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# A cross-cultural exploratory content analysis of the perception of luxury from six countries

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#### Abstract

**Purpose** – The authors' research was carried out with the aim of analyzing perception of luxury and luxury brands among an international sample of young people.

**Design/methodology/approach** – This article was based on an empirical study among 233 respondents. First, a qualitative analysis of content using the respondents' own words was conducted. Then, to show whether there are differences between countries and significant groups of countries, an analysis of variance (one-way ANOVA) was performed and analyzed with Fisher *F*-test and *post-hoc* Duncan tests.

**Findings** – Beyond the belief in the existence of two stable groups of developed and developing countries with regard to luxury, this study shows a situation that requires further analysis. The main results show some strong cross-cultural differences in the perception of luxury, which is multi-faceted as demonstrated by previous studies in this field.

**Research limitations/implications** – Results of this exploratory study confirm that the concept of luxury presents multiple facets, and the authors' analysis provides an in-depth survey of the main categories and attributes that can be used to describe this concept. Although this study was only exploratory in nature, a number of comments can be made to highlight the congruence between the concept of luxury for young people and recent academic literature.

**Practical implications** – To maintain their brand equity, companies in the luxury sector seek to improve their image within younger targets. Managerial implications of the authors' research indicate that international luxury companies should take into consideration the multi-faceted concept of luxury in general, but also the main differences between countries in the continuum between the "status" and "emotional" dimensions of luxury. According to the authors' research, luxury companies cannot adopt a global strategy when addressing the six countries analyzed. Some managerial recommendations are developed in this perspective.

**Originality/value** – The additional value of this article stems from its reliance on a cross-cultural in-depth study between six countries (Italy, France, Germany, China, Japan, and USA). The balance between qualitative and quantitative techniques makes this article particularly relevant when drawing both conceptual and managerial conclusions.

Keywords Luxury, Consumer perception, Cross-cultural analysis, International, Consumers, Consumer behaviour, Brands

Paper type Research paper

## An executive summary for managers and executive readers can be found at the end of this article.

The phenomenon of luxury has accompanied people since the Egyptian era. Only recently, however, has there been a change in the perception of luxury: from an elitist concept to a consideration of luxury as a many-faceted issue (Berry, 1994; Evrard and Roux, 2005). In the last few years, it has become clear that luxury consumption is open to different kinds of

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Journal of Product & Brand Management 22/3 (2013) 229–237 © Emerald Group Publishing Limited [ISSN 1061-0421] [DOI 10.1108/JPBM-02-2013-0254] consumers, and that it therefore contributes to defining differentiated identities.

This article analyses the perception of the concept of luxury and ranks some adjectives defining luxury among an international sample of young people.

In order to test the research questions empirically, a statistically non-representative sample of 233 undergraduate management students from European, Asian and American Universities was set up. These students worked in teams to respond to a two steps research process:

The authors thank their colleagues Pr. Priscilla Chan (Manchester Metropolitan University – United Kingdom), Pr. Junji Tsuchiya (Waseda University – Japan), Irina Ivanovna Skorobogatykh (Plekhanov Russian Academy of Economics – Russia), Dr Annalisa Pavone (IULM University of Milan – Italy) and Pr. Samuel Rabino (Northeastern University - USA), for having gathered data in their own countries and contributed through their comments to write this article.

- 1 In the first step, students were asked to define luxury in their native language and in English.
- 2 In a second phase, respondents were asked to rank ten adjectives proposed by researchers and defining luxury depending on the relative weight of each adjective to explain the concept of luxury.

Our results show that the perception of luxury is multi-faceted and includes both conspicuous and status oriented elements and others that are more oriented towards the hedonistic and emotional dimensions. Also we found strong cross cultural differences when evaluating the different dimensions of luxury through the proposed adjectives; these differences, however, are not defined by the level of maturity of the luxury marketing in each country, as we had supposed at the beginning of our research, but they also present variations inside the most developed markets.

The first part of our article is devoted to presenting the concept of luxury and its evolution in the literature concerning luxury perception and luxury evaluation.

In the second part, we develop the research questions and we explain the methodology adopted for this research.

The third part presents the main empirical results concerning the young people's perceptions of luxury, the evaluation of the different adjectives proposed and the cross cultural differences discovered.

Finally, we present a general discussion and the conclusion of this research.

#### 1. The concept of luxury

Following the recent difficulties experienced in 2008-2009 and despite the return to growth in 2010-2011 (See for example forecasts from the Bain & Company's study "Luxury goods worldwide market", spring 2011), businesses need to make smart strategic choices in international marketing. This research is part of the managerial perspective creating a better understanding of the cultural differences in perception and purchasing behavior linked to luxury brands.

There is general agreement about the lack of "substantial" definitions of luxury. That is to say, based on general intrinsic characteristics of products, techniques employed or the techno-economic characteristics of the industry (Bomsel, 1995). However, a certain consensus is emerging about the major characteristics desired by the consumer of luxury brands. The common denominators are beauty, rarity, quality and price but also the existence of an inspirational brand endorsing the product. In this context, brands compete on the basis of their ability to evoke exclusivity, identity, awareness and perceived quality for the consumer (Phau and Prendergast, 2000).

Researchers in consumer behavior have taken two theoretical directions to explain the consumption of luxury goods. They were initially inspired by the work of social psychology to focus almost exclusively on socially oriented motivations (Eagly and Chaiken, 1993; Dittmar, 1994). More recently, this trend has been complemented by theoretical explanations based on a personally oriented vision (Wong and Ahuvia, 1998; Vigneron and Johnson, 1999, 2004).

Motivations behind the acquisition of luxury brands have traditionally been reduced to the notion of "conspicuous purchase". This idea tends to be still more or less the strategic foundation for the management of luxury brands (Dittmar, 1994; Corneo and Jeanne, 1997; Vigneron and Johnson, 1999, 2004; O'Cass and Frost, 2002). From this perspective, which has its origins in sociology and social-psychology, via the Theory of Impression Management, consumers strongly orient their behavior towards the creation of a favorable social image that they can build through their purchases (Eagly and Chaiken, 1993). Brands are then used as vectors to implement two distinct consumption strategies. On the one hand, they are the visible symbols of consumer tastes (i.e.: "social salience") and, secondly, they are regarded as icons representing certain social groups, and thus help consumers to strengthen their membership of these groups (i.e.: "social identification").

A number of researchers have enriched the traditional vision of luxury consumption (Wong and Ahuvia, 1998; Vigneron and Johnson, 1999, 2004; Tsai, 2005; Wiedmann *et al.*, 2009). In this revised paradigm, two types of luxury consumption orientation (social and personal) must be considered in the management of luxury brands. Wong and Ahuvia (1998) were the first to show that the personal orientation towards luxury brands was more important for some consumers than others. When these consumers choose a luxury brand, there are usually utilitarian, emotional and symbolic dimensions that underlie their personal orientation.

Regardless of the perspective used, previous research in the field of luxury showed the particular importance played by the brand as the vector of strategies used by consumers in their decision making process (Kapferer, 1997, 1998; Vigneron and Johnson, 1999, 2004, Dubois *et al.*, 2005).

On the basis of the empirical and theoretical contributions outlined so far, it can thus be noted that the concept of luxury and the attitude towards luxury consumption among the young from different countries display similarities as well as differences. On the grounds of this consideration, we believe it is useful and interesting to endeavour to formulate a more detailed cross-cultural analysis of the concept of luxury among the young.

#### 2. Research questions and methodology

#### **Research** questions

Our research aims to analyse perception of the concept of luxury and luxury brands in an international sample of young people. In particular, the following research questions are developed:

- Q1a. Is the perception of the concept of luxury among the young consistent with the recent theoretical interpretations developed by scholars?
- *Q1b.* What are the elements that characterise the perception of luxury among the young today?
- *Q2.* Are the concepts of luxury and luxury brands perceived differently among young people of different nationalities?

#### **Research methodology**

In order to test the research questions empirically, a statistically non-representative sample of 233 undergraduate management students from European, Asian and American Universities was set up. Since we are more interested in basic psychological processes than generalizations, the sample size is considered appropriate (Grewal *et al.*, 2000; O'Cass, 2000). The students of the sample were subdivided into six

geographic units (Italy, France, Germany, China, Japan, and USA); subsequently, the respondents (average age 22.6) from each of these geographic units spontaneously group themselves into sub-groups composed of 3-5 members each. Thus an "overall", total of 53 groups was obtained (see Table I). For each geographic unit, respondents were asked to produce the following outputs:

- Written definition of the concept of luxury, in their native language and in English.
- Ranking of ten adjectives (proposed by the researchers) that illustrate the concept of luxury.
- Profile of the members of the group, containing general and demographic information.

The research steps are defined on the basis of a specific methodological perspective (of a predominantly qualitative nature) followed in this research. Firstly, "qualitative text content analysis" is used (Schmidt, 2010), which aims to measure the recurrence of specific units of analysis within a text. In the second place, we devised a semiotic representation of the signifiers (lexical units illustrative of a concept) contained in the definitions of the concept of luxury as expressed by the young people in the survey (Eco, 1976; Floch, 2001).

#### 3. General empirical results of young people's perceptions of luxury: a semiotic analysis of the concept of luxury

In this part of our paper an aggregate analysis of respondent's perceptions of the concept of luxury and luxury brands is presented.

Table II contains the results of the analysis of the lexical units contained in the definitions expressed by 53 different groups from six countries. The percentages of definitions in which a given lexical unit is used to describe luxury are calculated with the aim of giving an estimate of the relative importance of the main lexical units that emerged from the spontaneous definition of luxury. In order to avoid redundancy in our analysis, lexical units that have the same meaning or are synonymous are grouped in the same category.

The data in Table II shows that the first concept associated with luxury is "expensive", followed by "quality", while in the third place concepts correlated with "exclusiveness" can be observed. Furthermore, respondents quote also "uniqueuniqueness" (luxury as a dimension that cannot be rivaled), "desire" and "dream" as key elements to define luxury. Less important for respondents appear some other sets of definitions characterized by the value of the product ("price" and "cost") or by the ostentatious side of luxury goods ("excess", "sophisticated", "extravagant").

The results suggest that young people's perceptions of luxury are consistent with both the theories of ostentatious consumption behavior ("hetero-referring luxury") and with hedonistic consumption theories ("self-referring luxury"). Among the different definitions of luxury there are concepts explaining luxury as self-referred ("desire", "dream", "emotional") and others that are much more hetero-referred ("expensive", "exclusiveness", "price", "quality", "extravagant").

Through an interpretation drawing on the semiotic square (Floch, 2001), we endeavor to establish a link between the different lexical units emerging from the survey and the theoretical perspectives explaining luxury and its consumption (Figure 1). According to our data analysis, two "poles" can be observed; both exhibit a fairly marked power to attract these lexical units. Thus on the one hand we see the pole of "conspicuous and status-related luxury"; while on the other we find "emotional-hedonistic luxury". As is made clear in the Figure 1, while some lexical units are more firmly located close to one of the two poles, others fall within an intermediate area which is not fully identified with either extreme.

The conspicuous or status-related pole is characterized by the interpretation of luxury based on a clear cut heteroreferring perspective, typified by concerning "uniqueness", "superiority", "prestige", "symbolism", "rarity", and "price". The emotional-hedonistic pole is characterized by the lexical units relating to "desire", "dream", "emotion", "feeling", and "pleasure" which in turn take on a self-referring nuance associated with emotions and feelings. The self-referring dimension can also be seen in some definitions (16.7 percent) that highlight the relativity of the concept of luxury, suggesting that it is influenced by individual conditions. Finally, the area covering the intermediate area between the two poles may be represented as a "hybrid semiotic space" within which the lexical units undergo a twofold and simultaneous "attraction" from the two opposite poles. In our view, the interpretation of this specific space would need further investigation which, for reasons of space, cannot be performed on this occasion.

Groups of respondents were also asked to evaluate the extent to which ten adjectives proposed by the researchers from the literature (Kapferer, 1998; Vigneron and Johnson, 2004; Tsai, 2005) were consistent with their concept of

	Groups <sup>a</sup>		Young people		Mal	e	Fem		
	%	n	%	n	%	n	%	n	Age (average)
Italy	32.08	17	25.32	59	40.68	24	59.32	35	22.2
France	9.43	5	6.87	16	37.50	6	62.50	10	22.8
Germany	22.64	12	25.75	60	23.33	14	76.67	46	24.2
China	7.55	4	9.44	22	36.36	8	63.64	14	21.7
Japan	13.21	7	15.45	36	63.89	23	36.11	13	21.1
USA	15.09	8	17.17	40	45.00	18	55.00	22	22.5
Total	100.00	53	100.00	233	39.91	93	60.09	140	22.6

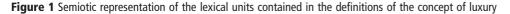
Note: <sup>a</sup> To reflect the fact that the number of groups per country is unequal, weighted means were used for the rest of the article for the "overall"

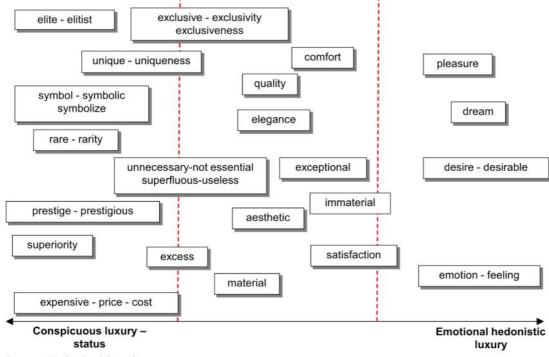
#### A cross-cultural exploratory content analysis of the perception of luxury

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Table II Analysis of the lexical units in the spontaneous definitions of luxury

Lexical units	Occurrence (%)
[Expensive]	36
[Quality]	29
[Exclusive-exclusivity-exclusiveness]	24
[Desire-desirable]	22
[Dream] – [Unique-uniqueness] – [Symbol-symbolic-symbolize] – [Material]	20
[Excess] – [Satisfy-satisfaction] – [Emotion- emotional]	18
[Price] – [Unnecessary]	13
[Immaterial] – [Prestige-prestigious] – [Rare-rarity] – [Sophisticated]	11
[Cost] – [Superior-superiority] – [Elite-elitist] – [Not essential] – [Comfort]	9
[Elegance] – [Aesthetic] – [Useless] – [Extravagant] – [Superfluous] – [Pleasure] – [Exceptional]	7
[Democratic] – [Conspicuous] – [Snob]	2





Source: Author's elaboration

luxury. The results are shown in Table III, which presents the mean for each adjective, both for all the groups from the six countries and for each country analyzed. From a methodological point-of-view, the respondents attributed a score (1 to 10) to each adjective, with the maximum consistency corresponding to 10 and the minimum to 1.

For each country, we also introduce in Table III the ranking of the first four adjectives to facilitate understanding of the table and comparison with the overall results.

As can be noted, the overall evaluation highlights "exclusiveness" as the most adequate adjective for explaining luxury, followed at a certain distance by two other definitions, "prestigious" and "expensive". The hetero-referred adjectives seem to predominate in this suggested ranking, while it is interesting also to underline that the adjectives expressing a sort of negative perception of luxury ("conspicuous", "extravagant", and "snobbish") are ranked in the lower end of the table.

- The cross cultural analysis appears very interesting:
- Italian respondents put "exclusivity" in the first place, followed far behind by "elitism" and "prestige", but we can also see a self-referred item, "desirable", not far from them. Italians seem to have a well stratified image of luxury.
- French respondents have a traditional concept of luxury, predominantly hetero-referring and based on "prestige", "expensiveness" and "elitism".
- German interviewees put in the first place, far above every other adjective, "exclusive", but at the second place in the ranking is "desirable", followed by "expensive" and "prestigious" almost with the same score. So, for German respondents, we can draw similar conclusions as for Italians.

whether stable groups of countries could be identified.

When we started our research, intuitively we supposed that we would have found differences between countries where luxury consumption is long established and other countries that started luxury consumption more recently. Our findings are more complicated than our first idea:

For three other adjectives ("prestigious", "snob", and

"emotional" - Case (2) on the Figure 2), analysis of

similarities between countries result in the formation of one

Concerning the five other adjectives ("expensive", "elitist",

"conspicuous", "desirable", and "sophisticated" – Case (3)

on the Figure 2), there is no clearly delineated grouping,

adjective by adjective. It is therefore necessary to examine

statistically significant group composed of all the countries.

 USA and Germany can be grouped together based on the consumers' evaluation of "exclusivity" and "conspicuousness" respectively at the top and bottom of the ranking. These results are confirmed by some spontaneous definitions of luxury by young respondents: Luxury is what a person considers as rare, prestigious, exclusive and

therefore hard to reach. The definition is not only to be understood in a material way, it can be also be in an ideal way. (Germany group Spring Break)

Our concept of luxury can be a way of living that is above the standard and is only accessible for few people. Luxury from this perspective contains mostly monetary goods like money, wealth in general, brands, status, etc. (Germany group Deluxe).

A second group emerges from our analysis and it is composed by France and Japan; these countries share opposite evaluations for "elitism", where they are at the top of the ranking, and "extravagance", the least valuable adjective to define luxury for the respondents of the two countries. To confirm this situation we can quote some spontaneous definitions of luxury written by respondents in the first part of our research:

Luxury is a product or a nice aesthetic service which is very qualitative, exceptional, expensive, and rare; it brings a positive and flattering image of the consumer. Consuming luxury goes beyond primary need satisfaction (France group Q3).

Luxury means that it is not necessarily gorgeous or new but rich and expensive. It is what can't get without much money. And it is something clean, sophisticated, aesthetic, and shine. Therefore, it refers to something like commodities, foods and places... (Japan group Zeta).

The situation concerning Italy is more multi-faceted because Italy appears in the same group as the USA and Germany for "exclusive", but also for the less evaluated "conspicuous"; at the same time, we can find Italians sharing the same group with France and Japan for "elitist" and again for "extravagant", the last adjective for the three

Table III Evaluation of the consistency of ten adjectives to explain luxury (compared to overall)

Adjectives			Italy		France			Germany			China			Japan			USA		
	Overall	Mean	Rank	Gap	Mean	Rank	Gap	Mean	Rank	Gap	Mean	Rank	Gap	Mean	Rank	Gap	Mean	Rank	Gap
Exclusive	8.37	9.50	1	+	7.20	4	_	9.00	1	+	3.75		_	7.29	3	_	9.00	1	+
Prestigious	7.64	7.38	3	_	8.60	1	+	6.58	4	_	8.50	1	+	8.14	2	+	8.29	2	+
Expensive	6.77	6.19		_	8.40	2	+	6.67	3	—	7.25	3	+	9.29	1	+	4.71		_
Elitist	6.46	7.44	2	+	7.60	3	+	5.92		—	4.25		_	7.00	4	+	5.14		_
Desirable	6.23	6.56	4	+	4.40		_	7.33	2	+	6.75		+	4.14		_	6.57	3	+
Sophisticated	4.91	4.63		_	4.80		_	4.17		—	3.50		_	7.00	4	+	5.57		+
Conspicuous	4.09	3.50		_	3.60		_	3.50		—	7.00	4	+	5.57		+	3.14		_
Extravagant	4.07	2.75		_	2.60		_	5.33		+	8.00	2	+	1.57		—	6.14	4	+
Emotional	3.66	4.31		+	3.60		_	3.67		=	2.75		_	1.71		_	4.43		_
Snobbish	2.77	2.75		=	2.80		=	2.83		+	3.25		+	3.29		+	2.00		_

- Chinese respondents express a concept of luxury predominantly linked to "prestige" and "extravagance". The general image of luxury as something unusual is confirmed for Chinese respondents by the fourth position occupied by "conspicuous". For both "extravagant" and "conspicuous", the Chinese interviewees' score is the highest out of the six countries.
- For Japanese respondents, "expensive" is clearly the most appropriate adjective for luxury, followed by a group of four other adjectives linked with "sophistication", "prestige" and "exclusiveness/elitism".
- US respondents express a concept of luxury grounded on the adjective "exclusive" and "prestigious", but their vision of luxury appears well stratified too, because of the ranking of "desirable" in third place and "extravagant" just below.

Going on clarify whether there are differences between countries, we work on the differences between these criteria by each area of consumption. For this we use a variance analysis (one-way Anova). This method makes it possible to use a univariate analysis of variance on a quantitative dependent variable by one factor (independent variable). Analysis of variance is used to test the hypothesis of equality of means.

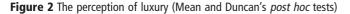
The Fisher's F-test provides the opportunity to test the equality of two variances by the ratio of two variances and verifying that this ratio does not exceed a certain theoretical value. Thanks to this test, it is possible to say that the greatest differences are observed for the variables "extravagant", "exclusive" and "expensive".

Wishing to then determine those countries for which there are significant differences between group means, we conducted Duncan's *post hoc* tests.

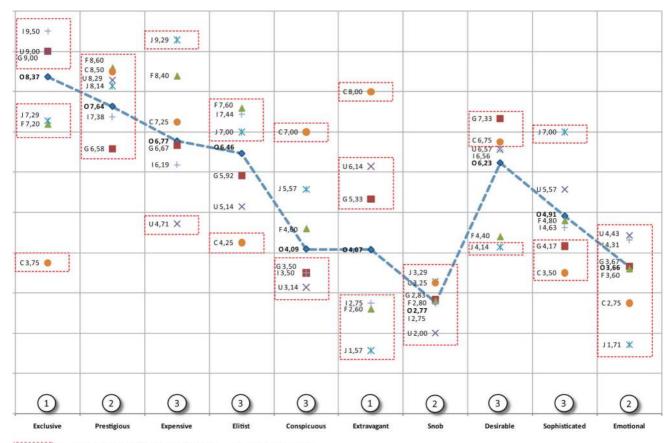
If we analyze the results among groups of countries (Case  $\bigcirc$  on Figure 2), we can see that for only two adjectives it is possible to find three different well differentiated groups, but with strong similarities concerning the countries inside each group; this situations concerns:

- "Exclusive"; we can form a first group composed by Italy, USA and Germany, a second group composed by Japan and France, when China is isolated and far from the other countries;
- "Extravagant"; for this adjective, China is isolated at the top of the ranking, USA and Germany follow in a second group, Italy, France and Germany are grouped at the bottom of the ranking.

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Groups of countries from the Duncan's post-hoc tests

Notes: O = Overall; I = Italy; F = France; G = Germany; C = China; J = Japan; U = USA

countries. This analysis confirms the well stratified image of luxury for Italian young respondents that we have underlined above. Some definitions of luxury written by Italian respondents confirm these findings:

Luxury is about exclusivity, something that only "happy-few" can reach. Something which is rare, bound to decade and disappears is a luxury for those who can achieve it. Luxury is beauty, aesthetic and elegance.... (Italy group Mirror).

- ... includes both material goods and feelings connected with an exclusive situation, exceeding individual necessity. Luxury is always expensive, on the one hand it concerns spending money and on the other hand it can be related with opportunity costs (Italy, group Marylin Monroe).
- China presents a very differentiated position for most of the adjectives proposed; young respondents from this countries occupy the first place between the six countries analyzed for two adjectives, "conspicuous" and "extravagant", when they rank at the last place for "exclusive" and "elitist". The image of luxury for young Chinese consumers are clearly oriented more towards "status" than "emotion" in the luxury sector, but at the same time they tend to prefer the more self-directed elements of luxury. Some spontaneous definitions confirm these points:
  - Something related to better quality and expensive. It is used to differentiate oneself to the others in order to satisfy one's vanity and happiness. Luxury is an unlimited desire. It is something neither practical nor essential for everyone (China group 2).

Luxury is related to three concepts. First, luxury items are value-added and made of expensive materials. For example, diamond, lace, silk and

fur. Luxury is related to western countries and privilege of western people (China group 3).

#### 4. Discussion

The strongest point of our research is the cross-country analysis made possible by the cooperation of six research groups from three continents.

Our findings confirm the multi-faceted concept and evaluation of luxury that emerged from previous studies, but at the same time show clearly that strong cross-cultural differences exist in the evaluation and meanings of luxury.

Although this study was only exploratory in nature, a number of comments can be made to highlight the congruence between the concept of luxury for young people and recent academic literature.

Our results suggest that young people's perceptions of luxury are linked with both the theories of ostentatious consumption behavior and with hedonistic consumption theories but some differences emerge in the cross-country analysis.

The characteristics of the "democratization" of luxury do not appear to be supported by our findings (Research Question 1a). Concerning the main elements that characterize luxury, respondents give a special importance to "exclusivity"; "prestige" and "elite", whereas the first self-referred item, "desirable", appears only in the fifth position of the suggested list ranking (Research Question 1b).

Some relevant differences can be observed in the crosscountry analysis (Research Question 2), and it is possible to find these differences among three different groups of countries, at least for some of the adjectives proposed. The distinction is not between developed and emerging countries, but also inside the developed countries of our research.

Managerial implications of our research indicate that international luxury companies should take into consideration the multi-faceted concept of luxury in general, but also the main differences between countries in the continuum between the "status" and the "emotional" dimensions of luxury. According to our research, luxury companies should adopt a multinational strategy when addressing the six countries analyzed, taking into consideration the specificities of each country in the perception of luxury.

There are however also some elements common to all the countries analyzed: the most important appear to be the concepts of exclusivity and prestige. This point should be considered very carefully by luxury companies because the strategy of luxury democratization that started some years ago could dilute the value of luxury brands. Some extension of luxury brands into categories not clearly linked with their core business should be analyzed because the search for increased turnover and market penetration can represent a threat to the exclusivity perceived by customers.

Luxury companies have an important job to do to create emotional relations with their customers; according to our results, young consumers relations with luxury brands is based much more on rational concepts than on emotional ones. It appears that the efforts of the brands so far to build this emotional relation have been not so successful, at least for young consumers. This result can be explained by two factors: on the hand, young respondents are not so familiar with luxury brands because of their age; on the other hand, they have generally a limited purchasing power, so luxury goods are seen as desirable and a sign of achievement.

Clearly, if luxury brands are interested in establishing and consolidating a relationship with young consumers, they have to reconsider the tools required to achieve this objective.

The last managerial implication from our study appears to be the "western style" image for luxury goods. This is clearly stated by a team of Chinese respondents, but we can underline also that for Japanese consumers the first adjective defining luxury is "expensive" and it is well known that western luxury products are very expensive in the Japanese market and the positioning of some western brands in Japan is clearly more upmarket than in their home country because of this expectations of Japanese consumers concerning western brands and products.

The limits of our research are firstly in the use of a convenience sample not composed of the main target for luxury goods. It remains, however, that the students in question may be luxury brands customers from time to time and may in the long term become more regular consumers. Our research is qualitative and exploratory, so we cannot draw conclusions concerning the behavior and attitude of customers in the countries we have studied.

The possibilities for future research are numerous; they can include the possibility of a quantitative research on the perception of luxury addressed to real customers; the possibility of studying the antecedents of brand perception for luxury goods; the comparison between developed countries and emerging markets with regard to the perception of luxury goods. Volume 22 · Number 3 · 2013 · 229–237

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#### Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefits of the material present.

Luxury is a long established concept that has traditionally been almost exclusively associated with elitism. More recently, a broader perspective has emerged and luxury is now regarded as multi-faceted. One consequence of this is the realization that consumption of luxury products is no longer restricted to certain consumer classes. Analysts point out that people create "differentiated identities" partly through luxury consumption.

This shift makes the need for international marketers to develop appropriate strategies more important than ever if firms are to capitalize on the growth occurring in the global market for luxury goods. However, the absence of a universal definition of luxury increases the difficulty of this challenge. Some progress is evident though and observers are noting that consumers of luxury goods share a desire for such as "beauty, rarity, quality and price" backed by an "inspirational brand". The norm in this category is for brands to deliver products that provide consumers with the quality and uniqueness perceived to aid their identity construction.

Belief that luxury consumption is socially motivated has previously guided research direction. A central claim of this approach is that purchase behavior helps individuals to create a social image that is endorsed by relevant others. Consumption of certain brands can achieve this objective and that of being identified with certain social groups for which a brand might be iconic. A later perspective argues that such behavior is more personally-oriented. Empirical research provides support for this view. It appears that personal reasons for consumption of luxury products can typically be defined as functional, emotional and symbolic. Several studies have noted that brand plays a prominent role in purchase decisions regardless of the motivation behind luxury consumption.

In the quest to enhance luxury brand management effectiveness, Godey *et al.* conduct a study using management undergraduates from universities in Europe, Asia and the USA. The 233 students were grouped by geography into six groups: Germany, France, Italy, Japan, China and USA. Respondents in each category then organized themselves into smaller sub-groups containing between three and five members.

The aim of this research was to investigate how the luxury concept is perceived, compare perceptions of young people with the academic viewpoints outlined above, identify key elements used by the young to define luxury and examine whether national identity leads to differences in how young respondents perceive the luxury concept and luxury brands.

Subjects were asked to provide written definitions of luxury in both English and their native language. Researchers then provided a list of ten adjectives which describe the luxury concept for participants to rank in order. General and demographic information about group members was also requested.

Definitions of luxury revealed expensiveness, quality and exclusiveness to be the top three associations. Uniqueness, desire and dream were other important elements. Factors related to product value like price and cost were less central to the definition, as were characteristics relating to the "ostentatious side" of luxury products. Sophisticated, extravagant and excess are adjectives from this category.

These perceptions offer support for both theories of luxury consumption. Concepts like dream, desire, pleasure and emotional depict luxury as personally-oriented, while socialreference is indicated through such as price, quality, expensive, prestige and exclusiveness among others. According to the authors, results prove the existence of two extremes respectively pertaining to luxury consumption driven by status and conspicuousness and that which is emotional and hedonistic. They also purport that luxury is relative in the "self-referring" dimension since individual characteristics are likely to exert a degree of influence. Certain definitions appear to fit within an "intermediate area" and have some or no connection with the two theoretic poles. Further research into this space is recommended.

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The exercise to rank ten adjectives showed exclusiveness clearly ahead of the remainder, which were led by prestigious and expensive. Whereas such "hetero-referred" adjectives were rated highly, the opposite was apparent for extravagant, conspicuous and snobbish. Characteristics like these arguably portray luxury in more negative terms.

Analysis by country revealed a more complex picture than anticipated by Godey *et al.*, who had assumed that any differences would relate to the stage of luxury consumption within each nation. It was initially observed that:

- Exclusivity was clear top rated by Italian, German and US students. The frequency of other adjectives like prestige and desirable prompted the authors to claim that the perception of luxury among these respondents is "well stratified".
- The concept of luxury to French subjects is based upon prestige, expensiveness and elitism, making it traditional in nature.
- Japanese students chiefly associate luxury with expensiveness.
- The main perception of luxury among Chinese informants centers on notions of prestige, extravagance and being conspicuous.

Further scrutiny of these country-related differences focused on different consumption areas and showed most profound variance for exclusive, extravagant and expensive. Italy, Germany and USA were in the first group indicated for exclusive, with a second containing France and Japan. China was distant from any other country. For extravagant China was also isolated, this time at the head of the ranking. The other nations were placed in two other groups. One statistically significant group was evident for the adjectives snobbish, prestigious and emotional. Clear grouping was not evident with regard to expensive, elitist, conspicuous, desirable and sophisticated.

The authors' attempts to identify "stable groups of countries" illustrated the complicated nature of study findings. Based on subject ratings for exclusivity and conspicuousness, Germany can be bundled with the USA. Similar sentiments apply to France and Japan due to the value placed on elitism and extravagance. Italy is more difficult to place as the country appears to share some beliefs with countries in each of the two aforementioned groups. Since luxury to young Chinese respondents undoubtedly relates more to status than emotion, the country is in a considerably distinctive position compared to the other nations considered here.

Marketers are urged to note these apparent differences in how luxury is perceived by young consumers and to devise a "multinational strategy" when targeting the nations involved in this study. Accounting for country-specific perceptions is strongly recommended.

On the other hand, there is an equal responsibility to acknowledge common findings such as the value attached to exclusivity and prestige. But Godey *et al.* point out that the significance of these adjectives pose implications for producers of luxury goods. They advise caution when extending luxury brands into new product areas as this might threaten the exclusivity associated with the brand.

Developing emotional connections with consumers is integral to the successful marketing of luxury goods. Findings here illustrate the difficulty of achieving this with young consumers who regard luxury as more rational than emotional. Age and limited buying power are cited as likely reasons for their perception. Effective approaches are therefore needed to create the desired bond with this consumer group.

Comparing perceptions of luxury goods in developed and emerging nations is one idea for future research. Identifying factors which determine luxury brand perception could also be pursued, along with quantitative study of how real customers perceive the luxury concept.

(A précis of the article "A cross-cultural exploratory content analysis of the perception of luxury from six countries". Supplied by Marketing Consultants for Emerald.)

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