this finding are intriguing. Qualitative research into this finding might prove illuminating.

References

- Aaker, J. L., & Maheswaran, D. (1997). The effect of cultural orientation on persuasion. *Journal of Consumer Research*, 24(3), 315-327.
- Aaker, J. L., & Schmitt, B. H. (1997). The influence of culture on the self-expressive use of brands. In J. W. Alba & J. W. Hutchinson (Eds.), *Advances in Consumer Research* (Vol. 25, pp. 12). Provo, UT: Association for Consumer Research.
- Abraham, R. (1998). Instrumental values: A five nation comparative study. *Cross Cultural Management*, 5(1), 5-21.
- Abramson, P. R., & Inglehart, R. (1987). *Value change in global perspective*. Ann Arbor: University of Michigan Press
- Adler, N. (1983). A typology of management studies involving culture. *Journal of International Business Studies*. 14(Fall), 29-47.
- Albritton, R. B., & Prabudhanitisarn, S. (1997). Culture, region, and Thai political diversity. *Asian Studies Review*. 21(1), 61-82
- Anderson, P., & Hee, X. (1998). Price influence of age segments of Beijing consumers. *Journal of Consumer Marketing*, 15, 152-169.
- Andersen, L. P., Tufte, B., Rasmussen, J., & Chan, K. (2007). Tweens and new media in Denmark and Hong Kong. *The Journal of Consumer Marketing*, 24(6), 340-350.
- Antonides, G. (1998). An attempt at integration of economic and psychological theories of consumption. In *European Perspectives on Consumer Behaviour*: Prentice Hall Europe.
- Arnould, E. J., Price, L. L., & Zinkhan, G. M. (2002). *Consumers: International edition* (2 ed.). New York: McGraw-Hill.
- Askgaard, H. (1992). As Denmark sees herself and is seen by others. In P. Himmelstrup, K. Hegelund, & H. Askgaard (Eds.), *Discover Denmark – On Denmark and the Danes: Past, Present and Future* (pp. 7-26), Herning, Denmark: Danish Cultural Institute, Copenhagen and Systime Publishers
- Asquith, J. A. L. (1997). The effects of group size on the outcome of focus group sessions. *Management Research News*, 20(12), 1-15.

- Assael, H. (1998). *Consumer Behavior and Marketing Action* (6th ed.). Cincinnati, OH: South Western College Publishing.
- Bales, R. F., Milles, T. M., Roseborough, M. E., & Stodtbeck, F. L. (1951). Channels of communication in small groups. *American Social Review*, 16, 461-464.
- Baskerville, R. F. (2003). Hofstede never studied culture. *Accounting, Organizations and Society*, 28(1), 1-14.
- Bearden, W. O., & Etzel, M. J. (1982). Reference group influence on product and brand decisions. *Journal of Consumer Research*, 9(September), 183-194.
- Bearden, W., Netermeyer, R. G., & Teel, J. E. (1989). Measurement of susceptibility to interpersonal influence. *Journal of Consumer Research*, 15(4), 473-481.
- Behling, O., & Law, K. (2000). *Translating questionnaires and other research instruments: problems and solutions*. Thousand Oaks, CA: Sage Publications.
- Belch, G. E., & Belch, M. A. (2004). *Advertising and promotion: An integrated marketing communications perspective*. (6th Ed). New York: McGraw Hill
- Belk, R. W. (1985). Materialism: Trait aspects of living in the material world. *Journal of Consumer Research*, 12(3), 265-279.
- Belk, R. W. (1988). Possessions and the extended self. *Journal of Consumer Research*, 15(September), 139-168.
- Belk, R., Ger, G., & Askegaard, S. (2003). The fire of desire: A multisited inquiry into consumer passion. *Journal of Consumer Research*, 30(326-351)
- Bergadaa, M. M. (1990). The role of time in the action of the consumer. *Journal of Consumer Research*, 17(December), 198-211.
- Berthnal, M. J., Crockett, D., & Rose, R. L. (2005). Credit cards as lifestyle facilitators. *Journal of Consumer Research*, 32(1), 130-145.
- Braithwaite, T. (2005, February 9). All that glistens is not necessarily a 24 carat investment. *Financial Times*, p. 40.
- Breckler, S. J. (1990). Applications of covariance structure modelling in psychology. Cause for concern? *Psychological Bulletin*, 107(2), 260-273.

- Brekke, K. A., & Howarth, R. B. (2002). *Status, Growth and the Environment: Goods as Symbols in Applied Welfare Economics*. Cheltenham, UK: Edward Elgar.
- Brislin, R.W., Lonner, W. J., & Thorndike, R. M. (1973). *Cross-cultural research methods*. New York: Wiley
- Bruner, G. C., II. (2003). Combating scale proliferation. *Journal of Targeting, Measurement and Analysis for Marketing*, 11(4), 362-372
- Bond, M. H. (1994). Into the heart of collectivism. In U. Kim, H. C. Triandis, C. Kagitcibasi, S. C. Choi & G. Yoon (Eds.), *Individualism and Collectivism: Theory, Method, and Applications* (pp. 66-76). Newbury Park, CA: Sage.
- Boone, L.E., & Kurtz, D. L. (2001). *Contemporary Marketing* (10th ed). Fort Worth: Harcourt College Publisher
- Bullmore, J. (2000). Alice in Disneyland, a creative view of international advertising. In J. P. Jones (Ed.), *International Advertising, Realities and Myths*. Thousand Oaks, CA: Sage.
- Byun, S., & DeVaney, S. A. (2006) Determinants of owning a prestigious motor vehicle. *Consumer Interests Annual*, 52, 283-291
- Campbell, D.T., & Fiske, D.W. (1959). Convergent and discriminant validation by the multitrait-multimethod matrix. *Psychological Bulletin*, 56, 81-105.
- Caplovitz, D. (1967). *The Poor Pay More: Consumer Practices of Low-Income Families*. London, UK: Macmillan.
- Cassidy, T., & Lynn, R. (1989). A multifactorial approach to achievement motivation: The development of a comprehensive measure. *Journal of Occupational Psychology*, 62, 301-312.
- Catry, B. (2003). The great pretenders: The magic of luxury goods. *Business Strategy Review*, 14(3), 10-.
- Chandy, P. R., & Williams, T. G. E. (1994). The impact of journals and authors on international business research: A citational analysis of JIBS articles. *Journal of International Business Studies*, 25(4), 715-.
- Chang, Y.-N. (2005). *The perceptions of luxury products as status symbols by Taiwanese college students*. Washington State University, Pullman, WA.

- Chao, A., & Schor, J. B. (1998). Empirical tests of status consumption: Evidence from women's cosmetics. *Journal of Economic Psychology*, 19(1), 107-131.
- Chaudhuri, H. R., & Majumdar, S. (2006). Of diamonds and desires: Understanding conspicuous consumption from a contemporary marketing perspective. *Academy of Marketing Science Review*, 2006(11), 1-18.
- Cheng, H., & Schweitzer, J. C. (1996) Cultural values reflected in Chinese and U.S. television commercials. *Journal of Advertising Research*. 36(3), 27-44
- Childers, T. L., & Rao, A. R. (1992). The influence of familial and peer-based reference groups on consumer decisions. *Journal of Consumer Research*. 19(2), 198-211
- Choiu, J.-S. (2001). Horizontal and vertical individualism and collectivism among college students in the United States, Taiwan and Argentina. *The Journal of Social Psychology*, 141(5), 667-678.
- Clark, L. A., & Watson, D. (1995). Constructing validity: Basic issues in objective scale development. *Psychological Assessment*, 7(3), 309-319
- Cohen, J. (1992). A power primer. *Psychological Bulletin*, 112, 115-159.
- Chinese Cultural Connection (1987). Chinese values and the search for culture-free dimensions of culture. *Journal of Cross-Cultural Psychology*, 18, 143-164.
- Churchill, G. A. (1979). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research*, 16(Feb), 64-73
- Collins concise dictionary (4th ed.). (1999). Glasgow, UK: HarperCollins
- Czinkota, M. R., & Ronkainen, I. A. (1993). *International marketing* (3rd ed.). Fort Worth: The Dryden Press.
- Daun, A. (1991). Individualism and collectivity among Swedes. *Ethnos*, 56, 165-172
- Daun, A. (1992). Modern and modest: Mentality and self-stereotypes among Swedes. In S. A. & L. Janson (Eds.), *Culture and management* (pp. 101-111), Stockholm, Sweden: Institution for International Business
- Dawar, N., Parker, P. M., & Price, L. J. (1996). A cross-cultural study of interpersonal information exchange. *Journal of International Business Studies*, 27(3), 497-516.

- Deeter-Schmelz, D. R., Moore, J. N., Goebel, D. J., & Solomon, P. J. (1995). Measuring the prestige profiles of consumers: A preliminary report of the PRECON scale. In B. T. Engelland & D. T. Smart (Eds.), *Marketing Foundations for a Changing World. Proceedings of the Annual Meeting of the Southern Marketing Association* (pp. 395-399). Orlando, FL: Southern Marketing Association.
- De Mooij, M. (1998a). *Global marketing and advertising: Understanding cultural paradoxes*. Thousand Oaks, CA: Sage.
- De Mooij, M. (1998b). Masculinity / femininity and consumer behavior. In G. Hofstede & associates (Eds.), *Masculinity and Femininity: The Taboo Dimension of National Cultures* (pp. 55-73). Thousand Oaks, CA: Sage.
- de Mooij, M. (2001). *Convergence-divergence*. Unpublished doctoral dissertation, Universidad de Navarra.
- Dholakia, U. M., & Talukdar, D. (2004). How social influence affects consumption trends in emerging markets: An empirical investigation of the consumption convergence hypothesis. *Psychology and Marketing*, 21(10), 775-797.
- Dijkstra, L., & van der Bij, H. (2002). Quality function deployment in healthcare: Methods for meeting customer requirements in redesign and renewal. *The International Journal of Quality and Reliability*, 19(1), 67-89
- Dittmar, H. (1992). *The Social Psychology of Material Possessions*. New York: St Martins.
- Dittmar, H. (1994). Material possessions as stereotypes: Material images of different socio-economic groups. *Journal of Economic Psychology*, 15, 561-585.
- Dittmar, H., & Pepper, L. (1992). Materialistic values, relative wealth and person perception; Social perception: Social psychological belief systems of adolescents from different socio-economic backgrounds. In F. W. Rudmin & M. Richins (Eds.), *Meaning, Measure and Morality of Materialism* (pp. 40-45). Provo, UT: Association for Consumer Research.
- Dubois, B., & Czellar, S. (2002). Prestige brands or luxury brands? An exploratory inquiry on consumer perceptions. Paper presented at the 31st European Marketing Academy Conference Proceedings, Braga, Portugal.
- Dubois, B., Czellar, S., & Laurent, G. (2005). Consumer segments based on attitudes towards luxury: Empirical evidence from twenty countries. *Marketing Letters*, 16(2), 115-128.

- Dubois, B., & Laurent, G. (1994). Attitudes towards the concept of luxury: An exploratory analysis. In S. M. Leong & J. A. Cote (Eds.), *Asia-Pacific Advances in Consumer Research* (Vol. 1, No 2, pp. 273-278).
- Dubois, B., Laurent, G., & Czellar, S. (2001). *Consumer rapport to luxury: Analysing complex and ambivalent attitudes*. Paper presented at the Working paper 736, HEC School of Management, Jouy-en-Josas, France.
- Duesenberry, J. (1949). *Income, Saving and the Theory of Consumer Behavior*. Cambridge, MA: Harvard University Press.
- Eastman, J. K., Goldsmith, R. E., & Flynn, L. R. (1999). Status consumption in consumer behavior: Scale development and validation. *Journal of Marketing Theory and Practice*, 7, 41-52.
- Erdem, T., Swait, J., & Valenzuela, A. (2006). Brands as Signals: A cross-cultural validation study. *Journal of Marketing*, 70(1), 34-.
- Fagan, B. M. (2004). *The Rape of the Nile: Tomb Robbers, Tourists, and Archaeologists in Egypt*. Boulder, CO: Westview Press.
- Fairweather, J. R., & Swaffield, S. R. (2002). Visitors' and locals' experiences of Rotorua, New Zealand: An interpretative using photographs of landscapes and Q Method. *The International Journal of Tourism Research*, 4(4), 283-297
- Fauchois, A., & Krieg, A. (1991). Le discours de luxe. *Revue Francaise du Marketing*, 132/133(2-3), 23-39.
- Feather, N. (1994). Attitudes towards high achievers and reactions to their fall: Theory and research concerning tall poppies. In M. P. Zanna (Ed.), *Advances in experimental social psychology*, Vol. 26 (pp. 1-73). San Diego, CA: Academic
- Ferraro, G. P. (1994). *The Cultural Dimensions of International Business*. Englewood Cliffs, NJ: Prentice Hall.
- Festinger, L. (1954). A theory of social comparison process. *Human Relations*, 7(1), 117-140.
- Fletcher, R., & Melewar, T. C. (2001). The complexities of communicating to customers in emerging markets. *Journal of Communication Management*, 6(1), 9-23.
- Ford, J. B., Pelton, L. E., & Lumpkin, J. R. (1995). Perception of marital roles in purchase decision processes. *Journal of the Academy of Marketing Science*, (Spring), 120-131.

- Frances, P. (2002). Older and wealthier. *American Demographics*, 24(November), 40-42.
- Frank, R. H. (2006) Microeconomics and behaviour (6th ed). New York: McGraw-Hill Irwin.
- Gardyn, R. (2002). Oh the good life. *American Demographics*, 24(November), 30-36.
- Garfein, R. T. (1989). Cross-cultural perspectives on the dynamics of prestige. *Journal of Services Marketing*, 3(Summer), 17-24.
- Gelfand, M. J., Bhawuk, D., Nishii, L. H., & Bechtold, D. J. (2004). Individualism and Collectivism. In R. J. House, P. J. Hanges, M. Javidan, P. W. Dorfman, & V. Gupta (Eds.) *Culture, leadership and organizations: The GLOBE study of 62 societies* (pp. 437-512). Thousand Oaks, CA: Sage
- Ger, G., & Belk, R. W. (1990). Measuring and comparing materialism cross-culturally. In M. Goldberg, G. Gorn & R. Pollay (Eds.), *Advances in Consumer Research* (Vol. 17, pp. 186-192). Provo, UT: Association for Consumer Research.
- Ger, G., & Belk, R. W. (1996). Cross-cultural differences in materialism. *Journal of Economic Psychology*, 17, 55-77.
- Giacalone, J. A. (2006). The Market for Luxury Goods: The Case of the Comite Colbert 1. *Southern Business Review*, 32(1), 33-40.
- Gould, R. V. (2002). The origins of status hierarchies: A formal theory and empirical test. *The American Journal of Sociology*, 107(5), 1143-1178.
- Graeff, T. R. (1996). Consumption situations and the effect of brand image on consumers' brand evaluations. *Psychology and Marketing*, 14(1), 49-70.
- Gray, J. A. (1982). *The Neuropsychology of Anxiety: An Enquiry into the Functions of the Septo-Hippocambal System*. New York: Oxford University Press.
- Gregory, G. D., & Munch, J. M. (1996). Reconceptualizing individualism-collectivism in consumer behaviour. *Advances in Consumer Research*, 23, 104-110
- Grossman, G. M., & Shapiro, C. (1988). Counterfeit-product trade. *The American Economic Review*, 78(1), 59-75
- Groth, J. C., & McDaniel, S. W. (1993). The exclusive value principle: The basis for prestige pricing. *The Journal of Consumer Marketing*, 10(1), 10-16.

- Guadagnoli, E., & Velicer, W. F. (1988). Relation of sample size to the stability of component patterns. *Psychological Bulletin*, 103, 265-275
- Hair, J. F. J., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate Data Analysis* (6th ed.). Upper Saddle River, NJ: Pearson.
- Harkness, J. A., Van de Vijver, F. J. R., & Mohler, P. P. (2003). *Cross-Cultural Survey Methods*. Hoboken, NJ: John Wiley & Sons.
- Harris, J., & Lynn, M. (1996). Manifestations of the desire for unique consumer products. Paper presented at the American Marketing Association's Winter Educators Conference, Hilton Head, South Carolina.
- Henry, E. & Pene, H. (2001). Kaupapa Maori: Locating indigenous ontology, epistemology and methodology in the academy. *Organization*, 8(2), pp. 234-242
- Heston, A., Summers, R., & Aten, B. (2006). *Penn World Table Version 6.2*: Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania, September 2006.
- Higgins, E. T. (1997). Beyond pleasure and pain. *American Psychologist*, 52, 1280-1300.
- Hirschman, E. C. (1990). Consumption styles of the rich and famous: The semiology of Saul Steinberg and Malcolm Forbes. *Advances in Consumer Research*, 17, 850-855.
- Hirschman, E. C., & Holbrook, M. B. (1982). Hedonic consumption: Emerging concepts, methods and propositions. *Journal of Marketing*, 46(Summer), 92-101.
- Hofstede, G. (1980). *Cultural Consequences*. Beverley Hills, CA: Sage Publications.
- Hofstede, G. (1983). Dimensions of national cultures in fifty countries and three regions. In J. Derogowski, S. Dzuirawiec & R. Annis (Eds.), *Expisacations in Cross-cultural Psychology*. Lisse, Netherlands: Swets and Zeitlanger.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations* (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Huberman, B. A., Loch, C. H., & Onculer, A. (2004). Status as a valued resource. *Social Psychology Quarterly*, 67(1), 103-114.

- Huges, D. G. (1974). The measurement of beliefs and attitudes. In R. Ferber (Ed.), *Handbook of Marketing Research* (pp 3:16-43). USA: McGraw-Hill Book Company
- Hunt, A. (1996). *Governance of the consuming passions: A history of sumptuary law*. London. MacMillan.
- Hwan Lee, D. (1990). Symbolic interactionism: Some implications for consumer self concept and product symbolism research. *Advances in Consumer Research*, 17, 386-393.
- Inglehart, R. (1990). *Culture shift in advanced industrial society*. Princeton, NJ: Princeton University Press.
- Jung, K., & Kau, A. K. (2003). Culture's influence on consumer behaviors: Differences amongst ethnic groups in a multiracial Asian country. *Advances in Consumer Research*, 31, 366-.
- Kapferer, J.-N. (1997). Managing luxury brands. *Journal of Brand Management*, 4(4), 251-260.
- Keynes, J. M. (1936). *The General Theory of Employment, Interest and Money*. London: Macmillan.
- Klisheimer, J. (1993). *Status Consumption: The Development and Implications of a Scale Measuring the Motivation to Consume for Status*. Unpublished Dissertation, Florida State University.
- Ko, H., Roberts, M. S., & Cho, C.-H. (2006). Cross-cultural differences in motivations and perceived interactivity: A comparative study of American and Korean internet users. *Journal of current issues and research in advertising*, 28(2), 93-.
- Kotler, P. (1986). Global standardization - courting danger. *The Journal of Consumer Marketing*, 3(2), 13-15.
- Kroeber, A. L., & Kluckhohn, C. (1952). *Culture: A critical review of concepts and definitions*. New York: Peabody Museum of American Archaeology and Ethnology.
- Kuen, K., & Voon, B. H. (2007). Culture and service quality expectations; Evidence from Gen Y consumers in Malaysia. *Managing Service Quality*, 17(6), 656-.

- Kurman, J., & Sriram, N. (2002). Interrelationships among vertical and horizontal collectivism, modesty, and self-enhancement. *Journal of Cross-Cultural Psychology*, 33(1), 71-86.
- Lam, D. (2007). Cultural influence on proneness to brand loyalty. *Journal of International Consumer Marketing*, 19(3), 7-.
- Lancaster, K. (1966). A new approach to consumer theory. *Journal of Political Economy*, 74(April), 132-157
- Lancaster, K. (1971). *Consumer Demand: A New Approach*. New York: Columbia University Press.
- Lane, K. S.-M., & Dyckerhoff, C. (2006). Building brands in China. *The Mckinsey quarterly 2006 special edition: serving the new Chinese consumer*, 35-41.
- Laroche, M., Kalamas, M., & Cleveland, M. (2005). "I" versus "we": How individualists and collectivists use information sources to formulate their service expectations. *International Marketing Review*, 22(3), 279-308.
- Lee, A. Y., Aaker, J. L., & Gardner, W. L. (2000). The pleasures and pains of distinct self-construals: The role of interdependence in regulatory focus. *Journal of Personality and Social Psychology*, 78, 1122-1134.
- Lee, C., & Green, T. (1991). Cross-cultural examination of the Fishbein behavioral intentions model. *Journal of International Business Studies*, 22(2), 289-305.
- Lee, E.-J. (2003). Effects of "gender" of the computer on informational social influence: the moderating role of task type. *International Journal of Human-Computer Studies*, 58(4), 347-362
- Lee, J. A., & Kacen, J. K. (1999). The relationship between independent and interdependent self-concepts and reasons for purchase. *Journal of Euro-Marketing*, 8(1/2), 83-.
- Lee, J. A., Soutar, G. N., Daly, T. M., Kelley, J. B., & Louviere, J. (2007). *Schwartz Value Clusters and Tourists' Activities*. Paper presented at the Australian and New Zealand Marketing Academy, Dunedin.
- Lee, S. K. J., & Yu, K. (2004). Corporate culture and organizational performance. *Journal of Managerial Psychology*, 19(4), 340-359
- Leech, N. L., Barrett, K. C., & Morgan, G. A. (2008). *SPSS for Intermediate Statistics: Use and Interpretation* (Third ed.). New York: Lawrence Erlbaum Associates.

- Leibenstein, H. (1950). Bandwagon, snob and Veblen effects in the theory of consumers' demand. *Quarterly Journal of Economics*, 64(May), 183-207.
- Levitt, T. (1983). The globalization of markets. *Harvard Business Review*, 61(May-June), 2-11.
- Levy, S. (1959). Symbols for sale. *Harvard Business Review*, 37(July / August), 117-124.
- Li, J. J., & Su, C. (2007). How face influences consumption: A comparative study of American and Chinese consumers. *International Journal of Market Research*, 49(2), 237-.
- Lichtenstein, D. R., Ridgway, N. M., & Netemeyer, R. G. (1993). Price perceptions and consumer shopping behavior: A field study. *Journal of Marketing Research*, 30(2), 234-245.
- Liu, B. S.-C., Furrer, O., & Sudharsahn, D. (2001). The relationships between culture and the behavioral intentions towards services. *Journal of Service Research*, 4(2), 118-129.
- Lu, X. (2004). Consumption and ambivalent attitudes of Chinese young elite towards occidental luxury goods: An exploratory study. *American Marketing Association. Conference Proceedings*, 15, 219-227.
- Luna, D., & Gupta, S. F. (2001). An integrative framework for cross-cultural consumer behaviour. *International Marketing Review*, 18(1), 45-69.
- Lynn, M. (1991). Scarcity effects on value: A quantitative review of the commodity theory literature. *Psychology and Marketing*, 8(1), 43-57.
- Lynn, M., & Harris, J. (1997). The desire for unique consumer products: A new individual differences scale. *Psychology and Marketing*, 14(6), 601-616.
- Malai, V. (2007). The use of collectivist and individualist culture as an indicator for finding patterns of international tourists. *The Business Review, Cambridge*, 7(2), 323-326.
- Malhotra, N. K. (1999). *Marketing Research: An Applied Orientation* (3rd ed.). Singapore: Pearson Education.

- Mandeville, B. (1732: 1988). *The Fable of the Bees, or Private Vices, Publick Benefits: With a Commentary Critical, Historical and Explanatory* by F.B. Kaye. Indianapolis: Liberty Fund.
- Markus, H., & Kitayama, S. (1991). Culture and the self: Implications for cognition, emotion and motivation. *Psychological Review*, 98(2), 224-253.
- Marley, A. A., & Louviere, J. J. (2005). Some probabilistic models of best, and best-worst choices. *Journal of Mathematical Psychology*. 49(6), 464-480.
- Martin, I. M., & Steelman, T. A. (2004). Using multiple methods to understand agency values and objectives: Lessons for public lands management. *Policy Sciences*, 37(1), 37-48
- Maslow, A. (1943). A theory of human motivation. *Psychological Review*, 50, 370-396.
- Mason, R. S. (1981). *Conspicuous consumption*. New York: Gower Press, Farnborough and St Martins Press.
- Mason, R. (1983). The economic theory of conspicuous consumption. *International Journal of Social Economics*, 10(3), 3-17.
- Mason, R. (1984). Buyer behavior and the market for status goods. *Marketing Intelligence and Planning*, 2(2), 29-39.
- Mason, R. (1998). *The economics of conspicuous consumption: Theory and thought since 1700*. Cheltenham, UK: Edward Elgar.
- Mayer, R. N., & Belk, R. (1982). Acquisition of consumption stereotypes by children. *The Journal of Consumer Affairs*, 16(2), 307-321.
- McCort, D. J., & Malhotra, N. K. (1993). Culture and Consumer Behaviour. *Journal of International Consumer Marketing*, 6(2), 91-127.
- McCracken, G. (1986). Culture and consumption: A theoretical account of the structure and movement of the cultural meaning of consumer goods. *Journal of Consumer Research*, 13(June), 71-84.
- McCracken, G. (1989). Culture and consumer behaviour: An anthropological perspective. *Journal of the Market Research Society*, 32(1), 3-11.
- McDonald, W. J. (1994). Developing International direct marketing strategies. *Journal of Direct Marketing*, (Autumn), 18-27.

- McDonald, W. J. (1995). American vs Japanese consumer decision making. *Journal of International Consumer Marketing*, 7(3), 81-93.
- McSweeney, B. (2002a). The essentials of scholarship: A reply to Geert Hofstede. *Human Relations*, 55(11), 1363-1382.
- McSweeney, B. (2002b). Hofstede's model of national culture: A triumph of faith - a failure of analysis. *Human Relations*, 55(1), 89-118.
- Mick, D. G. (1986). Consumer research and semiotics: Exploring the morphology of signs, symbols, and significance. *Journal of Consumer Research*, 13(September), 196-213.
- Miniwatts Marketing Group (2007). Internet World Stats: Usage and Population Statistics. Retrieved 13 August, 2007, from <http://www.internetworldstats.com>
- Moon, J., Chadee, D., & Tikoo, S. (2008). Culture, product type, and price influences on consumer purchase intention to buy personalized products online. *Journal of Business Research*, 61(1), 31-39.
- Morgenstern, O. (1948). Demand Theory Reconsidered. *Quarterly Journal of Economics*, (February), 165-201.
- Mourali, M., Laroche, M., & Pons, F. (2005). Individualistic orientation and susceptibility to interpersonal influence. *The Journal of Services Marketing*, 19(3), 164-173.
- Myers, M. D., & Tan, F. (2002). Beyond models of national culture in information systems research. *Journal of Global Information Management*, 10(1), 24-32.
- National-Statistical-Office-Thailand. (2008). *Household Socio-Economic Survey*. Retrieved 14 September, 2008, from <http://web.nso.go.th/eng/en/stat/socio/soctab1.htm>
- National-Statistical-Office-Thailand. (2008). *Population and Housing Census 2000*. Retrieved 7 August, 2008, from http://web.nso.go.th/eng/en/pop2000/prelim_e.htm
- Neal, C. M., Quester, P. G., & Hawkins, D. I. (2006). *Consumer Behaviour: Implications for Marketing Strategy*. North Ryde, NSW: McGraw-Hill
- Nguyen, T. T. M., Jung, K., Lantz, G., & Loeb, S. G. (2003). An exploratory investigation into impulse buying behavior in a transitional economy: A study of urban consumers in Vietnam. *Journal of International Marketing*, 11(2), 13-.

- Nia, A., & Zaichkowsky, J. L. (2000). Do counterfeits devalue the ownership of luxury brands? *The Journal of Product and Brand Management*, 9(7), 485-497.
- Nicholls, J. A. F., Li, F., Kranendonk, C. J., & Mandakovic, T. (2003). Structural or cultural: An exploration into influences on consumers' shopping behavior of country specific retailing formats. *Journal of Global Marketing*, 16(4), 97-.
- Nueno, J. L., & Quelch, J. A. (1998). The mass marketing of luxury. *Business Horizons*, November-December, 61-68.
- O'Cass, A., & McEwan, H. (2004). Exploring consumer status and conspicuous consumption. *Journal of Consumer Behaviour*, 4(1), 25-39.
- Oliver, R. L., Rust, R. T., & Varki, S. (1997). Customer delight: Foundations, findings and managerial insight. *Journal of Retailing*, 73(3), 311-335.
- Osihi, S., Schimmack, U., Diener, E., & Suh, E. (1998). The measurement of values and individualism-collectivism. *Personality and Social Psychology Bulletin*, 24(1), 1177-1189.
- Oyserman, D., Coon, H. M., & Kemmelmeier, M. (2002). Rethinking individualism and collectivism: Evaluation of theoretical assumptions and meta-analyses. *Psychological Bulletin*, 128(1), 3-72.
- Paulhaus, D. L. (1991). Measurement and control of response bias. In J. P. Robinson, P. R. Shaver and L. S. Wright (Eds.). *Measures of Personality and Social Psychological Attitudes*. San Diego, CA: Academic Press, 17-59.
- Perneger, T. V., Lepège, A., & Etter, J-F. (1999). Cross-cultural adaptation of a psychometric instrument: Two methods compared. *Journal of Clinical Epidemiology*, 52(11), 1037-1046.
- Peter, J. P. (1979). Reliability: A review of psychometric basics and recent marketing practices. *Journal of Marketing Research*, 16(Feb), 6-17
- Peter, J. P., & Churchill, G. A. (1986). Relationships among research design choices and psychometric properties of rating scales: A meta analysis. *Journal of Marketing Research*, 23(Feb), 1-10.
- Piacentini, M., & Mailer, G. (2004). Symbolic consumption in teenagers' clothing choices. *Journal of Consumer Behaviour*, 3(3), 251-263.

- Pincus, J. (2004). The consequences of unmet needs: The evolving role of motivation in consumer research. *Journal of Consumer Behaviour*, 3(4), 375-387.
- Quelch, J. A. (1987). Marketing the premium product. *Business Horizons*, 30(3), 38-45.
- Quester, P., Neal, C., Pettigrew, S., Grimmer, M., Davis, T., & Hawkins, D. I. (2007). *Consumer Behaviour: Implications for Marketing Strategy* (Fifth ed.). Sydney: McGraw-Hill.
- Rae, J. (1834). *Statement of Some New Principles on the Subject of Political Economy, Exposing the Fallacies of the System of Free Trade, and of Some Other Doctrines Maintained in the "Wealth of Nations"*. Retrieved 18 June, 2007, from <http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/rae/newprin.html>
- Rao, A. R., & Monroe, K. B. (1989). The effect of price, brand name, and store name on buyers' perceptions of product quality: An integrative review. *Journal of Marketing Research*, 26(3), 351-357.
- Raffield, P. (2002). Reformation, regulation and the image: Sumptuary legislation and the subject of law. *Law and Critique*, 13(2), 127-150.
- Rhee, E., Uleman, J. S., & Lee, H. K. (1996). Variations in collectivism and individualism by in-group and culture: Confirmatory Factor Analysis. *Journal of Personality and Social Psychology*, 71(5), 1037-1054
- Richins, M. L. (1994). Valuing things: The public and private meaning of possessions. *Journal of Consumer Research*, 21(3), 504-521.
- Riley, F. D. O., Lomax, W., & Blunden, A. (2004). Dove vs. Dior: Extending the brand extension decision-making process from mass to luxury. *Australasian Marketing Journal*, 12(3), 40-55.
- Roux, E. (1995). Consumer evaluations of luxury brand extensions. Paper presented at the EMAC Conference, May, Paris.
- Roux, E. (2002). Le luxe: Au dela des chiffres, quelles logiques d'analyse? *Revue Francaise du Marketing*, 187(2), 45-47.
- Sagiv, L., & Schwartz, S. H. (1995). Value priorities and readiness for outgroup social contact. *Journal of Personality and Social Psychology*, 69, 437-448.
- Sahlins, M. (1963). Poor man, rich man, big-man, chief: Political types in Polynesia and Melanesia. *Comparative Studies in Society and History*, 5, 285-303.

- Saint Lambert, J. F. (1764). "Luxury". In H. C. Clarke (Ed.) (2003), *Commerce, Culture and Liberty: Readings on Capitalism before Adam Smith* (pp. 477-501). Indianapolis: Liberty Fund.
- Schaefer, A. D., Hermans, C. M., & Parker, R. S. (2004). A cross-cultural exploration of materialism in adolescents. *International Journal of Consumer Studies*, 28(4), 399-411.
- Schwartz, S. H. (1992). Universals in the content and structure of values: Theoretical advances and empirical tests in 20 countries. *Advances in Experimental Social Psychology*, 25, 1-62.
- Schwartz, S. H. (1994). Beyond individualism/collectivism: new dimensions of values. In U. Kim, H. C. Triandis, C. Kagitcibasi, S. C. Choi & G. Yoon (Eds.), *Individualism and Collectivism: Theory, Method, and Applications*. Newbury Park, CA: Sage.
- Schwartz, S. H. (1999). A theory of cultural values and some implications for work in cultural psychology. *Applied Psychology: An International Review*, 48(1), 23-47
- Schwartz, S. H., & Bilsky, W. (1987). Towards a psychological structure of human values. *Journal of Personality and Social Psychology*, 53, 550-562.
- Schwartz, S. H., & Bilsky, W. (1990). Toward a theory of the universal content and structure of values: extension and cross-cultural replications. *Journal of Personality and Social Psychology*, 58, 878-891.
- Sekaran, U. (1983). Methodological and theoretical issues and advances in cross-cultural research. *Journal of International Business Studies*, 14(Fall), 61-73.
- Sekaran, U. (2003). *Research Methods for Business: A Skills Building Approach* (International ed.). New York, NY: John Wiley & Sons.
- Shavitt, S., Lalwani, A. K., Zhang, J., & Torelli, C. J. (2006). The horizontal / vertical distinction in cross-cultural consumer research. *Journal of Consumer Psychology*, 16(4), 325-342.
- Shavitt, S. & Nelson, M. R. (2002). The role of attitude functions in persuasion and social judgment. In J. P. Dillard, & M. Pfau (Eds.), *The persuasion handbook: Developments in theory and practice*. Thousand Oaks, CA: Sage. pp. 137-154.
- Sheth, J. N. (1986). Global markets or global competition. *Journal of Marketing*, April, 9-11.

- Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: A theory of consumption values. *Journal of Business Research*, 22(1), 159-170.
- Silvera, D. H., & Neilands, T. (2004). Interpreting the uninterpretable: The effect of self-esteem on the interpretation of meaningless feedback. *Scandinavian Journal of Psychology*, 45, 61-66.
- Shim, S., & Gehrt, K. C. (1996). Hispanic and native American adolescents: an exploratory study of their approach to shopping. *Journal of Retailing*, 72(3), 307-324.
- Singelis, T., Triandis, H., Bhawuk, D., & Gelfand, M. (1995). Horizontal and vertical dimensions of individualism and collectivism: A theoretical and measurement refinement. *Cross Cultural Research*, 29(3), 240-275.
- Singh, S. (2006). Cultural differences in, and influences on, consumers' propensity to adopt innovations. *International Marketing Review*, 23(2), 173-191.
- Sivadas, E., Bruvold, N. T., & Nelson, M. R. (2008). A reduced version of the horizontal and vertical individualism and collectivism scale: A four-country assessment. *Journal of Business Research*, 61, 201-210.
- Smith, A. (1759). *The Theory of Moral Sentiments*. In D. D. Raphael & A. L. Macfie (Eds.) (1982), Glasgow Edition of the Works and Correspondence of Adam Smith (Vol. 1, pp. 1-412). Indianapolis: Liberty Fund.
- Smith, A. (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations*. (Vol 2). Indianapolis: Liberty Fund.
- Smith, P. B., & Bond, M. H. (1999). *Social Psychology Across Cultures* (2nd ed.). Needham Heights, MA: Allyn & Bacon.
- Smith, P. B., Duggan, S., & Trompenaars, F. (1996). National culture and the values of organizational employees: A dimensional analysis across 43 nations. *Journal of Cross-Cultural Psychology*, 27(2), 231-264.
- Snook, S. C., & Gorusch, R. L. (1989). Component analysis versus common factor analysis: A Monte Carlo study. *Psychological Bulletin*, 106, 148-154
- Snyder, C. R., & Fromkin, H. L. (1980). *Uniqueness: The human pursuit of difference*. New York: Plenum Press.
- Soh, S., & Leong, F. T. L. (2002). Validity of vertical and horizontal individualism and collectivism in Singapore *Journal of Cross-Cultural Psychology*, 33(1), 3-15.

- Sojka, J. Z., & Tansuhaj, P. S. (1995). Cross-Cultural consumer research: A twenty year review. In F. R. Kardes & M. Sujaan (Eds.), *Advances in Consumer Research* (Vol. 22, pp. 461-474). Provo, UT: Association for Consumer Research.
- Solomon, M. R. (1983). The role of products as social stimuli: A symbolic interactionist approach. *Journal of Consumer Research*, 10(December), 319-329.
- Stanley, T. (1989). *Selling to the Affluent*. Homewood, IL: Irwin.
- Statistics New Zealand. (2007a). *New Zealand Income Survey*. Retrieved 14 September, 2008, from <http://www.stats.govt.nz/products-and-services/info-releases/nzis-info-releases.htm>
- Statistics New Zealand. (2007b). *Quickstats About Incomes*. Retrieved 23 April, 2008, from <http://www.stats.govt.nz/census/2006-census-data/quickstats-about-incomes/quickstats-about-incomes.htm?page=para002Master>
- Statistics New Zealand (2007c). *Demographic Trends: 2007*. Retrieved 7 August, 2008, from http://www.stats.govt.nz/NR/rdonlyres/5E03B58C-7662-43E1-AA60-870FC2328251/0/Chapter1_populationchangeandstructure.pdf
- Statistics-New-Zealand. (2008). *Quick Stats about New Zealand*. Retrieved 7 August, 2008, from <http://www.stats.govt.nz/census/census-outputs/quickstats/snapshotplace2.htm?id=99999999&type=region>
- Steenkamp, J.-B. E. M. & Baumgartner, H. (1998). Assessing Measurement Invariance in Cross-National Consumer Research. *Journal of Consumer Research*. 25(1), 78–90.
- Steenkamp, J.-B. E. M. & Ter Hofstede, F. (2002). International Market Segmentation: Issues and Outlook. *International Journal of Research in Marketing*. 19(3), 185–213.
- Suerdem, A. (1993). Social de(re)construction of mass culture: making (non)sense of consumer behavior. *International Journal of Research in Marketing*, 11, 423-443.
- Summers, T. A., Belleau, B. D., & Xu, Y. (2006). Predicting purchase intention of a controversial luxury apparel product. *Journal of Fashion Marketing and Management*, 10(4), 405-.
- Sun, T., Horn, M., & Merrit, D. (2004). values and lifestyles of individualists and collectivists: A study on Chinese, Japanese, British and US consumers. *The Journal of Consumer Marketing*, 21(4/5), 318-.

- Thoreau, H. D. (1854, 30 April, 2008). *Walden*. Retrieved from <http://publicliterature.org/pdf/waldn10.pdf>
- Thurstone, L. (1927). A law of comparative judgment. *Psychological Review*, 34, 273-286.
- Tomarkin, A. J., & Waller, N. G. (2003). Potential problems with 'well fitting' models. *Journal of Abnormal Psychology*, 112(4), 578-598.
- Tomarkin, A. J., & Waller, N. G. (2005). Structural equation modelling: Strengths, limitations, and misconceptions. *Annual Review of Clinical Psychology*, 1, 31-65.
- Tönnies, F. (1957). *Community and Society* (C. P. Loomis, Trans.). New York: Harper and Row. (1887)
- Triandis, H. C. (1995). *Individualism and collectivism*. Boulder, CO: Westview.
- Triandis, H. C., & Gelfand, M. J. (1998). Converging measurement of horizontal and vertical individualism and collectivism. *Journal of Personality and Social Psychology*, 74, 118-128
- Triandis, H. C., & Singelis, T. M. (1998). Training to recognize individual differences in collectivism and individualism within culture. *International Journal of Intercultural Relations*, 22(1), 35-47.
- Trompenaars, F. (1993). *Riding the waves of culture*. London: The Economist Books.
- Tsai, S.-P. (2005). Impact of personal orientation on luxury-brand purchase value. *International Journal of Market Research*, 47(4), 429-454.
- Tse, D. (1996). Understanding Chinese people as consumers: past findings and future propositions. In M. H. Bond (Ed.), *The handbook of Chinese psychology* (pp. 352-363). Hong Kong: Oxford University Press.
- Tse, D. K., Belk, R. W., & Zhou, N. (1989). Becoming a consumer society: A longitudinal and cross-cultural content analysis of print ads from Hong Kong, the People's Republic of China, and Taiwan. *Journal of Consumer Research*, 15(March), 457-472
- Twitchell, J. B. (2002). Needing the unnecessary. *Reason*, 34(4), 36-45.

- Van de Vijver, F., & Leung, K. (1997). *Methods and data analysis for cross-cultural research*. Thousand Oaks, CA: Sage.
- van Kempen, L. (2003). Fooling the eye of the beholder: Deceptive status signalling among the poor in developing countries. *Journal of International Development*, 15(2), 157-177.
- van Kempen, L. (2007). Status consumption and ethnicity in Bolivia: Evidence from durables ownership. *International Journal of Consumer Studies*, 31(1), 76-.
- Veblen, T. (1891). Some neglected points in the theory of socialism. *The Annals of the American Academy of Political and Social Science*, 2, 57-74.
- Veblen, T. (1899). *The theory of the leisure class*. New York: New American Library.
- Verhallen, T. M. (1982). Scarcity and consumer choice behavior. *Journal of Economic Psychology*, 2(2), 299-321.
- Verhallen, T. M. M., & Robben, H. S. J. (1994). Scarcity and preference: An experiment on unavailability and product evaluation. *Journal of Economic Psychology*, 15(2), 315-331.
- Vickers, J., & Renand, F. (2003) The marketing of luxury goods: An exploratory study – three conceptual measures. *The Marketing Review (UK)*, 3, 459-478
- Vigneron, F., & Johnson, L. W. (1999). A review and conceptual framework of prestige seeking consumer behavior. *Academy of Marketing Science Review*, (1999), 1-15.
- Vigneron, F., & Johnson, L. W. (2004). Measuring perceptions of brand luxury. *Journal of Brand Management*, 11(6), 484-506.
- Voltaire (1738) On commerce and luxury: In H. C. Clarke (Ed) (2003), *Commerce, Culture and Liberty: Readings on Capitalism before Adam Smith* (pp. 276-281). Indianapolis: Liberty Fund
- Wade-Benzoni, K. A., Okumura, T., Brett, J. M., Moore, D. A., Tenbrunsel, A. E., & Bazerman, M. H. (2002). Cognitions and behaviour in asymmetric social dilemmas: A comparison of two cultures. *Journal of Applied Psychology*, 87(1), 87-95.
- Wallendorf, M., & Arnould, E. J. (1988). My favourite things: A cross-cultural inquiry into object attachment. *Journal of Consumer Research*, 14(4), 531-547.

- Watkins, H. S., & Liu, R. (1996). Collectivism, individualism and in-group membership: Implications for complaining behaviors in multicultural contexts. *Journal of International Consumer Marketing*, 8(3/4), 69-96.
- Watson, D., Clark, L. A., & Harkness, A. R. (1994) Structures of personality and their relevance to psychopathology. *Journal of Abnormal Psychology*, 103, 18-31
- Weber, M. (1905: 1958). *The Protestant Ethic and the Spirit of Capitalism*. New York: Scribner's Press.
- Weldon, E. (1984). Deindividuation, interpersonal affect, and productivity in laboratory group tasks. *Journal of Applied Social Psychology*, 14(5), 469-485
- Weimer, D. L. (1999). Comment: Q-Method and the isms. *Journal of Policy Analysis and Measurement*, 18(3), 426-429.
- White, C. J. (2005). Further support of the reliability and construct validity of the horizontal and vertical, individualism and collectivism framework. *Management Research News*, 28(1), 77-81.
- Wickliffe, V. P., & Pysarchik, D. T. (2001). A look at product attributes as enhancers of group integration among US and Korean consumers. *International Journal of Retail and Distribution*, 29(2), 99-.
- Williamson, D. (2002). Forward from a critique of Hofstede's model of national culture. *Human Relations*, 55(11), 1373-1395.
- Wong, N. Y., & Ahuvia, A. C. (1998). Personal taste and family face: Luxury consumption in Confucian and western societies. *Psychology and Marketing*, 15(5), 423-441.
- Wuthnow, R., Hunter, J., Bergesen, A., & Kurzweil, E. (1984). Cultural analysis: The work of Peter L. Berger, Mary Douglas, Michel Foucault and Jurgen Habermas. Boston: Routledge and Kegan Paul.
- Yamaguchi, S. (1994). Empirical evidence on collectivism among the Japanese. In U. Kim, H. Triandis, C. Kagitcibasi, S. C. Choi & G. Yoon (Eds.), *Individualism and collectivism: Theory, method, and applications* (pp. 175-188). Newbury Park, CA: Sage.
- Yang, S., Allenby, G. M., & Fennell, G. (2002). Modelling variation in brand preference: The roles of objective environment and motivating conditions. *Marketing Science*, 21(1), 14-31

Yaveroglu, I. S., & Donthu, N. (2002). Cultural influences on the diffusion of new products. *Journal of International Consumer Marketing*, 14(4), 49-.

Yeniyurt, S., & Townsend, J. D. (2003). Does culture explain the acceptance of new products in a country? An empirical investigation. *International Marketing Review*, 20(4), 377-396.

Appendices

APPENDIX A: FOCUS GROUP INTERVIEW GUIDE

1. CAN YOU PROVIDE EXAMPLES OF PRODUCTS THAT YOU CONSIDER TO BE LUXURIES? WHY DO YOU CONSIDER THESE PRODUCTS TO BE LUXURIES?

What sort of luxury products would you and your peers consider purchasing?

2. HOW IS A LUXURY PRODUCT DIFFERENT FROM A NON-LUXURY PRODUCT?

3. ARE THERE SITUATIONS WHERE BUYING LUXURY PRODUCTS IS IMPORTANT?

4. WHAT IS YOUR OPINION OF PRODUCTS WITH A HIGH PRICE?

PROMPT: Do you think that a high price tag has greater prestige than a low price tag?

PROMPT: How much of an increase in price would affect your desire to purchase a product [qn1]

5. WHAT CONSIDERATIONS WOULD MOTIVATE YOU TO CONSUME A LUXURY PRODUCT?

6. WHAT DO YOU IMAGINE OTHER PEOPLE ARE THINKING IF THEY SEE YOU USING A LUXURY PRODUCT?

PROMPT: How do you feel when people see you with a luxury product?

PROMPT: How do you feel when you see other people with luxuries?

PROMPT: Is it important whether or not people know that you have purchased a luxury product?

7. DO YOU THINK THAT PRODUCTS THAT ARE DIFFERENT AND UNIQUE ARE LUXURIES?

8. HAVE YOU EVER PURCHASED A PRODUCT BECAUSE OF ITS UNIQUENESS?

PROMPT: Do you consider this product to be a luxury?

9. WOULD THE PURCHASE OF A LUXURY PRODUCT HELP YOU FIT IN WITH A GROUP?

10. WHAT EFFECT WOULD CONSUMING A LUXURY PRODUCT HAVE ON THE WAY YOU THINK ABOUT YOURSELF?

11. WHAT ROLE DOES QUALITY HAVE IN DETERMINING WHETHER A PRODUCT IS A LUXURY?

PROMPT: Is it possible for a Luxury product to be low-quality?

12. DOES ENJOYMENT (OR OTHERWISE) OF A PRODUCT AFFECT YOUR PERCEPTION OF LUXURY?

13. CAN EXPERIENCES BE CONSIDERED AS A LUXURY?

14. WHAT WOULD MOTIVATE YOU TO PURCHASE A LUXURY PRODUCT AS A GIFT FOR YOURSELF?

15. WHAT WOULD MOTIVATE YOU TO PURCHASE A LUXURY PRODUCT AS A GIFT FOR SOMEONE ELSE?

APPENDIX B: Q-Sort Exercise and Initial Item Pool

Consumer Motivation for the Consumption of Luxury Products: A Cross-Cultural Study: A PhD Research Project

The exercise that you have been asked to assist with is one that is attempting to assess the face validity of a number of items that will be used to measure a series of constructs that are central to my research. This is an initial exercise in reducing the number of items that will be used.

The following table contains a brief synopsis of different categories of motivation that might cause an individual to consume a luxury product:

Quality: functional superiority and high performance	A
Hedonic: feelings and affective states, intrinsic enjoyment	B
Social: social value (for self or for group) and conformity, and keeping up with the Joneses	C
Uniqueness: scarcity, exclusivity, and distinction	D
Status: display of wealth and status	E

For each statement in the table below please enter the code for the definition that you believe the statement bears the closest resemblance to. If you do not think the statement bears any resemblance to any of these definitions please use the code **X**. Please enter the appropriate code in the column “Category.”

In the column “Usefulness” please enter a score from 1 to 5 dependent on how useful you think the statement is for measuring the category that you have identified. **1 is not at all useful, 5 is extremely useful.** If you have marked the category as X (no resemblance) please leave this column blank.

		Category	Usefulness
1	I am very attracted to rare items		
2	I am interested in new products with status		
3	I am attracted to luxury products that are socially acceptable		
4	I am attracted to luxury products with superior quality		
5	I am more likely to purchase a luxury product that I would enjoy		
6	I value the ability of a luxury product to make me feel special		
7	The performance of a luxury product is my major reason for purchase		
8	I would be more likely to purchase a luxury good if it would help me to mix in the right circles		
9	It don't care what people think of the products that I buy (negatively worded)		
10	I tend to be a fashion leader rather than a fashion follower		
		Category	Usefulness
11	I prefer the luxury products that my friends and / or family		

	already own		
12	I tend to evaluate whether a luxury product is value for money before purchasing it		
13	A luxury product is more valuable to me if it has the ability to make me feel better about myself		
14	A luxury product is worth more to me if it is elitist		
15	I am more likely to buy a product if it is scarce		
16	It is important that people know that a luxury product I own was expensive		
17	Luxury products help me conform to the expectations of my peers		
18	I am very attracted to luxury products that stimulate the senses		
19	Luxury products should give me pleasure		
20	The luxury products that I purchase are functionally superior to similar product offerings		
21	I feel more socially acceptable if I possess a luxury good as compared with non-luxury good		
22	I would buy a luxury product just because it has status		
23	I would prefer to have things custom-made rather than ready made		
24	I expect that a luxury product will out perform a non-luxury product		
25	I enjoy having things that others do not		
26	It is important that I advertise my success by owning and using luxury products		
27	Beauty is an important attribute of the luxury product		
28	It is not a luxury if I don't enjoy it		
29	A luxury product has a superior standard of workmanship		
30	I feel envious if my neighbour has better quality goods than I own		
31	It is likely that I would upgrade a product that I own if someone I know possessed a more luxurious version		
32	I rarely pass up the opportunity to order custom features on the products I buy		
33	A luxury is worth the extra expense if people think it is a status product		
34	A luxury product has a superior standard of workmanship		
35	I am inclined to purchase a luxury product if it will continue to deliver value over the long-term		
		Category	Usefulness
36	Purchasing an inferior product is not economical		
37	My reason for consuming luxuries is that it puts me in a good mood		
38	Sometimes I am ashamed of products I own because others own better		
39	People are more likely to accept me if they see me with a luxurious product		
40	I hope people think I am wealthy when they see me with a		

	luxury product		
41	I like to try new products and services before others do		
42	I try to improve my social standing through the products that I purchase		
43	Sometimes it is necessary to purchase a luxury good to gain membership of a group		
44	A product could not be considered luxurious if it had inferior quality		
45	I would not purchase a luxury product if I wasn't going to get enjoyment from using it		
46	High levels of quality are synonymous with luxury		
47	If my friend buys something expensive I will also buy something expensive		
48	I enjoy shopping at stores that carry merchandise that is different and unusual		
49	I would not buy a low-quality product regardless of how luxurious my friends and family perceived it to be		
50	I would buy a luxury product that gives me an experience that you can't get from non-luxury products		
51	A luxury product should provide you with a thrill		

Thank you for your assistance. Please feel free to add any comments below.

Gareth Allison
PhD Student, Lincoln University

APPENDIX C: English Version of Survey Instrument

Part 1: Motivation for Consuming Luxury Products

Listed below are a variety of statements relating to the purchase of luxury goods. Please indicate how strongly you agree or disagree with each statement by using the following scale:

1. Strongly Disagree
2. Disagree
3. Neither Agree nor Disagree
4. Agree
5. Strongly Agree

		Strongly Disagree			Strongly Agree
1	I am attracted to rare things	1	2	3	4 5
2	I am attracted to products with superior quality	1	2	3	4 5
3	The performance of a luxury product is my major reason for purchase	1	2	3	4 5
4	I tend to be a fashion leader rather than a fashion follower	1	2	3	4 5
5	I prefer the luxury products that my friends already own	1	2	3	4 5
6	I tend to evaluate whether a luxury product is value for money before purchasing it	1	2	3	4 5
7	A luxury product is more valuable to me if it has the ability to make me feel better about myself	1	2	3	4 5
8	I am more likely to buy a product if it is unique	1	2	3	4 5
9	It is important that people know that a luxury product I own was expensive	1	2	3	4 5
10	Luxury products should give me pleasure	1	2	3	4 5
11	It is important that I advertise my success by owning luxury products	1	2	3	4 5
12	A luxury is worth more if people think it is a status product	1	2	3	4 5
13	I am inclined to purchase a luxury product if it will continue to	1	2	3	4 5

deliver value over the long-term

14 My reason for consuming luxuries is that it puts me in a good mood 1 2 3 4 5

		Strongly Disagree			Strongly Agree
15	People are more likely to accept me if they see me with a luxurious product	1	2	3	4 5
16	I hope people think I am wealthy when they see me with a luxury product	1	2	3	4 5
17	Sometimes it is necessary to purchase a luxury good to gain membership of a group	1	2	3	4 5
18	I would not purchase a luxury product if I was not going to get enjoyment from using it	1	2	3	4 5
19	If my friend buys something expensive I will consider purchasing the same item	1	2	3	4 5
20	I enjoy shopping at stores that carry merchandise that is unusual	1	2	3	4 5

If there was a specific luxury product that dominated your thoughts as you were answering these questions, please identify this product in the space provided below:

Part 2:

In respect of each product category listed below please rank these statements in terms of the relevance each statement to your motivation for the potential purchase of a luxurious version of these products.

The rank **1** should be assigned to the most relevant statement, and the rank **5** assigned to the least relevant statement.

Example: If the most relevant statement is “The fuel economy is exceptional on this car” and the least relevant statement is “I really like the colour of this car” your answer may look something like this:

Car

- | | | |
|----|---|---|
| a) | This car has superior interior styling | 3 |
| b) | I would get enjoyment from driving this car | 2 |
| c) | The fuel economy is exceptional on this car | 1 |
| d) | This is the fastest car on the market | 4 |
| e) | I really like the colour of this car | 5 |

Restaurant

- | | | |
|----|--|--|
| a) | This restaurant offers a one-of-a-kind dining experience | |
| b) | The restaurant is renowned for the exquisite taste of its food | |
| c) | The restaurant uses only the finest fresh ingredients | |
| d) | Being seen dining in this restaurant suggests that I am successful | |
| e) | This restaurant is raved about by my friends and workmates | |

Massage

- | | | |
|----|--|--|
| a) | Getting this massage is an experience that very few people get to enjoy | |
| b) | This massage offers the ultimate in indulgent gratification | |
| c) | This massage will relieve all my tension and leave me free from pain | |
| d) | The spa that offers this massage is the most prestigious in town | |
| e) | I have been feeling left out as many of my friends have raved about this massage | |

Sunglasses

- | | | |
|----|---|--|
| a) | These sunglasses are worn by only the very best people | |
| b) | These sunglasses will enable me to look fashionable | |
| c) | These sunglasses will allow me to express my individuality | |
| d) | These sunglasses offer the best eye protection that money can buy | |
| e) | Wearing these sunglasses makes me feel really good about myself | |

Home Theatre System

- a) I would feel confident that guests will be envious of this home theatre
- b) Many of my friends now own quality systems and this system equals theirs at the very least
- c) This home theatre offers many unique features that other systems don't possess
- d) This home theatre has a superior level of visual and audio performance
- e) This home theatre delivers a supreme level of sensory pleasure

Part 3: Culture

Listed below are a variety of statements. Please indicate how strongly you agree or disagree with each by using the following scale:

1. Strongly Disagree
2. Disagree
3. Neither Agree nor Disagree
4. Agree
5. Strongly Agree

		Strongly Disagree			Strongly Agree	
1	I enjoy working in situations involving competition with others	1	2	3	4	5
2	I enjoy being unique and different from others in many ways	1	2	3	4	5
3	I would do what pleases my family, even if I detest the activity	1	2	3	4	5
4	I feel good when I cooperate with others	1	2	3	4	5
5	Winning is everything	1	2	3	4	5
6	I would sacrifice an activity that I enjoy if my family did not approve of it	1	2	3	4	5
7	The well-being of my co-workers is important to me	1	2	3	4	5
8	I am a unique individual	1	2	3	4	5
9	What happens to me is my own doing	1	2	3	4	5
10	Without competition, it is not possible to have a good society	1	2	3	4	5
11	If a co-worker gets a prize I would feel proud	1	2	3	4	5
12	I usually sacrifice my self-interest for the benefit of the group	1	2	3	4	5
13	Competition is the law of nature	1	2	3	4	5
14	It is important to maintain harmony within my group	1	2	3	4	5
15	When I succeed, it is usually because of my own abilities	1	2	3	4	5

16	Before taking a major trip, I consult with most members of my family and many friends	1	2	3	4	5
		Strongly Disagree		Strongly Agree		
17	It is important that I do my job better than others	1	2	3	4	5
18	When another person does better than I do, I get tense and distressed	1	2	3	4	5
19	If a relative were in financial difficulty I would help within my means	1	2	3	4	5
20	To me, pleasure is spending time with others	1	2	3	4	5
21	I like privacy	1	2	3	4	5
22	Children should be taught to place duty before pleasure	1	2	3	4	5
23	I should live my life independently of others	1	2	3	4	5
24	My happiness depends very much on the happiness of those around me	1	2	3	4	5
25	Children should feel honoured if their parents receive a distinguished award	1	2	3	4	5
26	We should keep our aging parents with us at home	1	2	3	4	5
27	I prefer to be direct and forthright in discussions with people	1	2	3	4	5
28	It annoys me when people perform better than I do	1	2	3	4	5
29	Some people emphasise winning, I'm not one of them	1	2	3	4	5
30	I hate to disagree with others in my group	1	2	3	4	5
31	I often do my own thing	1	2	3	4	5
32	I like sharing little things with my neighbours	1	2	3	4	5

Part 4: Personal Details

Please tick the appropriate box for each question:

1. Are you male or female?

Male ☐ Female ☐

2. How old are you?

Age _____ years

3. What is your total annual income (before tax?) (NZ Dollars)

<\$10,000 ☐ \$10,001-\$20,000 ☐ \$20,001-\$30,000 ☐ \$30,001-\$40,000 ☐
\$40,001-\$50,000 ☐ \$50,001-\$60,000 ☐ \$60,001-\$70,000 ☐ \$70,001-\$80,000 ☐
\$80,001-\$90,000 ☐ \$90,001-\$100,000 ☐ \$100,001-\$110,000 ☐ \$110,001-\$120,000 ☐
\$120,001+ ☐

4. In an average week how much money do you have to spend as you wish? _____

5. What is your Nationality? _____

6. Which cultural group do you primarily identify with?

New Zealand European ☐ Māori ☐ Pacific Islander ☐
Chinese ☐
European ☐ Other (Please specify) _____

7. When did you last purchase a product that you considered to be a luxury product?

In the last week ☐ In the last month ☐ In the last 3 Months ☐ In the last 6 months ☐
Longer than 1 year ago ☐ Never ☐

8. What product category best describes your most recent luxury purchase?

Electronics ☐ Clothing ☐ Fashion Accessories ☐ Entertainment ☐
Travel ☐
Automobile ☐ Leisure Equipment ☐ Houseware ☐ Alcohol ☐ Dining ☐
Food ☐ Other (Please Specify) _____

9. How expensive was this item? Please circle the star below which best describes how you perceived the expensiveness of the product you chose in Question 8.

Inexpensive * * * * * * * Very Expensive

APPENDIX D: Thai Version of Survey Instrument

ส่วนที่ 1

เหตุจูงใจในการซื้อสินค้าฟุ่มเฟือยราคาแพง

กรุณาเลือกเพียงหนึ่งหมายเลขเพื่อแสดงว่าคุณเห็นด้วยหรือไม่เห็นด้วยกับข้อความข้างล่างมากน้อยเพียงใด เกี่ยวกับการซื้อสินค้าฟุ่มเฟือยราคาแพง

		Strongly Disagree			Strongly Agree		
		1	2	3	4	5	
1	คุณเป็นคนสนใจตัวสินค้าที่หายาก	1	2	3	4	5	
2	คุณเป็นคนที่ชื่นชอบสินค้าตัวที่มีคุณภาพดีและดูดีมีระดับ	1	2	3	4	5	
3	คุณสมบัติของตัวสินค้ามูลค่าสูงเป็นเหตุผลหลักในการตัดสินใจเลือกซื้อ	1	2	3	4	5	
4	คุณเป็นคนที่ต้องการเป็นผู้นำแฟชั่นมากกว่าเป็นผู้ตามแฟชั่น	1	2	3	4	5	
5	คุณเป็นคนชอบที่จะเป็นเจ้าของสินค้ามูลค่าสูงตัวเดียวกันกับที่เพื่อน ๆ ของคุณมี	1	2	3	4	5	
6	ก่อนที่จะตัดสินใจซื้อสินค้ามูลค่าสูงตัวใด คุณได้ประเมินก่อนแล้วว่าสินค้าตัวนี้คุ้มค่าพอ	1	2	3	4	5	
7	การเป็นเจ้าของสินค้ามูลค่าสูงทำให้ตัวคุณเองรู้สึกมีคุณค่ามากขึ้น	1	2	3	4	5	
8	คุณเป็นคนที่ชอบที่จะซื้อสินค้าตัวที่ไม่เหมือนใครหรือไม่ใช่ของซ้ำกับคนทั่วไป	1	2	3	4	5	
9	มันสำคัญมากที่คนทั่วไปจะได้รับรู้ว่าสินค้ามูลค่าสูงที่คุณมีนั้นราคาแพง	1	2	3	4	5	
10	คุณรู้สึกยินดีและพอใจในการที่คุณเป็นเจ้าของสินค้ามูลค่าสูง	1	2	3	4	5	
11	มันสำคัญมากที่ตัวคุณเองได้แสดงถึงสถานะภาพด้วยการใช้สินค้ามูลค่าสูง	1	2	3	4	5	
12	สินค้ามูลค่าสูงมีคุณค่ามากขึ้น ถ้าคนทั่วไปคิดว่ามันแสดงออกว่ามีฐานะของคุณ	1	2	3	4	5	
13	คุณพอใจที่จะซื้อสินค้ามูลค่าสูง หากว่ามันเป็นการลงทุนระยะยาว	1	2	3	4	5	
14	เหตุผลที่คุณซื้อสินค้านี้ราคาแพงก็เพราะว่ามันช่วยทำให้คุณอารมณ์ดีขึ้น	1	2	3	4	5	
15	คนทั่วไปจะยอมรับคุณในทันทีเมื่อพวกเขาเห็นคุณใช้สินค้านี้ราคาแพง	1	2	3	4	5	
16	คุณหวังว่าคนทั่วไปคิดว่าคุณร่ำรวยเมื่อคุณเลือกใช้แต่สินค้านี้ราคาแพง	1	2	3	4	5	
17	บางครั้งมันก็มีจำเป็นที่ต้องซื้อสินค้ามูลค่าสูงเพื่อเข้าเป็นส่วนหนึ่งของกลุ่มหรือสังคม	1	2	3	4	5	

- | | | | | | | |
|----|---|---|---|---|---|---|
| 18 | คุณจะไม่ซื้อสินค้ามูลค่าสูง ถ้าไม่รู้สึกชอบมันจริง ๆ | 1 | 2 | 3 | 4 | 5 |
| 19 | ถ้าเพื่อนคุณใช้สินค้าบางอย่างที่ราคาแพงคุณก็ไม่รือร้อที่จะซื้อแบบเดียวกัน | 1 | 2 | 3 | 4 | 5 |
| 20 | คุณมีความสุขในการเลือกซื้อสินค้าในร้านที่ขายของไม่ซ้ำใคร | 1 | 2 | 3 | 4 | 5 |

ถ้าหากคุณมีสินค้ามูลค่าสูงในใจที่เป็นตัววัดระดับความคิดเห็นในการตอบคำถาม กรุณาระบุ

ส่วนที่ 2

ตามประเภทสินค้าราคาแพงและเป็นของฟุ่มเฟือยข้างล่างนี้
กรุณาใส่ตัวเลขเพื่อวัดระดับเหตุผลในการตัดสินใจซื้อสินค้าของคุณ โดยใส่หมายเลข 1
เมื่อคุณคิดว่าเป็นเหตุผลที่คุณพิจารณาจนเป็นอันดับแรก และ 5 ที่คุณให้ความสนใจน้อยที่สุด

ร้านอาหาร

- a) ร้านอาหารร้านนี้บริการพิเศษประทับใจและไม่เหมือนใคร
- b) รสชาติอาหารพิเศษกว่าร้านอื่น
- c) ร้านนี้ใช้แต่วัสดุประกอบอาหารชั้นดี
- d) การที่ได้มาร้านนี้ให้ความรู้สึกว่าเป็นคนที่ประสบความสำเร็จ
- e) ร้านนี้ได้รับคำชมเชยจากเพื่อนร่วมงานหรือเพื่อนฝูง

นวด/สปา

- f) การเข้าร้านสปานี้มีเพียงคนบางกลุ่มเท่านั้นที่จะเข้าได้
- g) การเข้าร้านสปาทำให้รู้สึกผ่อนคลายและถูกตามใจ
- h) ทำให้เกิดความรู้สึกผ่อนคลายและหายปวดเมื่อย
- i) การเข้าร้านสปานี้เป็นเกียรติอย่างมาก
- j) ได้รับคำชื่นชมจากเพื่อนฝูงเป็นอย่างยิ่ง

แว่นกันแดด

- f) แว่นกันแดดรุ่นนี้สวมใส่เฉพาะคนบางกลุ่มเท่านั้น
- g) แว่นกันแดดตัวนี้ทำให้คุณดูทันสมัย
- h) แว่นกันแดดรุ่นนี้ทำให้ฉันรู้สึกมั่นใจและเสริมบุคลิกอย่างมาก
- i) แว่นกันแดดรุ่นนี้ มีคุณสมบัติปกป้องดวงตาจากแสงแดดและรังสีอื่น ๆ
- j) เมื่อได้สวมแว่นกันแดดรุ่นนี้ทำให้ฉันรู้สึกดีมาก ๆ

ระบบเครื่องเสียงแบบโสมเธียร์เตอร์

- f) คุณรู้สึกดีเมื่อผู้มาเยือนอิจฉาที่คุณมีชุดโสมเธียร์เตอร์ชั้นยอด
- g) ชุดเครื่องเสียงคุณภาพเยี่ยมชุดนี้ก็เทียบเท่าที่เพื่อนของคุณมี
- h) ชุดโสมเธียร์เตอร์นี้ให้ความรู้สึกที่แตกต่าง สวยงาม และใช้ง่าย
- i) ชุดโสมเธียร์เตอร์ให้คุณภาพของภาพและเสียงที่ดี พร้อมทั้งดูดีมีระดับ
- ชุดโสมเธียร์เตอร์นี้ให้ความสุขแก่คุณอย่างยอดเยี่ยม

ส่วนที่ 3: วัฒนธรรม

กรุณาเลือกเพียงหนึ่งหมายเลขเพื่อแสดงว่าคุณเห็นด้วยหรือไม่เห็นด้วยกับข้อความข้างล่างมากนัก
 ยเพียงใด เกี่ยวกับการซื้อสินค้าฟุ่มเฟือยราคาแพง

		Strongly Disagree			Strongly Agree	
		1	2	3	4	5
1	คุณชอบทำงานที่ต้องแข่งขันกับคนอื่น	1	2	3	4	5
2	คุณรู้สึกสนุกกว่าคุณทำอะไรได้ดีเป็นพิเศษ ดุดี และหลากหลายกว่าคนอื่น ๆ ในหลาย ๆ ด้าน	1	2	3	4	5
3	คุณต้องการที่จะทำอะไรให้ครอบครัวมีความสุขแม้ว่าสิ่งนั้นคุณจะไม่ชอบก็ตาม	1	2	3	4	5
4	คุณรู้สึกดีเมื่อได้ร่วมมือทำงานกันเป็นกลุ่ม	1	2	3	4	5
5	ชัยชนะคือทุกอย่าง	1	2	3	4	5
6	คุณต้องเสียสละกิจกรรมบางอย่างที่ชอบถ้าครอบครัวไม่เห็นด้วย	1	2	3	4	5
7	การได้รับการต้อนรับที่ดีจากเพื่อน ๆ หรือเพื่อนร่วมงานนั้นสำคัญสำหรับคุณ	1	2	3	4	5
8	คุณมีความเป็นตัวของตัวเองสูงไม่เหมือนใคร	1	2	3	4	5
9	คุณต้องการทำอะไรด้วยตัวคุณเอง	1	2	3	4	5
10	ถ้าไม่มีการแข่งขันก็จะเป็นไปไม่ได้ที่จะมีสังคมจะพัฒนาไปในที่ดี	1	2	3	4	5
11	คุณรู้สึกภูมิใจกับเพื่อนที่ประสบความสำเร็จอย่างจริงจัง	1	2	3	4	5
12	คุณมักจะเสียสละความชอบส่วนตัวเพื่อคนอื่นเสมอ	1	2	3	4	5
13	การแข่งขันเป็นกฎธรรมชาติ	1	2	3	4	5
14	ความเป็นอันหนึ่งอันเดียวกันของกลุ่มเป็นสิ่งสำคัญมาก	1	2	3	4	5
15	เป็นเรื่องปกติสำหรับความสามารถของคุณที่จะประสบความสำเร็จ	1	2	3	4	5
16	คุณชอบติดจากสมาชิกส่วนใหญ่หรือครอบครัวก่อนที่จะทำอะไรเสมอ เช่น เรื่องไปเที่ยว หรืออื่นๆ	1	2	3	4	5
17	เป็นเรื่องสำคัญมากที่คุณทำงานของคุณให้ดีกว่าใคร	1	2	3	4	5
18	คุณรู้สึกเครียดและไม่สบายใจเมื่อมีบางคนสร้างผลงานได้ดีกว่าคุณ	1	2	3	4	5
19	ถ้าญาติพี่น้องประสบปัญหาทางการเงิน คุณจะยื่นมือเข้าช่วยจนสุดความสามารถ	1	2	3	4	5
20	สำหรับคุณแล้ว ความสุขคือการได้ร่วมใช้เวลากับผู้อื่น	1	2	3	4	5
21	คุณเป็นคนมีโลกส่วนตัวสูง	1	2	3	4	5
22	เด็ก ๆ ควรเรียนรู้ถึงความลำบาก ก่อนที่จะรู้สึกสนุกหรือได้รับสิ่งตอบแทน	1	2	3	4	5
23	คุณชอบที่จะทำอะไรด้วยตัวเองโดยไม่พึ่งคนอื่น	1	2	3	4	5

24	ความสุขของคุณขึ้นอยู่กับความสุขของคนที่อยู่รอบข้าง	1	2	3	4	5
25	เด็ก ๆ ควรรู้สึกเป็นเกียรติและภูมิใจ ถ้าผู้ปกครองได้รับความชื่นชมมากกว่าใคร ๆ	1	2	3	4	5
26	พวกเราควรที่จะดูแลผู้สูงอายุที่บ้าน	1	2	3	4	5
27	คุณชอบที่การอภิปรายหรือเปิดเผยกับคนอื่น ๆ อย่างตรงไปตรงมา	1	2	3	4	5
28	มันน่ารำคาญเมื่อมีคนทำได้ดีกว่า	1	2	3	4	5
29	คนบางคนชอบที่จะเป็นผู้ชนะ แต่คุณไม่ใช่	1	2	3	4	5
30	คุณเกลียดการที่มีคนในกลุ่มแสดงความไม่เห็นด้วยในบางเรื่องออกมา	1	2	3	4	5
31	คุณมักทำอะไรด้วยตัวเองเสมอ	1	2	3	4	5
32	คุณมักจะแบ่งปันสิ่งของเล็ก ๆ น้อย ๆ กับเพื่อนบ้านอยู่เสมอ	1	2	3	4	5

ส่วนที่ 4 ข้อมูลส่วนตัว

1. เพศ

ชาย ☐ หญิง ☐

2. คุณอายุเท่าไร

Age _____ years

3. รายได้เฉลี่ยต่อปี (บาท)

<15,000 ☐ 15,001-30,000 ☐ 30,001-45,000 ☐ 45,001-60,000 ☐ 60,001-75,000 ☐
75,000-90,000 ☐ 90,000-105,000 ☐ 105,000-120,000 ☐

4. ค่าใช้จ่ายที่คุณใช้ต่อสัปดาห์โดยประมาณบาท _____

5. สัญชาติ _____

7. สินค้ากลุ่มใดที่อธิบายได้ดีที่สุดของคำว่าสินค้าฟุ่มเฟือย

สัปดาห์ที่แล้ว ☐ เดือนที่แล้ว ☐ สามเดือนที่แล้ว ☐ หกเดือนที่แล้ว ☐ นานกว่าหนึ่งปี ☐ ไม่เคย ☐

8. สินค้ากลุ่มใดที่อธิบายได้ดีที่สุดของคำว่าสินค้าฟุ่มเฟือย

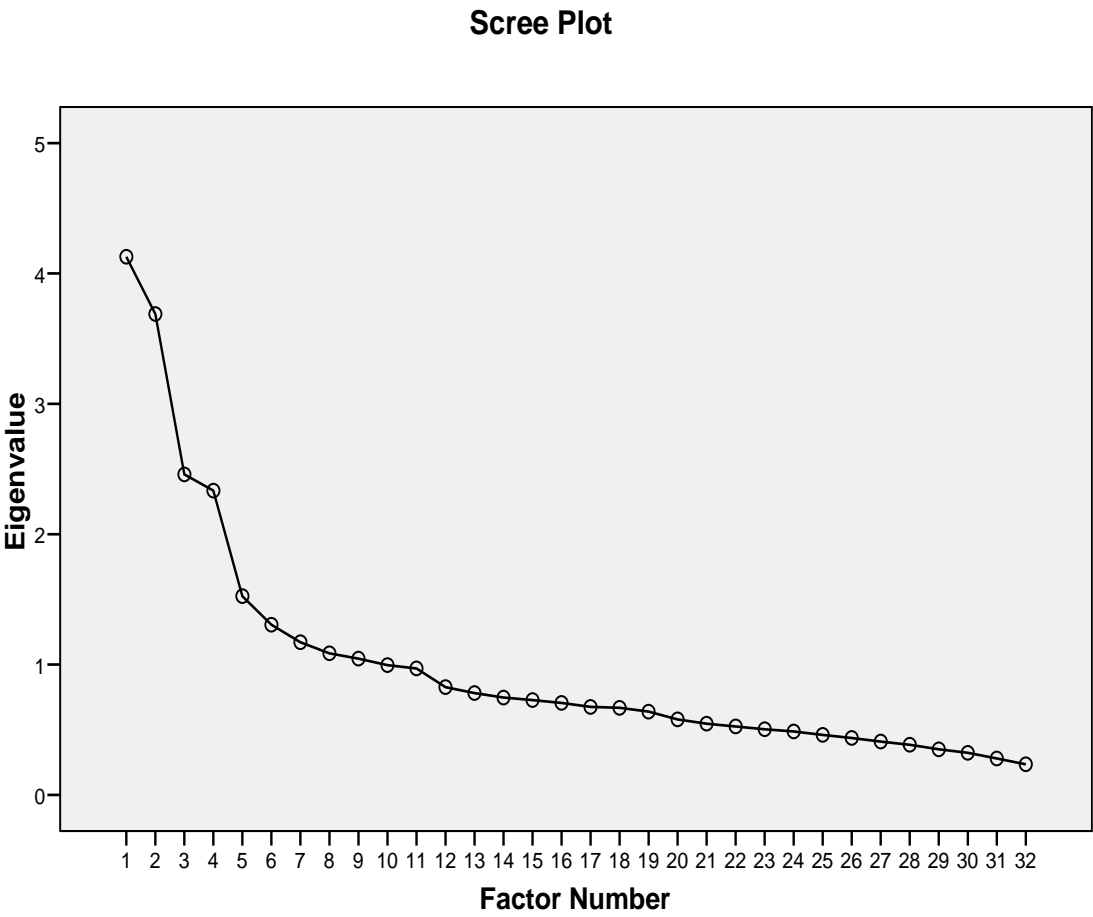
อุปกรณ์เครื่องใช้ไฟฟ้า ☐ เสื้อผ้า ☐ เครื่องประดับแฟชั่นต่าง ๆ ☐ บ้านเช่า ☐
รถยนต์ ☐ พักผ่อน ☐ ของแต่ ☐ เครื่องดื่ม ☐ ลกอส ☐
ร้านอาหาร ☐ อื่น ๆ ☐

9. จากข้อที่ 8 ราคาสินค้าที่คุณซื้อไปมีราคาประมาณเท่าไร กรุณาวงกลมในช่องที่คุณคิดว่าอธิบายได้ดีที่สุด

Inexpensive * * * * * Very Expensive

กรุณาใส่ที่อยู่ทางจดหมายอิเล็กทรอนิกส์ (email address) ในช่องว่าง หากต้องการที่จะเข้าร่วมชิงรางวัล (ไอพอด-นาโน)

APPENDIX E: Scree Plot for Factor Analysis of Cultural Orientation Scale



APPENDIX E: Initial Rotated Factor Matrix for Factor Analysis of Cultural Orientation Scale

Rotated Factor Matrix(a)

	Factor								
	1	2	3	4	5	6	7	8	9
We should keep our aging parents at home with us	.826								
Children should be taught to place duty before pleasure	.511								
It is important to maintain harmony within my group	.509				.320				
I prefer to be direct and forthright in discussions with people	.428								
If a co-worker gets a prize I would feel proud	.388								
I like sharing little things with my neighbours	.385								
I am a unique individual		.656							.394
I often do my own thing		.651							
I like privacy		.558							
What happens to me is my own doing		.545							
I should live my life independently of others	.435	.534							-.341
Winning is everything			.643						
Some people emphasise winning, I'm not one of them			-.591						

I enjoy working in situations involving competition with others			.516						
When I succeed it is usually because of my own abilities	.370		.395						
When another person does better than I do, I get tense and distressed				.873					
It annoys me when people perform better than I do			.306	.713					
It is important that I do my job better than others			.390	.448					
To me, pleasure is spending time with others					.605				
I feel good when I cooperate with others					.543				
My happiness depends very much on the happiness of those around me					.413				
If a relative were in financial difficulty I would help within my means					.381				
Before taking a major trip I consult with most members of my family and many friends					.352				
I usually sacrifice my self-interest for the benefit of the group									
Children should feel honoured if their parents receive a distinguished award									

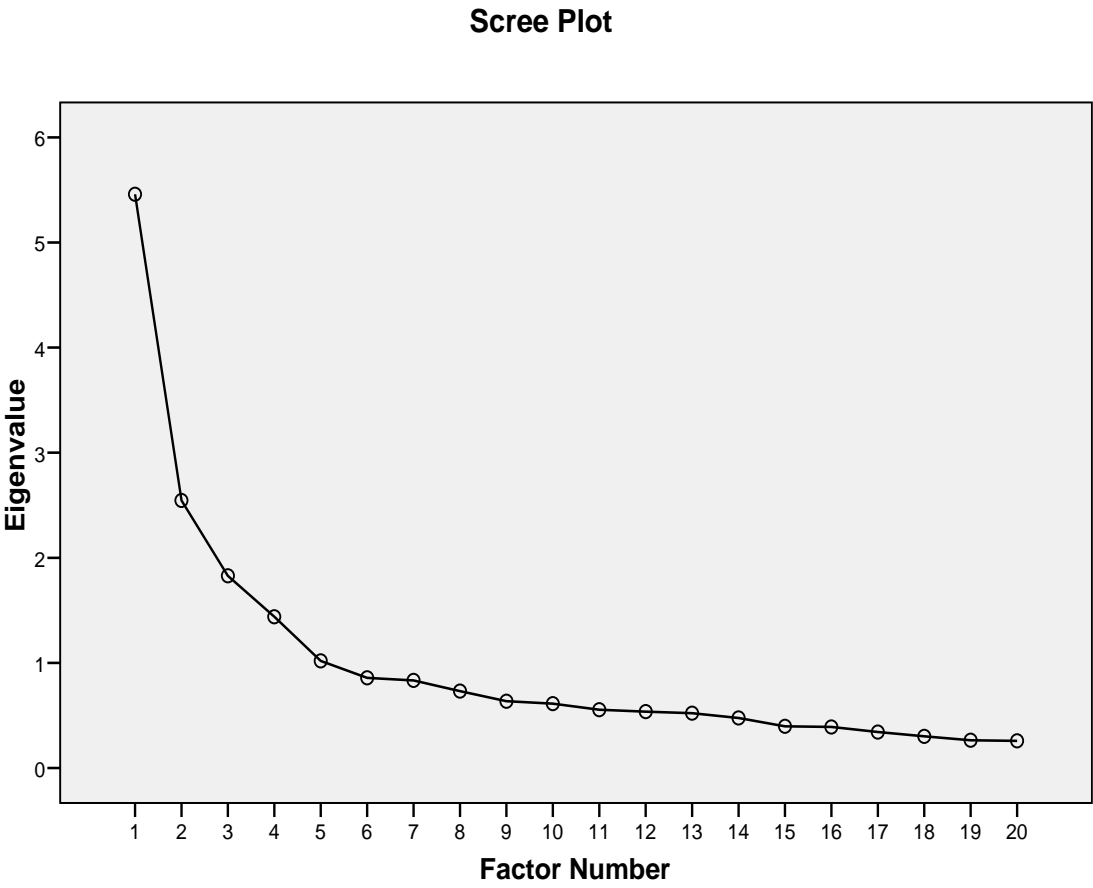
I hate to disagree with others in my group						.947		
I would sacrifice an activity that I enjoy if my family did not approve of it							.684	
I would do what pleases my family, even if I detest the activity	.355						.569	
Competition is the law of nature			.312					.614
Without competition it is not possible to have a good society			.321					.567
The well-being of my coworkers is important to me					.342			.468
I enjoy being unique and different from others in many ways								.329

Extraction Method: Maximum Likelihood.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 9 iterations.

APPENDIX F: Scree Plot for Factor Analysis of Motivation for Consuming Luxuries



APPENDIX G: Initial Rotated Factor Matrix for Factor Analysis of Motivation for Consuming Luxuries

Rotated Factor Matrix(a)

	Factor				
	1	2	3	4	5
attracted to rare things		.110	.596	.234	
attracted to products with superior quality	.109	.273	.623		.306
performance is major reason for purchase		.458	.343		
fashion leader rather than fashion follower	.307	.178	.396	.210	
prefer that friends already own	.258	.477	.186		-.201
evaluate value for money	-.112	-.214	.141		.475
make me feel better about myself	.337	.643	.126		
more likely to buy product if unique	.188		.437	.457	.279
important that people know that product was expensive	.721	.225			
should give me pleasure	.210	.650			.221
advertise my success by owning luxury products	.785	.235			
worth more if people think it is a status product	.709	.147			
deliver value over the long-term		.180	.242		.539
consuming luxuries puts me in a good mood	.236	.684			
more likely to accept me	.636	.244	.148		-.258
I hope people think I am wealthy	.746	.226			-.189
necessary to gain membership of a group	.585				
would not purchase if not going to get enjoyment				.115	.402
If my friend buys something expensive I will consider same purchase	.311	.438	.130		-.343
enjoy stores with unusual merchandise			.273	.954	.114

Extraction Method: Maximum Likelihood.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 8 iterations.

APPENDIX H: Relative Importance of Different Forms of Motivation for Consuming Specific Luxury Products

Section 2 of the survey instrument contained four sets of five items. Each set of items related to a specific product category that was identified in the focus group research as being a luxury product of relevance to the student population. Each set of items contains five statements specific to the product that were designed to reflect each of the motivational categories identified in the literature review (status, uniqueness, conformity, quality, and hedonic). Respondents were asked to rank each statement in relation to other items in the set, with rank 1 being most relevant to a decision to purchase and rank 5 being least relevant. The average rank scores and overall rank for both New Zealanders and Thais for each product category are presented in tables 6.6 – 6.10.

A distinction can be made between publicly consumed luxuries and privately consumed luxuries (Bearden & Etzel, 1982). Another distinction can be made between luxury goods and luxury services. The product categories contained in section 2 of the survey instrument represent a public luxury service (restaurant), a private luxury service (massage), a public luxury good (sunglasses), and a private luxury good (home theatre). This allows for an exploration of whether there are any differences between public and private luxury products, and between luxury goods and services, in terms of consumer motivation for their consumption.

Table H.1 contains the results obtained for restaurants.

Table H.1: Rank Order Preference of Statement Categories Influencing Purchase Decisions for Restaurants

	Uniqueness	Hedonic	Quality	Status	Conformist
NZ Mean	3.1298	1.9313	2.8092	4.7786	2.3511
Rank	4	1	3	5	2
“1” rank %					
Thai Mean	2.5536	1.5150	2.7725	4.6527	3.5150
Rank	2	1	3	5	4
“1” rank %					
Total Mean	2.7955	1.7464	2.7835	4.6467	3.0313
Rank	3	1	2	5	4
“1” rank %	13.1	54.8	11.4	2.4	18.3

The results contained in Table I.1 indicate that both New Zealanders and Thais are primarily motivated by hedonic motivations in their decision to dine at a restaurant. When the results are considered as a whole, quality emerges as the second most important motivation. For New Zealanders, however, conformity is the second most important motivation, whilst uniqueness is the second most important motivation for Thais. The high ranking of conformist motivations for New Zealanders may be considered as reflective of the importance attached to word-of-mouth as a motivator of purchase. Conformity was measured by the statement “This restaurant is raved about by my friends and workmates”. This wording may not have adequately represented conformist motivations and may have placed unintended emphasis on word of mouth persuasion. The high ranking ascribed to conformity by New Zealanders should therefore be treated with some caution. For both nationalities the pursuit of status was the least important motivation in a decision to purchase a restaurant experience. Personal motivations (hedonic and quality) assume greater importance than interpersonal motivations (uniqueness, conformity, and status) when the results for New Zealanders and Thais are combined.

Table H.2: Rank Order Preference of Statement Categories Influencing Purchase Decisions for Massage

	Uniqueness	Hedonic	Quality	Status	Conformist
NZ Mean	3.3206	2.3664	1.3206	4.1832	3.8092
Rank	3	2	1	5	4
“1” rank %					
Thai Mean	3.4551	2.2874	1.2381	4.2934	3.7186
Rank	3	2	1	5	4
“1” rank %					
Total Mean	3.3561	2.3590	1.3409	4.1909	3.7493
Rank	3	2	1	5	4
“1” rank %	3.4	7.6	80.8	1.7	2.1

A consistent pattern emerges for both New Zealanders and Thais in their ranking of motivations for a decision to consume a luxury massage treatment; is quality, hedonic, uniqueness, conformity, and then status. As with motivational rankings for restaurants, personal motivations assume greater importance than inter-personal motivations for both New Zealanders and Thais.

Table H.3: Rank Order Preference of Statement Categories Influencing Purchase Decisions for Sunglasses

	Uniqueness	Hedonic	Quality	Status	Conformist
NZ Mean	2.8855	2.3130	2.1985	4.5573	3.0458
Rank	3	2	1	5	4
“1” rank %					
Thai Mean	1.9341	3.1976	1.8869	4.6407	3.3353
Rank	2	3	1	5	4
“1” rank %					
Total Mean	2.4131	2.8063	2.0767	4.5271	3.1738
Rank	2	3	1	5	4
“1” rank %	27.6	16.2	44.7	2.1	9.7

New Zealanders maintain the same pattern of ranking for motivational categories in their decision to purchase luxurious sunglasses as their decision to purchase a massage. The pattern of Thai responses elicited a different ranking pattern with hedonic motivations being reported as subservient to uniqueness motivations.

Table H.4: Rank Order Preference of Statement Categories Influencing Purchase Decisions for Home Theatre

	Uniqueness	Hedonic	Quality	Status	Conformist
NZ Mean	2.6870	2.1527	1.7481	4.3969	4.0153
Rank	3	2	1	5	4
“1” rank %					
Thai Mean	2.3735	2.3952	1.6627	4.3373	4.2229
Rank	2	3	1	5	4
“1” rank %					
Total Mean	2.5714	2.3162	1.7457	4.2629	4.1000
Rank	3	2	1	5	4
“1” rank %	15.6	25.5	53.3	4.8	1

When asked to rank statements relating to the purchase of a home theatre system both New Zealanders and Thais repeated the pattern of responses for the sunglasses category.

Table H.5: Combined Rank Order Preference of Statement Categories Influencing Purchase Decisions for All Product Categories

	Uniqueness	Hedonic	Quality	Status	Conformist
NZ	2.6870	2.1527	1.7481	4.3969	4.0153
Thai	2.3735	2.3952	1.6627	4.3373	4.2229
Total	2.5714	2.3162	1.7457	4.2629	4.1000

When the rankings for the four different product categories are combined a different ranking pattern emerges for New Zealanders and Thais. For New Zealanders the order of importance for the different motivational categories is quality, hedonic, uniqueness, conformity and status. For Thais a similar pattern emerges except for the ranking of hedonic and uniqueness whose positions are reversed. There does not appear to be a significant effect based on whether a luxury product is publicly or privately consumed, or whether it is a good or a service.