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Wien, im Mai 2011

David Neubauer

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List of Abbreviations

AT	Austrian Respondent
BIRG	Basking in the reflected glory
CIA	Central Intelligence Agency
DVD	Digital Versatile Disk
ES	Spanish Respondent
EU	European Union
EUR	Euro
FI	Finnish Respondent
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
HC	High-Context
HNWI	High Net Worth Individual(s)
I	Interviewer
ID	Identification
KR	South Korean Respondent
KRW	Korean Won
LC	Low-Context
LVMH	Moët Hennessey Louis Vuitton
MS	Microsoft
NAFTA	Nord American Free Trade Association
PPP	Purchase Power Parity
PPR	Pinault-Printemps-Redoute
TV	Television
UK	United Kingdom
UN	United Nations
US(A)	United States (of America)
USD	US Dollar

1 Introduction

It's a small world - This general saying and popular Disneyland theme park attraction dating back to the 1960s (Disney, 2011), can be interpreted as an early illustration of a phenomenon later called globalization. Kiwi fruits from New Zealand, lychee juice from Japan, Camembert cheese from France and red wine from Chile – the whole world meets in the local supermarket. In developed countries, nearly every product seems to be available without any major obstacles.

Not just beginning with the end of the Cold War in the early 1990s, but increasingly since this historic turn, trade barriers have been worldwide abolished step by step. Nations agreed on trade alliances such as the NAFTA (North American Free Trade Association), and even former enemies joined forces in political and economic unions like the European Union (EU). Especially in Europe, international trade was tremendously facilitated by the introduction of the common currency, the Euro, in 1999 and the introduction of the Schengen-Treaty, allowing crossing borders without stopping for passport control.

Simultaneously the rise of so-called New Technologies, namely the rapid development of the Internet for common use since the late 1990s, contributed to the perception of a 'shrinking' world: Information (and goods) from all over the world became immediately accessible for practically everyone. Along with the rise of these New Media, the traditional media also developed further: Nowadays, satellite-TV and internet access are considered standard, delivering a variety of contents to any household. Together these technologies facilitate (marketing) communication to reach consumers virtually no matter where they are.

And for those who do not want to buy their goods at an on-line store based somewhere in cyberspace, a new business model helped to overcome even this problem: The low-cost carriers enable to book a return flight that costs less than a pair of jeans. When a trip by airplane to Paris, Milan or London was considered as part of a once-in-a-year holiday in the past, it became available for a large part of the population to make use of several times a year.

Moreover, disposable income in the past 30 years has increased, too, as e.g., prices for commodities have decreased and more things have become commodities (Silverstein and Fiske, 2003). In fact, over 80% of all companies believe that their market is commoditizing: Mobile phones, DVD-players or flat screens, everyone owns at least one of each product, and it seems that everyone can just go and buy the product one wants to have (Shaw, 2005).

When the majority of products in markets are commodities, the question is which criteria consumers apply to make their choice. Michael Porter once said that, “when everything is equal, people buy on price” (Shaw, 2005, p. 3), meaning that if there is no obvious distinction between products customers will decide upon price.

Consumers nowadays are able to collect information, locate the best offer for their desired product and purchase it, everything more easily than ever before. Therefore a product has to be made distinguishable by creating an “entire set of images, ideas, activities, and symbols that catapults a product from being only a commodity” (Lindberg-Repo et al., 2009, p. 5). This and other aspects of branding are illustrated in chapter 2.1.

Contemporary consumers tend to trade up to premium products that are important to them, but trade down (e.g., to low-cost brands or private labels) for products that are perceived as less meaningful (Silverstein and Fiske, 2003). Hence, “people’s buying habits do not invariably correspond to their income level” (Silverstein and Fiske, 2003, p. 50). Additional developments in society, such as changing gender roles and family structures, higher levels of taste, education and worldliness, as well as a greater emotional awareness have increasingly led middle-class consumers to purchase brands that were formerly seen as out of reach (Catry, 2003; Silverstein and Fiske, 2003). This is a consequence of the so-called ‘democratization’ of luxury, i.e. the abolishment of the social stratification that once separated the Classes by restricting access to luxury goods exclusively to members of the Upper Class and the nobility or aristocracy (Kapferer and Bastien, 2009). Nowadays, “luxury is no longer the embrace of the kings and queens, but the mass-marketing phenomenon of everyday life” (Yeoman and McMahon-Beattie, 2006, p. 320).

In fact, the label *luxury* has become attached to such a broad range of goods and services that a clear definition is virtually impossible. Nonetheless, chapter 2.2 strives to illustrate the luxury market and the struggle of finding a suitable term definition, as well as pointing out some intriguing concepts aiming to explain luxury consumer behavior.

As illustrated above, getting hold of a brand has become easy from a consumer's point of view, but what about getting hold of a consumer from a brand's point of view? Michael Porter's aforementioned quote does not only recognize the necessity of branding, but may also be interpreted as a call for brand experiences, i.e. "taking the essence of a product (or brand) and amplifying it into a set of tangible, physical and interactive experiences that reinforce the offer" (Atwal and Williams, 2009, p. 341). The emergence of the concept of brand experiences and its application to luxury brands are discussed in chapter 2.3.

Although the ongoing globalization may suggest unity in economic terms, consumers are still individual human beings, who live in different environments, speak different languages, and are members of different cultures. The mere fact that a brand is available in different countries does neither mean that marketing can be done in the same way, nor that consumers will experience the brand similarly. To be successful on a global scale, brands have to become 'glocal', meaning that an organization has to think globally and act locally, in order to successfully respond to different cultures (Lindberg-Repo et al., 2009). Thus different approaches to the term *culture* are addressed in chapter 2.4.

Acknowledging that luxury is a phenomenon of everyday life, and assuming different forms of brand experiences across cultures, chapter 2.5 addresses the thesis's research goal and the theoretical concept of everyday luxury brand experiences.

Little is known about which luxury brands are experienced in everyday contexts across cultures and how consumers experience these brands. This thesis strives to bridge this gap in parts by comparing brand experiences among consumers of three developed European countries and one Asian, representing four different cultures. As the research aims at new insights, an explorative qualitative research method - a structuring content analysis - has been chosen. This provides the opportunity to get from respondents what they "have to offer in the way of information, experiences, feelings and ideas" (Sykes, 1991, p. 4). These

and other methodological issues are addressed in chapter 3.1 and 3.2. Subsequently, the empirical results of the research are displayed and interpreted in chapter 3.3.

Chapter 4 discusses the results and compares them with empirical evidence from other studies. Finally, chapter 5 concludes with implications for research and business practice.

The appendix provides English and German abstracts, the applied interview guideline, an overview and description of the brands mentioned by respondents from a managerial point of view, and the author's vita.

2 Theoretical Framework

The thesis' explorative nature sets ground for a thorough review of literature on brands, luxury, luxury branding, brand experiences, and culture to finally develop a framework that allows assessing the research questions by empirical enquiry.

2.1 Brand Basics

Creating, maintaining, protecting and enhancing brands are perhaps the most important skills a marketing manager should be capable of. Citing the American Marketing Association (AMA), a brand is "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors" (Kotler, 2003, p. 418). To differentiate from competitors is indeed the most important feature of a brand, as "ultimately, a brand resides in the minds of consumers" (Keller, cit. in Kotler, 2003, p. 419) where it needs to be distinguished from other competing brands. To achieve this goal, the strongest brands appeal to consumers on a level beyond mere functionality, touching universal emotions (Kotler, 2003).

The AMA definition, in its simplicity, has more to do with the roots of branding in Greek and Roman times, when shopkeepers used signboards to display pictures of the goods sold in their stores, and producers marked their pieces of handicraft to identify their work (Riezebos et al., 2003), than with modern brand developments. The English term *brand* as such probably stems from the Norse word *brandr* (Lindberg-Repo et al., 2009). It referred to the branding of cattle to make distinctions in property, and it is assumed that the Vikings spread the word in England in the Middle Ages with the English incorporating it into their own language (Riezebos et al., 2003).

However, it was not until the Industrial Revolution from 1830 to 1870 that the market saw the rise and development of brands, but the market situation for branded articles was not comparable to nowadays' situation: Branding was hardly done by the producers, but by the wholesale traders, whose distribution chain power shifted slowly to the manufacturers by the end of the nineteenth century, allowing the manufacturer-owned brands as they are

known today to emerge (Riezebos et al., 2003). The 1950s saw again a shift in the market power structure towards the retailers, increasingly emphasizing distributor-owned brands (ibid.) - a development still gaining momentum in present-day retail environments.

The aforementioned AMA brand definition does not fully live up to a contemporary brand understanding, as it merely concentrates on tangible, utilitarian characteristics (Mühlbacher and Hemetsberger, 2006), losing out intangible components such as corporate or sales personnel behavior (Kapferer, 1998), brand communities, consumption experiences, or emotional branding (Mühlbacher and Hemetsberger, 2006).

As is described in further detail later on, nowadays, a brand is more than a sign to distinguish one product (or service) from another; it is a promise to deliver certain experiences to the consumer. This section provides a contemporary perspective on branding to subsequently elaborate on the foundation this study is based upon.

Mühlbacher and Hemetsberger (2006) provide a valuable and applicable integrative conception of branding, focusing three distinctive groups and how their interaction processes construct a brand. The concept is especially suitable for luxury brands and is therefore chosen as theoretical foundation of this thesis' brand understanding. Besides the articles quoted in the authors' paper, additional resources are added to further justify the application of the concept.

After a comprehensive literature review noticing that hitherto brand research has either focused on tangible and intangible objects, cognitive concepts, or individual or social brand-related experiences, Mühlbacher and Hemetsberger (2006) argue for a network-oriented perspective on branding, defining a brand as being "a system of interrelated brand meanings, brand manifestations and individuals as well as organizations interested in a brand, and the processes underlying the dynamic development of those meanings, manifestations, interested individuals and organizations" (Mühlbacher and Hemetsberger, 2006, p. 9) .

Their study highlights three main aspects contributing to a brand: **Brand interest group** members take part in brand creation and brand development by sharing their experiences with the brand or other members of the brand interest group among each other. This brand

related discourse may take place on physical (e.g., point of sale, events) or virtual platforms (e.g., Social Media) and range from overwhelming positive encounters to neutral and even purposely negative comments (Mühlbacher and Hemetsberger, 2006). Brand interest group members may take different roles from brand protagonists (devotees) to antagonists (opposition)(Mühlbacher and Hemetsberger, 2006; Pichler and Hemetsberger, 2007). Besides the potential members of the brand interest group mentioned, counterfeiters and their clients may also be seen as members of this group, as counterfeit products are in their own way a clear indicator of the desirability of the original (Chevalier and Mazzalovo, 2008).

Brand meaning is defined as a “dynamic collective system of knowledge and evaluations continually emerging from social discourse of members of a brand interest group” (Mühlbacher and Hemetsberger, 2006, p. 12). The meaning of a brand-related stimulus is first categorized depending on individual sensory experiences and introspective states, e.g., cognitive operations, beliefs, and emotions (Mühlbacher and Hemetsberger, 2006). Brand meaning is communicated among the brand interest group as long as the stimulus is socially relevant - by continuous discourse individual meanings are shaped into socially shared meaning, resulting in brand meaning being consensual but not uniform (Mühlbacher and Hemetsberger, 2006).

Individual cognitive structures furthermore contain context-related and context-independent knowledge and affects: “Context-independent elements of brand meaning provide a common ground for the interpretation and evaluation of brand manifestations, as well as other members of the brand interest group” (Mühlbacher and Hemetsberger, 2006, p. 13). This may be encountered by altering the frame of mind during consumption by successful advertising (Riezebos et al., 2003). On the other hand, “context-dependent elements serve the purpose of situation specific interpretations without raising conflict when contradictory elements appear” (Mühlbacher and Hemetsberger, 2006, p. 13). Therefore, the same meaning system expressed in many simultaneous versions can exist, not only across individuals, but also for every single individual (Berthon et al., 2009).

Brand meaning, as opposed to rather stable ideas such as brand image or brand knowledge, is an unstable system of cognitions and related affects in constant flux due to prevailing

beliefs and evaluations being constantly challenged, and to the dependence on situational context (Mühlbacher and Hemetsberger, 2006).

Finally, **brand manifestations** are defined as tangible and intangible objectifications of the brand meaning (Mühlbacher and Hemetsberger, 2006). This includes aspects like the product itself (e.g., design, quality), the associated spatial elements (e.g., shop design, factories), the behavior and appearance of stakeholders (sales personnel, other clientele, production workers), the art of customer service (e.g., how to handle complaints), sponsorship activities, promotion events and further associated activities, and other brand-customer interfaces, like the New Media, including latest developments, such as social media and weblogs. It is important to emphasize that brand manifestations are continuously co-constructed by members of the brand interest group (Mühlbacher and Hemetsberger, 2006), and therefore any enquiry into this area could only be a snapshot.

Brand meaning to a large degree depends on consumption experiences (Dalli and Romani, 2007) through brand manifestations and interactional relations with members of the brand interest group. Nowadays, “the brand has become a project of meaning, where the product is only one of its manifestations” (Chevalier and Mazzalovo, 2008, p. 266). Hence is concluded that contextual consumption and brand experiences play vital roles in developing brand meaning and are therefore worth focusing.

2.2 Luxury

The following section provides an introduction to the luxury market in general. It illustrates the struggle of finding a common definition for the term *luxury* and shades some light on ‘magical’ aspects of luxury brands, before it concludes with a review of luxury consumer behavior.

2.2.1 The Luxury Market

For centuries the luxury market in Europe was restricted to the aristocracies, but as soon as the 16th century the situation changes with money circulating more freely and generating demand for luxury goods, primarily in the trade cities of London and Amsterdam (Mason, 1998). Along with the rise of the luxury market, the science of conspicuous consumption

began to evolve as well. Whereas some researchers focused on the economic dimension, such as Adam Smith in his 'The Wealth of Nations' (Mason, 1998), others showed enduring interest in the social consequences of this development, such as Thorsten Veblen in his work on conspicuous consumption (Veblen, 2007 [1899]). Nowadays, luxury is democratized, meaning that consumers regardless of their social role are free (within the limits of their financial resources) to purchase and (demonstratively) consume luxury (Kapferer and Bastien, 2009).

For decades, Haute Couture fashion was *the* manifestation of luxury, and still counts for a major part of the luxury perception, due to its high visibility both in media and everyday life (Chevalier and Mazzalovo, 2008). Iconic fashion designers such as Coco Chanel or Christian Dior were among the first to create successful luxury brands (Tungate, 2008). Though Gabrielle 'Coco' Chanel has not been the first fashion designer in textile history, she certainly was an important pioneer for luxury marketing. With tremendous changes in society, technology, and economy in France after the First World War, she took fashion into the 20th century (Tungate, 2008). Chanel created a luxury brand still well-known, independent and successful in nowadays' global competition.

The concept of luxury business and marketing in modern times began with the foundation of the Comité Colbert in 1954, a French association to promote the concept of luxury, whose 75 members were selected from the trade activities Haute Couture & accessories, perfumes, jewelry, designer home ware, hotel & gastronomy, wines, champagne and cognac, publishing, and decoration (Chevalier and Mazzalovo, 2008). The Comité Colbert represents one quarter of the world luxury sector, with annual sales of approximately EUR 22 billion (Comité Colbert, 2010). The long-term history of luxury brands also becomes clear when screening the 75 member companies with regard to the year of their foundation: 36 were established before the turn of the 20th century, some even dating back to the 18th century, e.g., Cognac Remy Martin, established in 1724. Of the members established in the 20th century, only nine were founded after 1950, e.g., Yves Saint Laurent in 1962 (Comité Colbert, 2010).

Today, the luxury market is dominated by the 'Big Three' corporations: LVMH (Moët Hennessy Louis Vuitton), Richemont, and PPR Gucci, each of them holding a number of well-known luxury brands (Chevalier and Mazzalovo, 2008). However, there are many single brands left, some of them finding themselves constantly under pressure to merge into bigger corporations, e.g., Hermès fearing a takeover by LVMH (Daneshkhu, 2010), others successfully defending their independency, like Chanel.

On the demand side, the actual size of the luxury goods market is difficult to determine as little data is available. Estimations range from USD 220 billion (Park et al., 2010), to USD 250 billion (Chevalier and Mazzalovo, 2008), or even USD 840 billion (Truong et al., 2009), depending on which product categories are included in the respective estimations. Despite the economic downturn in 2008, followed by a decrease in luxury goods sales (Kennedy, 2009), the luxury goods market is globally on the rise (Park et al., 2010). In addition to traditional luxury market segments, new segments are arising. As a result of societal change in Western economies, new consumer tiers, such as Yuppies, SINS (single income no spouse) or DINKS (double income no kids) have developed whose members are characterized by a strong purchase power and a high willingness to buy luxury goods and services (Kroeber-Riel and Weinberg, 2003; Park and Reisinger, 2009). Moreover, members of the lower socio-economic class also want to feel rich and enjoy luxury (Park and Reisinger, 2009).

Globally, Asia is dominating the luxury goods market, with in 2010 Japan accounting for about 40% market share, and China being expected to be the largest market for luxury goods by 2015 (Park et al., 2010). Although leading in the origin of luxury brands, Europe's market share in luxury is just 16%, approximately equaling the United States' (Park and Reisinger, 2009).

The world's luxury goods market is driven by the global gross domestic product (GDP) growth, as well as the growth of high net worth individuals (HNWI). The number of the latter nearly doubled during the first ten years of the 21st century, with the highest percentage living in North America, followed by Europe and the Asia-Pacific rim. Prior to the economic downturn an annual growth rate of HNWI in North America of over 7% was expected to take place. (Park et al., 2010)

Regardless of the actual pace of the HNWI growth, there is a clear trend that the luxury market will continue to grow, at least on a global scale. One indicator for this development is Interbrand's yearly Best Global Brands ranking (Interbrand, 2010). To be included in the ranking, brands must meet certain initial criteria, such as being truly global with at least 30 percent of revenues coming from outside their home country, or having a presence on at least three major continents. Financial data must be available, and economic profit has to be positive. Finally, the brand is required to have a public profile and awareness beyond its own marketplace. The ranking is done by calculating the brand value, derived from financial performance, role of the brand, and brand strength.

In this recent ranking Louis Vuitton is listed as the highest ranked luxury brand in 16th place with a brand value growth rate of 4% compared to the previous year, Gucci holds the 44th place with a 2% brand value growth, closely followed by L'Oréal (45th place, 3% brand value growth). Likewise, all other luxury brands in this ranking show increasing or stable brand value developments: Hermès (69th, +4%), Porsche (72nd, +4%), Tiffany & Co, (76th, +3%), Cartier (77th, +2%), Moët & Chandon (79th, +7%), Ferrari (91st, +1%), Armani (95th, +4%), Lancôme (96th, +5%), and Burberry (100th, +/-0%).

The Interbrand ranking only includes brands which provide certain data on their financial performance, such as the net operating profit. Therefore it is, on the one hand, a suitable indicator for the economic development of the luxury market as whole. As a consequence, on the other hand, well-known and famous luxury brands, e.g., Chanel or Versace, are not included in the 2010 ranking as these often privately owned brand companies do not regularly publish financial figures (Chevalier and Mazzalovo, 2008) or do not meet Interbrand's initial criteria, such as the requirement of global revenues.

However, at the beginning of the financial and economic crisis, Interbrand (2008) published a ranking of the leading luxury brands, where Chanel and others are included. On the overall ranking of luxury brands, it holds the 3rd place behind Louis Vuitton and Gucci, and if it were included in the Best Global Brands 2010 ranking (Interbrand, 2010), it would be ranked around the 60th place.

On a global scale, the leading luxury brands are as follows:

Rank	Brand	Brand Value in EUR million (2008)	Country of Origin
1	Louis Vuitton	16,718	France
2	Gucci	6,388	Italy
3	Chanel	4,918	France
4	Rolex	3,836	Switzerland
5	Hermès	3,541	France
6	Cartier	3,278	France
7	Tiffany & Co	3,257	United States
8	Prada	2,775	Italy
9	Ferrari	2,730	Italy
10	Bulgari	2,577	Italy
11	Burberry	2,542	United Kingdom
12	Dior	1,578	France
13	Patek Philippe	855	Switzerland
14	Zegna	633	Italy
15	Ferragamo	559	Italy

Table 1: The Leading Luxury Brands 2008
(Interbrand, 2008)

Still, similar to the Best Global Brand criteria, this ranking's initial requirements do not fully qualify it as a comprehensive source of all worldwide operating luxury brands. Nonetheless, it provides a sufficient overview and guidance into the world market of luxury brands.

When talking about the luxury brand market, it is necessary to also at least briefly refer to its worst nightmare. Counterfeiting is said to damage the luxury industry by yearly USD 12 billion (Wilcox et al., 2009), and is a major problem luxury brands face today. Extensive media coverage, on the one hand a necessary instrument to establish brand-consumer connections, supports counterfeiters and copyists who can have cheap, so called knock-off versions of the goods on sale before the original designers have even finished taking orders from their clients (Tungate, 2008). The fight against counterfeiting is taken seriously in the EU, by imposing heavy fines on both producers and consumers (EU, 2010). However, some countries' authorities are not overly eager to inhibit counterfeit activities on their territories, as these create local jobs and bring in foreign exchange (Chevalier and Mazzalovo, 2008).

However, though threatened by counterfeiting and suffering from economic crisis, the luxury market's long-term orientation has saved it from severe damages. Like a former chief

operating officer at Cartier put it: “The main luxury brands have already endured two World Wars, one global economic depression, many local revolutions, two oil crises, and are still standing” (Kapferer and Bastien, 2009, p. 320).

2.2.2 Defining Luxury Brands

Deriving from the Latin term ‘luxus’, signifying soft or extravagant living, (over-)indulgence and sumptuousness, luxuriousness, and opulence, luxury has been an integral part of consumption experiences from ancient Greece to modern societies (Dubois et al., 2005). Commencing by the 1980s, significant economic growth in western oriented societies had led to a decline in status signifying effects for the ownership of commodity goods and “consumers’ attention turned to the relative status value of individual brands within commodity groups - the era of brand image and the designer label had arrived” (Mason, 1998, p. 131). Hence, when luxury was reserved for the highest tiers of society, such as the sovereign or the nobility, it became the mass marketing phenomenon of today’s daily life (Yeoman and McMahon-Beattie, 2006), increasingly emphasizing the brand over the product (Berthon et al., 2009).

For a while, authors have been trying to define luxury brands by a list of attributes such as high quality, beauty, sensuality, exclusivity, history, and uniqueness (Berthon et al., 2009). Typically, luxury goods have been said to be characterized by: Higher perceived price, both relative and absolute to other goods of the same product category; outstanding quality, e.g., through the use of special materials or distinctive production methods; uniqueness expressed by scarcity or a limited number of purchase possibilities; aesthetics, providing a sensual emotional experience; an ‘un-necessity’ (uselessness) due to the dominance of symbolic over functional attributes; and ancestral heritage and personal history stemming from a long history or the passing-on from generation to generation (Berthon et al., 2009; Dubois et al., 2001). For Chevalier and Mazzalovo (2008), a luxury good must satisfy three criteria: It must have a strong artistic content; it must be the result of craftsmanship; and it must be international, the latter stressing consumers’ wishes to e.g., immerse in Parisian flair when purchasing a Louis Vuitton handbag, whether the purchase takes place in New York, Rio de Janeiro, or Tokyo.

In classic marketing literature, luxury brands are defined as brands that are subject to conspicuous consumption, i.e. their consumption creates awareness for the consumer by his environment (Kroeber-Riel et al., 2009). Kapferer (1998, p. 77) states, that “the problem with the word *luxury* is, that it is at once a concept (a category), a subjective impression and a polemical term, often subjected to moral criticism.” In economic terms, a luxury brand is defined via the price differential between luxury brand products and brand products with comparable functions (Kapferer, 1998). It is acknowledged by Kapferer (1998) that such a strict economic perspective is not helpful differentiating upper-range brands from luxury brands. Furthermore, the dichotomy of a brand either being luxury or being not luxury creates confusion and is not a suitable approach to contemporary brand activities (Kapferer, 1998; Kapferer and Bastien, 2009).

In luxury tourism, a fast growing and highly potential luxury service market, four major elements are to evoke a sense of luxury: Uniqueness, prestige & social status, higher costs, and provided time economies (Park and Reisinger, 2009). Similarly to the latter, time constraints are not only sought-after to be escaped by focusing on leisure, but also by trying masking the effects of time with cosmetic products, a major luxury segment (Kapferer, 1998).

Marketing management oriented views stress that in order to be qualified as luxury, a brand manager has to utilize a marketing strategy that stays in sharp contrast to conventional strategies for consumer products (Kapferer and Bastien, 2009), e.g., by disregarding customer expectations, at least in parts: Luxury brands are animated by their internal programs, an overall vision and specific tastes of the designers in charge and therefore can relatively freely set their own standards (Kapferer, 1998).

Apart from scientific research, practitioners hold views of luxury brands as well. Interbrand regularly publishes dossiers about latest developments in branding. In 2008 the abovementioned report reviewing the leading luxury brands (Interbrand, 2008), delivered also a minimum definition of luxury: A luxury brand requires a position within a consumer segment that demonstrates price insensitivity, it must communicate that being expensive is neutral or even a positive impact to its image, and the perceived price plays an insignificant

role among other drivers of purchase. Moreover, the report mentions three core characteristics for leading luxury brands:

1. Authenticity and conviction: A leading luxury brand must possess an authenticity and sustained conviction to qualities such as excellence, precision, craftsmanship, taste, and innovation that makes choice of brand exceptionally important for purchase.
2. Iconic status: Leading luxury brands must be desired at a level that effectively precludes substitutes during the purchase decision
3. Global: A leading luxury brand must be global with at least 30 percent of sales volume being derived from markets beyond its home country and a presence in all the core markets of the Americas, Europe and Asia. (Interbrand, 2008)

Other practitioners, such as a major spokesperson of Gucci holds that his luxury brand emphasizes its luxury heritage and fashion authority by “pairing modernity and tradition, innovation and craftsmanship, trendsetting and sophistication” (di Marco, 2010). Quite similarly, Comité Colbert’s quest is defined as “to combine tradition and modernity, craftsmanship and creativity, history and innovation” (Comité Colbert, 2010).

As Berthon et al. (2009) colorfully point out, reducing luxury brands to a set of attributes shows its weakness when first applied to an object in the real world: Regardless of the amount of time spent on examining any product of a distinct luxury brand, hardly anyone would be able to identify what makes it luxury. Therefore, the authors argue to better think of luxury as a concept, and thus being contingent upon context (Berthon et al., 2009).

Hence, to characterize luxury brands and to look at them as a concept of social and individual context with material embodiments, it is conceptualized in terms of its role in each of three spheres: material, social, and individual, which, further developed, represent three value dimensions: functional, experiential, and symbolic (Berthon et al., 2009). Similarly, Jevons (2007) and Buchanan-Oliver et al. (2008), both cited in Tynan et al. (2010), propose differentiating between luxury and non-luxury goods in terms of the mix of their components in three dimensions: functionalism, experientialism, and symbolic interactionism.

However, the concept of luxury is still incredibly vague, and changes dramatically across time and culture (Yeoman and McMahon-Beattie, 2006), making it difficult to determine what makes products, brands, or companies luxury (Kapferer and Bastien, 2009). In fact, there is no corresponding construct of what actually constitutes a luxury brand (Berthon et al., 2009).

2.2.2.1 The Magic of Luxury Brands

To many consumers, the world of luxury is something admirable, a source for daydreaming and fantasizing (Dubois and Paternault, 1995). Leading luxury brands get priceless coverage in media, which FMCG-brands for example, can only dream of (Chevalier and Mazzalovo, 2008). Many luxury brands are known to a much broader share of the population than the actual target group, and some even make it to the 'big screen': e.g., Chanel, with various movies covering the life of its founder 'Coco' ("Coco avant Chanel", 2009; "Coco Chanel & Igor Stravinsky", 2009), Prada ("The Devil Wears Prada", 2006), or Tiffany & Co. in the everlasting classic "Breakfast at Tiffany's" of 1961 (IMDB, 2010).

Clearly, for once, luxury brands gain momentum from the dreams and aspirations people have about them, their brand image benefits from not being strictly determined but remaining somehow vague and indescribable. An attempt, however, is to address this issue with the concept of brand auras. To create and keep up with the aspirations of consumers, luxury brands constantly have to invest in appropriate tools to maintain their brand aura of heritage or pedigree (Alexander, 2009), as well as dreams aspirational consumers hold about them (Dubois and Laurent, 1994; Dubois and Paternault, 1995; Kapferer and Bastien, 2009). Suitable measures for this are extraordinary Haute Couture and prêt-à-porter shows, outstanding shop window decorations, breathtaking store designs and premium retail locations (Atwal and Williams, 2009; Chevalier and Mazzalovo, 2008; Tungate, 2008).

The French term "griffe" is what Kapferer (1998, p. 80) defines as the source of the aura that shines its light on other tiers of the brand system (see below). A *griffe* is the mark of its creator, a sign of pure creation, and materialized perfection. *Griffes* are outstanding, un-reproducible examples of artistic work; they are the brands' reinsurance of maintaining its prestigious status. Examples for *griffes* are the 'un-wearable' pieces of haute couture signed by the designers themselves.

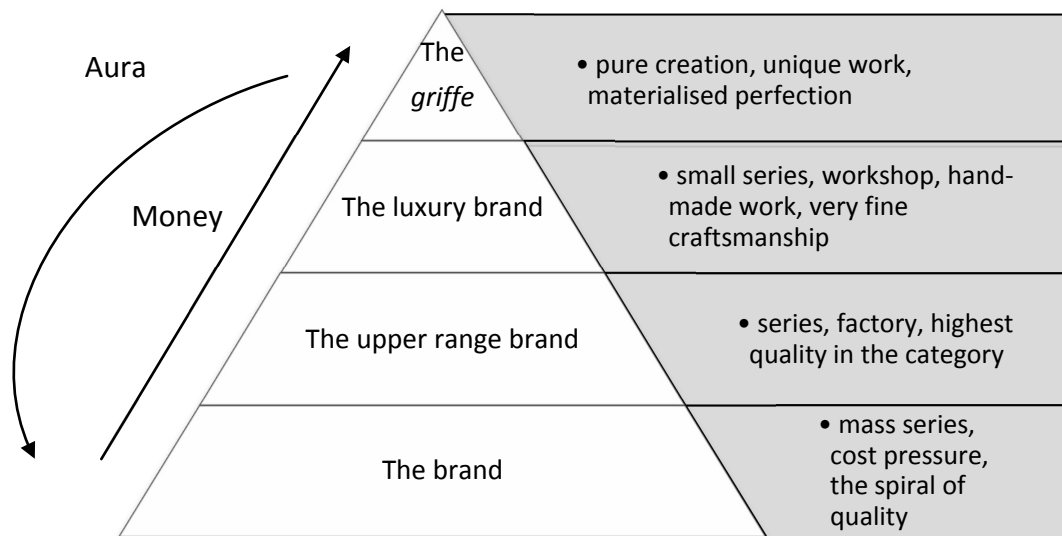


Figure 1: The luxury and brand system (Kapferer, 1998)

Kapferer (1998) further states, that a *griffe* could become a brand, but a brand would never be a *griffe*. It has to be said that the others tiers of the pyramid are interpreted as brand extensions of the same brand. For example, both a piece of haut couture signed by Karl Lagerfeld as well as a pair of sunglasses are branded products from Chanel, where the latter typically accounts for an upper range brand, the first would definitely be a *griffe*.

The term *griffe* is not reflected in other screened academic articles (except as reference to the original source) or books related to luxury, at least as far as English language documents are concerned. Instead, diversification of luxury brands is mostly done by positioning them along a fictive scale from upper to lower range luxury brands depending on the brands investigated.

However, research has shown that the image of the parent luxury brand is a suitable predictor of the extensions' perceived quality (Stegemann, 2006). As a result, the *griffe*-concept is intriguing and seen as suitable to describing the *magic* of luxury brands, and helpful for explaining why consumers are e.g., willing to pay a significant premium for Gucci sunglasses. Hence it is included in further considerations.

2.2.3 Luxury Consumer Behavior

With the democratization of luxury (Kapferer and Bastien, 2009), the rise of disposable income (Park et al., 2010; Truong et al., 2009; Yeoman and McMahon-Beattie, 2006) and changing gender roles (Chevalier and Mazzalovo, 2008), luxury has not only become increasingly difficult to define, the term itself has become subject to an inflationary use in marketing and media. Along with this development, scientists and practitioners likewise have developed new concepts of what they perceive as contemporary forms of luxury consumer behavior.

According to Kapferer (1998) luxury *glitters*, meaning that luxury brands need to be highly visible, both to the consumer and to others. Luxury brands tend to externalize their signs, to increase visibility and – most important to the person wearing the brand – enable others to recognize the brand (Kapferer, 1998). To the contrary, recent developments in fashion design show a reverse trend towards fewer and smaller logos, a discrete form of luxury, paying attention to a new luxury understanding of being more subtle and sophisticated. Research among higher-spending consumers reveals that they are "willing to pay a premium to have 'quiet' goods without a brand mark" (Jamieson, 2010). However, given different purchase patterns and motives across cultures and lifestyles, luxury industry experts doubt the end of the era of visible luxury brand logos, as they operate as a shortcut or "badge" (Kapferer and Bastien, 2009, p. 314) for many people to announce their understanding of fashion and social stratification (Jamieson, 2010; Kapferer, 1998).

Vigneron and Johnson (1999) provide a framework built upon well-grounded literature research for prestige-seeking consumer behavior which in a subsequent work is declared suitable to be applied to luxury consumer behavior (Vigneron and Johnson, 2004):

- Interpersonal Effects
 - The Veblen Effect: Perceived Conspicuous Value – Veblenian consumers attach a greater importance to price as an indicator of prestige, because their primary objective is to impress others.
 - The Snob Effect: Perceived Unique Value – Snob consumers perceive price as an indicator of exclusivity, and avoid using popular brands to experiment with inner-directed consumption.

- The Perfectionism Effect: Perceived Quality Value – Perfectionist consumers rely on their own perception of the products quality, and may use the price cue as further evidence supporting the quality issue.
- Personal Effects
 - The Bandwagon Effect: Perceived Social Value – Relative to snob consumers, bandwagon consumers attach less importance to price as an indicator of prestige, but will put a greater emphasis on the effect they make on others while consuming prestige brands.
 - The Hedonic Effect: Perceived Emotional Value – Hedonist consumers are more interested in their own thoughts and feelings, thus they will place less emphasis on price as an indicator of prestige.

(Vigneron and Johnson, 1999; Vigneron and Johnson, 2004)

Silverstein et al. (2003) identify another new pattern in consumer behavior: Consumers are found trading up and paying more for products and services that offer greater value. At least America's middle-market consumers are willing, even eager, to pay a premium price for a remarkable kind of goods that the researchers call New Luxury products and services possessing higher levels of quality, taste, and aspiration than other goods in the category, but are not so expensive as to be out of reach (Silverstein and Fiske, 2003). They further define three major types of New Luxury goods: Accessible Super-Premium products, i.e. products that are relatively low-priced, sold at the top of their category, e.g., premium vodka; Old Luxury brand extensions, i.e. lower-priced versions of extremely high priced products, e.g., a USD 26.000 Mercedes car; and finally *Masstige* (derived from mass + prestige) products that are priced well below the extremely high priced Old Luxury brands but above conventional products in their category, e.g., Kiehls' bath and body products. On the other hand, Kapferer and Bastien (2009) partly oppose Silversteins et al.'s above-mentioned view: To them, trading-up is different from luxury as it misses the sociological dimension of recreating social stratification, and, on the other hand, overemphasizes personal indulgence.

This latter argumentation, however, is not consistent with aforementioned findings by Vigneron and Johnson (1999; 2004) in their conceptual framework of prestige/luxury seeking consumer behavior: Concluding from e.g., the work of Hirschman and Holbrook (1982) on hedonic consumption and Dubois and Laurent's (1994) study on attitudes towards luxury, the hedonic effect of perceived emotional value is found to contribute to prestigious

consumption, including not only premium but also explicitly luxury products. Consumers are looking for personal rewards and fulfillment through purchasing and consuming products perceived as suitable for subjective emotional benefits and intrinsically pleasing properties, rather than functional benefits (Vigneron and Johnson, 2004). It is acknowledged by the authors that one consumer may belong to more than one category, and that consumers may have different luxury-seeking profiles (i.e. Veblenian, snob, bandwagon, hedonic, perfectionist) for different brands (Vigneron and Johnson, 1999).

Dubois et al. (2005) propose another direction of segmentation: With a study conducted over twenty countries, three segments ('elitist', 'democratic', and 'distance') were found to dominate in a Western cultural context. Members of the elitist attitude hold a traditional vision of luxury, including strictly limited access for 'refined' people only who can really appreciate these high quality goods due to their 'good taste' and high income. In contrast, the open-minded democratic audience tends to believe in unrestricted access, they do not pretend having 'good taste', special education or extraordinary income to appreciate the goods. Finally, the distance group holds negative visions of luxury, regarding it as too expensive and useless, perceiving a 'fine replica' as good as the original. (Dubois et al., 2005)

Albeit research shows that there is neither a single definition for luxury brands, nor for luxury consumer behavior, it becomes clear, that luxury consumption is shaped by consumers' desires for personal and interpersonal experiences.

2.3 Brand Experience

Brand Experience, above all the thoughts about defining a luxury brand or conceptualizing luxury consumer behavior, is a marketing stream that combines many aspects of the aforementioned theoretical concepts. This chapter deals with the very key aspect of this work, the 'how' of consumers' encounters with the brand. The insight gained from the initial literature review on branding - contextual experiences are necessary to develop brand meanings - is supported by work on experiential marketing.

2.3.1 The Emergence of Brand Experience

Traditional marketing has been developed as a response to the industrial age, concentrating on a features and benefits approach, narrowly defining product category and competition, viewing customers as rational decision makers, and applying analytical, quantitative research methods (Schmitt, 1999). However, especially seeing features and benefits as the sum of a product can hardly live up to contemporary expectations towards consumer goods, and certainly not towards luxury brands.

Beginning from the early 1980s a postmodern orientation in marketing could be observed, viewing consumers as emotional beings striving for pleasurable experiences, whose consumption “has begun to be seen as involving a steady flow of fantasies, feelings, and fun” (Holbrook and Hirschman, 1982, p. 132). Soon, this paper had become an often cited resource for fellow researchers, and still is. Not only limited to the Anglo-American but also in German academic literature the topic gained momentum, e.g., Weinberg who described the transformation from price- to experience-oriented competition in retail (Weinberg, 1986). Nonetheless, it was not until the 1990s that experiential marketing gained massive ground in both practice and research (Pine and Gilmore, 1998). Consuming experiences rather than consuming goods became the major paradigm leading to a steep increase in experiential marketing offers such as the Planet Hollywood restaurants, Hard Rock Café t-shirts, or the increase in attendance to and the number of theme parks (Norton, 2003).

Today, a brand is much more than just an ID for a specific product, it is “a rich source of sensory, affective, and cognitive associations that result in memorable and rewarding brand experiences” (Schmitt, 1999, p. 21). Kotler continuously by stating that “brands are not built by advertising but by the brand experience” (Kotler, 2003, p. 420), i.e., all of the customers contacts with the company employees and company communications must be positive – the brand idea will not take place unless everyone in the company lives the brand. Hence, when buying a product, consumers get more than they bargain for because a product or service always comes with an experience (Carbone and Haeckel, 1994), with some experiences being more memorable than others (Carù and Cova, 2003).

For a brand to be successful in nowadays’ competitive business environment, it needs to be memorized by consumers. The best way things or brands respectively are memorized is

when they occur with exceptional events or emotions (Feldman, 1999). As Pine and Gilmore (1998, p. 98) put it: “Commodities are fungible, goods tangible, services intangible, and experiences memorable”. Slightly modifying Atwal and Williams’ (2009, p. 341) view, adding experience to a brand about “taking the essence of a brand (product) and amplifying it into a set of tangible, physical and interactive experiences that reinforce the offer”.

Brand experience attracts attention among marketing practitioners as they come to realize that understanding how consumers experience their brands is crucial for developing suitable marketing strategies (Brakus et al., 2009). As Paul Ephremson, a leading industry practitioner puts it, “brand experience is about creating an emotional bond between the brand and consumer” (Fill, 2005, p. 803). Carbone and Haeckel (1994) describe experience as a ‘take-away impression’ formed by peoples’ encounters with products, services and businesses – a perception produced when humans consolidate sensory information.

Albeit the concept of brand experiences is not new, it has not received as much research attention as its branches of:

- **Product Experiences:** These experiences occur when consumers interact with products, be it direct (contact with the product) or indirect (advertisement) (Brakus et al., 2009).
- **Shopping and Service Experiences:** Occur when consumer interact with a store’s physical environment or its personnel (Arnold et al., 2005).
- **Consumption Experiences:** The term broadly includes anticipatory consumption and product acquisition (i.e. shopping experience), as well as post-purchase possession and use of the product (Fiore and Kim, 2007; Richins, 1997). Consumption experiences are multidimensional and include hedonic dimensions (Holbrook and Hirschman, 1982).

Brand experience therefore focuses on consumers’ encounters with brands, integrating all of the above mentioned concepts. It is seen as a holistic concept, evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments, and is conceptualized as subjective internal consumer responses (sensations, feelings, cognitions) and behavioral responses (Brakus et al., 2009).

Research on brand experience almost always consists to a large degree of service or retail brands (such as Disney, Abercrombie & Fitch, or Starbucks in the study of Brakus et al. (2009)) that naturally provide many different experiences to customers. However, brand experience should reach beyond the point of purchase. It should be a major goal for (luxury) brand management to create and establish positive relationships with the consumer, and - as important consequences - generate positive word of mouth and stimulate re-purchases, respectively (Esch et al., 2006).

Future developments in this area are concerned with adding deeper meaning to brand experiences. At least among US-consumers, the Millennial saw a tendency towards meaningful brand experiences, for example volunteering for non-profit organizations (Norton, 2003). In 2010, Disney encouraged people to such meaningful experiences by running the "Give a Day - Get a Disney Day"- campaign, granting one million people who perform volunteer service for a participating organization a free one-day admission to Walt Disney World resort in Orlando or Disneyland theme park in Anaheim (Disney Parks, 2010). By this move, Disney not only generated good-will in media and further improved its image within its US and Canadian markets, it also generated some profits, as guests consume food and buy souvenirs in the parks (Barnes, 2010). In Europe, though not aiming at marketing outcomes in a commercial sense, the European Commission currently emphasizes the principle of volunteering by declaring 2011 as the "European Year of Volunteering" to develop the "so far under-exploited potential for social and economic development" (EU, 2009).

2.3.2 Luxury Brand Experience

Exclusivity is an often mentioned characteristic of luxury brands, typically manifested in limited accessibility and distribution. Many luxury brands therefore sell their goods in their own stores located in prime locations, e.g., the 5th Avenue in New York, the Champs-Élysées in Paris, or the Ginza in Tokyo (Dubois and Duquesne, 1993) allowing them to control the point of sale. Many of these stores are modern and highly innovative flagship stores, aiming at providing a multisensory experience for the consumer (Kozinets et al., 2002). Here, the communication of intrinsic values through satisfaction of hedonic needs and expectations towards recreational activities and the longing for social interaction is merged with the

tangible offering, aiming at providing a holistic, impressive and memorable brand experience (Filser, 2001).

Still, hardly any luxury brand can solely rely on own stores for distribution. Especially brands dealing in cosmetic products can be found in several retail locations all over the world, such as Duty-Free stores at airports, or big department stores (Chevalier and Mazzalovo, 2008). Although, these stores make efforts to present (luxury) brands as seductive and impressive, they are naturally limited by their resources (especially concerning available space) and the interests of competing brands. Therefore it is essential for a brand to create memorable brand experiences by making an impact and impacting and convincing consumers even at such a - from brand management's control - remote point of purchase as an airport.

To do so, the essence of luxury brand experiences has to be captured. This, however, is challenging as - like illustrated in the respective foregoing chapters - definitions of luxury and luxury consumer behaviors respectively are not consistent. As a consequence some further external insights are necessary, for example the following quotation of the French Comité Colbert:

Luxury is an 'art of living' that is organized around well-being and pleasure. In this sense, luxury brands have to be considered as a whole. In a way, luxury sells not only a product but also "a moment of happiness" to clients who fully enjoy the moment and the special attention the salespersons provide them, making them feel unique while appreciating the beauty of the place itself. This somewhat mysterious combination is what triggers pleasure and creates luxury.
(Comité Colbert, 2010)

This statement provides many cues allowing defining luxury brand experience, mostly focused on the point of purchase. Consumption processes for luxury goods are "dematerialized", i.e., the goods' functions are not the most important reason why people buy them. Instead, consumers choose a brand product because of the added value they expect from it (prestige, aesthetics) or for the mere sake of buying it (Holbrook and Hirschman, 1982; Kroeber-Riel and Weinberg, 2003). Buying a luxury brand therefore means buying a holistic brand experience.

The aforementioned notation by Comité Colbert of luxury being an "art of living" providing "moments of happiness", leads to brand experiences that are detached from the buying

process. Luxury brands let people experience extraordinary product quality accompanied with the feeling of having (or being) something truly unique. To enable the consumer to successfully receive such remote brand experiences, brand management has to align the brand's people, processes and products against the brand proposition (Atwal and Williams, 2009). Packaging, for example, is an important basic aspect of any brand, but especially for luxury brands, as it can attract attention and convey luxury values, e.g., perfume flacons (Fill, 2005).

Communication is another vital aspect in delivering brand experience to the consumer. The potential of new technologies has finally become acknowledged by luxury brands, as they have come to realize that a majority of potential and actual consumers prefer using the internet to either research or actually buy luxury brands (Atwal and Williams, 2009). Major luxury brands nowadays engage in various on-line activities that go well beyond a mere homepage to present their goods: videos of recent Haute Couture fashion shows, online shopping, and interactive webpages are just one part of contemporary tools to deliver brand experience beyond the point of purchase. In (luxury) fashion weblogs (blogs) have already been around for a few years, and are nowadays well accepted and accredited among both consumers and the luxury industry (Tungate, 2008).

Beyond that, Social Media are to become the next battleground: Louis Vuitton has nearly two million 'likes' on Facebook (LV, 2011) and Gucci, having discovered the power of this medium already in 2009 (Balwani, 2009) has nearly twice as much (GUCCI, 2011b). Moreover it is followed by about 48.000 people on twitter (gucciofficial, 2011). Both brands regularly post short news about their present and upcoming collections, thus constantly re-establishing bonds with their consumers. Other luxury brands are to date hesitant applying this unpredictable form of mass-two-way communication, perceiving it as too risky for their exclusive brand image (Balwani, 2009).

Albeit luxury brands - among some other very well managed consumer brands (e.g., Coca-Cola or Apple) - have a wide assortment of communication tools on their hands, they have to co-construct brand experiences out of their products' unique characteristics and consumers' attitudes. Hence, to be able to formulate a fitting communication strategy in each market, it

is vital to examine brand experiences of consumers when encountering luxury brands, be it at the point of purchase or in daily use.

2.4 Cross-Cultural Issues

As this study aims at a cross-cultural comparison, this section provides information about the cultural construct in marketing and neighboring fields of economic sciences, as well as a short literature review of important cross-cultural consumer behavior issues. Information on the choice of the cultures chosen for this study, as well as on methodological issues in cross-cultural research are to be found in chapter three.

2.4.1 Approaches to *Culture*

Culture is a controversial term and therefore difficult to define. The word itself originates from different meanings in different languages. In French, *culture* was defined by Emile Littré in a nineteenth-century dictionary as ‘cultivation, farming activity’ (Usunier and Lee, 2005). The abstract sense of the word probably originated in Germany where *Kultur* emerged the first time in the eighteenth century as reference to ‘civilization’ and in the Anglo-Saxon world the abstract notion of culture came into widespread use at the beginning of the twentieth century (Usunier and Lee, 2005).

Some definitions refer to culture as the “collective programming of the mind which distinguishes the members of one category of people from another” (Canabal and White III, 2008, p. 271). Others define it as a system of values and norms that are shared among a group of people and that when taken together constitute a design for living (Hill, 2000). Kroeber and Kluckhohn even devoted an article to reviewing definitions for the word *culture* - already back in 1952 they found 164 definitions (Dubois and Duquesne, 1993).

Hall (Hall, 1989; Root, 1994) speaks of three features common to all human culture. First, he sees culture as something that is not inherited but an individual’s outcome of learning and growing up in his/her society (enculturation). Second, an *integrated whole* is formed by interrelating items that construct culture, such as knowledge, values, beliefs and customs. Third, “culture consists of learned behavior traits that are shared by members of a *social group* and distinguish that group from other groups with different cultures” (Root, 1994, p.

225). Similarly, the viewpoint of this study is in line with Dubois and Duquesne who state, that “central to any culture or society is a common set of values shared by its members, which determine what is considered socially acceptable behaviour” (Dubois et al., 2005, p. 39).

To describe between-culture variation, both within cross-cultural psychology and marketing research, the Individualism/Collectivism (I/C) dichotomy is popular (Laroche et al., 2005). Individuals either act in an individualistic way, i.e., as independent, autonomous entities looking primarily after themselves and immediate family members, or in a collectivistic way, i.e., with a strong in-group orientation, looking after each other in exchange for loyalty (Laroche et al., 2005).

However, to the author’s understanding of cultural dynamics and multilayer attributes of culture this dichotomy is too simplistic. Therefore another method of distinction is seen as more appropriate: Various researchers identify language as the main driver of differences between cultures (Kroeber-Riel and Weinberg, 2003). Following the Whorf-Sapir hypothesis, the language individuals learn in the environments and communities where they are born and raised, shapes and structures their world-view and social behavior (Usunier and Lee, 2005). Language therefore is not only the most important means of communication, but also the principal means of cultural expression (Ackerman and Tellis, 2001).

Research on cross-cultural issues is often carried out in international business, especially in terms of market entry strategies (Kogut and Singh, 1988; Tihanyi et al., 2005). Several concepts strive to facilitate market entry decisions for organizations, but are also suitable for marketing and consumer behavior. Several well-known scholars have presented their own models and perspectives on culture and on how to apply it to business and marketing decisions.

Hofstede’s Cultural Dimensions

Hofstede’s five cultural dimensions are probably the most famous descriptors of culture. Hofstede’s model is described in detail on his website and therefore there is no need to reproduce it here (Hofstede, 2009). The model of Cultural Distance refers to differences in national cultures and is therefore popular in organizational and management research, as well as in marketing.

However, Hofstede based his studies upon data retrieved from surveys about values of IBM employees in 70 countries. In marketing research one would speak of a nonprobability sample, as not every element of the parent population has a known probability to be chosen by the researcher (Churchill and Iacobucci, 2005). By selecting only IBM employees Hofstede draws a convenience sample. Although he later validated the results of the early study by including other professions and members of the society (Hofstede, 2009), his cultural dimension can only be an indication of what the culture might be like in a specific country.

Another point of criticism is that Hofstedes equates national boundaries with national cultures. One can argue that he oversimplifies the cultural situation within a nation (Rollinson, 2002). Considering Belgium for example where there are the Flemish and Walloon culture both having their own language and obviously such strong distinctive features that discussions about separating from each other are common in everyday politics. Furthermore, what happens to nations that used to be united but are now single countries? Was there a Czechoslovakian culture before 1992 and Czech and Slovakian ones afterwards? Did Alaska and Hawaii 'inherit' the culture of the US-mainland when they joined in 1959? Thinking of the wide cultural variations that can occur within a single nation it is valid to criticize Hofstede for not considering this fact. Though his research has been popular in international marketing for years (Usunier and Lee, 2005), in the present study it is not seen as suitable for approaching brand experiences.

The Uppsala Model

The Psychic Distance concept or Uppsala Model by Johanson and Vahlne is based on the measurement of how big the differences are between their home country Sweden and other countries in terms of business law, business language, everyday language, level of development and the level of education (Blomstermo and Sharma, 2003). Hence, psychic distance is the sum of factors preventing the flow of information from and to the market between the home country and the target country (Fenwick et al., 2003).

As the Uppsala Model is concerned with the internationalization process of the firm and market entry decisions, it is inappropriate to address consumers' brand experiences.

Low-context vs. High-context Cultures

Hall's approach of low- vs. high-context cultures is more likely to support marketing relevant issues from the consumers' perspective. His cultural context paradigm is widely accepted and often cited among marketing researchers (Laroche et al., 2005). Hall's concept has some major aspects, which are often applied to cross-cultural communication (Usunier and Lee, 2005). However, as the work of Kim et al. (1998) shows, it reaches further.

People in low-context cultures are "highly individualized, somewhat alienated and fragmented" (Hall, 1989, p. 39), and "there is relatively little involvement with others" (Kim et al., 1998, p. 509). In high-context cultures on the other hand "people are deeply involved with each other" (Kim et al., 1998, p. 509). As a result, a structure of social hierarchy exists where individuals keep themselves under strong self-control, and information is shared with simple messages bearing deep meanings (Kim et al., 1998). Low-context cultures can be found in Germanic and Scandinavian Countries as well as in North America, Australia and New Zealand, whereas typical examples for high-context cultures are the Japanese and Chinese cultures, as well as the Latin American, Hispanic and Middle East cultures (Usunier and Lee, 2005).

In chapter 3 and 4 these differences and aspects are discussed in reference to the thesis' results. Hence, a further elaboration on the topic at this point would produce redundant information.

As shown above different authors define culture in slightly different ways, but they all agree that culture is an important element that is not only omnipresent in every society but that can starkly differ. The most important insight, however, is that one has not only to be aware of, but also take into account different country- and language-based cultures when making marketing decisions. As delivering a concise brand experience heavily relies on appropriate language-based communication (Schmitt, 1999), the high- vs. low-context culture concept is a useful approach towards investigating brand experiences across cultures.

2.4.2 Luxury Marketing Across Cultures

As already mentioned, the concept of luxury nowadays is incredibly vague, and changes dramatically across time and culture (Yeoman and McMahon-Beattie, 2006). In addition, not all features of luxury brands, are equally important to members of different cultures: Uniqueness (exclusiveness), for example, is not as important for consumers in collectivistic (typically Asian) societies, as it is for members of individualistic (typically European) societies (Christodoulides et al., 2009).

Over the last years, luxury brands partly got inspired by a leading fast food chain. Their brand stores, no matter where on earth they are located, provide identical store and shop window designs, and similar assortments (Vulser, 2010) - only altered by e.g., the range of sizes depending on the predominating average body size in the respective country (Tungate, 2008) . Though luxury brands claim to be international, their customers are still culture-specific. Thus, thinking globally, acting locally is true for luxury brands as well, although not to such extreme extents as it is with consumer brands, such as McDonald's who have learned to adopt their offering product range to local tastes (Hume, 2006).

To address consumers across cultures, brand managers have to be aware of country- and culture-specific circumstances in all areas of marketing. In marketing research issues like equivalence in translation, sampling, measuring, or data collection may arise (Churchill and Iacobucci, 2005; Malhotra et al., 1996; Sin et al., 1999; Usunier and Lee, 2005). In marketing strategy defining a product, pricing, and distribution policy can be challenging (Usunier and Lee, 2005). Moreover, brand meaning has to be managed carefully to avoid confusion among consumers (Chevalier and Mazzalovo, 2008), and marketing communication needs to respect cultural, lingual and non-lingual features, including non-verbal behavior (Fill, 2005), especially in high-context cultures (Kim et al., 1998).

Moreover, significant differences in attitudes towards luxury across cultures (Dubois et al., 2005; Dubois and Laurent, 1994), along with the aforementioned specificities of cross-cultural marketing, suggest that brand experiences vary across cultures as well.

2.5 Research Goal

This section draws the picture of everyday luxury brand experiences, defining its constituting terms, formulating the research questions, and outlining the research's contribution.

2.5.1 The Idea of Everyday Luxury Brand Experiences

Having discussed many different aspects of luxury it becomes clear that there is a special momentum to luxury brands: Their perception - and, as a consequence, their experience - heavily relies on individual and cultural attitudes towards the concept of luxury (Dubois and Laurent, 1994), and they are able to create and maintain magic brand auras (Alexander, 2009; Kapferer, 1998). Experiencing is a vital part of any luxury brand consumption process, as it is acknowledged in literature that "when it comes to luxury, hedonism takes precedence over functionality" and that luxury "has to be multi-sensory and experiential" (Kapferer and Bastien, 2009, p. 315).

With their increased accessibility, luxury brands are for a majority of people in developed countries becoming "part of their everyday experience" (Chevalier and Mazzalovo, 2008, p. 152), or even "the mass-marketing phenomenon of everyday life" (Yeoman and McMahon-Beattie, 2006, p. 320), respectively. Furthermore, experiences are considered central to contemporary consumers who are looking for sense, enhancement and 'enchantment' in life (Carù and Cova, 2003). Nowadays, consumers of all society layers are found trading up or investing in (once-in-a-lifetime-) purchases to acquire a piece of luxury (Silverstein and Fiske, 2003). Luxury brands, formerly only seen on festive or High Society events, such as balls, award ceremonies, or receptions, became present in 'ordinary' consumers' everyday life. Students bring their Louis Vuitton bags to courses, employees take out their Gucci purse to buy a ticket for public transportation, and party-people put on some (more) Dior make-up in a nightclub's bathroom.

The emergence of new terms as discussed in the chapter on luxury brand definitions is a consequence of this new understanding of luxury. They try to provide a guidance to distinguish brands from one another. Likewise, practitioners have their own views of the outcomes of these new luxury paradigms. Term definitions for luxuries that are experienced in an everyday context found in non-scientific literature reach from physical goods like

designer clothes (Yeoman, 2007), artisan chocolate (Chocolates, 2008), Scotch Whiskey (Mandhachitara and Lockshin, 2004) or Sushi (Bruni, 2008) in developed countries, to products like soap and toothpaste (Reuben, 1992), services like banking (French, 2005), or even skills like literacy (Carter, 2005) in emerging and developing countries.

However, it is doubtful if it is necessary to distinguish brands, rather than to describe - with regard to the context - the experiences they evoke. After all, *a brand is brand is a brand*, whether its logo is attached to a lipstick or an evening robe, as discussed in chapter 2.2.2.1 about the brand aura of *griffes* or high end luxury products reflecting on lower priced products of the same brand (brand extensions) (Kapferer, 1998). From previous argumentation it is further acknowledged that experiences at the point of purchase account for a majority of consumers' brand experiences (e.g., through flagship store experiences). However, consumers' daily encounters and experiences of the brand beyond the point of purchase are of great interest as well.

Hence, rather than concentrating on factors distinguishing brands or consumers, an approach towards luxury brand experiences in a certain context and culture is envisioned, i.e. to characterize the brand experience and how its consumers perceive it when applying it in the context of everyday situations across cultures.

As literature is not concise on this kind of subject, it is up to empirical research and, as a consequence, to the consumers to point out and describe everyday luxury brand experiences. An everyday luxury brand experience can therefore be an experience for any brand that is identified by consumers as a luxury brand, and that is used in everyday situations, i.e. situations that are not seen as exclusive but common and usual by respondents. Traditional luxury brands consequently may be part of these everyday experiences if they offer products that are accessible to the consumers in question. Rather than restricting respondents' autonomous views on luxury brands, the price and product/brand range is to be determined by the respondents' answers and therefore is not predetermined here.

2.5.2 Research Contribution

Having outlined the theoretical framework this thesis is based on, and having elaborated on the idea of everyday luxury brand experiences, research questions and envisioned contributions to the ongoing scientific and practical discussion are presented in this section.

Studies in the field of luxury brand management have mainly focused on attitudes allowing to identify segments, by using quantitative marketing research methods (Chevalier and Mazzalovo, 2008; Dubois et al., 2005; Dubois and Laurent, 1994; Park et al., 2008; Solomon et al., 2006a). Therefore, marketing research aiming at luxury brand experiences is identified by Atwal and Williams (2009, p. 345) as an area with “significant scope for improvement”, acknowledging the need for a “more diverse range of research methods”.

The idea of everyday luxury brand experiences leads to an explorative study design emphasizing a consumer-based view of these kinds of experiences and respective brands. Therefore, the first question to be answered is how consumers define luxury brands they use in an everyday context.

Research Question 1: Which brands are for which reasons perceived as luxury brands to be used in an everyday context by consumers across cultures?

Secondly, albeit luxury brands “are almost always experiential” (Atwal and Williams, 2009, p. 342), assessments of how these experiential aspects are perceived by consumers across cultures are rare. And although cross-cultural marketing research increasingly pays attention to cross-cultural differences especially in consumer behavior (Solomon et al., 2006b; Usunier and Lee, 2005), research on cross-cultural everyday luxury brand experiences - as a result of the general underrepresentation of research on this topic - is not available.

Research Questions 2: How do consumers experience luxury brands in everyday contexts across cultures?

Hence, with the increasing possibilities to purchase luxury brands outside a brand’s own controlled environment, such as boutiques or flagship stores and the threat by counterfeiters, it is vital for luxury brands to gain knowledge of how their offering is experienced by consumers to continuously address and attract them in appropriate ways.

This thesis therefore strives to investigate everyday experiences for luxury brands in order to contribute to the underrepresented stream of luxury brand experience research, and to provide implications for marketing practice.

2.5.3 Capturing Everyday Luxury Brand Experiences

To address and understand consumers' everyday brand experiences for luxury brands, a categorization mainly based on brand attributes (Keller, 1993) and Schmitt's (1999) reference work on experiential marketing has been chosen.

2.5.3.1 Brand Attributes

(Brand) attributes are descriptive features characterizing a (branded) product, divided into product-related attributes, i.e. the physical composition of the product, and non-product-related attributes, i.e. external aspects, such as price (Keller, 1993). Hence, to get an overview of what kind of products and brands were mentioned by respondents to represent luxury brands, three attributes are to be extracted from the data material: Product category, price, brand name. In addition, respondents are asked to further elaborate on their perception of a luxury brand, in order to be able to answer research question 1.

2.5.3.2 Sensory Experiences

These types include the five senses: sight, sound, scent, taste, and touch (Schmitt, 1999). Sensory experiences are mostly linked to aesthetic perceptions: "Luxury brands are tangible references to the most sophisticated fashions of a given time" (Kapferer, 1998, p. 78). But luxury brands do not only provide references to good taste; their aesthetic and often artistic content is their *raison d'être* - the reason to be (Chevalier and Mazzalovo, 2008).

The sense of **sight (visual)** contributes to a large degree to humans' perception of the environment. Consumers' attention is evoked by visual cues, images, patterns, and signs, and applying the right colors is essential to influence consumers' moods both at the point of purchase and during the consumption situation (Soars, 2009). For example, the mere viewing of exclusive wall paper in a hotel room can evoke a luxurious atmosphere as opposed to the view created by most standard hotel rooms (Lageat et al., 2003).

Sounds (audio) and music are essential for providing a pleasant (store) atmosphere (Soars, 2009), but especially sounds are also important when experiencing the brand away from the

point of purchase (Lageat et al., 2003). For example, the distinctive sound of opening a cork-sealed bottle of wine compared to opening one sealed with an ordinary crown cap sounds completely different, especially to an oenophile (wine lover).

Smell (olfactory) is the sense closest linked to emotions, as the brain's olfactory system detects odors, fast-tracks signals to the limbic system and links emotions with memories (Soars, 2009). Therefore, if used appropriately, a smell can (re-)create certain feelings or a distinctive store-atmosphere (Lageat et al., 2003).

Individuals show significant differences regarding their sense of **taste (gustatory)**, determined to a large degree by genetic factors (Feldman, 1999). However, taste contributes to the experience of a brand or product just like any other sense, and therefore has to be addressed as properly as possible. Especially for gourmet food and beverages, a refined taste is necessary to create an impression of luxury (Lageat et al., 2003).

Particularly in fashion a large degree of the decision-making is based on **tactile** stimuli (Soars, 2009). Furthermore, for example, writing a letter with a luxury fountain-pen provides a much more sophisticated tactile impression than one could experience with a simple ballpoint-pen (Lageat et al., 2003).

2.5.3.3 Affective Experiences

Emotions play a vital role in marketing in general and in luxury goods' marketing in particular. They form an "important substrate of consumption" and their "systematic investigation is a key requirement for the successful application of the experiential perspective" (Holbrook and Hirschman, 1982, p. 137). In fact, emotions are said to account for over half of a customer experience (Shaw, 2005), but to date there is no accord among scholars on how many emotions there are or how to definitely assign names to the categories. Research, however, has shown, that categorization of emotions across cultures is not very practicable (Russell, 1991), as not every culture uses the same definitions of distinctive emotions (Gerhards, 1988; Hirschman and Holbrook, 1982; Richins, 1997; Russell, 1991).

Nonetheless, a categorization of affective or *feel* experiences as suggested by Schmitt (1999) who refers to the categorization of universal emotions by Richins (1997), who developed the

“Consumption Emotions Set” (CES), is applied on the data. For each emotion two to four descriptors are given, allowing classifying data more easily. Descriptions of certain emotions in additional literature on psychology (Feldman, 1999; Ulich and Mayring, 2003) helps assign the data to distinct emotions.

Emotion	Descriptors
Anger	frustrated, angry, irritated
Discontent	unfulfilled, discontented,
Worry	nervous, worried, tense
Sadness	depressed, sad, miserable
Fear	scared, afraid, panicky
Shame	embarrassed, ashamed, humiliated
Envy	envious, jealous
Loneliness	lonely, homesick
Romantic love	sexy, romantic, passionate
Love	loving, sentimental, warm hearted
Peacefulness	calm, peaceful
Contentment	contented, fulfilled
Optimism	optimistic, encouraged, hopeful
Joy	happy, pleased, joyful
Excitement	excited, thrilled, enthusiastic
Surprise	surprised, amazed, astonished
Other items	guilty, proud, eager, relieved

Table 2: The Consumption Emotions Set
(Richins, 1997)

Although classified as *other items* by Richins, pride, relief, and guilt have been treated as independent emotions, as there has been found support in literature (pride, guilt (Ulich and Mayring, 2003)), and during analysis (relieve), respectively.

2.5.3.4 Intellectual Experiences

Think (Schmitt, 1999) or intellectual (Brakus et al., 2009) experiences refer to convergent vs. divergent thinking.

Convergent or analytical thinking is concerned with rational problem solving (Brakus et al., 2009; Schmitt, 1999). It is the ability to produce responses that are primarily based on knowledge and logic (Feldman, 1999). In contrast, **divergent** thinking is a more imaginative and creative way of addressing problems (Brakus et al., 2009; Schmitt, 1999), generating unusual but nonetheless appropriate responses (Feldman, 1999).

2.5.3.5 Behavioral Experiences

Behavioral or *act* experiences refer to physical body action, expression of lifestyles and interaction with other people (Schmitt, 1999).

Physical body experiences occur when people receive or execute motoric actions (Schmitt, 1999), for example getting a haircut or going for a run. Furthermore, consumers tend to express their **lifestyle** by behaving in a certain way, or respectively, by (visibly) purchasing and consuming brands (Schmitt, 1999) matching their way of thinking. **Interactional experiences**, as opposed to social experiences, merely are concerned with the sake of interaction itself, without underlying constructs such as relating to a reference group, as is the case with social experiences (Brakus et al., 2009; Schmitt, 1999).

2.5.3.6 Social Experiences

To the same degree or sometimes even more than depending on their own beliefs, attitudes and intentions, people are dependent on reference groups and social norms (Schmitt, 1999).

Protagonists hold positive attitudes toward a brand, they may be part of the brand community (Schmitt, 1999) and their attitude can range from simply participants (Mühlbacher and Hemetsberger, 2006) to true devotees (Pichler and Hemetsberger, 2007) and brand lovers (Carroll and Ahuvia, 2006). **Antagonists** (Mühlbacher and Hemetsberger, 2006), on the other hand, oppose the idea of luxury. They believe “that luxury is a different world to which they do not belong” (Dubois et al., 2005, p. 122), they do not feel attracted to it, and may even hold negative attitudes or opinions towards it. **Confirmation-seeking behavior** is another common phenomenon in everyday life. As others play a critical role in the formation of the self, people look for information that verifies their self-concept (Schmitt, 1999). Finally, Schmitt (1999) refers to the work of Cialdini (1976) who called the tendency of individuals feeling good because of group memberships ‘basking in the reflected glory’ (**BIRG**). In the present analysis this refers to behavior that expresses positive attitudes or feelings because of benefiting from a brand’s glorious aura, increasing consumers’ perceived status.

3 Empirical Study

This chapter describes the study and its results. First, an introduction into the applied methodology including research design is given. Then, an overview of the chosen cultures including short historical abstracts and cultural characteristics is provided. Following that, the applied method is reviewed in order to lead over to the study's results. The chapter concludes by interpreting and discussing the results to allow for final conclusions and remarks to be followed in chapter four.

3.1 Research Design

Methodological issues such as the applied research design, the choice of the research instrument, sampling method and data analysis are reviewed in this section.

3.1.1 Research Objective

This research's goal is to access consumers' viewpoints of which brands to perceive as luxury brands, as well as how these brands are experienced in the context of everyday situations. This research proposal is based on the basic assumptions of qualitative research (Flick et al., 2007): Firstly, social reality takes place as the result of meanings (experiences) and contexts (everyday situation) that are jointly created in social interaction. Secondly, the processual nature and reflexivity of social reality are assumed, i.e. constant co- and re-creation of brand experiences among consumers. Thirdly, consumers' life-worlds are characterized by demographics, allowing a deeper understanding of subjective meanings. Fourthly, with the given background it is assumed that "reality is created interactively and becomes meaningful subjectively" (Flick et al., 2007, p. 7), being further transmitted to become effective by interpretation. Hence, qualitative research provides the "full opportunity to get from respondents that they, uniquely, have to offer in the way of information, experiences, feelings and ideas" (Sykes, 1991, p. 4). Moreover, in cross-cultural marketing research applying qualitative methods is crucial, as "the researcher is often not familiar with the foreign market to be examined" (Malhotra et al., 1996, p. 14), and therefore qualitative research may reveal differences between foreign and domestic markets.

Experiences in different fields of science are defined in different ways. For philosophy they are a personal trial transforming the individual, for sociology and psychology they are a subjective and cognitive activity allowing the individual to develop, and for anthropology and ethnology experiences are seen as the way in which individuals live their own culture (Carù and Cova, 2003). In marketing, an experience is defined as a personal occurrence, often bearing emotional significance, stemming from the interaction with stimuli produced by products or services consumed (Holbrook and Hirschman, 1982). As every product may carry a symbolic meaning - this being especially true for luxury products - every brand is a symbol, too (Levy and Bastos, 2010).

Hence, if luxury brands carry symbolic meanings, and - as discussed in chapter 2 - these meanings are created through experiences, it is necessary to address the research by a scientific stream that integrates these basic assumptions. The perspective of symbolic interactionism provides a working mode to access such subjective viewpoints (Flick et al., 2007). By acknowledging that “human beings (consumers) create the worlds of experiences in which they live” (Denzin, 2007, p. 82) symbolic interactionism asks ‘how-’ rather than ‘why-’ questions. The focus lies on describing processes of interaction in order to understand behavior (Jacob, 1987).

As this research strives to reveal cross-cultural differences among members of different societies and attempts to learn about their individual respondents, the culture-methodological issues of Emic vs. Etic approaches arise as well. Whereas the Emic-approach examines a phenomenon from inside the system, the Etic-level approach, in contrast, examines it from a perspective outside the system, investigating many cultures (Malhotra et al., 1996). Moreover, research on the micro-level examines a phenomenon concerning the single individual, whereas the macro-level focuses on nations (Srnrka, 2002). However, literature suggests that “to be ‘cultural’ requires the *emic* viewpoint, and ‘cross’ requires the *etic* perspective” (Malhotra et al., 1996). Therefore an Emic-Etic-Micro-Level-approach is chosen.

3.1.2 Data and Sample

Semi-structured in-depth interviews provide a good means of capturing experiences. They are further recommended by literature to access subjective viewpoints (Flick et al., 2007).

For semi-structured interviews respondents “should have maximal opportunity to react to the stimulus-situation, (...) the questions that occur in the interview should be dealt with in a specified way, (...) the interviewees should be supported in presenting the affective, cognitive and value-related meaning which particular situations have for them, and (...) the personal context in which the analyzed meanings and reactions are located must be adequately recorded” (Hopf, 2007, p. 205). In addition, literature suggests that members of Far East (Asian) cultures are more comfortable in personal interview settings than with discussing their feelings in a focus group setting (Malhotra et al., 1996).

Hence, an interview guideline has been developed by respecting appropriate literature utilizing in-depth interviewing for qualitative marketing studies, in particular the work of Thompson et al. (1989; 1990; 1994), as well as Tellis (2000) and classic marketing research literature (Churchill and Iacobucci, 2005), and oral advice by academic colleagues. The full interview guideline can be found in appendix 7.3.

Sampling in qualitative research is often an issue of concern in terms of representativeness, albeit it is less important than in quantitative research (Tellis, 2000). This study is no exemption to that, in so far as the circumstances suggest a non-probability sample, often used in exploratory designs, where generating new insights is more important than proving casual relationships (Churchill and Iacobucci, 2005). To address suitable respondents, i.e. those who have experienced luxury brands and are capable of expressing their thoughts in English, judgment sampling has been applied. This method, often called purposive sampling, refers to handpicking sample elements “because it is expected that they can serve the research purpose” (Churchill and Iacobucci, 2005, p. 327). As personal contacts have been limited, a “snowball sample” (Tellis, 2000, p. 324) has been used to enlarge the set of respondents by asking the initial respondents to “identify others with the desired characteristics” (Churchill and Iacobucci, 2005, p. 327). Though not compulsory, but, due to the large amounts of data qualitative research tends to generate, a practical rational characteristic of qualitative interview-based research is the small and limited sample size (Sykes, 1991).

In the present study, suitable respondents have been identified as business and other students that have bought an luxury brand product recently, i.e. within the last twelve

months, a time frame occurring in other studies as well (Hill and Stephens, 1990). Student samples are relatively homogenous in terms of demographics, socio-economic and educational terms (Peterson, 2001). Further, business students are likely to be actual or future potential customers of luxury brands (Kapferer, 1998, in: Dubois et al., (2005, 119)). Thirdly, business students are likely not to have problems in expressing themselves in English (Dubois et al., 2005). Albeit the latter later proved not to be the case for all members of the sample, it still prevents obstacles arising from translating the material to and from other languages.

3.1.2.1 Chosen Cultures

Before the results are discussed and interpreted, a brief introduction into the examined culture is provided. In order to be cross-cultural, a marketing research has to be conducted across nations or culture groups rather than across provinces or ethnic groups (Berry, 1980, in: Malhotra et al. (1996)). Hence, four countries (three European and one Asian) were chosen to be examined in the course of this research: Austria, Finland, Spain, and South Korea. As each country belongs to a distinctive language family, and is located geographically at a significant distance (no common borders) from each of the others, it is assumed that entirely different cultures are approached. The following table summarizes the chosen countries' characteristics which are illustrated in greater detail below.

	Language (EB, 2011)		HC/LC culture (Hall, 1989)	GDP at PPP per capita rank by: CIA (2011) / Currency	Academic contacts / Visited Institution
	Official L.	L. Family			
Austria	German	West Germanic / Indo-European	LC	15 / EUR	University of Vienna
Finland	Finnish	Finno-Ugric / Uralic	LC	25 / EUR	Hanken School of Economics
Spain	Castilian	Romance / Indo-European	HC	35 / EUR	University of Santiago de Compostela
South Korea	Korean	Independent / Altaic	HC	31 / KRW	Kyung Hee University

Table 3: Chosen cultures

To assess the economic wealth, GDP at PPP per capita is compared, i.e. a nation's GDP at purchasing power parity (PPP) exchange rates. It is the sum value of all goods and services produced in the country valued at prices prevailing in the United States of America divided by population. This is the measure most economists prefer when looking at per-capita welfare and when comparing living conditions or use of resources across countries. (CIA, 2011)

All addressed countries are within the top 35 countries worldwide in terms of the GDP at PPP per capita ranking of the CIA (Central Intelligence Agency), this implicating a high standard of living and a wealthy population. Variations in calculating the value may lead to different ranks among other computing institutions, such as the World Bank or the International Monetary Fund (CIA, 2011). The selected European countries are all members of the single European currency system, the Euro. At the time of choosing cultures for this study, this fact seemed to additionally prove that they are comparable in terms of economic wealth.

The Republic of Austria is the author's home country and was therefore chosen to be included in the study: For centuries, the protagonists of the Habsburg Empire had a very favorable attitude towards luxury, and as a consequence a prospering and highly developed luxury industry emerged whose traces - though it mainly collapsed together with the monarchy in 1918 - are still prevailing (Engel, 2001). Today, the economy is increasingly service-oriented, including the largest tourist economy per capita in Europe (Johansson, 2005), with a growing share of luxury tourists.

The Austrian culture is characterized by explicit communication and the low-context of the German language, meaning that a great share of what is communicated has to be taken literally (Usunier and Lee, 2005).

Finland was included in the study as a year-long study- and work-stay in this Northern European country led to increasing interest into its culture and overall development. During the early 1990s Finland went through a severe economic crisis but subsequent to joining the EU in 1995 the country experienced an economic upturn due to the growth of its high-tech industries, such as the communication giant Nokia (Alexander, 2005). Austria and Finland,

though different in area size and population, are comparable in economic terms (Finpro, 2009).

Although being annexed by Russia from 1808-1917, Finland remained a Scandinavian country in terms of social structure, including retaining its own language and culture (Salokorpi, 2004). The Finnish culture is a low-context culture, and the Finns, similar to many northern Europeans, have a reputation for their explicitness in communication (Usunier and Lee, 2005). Pure and straight designs in art and architecture and a lifestyle strongly oriented towards nature are typical for the Finnish culture (Salokorpi, 2004). From the 1950s onwards, the functional Finnish design products embracing the idea of “more beautiful everyday objects” (Valkonen, 1999, p. 140) became widespread within the countries’ even most ordinary homes and soon they were found to contribute positively to Finland’s image abroad. The Finnish language belongs to the Finno-Ugric language family which includes Finnish, Estonian, and Hungarian, among other only regionally spoken languages (EB, 2011). Finnish has a very special language structure rendering context useful in communication: 16 cases virtually replace all prepositions other languages would use (Usunier and Lee, 2005).

The third European country approached is Spain, where academic and personal contacts enabled conducting interviews at the University of Santiago de Compostela. Spain, for centuries a powerful monarchy, experienced the spread of luxury beginning from the eighteenth century when both domestic and imported luxury items became available as a result of industry and trade growth (Haidt, 1999). From the 1950s the country has gone from depending on agriculture and fishing to an industrial nation heading towards a service-oriented economy, where - economic growth withstanding - unemployment has been a resistant problem since the 1990s (Freire, 2005). Spain joined the EU in 1986, and the Euro system in 1999 - to date, the government continues trying to reverse the severe economic recession that started in mid-2008 (CIA, 2011).

Castilian is the official language nationwide, but official regional languages include Catalan, Galician, and Basque (EB, 2011). The Spanish culture is a distinctive outdoor society (Freire, 2005). As part of the southern European/Hispanic cultural area, Spain belongs to the high-context cultures (Usunier and Lee, 2005).

Apart from the aforementioned European countries, one Asian country - South Korea - was selected as well. Academic contacts at the Kyung Hee University in Seoul provided a good opportunity to include this western-oriented democracy in a region important for luxury brands at present and even more so in the near future.

Since the armistice signed in 1953 to end the Korean War, South Korea, a fully functioning modern democracy, achieved rapid economic growth with per capita income rising to roughly 17 times the level of the communistic North (CIA, 2011). Having undergone significant change in the last 40 years, South Korea has become one of the world's most dynamic and fastest growing economies (Chang et al., 2004). The country has pursued this growth by converting the industrial structure into one lead by high value-added industries and accelerating both product development and quality improvement through technological innovations (Eui-Gak, 2002). Giant conglomerates ("Chaebols" = fortune clusters) have become driving forces for Korea's economic wealth e.g., Hyundai, Daewoo, or Samsung (Spangler, 2005).

Korean is an isolated language and its origins are still not fully explained, although similarities with Japanese and the Altaic language family suggest a relationship (EB, 2011). Negative economic effects of colonization and the Korean War prevented South Koreans from investing in cultural and artistic activities until the early 1980s, when many South Koreans began to rediscover the traditions that had been repressed during the Japanese occupation until 1945 and destroyed by blind violence during wartime (Kagan, 2002). In spite of the rapid Westernization of South Korea, the Korean market kept its own unique characteristics rooted in its culture and historical background (Chang et al., 2004).

Like other Asian countries, Korea is a typical high-context culture, with its people being more socially oriented, less confrontational, and more complacent about life than people from low-context cultures (Kim et al., 1998). The Korean culture, similar to most East Asian cultures, is influenced by the dominance of the Confucian religion, which transcends into business, individual behavior, and family structure (Chang et al., 2004). Although Western knowledge and technology have entered Korean culture, Confucian idealism, whose ethic is designed to create and foster loyalty, dedication, responsibility, and commitment and to intensify identification with the organization and one's role in the organization, still

predominates in South Korea today (Chang et al., 2004). Standing out of the masses is perceived as contradictory to the Confucian idealism and as a consequence has over centuries prevented the development of luxury in a western sense (Dietsch, 1990). Consuming luxury brands in South Korea only emerged as a widespread phenomenon within the last 15 years (Park et al., 2008).

On an individual level, demographics of the interviewees have been recorded in case follow-up questions would arise during the analysis process, as well as for possible further analysis. However, due to the relatively homogenous nature of the respondents (business students) and the small sample size, it has been decided not to include demographics into the analysis, but to provide a brief overview over the respondents. To guarantee anonymity for the interviewees, their names are replaced by a country code plus a number derived from the filename. Besides their age, respondents have been asked to indicate their disposable income, which has been defined as the sum of their total monthly income (pre-tax) minus taxes, rental fees and running fixed costs, i.e. what remains for spending on shopping or entertainment. Finally, interviewees have been asked about their environment when growing up, i.e. if they stem from a rural or urban background.

code	age	disp. income	grown up
FI 11	37	1001-1500€	urban / Tampere
FI 08	33	2001-2500€	urban / Helsinki
FI 10	28	501-1000€	urban / Espoo
KR 12	21	< 500€	urban / Seoul
KR 13	26	< 500€	urban / Pusan
KR 14	21	< 500€	urban / Seoul
KR 16	24	< 500€	urban / Seoul
KR 18	26	< 500€	urban / Seoul
KR 19	23	< 500€	urban / Seoul
ES 09	30	1001-1500€	urban / Barcelona
ES 21	32	501-1000€	urban / Santiago
ES 22	32	< 500€	urban / A Coruna
ES 23	32	1001-1500€	urban / Vigo
ES 24	22	< 500€	urban / Lanzarote + Madrid
AT 24	26	< 500€	urban / Linz
AT 26	29	< 500€	urban / Vienna
AT 27	28	< 500€	urban / Vienna
AT 28	24	501-1000	urban / Vienna

Table 4: Demographics

3.1.2.2 Data Collection and Processing

First, three test interviews were conducted in Vienna to sort out possible sources of irritation and to test whether the chosen wording and level of English were appropriate for capturing the thoughts of respondents (Churchill and Iacobucci, 2005). After the test run, the interview guideline was slightly adjusted, mainly in terms of wording and questions' order. The interview was intended to be a semi-structured interview, meaning that only a rough guideline was used to interview the respondents, and that the respondents' foregoing answer were to determine in parts the further course of the interview (Hopf, 2007). A test run also provides a good opportunity to reflect on the authors' own role and behavior in the interview process (Mayring, 2008).

To recruit interviewees, two approaches were chosen: Firstly, presentations were prepared to be held in select marketing classes at the points of destination. A MS PowerPoint presentation consisting of four slides was prepared to present the study, its goals, and the inquiry for interview partners. Secondly, personal contacts and contacts of contacts were addressed (snowball sampling).

All interviewees were promised a range of incentives to make them participate. These incentives were: i) the experience of the interview situation itself, i.e. a learning outcome for possible future studies by themselves; ii) a digital copy of the results in pdf-format, to be sent to the interviewees via e-mail; iii) 'the good feeling of research contribution' addressing both the potential participants' humor and sense for altruistic action; iv) 'a sweet souvenir from Austria', i.e., a package of two famous Austrian sweets; and v) 'networking', i.e. providing information about life in Vienna and Austria for possible exchange students.

In late October 2009 two presentations were held in marketing classes at the Hanken School of Economics in Helsinki, Finland, to recruit possible respondents. Although, the feedback during the presentation in-class was positive, no interviewee could be recruited directly from this school. However, through personal contacts and the positive outcome of the snowball sampling method three students of other universities were found as appropriate Finnish interview partners.

Following Helsinki, a round of eight interviews was conducted in Seoul, South Korea, from early November 2009 onwards. With the support of a professor at the Kyung-Hee University's School of Management, who granted access to three of his marketing classes for the presentation to be held, as well as introducing students he considered as suitable for the research, interviewees could be recruited from students of this institution. As opposed to Finland, the English language proved to be a source of irritation and in some cases partly hindered an appropriate understanding of both the interviewer's questions by the interviewee as well as the full grasp of the interviewees' meaning by the interviewer. However, with the assistance of a third party (research assistant) where necessary, an acceptable outcome could be achieved in six of eight cases. Two of the interviews held were not taken into deeper analysis, as one respondent reported a consumption situation experienced by a third party, and the other's command of English (pronunciation, grammar and vocabulary) proved to be insufficient to report an experience. In both cases, to show cultural sensibility, the interview was conducted like any other in order to avoid insulting respondents by violating the important cultural rule of face-saving procedures in personal interaction and comparison to others (Chang et al., 2004).

From mid-November 2009, and with support of a lector at the University of Santiago de Compostela, the third round of interviews with a total of five respondents was conducted in Spain. No major problems occurred due to a relatively good command of respondents' English. Finally, the data collection was completed in Vienna by the end of 2009 and with a total of four Austrian respondents out of personal contacts, each with a decent command of English.

The digitally recorded interviews were transferred to a PC as Windows Media Audio (WMA) files to commence with the transcription process. Following an online guideline (Dresing and Pehl, 2009), an appropriate transcription software and method was selected and applied to the recorded data. Transcribing the recorded interviews was finished by the end of January 2010, and consequently, the aforementioned structuring content analysis process started. The qualitative analysis software Atlas.ti was found appropriate to serve the purpose of executing a content analysis (Mayring, 2007), so the transcripts were transferred to this program.

At first, in an extensive iterative process, categories and anchors helping coding, were deductively created out of literature on brands (Mühlbacher and Hemetsberger, 2006) and luxury brands (Berthon et al., 2009), respectively. Following this, the material was coded according to the derived category system. To gain a better overview, the coded material was transferred to the spread sheet software Microsoft Excel, to allow for easier further development. During coding, however, some categories proved not to be existent in the material and were therefore removed, while others inductively emerged - unforeseen from literature research. Furthermore, according to Mayring's (2008, p. 62) guideline, the extracted texts were paraphrased, reduced and finally cross-tabbed to allow comparing the results across cultures.

At this stage, and with regard to the original intention of the research, second thoughts about the accuracy of the chosen categorization scheme arose. Further literature research lead to a deliberate re-organization of the category system - from being focused on brand and brand meanings to brand experiences. The final outcome of this decision has already been theoretically discussed in the previous chapter - the empirical consequences and results are to follow further on in this chapter.

3.2 Method

Literature suggests the qualitative content analysis for analyzing subjective viewpoints (Flick et al., 2007) and data gathered on the level of subjective experiences (Schmitt and Mayring, 2000; Ulich and Mayring, 2003) respectively.

Qualitative content analysis is often applied in explorative research designs to grasp and collect new insights about little researched phenomena. In experience-research both exploratory qualitative and descriptive quantitative methods have been used (Hirschman and Holbrook, 1982), where the latter are more appropriate to confirm and generalize existing knowledge about a phenomenon. Therefore it appears appropriate to conduct an exploratory qualitative research in the area of luxury goods, which has long been "marginalized from a theoretical point of view" (Berthon et al., 2009, p. 64).

Examples of applications in consumer experience research are Poria (2006), who uses a content analysis to examine the hotel experiences (staff behavior, hotel attributes, environment of the hotel) of homosexual customers by using qualitative interviews, or Richins (1997) for her project of six studies, setting the first step by using an exploratory study to identify emotions in consumption experiences out of content-analyzed open-end interviews. Likewise, Brakus et al. (2009) apply a content analysis to examine the concept consumers bear in mind about brand experiences.

Qualitative content analysis is based upon several points: Firstly, the material fits into a model of communication that includes the respondent and the interviewer, as well as the socio-cultural background of the respondents and their experiences, opinions and feelings. Secondly, the material is analyzed following a theory-bound guideline. Thirdly, categories are created that stem from both the research questions and the material itself – well-founded and revised within the process of analysis in feedback loops. (Mayring, 2000; Schmitt and Mayring, 2000; Srnka and Koeszegi, 2007)

Therefore a qualitative content analysis (Mayring, 2008; Smith, 1995) is applied to the material, following a theory-bound guideline (Mayring, 2008). The aim is to extract certain contents, topics or themes out of consumers' consumption stories (Mayring, 2008; Thompson, 1997), i.e. the interview transcripts, and to compare them across cultures. The themes are theory-bound deduced from the research questions and previous literature study, but are also subject to inductive enhancement during the loop-wise analysis process (Mayring, 2008).

Therefore, after consulting Mayring's (2007; 2008) work on qualitative content analysis, a method for analyzing the material is developed. To do so, it is necessary to recall the research objectives. Both research questions aim at examining certain aspects of the material and at cross-sectioning the material under criteria that are determined in advance, i.e. attributes for defining luxury brands (RQ1), and types of luxury brand experiences (RQ2). Hence, for addressing the research questions a Structuring Content Analysis has been chosen, in order to filter out particular aspects of the material, i.e. to explore how consumers define and experience luxury brands across cultures in an everyday context (Mayring, 2007).

The following figure illustrates the working process of the applied analysis. Left, the steps of the Structuring Content Analysis ('Inhaltliche Strukturierung' (Mayring, 2008)) are shown, whereas on the right, further explanation and examples draw the connection to the method's application in the thesis. (t.b. = theory-bound / 'theoriegeleitet')

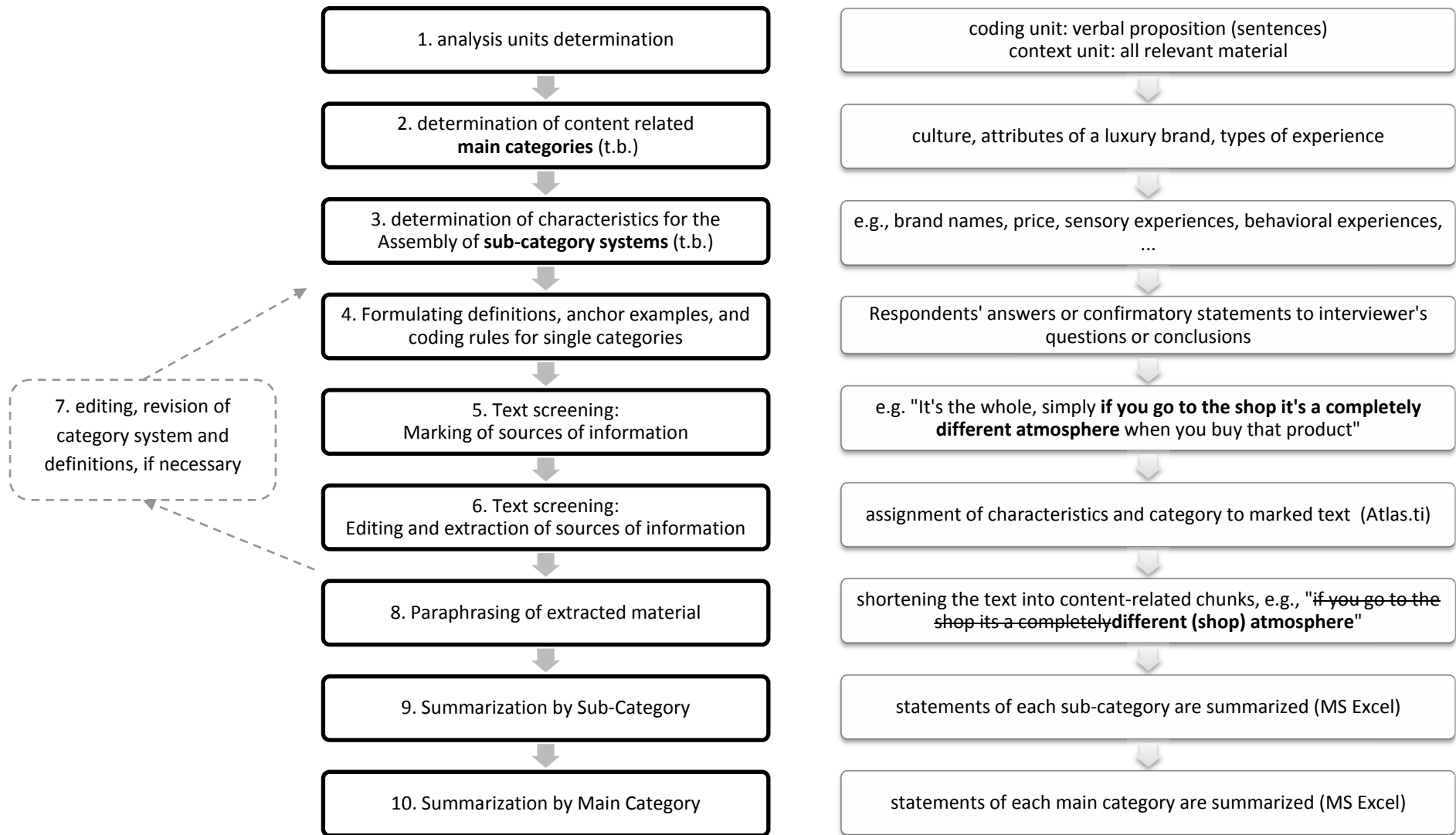


Figure 2: Structuring Content Analysis reproduced and translated from Mayring (2008, p. 89)

3.2.1.1 Reliability and Validity

According to Mayring (2008) the structure of qualitative data material usually does not allow adopting classic concepts of validity and reliability, oriented towards quantitative analyses. For example, the reliability measurement of equivalence is hardly useful because the similarity of two research instruments for analyzing verbal material is very unlikely (Mayring, 2008). Applying the split-half method by dividing the total set material into two equivalent halves (Churchill and Iacobucci, 2005) is not reasonable either as major insights arising from one part can influence the whole analysis (Mayring, 2008). A third approach would be to address the issue by assessing inter-coder reliability, but this widely used concept has come under criticism as well: Ritsert (Mayring, 2008, p. 110) states that high correlation among different coders is only achievable for very simple analyses. Other researchers completely doubt the concept of inter-coder reliability as they perceive differences in interpretation of verbal material among various analytics as to be “the rule, rather than the exception” (Mayring, 2008, p. 110).

As reliability is a pre-condition for validity (Churchill and Iacobucci, 2005), both are affected by the insufficiency of most classic concepts to promise quality in qualitative research. Stability, as one exception to this, is one way to assure reliability by once again applying the analysis instrument to the data (Churchill and Iacobucci, 2005; Mayring, 2008). Another way is to ensure that the “entire process of the research is made transparent to readers” (Sykes, 1991, p. 9). The latter is done by providing a detailed report of all issues concerning research procedures, as well as adding relevant data material, such as the interview guideline or coded textual material.

Validity is the extent to which a method measures what it is supposed to measure (Churchill and Iacobucci, 2005), and it is divided in several types. Both, content validity (face validity), referring to the extent of a method producing the kind of information that is expected (i.e. brand experiences) (Churchill and Iacobucci, 2005), and internal validity, referring to the internal coherence of findings, i.e. the fit between the data and the findings, which is generally very high in qualitative research, as large parts of the data are simultaneously findings (Sykes, 1991), are given in the study. Instrumental validity or construct validity (Mayring, 2008), aiming at matching the data provided by one research method and those

generated by another one (Sykes, 1991) is hard to establish for the present study, as to the knowledge of the author no other qualitative research approach into the field of luxury brand experiences across cultures has been applied. Theoretical validity, referring to the “justifiability of research procedures in terms of established theory” (Sykes, 1991, p. 10), has already been assured by outlining the theoretical position and subsequently choosing the method of analysis.

Finally, consultative validity means the validation of data or interpretations through consultation with those involved in the research process, particularly the respondents (Mayring, 2008; Sykes, 1991). Although deconstructing the material back to single respondents’ answers is possible due to the well-structured analytical process, consulting the respondents for validation would be difficult for practical reasons, such as accessibility or language barriers. Another form of validity special to qualitative content analyses is sample validity, i.e. the criteria of exact sample drawings (Mayring, 2008). However, this cannot be assured due to the chosen non-probability purposive sampling which is typical to qualitative research (Sykes, 1991). Correlative validity further aims to validate through correlating with external criteria, i.e. outcomes of researches with similar research problems and study field (Mayring, 2008). To date, this is not applicable due to a lack of similar studies, as far as known to the author. Finally, semantic validity refers to the correctness and adequacy of category definitions such as coding rules, to be either examined by experts or a simple re-comparison of the construct with the textual material to examine its fit (Mayring, 2008). As there have been several feedback-loops during coding, category definition and the final analysis, semantic validity can be assumed.

3.3 Results

Data is displayed grouping the three European cultures in alphabetical order and the Asian one as fourth, i.e. Austria, Finland, Spain, and South Korea. This is also the implicit order of cultures in a Low-Context (LC) to High-context (HC) continuum - with Austria and Finland being LC, and Spain and South Korea HC cultures (Usunier and Lee, 2005, p. 377 and 397). Respondents’ quotations are included to enable methodological intersubjectivity and are indicated in 10pt letters including the code name of the respective respondent (see also Table

4). Each analysis unit (brand attributes, brand experience), split into the applied codes and sub-codes, is compared across cultures. Although the sentence structure may in some cases indicate generalizations about the population as a whole, it has to be kept in mind that only respondents' subjective views are reproduced.

3.3.1 Brand Attributes

To provide an overview of the kind of brands mentioned by the interviewees, major brand attributes, i.e. the brand name itself, the product category, and the price range are briefly indicated here.

	Austria	Finland	Spain	South Korea
cosmetic products	mascara, face cream, deodorant	eau de toilette	day cream	-
cosmetic brands	<i>Clinique, Annayake,</i> <i>Hugo Boss</i>	<i>Hollister California</i>	<i>Dior,</i> <i>La Roche Posay</i>	-
fashion items	purse	riding boots	jacket, jeans	handbag, wallet, jeans
fashion brands	<i>Gucci</i>	<i>Parlanti</i>	<i>Calvin Klein, Levis</i>	<i>Marc Jacobs,</i> <i>Louis Vuitton,</i> <i>Gucci, Diesel,</i> <i>True Religion,</i>
food/beverages	-	champagne	-	-
beverage brands	-	-	-	-
price min./max. in EUR	20 / 700	18 / 1100	40 / 200	50 / 700

Table 5: Brand Attributes

Price ranges, if not mentioned explicitly by the respondents, were derived from official sources, i.e. Online Stores (Gucci, 2011a; Marionnaud, 2011).

In the appendix 7.4 a short description, derived from the brands' internet presence and self-description, as well as secondary literature is given to provide an orientation on the mentioned brands' nature and philosophy from their managements' point of view.

As illustrated in the theoretical framework, the concept of luxury is incredibly fluid and varies across individuals and cultures. Hence, respondents - in an attempt to answer research question 1 - were decisively asked to indicate what made the branded product they

were about to talk, luxury to them. During the first part of each interview, following the brand attributes, respondents were asked to justify their opinion, i.e. to explain why the chosen branded product was luxury to them. Regardless of subsequent interpretations of respondents' answers during the further course of each interview, here only those characteristics are mentioned which were named in response to this single question.

The answers to this single question have been shortened, aggregated, generalized and cross-tabbed to facilitate a quicker overview.

	Austria	Finland	Spain	Korea (S)
Expensive/high price	X		X	X
Shop atmosphere	X			
High/Top quality	X		X	X
Special/non-everyday object	X		X	X
Packaging	X			
Exclusive distribution	X	X	X	
Comfort		X	X	X
Design		X	X	X
Brand name/history		X	X	X
Assigned status		X		
Own money to spend			X	
For Showing-off				X

Table 6: Justification of Luxury

3.3.2 Brand Experiences

This key section pictures the five types of experiences - sensory, affective, intellectual, behavioral, and social - across the examined cultures.

Literature and data likewise show that there is no mutual exclusivity for experiences, i.e. "there is no one-to-one correspondence, such that a certain stimulus type would trigger a certain experience dimension and only that dimension" (Brakus et al., 2009, p. 54). Therefore, on the basis of the results, cross-references to other types of experiences are made, where found to occur. Though it was envisioned to capture brand experiences beyond

the point of purchase, empirical evidence leads to their analysis during the purchasing process as well.

In order to compare items (brand experiences) across several conditions (cultures), it is necessary the items appear in at least two conditions. However, as it is the thesis' goal to compare brand experiences across all approached cultures, only those brand experiences which appear in all four cultures are analyzed in greater detail. Due to the large amount of recorded and transcribed data, only a selection of key quotations of those experiences that occurred in all four cultures can be provided within each subcategory (sensory, affective, intellectual, behavioral, and social experiences). Data of those experiences that occurred in fewer than four cultures were summarized and are reproduced in an aggregated format following the detailed part of each subcategory.

The interview (see appendix 7.3) included questions concerning experiences at the point of purchase as well as post-purchase consumption situations to capture holistic brand experiences. South Korean respondents were sometimes reporting experiences of third parties or added their opinion of what they thought to be a common South Korean phenomenon. Although these opinions do not correspond with the intention of this study to capture first-person experiences, they were exceptionally included in the analysis.

3.3.2.1 Sensory Experiences

As aforementioned, this section relates to stimuli experienced by the five human senses. The majority of the experiences that were reported were of a visual nature. Haptic and olfactory experiences came second and third, respectively. Gustatory encounters were only mentioned once, and no audio experiences could be extracted from the material.

Visual Experiences

A general tendency of Austrian and Finns towards emphasizing the importance of point of purchase experiences to the overall perception of a brand being luxury was observed. Brand experiences evoked by visual cues at the point of purchase have been mainly reported by Austrians and Finns, elaborating on divergent thinking and BIRG experiences. On the contrary Spaniards and South Koreans seem not to attach importance to aesthetic store design or sales people appearance, but they rather emphasize functional aspects of the

point of purchase, such as the arrangement of shelves and storage racks or the assortments' width, height and depth.

In Austria and Finland, sensory experiences beyond the point of purchase have not been found to contribute as much to the brand experience as those directly at the POP. They are evoked by the products' and product packaging's' appearance, such as design, additional decorative elements, or the products' physical perception. In Spain, on the contrary, it was emphasized that the product's aesthetics are of great importance to match consumers' taste. South Koreans, too, stress the brand's aesthetics and distinctive design elements to distinguish the product from those of competitors.

The diverse experiences constructing visual experiences of Austrian and Finnish respondents may be seen as a sign for LC culture. These cultures heavily rely on explicit codes for transmitting messages from the sender to the receiver (Usunier and Lee, 2005). Therefore it is hypothesized that members of LC cultures rely not only on visual cues but also on additional information to construct a sensory experience. Members of HC cultures, such as Spain and Korea, on the other hand, live in life worlds that are shaped by underlying deep meanings (Kim et al., 1998). Hence, they may be less reliant on additional information to experience a brand on a sensory level.

AUSTRIA Store size and interior design produced appreciative responses, namely references to luxury. A store appearance that is obviously taken care of by the personnel and an appealing product and brand presentation is highly appreciated. Along with the interior design, the specialized, mainly female sales personnel's' aesthetic model-like appearance evokes a special atmosphere at the point of purchase, making a store a "wonderful place to shop" (AT 26), even comparable to entering "another world" (AT 25). Other visual experiences were reported coming from perceiving decorative elements, such as glitter, when opening a package at home. Rather pragmatic experiences on the other hand, concerned the appreciation of dark-colored surfaces decreasing the visibility of dirt.

"(...) when you step into the shop it's like, I think it's a lot about how the store is made up, because all the products you can see them nicely, they are arranged in a nice way so that you get a good overview, then there are the different brands of make-up, it's not only the Clinique it's also Jade, and other like good brands and expensive brands, and on the back side I think there were the perfumes

and all that stuff, so it's you can see, that they take care of the how the shop appears or what it looks like (...)" AT 25

"(...) the shop assistants were like really dressed up and also (...) the whole make-up on their face, like perfectly painted dolls." AT 25

FINLAND Hollister California, at the time of purchasing, could in Europe only be found at the Abercrombie & Fitch flagship store in London. This fact was especially stressed, along with the special and original atmosphere that prevailed inside the store, such as the interior design, which makes it look like a "Florida mansion" (FI 08), or the facade decoration which actually provides no significant signs allowing consumers to identify the store at a first sight. This retail setting, along with the sales personnel appearance evoked an exclusive brand feeling. The riding boots brand Parlanti, on the other hand, only has a sales representative in Finland, who merely takes consumers' measures and sends them to the Parlanti headquarters in Italy, where the boots are produced and subsequently sent to consumers directly. For the champagne, no special store experience was mentioned. However, it was mentioned that the location, a village in the Champagne region in France, added positive memories and feelings to the purchase experience. Further experiences of sight were evoked by the neat packaging and nice carrying bags, as well as product-related attributes, such as the bubbles of Champagne or the individual design of boots.

"And then you go in and there is like a special and very original atmosphere in a way that its dimly lit and you have like a dark wood furniture and then you have all those products there and you got the music and you got the same perfume like smelling in the air and all the personnel are dressed in the company's clothes and they are like picked out for their looks, so they are all like young and beautiful."

FI 08

SPAIN Store design was not particularly emphasized among Spanish respondents. Except for the following quotation nothing concrete was reported.

"Well, yes, it was a Calvin Kline store, and it was quite, it was, well the design was more or less particular for Calvin Klein stores, it was well designed, it was comfortable to walk around. It was like an open shop, it was not this kind of shops with very little item and then a lot of people assisting you. It was more like a place to do massive selling and stuff like that, but on the other hand, it was comfortable place." ES 09

Concerning the fashion items, it was very important and stark emphasized that the products appealed to consumers by their coloration, design, elegance, and overall fit. Consumers of cosmetics underlined that visible results are most important to them.

“And so, I ask Angel to come with me and also to check 'ok, do you think this color is suits well to me' and also 'do you think this color is combined as well with some other stuff, that I have' and so 'yes, it is, it's a beautiful jacket, don't worry about' and so I bought it.” ES 21

SOUTH KOREA Hardly any specific visual stimuli during the shopping experience were mentioned, apart from the fact that some purchased their goods at a famous department store offering a wide assortment of brands. Concerning the branded products, their different design and style is appreciated, as well as a perceived uniqueness provided by the distinctive patterns.

“Brand image is so luxury and pattern. I like Louis Vuitton pattern. I like the bag style.” KR 18

“I think luxury brand is a lux good, [because] (...) they are styled, like Gucci they have their patterns (...) they're unique, that's why people like it” KR 19

“And luxury goods is very nice product at first, and another thing is many people want to have a like this, because it show what am I” KR 13

Haptic Experiences

AUSTRIA Touching the product is reportedly vital especially when fashion items are concerned, but also when it came to experience the shape of a product packaging. Feeling a special, high quality kind of leather evokes the perception of having a premium quality product, therefore the touch is highly appreciated and vital prior to purchase. Experiences related to the consumption of a product are created when cosmetic consumers become aware of the improved feeling of their skin, making them feel special.

SPAIN Wearing comfort was considered more important than fashion, and positive effects evoked by cosmetics were recognized.

Olfactory experiences

AUSTRIA Opening the package at home and smelling the product is perceived as a ritual. Other experiences are related to avoiding bothering others with bad odors by applying deodorant.

FINLAND The physical feeling of freshness and a nice smell was reported as being appreciated when leaving home.

Gustatory Experiences

FINLAND: Product-related attributes (taste of champagne) are found to contribute to a joyful experience. In addition brands can evoke extraordinary experiences and memories such as once-in-a-lifetime impressions of the overwhelming taste of distinctive Champagne brands (here: Krug).

3.3.2.2 Affective Experiences

Contentment and joy were identified most often in consumers' answers, whereas the others were only occasionally mentioned. Envy, loneliness, optimism, and surprise have not been identified during the analysis process. As negatively connoted emotions have not been reported overly frequently, they are summarized, before continuing with positively connoted emotions. Albeit *Romantic Love* and *Love* is separated in Richin's CES (1997), drawing a line has proved difficult during analysis. Therefore these two emotions were treated as one.

AUSTRIA **Anger** was found to be experienced when others made fun of the purchase. When entering a flagship cosmetic store, a feeling of **discontent** ('strange') was reported. Moreover, consumers expressed **worry** over the fact whether the purchase is worth spending so much money. The partly rational **fear** of damaging parts of the store design with a backpack was mentioned along with the fear of being under pressure to purchase something when entering a store, and as a result being shocked over having spent too much money. **Shame** was expressed as the feeling of being in the "wrong" (AT 25) place in certain stores.

FINLAND Consumers experienced **sadness** when environmental circumstances made them abstain from using their favorable foot wear and indirectly forcing them to wear less favorable ones.

SPAIN **Anger** and **discontentment** was experienced along with unhappiness and disappointment over the malfunction of the product far ahead of the expected end of lifetime. Other discontentment arose with respondents' appearance and the felt urge to

improve one's own beauty leading to the purchase of a specific brand. A feeling of misery and **sadness** was experienced when make-up was not put on. One respondent reported **shame** as the feeling of nudity without make-up because of skin problems.

SOUTH KOREA **Anger** was experienced at the point of purchase over being bullied by sales personnel because of a non-luxury-client appearance. Being unable to afford a distinctive brand provokes feelings of **sadness**.

Romance and Love

To all cultures, the romantic feelings towards purchased luxury brands can be seen as a proof for a passionate emotional attachment of satisfied consumers (Carroll and Ahuvia, 2006), and for living a certain lifestyle.

Members of HC cultures, once they commit themselves to a person or action, step into often lifelong relationships (Kim et al., 1998). For Spain and Korea that would indicate strong brand commitment as it was expressed by some respondents, whereas for Austrian and Finns these brand bonds are not as strong. However, the results (for Spain and Korea) only partly support this assumption.

AUSTRIA To some respondents it feels tempting reaching a certain position where one can purchase luxury products without second thoughts of the price. The actual use of a special non-everyday-object in everyday use let the consumer experience a sort of romantic and passionate feeling towards the brand.

“On the on hand like tempting, like 'what does it feel like to be in this position'” AT 25

FINLAND A passionate feeling towards branded riding boots was expressed by emphasizing their importance several times.

“(...) this boots thing, it is really luxury thing for me. That is the most important for me. I'm the boots-girl” FI 10

SPAIN Passionate experiences towards a fashion brand led to one respondent's self-description of being a Levi's-maniac, where another loved the elegance of a fashion item and how it contributed to one's appearance.

"I just fall in love with this jacket, because of the elegance of the jacket or the way it make me look"

ES 21

SOUTH KOREA A passionate or loving relationship with a luxury brand also occurred in Korea.

"Yes, I'm very Gucci. This is my favorite one." KR 16

Joy

Joy is an emotion that is expressed very differently among cultures. In any case it is a mixture of different experiences. To Austrians, visual experiences, physical encounters and social confirmation contribute to the mere happiness of possessing a brand that allows self-indulgence. To Finns, interaction with others and divergent thinking as well as the joyful attributes and visual cues ascribed to any luxury brand evoke joy. To Spaniards, the expression of a certain lifestyle, divergent cognitive operations, and the self-indulging direct physical contact with the branded product evoke joyful, dream-fulfilling emotions. Finally, Koreans are reportedly simply happy to have purchased a product.

No information on how joy is embedded in LC or HC cultures has been found in literature.

AUSTRIA A pleasant atmosphere and friendly treatment while shopping is experienced as joyful. Furthermore, happiness over the possession and application of the goods, and recognizing friends also using it account for the majority of joyful consumption aspects. Self-indulgence and relaxing moments during consumption were further experienced as additive to the emotion of joy.

"Yes, I was happy to buy it because it was, yes I wanted to buy a purse for a long time and it took me really long to decide which one I want to have and so I was happy finally to do it, not thinking about buying it. (...) And it was a pleasant atmosphere in the shop. All over the purchase was nice." AT 28

"Yes, when actually the time when I discovered that a friend of mine she is also using the same on, and we were talking about it was like 'yes, yes' and we both were happy with it." AT 25

FINLAND For the Abercrombie & Fitch store, the well-organized cashier and the neat packing of the purchased brand were highly appreciated, along the general atmosphere the store created. This includes the feeling of having something of high quality, and the anticipation towards future consumption experiences. Respondents perceived a shopping situation as "nice", if it is a "nice and cool" (FI 08) brand is presented.

During the consumption situation good feelings also arise, for example when sharing the product with friends or realizing having made a purchase worth the money. The positive feelings are expected to extend over the point of purchase, and to continuously contribute to the joy of having something special.

“And all in all, it was just like I think that a sort of (...) luxury product in general should be, like that they would convey nice and special feelings as a whole.” FI 08

“When I'm shopping the champagne, I'm thinking of all those good moments, that I'm drinking it and who I'm drinking it with. It's for me and of course for my husband and for my best friends.” FI 11

SPAIN Happiness, feeling good, “very well” (ES 21) or pleased, and the joy of having fulfilled a wish was experienced. Having done something good to oneself was emphasized as well, followed by the joy of looking good to others. Another aspect was acknowledging that own behavior can be contra-productive to expected outcomes from a product's usage.

“But like when I go out and when I leave my house in the morning and just I look good at all, I'm feeling happy because I feel I think I look well to everybody, it's something that I don't know, it's added, an added value, that you have.” ES 21

“So you know, this is 10 seconds of feelings but wonderful, it's not very rationale you know, smoke the weekends and buy [skin cream]. It's not compatible.” ES 22

SOUTH KOREA Happiness and good feelings over the purchase and the purchase process, as well as self-indulgent aspects were experienced.

“I like go shopping. I like the situation.” KR 18

Excitement

European cultures seem rather homogenous, all linking divergent thinking experiences of exclusivity and personal situations to excitement-experiences. To many respondents, excitement arises over the ability to express a lifestyle of being a person having good taste or enjoying life. Social interaction with protagonists is another important contributor to excitement over a brand. Finns additionally have been found to ascribe to brands that are very special to them, i.e. the nimbus of glory reflecting on the brand experience. To Koreans, on the contrary, it is the divergent consideration of the novelty of a brand experience that evokes excitement over the brand.

Similar to the lack of information on joy in LC/HC cultures, no references to exciting behavior have been found.

AUSTRIA The consumption situation evoked a non-everyday feeling, *cool* compliments are received, and the purchase situation is experienced as personal and exclusive. Consumers said they were looking forward to the next purchase situation, and reported that buying the brand means purchasing a brand plus emotions plus a “story of luxury” (AT 27) behind.

“It seems to be something special and so it’s not an everyday thing, but still I use it every day” AT 25

“So, it’s just like a very personal exclusive situation (...) for me.” AT 27

FINLAND Purchasing the product and opening a packed purchase at home was described as nice, exiting and thrilling. Brand experiences were described as the desire to share the consumption and the moment with friends, evoking memories, allowing the consumer to see an event as a celebration and everyday as something to enjoy, as well as seeing the moment as special and enjoy a piece of luxury. Certain experiences for brands that possess an exclusive aura in consumers’ minds exceeded this level by being described as very emotional once-in-a-lifetime events or moments, respectively.

“Let’s just say that it was a nice experience to buy it, in a way that the shopping situation was very nice, and it was nice to like carry the special bag with me and then it was nice to take it back to home and open the packaging for the first time.” FI 08

“And it was, god, it was so good. It was like the best Champagne I ever had, it truly was. And afterwards I was hugging the bottle, someone took a picture of that, and I had it a long time in my laptop. And, not only knowing that it’s expensive, and not only that the event was surprising and all that, but the Champagne was really really good.” FI 11

SPAIN “The feeling of being attractive, perfect, and beautiful to oneself as well as to others” (ES 22) is interpreted as another sign for excitement about the brand.

SOUTH KOREA Curiosity and excitement about luxury brands led to a purchase.

“(…) the first time (...) is curious about the expensive brand like Gucci, Prada, those things” KR 19

Pride

Austrians and Finns again show the smallest difference when it comes to experiences of pride and other experiences along that. However, respondents of all cultures see impressing others by using a certain brand that improves their image as a driver for pride, this reflecting divergent thinking, lifestyle expression and the BIRG phenomenon. Spaniards and Koreans further explicitly add the co-experience of being 'presentable' to protagonists. Koreans, finally show the greatest number of drivers for pride experiences, by adding the importance of receiving confirmation by others, an important aspect in Asian cultures.

At least the Spanish and Korean respondents showed behavior that is expected from high-context culture members, i.e. the manifestation of bonds that imply expectations other people hold about the individual, directed towards conformity and group orientation (Kim et al., 1998). Low-context culture individuals, in accordance with Hall's theory (1989), not overly emphasize the importance of conformity received by others as a driver for pride. However, although the respondents are - as LC members - likely to show relatively little involvement with others (Kim et al., 1998), they seemed to attach some importance to conspicuous consumption.

AUSTRIA "I want to kind of impress or express. Impress people and express myself." (AT 27) was an expression of pride.

FINLAND Brand experiences including pride were described as the good feeling of impressing others.

"(...) because that was the whole point of buying the stuff like to make a positive impression to others"
FI 08

SPAIN Brands were found to increase self-esteem, acknowledge by the circumstance that it is a good feeling to be admired and to be presentable to others.

"So, if somebody tell you 'oh, you have very beautiful skin' or 'your face is ok, it's a beautiful face flesh' or blablabla. You say, 'ok, perhaps it works'. You can't feel better than this." ES 22

"And then I feel comfortable and self, myself (I: self-esteem?) yes, it's higher, when I feel pretty." ES 24

"Well I like to be more or less presentable and wear some kind of colors, but I don't really think that I feel happier because I wear jeans" ES 23

SOUTH KOREA Pride was communicated via several expressions, such as being special or better, appearing as a professional person, image improvements through brand display, showing-off as a good feeling, and appreciating when others have favorable thoughts about the consumers, for example a sense of fashion or being rich.

“Yes, other people, they will see my wallet and they will expect like 'oh, he has a nice wallet, he has sense of fashion or maybe he is rich or...' they will think like this. I feel more like special.” KR 16

“I'm proud of myself and I, when I meet my friend and my friend told me 'Your bag's so pretty'” KR 18

Peacefulness

AUSTRIA & SPAIN The feeling of being protected and secure against environmental influences when using a certain cosmetic product was experienced. This contributed to a feeling of peace.

Contentment

AUSTRIA Contentment was expressed by possessing a brand of high quality, recognizing its special means of production, appealing product-related attributes, but also by acknowledging that quality is more important than a specific brand name. Other forms of contentment were positive attitudes towards third party compliments as results of product usage, satisfaction with the decision to spend money for a result worth it, and the feeling of having made the right decision in the view of the consumer.

SPAIN Feeling elegant, comfortable and well-dressed was identified as a contributor to contentment, as well as self-confidence and fulfillment over having purchased something the consumer likes.

SOUTH KOREA Satisfaction with the product, self-satisfaction and fulfillment over the purchase partly exceeded the importance of showing-off.

Relief and Guilt

AUSTRIA If consumers feel uncomfortable or think they do not fit to the atmosphere, leaving a store can be a **relief**, even if a purchase took place. On the other hand, entering a store and being assisted friendly by sales personnel can cause the feeling of being obliged to purchase something (**guilt**).

SPAIN **Relief** and fulfillment were experienced subsequent to the purchase of something the consumers liked.

SOUTH KOREA To some, shopping is **relief** from stress, and others feel relieved after shopping. Some respondents mentioned **guilt** in the form of feeling obliged to friends because of the time spent together.

3.3.2.3 Intellectual Experiences

Both convergent (rational and logic) and divergent (creative and imaginative) thinking could be found in all cultures.

Convergent Thinking

These experiences seem to be universal to all cultures as rational thoughts about value for money, and hardly occurred along other experiences. One exception is Finland, where a connection to divergent thinking can be found - namely self-doubts concerning consumption habits. Another exception is Korea, where convergent thinking was linked to the living circumstances of protagonists.

Both, LC culture individuals' individualistic, self-committed social orientation, as well as HC culture members' social orientation towards the collective, is reflected in these two exceptions.

AUSTRIA Rational and logic cognitive operations concerning value for money, general affordability, assumed positive relationship between quality and price, trust, and investing in a product comprising all features desired, lead to well-planned decision making.

"If you really like the product and after I used the product and I see, 'ok, it's worth the money' then its ok" AT 26

"Sometimes in the beginning I felt a bit unsure if I really want to spend so much money" AT 25

"I wanted to buy a purse for a long time and it took me really long to decide which one I want to have"
AT 28

FINLAND When spending an extraordinary amount of money on a certain brand, thoughts like considering if the purchase is worth the price come up. Other heuristics lead to post-purchase appreciation, when consumers' evaluation of the product leads to the result that it

is worth the money, because the product provides the special features wanted. Elaborating and reflecting about the consumption experience also can create doubts if the reported experiences could be miss-interpreted as abusive behavior.

“(...) hearing the cashier say the price it will cost you it is like 'oh, my god, am I paying this much for this kind of product” FI 08

“This is kind of like strange now that I picked the Champagne, because it feels that I'm somehow like appreciation alcohol or something like that” FI 11

SPAIN The investment is perceived as a waste of money if the purchase does not live up to consumers' expectations. Albeit a positive relationship between price and quality is expected, it is concluded that expensive branded products are not always necessarily of high quality. Other convergent experiences are related to functional brand aspects, such as results of using (cosmetics), and the Return on Investment for fashion items, i.e. the ratio money to usage time. Further cognitions are the absolute necessity of constantly purchasing products of the same brand, and rational thoughts about how bargaining increases the risk of losing the desired product.

“I was a little bit like unconfident if it would be worth it to pay so much money for that jacket. It make me think that you know that quality and price and stuff like that they are not always maybe related” ES 09

“On the bargain, just after Christmas, but I couldn't risk myself from losing it from buying because I normally there are not all the (...) all the extra-large, and (...) the models, and the sizes” ES 21

“I wear a pair of jeans for 2-3 years, so I think my Return of Investment is quite interesting” ES 23

SOUTH KOREA Rational thinking was concerned with saving money and the conviction that a higher price pays off if the product is of durable material and lasts a long time. Furthermore, some consumers think practically, i.e. in terms of the actual basic function (handbag used as a container), and about a subsequent use by other family members when purchasing a product.

“because maybe sometime [my sister] could use that product as well with me, for example like, when I buy a handbag” KR 12

“It's (...) soft and its durable so it last long, its reasonable price.” KR 16

“It’s so comfortable. Yes and (...) I can put my stuff in” KR 18

“If you pay that much money but you use that a long time, I think that is ok to buy some times” KR 19

Divergent Thinking

When it comes to divergent thinking experiences, another rather heterogeneous result is found. Austrians relate it to brand experience at the point of purchase, where thoughts about the expected amount of money to spend arise, which are further supported by interactional and confirmatory experiences with the sales personnel. Beyond the point of purchase, consumers elaborate on the brand image and its consequences for expectations on product- and non-product-related attributes. In Finland, divergent thoughts arise at the physical contact of the product and may lead to joyful memories or imaginative performance improvements due to consumption. The latter occurred among Spaniards respondents as well, both in a positive - the physical experience of an improved skin - and a negative way (products that are purposely made to stop functioning ahead of the expected lifetime to stimulate re-purchases). Spaniards also establish a link to protagonist behavior among their reference group, in the form of envisioned romantic encounters. To South Koreans, divergent thinking experiences are related to behavioral lifestyle expressions, as well as to social protagonist interaction and BIRG-experiences, as for consumers, luxury brands are important for showing-off and reaching or keeping a certain, *reasonable* status in the eyes of others.

For the LC culture members no connection could be drawn to the LC concept. However, at least findings from the HC cultures fit into Hall’s concept. HC culture members feel committed towards others to fulfill societies’ expectations and guarantee mutual goodwill (Kim et al., 1998). This is partly reflected among Korean respondents, but - in this case - hardly noticeable among Spaniards. Koreans here showed signs of responding to face-saving pressure, an important cultural facet of most Asian societies (Usunier and Lee, 2005).

AUSTRIA Entering a store may immediately lead to the imagination of spending a certain amount of money on purchases, regardless of the actual plans, as the way the customer is treated and provided with information by the sales personnel make it hard to resist a purchase. On the other hand, divergent thinking can lead to advantages, e.g. by convincing the sales personnel to pack the goods as a present to save on time, effort and money

subsequently. Other outcomes of imaginative thinking are a more holistic brand experience by imagining not only purchasing a product, but also an imaginative story behind. The brand name itself, as a consequence, facilitates and justifies consumers' decisions, and sets expectations of price and quality.

"when you go inside the shop you know that you are spending like 40 or 50 euros at least" "I knew that Hugo Boss was the right fragrance for me" AT 27

"I bought it at Marionnaud which seems to be quite expensive shop for me" AT 25

"I like it, because if you go shopping in such a wonderful place and you are buying such a product, you do not buy just a product itself, but also the whole emotions and the story behind the product." I: "Ok, so what is the story behind the product?" AT26: "Just the luxurious feeling that you get and the fact that you are treated very friendly and whenever there are any problems you can contact the people at the point of sales or you also could contact the brand itself." AT 26

FINLAND Associative and divergent thinking leads consumers to associate a brand with a whole set of feelings and thoughts. The branded product is also often associated with intangible benefits such as an improved performance, or tangible features such as the knowledge of having an exclusive, individually tailor-made product.

"That there is something special in this drink. That it is truly something, that...I don't have to...Maybe that just the name Champagne makes it justified already. You don't have to say like that I like it, you don't have to have any explanation, like why this drink. Champagne itself it's Champagne, everyone likes it. And then it's easy to open the bottle and share it then it makes the event a celebration already." FI 11

"Yes, it is positive, because they are just for me, they fit me better, it's a special feeling. They make me better rider." FI 10

SPAIN Disappointing experiences with clothes make consumers think of clothes as purposely made not to last long in order to stimulate new purchases. Others imagined having success at romantic encounters, or said to comprehend people spending large amounts on distinctive brands. Further imaginative thinking is related to perceived necessities of improving one's own beauty or the feeling of being naked if no make-up is put on.

"And also, that the clothes that you buy nowadays I mean, the quality is not completely good. Everything is made to be trash in few years and then [the consumer has to] buy something else." ES 09

"I think it's a somehow nice or kind of worth for in this case for some friends or even a girl who doesn't even know me, and would say 'oh, how nice and how good looking you are today' and so. It could be a positive for me, I think." ES 21

"maybe I must correct or I must (...) improve my beauty" ES 24

SOUTH KOREA Consumers reportedly felt they have to have luxury brands to be showed-off at important meetings in order to be perceived as reasonable persons, and to be treated more kind by others. It is thought to be desirable to have expensive goods, although they may not particularly be practical or functional. Spending large amounts of money on luxury brands is not seen adorable by some, but consumers' report they have nonetheless been doing it. Moreover, consumers are found to consider their friends different economic situation when buying luxury products, in order to not humiliate them.

"You know that, it is my marketing strategy. I think if I say that some product for rich person, if I take a informal crosses and not none-luxury brand purse or watch. I think many customer, rich customer think that, think to me, he is not reasonable person" KR 19

"when I have a big meeting, like when there is many people, then I just have luxury like a watch and bags, because the luxury goods are really nice products" KR 13

"I mean, of course I like to show off when have enough money. But I'm not, I'm a student still. So when I was young, I want to be a show off person. And I want to look like a rich person, that's why I bought that of kind of products. But nowadays, I'm mature enough, I mean I'm not that immature, so now I'm a student, so I have to study. That's my job. After, I make lots of money, I want to buy luxury product. Only like right now, I don't like to have to pay lots of money on the luxury products. But some items like wallet or belt I have one or two. Because I bought in the past." KR 16

"if I talk with my friends, I can but I don't really know, whether they are really interested first of all, and secondly, if they are interested, I don't really know whether they are available to buy exactly. Because when I say like 'oh, I've bought a bag yesterday with my sister' my friends will be, who have just heard that, could be like little bit sad about that. Because maybe there is like difference economic situation. Maybe my friend could want to buy but in a situation that she want, even though she want to buy, she couldn't buy it. So, I have to consider a lot more, when I talk about those things." KR 12

3.3.2.4 Behavioral Experiences

Behavioral Experiences are to be divided into expressions of one's lifestyle (experienced in all cultures) physical encounters, and interactional experiences.

Lifestyle Expression

It is noteworthy that Austrians seem to experience lifestyle-expressionist experiences simultaneously with many other experiences. On the one hand, there is the basic sensory experience of olfactory self-sensation, or consciously physical contact with branded products, respectively. On the other, hand interaction and social relationships with protagonists, as well as basking in the reflected glory of a brand account for Austrians' lifestyle expressions. Finns, on the contrary are found to link the expression of their lifestyle with affective excitement over the exclusivity of the purchase. Spaniards were found to express their lifestyle of a fashionable and comfortable life, some emphasizing deliberately not displaying a brand logo. Koreans, finally, connect visual experiences to their expression of lifestyle, for example by visiting prestigious department stores, such as Lotte, Shinsegae and Hyundai Department Stores which are famous within South Korea for their extensive assortments of luxury brands. Other lifestyle expressions evoked by luxury brands are related to BIRG experiences evolving out of expressing personal values or using the brand as instrument to increase consumers' status.

Austrian and Finnish responses have not been found contributing to the HC/LC paradigm. On the contrary, the Spanish attitude towards not visibly wearing a brand logo seems to stand in line with the tendency of HC culture members to maintain social harmony by avoiding direct confrontation with a distinctive brand (Kim et al., 1998). Asian respondents also seem to fit to the HC culture concept with their orientation towards strong social bonds with others, including brands (Kim et al., 1998).

AUSTRIA To some, quality is more important than a brand, as self-confidence does not depend on a special brand. Others express their lifestyle by changing brands either due to latest trends or advice from sales personnel, by using luxury products consciously in everyday situations, or by having good odors as part of their personality.

“If I'm honest, it doesn't depend on the luxury product itself, but it depends on the quality. So for example, Nivea has a good quality. And if my skin has a good...if I feel that my skin is health and nutritioned then for me I'm not more self-confident because I'm using the Annayake.” AT 26

“when I'm changing my deodorant, most of the time it's because of the newest trends or newest consultancy of the Marionnaud seller or sales men or sales women” (...) “It just belongs to me that the feeling and the situation that I'm smelling always good” AT 27

FINLAND A certain lifestyle also finds its expression by deciding to have a *premium retail experience*, for example by visiting an extravagant store that is simultaneously the only physical place in a certain region where one can acquire a distinct brand.

“So it is a very like a premium retail experience in itself to go that particular store, so it's not something that you pick up from a like a department store in one shelf with all other brands of products but you really, you go to the place where you can only get that brand and you get the sort of the feel of the brand from the shopping experience” FI 08

SPAIN Consumers purchase fashion items because of comfort and fashion. Some do deliberately not wear a visible brand logo.

“But like when I go out and when I leave my house in the morning and just I look good at all, I'm feeling happy because I feel I think I look well to everybody, it's something that I don't know, it's added, an added value, that you have. But it's not that I'm thinking 'ok, this people are thinking, I have a lot of money because of the jacket' or it's not that I was looking for a way to high, to rise my status, it's just to feel myself like better or confident. So, that's why I also don't have any mark or visible mark and so, like you can just associate or to buy a specific status or amount of money that you wearing or that you have.” ES 21

SOUTH KOREA Consumers visit famous department stores with wide assortments, as they, so it was said by respondents, are obsessed with luxury. Others express their lifestyle by emphasizing that they are able to dispose of the money they earn and by standing by their decision to prefer luxury goods over conventional products. Luxury brands illustrate consumers' personalities, and are seen as efficient means of getting the feeling of being special or becoming a more respected person. However, displaying the brand logo is not always seen as overly important.

“Actually, Hyundai Department is very famous, very famous department store in Korea. Is one of the biggest department [stores] in Seoul Hyundai, Lotte and Shinsegae (...) Yes, yes, they have many, almost all luxury they have.” KR 13

“Usually, I can say, Korean people they always, like they have a obsession about the luxury products. That's we have so many counterfeit or fake products.” (...) “But my choice is, I prefer luxury product, that's my decision and I respect my decision also.” (...) “I mean, of course I like to show off when have enough money” KR 16

“If I have luxury brand! I think they think to me more kind” KR 19

Physical Encounters

AUSTRIA Continuously using a distinctive brand makes consumers perceive themselves as good-looking. They appreciate easy handling, and that sales personnel behavior enables an easy choice, without second thoughts.

FINLAND Physical experiences here referred to observed motoric actions performed by helpful and organized sales personnel at the cashier desk. Performance improvements as a result of a high quality product's usage are further experienced.

SPAIN Solving skin problems reportedly is a vital physical experience for consumers.

Interactional experiences

AUSTRIA Interactional experiences occur at the point of purchase when sales personnel advise and instruct customers, or when consumers find it easy to approach sales personnel to ask for advice. It is appreciated when sales personnel establish personal contact to consumers, thus enabling them to get as much information as possible about a product. Friendliness together with provided information and incentives reduce the resistance to buy.

3.3.2.5 Social Experiences

When asked about other people influencing respondents in their decisions, it was found that two major types of argumentation were prevalent: The protagonist and the antagonist. Whereas the former have a positive and often supporting role in either the decision making process and/or the post-purchase evaluation, the latter oppose the brand decision in various ways (Mühlbacher and Hemetsberger, 2006). In addition, it was mentioned by many respondents that confirmation by others is an important aspect (Schmitt, 1999). Experiences related to the BIRG-phenomenon (Cialdini et al., 1976) could primarily be found in South Korea, but they also occurred in each of the other three cultures.

Protagonist

In Austria, protagonist behavior is experienced when members of the reference group (friends) give advice concerning the purchase of a distinctive brand. The same holds true for Finland, where moreover, excitement as a result of anticipated consumption situations occurs. Spaniards experience joy when reference group members appreciate their purchase, and Koreans establish a connection to the expression of a lifestyle, in particular the art of

constantly having to consider the opinions and life circumstances of reference group members, i.e. to comply with the aforementioned face-saving pressures.

No distinctive LC cultural behavior could be extracted, however responses of Spanish and Korean respondents, emphasizing the need to correspond with expectation others hold about the individual (Kim et al., 1998), encourage establishing a link to HC culture behavior.

AUSTRIA Appreciation of collegial advice from friends to decide on a distinctive brand was reported.

“it’s kind of, maybe it’s just like a collegial advise question from him, like 'oh, I like your smell, what are you using?' and you are saying 'Hugo Boss' and he is saying 'oh, Hugo Boss, I have tried it like, but I, which one is it? I'm using this and this and that and that and I'm using rather this, but hm, you smell good, maybe I should buy it as well'. So it’s just like a word-of-mouth situation.” I: “So you would feel flattered, if you get some romantic...?” AT 27: “Flattered by female?” I: “by a male” AT 27: “Yes (laughs)” AT 27

FINLAND Asking one’s companion’s opinion prior to the purchase, as well as receiving appreciation for the purchase decision were important factors. Consumers may define themselves as members of a peer group because they use the same brand as a friend. Another expression of protagonist behavior was anticipating a consumption situation.

“I asked my company's opinion, like who was with me, and I asked: 'what do you think about this smell and this smell?’” FI 08

“I've decided on my own, but I had my friend with me, when I made the order. And she did it at the same time. So I think we had like (...) effect on each other’s, I think that when I said, that this is really nice, and I thought that Sonja said something to me, so both of us mind really. (...) I: “Ok, so you are like a "gang".” FI 10: “Yes, like a gang, you might say.” FI 10

“I think of like (...) I don't buy Champagne for a special occasion or something like that. I buy, so that I have it, whenever I feel that I want to drink it. And (...) like even beforehand, when I'm shopping the champagne, I'm thinking of all those good moments, that I'm drinking it and who I'm drinking it with. It's for me and of course for my husband and for my best friends. And I may have already have some events in my mind when I'm going to serve the cold and nice champagne to those people. So, even in the supermarket in Champagne, I was most likely thinking like this good feeling that I get when I might prepare the dinner or just that we have a fireplace on and then we have a bottle of champagne and share it.” FI 11

SPAIN Some respondents understood that some people spend large amounts on brands. They appreciated it if others speak positively about the product.

“I understand the people how spend so many many money with the clothes with the names company”
ES 24

“Well, yes. Many people have told me it’s a really nice jacket and blablabla, so that’s positive. That people kind of, you know like point the fact that, that item specifically is nice.” ES 09

SOUTH KOREA The interest of friends in the purchased brands as well as their income level often remains unclear. However, considering other people’s opinion and economic situations is important as consumers respect their friends and their friends’ decisions.

“Maybe my friend could want to buy but in a situation that she want, even though she want to buy, she couldn't buy it. So, I have to consider a lot more, when I talk about those things.” KR 12

“Because if she like this one, and if she like this product with me. If she thinks that this jacket goes good with me and I can wear it. I respect her decision.” KR 16

Antagonists

Austrians experience antagonist behavior by visual and olfactory differentiation from reference group members. The expression of a luxury-conscious lifestyle may additionally lead to antagonistic behavior by reference group members opposing luxury. Finns were not found to link antagonistic behavior to other experiences. Spaniards were found to experience antagonistic behavior similar to Austrians, but also in the shape of understatement, i.e. *not* to evoke the impression of a higher status due to possessing a luxury brand. Koreans, also experience antagonistic behavior as the result of visual and lifestyle-expressing encounters with reference group members opposing luxury, in particular aged members. Finally, antagonist experiences are reported due to social interaction with sales personnel, offensively expressing their resistance to serve consumers perceived as inappropriate for the purchase of luxury brands.

Interestingly here, a European LC and an Asian HC culture show the greatest similarities. Whereas the Korean responses seem to reflect HC cultural behavior (strict social hierarchy), the Austrians seem to behave contradictorily to the LC culture concept (highly individualized) (Kim et al., 1998). For the Spanish brand-understatement-behavior no equivalence could be extracted from the HC/LC culture concept.

AUSTRIA Consumers find it difficult to explain and justify to some reference group members the purchase of a distinct brand. Especially older people (parents) reportedly refuse or do not understand the monetary effort to purchase luxury brands. Further antagonistic behavior is found if friends not only disagree with the purchase, but even make fun of it. Another driving force can be seen in the need to differentiate oneself from others, either because their style (fashion, odor) is not appreciated, or because one wants to avoid being perceived as unsophisticated by others.

“for instance my mother, she never uses make-up, if I would tell her that I spend so much money on make-up I guess she would be, she wouldn't understand it” AT 25

“I want to differ, differentiate myself... in competition with other student” AT 27

“[I felt] a bit angry, because he was making fun of me, out of nothing. I mean, I thought he is being childish.” AT 28

FINLAND Antagonistic behavior was hardly reported in Finland. The only occurrence that could be identified was social pressure by colleagues favoring a competing brand. However, the pressure was withstood by sticking to the decision and emphasizing the benefits of the chosen brand.

“And one of my friends, who imports other brand boots, she said to me, that it is way wrong boots, that I should take some other [brand]. Yes, we have several gangs, my gang wants Parlanti boots, and some other gang wants Königs boots. My friend said that I should buy Königs boots, and I said 'no, no, only the right one is Parlanti'.” FI 10

SPAIN Partners and other friends sometimes reportedly lacked understanding and support for a purchase decision. On the other hand, consumers did not want to evoke the impression of being rich or having a higher status because of their decision for a specific brand.

“(…) my boyfriend doesn't understand why I use it. That's not negative, it's some people, I understand, but some people doesn't understand why you spent that money in a cream, you know, in one cream, I understand. But I pay my own things, nobody pay for me, so I spend my money in the way that I think. But sometimes, you know when somebody, or my boyfriend say 'this is for nothing, you throw away your money' I say 'ah, no!'” ES 22

“But it's not that I'm thinking 'ok, this people are thinking, I have a lot of money because of the jacket' or it's not that I was looking for a way to high, to rise my status, it's just to feel myself like better or

confident. So, that's why I also don't have any mark or visible mark and so, like you can just associate or to buy a specific status or amount of money that you wearing or that you have." ES 21

SOUTH KOREA Arrogant and repellent sales personnel behavior because of consumers' appearance was reported. Other antagonistic behavior beyond the point of purchase occurred if other people express their lack of understanding for luxury brands to the consumers. To many, considering other peoples' emotions is vital in daily life. This includes avoiding showing off to low-income people. Simultaneously, consumers feel uncomfortable if friends point out the higher economic status of parents. Older people reportedly prefer repeated cheap purchases to constantly have new and clean products, over 'wasting' money on luxury brands.

"I went to school with my school bag and went to department store and there was like I went to like Mulberry store [in-store], (...) and the store staff was looking at us 'why are you here, you just look so poor' (...) And when I asked 'oh, how much is this one?' and the client was like 'oh, that's just some more like 500.000 Won' and they were like 'oh, go away' there facial expression was like 'oh, go away, why are you here'." KR 12

"They probably think like, 'oh, he is spending lots of money'. Yes, he is wasting his money on the luxury product, that's not proper, like the price. Normal wallet is like 20 Dollar, 30 Dollar, you can buy like good wallet, good enough wallet, but 'he paid 100 Dollar for a wallet?'" KR 16

"When my boyfriend say me, your parents is rich and you have a lot of luxury product. If my friend say me I'm so...I have negative feeling. " KR 18

"I think my father doesn't like that, because wallet doesn't have to be that expensive (...) Rather than buying the cheaper things several times, so you can use a clean wallet. That's what older people think, I think." KR 19

Confirmation-seeking behavior

In Austria, confirmation by members of the reference group, e.g. through identical consumption habits, or compliments towards the perceived result of the brand usage, also evokes affective experiences of joy and excitement. Finns share this joy and excitement about compliments. Here it was expressed as the fulfillment of a need to be confirmed in the purchase decision. Spaniards and Koreans were not found to experience confirmation with other experiences. Spaniards receive confirmation by means of compliments over the choice from those members of the reference group who advised consumers prior to the purchase.

South Koreans find confirmation in similar or identical consumption habits of reference group members, a fact that has been especially emphasized.

The responses show that confirmation-seeking behavior is universal to low- and high-context culture members, however, literature suggests that it is more important to HC than LC culture members (Kim et al., 1998).

AUSTRIA Consumers reported to be satisfied to be confirmed by friends feeling the same way. They felt understood by their friends if they recognize the brand and appreciate their purchase decision. Although feedback or flattery given by friends is not necessarily expected, it is appreciated and seen as positive confirmation.

“a friend of mine, she is also using it, we discovered it when she was at my place and we were both very satisfied.” AT 25

“the girl friend of one my best friends recognized it and appreciated it” “I’m not expecting it that I’m getting a feedback from a girl, but it would be cool if, because then I would know, that she is possibly new girlfriend.” AT 27

FINLAND The need for confirmation is expressed both at the point of purchase, when consumers ask for the opinion of accompanying persons, and during the consumption situation when receiving compliments because others appreciate the consumers’ altered appearance.

“for me it was like a special thing to use it for the first time. (...) It’s like in a way like dressing nicely that you necessarily get compliment from people.” FI 08

SPAIN Consumers felt confirmed if friends appreciate their choice, especially those whose opinions are asked for at the point of purchase or prior to the purchase situation or who recommended a distinctive brand.

“I ask Angel to come with me and also to check 'ok, do you think this color suits well to me' and also 'do you think this color is combined as well with some other stuff, that I have' and so 'yes, it is, it’s a beautiful jacket, don't worry about' and so I bought it.” ES 21

SOUTH KOREA Consumers receive confirmation by friends sharing the same shopping behavior, or being in a similar economic situation. Because of people always being aware of others’ purchases and opinions, receiving confirmation is vital to Korean consumers.

“Yes, and my friend saw my [Louis Vuitton] bag. She [is] not envy. Because my friend have Louis Vuitton bag, Chanel bag, they have the bag so they are not envy. And she said me 'your bag is so good'.” KR 18

BIRG - Basking in Reflected Glory

To Austrians, BIRG evokes excitement about an imaginative lifestyle, which is shared by Finns in the form of belonging to a reference group that identifies itself with the brand. Spaniards, on the other hand, immerse in divergent thinking when imagining romantic interactional experiences with members of their reference group. In Korea, BIRG is closely related to pride in the often found notion of showing-off to impress reference group members identified as important.

Although one would expect that low-context culture members less emphasize the importance of benefiting from a brand's aura conveying higher status, the BIRG-phenomenon was found in these cultures. Again, though belonging to a HC culture, Spanish respondents were not found to immerse in BIRG-experiences as intensively as high-context culture members in South Korea.

AUSTRIA A brands' glory evokes the temptation of reaching a certain position in terms of being able to easily afford even the most expensive luxury brands. Some consumers utilize brands to impress others by expressing themselves, e.g., at important meetings, romantic dates, or when going out with friends.

“It's like stepping into another world a bit, because for me it was like stepping into another world, because I'm not that mid-aged lady with fur coat that has money to, like that it would be like nothing to buy mascara for 20 euros, which I consider quite expensive. So it was a bit like another world like not the prices that I would usually be able to, or the amount of money that I would be able to spend on not-necessary stuff, it's not like you would need it to survive. Its a bit like...to me it was a different world a bit.” I: In a negative way? AT 25: “On the on hand like tempting, like 'what does it feel like to be in this position'?” AT 25

“Maybe I want to impress a girl in the group or the girl sitting next to me in the lecture room” “I want to kind of impress or express. Impress people and express myself.” AT 27

FINLAND Sharing the same feeling towards a brand, or simply stating that the brand name speaks for itself expresses consumers thoughts about the glory of a brand.

“I can tell everyone that now I have ordered (...) boots and everybody asking me how are they and how are they gonna look like. And it's nice.” FI 10

“You don't have to say like that I like it, you don't have to have any explanation, like why this drink. Champagne itself its Champagne.” FI 11

SPAIN Brands are seen as important when friends or people, with whom a romantic relationship is envisioned admire the consumers' new look.

“friends or even a girl who doesn't even know me, and would say 'oh, how nice and how good looking you are today' “ ES 21

“it was Calvin Klein jacket for early winter or late autumn, and then I bought it, I got it in the states and it was like 100something Dollars, which is more than I usually pay for a jacket, and I bought it because it's nice, its comfortable and its stylish. A little bit also because of the brand.” ES 09

SOUTH KOREA Showing-off by dressing up to impress important people or appearing rich by using a luxury branded wallet implicates utilizing a brand's glory.

“if I meet the very important people, who are at very important meeting, that I have to dress up and I have to fix my appearance.” KR 13

I: “So, is it important for you to show off? To demonstrate that you have better jeans?” KR 14: “That's not the first one, but I think it is important for me.” KR 14

“Yes, other people, they will see my wallet and the will expect like 'oh, he has a nice wallet, he has sense of fashion or maybe he is rich or' they will think like this. I feel more like special. This is not only about me, it is more generally, probably many people think like that. Thats very common.” KR 16

“I think it is important, someones mind (...) but I take the Gucci purse because someday if I have important meeting, that day I take it because someone think my Gucci is, someone looks my Gucci's purse.” KR 19

3.3.3 Transformation

This category emerged during data analysis and was not foreseen from literature research. The term refers to the transience or transformation of luxury brand experiences over time. In South Korea (the second culture to be encountered), some respondents talked about deterioration effects experienced over time. As this aspect was not part of the original interview guideline, it was not deliberately included in subsequent interview rounds in Spain and Austria. However, some data could be extracted from Austrian interviews too.

AUSTRIA Opening the product package at home is a first-time ritual, losing attractiveness each time the product is purchased. Further, exclusivity can change quickly.

“I think, the first time, when you use it, when you have never used a luxury cream before, then you open it, you have a wonderful packaging, it’s like a ritual to open it and to smell it, to smell the special perfume to see, maybe there are (...) Glitter in it like no other normal product has. So, it’s the first time, when you use it and then you see ok, it’s something really special and then maybe the product itself is not so...doesn’t give you so many emotions like another luxury product. (...) This kind of exclusive products can change (...) kind of quickly as well.” AT 26

SOUTH KOREA Feelings and attitudes towards a purchased luxury brand change over time. When the brand is purchased to satisfy consumers, it may become an instrument for showing-off to others. To some consumers luxury brands lose their brand aura, they no longer see positive points, and conclude that practical or necessary products are better than famous luxury brands.

“First time, when I just started to buy, when I just went to University, when I just became University student, frankly I thought that, if I go with my new bag, my teacher, not teacher, but my friends will 'oh, that’s a new bag!' something like that. I was expecting something like that. But now, I don't really expect those kind of things, I think it's just my satisfaction not to show off for me.” KR 12

“first time I'm excited and happy but it’s not now (...) It doesn't make positive point [anymore]. (...) I think for example Louis Vuitton, Louis Vuitton's bag is not practical.” “luxury brand is not special anymore. Just is a like not-luxury brand, it’s just brand to [me].” KR 19

“It’s just the first feeling, when I bought it, 'ah, I have it, wow, very nice'. I think that’s it. I like this, but it’s not same like at the first time, when I bought it.” KR 13

The transformation effects suggest that the brand aura that reflects from the *griffe* (Kapferer, 1998) (see also chapter 2.2.2.1), is not strong or persistent enough to make consumers experience the brand in a positive way over an extended period of time.

4 Discussion

As literature on everyday experiences for luxury brands is rare, the discussion mainly includes references to literature on luxury brands, and consumption experiences in general.

Research Question 1 aims to gain an overview over the brands that are perceived as luxury brands and are used in an everyday context in different cultures. The mentioned brand attributes suggest that Austrians, Finns and Spaniards perceive those product categories as luxurious that provide mostly functional benefits (and physical experiences), e.g., the chosen cosmetic products need to be dermatologically skin compatible. Albeit the same holds true for fashion items, i.e. clothes and boots primarily have a protective function, and purses are containers to transport objects, the chosen brands suggest that functional benefits are less important to consumers' brand experience, compared to cosmetics (Berthon et al., 2009). Fashion items are predestined to bear symbolic benefits, as they often function as "badge" products to visibly express consumers' self-concepts (Keller, 1993, p. 4), but are also a rich source of experiential benefits, relating to consumers' personal, hedonic values, such as taste or sense of fashion (Berthon et al., 2009). In South Korea, the occurrence of fashion items as the only product category mentioned suggests that Korean consumers prefer luxury brands that mostly provide experiential and symbolic benefits. Research specific to the Korean market furthermore shows a strong tendency of luxury brand consumers to purchase brands because of their symbolism to express consumers' values (Park et al., 2008), or to correspond to cultural norms such as face-saving in comparison to others (Chang et al., 2004).

The price range suggests that luxury brands for everyday occasion, across all approached cultures are characterized as brands offering products that are subject to premium pricing, i.e. well above other products in the same category that fulfill similar functional benefits (Yeoman and McMahon-Beattie, 2006).

For Research Question 2, experiences of consumers for luxury brands in everyday contexts are examined in greater detail. Generally, consumers experience brands in different ways, such as through the sales personnel behavior or the store design, the product itself, or the

reaction to the purchase of friends and other members of the respective reference group (Smith, 2004).

In Austria, according to the results, brand experiences at the point of purchase are vital to consumers. In Finland as well, visual and behavioral experiences at the point of purchase have been found to be an additional driver for experiencing the brand. The results of these two low-context culture countries reflect the present development of experiential store designs (Jones et al., 2010). Similar to consumer brands, the experience delivered for luxury brands at the point of purchase is of growing importance to contemporary consumers (Atwal and Williams, 2009), as providing a holistic brand experience is vital to a successful (luxury) brand. At the POP, the interaction of supplier (the brand) and consumer creates the brand experience (Atwal and Williams, 2009), and this process is more and more enhanced by additional means, such as outstanding store design or extravagant sales-personnel behavior and/or appearance (Jones et al., 2010; Kozinets et al., 2002). Consumers are more likely to develop and enhance their relationships with the brand when they encounter the offering in such experiential ways (Jones et al., 2010).

Spanish experiences at the point of purchase have been found to mainly include practical experiences such as recognition of the range of offered goods or additionally offered services. Koreans reported brand experiences at the POP similarly in a less experiential way, with the exception of rude sales-personnel behavior obviously caused by prejudice in one of the most famous and popular luxury department stores of Korea. This reported repellent behavior on the one hand may stand in line with the strict hierarchy-oriented view of HC culture members that also tends to make strong distinctions between insiders (assumed luxury consumers) and outsiders (assumed non-luxury consumers) (Kim et al., 1998). On the other hand one could argue that such a repellent behavior does not take into account the need for future consumers of luxury brands, and that in respect to consumer expectations of an obliging and courteous sales personnel behavior, a different approach towards new customers has to be envisioned. This negative brand experience shows clearly, that a brand fails to deliver a holistic brand experience if the brand's people, processes and products are not aligned against the brand proposition (Atwal and Williams, 2009). Sales personnel behavior at the POP plays an important role in this achievement, as experiencing the brand

here mainly lies in the evaluation of the experiences the consumers have with the sales personnel (Smith, 2004).

Beyond the point of purchase, i.e. when it comes to experiencing the brand remotely from any environments controlled by brand management, Austrian respondents pay much attention to product-related attributes and sensory experiences, such as the high quality of the purchased luxury brand. Similarly, in Finland, product-related attributes and subsequent sensory experiences contribute much to the brand experience. The only gustatory experience - also mentioned in Finland - is an excellent example of how product-related attributes can let consumers experience past-time memories and simultaneously create joyful present brand experiences (Hirschman and Holbrook, 1982). In Spain it is vital to interviewees that they get what they have paid for, i.e. that the brand holds its promise to fulfill a certain expected product-related function (Keller, 1993). Koreans, though they reportedly experience brands mainly from a social and inter-personal viewpoint, also pay attention to functional aspects of the purchased product, such as quality or usability.

In general, the brand name is important to respondents to assure the purchase of a highly qualitative and fashionable product. These responses reflect the risk-reducing features of brands in general (i.e. performance, financial, physical, social, and ego-risk (Fill, 2005, p. 154)), which are true for luxury brands in particular, as their renowned brand names have a strong impact on risk-reducing cognitions.

Many of the products mentioned by respondents are brand extensions of well-known luxury brands. These brand extensions benefit from the image of the parent brand, whose perceived quality "is a suitable predictor of extension perceived quality (sic!)" (Stegemann, 2006, p. 62). However, history has shown that although brand extensions are tempting from a brand management's point of view, as it increases brand awareness and profits, this strategy has its pitfalls (Reddy et al., 2009; Stegemann, 2006). When the parent brand image fails to transfer onto the brand extensions, the brand image begins to dilute, i.e. consumers no longer associate a brand with a specific product and they start thinking less favorably of the brand (Kotler, 2003). The most famous example of such an ill-planned brand strategy is Pierre Cardin. Being a respected Haute Couture label in the 1960s, its initially very successful brand extension strategy eventually led to the loss of its luxury brand image by the late

1980s, when the Pierre Cardin name began to appear on everything from cigarettes to baseball caps (Reddy et al., 2009).

Social experiences in Austria are mostly directed to the inner self. However, expressionistic behavior in order to impress reference group members was found as well. In Finland, social experiences are often related to the expression of a certain lifestyle, though not necessarily to impress others, but rather to please them. In Spain, some respondents express their lifestyle of a fashionable and comfortable life by deliberately not displaying a brand logo. Interestingly, a certain 'sense of fashion' seems to exceed a 'sense of logo', i.e. those consumers want to be judged or admired by others because of their sense for fashionable clothing, not because of visibly (conspicuously) wearing a certain brand logo. South Koreans show the greatest number of drivers for pride experiences, often by adding the importance of receiving confirmation by others, an important aspect in Asian cultures (Kim et al., 1998). What has been evident already from literature research - that "most of the young Korean consumers purchase luxury fashion brands for what they symbolize" (Park et al., 2008, p. 256) - has been found in many Korean respondents' statements that *showing off* is an important part of the brand experience. It is further a reaction to face-saving pressure - an important cultural facet of most Asian societies (Chang et al., 2004; Usunier and Lee, 2005), and a way of complying with a lifestyle within certain societal and cultural restrictions.

The responses of Austrian, Finnish and Spanish respondents suggest an orientation towards a valuation of two effects for the consumer behavior of prestige-increasing products and brands: the hedonic effect for perceived emotional value and the perfectionism effect for perceived high quality (Tynan et al., 2010; Vigneron and Johnson, 2004). However, the reported brands may not be intended to be prestige-increasing in the first place, but they may function as a vehicle or tool to contribute to a higher prestige for the consumer. This is especially true in Spain, where the respondents mentioned that they avoid purchasing branded products where the brand logo is visible. In Korea, on the other hand, the Bandwagon effect (valuation for social value), and the Veblenian effect (for perceived conspicuousness) seem prevailing. Especially the presence of the Bandwagon effect in Korea, referring to the extended self, and leading to confirmatory behavior to "affluent lifestyles"

(Vigneron and Johnson, 2004, p. 490), stands in line with the conformity and group orientation that is typical of high-context culture members (Kim et al., 1998).

The transformation effect that emerged during analysis is partly reflected in literature by recognizing that experiences extend over time. Thus, their increase or decrease in intensity “can affect how experiences are evaluated” (Brakus et al., 2009, p. 66). This is consistent with the findings of this study where former positive experiences transformed to neutral or even negative ones.

The results moreover show that cultural variation is large for experiences that are related to joy, divergent thinking, and lifestyle experiences, as well as to experiences related to the social experiences of protagonist behavior and the BIRG phenomenon. This reflects the cultural diversity of individuals that still exists in spite of all globalizing tendencies. These experiences address consumers’ feelings, fantasies and fun that have been recognized as additional drivers for consumption behavior (Holbrook and Hirschman, 1982). As shown in the theoretical part on brand experiences, these drivers have become major influence factors of present day consumer behavior, i.e. the so-called experience economy emerged (Pine and Gilmore, 1998). Practical examples all over the world illustrate this development (Mikunda, 2007), that increasingly includes emotional experiences (Mikunda, 2009).

5 Conclusion

Based on the research questions, the study's results are summed up. Subsequently, limitations of this study and possible areas for future research are discussed. Finally, implications for marketing practice are given.

5.1 Summary of Results

The applied brand understanding is mostly grounded on the brand concept by Mühlbacher and Hemetsberger (2006), which finally frees the brand from the tight coupling of brand managers who think that they have unrestricted power over the development of their brands, and instead sees the brand as a vehicle for constant consumer interaction.

Consumers' differing associations of which brands they regard as luxury mirrors the challenges of academic attempts to define luxury brands. However, of the mentioned luxury brands which respondents reportedly use in everyday contexts, many are among the world's most famous luxury and premium brands. From previous studies it is known that consumers are often unconscious of whether to consider a brand as being truly luxury or merely premium priced (Truong et al., 2009).

With the democratization of luxury, luxury brands have become increasingly present in everyday life. Consumers experience brands in many different ways. Be it through the people who sell it, be it the product itself, the store design, the imaginary usage, or the reaction of friends. In general, brand experiences at the point of purchase are of growing importance for brands aiming at fostering consumer-brand relationships (Jones et al., 2010). However, examining how consumers experience the brand beyond the point of purchase is of growing importance, too, as it contributes to brand awareness and can strengthen brand loyalty (Brakus et al., 2009).

Given the results, there is no short or simple answer to Research Question 2 about how consumers experience luxury brands in everyday contexts across cultures. As expected, there is no unison in how experiences take place in European and Asian cultures respectively, nor can they be summarized in any way for low and high-context cultures. In

order to find answers to every aspect of this question, the results and the discussion in previous chapters have to be consulted. Nonetheless, there are some insights from the research that shall be pointed out here.

The results show a tendency of Austrians and Finns to experience brands mainly on a sensory, mainly visual level directed towards product-related attributes. The most striking insight drawn from the Spanish respondents' answers refer to their consumption behavior in terms of wearing branded products. On the one hand they deliberately purchase luxury brands, but on the other hand Spanish respondents do not want to be judged by their purchased brand, but by their fashionable appearance, i.e. they deliberately do not wear a fashion product with a visible brand logo. Finally - as also suggested from literature - Korean brand experiences are mainly concerned with showing off and face-saving behavior.

Applying Hall's (Hall, 1989) concept of high- vs. low-context cultures to the results partly shows support for some of its aspects. The strong orientation towards explicit communication among low-context culture members (Austrians and Finns), can be found in their reliance on visual stimuli as emphasized by themselves, whereas high-context culture members (Spaniards and Koreans) do not seem to overly emphasize them, but rather rely on the context the respective situation is embedded in. Furthermore, HC culture members showed expected behavior in the form of the manifestation of bonds that imply expectations other people hold about the individual, directed towards conformity and group orientation (Kim et al., 1998).

Across all cultures, the expression of a luxury-conscious lifestyle can lead to antagonistic behavior by reference group members that oppose luxury, i.e. who have a distant attitude towards luxury (Dubois et al., 2005). Another observed phenomenon is a so-called transformation effect, i.e. a deterioration of some respondents' positive attitudes towards a purchased luxury brand, meaning that to them the brand loses its positive brand aura over time.

5.2 Limitations and Areas of Further Research

Apart from the limitations that are inherent in explorative qualitative research, such as the small sample size and the subsequent inappropriateness of drawing generalizing conclusions, there are further aspects that limit this study. Even for qualitative research, the sample size in Finland was relatively small, and compared to the three other approached cultures, less homogeneous. In addition, the analysis does not discriminate the results in terms of their valance or intensity. The application of Hall's cultural context concept as the only cultural analysis tool may also be seen as a limitation to the study. Moreover, respondents' mostly urban backgrounds may reflect different (sub-) cultures from those of their compatriots from rural areas, other cities or different professional backgrounds. Finally, the respondents' ability to express themselves in English in some cases did not live up to the expectations, thus impairing the full understanding of interviewees' thoughts. An often experienced drawback of the appliance of English as the only language of investigation was the respondents' disability to further elaborate on a certain topic due to their lack of appropriate vocabulary.

As the research's explorative nature does not allow generalizing the results, any conclusions are only suggestions of how the addressed research problem of brand experiences could be answered. A more diversified range of research methods, e.g., ethnographic methods executed by native researches would probably lead to an increasingly holistic result, and avoid the pitfalls of translation errors. Furthermore, the occurrence of the so-called transformation effect, i.e. deterioration experienced by the loss of positive attitudes towards a luxury brand, suggests that further research should include experiences that extent and transform over time. Like most research, this study applied a retrospective approach, addressing consumers at one moment in time. Given that experiences can extend over time, continuous investigations (paneling) into this field may generate more valuable insights.

Nonetheless the thesis provides insights into the relatively new field of everyday luxury brand experiences that calls for further investigation, especially under consideration of cross-cultural consumer behavior.

5.3 Implications for Marketing Practice

The reported brand experiences make clear, that in order to deliver a holistic brand experience, the responsibility does not only lie in the control of marketing. Only when all elements a brand consists of, i.e. the brand manifestations, the brand meaning and the members of the brand interest group, are jointly integrated, a brand will be experienced and remembered by consumers in a favorable way.

The reason why emphasis is laid on the concept of high- and low-context culture is its meaning to marketing practice. Low-context cultures heavily rely on words for communication using explicit linguistic codes, i.e. spoken or written words (Usunier and Lee, 2005). Communication in these cultures is more abstract and impersonal than it is in high-context cultures and meaning only is transmitted with (written) words that function as an abstraction from the spoken language (Kim et al., 1998). Experiential marketing heavily relies on communication to deliver its message, i.e. to create brand experiences. If a brand chooses inappropriate means of communication to provide consumers with tools and ingredients to allow them to experience the brand in a positive and memorable way, it risks damaging its brand image. Communication here signifies every point of contact between the consumer and the brand - from subtle billboard advertisements to TV-commercials, from Social Media activities to sponsorships, from sales personnel behavior to store design, and from post-purchase consumer care to consumer loyalty programs. Everything must be in line with the prevailing communication style of the respective culture, as otherwise marketing efforts are very likely to fail.

Further important aspects of brand experiences are their social components. Receiving confirmation by friends, being flattered by strangers, or using the brand as a vehicle to raise one's status are vital to experiencing the brand, especially in high-context cultures. The responses show that consumers appreciate positive comments by others about their purchased brand. Hence, word-of-mouth communication is as vital to luxury brands as it is to any other brand, albeit luxury brands should focus less on complying with consumer's needs and wants, but rather on contributing to their aspirations and dreams.

In addition to these important considerations about cultural aspects, luxury brand management must not forget paying attention to the brand's international reputation and style. Experiencing luxury brands also means to immerse in daydreaming and fantasies about the past, present and future, and to express a certain lifestyle. This may refer to the imagined lifestyle in the country of origin of the respective brand, or to associated characteristics the brand conveys.

Nowadays, consumers are able to collect information about their favorite brands from worldwide sources - be it official websites, online magazines, weblogs, or interaction with other members of the brand interest group. Only by regularly cautiously updating and re-enforcing the brand image, also through the latest communication channels that reach consumers in their everyday lives, luxury brand experiences can be sustained and further enhanced, because *it's a small world after all*.

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7 Appendix

7.1 English Abstract

The thesis conducts a cross-cultural comparison of everyday luxury brand experiences. Brands are seen as vehicles for constant consumer interaction conveying functional, symbolic and experiential meanings. Luxury brands are increasingly part of consumers' everyday life and contribute to their aspirations and dreams. They are perceived as highly qualitative, self-indulging, exclusive, expensive, and status-increasing. Brand experiences are divided into sensory, affective, intellectual, behavioral and social experiences, and are examined across different cultures. Austria, Finland, Spain and South Korea, four developed countries, have been chosen for the study. They represent four different cultures, based on different language families. The cultures are separated into high- and low-context cultures, respectively. Low-context cultures (Austria, Finland) heavily rely on explicit communication, in spoken or written words, whereas high-context cultures (Spain, Korea) rely on implicit communication and the communication context.

Face-to-face semi-structured in-depth interviews have been conducted in these four cultures, and a qualitative structuring content analysis has been applied to the material. The results show a tendency of low-context culture members to heavily rely on visual stimuli in order to experience a brand. Furthermore, they emphasize self-indulgence and pleasing others as important aspects. High-context culture members, on the other hand, emphasize social experiences. Most interestingly, Spanish respondents underline the importance of not visibly displaying a brand logo on fashion products, as they long for appreciation by others because of their 'sense of fashion' rather than their 'sense of logo'. Although most Korean respondents mention showing-off as a major aspect of a brand experience, some also acknowledge self-indulging aspects. Transformation effects, i.e. the loss of perceived positive attitudes towards a brand over time, emerged in Korea and Austria, and should be included in further studies. The study shows great cross-cultural variations for some everyday luxury brand experiences whereas others appear relatively similar. This demands great caution by brand managers when creating brand experiences.

7.2 German Abstract

Die vorliegende Arbeit geht der Frage nach, wie Angehörige verschiedener Kulturen Luxusmarken in Alltagssituationen erleben. Marken werden dabei als Mittel ständiger Interaktion mit und unter den Konsumenten verstanden und vermitteln funktionale, symbolische und erlebnisbezogene Bedeutungen. Luxusmarken, zunehmend präsent im täglichen Leben vieler Konsumenten, erwecken Sehnsüchte und Träume. Sie werden als qualitativ hochwertig, genussversprechend, exklusiv, teuer und Status erhöhend wahrgenommen. Markenerlebnisse werden in sensorische, affektive, intellektuelle, verhaltensorientierte und soziale Erfahrungen unterteilt und in verschiedenen Kulturen untersucht. Basierend auf unterschiedlichen Sprachfamilien wurden vier hochentwickelte Staaten ausgewählt, die stark- bzw. schwach-kontextbezogene Kulturen repräsentieren. Schwach-kontextbezogene Kulturen (Österreich, Finnland) legen großen Wert auf explizite mündliche und schriftliche Kommunikation, während stark-kontextbezogene Kulturen (Spanien, Südkorea) auf impliziter Kommunikation sowie dem jeweiligen Kontext beruhen. Persönliche teilstandardisierte Tiefeninterviews wurden durchgeführt und die so gewonnenen Daten einer qualitativen, strukturierenden Inhaltsanalyse unterzogen. Mitglieder schwach-kontextbezogener Kulturen zeigen eine Tendenz zu starker Abhängigkeit von visuellen Stimuli im Zusammenhang mit dem Markenerlebnis. Des Weiteren werden der eigene Genuss und die Freude andere zu verwöhnen betont. Angehörige stark-kontextbezogener Kulturen wiederum unterstreichen die Bedeutung sozialer Erlebnisse. Auffallend ist, dass spanische Gesprächspartner die Wichtigkeit keine sichtbaren Markenzeichen zu tragen betonen, da sie von anderen für ihren Modegeschmack und nicht für ihren ‚Markengeschmack‘ anerkannt werden möchten. Obwohl die meisten südkoreanischen Interviewpartner das *Protzen* als wesentlichen Aspekt eines Markenerlebnisses nennen, ist für andere auch der eigene Genuss wichtig. In Österreich und Südkorea wurden Transformationseffekte festgestellt, welche sich auf den Verlust positiver Einstellungen gegenüber einer Marke beziehen, wenn diese über einen längeren Zeitraum konsumiert wird. Dies sollte in weiteren Studien zu diesem Thema Berücksichtigung finden. Generell zeigt diese Studie große kulturabhängige Variationen für manche alltäglichen Luxusmarkenerlebnisse und relativ kleine für andere. Dies verlangt nach großer Behutsamkeit seitens des Markenmanagements bei der Kreation von Markenerlebnissen.

7.3 Interview Guideline

(TLP, 1989 = Thompson, Locander and Pollio, 1989; TLP, 1990 = Thompson, Locander and Pollio, 1990; TPL, 1994 = Thompson, Pollio and Locander, 1994)

1. Introduction:

- Thank you for your time,...(Introduction of interviewer)
- Please feel free to express yourself in your own words and don't be shy, the interview is made anonymous afterwards, so that no connection between you and your answers can be made by any outsiders.
- I may need to contact you a second time, e.g. via Skype, to cross-check my interpretations, is this OK with you?

2. Participant's own definition of everyday luxury product:

- Please describe the everyday luxury product you brought with you!
- Why is this product an everyday luxury product for you? (TLP, 1990)

3. Description of experiences during the purchase situation:

Transfer your interview partner in that situation – mental simulation!

- Please think of the time when you bought this product and describe the purchase situation:
 - What happened? Who else was present during that purchase situation and what did these people do? With whom did you interact and how? How did the surroundings look like?
 - What did you think in that situation? (TLP, 1990, 1989)
 - Can you describe the feelings you had during the purchase situation? (TLP, 1989)

4. Description of everyday consumption experiences:

Transfer your interview partner in that situation – mental simulation!

- What are you usually using this product for?
- Can you please describe a typical/everyday consumption experience with this product?
 - What happens? Who else is present during these situations and what are these people doing? With whom do you interact and how? How do the surroundings look like? How do you interact with the product /what do you use the product for?
 - What do you think in these situations? (TLP, 1990, 1989)
 - Can you describe the feelings you have during these situations? (TLP, 1989)

5. Description of consumption experiences that provoked strong emotions:

Transfer your interview partner in that situation – mental simulation!

- Please think of a consumption experience with this product that evoked very positive feelings:
 - What happened? Who else was present during that situation and what did these people do? With whom did you interact and how? How did the surroundings look like? How did you interact with the product /what did you use the product for?
 - What did you think in that situation? (TLP, 1990, 1989)
 - Can you describe the feelings you had during that situation? (TLP, 1989)

- Please think of a consumption experience with this product that evoked very negative feelings (if any):
 - What happened? Who else was present during that situation and what did these people do? With whom did you interact and how? How did the surroundings look like? How did you interact with the product /what did you use the product for?
 - What did you think in that situation? (TLP, 1990, 1989)
 - Can you describe the feelings you had during that situation? (TLP, 1989)

6. Typical follow up questions (depending on the course of the interview)

- What do you mean by....? (TPL, 1994)
- How would you describe/can you describe... (TLP, 1989)
- Can you describe this in greater detail? (TLP, 1989)
- How did/do you feel about (TLP, 1989)

7. Demographics:

- How old are you?
- Male/Female
- Would you tell me your approximate monthly disposable income?
0-500€, 501-1000€, 1001-1500€, 1501-2000€, 2001-2500€, 2501-3000€, 3001-3500€, 3501-4000€, more than 4000€
- Where are you living by now? How long have you been living here?

7.4 Brand Attributes - Managerial View

AUSTRIA CLINIQUE, part of the Estée Lauder luxury perfume and cosmetic company (Chevalier and Mazzalovo, 2008), is positioned as “the number-one prestige line of skin care and cosmetics in the United States” providing “allergy tested” and “100% fragrance free” skin care (Clinique, 2011). HUGO BOSS fragrances, is a brand of the Hugo Boss brand portfolio (including the luxury brand BOSS Selection (HUGO BOSS, 2011)), belonging to the Procter & Gamble Prestige Product division (Chevalier and Mazzalovo, 2008, p. 53). The luxury brand GUCCI (Yeoman and McMahon-Beattie, 2006) is “one of the world’s leading luxury brands” (Gucci Group, 2011). ANNAYAKE, a Japanese inspired, French cosmetic brand, presents itself by using words like “precious active ingredients, innovative formulas, delicate textures, sophisticated presentation” (Annayake, 2011).

FINLAND It appears that the category CHAMPAGNE itself already counts as luxury brand name, as, to be called champagne, certain high standard production criteria, along with the place of origin are to be fulfilled (Wilson, 2005). HOLLISTER CALIFORNIA, a sister-brand of the American Abercrombie & Fitch, presents itself on Facebook as a reference to the young and beautiful: “Check out the hottest new looks to hit the pier, and see what’s new in stores. It’s all about chillin’ with friends on the beach, surfing, and having a good time” (Hollister Co., 2011). Its selective distribution in fewer than a dozen retail locations in Europe outside the UK (Hollister Co., 2011) makes it exclusive for mainland Europeans. PARLANTI is an Italian manufacturer famous for its accurately handmade riding boots, and “has expanded its targets with a fashion collection and has become, with a bit of proudness and presumption, the most copied company as it is the only one to be able to create, innovate and relate tradition/technology and fashion with one another” (Parlanti, 2008).

SPAIN CALVIN KLEIN has long been considered as a luxury brand (Chevalier and Mazzalovo, 2008), but finally successfully moved into the segment of premium lifestyle brands (Yeoman and McMahon-Beattie, 2006), describing itself as “one of the leading fashion design and marketing studios in the world” (calvin klein, 2011). LEVI’S furthermore “epitomizes classic American style and effortless cool”, clearly referring to the symbolic dimension by providing a “range of leading jeans wear and accessories (...) allowing individuals around the world to express their personal style” (Levi Strauss, 2010). In cosmetics, DIOR is one of the most

successful French luxury brands, contributing about half of the total revenues of the LVMH perfumes and cosmetics division (Chevalier and Mazzalovo, 2008). LA ROCHE POSAY is a cosmetic brand that specializes on research on dermatological skin-care to “create new generations of dermatological skincare products (...) to improve patients’ quality of life” (La Roche Posay, 2010). Interestingly, the brand philosophy defines patients rather than customers as target group, thus aiming at medical and pharmaceutical markets.

SOUTH KOREA The South Korean perception of Everyday Luxury is manifested in the traditional luxury brands GUCCI and LOUIS VUITTON - the latter perceiving itself as “playing a starring role in the development of modern luxury” (LVMH, 2010a). MARC JACOBS is a relatively young, but well-established luxury fashion brand - founded in 1984 and part of the LVMH group since 1997 - “based on two very simple concepts: a love for fashion and a commitment to quality” (LVMH, 2010b). The jeans brand TRUE RELIGION commits itself to “perfect fit, timeless style and hippie bohemian chic flair” determining the brand’s “position as a leader in premium denim and casual sportswear globally” (Guru Denim, 2011). Similarly, DIESEL offers a wide range of jeans products, mainly for casual purposes (Diesel, 2011). The brand is famous for their vintage inspired stonewashed jeans products (Tungate, 2008).

7.5 Vita

Personal Data David Neubauer
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Date of birth 29 January 1979, Vienna

Education

2007 – 2011 Study of International Business Administration (Master)
Specializations: Marketing, International Management

2003 – 2007 Study of Business Administration (Bachelor)
Specializations: Marketing, Human Resource Management

*both at University of Vienna,
Faculty of Business, Economics and Statistics*

2007 – 2008 Erasmus-Exchange Studies at Hanken School of Economics
and Helsinki School of Economics; Finland

Work Experiences

2008 Marketing Assistant (Helsinki)

2002 – 2007 Employee in IT (Vienna)

Further Occupations

September 2010 GFA2010 - Fourth German-French-Austrian Conference on
Quantitative Marketing, Vienna

July 2010 XVIII International AIDS Conference, Vienna

Language Skills

German (native speaker), English (fluent), French (intermediate), Russian (basic)

Interests

Travelling; theatre, musical, and cinema; playing the piano; IT & New Media; modern and contemporary art, Austrian and European literature;