

Externalised vs. internalised consumption of luxury goods: propositions and implications for luxury retail marketing

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This study conceptualises the dichotomy of luxury goods consumption ('externalised luxury' vs. 'internalised luxury') in terms of six dimensions: on the one hand ostentation, materialism and superfluosity (which refer to luxury as a social statement) and, on the other hand individual lifestyle, emotions/hedonism and culture (which refer to luxury as individual style). Through this literary framework, it presents a series of propositions that might be tested in future research, one for each dimension, about retail strategies and operations for fashion luxury brands. Implications for retail managers of luxury companies are discussed for each proposition, considering the main aspects of retailing strategies and tools (e.g. assortment, sales force, in-store experience and atmospherics) together with possible theoretical developments.

Keywords: luxury goods; luxury consumption; externalised luxury; internalised luxury; retail marketing; retail strategies

Introduction

The worldwide luxury goods market has been growing at an unprecedented pace in the past decade (Fionda and Moore 2009; Truong et al. 2008). It must also be noted that in 2008 and 2009 the luxury goods market suffered the effects of the worldwide economic slowdown. However, it is also remarkable that, after the strong contraction in 2009 and the flat trend in 2010, 8% growth in global luxury goods sales was predicted for 2011 (Bain & Company 2011). In general, four main categories of luxury goods can be identified as part of that market: fashion products (couture, ready-to-wear and accessories); perfumes and cosmetics; wines and spirits; watches and jewels (Fionda and Moore 2009). This paper focuses mainly on the fashion luxury sector, investigated from a retail perspective. It is remarkable that fashion retailers are consistently recognised as the most prolific of international retailers (Moore, Doherty, and Doyle 2010). With the growth of luxury markets, retailing has become a crucial strategic element for luxury brands; in particular, many luxury fashion companies have started establishing a network of mono-brand stores (partly owned and partly in franchising), with the aim of having better control over the distribution channels (e.g. sell out monitoring, consistency between retail identity and brand positioning and direct sales force), which is essential in reaching

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final customers (Brun et al. 2008) and better managing of brand image at the point of sale (e.g. price, display, service level and presentation of the product). It has become critical for luxury companies to refresh and differentiate their retail experience to increase the time spent by customers in the store (The Boston Consulting Group 2010). Therefore, commonly located in prestigious areas and characterised by an interior design that conveys the style of the brand (Brun et al. 2008), mono-brand stores have become an effective marketing tool for luxury fashion companies (cf. Moore and Fairhurst 2003).

As described in the literature, luxury goods consumption is characterised by two opposite motivational approaches represented by 'interpersonal' and 'personal' motives (Vigneron and Johnson 1999, 2004). Indeed, Truong (2010) has referred to 'extrinsic' and 'intrinsic' aspirations, respectfully, and Amatulli and Guido (2011) have discussed the theoretical dichotomy between 'externalised luxury' and 'internalised luxury' which should be considered by luxury retail managers in order to better customise their retail strategies. Even though in the last few years some relevant studies have been conducted discussing this topic (Truong 2010; Vigneron and Johnson 1999, 2004), the review of the literature reveals that no specific study has focused on this dichotomy from a retail point of view.

The objective of this research is to analyse the main aspects of this dichotomy and their specific implications for retail marketing managers in the luxury fashion business. Determinants and implications are discussed and presented together with propositions that might be tested in future research. Findings of this study will hopefully contribute to a better understanding of the role that literature on luxury consumption segments can play for designing retail strategic mix. Results can also help retail managers of luxury companies in classifying their customers and improving the effectiveness of retail strategies and operations.

The dichotomy of luxury

Luxury consumption can be based on reasons which are linked both to 'external' motives, which are, therefore, 'interpersonal' (Mandel, Petrova, and Cialdini 2006; Shukla 2011), and to 'internal' or 'personal' motives (Corneo and Jeanne 1997; Dubois and Laurent 1996; Tsai 2005; Vigneron and Johnson 1999, 2004; Wiedmann, Hennigs, and Siebels 2009). In the former case, the purchase of luxury products is stimulated by the desire for social approval; it is based on 'social factors' (cf. McKinney et al. 2004) and influenced by interaction with others and by the opinion of other people. In the latter case, their purchase is more closely related to the customers' emotions, states of mind and personal sensations (Vigneron and Johnson 2004). Bearden and Etzel (1982) have identified two classes of luxury products: 'public' luxury goods and 'private' luxury goods. Kapferer and Bastien (2009) have highlighted the difference between luxury 'for others' (as a demonstration of success and social marker) and luxury 'for oneself' (as access to pleasure, characterised by a strong personal and hedonic component), which constitute two different facets of luxury purchases. Therefore, luxury products can be consumed either for social recognition, social status (Nelissen and Meijers, 2011) and desire for elitism (Han, Nunes, and Drèze 2010; Mandel, Petrova, and Cialdini 2006; Mason 2001; Truong et al. 2008; Vigneron and Johnson 1999) or for a personal and hedonic aim (Hagtvedt and Patrick 2009; Lageat, Czellar, and Laurent 2003). That is, on the one hand, they can be consumed for the need to 'belong to a group' and to be 'socially

positioned' (the recognition of value by others becomes a key component) and, on the other hand, for the satisfaction of 'personal needs' (based on a individual scale of priorities: a hierarchy of preferences) – that is a personally oriented type of consumption (Wiedmann, Hennigs, and Siebels 2009) – intended to achieve satisfaction that is precisely personal (e.g. subjective). Tables 1 and 2 give some relevant definitions regarding the main constructs that refer to the meta-conceptualisation of externalised and internalised luxury, by pointing out its general meanings and characteristics as accumulation of wealth and status symbols and, on the contrary, cultural and personal values which reject ostentation.

Surprisingly, the implication of this dichotomy on retail management and the effects that it could have on retail performances have usually been neglected in marketing literature, not only by academics but also by fashion traders and retail managers working for high-end manufacturing firms. Indeed, customers need a different retail approach according to their more personal or interpersonal orientation towards fashion goods (although the two kinds of motives might also coexist within one single customer).

Building on luxury goods consumption research and fashion retailing studies, this paper explores the dimensions that mainly characterise the two typologies of luxury consumption in order to suggest two luxury company-specific retail approaches: on the one hand (1) ostentation, materialism, and superfluosness, on the other hand (2) individual lifestyle, emotions/hedonism, and culture. Table 3 shows how this conceptualisation defines two opposite approaches to luxury consumption: it presents a framework of the two opposite luxury consumption paradigms and summarises the main factors and stimuli characterising them. The next sections explain more in detail the main dimensions of the two purchasing strategies and the corresponding implications for retailing. Specific propositions for future research are presented.

Dimensions of externalised luxury

Certainly, luxury consumption may be highly susceptible to interpersonal influences (Shukla 2011). The sphere of externalised luxury is mainly related to luxury intended as a form of ostentation (Corneo and Jeanne 1997; Dubois and Duquesne 1993; Dubois and Paternault 1995; Mason 2001; Nueno and Quelch 1998; O'Cass and Frost 2004; Truong et al. 2008; Vigneron and Johnson 1999), materialism and conspicuous consumption (Corneo and Jeanne 1997; Mason 2001; Phau and Prendergast 2001; Veblen [1899] 1994) and superfluosness (Berry 1994; Dubois, Laurent, and Czellar 2001).

Ostentation

Proposition 1: Luxury goods may be purchased with the aim to show off wealth; in this case, retail managers should emphasise the high price of the branded products and their value as status symbols.

The conspicuous consumption theory ties luxury goods with the mere function of ostentatious display of wealth to indicate status (Mason 2001). If consumers buy luxury goods to signal wealth and ostentatiously achieve power and social status (cf. Veblen [1899] 1994), products remain appealing as long as prices remain high or increase, while on the contrary a decrease in the price causes them to become less exclusive (Veblen effect). They want to stand out from the masses and their desire for

Table 1. Definitions related to the luxury consumption dichotomy.

Dichotomies	Definitions	Authors
<i>Publicly consumed vs. privately consumed luxury</i>	Combining the concepts of public/private consumption and luxuries/necessity items produces the following four conditions: (1) <i>publicly consumed luxuries</i> , (2) publicly consumed necessities, (3) <i>privately consumed luxuries</i> , and (4) privately consumed necessities.	Bearden and Etzel (1982, 184)
<i>Public vs. private self-indulgence</i>	Luxury concerns self-indulgence, being it <i>public</i> or <i>private</i> .	Dubois and Czellar (2002, 5)
<i>Interpersonal vs. personal aspects</i>	Luxury consumption behaviour varies among different people depending on their susceptibility to interpersonal influence. There are <i>personal aspects</i> such as hedonist and perfectionist motives, and the more usual <i>interpersonal aspects</i> (snobbery, conspicuousness and bandwagon motives).	Vigneron and Johnson (2004, 488)
<i>Socially oriented vs. personally oriented consumption</i>	The notion of <i>buying to impress others</i> has already been undergoing modifications. An emerging view is that the two types of luxury-brand consumption – <i>socially oriented</i> and <i>personally oriented</i> – should both be considered in the marketing management of luxury brands.	Tsai (2005, 430)
<i>External vs. internal purchasing reasons</i>	Status-laden brands may be purchased for <i>internal reasons</i> (self-reward) or <i>external reasons</i> (signal wealth), and they may or may not be displayed publicly.	Truong et al. (2008, 191)
<i>Status symbol vs. involved experience</i>	Luxury is identified in terms of its psychological value, its function as a <i>status symbol</i> and as a highly involved consumption experience that is strongly congruent to a <i>person's self concept</i> .	Fionda and Moore (2009, 349)
<i>Luxury for others vs. luxury for oneself</i>	The functional analysis of luxury reminded us that luxury has two value facets: <i>luxury for oneself</i> and <i>luxury for others</i> .	Kapferer and Bastien (2009, 319)
<i>Extrinsic aspirations vs. intrinsic aspirations</i>	Consumers who value <i>extrinsic</i> (that is, socially orientated) <i>aspirations</i> purchase luxury goods not only for conspicuous consumption but also for quality and in the pursuit of self-directed pleasure [...] Inversely, consumers who value <i>intrinsic aspirations</i> purchase luxury goods not for conspicuous consumption but for quality and self-directed pleasure.	Truong (2010, 666)

Note: Emphasis added.

Table 2. The main constructs of the luxury consumption dichotomy.

Externalised luxury	Internalised luxury
<p>Ostentation</p> <ul style="list-style-type: none"> • ‘Status goods are those goods for which the mere use or display of a particular branded product confers prestige on their owners, apart from any utility deriving from their function’ (Grossman and Shapiro 1988, 82). <p>Materialism</p> <ul style="list-style-type: none"> • Materialism is based on three personality traits: possessiveness, nongenerosity and envy (cf. Belk 1985). • A fourth trait, preservation, was added in cross-cultural studies of the materialism scale (cf. Ger and Belk 1996). • ‘Materialism and conspicuous consumption are implicitly linked through envy, because one only envies the possessions of others when one cannot easily obtain comparable possessions’ (Wong and Ahuvia 1998, 436). <p>Superfluosness</p> <ul style="list-style-type: none"> • Luxury is not felt to be necessary for survival. It refers to overabundance with a resulting feeling of freedom (cf. Dubois, Laurent, and Czellar 2001). • ‘Necessities are possessed by virtually everyone, while luxuries have a degree of exclusivity’ (Bearden and Etzel 1982, 184). 	<p>Individual lifestyle</p> <ul style="list-style-type: none"> • Lifestyle (or style of life) is the individual’s method of relating to others, viewing the world and governing behaviour (cf. Bowlby 1988). <p>Emotions/hedonism</p> <ul style="list-style-type: none"> • ‘Hedonic consumption designates those facets of consumer behaviour that relate to the multi-sensory, fantasy and emotive aspects of one’s experience with products’ (Hirschman and Holbrook 1982, 92). • Hedonic value is more subjective and personal than its utilitarian counterpart and results more from fun and playfulness than from task completion (cf. Holbrook and Hirschman 1982). <p>Culture</p> <ul style="list-style-type: none"> • Culture is ‘a complex whole that includes knowledge, belief, art, morals, law, custom and other capabilities and habits acquired by man as a member of society’ (Tylor 1891, 23). • Culture is also viewed as the way that a group of people solved the problems that afflicted their society (cf. Trompenaars 1994).

specific products falls as the number of buyers increases for the same items (snob effect). Indeed, some customers may buy luxury products merely because many other people have already bought them, they follow their reference groups buying the same product (‘bandwagon’ effect). As pointed out by Berry (1994, 32), and according to the notion of ‘positional goods’ (Hirsch 1976), luxury products ‘are socially scarce in such a way that an increase in their availability changes their character so that they yield less satisfaction’. It may also be possible to link luxury to ‘demonstration goods’ (Twitchell 2002), ‘status goods’ (Sivanathan and Pettit 2010), ‘diamond goods’ (Ng 1987), ‘status games’ (Congleton 1989), or the theory of ‘impression management’ (Tsai 2005).

As a consequence of the above, retail managers could select the merchandise (in terms of breadth and depth) taking into account that the target market wishes expensive goods. When clients or target customers buy luxury goods mainly to emphasise their social status, the firm could also decide to carry items based on the level of logo prominence (cf. Han, Nunes, and Drèze 2010; Kapferer 2010): store assortment selection may focus more on items (product groups, classes, categories,

Table 3. A conceptual framework: externalised luxury vs. internalised luxury.

Externalised luxury	Internalised luxury
<p>Ostentation</p> <ul style="list-style-type: none"> ● ‘Publicly consumed luxury (<i>PUL</i>) – a product consumed in public view and not commonly owned or used. Whether or not the product is owned and also what brand is purchased is likely to be influenced by others’ (Bearden and Etzel 1982, 184). ● ‘The consumption of luxury brands may be important to individuals in search of social representation and position’ (Vigneron and Johnson 2004, 489). ● ‘By tradition, individuals consume luxury goods because of their desire to differentiate themselves by either being part of their reference group, or to separate themselves from other groups preferably to become part of a higher social class’ (Stegemann 2006, 60). ● ‘Patron status’ is the main factor of luxury consumption, it is based on the snob effect. ‘Luxury consumers want to be different, so they use products to which others have limited access, no matter what the price’ (Husic and Cicic 2009, 14). ● ‘The DNA of luxury is the symbolic desire to belong to a superior class’ (Kapferer and Bastien 2009, 314). ● ‘Prestige is compelling only to those who are extrinsically motivated’ (Truong 2010, 667). <p>Materialism</p> <ul style="list-style-type: none"> ● The higher the consumers’ level of materialism, the more they consume status products and conspicuous products (cf. Lai, Hsieh, and Chu 2007). <p>Superfluosness</p> <ul style="list-style-type: none"> ● The concept of luxury can be defined in opposition to necessity. Luxury is ‘something we can do without, it is not needed’ (Berry 1994, 25). ● Luxury brands are ‘those whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high’ (Nueno and Quelch 1998, 62). 	<p>Individual lifestyle</p> <ul style="list-style-type: none"> ● ‘Privately consumed luxury (<i>PRL</i>) – a product consumed out of public view and not commonly owned or used. In many cases, the brand is not conspicuous or socially important and is a matter of individual choice, but ownership of the product does convey a message about the owner’ (Bearden and Etzel 1982, 185). ● Personal orientation towards luxury brand consumption is more visible in some consumers (cf. Wong and Ahuvia 1998). ● ‘Some consumers, who are more private-conscious and stronger in personality oriented disposition, will buy luxury product primarily due to the congruity between their internal self and the image of the product’ (Tsai 2005, 435). ● ‘Personally oriented consumers, who are concerned about the luxury-brand functions indicative more of individuality than sociality, also constitute a non negligible segment’ (Tsai 2005, 432). ● ‘Luxury-brand purchase value is also affected by personal orientation, which is not theoretically and practically constrainable to motives of buying to impress others’ (Tsai 2005, 436). ● ‘Consumers who value intrinsic aspirations purchase luxury goods not for conspicuous consumption but for quality and self-directed pleasure’ (Truong 2010, 667). <p>Emotions/hedonism</p> <ul style="list-style-type: none"> ● Luxury ‘refers to the hedonic benefits of the brands related to a self-indulging refined lifestyle’ (Dubois and Czellar 2002, 5). ● ‘Luxury is qualitative and not quantitative [...] hedonism takes precedence over functionality’ (Kapferer and Bastien 2009, 315). <p>Culture</p> <ul style="list-style-type: none"> ● Culture influences the consumption of luxury goods. In particular, there is a strong link between a positive attitude towards cultural change and consumption of luxury goods. ‘This is consistent with the hedonic consumption and extended self-personality models’ (Dubois and Duquesne 1993, 43). ● ‘Luxury is closer to art than to mere function’ (Kapferer and Bastien 2009, 315).

lines) with a visible logo. In addition, the role of the sales personnel would be crucial; the sales force should be able to emphasise the conspicuousness of the brand's mark on the product, the high price positioning of the collection and the high level of recognisability of the brand codes. The sales force could receive training in the latest trends, the 'must have' products, all the media events and the VIPs that are, in a certain way, linked to the brand (these elements will increase the status of the brand name). According to the theories previously described, luxury retailers can also manage the 'rarity principle' (Dubois and Paternault 1995; Phau and Prendergast 2001) and the 'scarcity principle' to positively affect product valuation. The scarcity principle is strategically applied by fast fashion retailers (Byun and Sternquist 2008) to create a 'sense of scarcity', but it could become a useful strategy also for luxury retailers and luxury fashion companies. Perception of scarcity is usually reachable through limited production (e.g. editions) or limited supply, or continuous in-store and window display merchandising renewal (e.g. Zara stores that receive small quantity of products twice a week and where 40% of the assortment varies continually). Simultaneously, product scarcity will increase the risk of the unavailability of the product in the expected time period (Tan and Chua 2004), becoming a significant driver of in-store hoarding and impulsive shopping (Byun and Sternquist 2008).

Materialism

Proposition 2: Luxury goods may be purchased with the belief that possession of many material objects is essential; in this case, luxury retailers should emphasise the importance of quantity of luxury goods purchased and owned.

The relationship among luxury, materialism and status consumption has long interested academics and marketers who have tried to understand certain consumption dynamics (cf. Lai, Hsieh, and Chu 2007; Park, Rabolt, and Jeon 2008). Materialism is a personality-like trait that distinguishes individuals who regard the possession of material objects as essential to their identities and who are influenced by the quantity of goods purchased (Belk 1985; Park, Rabolt, and Jeon 2008; Richins and Dawson 1992). The modern sociocultural context is characterised by a society with a consumer culture where purchasing behaviour is the main means for sending signals to others. Nowadays, the ideal of material lifestyles and prosperity-brands is also influenced by globalised consumption and new global marketing strategies (Allèrès 1991; Nueno and Quelch 1998; Park, Rabolt, and Jeon 2008), the latter are often linked to the phenomenon of the 'democratisation' of luxury (cf. Twitchell 2002). Ikeda (2006) has analysed luxury consumption lingering on the effect that the pursuit of luxury goods has on the accumulation of wealth. According to Fournier and Richins (1991), status display and self-affirmation through the ownership of status-oriented possessions are two important motivations for materialistic consumers. Richins (1994) found that materialistic people are more likely to value expensive and publicly displayed products, and Wong (1997) has pointed out that materialistic consumers value goods consumed publicly more than privately consumed goods.

As a consequence of the above, to satisfy the materialistic need of these customers, retail managers of luxury companies could focus their selling strategies on the specific and unique role that each product has within the collection, improving cross-selling and up-selling performances. This would be very useful for companies

offering 'total look' lines. In particular, an important role could be played by visual merchandising and by the sales force. Through the sales force it is possible to underline the mood and the meaning of the collection as an 'organic', and not casual, group of items, so generating interest for more than just a single item (which means, on the contrary, emphasising the necessity of owning most of the items of the same collection or line that are linked by an aesthetic and stylistic consistency). In particular, the sales personnel could point out the potential social benefits generated by the ownership of the specific branded products. The visual merchandising strategy could support the sales force in this objective through the right display of the items within the store, reproducing visually the groups of products that could be sold together. In addition, through the display of the merchandise within the store it would be possible to stress the large quantity of products available from the brand, then stimulating the materialistic approach of the customer and the need of owning and collecting branded products to feel completely satisfied. Certainly, the opportunity to create these consumption dynamics increases if retailers manage stores that represent a lifestyle brand.

Superfluosness

Proposition 3: Luxury goods may be purchased with the belief that they have symbolic value because they are superfluous and not necessary; in this case, luxury retailers should emphasise the benefits of the branded products that are over and above mere functionality.

The concept of luxury implies some perceived uselessness. Superfluosness is an element commonly associated with luxury (Berry 1994; Berthon et al. 2009; Dubois, Laurent, and Czellar 2001; Dubois and Paternault 1995; Kemp 1998; Twitchell 2002). According to Berry (1994), consumers tend to oppose luxury with the notion of necessity (Kemp 1998). A luxury product is not necessary for survival and it does not display functional characteristics but rather additional benefits of a different nature. Luxury appears as a set of elements that are defined as superfluous (Thomson 1987), especially when they assume the connotations of externalisation and materialistic ostentation. Superfluity is among those six elements (together with excellent quality, high price, shortage, aesthetics and heritage) that, according to Dubois, Laurent, and Czellar (2001), help to structure the understanding of luxury. Thomson (1987) has defined luxuries as enjoyable products that are 'by definition' superfluous, and Berry (1994) has pointed out how luxury is superfluous in the sense that it is something we can do without, it is not really needed. Further elements of the relationship between luxury and need have been examined in research by Matsuyama (2002). Certainly, luxury is relative (Kemp 1998); it takes different forms for many different people and is dependent on the mood and experience of the consumer (Wiedmann, Hennigs, and Siebels 2009). Its perception also depends on the social context: what is a luxury for one person can be a need for another (Berry 1994).

First of all, retailers in the fashion luxury field could consider the specific social context where each store is located with the aim of better understanding where the boundaries between necessities and luxury lie. The assortment selected for the stores could be consistent with the idea of emphasising products characterised by attributes which are not functional but more aesthetical or symbolical ones.

Dimensions of internalised luxury

Externalised luxury has a social meaning while internalised luxury is more personal: the former has a 'public aim', while the latter has a 'private aim' (cf. Amatulli and Guido 2011; Bearden and Etzel 1982). While externalised luxury is displayed, internalised luxury, on the contrary, is more individualised. The sphere of internalised luxury is mainly related to luxury as a form of individual lifestyle (Tsai 2005; Vigneron and Johnson 1999; Wong and Ahuvia 1998), emotions and hedonism (Dubois and Laurent 1996; Hagtvedt and Patrick 2009; Kapferer and Bastien 2009; Silverstein and Fiske 2003; Vigneron and Johnson 2004), and culture (Atwal and Williams 2009; Beverland 2004; Dubois and Duquesne 1993; Fionda and Moore 2009; Godey and Lagier 2003; Okonkwo 2009).

Individual lifestyle

Proposition 4: Customers may buy luxury products only when they truly match their personal lifestyle; in this case, retail managers have the opportunity to focus on the representation of the brand lifestyle throughout the store.

When purchasing luxury does not have an externalisation purpose, it is linked more to a 'style' or, better, to an 'individual lifestyle'. Considering that an individual has two 'faces' – an exterior (social) one and an interior (private) one (Tsai 2005) – each person, according to his/her own personality, can let one of these two sides prevail over the other when making purchasing decisions (Jamal and Goode 2001; Sirgy and Johar 1999). Individuals oriented to internalised luxury strengthen their inner self and show a personality that is more attentive to the 'private' self rather than the 'public' one, pursuing coherence between the product image and their inner self – that is, between products and personal attitudes and values (e.g. between luxury brands and individual lifestyles). Internalised luxury consumption, intended as an expression of the individual's lifestyle, is based on the subjective conception of beauty and, therefore, on the individual aesthetic perception (i.e. one's personal aesthetic sensibility).

Usually, a brand is defined as luxury when it has already become representative of a certain lifestyle. Based on the above-mentioned proposition, retail managers should therefore gather information and determine the lifestyle attributes of their own target market (or customer-base) and then compare it with the lifestyle represented by their brands, with the aim of analysing consistencies and/or contradictions. Retail managers should reach a congruity between the brand's values and their target customers' self-image; so that the choice of the store location could be based on the selection of areas where potential shoppers are identified considering psychographic variables. Retailers should focus more on the opportunity to satisfy customers' expectancies through the presentations of items that can really match their individual style, without imposing their products but leaving their customers to take their own decisions and with all the time that they need. Luxury retail managers could plan store format, size and space location, taking into consideration that the mono-brand stores should contain the entire world of the brand, all product categories of the company, with the aim to communicate the brand lifestyle. Retail marketing activities could be developed to emphasise the opportunity for customers to express themselves through the brand. The retail

atmosphere, the psychological feeling customers get when visiting the stores, should ensure an internalised perception of luxury. Also in this process, the sales personnel should play a crucial role. Customers that buy luxury items for individual lifestyle and not just for status pay more attention to the quality of the products; from expensive items they expect a very high-quality level. Therefore, they also assess the value for money of the items and the store atmosphere before purchasing them. For retail managers this means that they should emphasise the high quality of assortment and stores, together with the fair price of their branded products.

Emotions/hedonism

Proposition 5: Luxury goods may be bought because they convey emotions and pleasure to the customer; in this case, retail managers should especially improve the in-store customer experience.

As described by Hagtvedt and Patrick (2009), consumers are increasingly motivated to pursue products that provide emotional benefits. Therefore, a new type of luxury consumer is emerging (Dubois and Laurent 1996; Silverstein and Fiske 2003): one who does not relate to luxury in the traditional way, a consumer who is not particularly rich, but is, nonetheless, willing to pay a premium price for a purchase that provides a unique emotional experience. In this case, something could be described as luxury that is not necessarily sumptuous and not even reserved to a privileged few. Vigneron and Johnson (2004, 490) have pointed out that 'luxury-seekers are considered hedonic consumers when they are looking for personal rewards and fulfilment acquired through the purchase and consumption of products evaluated for their subjective emotional benefits and intrinsically pleasing properties, rather than functional benefits'. Kapferer and Bastien (2009) have argued that luxury should have a very strong personal and hedonic component; otherwise, it is no longer luxury but simple snobbery. The internalised consumption of luxury follows the concepts of Hirschman and Holbrook (1982) regarding hedonic consumption based on consumer behaviour linked to a multi-sensory approach (cf. Lageat, Czellar, and Laurent 2003), to sensory gratification and sensory pleasure and to the experience connected to the act of purchase and the product use. Most purchases of luxury products are motivated by hedonic reasons, the pursuit of emotions and pleasure (Dubois and Laurent 1996), what Tsai (2005) has defined 'self-directed pleasure', or an intense and self-determined experience (Snell, Gibbs, and Varey 1995). Vigneron and Johnson (1999) have stressed that this personal pleasure is sought primarily by consumers with a personal orientation to the purchase of luxury goods.

As a consequence of the above, retail managers have the opportunity to offer great shopping experiences to their customers. They can focus on the management of retail stimuli with the aim of providing the intended emotional involvement. In particular, retail managers could take coordinated decisions about the type of store and its location; they could improve the effects of the retail atmosphere, working for example on the welcoming, design, scents, music and temperature that characterise the store (cf. Verhoef et al. 2009). Retailing elements such as store layout, lighting and architecture could be developed with the aim of better engaging customers emotionally. Retailers could also add value to the shopping experience by planning specific strategies in terms of assortment (considering variety, uniqueness and quality), price (markups, price ranges, skimming strategies) and relationship with the customer (loyalty programmes, special promotions, in-store events).

Culture

Proposition 6: Cultural capital increases the taste for appreciating luxury items, so that the relationship between luxury and culture is usually strong. Therefore, retail managers could emphasise culture as one of the main brand values.

If externalised luxury deals with income and the flaunting of it, internalised luxury is more closely linked to cultural aspects (e.g. knowledge, education, beliefs, morals and other capabilities). Okonkwo (2009) has underlined that luxury is a culture and a philosophy that requires understanding before the adoption of business practices. Moreover, Beverland (2004) has included culture as one of the main assets of a luxury brand, which are: product integrity, value driven emergence, culture, history, marketing and endorsements. Fionda and Moore (2009) include culture in the nine components of a luxury fashion brand (heritage, exclusivity, premium price, design signature, product integrity, marketing communications, clear brand identity, culture, environment and service), emphasising also the relevance of the culture of the luxury brand, identified as the expertise behind the trademark. Among the personal values linked to luxury purchasing, Dubois and Duquesne (1993) have broadly addressed the role of culture in the purchase of luxury products by putting the cultural factor into correlation with income, in order to observe how these two variables influence luxury consumption. Few studies have examined the relationships between the luxury sector and culture; in particular, the relationship between luxury and art has been treated by Godey and Lagier (2003) who observed both topics from the point of view of the aesthetic experience. Both in luxury and in art, experience has indeed a decisive role (cf. Atwal and Williams 2009).

Building from these insights, retail managers of fashion luxury companies should emphasise the culture (e.g. in terms of heritage, arts, craftsmanship, research and managerial knowledge) which lies behind the brand. This would be possible, for example, through specific videos showed on screens within the store, sales personnel trained to point out the cultural aspects of the company and its expertise in luxury product development, in-store cultural events, co-branding events in collaboration with artists, museums or other high-end companies. As some luxury companies already have done, fashion retailers could create specific spaces within their own store completely dedicated to cultural events (see for example the Louis Vuitton Espace Culturel in the Vuitton's flagship store on the Champs Elysées in Paris); this would improve the association of the brand with cultural values. Another implication for managers relates to the opportunity to recruit a highly educated and expert sales force able to point out that all cultural dimensions of the brand represent added values for the customer. It would also be useful to select locations based on the presence in the area of museums, exhibitions, cultural spaces and points-of-interest. Furthermore, given that greater attention has been given to the behavioural dimensions of online fashion shopping (Newman and Foxall 2003), retail managers could also use their company's website to convey all cultural brand values to the customer.

Conclusions

The theoretical framework that emerges and the specific dimensions (constructs, meanings, interpretations, goals, signs and messages) associated to the two opposite approaches to luxury could be considered from several retail marketing perspectives.

Usually, consumers are typecast based on socio-demographics; in luxury, it would be also useful for retail managers to create the ideal shopping experience based on the externalised/internalised segmentation. Table 4 summarises the main implications that the two opposite consumption approaches and each corresponding dimension could have for luxury fashion management retailing.

Nowadays, the opportunity to use the store as a brand and to create a specific, unique shopping experience for the target consumer is a crucial point for luxury retail managers to reach communication and branding objectives in luxury companies by focusing attention on fundamental consumer purchase motivations (Carpenter, Moore, and Fairhurst 2005). Luxury companies could use the concepts, identified in this study, to improve their semiotic architecture, to develop a strategic grid which is consistent with the motives for luxury consumption. From the perspective of retail management, internalised and externalised behaviours can be a valuable segmentation technique for managers in the luxury business. Targeting one of the two consumer groups is helpful in developing retail strategies that are more aligned with the group's wants, desires, tastes and preferences. In particular, some operative implications are related to the tailoring of products, brand values and communication messages towards the subjective, self-rewarding and 'internalised' consumption approach or conversely towards the social-oriented and externalised approach. So far, little effort has been made to distinctively attract internalised and externalised luxury customers, but it seems that the internal motivations are predominating (Truong 2010). At the same time, some clear differences (in terms of purchase motivations) between different luxury markets are emerging (Wong and Ahuvia 1998).

This study calls for an adaptation of luxury retail strategies and operations to consumers' luxury goods approach: practitioners could segment clients considering their internalised or externalised luxury orientation and consider this dichotomy in all retail strategies (e.g. for making more efficient in-store communication activities). Retail managers can increase the effectiveness of product presentation by targeting consumers with specific sales strategies, cross-selling and up-selling development programmes. When designing merchandising plans, promotion programmes, advertising campaigns or Customer Relationship Management (CRM) activities, the main question should be: 'To what kind of luxury is our customer attracted?'. In this respect, managers have to understand, for example, if their customers are more materialistic or hedonistic, if they buy luxury goods for status symbol or for an individual pleasure, if they look for a multi-sensory approach or not, if they like to show off the logo or not and if they like advertising campaigns full of social signifiers or are more oriented to understatement, moderate meanings and manners. Retail marketing managers can obtain better results by optimising synergies among elements of the marketing strategy, the brand communication and the marketing strategy mix.

In particular, within a concentrated marketing approach, a luxury retailer could tailor its strategy to one distinct consumer group that buys luxury more for status, or, on the contrary, for individual lifestyle, managing the luxury dichotomy through two major elements: the product assortment and the attitude of the sales force. In both cases the retail strategy – more internalised or externalised oriented (according to the specific case) – must be in line with the brand identity of their customers. As already discussed, one of the main issues concerning assortment is related to logo prominence. Managers should consider that customers that do not buy luxury goods for status

Table 4. Some of the main implications of the luxury dichotomy on retail management.

Consumption approach	Dimensions/customer's needs	Retail management implications
Externalised luxury	<ul style="list-style-type: none"> ● Ostentation 	<ul style="list-style-type: none"> ● Prestigious locations in prestigious areas. ● Pompous stores, store signs emphasising the brand codes (internationally recognised brand). ● Assortment selection based on expensive items (very expensive items as main part of the assortment). Trend setters and iconic items as important part of the assortment. Merchandise showing off the logo. Assortment continuously renewed (innovativeness). ● Sales force able to emphasise the prestige of the brand and products as 'must have' items (snobbery need). The personnel should also be able to emphasise the conspicuousness of the brand's mark on the product. ● Open or semi-closed windows to make clients visible to others while shopping. ● 'Rarity principle' and 'scarcity principle' managed to emphasise a sense of uniqueness and exclusivity. ● Cross-selling and up-selling strategies. ● Visual merchandising emphasising the consistency among the items of the collection. ● Sales force able to point out the big amount of products offered by the brand and to emphasise the necessity to own more than one single item of the same collection. ● Understanding of the specific social context of each store, and in particular of the target customer. ● Assortment and sales force emphasising the non-functional attributes of the product, privileging the aesthetical and symbolical meanings (purchases that go beyond basic needs).

(continued)

Table 4. (Continued).

Consumption approach	Dimensions/customer's needs	Retail management implications
Internalised luxury	<ul style="list-style-type: none"> Individual lifestyle 	<ul style="list-style-type: none"> Intimate but highly involved experience (discreet store ambience/architecture, worm and intimate involving store atmospherics based on the brand lifestyle). Sales force able to point out the value of the offer without pushing the purchase. Sales force able to understand the lifestyle of the customers and the corresponding right products for them. Sales force able to greatly follow customers during their shopping experience also leaving them the time to find the best product for themselves. Assortment based on high-quality products. Assortment based on fair price items (value for money). Sales force able to interact with the customers emphasising product quality. Extensive customer service. Sales force able to welcome and follow customers in their store visit in the most pleasant way.
	<ul style="list-style-type: none"> Emotions/hedonism 	<ul style="list-style-type: none"> Merchandise organised within the store with aim to be directly experienced by the clients. Store concepts able to make customers living a pleasant and memorable experience. In-store marketing tools for stimulating all senses of the customers (e.g. scent and music). Specific strategies concerning for example store layout, lighting and architecture.
	<ul style="list-style-type: none"> Culture 	<ul style="list-style-type: none"> Loyalty programmes, events hosted in the store. Necessity to cultivate customers' interest through cultural initiatives. Opportunity to emphasise in the store the culture behind the brand (e.g. presenting videos regarding the handmade productions or the history of the company). Specific retail spaces completely dedicated to cultural events. Co-branding activities and events, in collaboration with brands strongly established in the cultural/artistic field. Choice of the locations also based on the presence in the area of cultural attractions, places, or stores. Development of websites not only as online stores but also as platforms to associate the brand to cultural values.

symbol are willing to pay a premium to have ‘quiet’ goods without a brand mark (Han, Nunes, and Drèze 2010). Bottega Veneta’s bags are a good example of luxury hidden-logo items; the logo appears only on the inside. Regarding the sales force attitude, luxury companies should, for instance, focus on developing ad hoc training programmes aimed at improving sales staff ability to emphasise product and brand elements that better fit the internalised or externalised dimensions. It is notable that the retail elements mostly requiring adaptation regard: the store atmospherics, the assortment and sales force role and training. Given that luxury fashion is not excluded from online opportunities, retail managers should also be able to combine a strong retail and online presence to generate significant brand growth opportunities.

Limitations and further research

This work is not without limitations. First, this is a conceptual paper based on a review of the literature. As in similar studies based on literature review, desk analysis was conducted, through international literature sources. Although this study is qualitative, results can provide crucial insights for understanding the state-of-the-art of research on luxury consumption and for designing more customised luxury retail strategies. Second, we have presented a series of major dimensions selected from the literature and the relative propositions, but we do not assess them individually to test validation.

Table 5. Propositions of the luxury dichotomy dimensions and the main retailing elements involved in the corresponding managerial implications.

Externalised luxury	Internalised luxury
<p><i>Ostentation</i> <i>P1:</i> Luxury goods may be purchased with the aim to show off wealthy; in this case, retail managers should emphasise the high price of the branded products and their value as status symbols.</p> <ul style="list-style-type: none"> ● Location, store design, atmospherics, assortment, sales force. 	<p><i>Individual lifestyle</i> <i>P4:</i> Customers may buy luxury products only when they truly match with their personal lifestyle; in this case, retail managers have the opportunity to focus on the representation of the brand lifestyle throughout the store.</p> <ul style="list-style-type: none"> ● Store ambience, store communications, sales force, assortment.
<p><i>Materialism</i> <i>P2:</i> Luxury goods may be purchased with the belief that possession of many material objects is essential; in this case, luxury retailers should emphasise the importance of quantity of luxury goods purchased and owned.</p> <ul style="list-style-type: none"> ● Selling techniques, visual merchandising, sales force. 	<p><i>Emotions/hedonism</i> <i>P5:</i> Luxury goods can be bought because they convey emotions and pleasure to the customer; in this case, retail managers should especially improve the in-store customer experience.</p> <ul style="list-style-type: none"> ● Merchandising, sales force, store concepts.
<p><i>Superfluosness</i> <i>P3:</i> Luxury goods may be purchased with the belief that they have symbolic value because they are superfluous and not necessary; in this case, luxury retailers should emphasise the benefits of the branded products that are over the mere functionality.</p> <ul style="list-style-type: none"> ● Market research, sales force, assortment. 	<p><i>Culture</i> <i>P6:</i> Cultural capital increases the taste for appreciating luxury items, so that the relationship between luxury and culture is usually strong. Therefore, retail managers could emphasise culture as one of the main brand values.</p> <ul style="list-style-type: none"> ● Space planning, use of technology, co-branding, in-store events.

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There are a couple of associated areas that could be considered primarily for future research. In particular, all propositions presented in this paper could be empirically analysed with the aim of assessing their validity and understanding possible relationships and influences between them. Table 5 summarises the propositions of the luxury dichotomy dimensions and the main retailing elements involved in the corresponding implications.

Future research should probably empirically test some important theoretical implications coming from this luxury dichotomy, which appear to be in line with a new explanatory framework for consumers' satisfaction, namely the *Knowledge-Hope Model* recently developed by Guido (2010; see, also, Peluso 2011). This model hypothesises two routes for satisfaction, one – which is very similar to that which happens for externalised luxury – that is initiated by a salient stimulus, incongruent with a potential customer's expectations; and another route – which is very similar to that which happens for internalised luxury – that is initiated by a relevant stimulus, congruent with a potential customer's expectations. Investigating this dichotomy cross-culturally would provide further insights into cultural differences in the consumption of luxury. It is crucial that researchers continue to explore how retail strategies specifically developed for those two consumption approaches could affect the customer brand experience within the store. Analysing customers of specific luxury brands could provide some examples of retail experiences that concern the internalised or the externalised luxury approach, thus assisting retailers in determining how targeted strategies can improve the in-store performance of luxury brands.

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