

**THE IMPACT OF THE VISUAL MERCHANDISE DISPLAY ON
CONSUMER PURCHASES OF LUXURY BRANDS: THE
MODERATING ROLE OF CULTURAL CAPITAL**

By

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Dedicated to my nephew Aristotelis

“Someday, all department stores will become museums, and all museums will become department stores.”

Andy Warhol

[Twitchell, 2004: p. 227]

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ABSTRACT

This thesis argues that Visual Merchandise Display (VMD) can enhance the consumers' intentions to buy luxury brands and this influence is stronger for consumers with higher cultural capital (CC) than for those with lower CC. Although contemporary research in the luxury retailing literature explores, qualitatively, the role of museocological product presentation techniques in building and sustaining a luxury brand image, it does not consider that people can differ in their ability to decode or appreciate such display techniques. This thesis builds on this emerging research by empirically and quantitatively investigating in four studies the impact of VMD on consumer purchase intentions and the moderating role of CC. Furthermore, it attempts to explain this effect by adopting a consumer-style-of-processing approach. The first study uncovers one mechanism that explains how a combination of high-image VMD cues that form a museum-like display affects the consumers' luxury brand purchase intentions. A symbolic art-infusion effect is explored and the empirical findings support the prediction that a museum-like display can improve the consumers' purchase intentions by increasing the luxury perceptions and by lowering the perceived personal risk of the brand on display. The second study develops a psychometric scale to measure CC. The third study re-estimates the basic model after introducing into it the measure of CC. The strength of the basic relationships was found to be contingent on CC, suggesting that consumers with higher CC tend to be more strongly influenced by the store environment cues. The last study attempts to explain this effect. The empirical evidence suggests that consumers with higher CC are, in general, more responsive to store atmospherics and engage in a holistic style of processing the product on display. Thus, even in moderately inconsistent, high-image store environments, consumers with higher CC can appear more confident to purchase.

Key words: visual merchandise display, luxury brands, perceptions of luxury, personal risk, contagion theory, cultural capital

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List of Abbreviations

AL - adaptation level	MVS - material values scale
AM - art and music	PCA - principal components analysis
ATCA - Attitudes towards Cultural Activities	PF - perceived fit
CC - cultural capital	PI - purchase intentions
CI - confidence interval	PIAA - participation in artistic activities
CVPA- centrality of visual product aesthetics	PICA - Participation in Cultural Activities
EC -economic capital	PISA - participation in social activities
ECT - expectation confirmation theory	PL - perceptions of luxury
EFT - embedded figures test	PQR - product quality risk
FK - fashion knowledge	PR - personal risk
FR - financial risk	PR - personal risk
HSOP - holistic style of processing	SAR - store atmospheric responsiveness
IP - intellectual pursuits	S-O-R - Stimulus-Organism-Response
MCA - multiple correspondence analysis	SPL - store perceptions of luxury
	VMD - visual merchandise display

CHAPTER 1 INTRODUCTION

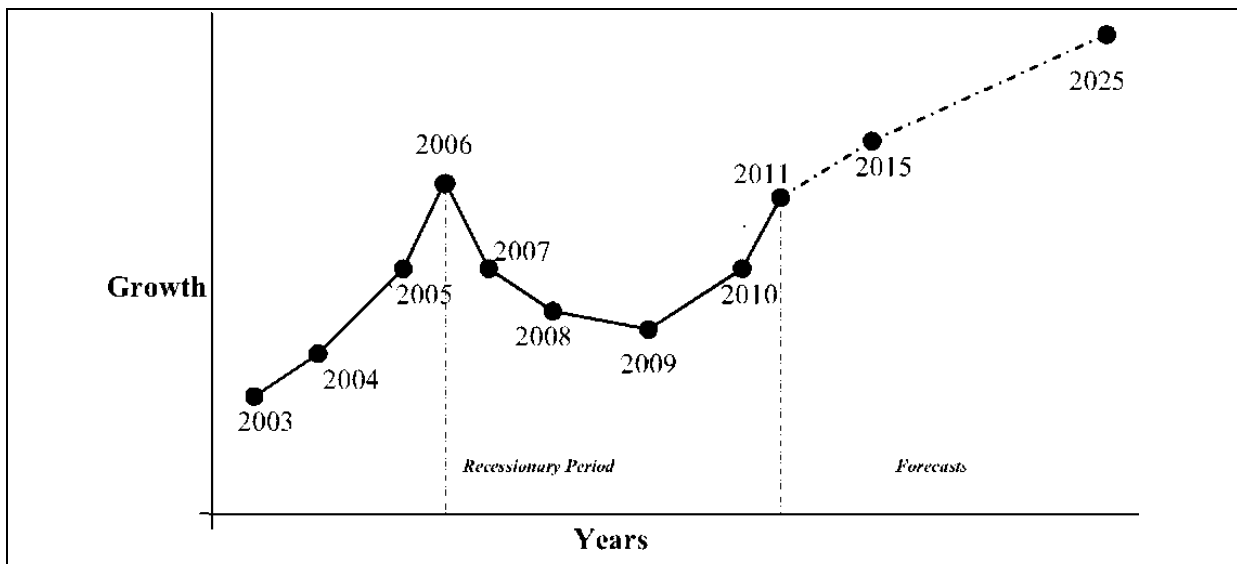
1.1 Overview

This chapter aims to familiarise the reader with the topic of my research and outlines a number of the reasons that have motivated it. This research motivation, together with the existing gaps in the marketing and retailing literature, has generated a number of research questions which I have attempted to address. Specifically, the present study investigates the impact of Visual Merchandise Display (VMD)—which concerns the organisation of the store environment elements that are used to visually present a product to consumers—on consumer purchases of luxury brands and explores the role of consumers’ cultural capital (CC).

1.2 Research Area and Research Motivation

The present study is motivated by the fact that experts predict that the luxury goods sector will grow into a trillion-dollar industry by 2025 (see Figure 1.1, Green, 2011). Specifically, many analysts expect that the growth in the UK luxury market will mainly come from international travellers, and from wealthy and fashion-conscious consumers coming to the UK from developing countries (Parry, 2011).

Figure 1.1: Growth in the luxury market



(Source: Green, 2011)

However, the share of so called ‘aspirational’ luxury consumers has fallen, mostly as a result of the global economic recession (Stevens, 2008; 2010). Thus, luxury brands are increasingly focusing on attracting the ‘savvy’ and ‘knowledgeable’ segment of society (Stevens, 2008;

2010). However, the broader distribution and mass production practices have hampered the consumers' perceptions of luxury and reduced their perceived difference between luxury and non-luxury brands (Stevens, 2008; 2010). The battle has now been transferred to the field of 'experiences'. Since luxury brands can no longer proudly display the superiority of their quality and craftsmanship, their marketing has started to focus on elements that generate a luxury experience to satisfy the consumers' senses in every encounter with their brand. Hence, now more than ever before, understanding what influences the consumers' luxury brand perceptions and anticipated risk, and developing strategies to facilitate and maintain this advantage in the marketplace have become important issues for luxury brand managers.

While many academics admit to knowing very little about the meaning and the mechanisms of luxury brand consumption (e.g., Joy et al., 2014), recent studies increasingly recognise that the retail environment is a valuable marketing tool for triggering important cues that influence the consumers' brand perceptions, as well as purchase intentions (Bregman et al., 2012). Moreover, researchers argue that up to 90% of environmental cues are perceived through sight (Edwards and Shackley, 1992) and, thus, among all in-store elements, the visual elements are predominant (Davies and Ward, 2005).

A number of real cases about retailers and brand managers who have tried to remodel their offline or online stores to communicate and build a favourable brand image have further motivated the present research. For instance, in 2013, Karen Miller announced a substantial remodelling of its stores, including a change in their look to communicate 'affordable luxury' (Felsted, 2013). Mr. Mike Shearwood, the chief executive of Karen Miller, announced that: *"Everything we do should be luxury except price. That gives you a true point of differentiation."* However, it is still unclear how this can be implemented in a retail store context, and the possible outcomes for the consumers' brand perceptions and purchase intentions are uncertain.

Contemporary emerging research in luxury retailing seems to suggest that in the twenty-first century, fashion and luxury brand consumption is an aesthetically pleasing consumption, induced by visual merchandising techniques able to almost transform branded products into artworks (Dion and Arnould, 2011; Joy et al., 2014). Researchers have recently come up with new terms, such as 'M(Art)World', in an effort to reflect this 'aesthetically oriented strategy' and explain how the elements of art galleries and museums are pulled together into luxury stores to create a concept of exclusivity and emblematic luxury (Joy et al., 2014). However,

despite the researchers' and marketers' understanding of the importance of the visual store environment cues in influencing consumers' perceptions about a product on display, it is unclear which specific store elements form a brand's presentation style that is able to communicate 'luxury' and, mostly, how and why this can improve consumption.

1.3 Gaps in the Literature

The extant literature on store atmospherics, visual merchandising and luxury retailing has informed the present study. However, there are also gaps in the prior quantitative and qualitative research, which together with the researchers' call for further research have motivated my interest to empirically investigate the impact of VMD on consumers' purchase intentions and explore the role of consumers' CC in this retail context. Table 1.1 summarises the identified gaps in the literature.

The early literature on store atmospherics has focused either on the effect of the general construct of store atmosphere and its associated 'physical attractiveness' (e.g., Kotler, 1973; Donovan and Rossiter, 1982; Mazursky and Jacoby, 1986), or on the effect of one (visual) store cue at a time (e.g., Bellizzi et al., 1983; Eroglu and Machleit, 1990; Hui and Bateson, 1991). In the former case, the studies do not provide guidance to retailers because they do not indicate any specific store cues that can cause favourable effects on the consumers' responses. In the latter case, the studies that focused on a single store cue have provided some guidelines to retailers but did not consider the effect of the interactivity between the different store cues. However, these early researchers recognised that in reality the store elements holistically (i.e., together) affect the consumers' responses (Baker et al., 1992; Baker et al., 1994). Hence, Baker et al. (2002) invited more research to identify more store environment cues and test their combined effect on consumers' product and brand perceptions, considering also alternative store settings and product categories, such as the case of luxury brands.

Table 1.1: The identified gaps in the literature that have motivated the present study

Literature on:	Gap(s)	Author(s)
Store	<ul style="list-style-type: none"> Lack of research on the holistic/combined effect of store environment cues on consumers' responses. 	Baker et al. (1992)
Atmospherics	<ul style="list-style-type: none"> The empirical findings need to be verified in different store settings and product categories, such as in luxury brands. 	Baker et al. (1994) Baker et al. (2002)
Visual	<ul style="list-style-type: none"> Descriptive and qualitative research and absence of quantitative empirical evidences. 	Lea-Greenwood (1998)
Merchandising	<ul style="list-style-type: none"> Absence of a systematic examination (empirical research) on the topic of visual merchandising. Absence of a proper qualitative typology of the VMD cues. 	Kerfoot et al. (2003) Davies and Ward (2005)
Luxury Retailing	<ul style="list-style-type: none"> The effect of VMD (in its totality) on brand perceptions and purchase intentions in luxury brands remains unknown. 	Chan and Chan (2008) Dion and Arnould (2011) Joy et al. (2014)
Luxury Retailing	<ul style="list-style-type: none"> There is no research explaining 'how' the museological presentation techniques (or simply museum-like displays) ultimately affect consumers' purchases of luxury brands. The extant research does not consider that consumers' level of CC might influence the intensity of the speculated impact of a museum-like display on consumers' luxury brand perceptions. 	Dion and Arnould (2011) Joy et al. (2014)
Contagion Theory	<ul style="list-style-type: none"> Future research is invited to investigate the contingent role of consumers' familiarity with/knowledge of art on the effect of the presence of art on consumers' perceptions of luxury and evaluations for a product on display. Future research is invited to investigate a symbolic art-infusion effect that does not necessitate the physical presence of an artwork. 	Hagtvedt and Patrick (2008a)
Cultural Capital	<ul style="list-style-type: none"> The absence of a contemporary continuous measure of CC in marketing literature. Fashion knowledge often replaces CC in luxury brand research but is often seen as a crude proxy for CC. There is no research to investigate whether consumers' CC relates to their holistic-analytic style of information processing in product consumption. 	Berger and Ward (2010) McQuarrie et al. (2013) Rossel (2011)

(Source: this study)

More recent studies have addressed some of the issues of the early research in-store atmospherics by investigating, for instance, the effect of a combination of visual store environment cues, coining them as visual merchandising, in a luxury retail context (e.g., Kerfoot et al., 2003; Dion and Arnould, 2011; Joy et al., 2014). However, mainly because of the nature of the topic, their investigation is descriptive or purely qualitative and the quantitative empirical evidence that could confirm the speculated effects is, yet, missing from the visual merchandising literature.

Specifically, the absence of a systematic examination (empirical research) on the topic of visual merchandising is identified (Kerfoot et al., 2003; Davies and Ward, 2005). Accordingly, the VMD elements that form a VMD have not been classified as such and they have not been tested together as VMD. Hence, the literature on visual merchandising misses a proper qualitative typology of the VMD cues, and the effect of VMD, in its totality, on the consumers' brand perceptions and purchase intentions is poorly investigated, especially, in luxury brands (Lea-Greenwood, 1998; Kerfoot et al., 2003; Davies and Ward, 2005; Chan and Chan, 2008).

The luxury retailing literature has lately focused on exploring, but only qualitatively (e.g., through interviews), the effect of museological presentation techniques (e.g., museum-like displays) on luxury brand image (Dion and Arnould, 2011; Joy et al., 2014). Accordingly, VMD cues such as pedestals, shiny display cases, glass cabinets and lighting seem to influence consumers' luxury brand perceptions. However, although the effect of VMD cues that connote a museum-like display on consumers' luxury brand perceptions is speculated, the qualitative findings of these studies need to be systematically organised and, most importantly, empirically (quantitatively) tested to estimate the size of the speculated effect. Moreover, although this qualitative research in retailing suggests certain product presentation techniques to enhance a luxury brand image, it does not provide information on how these cues can ultimately improve luxury brand purchases. Thus, the luxury brand managers and offline or online retailers, who wish to launch, establish, or even reposition their brands in the luxury brand market, actually learn very little on how to implement such product presentation techniques (i.e., what VMD cues to use and why) and what the outcomes in terms of purchases could possibly be. Davidson et al. (1988, p. 73) have argued, for instance, that retailers and brand managers are particularly interested to know how to diminish consumers' perceived risk, because this would be a powerful advantage in building and expanding their market share. In luxury brand consumption, consumers' perceived financial, psychological and social risks, jointly referred

to as the perceived personal risk of a brand choice, constitute a serious constraint for the consumers' decision to buy (Tsiros and Heilman, 2005). Nevertheless, the extant literature offers very little empirical evidence to suggest what VMD cues can ease such consumers' purchase constraints.

Furthermore, and more importantly, although the qualitative research in luxury retailing highlights the role of museological presentation techniques in building and sustaining a luxury brand image, it does not consider that people can differ in their ability (i.e., 'connoisseurship') to decode and appreciate such presentation techniques. However, many researchers agree that an advanced aesthetic experience does not influence everyone to the same extent (e.g., Osborne, 1986). The capacity to receive and decode an aesthetic experience, signal, or message, as well as the interest to develop this capacity further, cannot be the same among all people (Bloch et al., 2003). For instance, Bloch et al. (2003) found that consumers' centrality (sensitivity) to visual product aesthetics influences their product-related responses, such as their product aesthetic evaluations, attitudes and purchase intentions. Thus, two people exposed to the same museum-like display can differ in the extent to which they are affected and, in turn, sufficiently confident to make a purchase. Given that CC is described in the sociology literature and taste theories as the capacity of a person to make 'aesthetic judgements' and display 'good taste', the role of consumers' CC on the effect of store cues that reference the world of art on consumers' luxury brand perceptions needs to be seriously considered.

Hagtvedt and Patrick (2008a), while investigating the effect of the presence of art on consumers' perceptions of luxury and evaluations in relation to a product on display, have made an attempt to test the contingent role of the participant's familiarity and knowledge of art. Although the result did not confirm the contingent role of these variables, which are conceptually very closely related to the construct of CC, the authors recognised that this was possibly because of their homogeneous student sample. This limitation suggests that further research is required because the use of a different or simply larger sample and a more appropriate measure could have uncovered a contingent effect of the consumers' CC in this research context.

However, the marketing literature, to date, misses a contemporary continuous measure to assess consumers' CC. The prior research that uses the concept of CC is mostly qualitative, which tends to set criteria to dichotomise a sample into two groups who are somewhat

arbitrarily classified as people with high or low CC; or, it only approximates CC by assessing the participants' knowledge in a specific field of consumption, which is often a crude proxy for CC and pre-supposes the consumers' interest-involvement in the investigated field of consumption (e.g., Berger and Ward, 2010; McQuarrie et al., 2013). For instance, the literature on luxury brands tends to replace CC with fashion knowledge; nevertheless, the researchers recognise this replacement as a limitation of their studies and a poor operationalisation of the concept of CC (e.g., Berger and Ward, 2010). Moreover, since, to the best of my knowledge, there is no research to incorporate both fashion knowledge and CC together into the same consumer behaviour model, it is questionable whether they indeed operate in the same way and whether fashion knowledge can correctly represent CC in a retail research context because the motives that drive the in-store purchase behaviour of the people who are interested in fashion can differ from that of the people who are interested in art and culture.

The identified limitations actually explain that the effect of VMD on consumers' brand perceptions and purchase intentions is poorly understood. While early studies in environmental psychology (Morrow and McElroy, 1981; Sadalla et al., 1987) and store atmospheric (Baker et al., 1994, Grewal and Baker, 1994, and Baker et al., 2002) apply inference theory to argue that consumers make brand inference based on the high-image or low-image VMD cues that they find inside a store, the more recent retailing literature vaguely talks about a 'magic effect' which is responsible for transferring perceptions of luxury from the VMD cues to the brand on display (Dion and Arnould, 2011). The latter implies the occurrence of a special contagion effect, which Hagtvedt and Patrick (2008a) have called an art-infusion effect. However, to date, studies on contagion have focused primarily on manipulations of the physical connectedness between, for instance, an artwork (or the artist) and the product on display (e.g., Hagtvedt and Patrick, 2008a, Dion and Arnould, 2011). An art-infusion effect, whereby a display mode symbolically (i.e., through similarity) references the world of art and without clear references to specific artworks or artists contaminates the brand with luxury perceptions, is worth empirical investigation because relevant findings can make a novel contribution to the literature on contagion (e.g., Hagtvedt and Patrick, 2008a).

Finally, although many cross-cultural studies have investigated whether culture determines people's holistic-analytic way of thinking and processing of information (e.g., Singelis and Brown, 1995; Gudykunst et al., 1996) and many social psychologists have suggested that even individuals within the same culture can differ in this respect (e.g., Singelis, 1994; Triandis,

1995; Konrath et al., 2009), there has been no research, to the best of my knowledge, to investigate whether consumers' CC relates to their holistic-analytic style of information processing in product consumption. The implications of such evidence would be very important for retailers and brand managers because they are particularly interested in classifying consumers and understanding the way that different market segments think, evaluate, and ultimately purchase.

1.4 Research Question and Research Objectives

Based on the reasons that have motivated the present study and on the identified gaps in the literature, the main research question is formulated as follows:

Do the VMD cues that form a museum-like display affect the luxury brand perceptions and purchase intentions of all consumers equally and positively? Or, are only those consumers with higher CC substantially affected by such display cues?

Although there is one main research question, the present investigation has a number of research objectives, which are outlined as follows:

- ❖ The first objective of this research is to identify a combination of VMD cues that form a museum-like display and to test the impact of this VMD on consumers' purchase intentions in the context of luxury brands.
- ❖ The second research objective is to understand 'how' a museum-like display affects consumers' luxury brand purchase intentions; in other words, to focus on uncovering the process through which this is happening.
- ❖ The third objective is to develop a scale to measure consumers' CC.
- ❖ The fourth objective is to investigate whether, in luxury brand consumption, the effect of a museum-like display on consumers' purchase intentions is contingent upon the consumers' level of CC.

- ❖ The final objective is to explain ‘why’ the consumers’ level of CC influences their store-induced brand perceptions and purchase intentions.

1.5 The Theoretical Framework and the Research Hypotheses

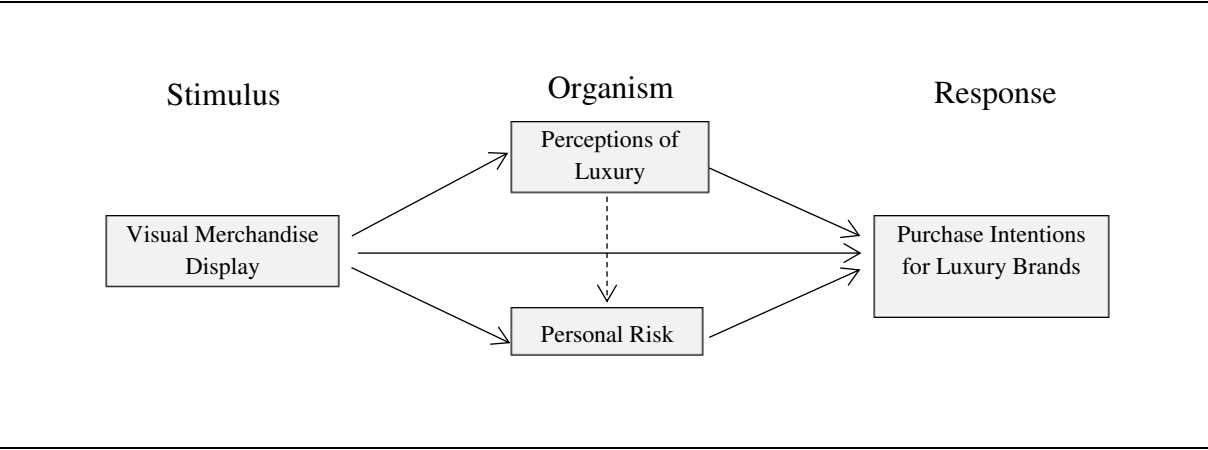
The present study initially relies on two seemingly complimentary theories to explain the effect of a combination of high-image VMD cues that form a museum-like display on consumers’ luxury brand perceptions. Firstly, taking insights from the early empirical studies in environmental psychology (Morrow and McElroy, 1981; Sadalla et al., 1987) and store atmospherics (Baker et al., 1994, Grewal and Baker, 1994, and Baker et al., 2002), this study applies inference theory to argue that consumers can make luxury and risk inferences about a brand on display, based on the high-image or low-image VMD cues that can be found in the store environment. However, special contagion effects also seem to underpin the phenomenon, whereby perceptions of luxury are transferred from a source, which in this case is the museum-like display, to a recipient, which is the brand on display (Hagtvedt and Patrick, 2008a; Dion and Arnould, 2011). Although the present study presents both theories, it finally focuses on a symbolic art-infusion effect to theorise that a museum-like display can symbolically (i.e., without the physical presence of an artwork) reference the world of art through similarity with museums and art galleries, which are the places where the artworks usually reside, and contaminate the brand on display with luxury perceptions that are usually attached to artworks.

To uncover how VMD ultimately impacts the consumers’ purchase intentions for luxury brands, the present study uses Mehrabian and Russell’s (1974) stimulus-organism-response (S-O-R) framework, which is also used by many consumer behaviour and retailing studies to theorise that consumer’s behavioural responses to an environmental stimulus can be explained through the changes in the consumer’s cognitive and/or affective state (e.g., Mummalaneni, 2005; Ha and Lennon, 2010). Accordingly, Figure 1.2 presents the basic conceptual model for this study. In this, VMD (i.e., the visual stimulus) affects the consumers’ luxury brand perceptions and personal risk.¹ In turn, luxury brand perceptions and personal risk, as a

¹ Evidence in the literature, also underpinned by the S-O-R framework, suggests that consumers’ store-based brand perceptions, juxtaposed to consumers’ consumption motive,

composition of affective and cognitive schemas (i.e., organism) can affect the consumers' purchase intentions for the luxury brand on display (i.e., response).

Figure 1.2: The basic conceptual model of the impact of VMD on consumer purchase intentions for luxury brands based on an S-O-R research framework.



The conceptual model in Figure 1.2 refers to the average consumer. However, people differ in ways that can affect the two parallel processes depicted in Figure 1.2. The present study, relying initially on taste theories, supposes that CC reflects a person's capacity to make aesthetic judgements and display good tastes, and can influence the intensity of the impact that a museum-like display has on consumers' luxury brand and risk perceptions, and, ultimately, on their purchase intentions. Moreover, in this retail research context, consumers' CC and fashion knowledge may influence differently the consumers' brand perceptions and purchase intentions due to the different consumption motives of the people who are interested in culture and of those who are interested in fashion brands.

Lastly, the present study adopts a consumers-style-of processing approach to explain why consumers with higher CC can be more affected by the store environment cues when making product purchase decisions. Specifically, the assimilation-contrast theory is used to argue that in a product purchase situation, consumers' level of CC affects their store atmospheric responsiveness and makes them to evaluate a product on display (i.e., the visual stimulus)

shape the consumers' perceived risk (Mitchell and Harris, 2005). Thus, a link between consumers' perceptions of luxury and personal risk can also be theorised.

holistically rather than analytically, considering, apart from the product characteristics, also the VMD cues that are used in displaying it. However, the engagement of such holistic processing mode can also affect consumers' capacity to notice mild inconsistencies in the store's environment. Hence, in a moderately inconsistent high-image store environment, the product evaluations and purchase intentions of the consumers' with higher CC may be higher, as compared of those with lower CC.

Accordingly, and throughout the literature review chapter that follows, 13 research hypotheses will be generated. Table 1.2 summarises these research hypotheses that will be empirically tested to address the research objectives of this study.

Table 1.2: Summary of Research Hypotheses

Study		Hypothesis
<i>H1</i>	1	The VMD cues that form a museum-like display positively affect the consumers' purchase intentions for a luxury brand on display.
<i>H2</i>	1	The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions, through the enhancement of the consumers' perceptions of luxury for the brand on display.
<i>H3</i>	1	The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the decrease of consumers' personal risk for the brand on display.
<i>H4</i>	1	The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the serially linked mediators of perceptions of luxury and personal risk.
<i>H5a</i>	2	The mechanism via which VMD increases the consumers' purchase intentions by increasing the perceptions of luxury for the brand on display, is contingent upon the consumers' CC. Specifically, the effect of VMD cues on luxury brand perceptions is stronger for the consumers with higher CC.
<i>H5b</i>	2	The mechanism via which VMD increases the consumers' purchase intentions by increasing their perceptions of luxury for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on luxury brand perceptions is weaker for the consumers with higher fashion knowledge.
<i>H6a</i>	2	The mechanism via which VMD increases the consumers' purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers' CC. Specifically, the effect of VMD cues on personal risk is stronger for the consumers with higher CC.
<i>H6b</i>	2	The mechanism via which VMD increases the consumers' purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on personal risk is weaker for the consumers with higher fashion knowledge.
<i>H7</i>	2	The mechanism via which VMD increases the consumers' purchase intentions through the increase of perceptions of luxury is contingent on the consumer's CC and not on their fashion knowledge.
<i>H8</i>	2	The mechanism via which VMD increases the consumers' purchase intentions through the decrease of personal risk is contingent on the consumer's CC and not on their fashion knowledge.
<i>H9</i>	3	In a moderately inconsistent high-image store environment, consumers' CC positively affects their purchase intentions for the brand on display.
<i>H10</i>	3	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions through the increase of their perceptions of luxury and the decrease of their personal risk for the brand on display.
<i>H11</i>	3	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their store atmospheric responsiveness.
<i>H12</i>	3	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their holistic style of information processing.
<i>H13</i>	3	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display through the serially linked mediators of store atmospheric responsiveness and holistic style of processing.

1.6 Research Methodology and Research Design

In social sciences two main epistemological orientations are predominant: positivism and constructionism (also referred as interpretivism) (Thomas, 2004). The key differences between these epistemologies are summarised in Table 1.3.

Table 1.3: The main differences between positivism and constructionism

Epistemology (i.e., theory of knowledge)	Positivism	Constructionism
<i>Preferred conceptions of:</i>		
The human world:	Set of natural objects	Set of human meanings
Analytical approach:	Variable analysis	Cultural analysis
Theory of human behaviour/action:	Behaviourism	Symbolic interactionism
Relation between structure and action:	Explain actions in terms of structures	Explain structures in terms of actions
Knowledge:	General, nomothetic, universal	Particular, ideographic, contextual
Data:	Given, found	Constructed
Method of securing data:	Data collection via observation	Data construction via interpretation
Description:	Quantitative measurements	Qualitative descriptions
Explanation:	Statistical relations	Narrative accounts
Causal emphasis:	External to internal	Internal to external
Prediction:	Based on statistical forecasts	Based on understanding of typical behaviour in typical situations
<i>Preferred research approach:</i>		
Research strategies:	Experiment, quasi-experiment, survey	Case study, ethnography, action research
Research methods:	Self-completion questionnaire, structured interview, structured observation, psychological tests	Unstructured interview, participant observation, personal documents (diaries, letters, etc.)
Analytical method:	Multivariate statistical analysis	Hermeneutics
<i>Methodological problems:</i>	Internal validity, contextualization	Generalisation, replication

(Source: Adapted from Thomas, 2004; p. 127)

The present study adopts a positivist approach because this is suitable for exploring the causal relationships between the investigated variables as well as for quantifying the investigated effects (Thomas, 2004). The empirically grounded techniques in the positivist paradigm, according to Thomas (2004), decrease researchers' biases that usually hamper the research process and increase the generalisability of their results.

Regarding the methodological approach of conducting a research, researchers in general distinguish between quantitative and qualitative research. Accordingly, Table 1.4 presents the main differences between these two methodological approaches.

Table 1.4: The mains differences between quantitative and qualitative research

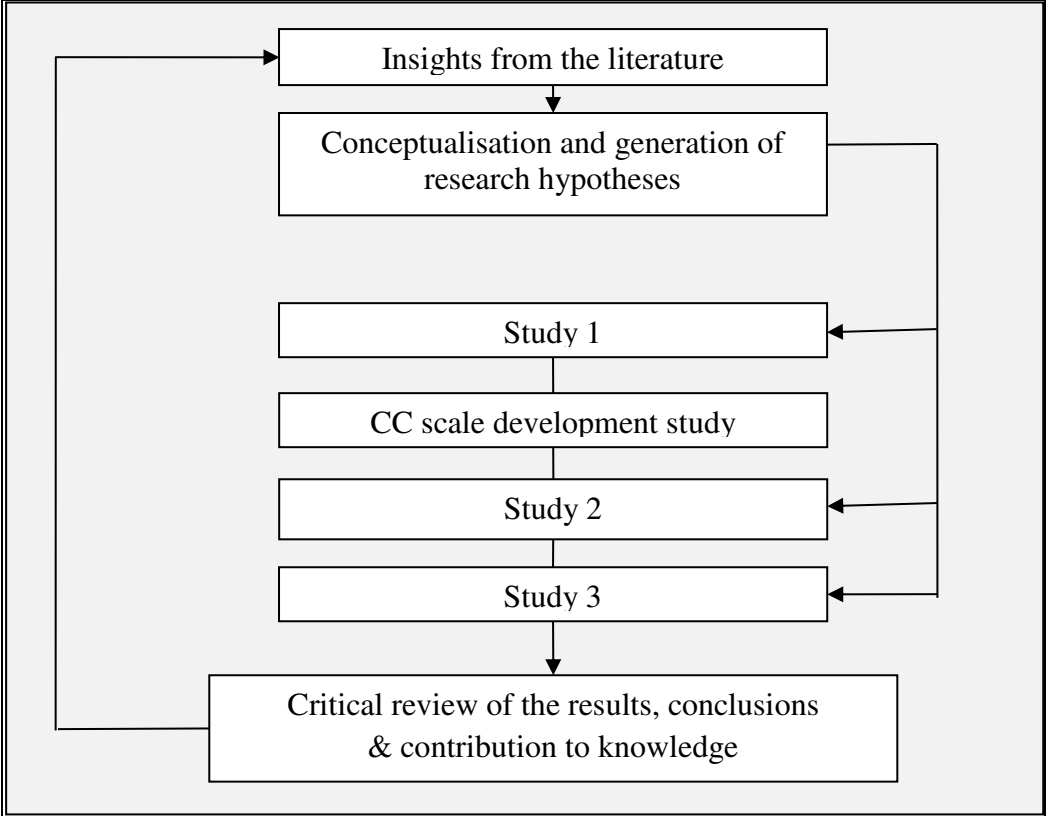
Issues to be considered:	Quantitative	Qualitative
Ontological orientation:	Objectivism	Constructionism
Epistemological orientation:	Positivism	Interpretivism
Data collection:	Pre-coded surveys or other formulaic techniques	Direct, fluid, observational techniques
Data analysis:	Statistical analysis aimed at highlighting universal cause and effect relationships	Analysis focused on context-specific meanings and social practices
The role of conceptual framework:	Separates theory from methods	Views theory and methods as inseparable

(**Source:** Adapted from Marvasti, 2004)

The present study uses a qualitative approach only to build understanding around certain concepts but focuses on the quantitative methodology to test, validate and contribute to extant theories of how certain phenomena which relate to these concepts occur. This quantitative methodology is mostly used by the empirical studies in behavioural sciences that emphasise the data collection and its quantitative analysis (Bryman, 2008).

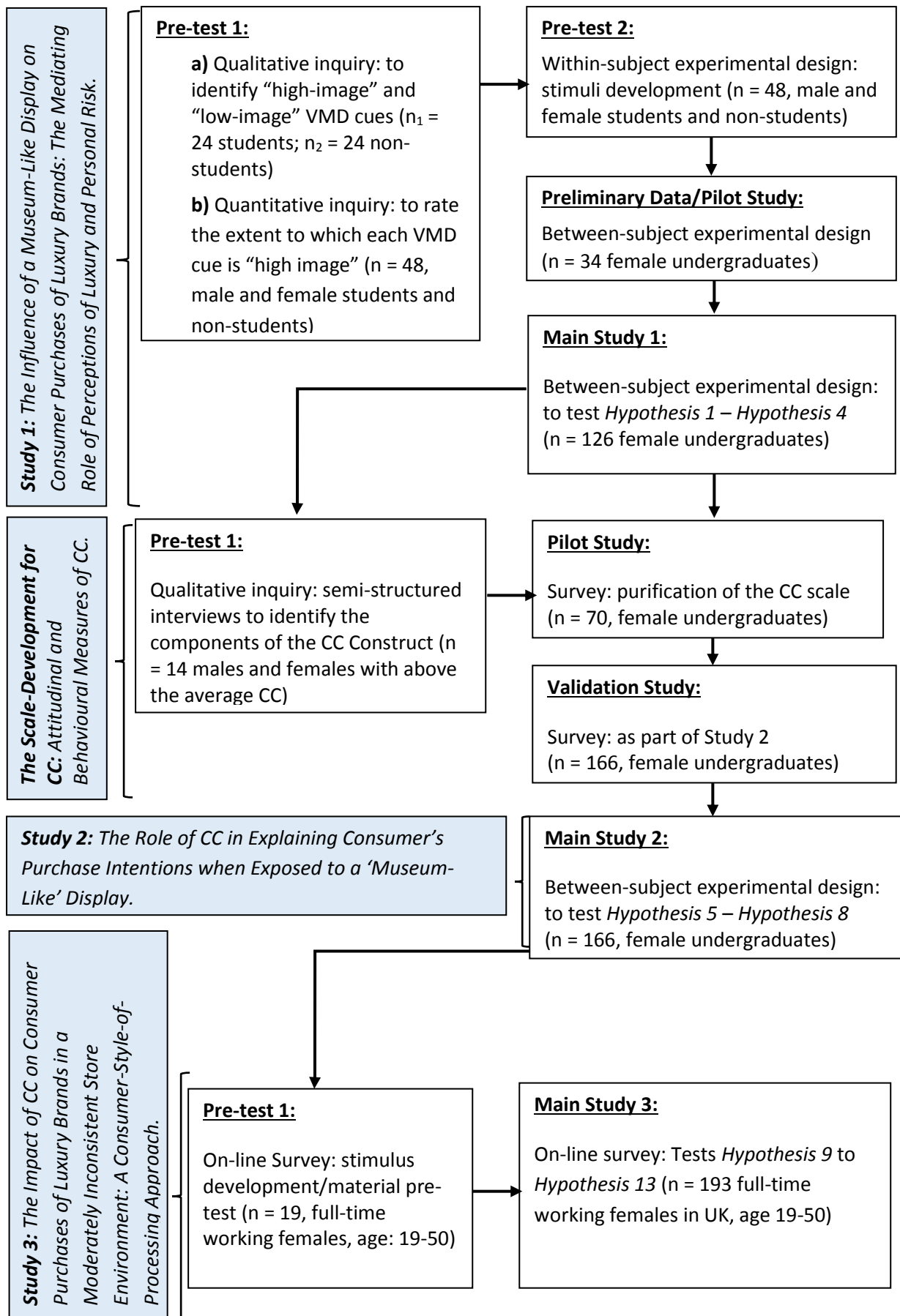
Specifically, the present study's hypotheses are tested by conducting three main experiments. However, four studies in total facilitate the present investigation. The research design, the applied methodology, the sampling strategy and the data analysis technique differ across my studies depending on the objectives of each one of them. Figure 1.3 presents schematically the general research design and summarises the whole investigation while Figure 1.4 presents a flowchart that depicts the sequence of studies and pre-tests/preliminary studies.

Figure 1.3: Schematic diagram of the research design



(Source: this study)

Figure 1.4: A flowchart of the sequence of studies and pre-tests/preliminary studies



1.7 Findings and Contributions

This thesis provides empirical findings and draws conclusions that extend the extant literature on store atmospherics, visual merchandising and luxury retailing.

Firstly, a typology of VMD cues that relate to consumers' perceptions of luxury is proposed and the combined effect of the VMD cues that form a museum-like display, on consumers' luxury brand perceptions and purchase intentions is empirically tested. The quantitative findings of the first study (Study 1) build on the emerging qualitative research in the luxury retailing by providing empirical evidence of a mechanism that explains that a museum-like display increases consumer purchase intentions for a luxury brand by increasing the consumers' perceptions of luxury for this brand which, in turn, decreases the perceived personal risk associated with this brand choice.

Perhaps the most important contribution of this thesis concerns the investigation of the role that CC plays in a retail context. To measure the consumers' CC, this thesis develops and validates two CC scales: one attitudinal and one behavioural that assess attitudes towards and participation in contemporary cultural activities, respectively. Specifically, a scale-development study updates the conceptualisation and operationalisation of this relatively old concept, which often tends to be time and context dependent, and contributes to the marketing literature that is lacking a contemporary continuous CC measure.

The following study (Study 2), after introducing CC, replicates Study 1 and provides empirical evidence to suggest that the strength of the previously identified relationships are contingent upon consumers' level of CC. Specifically, consumers with higher CC, compared to those with lower CC, are found to be more strongly influenced by the VMD cues. Moreover, this study tests the influence of both CC and fashion knowledge by introducing them together into the same model. Interestingly, CC is found to behave differently and to some extent oppositely to fashion knowledge in influencing consumers' store-induced perceptions and purchase intentions, although the latter has been used as a proxy for CC in prior marketing studies.

The last study (Study 3) designs an experiment that modifies the museum-like display environment into an alternative store environment, consisting, in its majority, of high-image VMD cues that do not necessarily entail 'museum-like' connotations. Although in this

moderately inconsistent high-image store context CC is still found to influence consumers' purchase intentions, the size of this effect is now very small. Moreover, the influence of consumers' CC on purchase intentions is no longer explained through the increase in consumers' luxury brand perceptions or the decrease in their personal risk. Two alternative processes are proposed which explain the positive influence of CC on purchase intentions in this store context, namely through consumers' store atmospheric responsiveness and holistic processing style. In particular, the empirical results suggest that consumers' with higher CC are more responsive to store atmospherics and they engage in a holistic style of processing of the product on display (i.e., the visual stimulus). This holistic perceptual style makes them miss mild inconsistencies in the store's environment and appear more confident to purchase, as compared to those with lower CC.

By providing a critical review of the results, the present study adds to the theoretical understanding of the effect of VMD on consumers' brand perceptions and purchase intentions. Accordingly, the results suggest a symbolic type of art-infusion effect, caused by the holistic organisation of certain VMD cues that reference (through similarity) the art institutions, such as museums and art galleries, and, thus, contaminate the brands with luxury perceptions that are usually attached to artworks. The occurrence of such an art-infusion effect might also explain why the impact of these VMD cues is stronger for the consumers with higher CC. Although the last observation needs to be tested in a future study, the present research makes a contribution to the literature on contagion. It suggests that the physical presence and connectedness of an artwork (or artist) with a brand can be unnecessary for an art-infusion effect to occur, when, in a retail context, VMDs symbolically reference the world of art and the places where the artworks usually reside. The present research also makes, to the best of my knowledge, the first attempt to investigate whether consumers' CC relates to their analytic-holistic style of information processing in product consumption. Although only a weak relationship is identified between the consumers' CC and their holistic style of processing in a retail store environment, this investigation uncovers several relevant issues that are worth to investigate further since additional insights on this topic would be of great help for retailers, brand marketers and academics alike.

1.8 Structure of the Thesis

Figure 1.5 illustrates the structure of this thesis.

Chapter 1 – *Introduction*. The first chapter will introduce the research area and it will outline my research motivations and objectives. It will also briefly identify the gaps in the existing literature. The theoretical framework and the research hypotheses are then briefly discussed. A short description of the methodology is presented. Finally, the key empirical findings, conclusions and contributions to the literature are summarised.

Chapter 2 – *The Consumers' Luxury Brand Consumption Motives: The Influence of Perceptions of Luxury on Purchase Intentions*. This chapter analyses the concepts of luxury brands, focusing on the perceived benefits of the luxury brand consumption that determine consumers' luxury brand perceptions and purchase intentions.

Chapter 3 – *The Impact of Visual Merchandise Display on Consumer Purchases of Luxury Brands: The Mediating Role of Perceptions of Luxury and Personal Risk*. This chapter thoroughly reviews the literature on store atmospherics, visual merchandising and luxury retailing. It then, analyses and organises the finding of the earlier quantitative research on store atmospherics, and of the more recent qualitative research on visual merchandising and luxury retailing to propose a typology of the VMD cues that affect consumers' perceptions of luxury. The concept of personal risk in luxury brand consumption is also investigated.

Chapter 4 – *The Moderating Role of CC*. This chapter reviews in detail the literature on CC and reflects on the way that CC has been previously conceptualised and operationalised. The concept of CC as consumers' individual characteristic that determines consumers' centrality to visual aesthetics and influences their responses to store atmospheric stimuli is then explored. Finally, this chapter reviews the styles of processing literature to understand the relationship between consumers' CC and their holistic-analytic perceptual styles.

Chapter 5 – *Study 1: The Influence of a Museum-Like Display on Consumer Purchases of Luxury Brands: The Mediating Role of Perceptions of Luxury and Personal Risk*. This chapter discuss the design and the methodology of the first experiment, reports the findings from the pretesting materials, and presents and reflects on the empirical results from the main study (survey) with 126 female undergraduates from Cardiff University.

Chapter 6 – *The Scale-Development for CC: Attitudinal and Behavioural Measures of CC*. This chapter presents the methodology and the results of the development of two psychometric

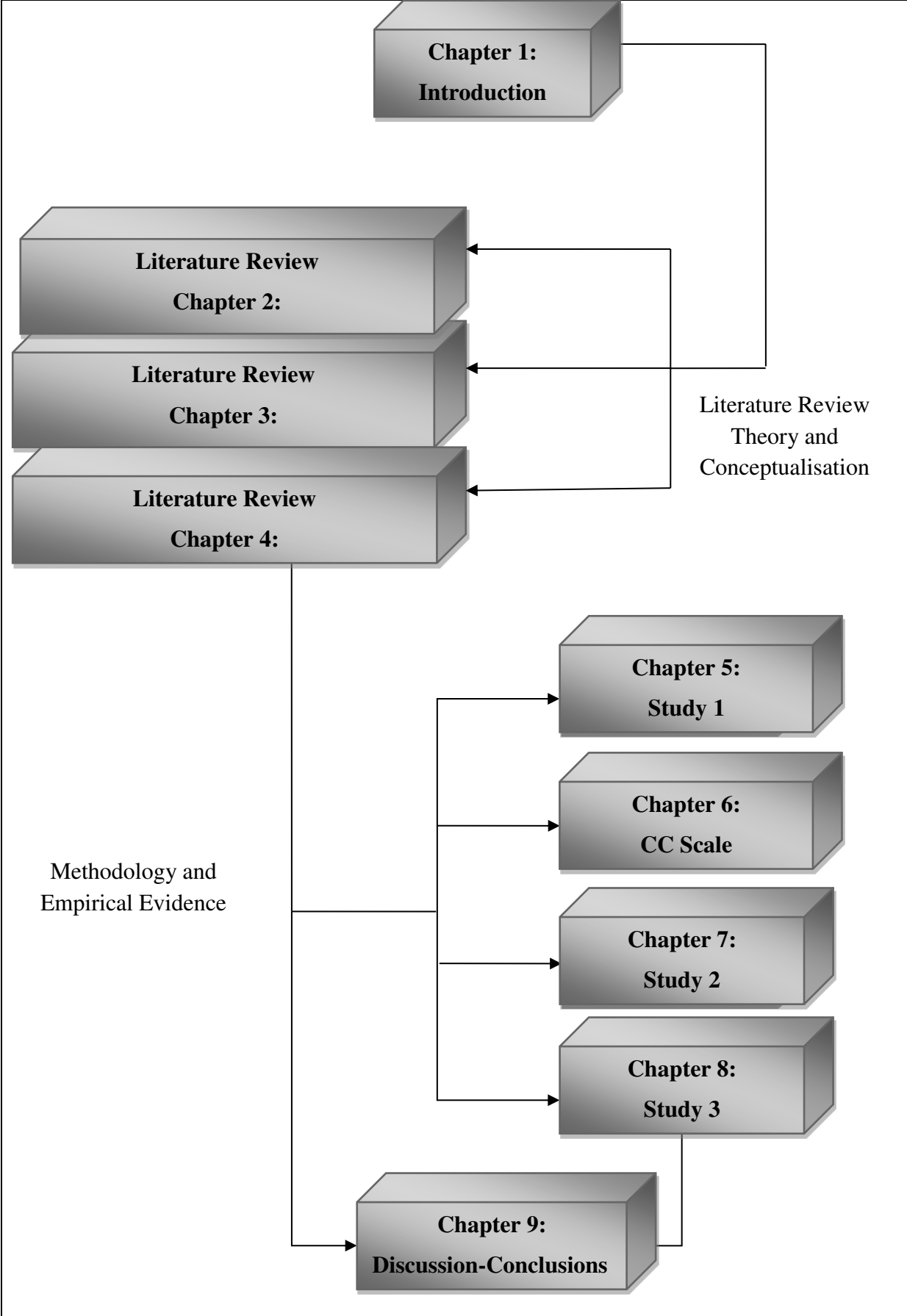
scales to measure consumers' CC. This scale-development study entails both a qualitative phase and two quantitative studies that define, clarify, refine, and validate the instruments using student participants.

Chapter 7 – *Study 2: The Role of CC in Explaining Consumer's Purchase Intentions when Exposed to a 'Museum-Like' Display*. This chapter discuss the design and the methodology of the second experiment, and presents and reflects on the empirical results from an online survey with 166 undergraduate female students who were enrolled in different subjects at Cardiff University.

Chapter 8 – *Study 3: The Impact of CC on Consumer Purchases of Luxury Brands in a Moderately Inconsistent Store Environment: A Consumer-Style-of-Processing Approach*. This chapter discuss the design and the methodology of the third study. It then reports the findings from pretesting the study's stimulus; next, it validates the behavioural and attitudinal measures of CC using an alternative non-student sample; finally, it presents and reflects on the empirical results from the main online survey with 193 full-time working females who reside in the UK.

Chapter 9 – *Discussion and Conclusions*. This chapter draws together the findings from the literature review and the empirical investigation. The results are discussed against the research question/objectives to provide conclusions to the study. The theoretical and managerial contributions are then highlighted and the chapter concludes with the study's limitations and suggestions for future research.

Figure 1.5: The structure of the thesis



1.9 Summary

This introductory chapter presented the research area and the research background of my study. Accordingly, the research objectives and hypotheses of the following investigations were introduced. The methodology, the key findings, and the contributions of this study were briefly discussed. The next chapters explore in detail each of these topics following the structure, which is presented in Figure 1.5.

**CHAPTER 2 THE CONSUMERS' LUXURY BRAND CONSUMPTION
MOTIVES: THE INFLUENCE OF PERCEPTIONS OF
LUXURY ON PURCHASE INTENTIONS**

2.1 Overview

The luxury goods sector is predicted to grow into a trillion-dollar industry by 2025 (Green, 2011). For the UK luxury market, many analysts have attributed the expected growth to mostly come from international travellers and from wealthy and fashion-conscious consumers coming to the UK from developing countries (Parry, 2011). However, as the share of the so called ‘aspirational’ luxury consumers is falling, and the broader distribution - mass production practices seem to be reducing the consumers’ perceived difference between luxury and non-luxury brands, understanding what influences their luxury brand perceptions and developing strategies to facilitate and maintain this advantage in the marketplace, is an important issue for luxury brand managers, (Stevens, 2008; 2010). This chapter introduces and analyses the concepts of luxury brands, focusing mostly on the perceived benefits of the luxury brand consumption and on what determines consumers’ luxury brand perceptions and purchase intentions. Accordingly, the next section aims first to:

- (1) Identify how consumer behaviour theory and branding practices have evolved over time;
- (2) Define the concept of a luxury brand today;
- (3) Identify the consumers’ luxury consumption motives (i.e. introduce the consumers’ key luxury value perceptions) which drive their luxury brand perceptions; and,
- (4) Provide evidence in the literature to support the notion that the consumers’ perceptions of luxury affect their purchase intentions.

2.2 Consumer Behaviour Theory

Consumer behaviour theory constitutes the broader theoretical umbrella under which the present thesis finds its theoretical ground. Bray (2008) gathers into one conceptual (unpublished) paper the theoretical models and approaches that have emerged through the years to explain how consumers make purchase decisions. Although initial conceptualisations were solely based on capturing the consumers’ rationale and conscious incentives (e.g., Zinkhan, 1992), more contemporary researchers in the field have started looking at the same picture through the lenses of psychology and sociology (Solomon et al., 2012). Thus, utility theory, which presents the consumer as a strictly rational decision maker (see Zinkhan, 1992), explains part of the picture but does not explain ‘how’ consumers think, feel and process information during a purchase decision (Blackwell et al., 2001). On the other hand, several

psychological and sociological factors (such as consumers' self-construal tendencies and cultural resources) seem to be needed to explain how the consumers form perceptions, attitudes, and behaviours towards, for example, a product and its brand on display (Solomon et al., 2012).

Bray (2008) advises that Freudian Psychoanalytic Theory (Freud, 1856-1939), Satisficing Theory (Simon, 1997), and Prospect Theory (Kahneman and Tversky, 1979) are examples of theories suggesting that the consumer's behaviour is initiated by 'intrinsic needs' and 'desires' (i.e., psychological motives). On the other side, behaviourism argues that actions, thoughts, and feelings are mainly the learned results of factors external to the individual. Nevertheless, behaviourism has failed to explain why consumers do not all respond in the same way, even after being exposed to the same stimuli (Wegman, 2013). This inadequacy will be addressed in this thesis by investigating the role of individual difference variables, focusing on consumer's CC and style of information processing.

The cognitive approach in consumer behaviour offers an improvement to the above mentioned inadequacy. Bray (2008) refers to Plato, Socrates, Aristotle, and Descartes as building the foundation of cognitive psychology. However, researchers of consumer behaviour only recognised cognitive psychology in the 1950s, when Hebb's Stimulus-Organism-Response (S-O-R) model was introduced and found to be a valuable tool in explaining the consumer's purchase decision process (Furedy and Riley, 1987). This model will be extensively explained later on in this literature review. Although the S-O-R model may seem to imply that the 'organism' (i.e., the individual) is passive towards the stimuli's influences (Eysenck and Keane, 2000), contemporary theorists use inference theory (e.g., Huber and McCann, 1982) to underline the fact that consumers are rather savvy people who use their perceptions, prior knowledge, and past experiences while 'searching' for the information they need when being exposed to a stimulus. Thus, based on this approach, consumers can use environmental and social stimuli as informational inputs which are then processed using perceptions, knowledge, memories, thoughts, and feelings to reach their decisions (Sternberg, 1996). The fact that the cognitive approach portray no more the consumer as a 'super-rational man' or a 'waif of external events', contributed to the dominance of this approach (Bray, 2008).

Moving towards even more complex (analytical) interpretations of the cognitive approach, such as the Theory of Buyer Behaviour (Howard and Sheth, 1969) and the Consumer Decision Model (Engel et al., 1986), culture and social class constitute environmental elements that can also affect consumer's information processing and decision making. The consumers' untouchable resources, such as knowledge, values, and lifestyle choices, also affect the way that they think and act (Blackwell et al., 2001). Moreover, Solomon et al. (2012) describes the consumers' purchase intentions as the combined effect of their attitudes towards a product and the influence of others on their behaviour; the strength of this influence though, depends also on the consumers' individual characteristics (such as their susceptibility to interpersonal influences) as well as on the particular consumption situation and product category (Solomon et al., 2012). Thus, Expectancy-Value models (e.g., Fishbein, 1963), for instance, suggests that, depending on the consumers' individual characteristics, the particular consumption situation and product category, the consumers have certain beliefs about the satisfaction/value that can receive from products / brands but also evaluate certain risks (the possibility of not receiving satisfaction / value) in relation to a specific product or brand choice (Bagozzi, 1985). This determines in the end their attitudes towards this brand (Cohen et al., 1972). Expectation Confirmation Theory (ECT) explains then, that the disconfirmation of such consumer expectations leads to dissatisfaction or increases perceived risk.

To summarise, the theories presented above set the general scene for the conceptualisations in the present thesis, which will be presented in greater detail throughout this literature review. However, research on consumer behaviour continues to evolve. Contemporary researchers in this field have begun turning their attention to a more introspective exploration of the individual reasons that could explain behaviour (Bray, 2008). Thus, a solely cognitive approach may neglect the emotional factors which influence the purchase decision process. Nevertheless, emotional factors can complicate, sometimes unreasonably, a consumer behavioural model while requiring sophisticated data collections techniques, such as eye-tracing machines and so on (Bray, 2008). In any case, the evolution of consumer behaviour research has transformed also the practices that marketers use to communicate their products and build, maintain, and refine their intended brand image.

2.3 Branding Today

The evolution of consumer behaviour research has transformed branding. However, what does branding ultimately mean? According to the American Marketing Association (2015), the term branding usually refers to the orchestrated practices of building certain and intended knowledge (perceptions) around a company's products. In 2008, Market Wire forecasted that branding will tend to focus on innovation. Given that affluent shoppers have already acquired most of the things that they need, the only thing that they truly need is: 'a new and powerful reason to shop' (Stevens, 2008). Thus, branding today is more about providing reasons to buy even to the reluctant consumer. In the special case of luxury branding, the reasons to buy are not based on sales and price discounts but rather on intelligent advertisements and branding messages that underline perceptions of luxury value, such as aesthetic superiority, workmanship, exclusivity and so on (Stevens, 2008).

Tapp and Warren (2010) argue that an emerging tendency of contemporary branding is to subtly communicate the understated cleverness of a brand. This, branding technique only appeals to those consumers who can 'get it' and who are, therefore, considered to be 'insiders'. Indeed, recent research in consumer behaviour points out the subtle ways that branding needs to operate to succeed in signifying the brand user as modest and authentic (e.g., Berger and Ward, 2010). Thus, while branding in the past was mostly informative, focusing on pointing out the competitive advantages of a brand and the superiority of the brand user, branding today is more about sending 'auratic' brand messages which communicate the brand's philosophy, innovativeness, and creativity. As such, contemporary branding engages in actions that may not directly relate to sales but which indirectly set the mechanisms through which consumers who are 'in the know' connect with the brand and become willing to purchase it.

For example, in 2006, the LVMH group—a leading multinational corporation of luxury goods—created the *Fondation Louis Vuitton*; this is a foundation that promotes art and exhibits the work of several contemporary artists to an international audience. Apart from the fact that the foundation's building constitutes an iconic twenty-first century architectural achievement, designed by the American architect Frank Gehry (see Figure 2.1), this action constitutes an important cultural initiative that allows Louis Vuitton to build a mental link between the brand and the world of art, effectively transferring luxury perceptions from the arts' world to the company's brands.

Figure 2.1: Fondation Louis Vuitton in Paris, 2014



(Source: www.fondationlouisvuitton.fr)

2.4 Defining Luxury Brands

According to the American Marketing Association (2015), the term ‘brand’ generally refers to all of the features, names, symbols and so on, but also to the complex philosophies and special meanings which mark and distinguish one company’s products from those of other companies. For example, Nike is widely recognised as a leading American sportswear brand but the name also has a special meaning; it comes from the ancient Greek goddess who personified victory and it is used to express a relevant brand concept.

When referring to a product as a luxury brand though, people tend to attach to it a combination of salient characteristics which raise the consumers’ expectations about the product in comparison to its non-luxury counterparts. The word ‘luxury’ comes from the Latin word ‘luxus’ which means ‘excess’ (Chevalier and Mazzalovo, 2008). According to Chevalier and Mazzalovo (2008), as early as 1607, people were already using the term luxury to describe a way of life full of expenditure which showed elegance and refinement. Later on, the term luxury was attached to objects, to describe something of unique value or high cost, such as an artwork highly decorated with expensive and beautiful materials (Chevalier and Mazzalovo, 2008).

Today, luxury is often associated with excessive sophistication and when this concept of luxury is applied to brands, it seems to be difficult to decide on a coherent luxury brand definition. Many scholars in the marketing literature are increasingly conceptualising luxury brands as an

integrated system comprising a combination of different facets (Beverland, 2004; Wiedmann et al., 2009; Hansen and Wänke, 2011). Although there is no single and explicit definition of what a luxury brand is, many studies seem to agree on some key characteristics. It can be seen from Table 2.1 that luxury brands are associated with perceptions of excellent quality and finesse of craftsmanship, higher prices, prestigious image and it is also associated to uniqueness, exclusivity and scarcity, an aura of authenticity evidenced via a strong brand name and a history of high performance, creativity, aesthetic vision of beauty, and hedonic appeal.

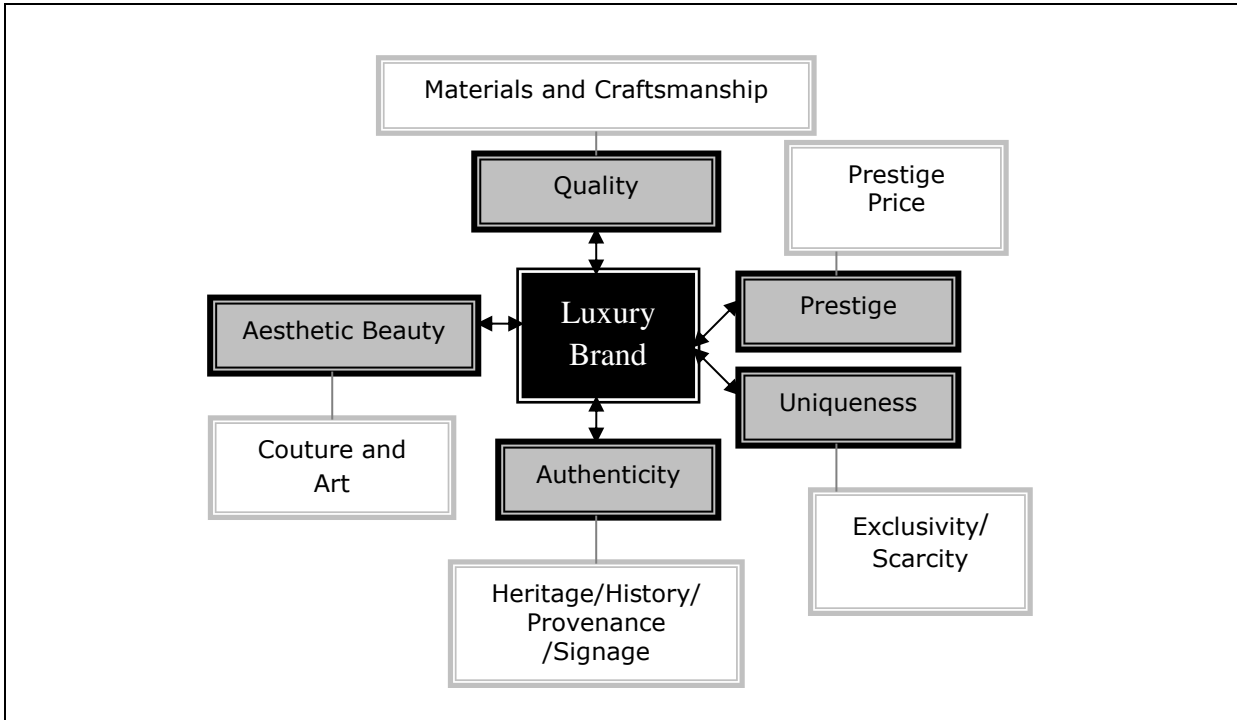
Table 2.1: Defining luxury brands

Author(s)	Luxury Brand
Kapferer (1997)	Luxury brands incorporate the attributes of quality, beauty, sensuality, exclusivity, history, high price and uniqueness.
Nueno and Quelch (1998)	Luxury brands possess the characteristics of premium quality, heritage of craftsmanship, recognisable style, premium price, uniqueness and global reputation.
Dubois and Paternault (1995)	Luxury brands incorporate six elements: excellent quality, high price, scarcity and uniqueness, aesthetics/polysensuality, ancestral heritage, and personal history and superfluosness.
Phau and Prendergast (2000)	Luxury brands involve exclusivity, perceived quality, brand awareness, and well-known brand identity.
Beverland (2004)	Luxury brands encompass a well-known identity, perceived quality, perceived exclusivity, strong culture/strong sense of history, and a general focus on detail.
Tynan et al. (2010)	Luxury brands encompass high quality, expensiveness, non-essentiality, perceived rarity, exclusivity, prestige and authenticity, symbolic and emotional/hedonic values.
Dion and Arnould (2011)	Imperatives for defining a brand as luxury are perceptions of exclusivity (rarity and scarcity), aesthetic and technical superiority/excellence, distinction and singularity, authenticity, association with a charismatic persona (e.g. the artist of the brand) and a vision of beauty.
Miller and Mills (2012)	Luxury brands are associated with high quality and price, prestige, creative excellence, uniqueness, originality, creative imagination and innovative design.
Megehee and Spake (2012)	Luxury brands suggest a configural experiential meaning that combines unique, scarce, aesthetic, authentic, functional, and expensive elements.
Godey et al. (2012)	Luxury brands' common denominators are beauty, rarity, quality, price, and an inspirational brand endorsing the product.

Although such key characteristics may also appear as descriptors of non-luxury brands, Dion and Arnould (2011) suggest that they describe a luxury brand construct when they are engaged

holistically (together) and serve as different facets of a multifaceted concept, as shown in Figure 2.2.

Figure 2.2: Luxury brand construct



(Adapted from: Fionda and Moore, 2009)

But, we need to ask what discriminates luxury from non-luxury? For example, does a ‘luxury brand’ mean simply a ‘high quality brand’ or is it just a ‘premium brand’? If not, then, what determines the difference? As an effort to answer this question, luxury researchers have tried to conceptualise what influences the consumers’ perceptions of luxury value for some time now (Wiedmann et al., 2007, 2009; Tynan et al., 2010; Shukla and Purani, 2012) and marketing studies have started to focus on the drivers of the consumers’ luxury brands perceptions (Vickers and Renand, 2003; Vigneron and Johnson, 2004; Berthon et al., 2009; Hung et al., 2011; Le Monkhouse et al., 2012). In identifying what makes luxury products and consumption important for consumers (i.e., in identifying perceived luxury value), most scholars propose multidimensional conceptualisations that encompass physical, functional, and also psychological elements (Dubois et al., 2005; Wiedmann et al., 2009).

The aim of the next section is to review the literature on the consumers’ luxury consumption motives, to identify the key perceived luxury values (i.e., the reasons explaining why

consumers buy luxuries) that influence the consumers' luxury brand perceptions, and then show that these luxury brand perceptions can influence their purchase intentions.

2.5 Review of the Literature on Luxury Consumption Motives

The marketing literature suggests that the consumers' perceptions of luxury in relation to brands are influenced by the consumers' consideration of what makes luxury consumption, in general, important and valuable to them (i.e., their luxury value perceptions). To help the reader understand, in the next chapter, how the store environment elements affect the consumers' perceptions of luxury in relation to a product and its brand on display, I will first present some background research on the consumers' luxury consumption motives that determine their luxury brand perceptions. In identifying such consumers' luxury consumption motives (mostly referred in the cited literature as perceived luxury value), multidimensional constructs, such as those presented in Table 2.2 have been used in the literature.

Vigneron and Johnson (1999; 2004) distinguish between two major dimensions of luxury value perceptions, namely personal (i.e., luxury value perceptions that concern one's self) and non-personal perceptions (i.e., luxury value perceptions that concern the relationships of one person with others). In particular, they suggest five perceived values that distinguish luxury from non-luxury consumption motives, namely quality value, conspicuous value, social value, unique value, and emotional value. Wiedmann et al. (2007) adopt an even broader perspective to explain that the consumers luxury consumption entails social value (which incorporates conspicuousness and prestige values), individual value (which encompass self-identity, hedonic, and materialistic values), functional value (encompassing usability, quality and uniqueness values), and financial value (price). However, the authors found that among the perceived luxury value sub-dimensions, the luxury's quality and usability value, prestige value, and hedonic value satisfy the consumers' needs that mostly make them buying luxury brands (Wiedmann et al., 2009). Finally, Tynan et al. (2010), and Shukla and Purani (2012) adopt the same conceptualisation, distinguishing between functional values, self-directed symbolic (expressive) values, other-directed symbolic (expressive) values, experiential / hedonic values, and cost/financial values.

Table 2.2: Consumers' luxury consumption motives

Author(s)	Multidimensional Concepts
Vigneron and Johnson (1999; 2004)	Two dimensions of luxury value perceptions: personal (i.e., perceived hedonic value and perceived extended self) and non-personal perceptions (i.e., perceived conspicuousness, perceived uniqueness and perceived quality).
Vickers and Renand (2003)	Luxury brands incorporate a functional dimension but also experientialism (sensory pleasure) and symbolic interactionism (towards desired groups and self-image).
Wiedmann et al. (2007; 2009)	Four dimensions of luxury value perceptions: social (conspicuous and prestige values), functional (usability, quality and uniqueness values), individual (self-identity, hedonic and materialistic values), and financial value (price).
Berthon et al. (2009)	Luxury goods have three distinct value-based dimensions: (1) the objective (material): the functional dimension; (2) the subjective (individual): the experiential dimension (hedonic values); and, (3) the collective (social): the symbolic dimension (in relation to others/to self).
Tynan et al. (2010); Shukla and Purani (2012)	The key luxury value perceptions are: self-directed symbolic/expressive values, other-directed symbolic/expressive values, experiential/hedonic values, utilitarian/functional values and cost/ sacrifice values.
Zhan and He (2012)	Luxury brands provide functional benefits (e.g. quality, materials), hedonic/emotional values, and satisfy social needs (consumers' tendency to conform to social norms) or distinguish oneself from others.
Godey et al. (2012)	Two types of luxury consumption orientation: social and personal. Accordingly, utilitarian, emotional and symbolic dimensions underlie consumers' personal orientation. But, the symbolic dimension of a luxury brand incorporates two sides: symbols of consumers' taste (i.e., social salience) and icons representing certain social groups (i.e., social identification).

(Source: this study)

To conclude, luxury consumption is seen by many researchers as an integrative system of 'functionalism', 'experientialism', and 'symbolic interactionism' (e.g., Vickers and Renand, 2003; Berthon et al., 2009). In the relevant literature though (e.g. Berthon et al., 2009; Tynan et al., 2010; Truong, 2010; Han et al., 2010; Dion and Arnould, 2011; Bian and Forsythe, 2012; Godey et al., 2012), symbolic values seem to incorporate, depending on the individual's identity (Zhan and He, 2012; Kastanakis and Balabanis, 2012) and cultural differences (Bian and Forsythe, 2012), apart from social and conspicuous values, also 'inconspicuous' values which indicate the consumers' need for individuality and uniqueness as symbols of 'good taste' of a handful of people who are 'in the know'. Take, for example, the case of Moynat, which is

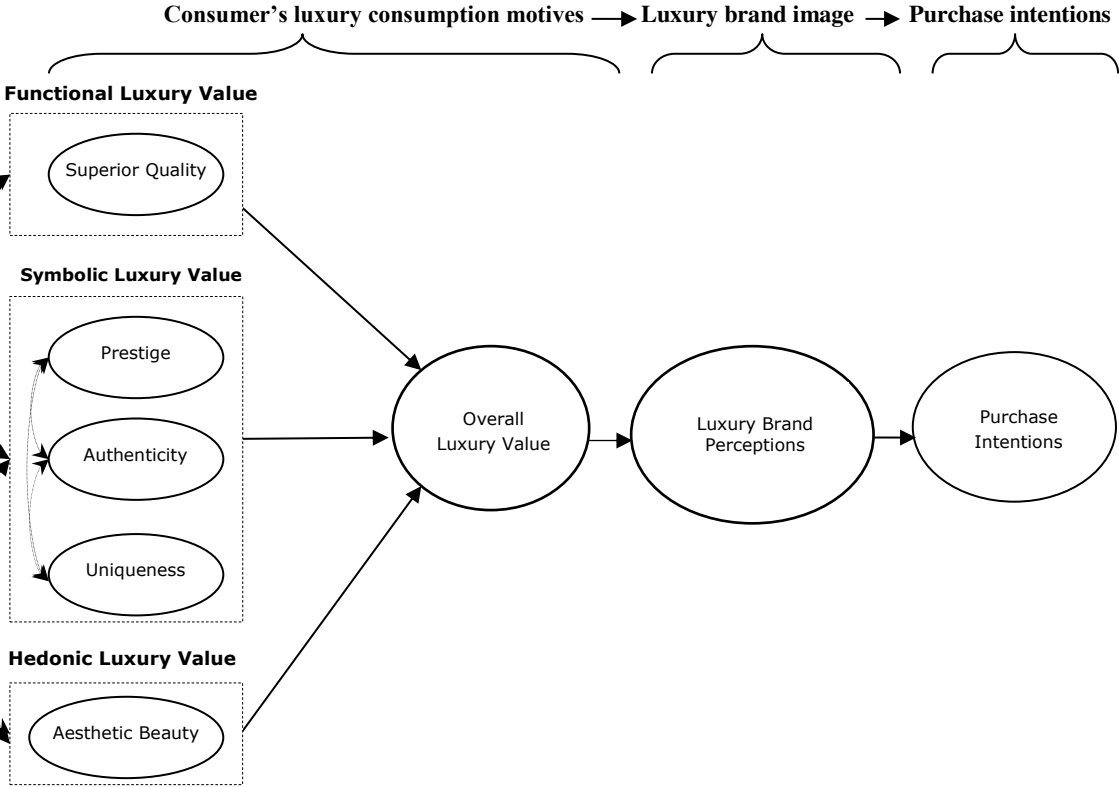
a French luxury brand of suitcases and leather accessories; consumers who buy Moynat buy it knowing that ‘others’ cannot recognise this brand as a luxury unless they also buy that level of luxury.

The next section presents evidence in the literature to argue that the consumers’ luxury consumption motive determine their luxury brand perceptions.

2.6 Luxury Consumption Motives and Luxury Brand Perceptions

Reviewing the luxury literature, it is assumed that consumers buy luxury brands to simply receive their functional, symbolic and hedonic benefits and thus fulfil their functional and psychological needs. These perceived benefits (motives) have been consistently identified among different studies in the marketing literature as ‘perceived luxury value dimensions’. Figure 2.3 schematically presents this literature’s theorisations and shows that functional, symbolic, and hedonic perceived luxury values (i.e., consumption motives) act independently but also interact with each to form the consumers’ overall luxury value perceptions (i.e., the consumer’s overall luxury consumption motives). Such consumer overall luxury value perceptions then determine the consumer’s perceptions-evaluations about a luxury brand (i.e., affects the luxury brand image) which, in turn, affects her purchase intention for this luxury brand (Bian and Moutinho, 2011; Shulka and Purani, 2012).

Figure 2.3: The relationship between luxury consumption motives, luxury brand perceptions and luxury brand purchase intentions.



(Adapted from: Wiedmann et al., 2009; Shukla and Purani, 2012)

Perceived Functional Luxury Value

Consumers associate luxury brands with functional benefits (Zhan and He, 2012), mainly with ‘superior’ quality materials that give a feeling of reassurance of good workmanship (Aaker, 1991; Gentry et al., 2006). Luxury brands can, therefore, be differentiated on the basis of craftsmanship and performance as compared to non-luxury counterparts (Vigneron and Johnson, 2004; Nia and Zaichkowsky, 2000). This consideration affects the consumers’ perceptions of the brand’s overall excellence (Zeithaml, 1988) and integrity, generating perceptions of ‘attention to detail’, ‘credibility’, and ‘product or production integrity’ (Beverland, 2004; p, 453). Gentry et al. (2006) found that in the mind of consumers, product quality also plays an important role in distinguishing counterfeits from original luxury products. Furthermore, it makes consumers perceive that their purchase will be a long-term

investment (Haws and Poynor, 2008), which enhances further its perceived functional/utilitarian value.

Perceived Symbolic Luxury Value

Many researchers tend to discriminate between personal and non-personal or individual and social luxury values/benefits (e.g. Vigneron and Johnson, 2004; Wiedmann et al., 2009). However, the consumers buy luxury driven by symbolic meanings (Berthon et al., 2009; Han et al., 2010; Megehee and Spake, 2012), which entails social value via group affiliation or differentiation (social identification) but which also satisfies individual needs for uniqueness (social salience) (Amaldos and Jain, 2008; Godey et al., 2012). Consequently, social image and self-image are blurred together into a symbolic luxury value dimension that explains the consumers' luxury consumption as an act of creating self-identity while transmitting signals to others (Berthon et al., 2009; Bian and Forsythe, 2012).

According to conspicuous consumption motives, consumers buy expensive things to appear wealthy (Berger and Ward, 2010) and enhance their social image (Mandel et al., 2006). In this case, luxury brands are associated with status and wealth (Li et al. 2012), which is inextricably linked to perceptions of prestige (Silverstein and Fiske, 2003). Thus, status oriented consumers tend to use price perceptions (i.e. expensiveness) as prestige indicators (Berger and Ward, 2010; Amatulli and Guido, 2012; Roper et al., 2013) and the level of perceived superior prestige as a symbolic sign of membership to a reference group (Wiedmann et al., 2009; Truong, 2010).

Nevertheless, the purpose of luxury consumption is sometimes to express 'field-specific knowledge' rather than distinguish oneself from less affluent others (Han et al., 2010; Berger and Ward, 2010; Dion and Arnould, 2011). This 'inconspicuous' luxury consumption indicates the consumers' need to express their self-concepts and individual values and tastes (Kapferer, 1997; Tian et al., 2001; Godey et al., 2012). Thus, through consumption the consumers facilitate a horizontal (versus vertical) differentiation that is almost synonymous to uniqueness. According to Berger and Ward (2010), horizontal differentiation characterises those who wish to distinguish themselves from people with similar status and it almost reaches the concept of uniqueness. On the other hand, vertical differentiation is a status-based differentiation for those

who want to distinguish themselves from lower-status (out-groups) others (Berger and Ward, 2010).

Consumers who desire uniqueness may prefer a brand more, as its price increases (e.g. Amaldoss and Jain, 2005) but mostly as its marketers emphasise scarcity tactics (Lynn, 1991). The perceived uniqueness of a luxury brand then becomes an indicator of its exclusivity (or at least creates an image of exclusivity) and scarcity, which in turn affects the consumers' perceptions of luxury (Dubois and Paternault, 1995; Wiedmann et al., 2009; Zhan and He, 2012; Kastanakis and Balabanis, 2012). In this context, authenticity is also vital (Beverland, 2006) because it provides a symbolic dichotomy between 'true' and 'false' (counterfeits) luxury goods and reveals the buyer's true social identity (Grayson and Martinec, 2004; Beverland, 2005; Peterson, 2005; Leigh et al., 2006; Tynan et al., 2010). Thus, authenticity also endows the symbolic values of uniqueness, distance and 'other-ness' (Tynan et al., 2010; Dion and Arnould, 2011; p. 503). Although the concept of authenticity also relates to quality, luxury brand researchers talk about an 'aura of authenticity', which is 'a contrivance rather than a reality' (Dion and Arnould, 2011; p. 503). Accordingly, the consumers' 'perceptions of authenticity' are usually built by the perceived evidences of it (Alexander, 2009; p. 553), such as indicators of provenance, heritage, country-of-origin, certification, limited production, and signs (see Tynan et al., 2010).

Perceived Hedonic Luxury Value

Luxury brands, in contrast to their non-luxury counterparts, are expected to have a multisensory hedonic appeal and connect with customers on an emotional level (Kapferer, 1997; Dion and Arnould, 2011; Bian and Forsythe, 2012). In the literature (Dubois and Paternault, 1995; Vickers and Renand, 2003; Vigneron and Johnson, 2004; Wiedmann et al., 2007; Hagtvedt and Patrick, 2009; Zhan and He, 2012) researchers have repeatedly identified the consumers' emotional responses to luxury consumption, such as aesthetic enjoyment, sensory pleasure, excitement, life-enrichment, dreaming and so on. However, luxury brands are mostly associated with beauty (Kapferer, 1997), as a result of the aesthetic pleasure consumers feel every time that they are engaged in a luxury consumption experience. Dion and Arnould, (2011; p. 504) explain that during this experience the luxury brands transmit an "ideology of the beautiful" (i.e., a set of ideas on beauty suggested by luxury brands) also generating an aesthetic vision of the brand's representation. Thus, luxury brands are often seen as works of

art designed only for an exclusive market (Nueno and Quelch, 1998; Kapferer and Bastien, 2009).

2.7 The Concept of Luxury Brand Perceptions in this Thesis

The previous sections explained that consumers, through luxury consumption, try to fulfil their functional and psychological needs, by acquiring the luxury brands' functional, symbolic, and hedonic benefits. Such perceived benefits—that is, the consumers' luxury consumption motives—determine the consumers' luxury brand perceptions. However, although excellent functionality is important for a brand to be considered a luxury, it still does not explain much of the difference between luxury and quality brands. Moreover, for the purposes of the present research, which investigates the effect of VMD cues on consumer purchases of luxury brands, functionality is difficult to judge based solely on visual elements². Hence, given also that researchers argue that luxury consumption mostly fulfils the consumers' social goals (Wilcox et al., 2009; Brengman et al., 2012), and satisfies symbolic values (Han et al., 2010) and needs for sensory gratification (Kapferer and Bastien, 2009), the present thesis focuses also on the symbolic and hedonic perceived benefits when assessing luxury brand perceptions. Specifically, for measuring the consumers' perceptions of luxury of a brand on display, a simple one component measure will be used. Lastly, and more importantly, the wider marketing literature suggests that the consumers' perceptions of luxury when attached to a brand affect their intentions to purchase it (Bian and Moutinho, 2011; Shukla and Purani, 2012; Liu et al., 2012).

2.8 Summary

To summarise, consumers mostly buy luxury goods to signal a social identity, to symbolically express their individuality, and to obtain a self-directed pleasure by the consumption of an aesthetically pleasing object and/or experience (e.g., via the store's atmosphere, packaging and so forth). The next chapter reviews the literature on store atmospherics, visual merchandising and luxury retailing to identify the key VMD elements which operate in accordance with the

² Tactile elements, instead, would determine better consumer considerations of the product's quality and functionality; but, this is remotely related to the present investigation.

consumers' luxury consumption motives and affect their luxury brand perceptions and purchase intentions.

**CHAPTER 3 THE IMPACT OF VISUAL MERCHANDISE DISPLAY
ON CONSUMER PURCHASES OF LUXURY BRANDS:
THE MEDIATING ROLE OF PERCEPTIONS OF
LUXURY AND PERSONAL RISK**

3.1 Overview

Consumers buy luxury brands to receive their perceived functional benefits, but they mostly buy to receive their psychological benefits. The literature on store atmospherics suggests that store environment cues affect the consumers' perceived benefits of the luxury brands and build a set of luxury perceptions around the products on display, which in turn affects their sales.

The present chapter unpacks specific VMD cues that influence the consumers' perceptions of luxury in relation to a brand on display. In particular, a qualitative typology of VMD cues is proposed, based on: (1) the earlier conceptual and empirical studies on store design cues (e.g., Baker et al., 1994; Grewal and Baker, 1994; Baker et al., 2002) and (2) more recent qualitative research that explores the effect of the holistic organisation of several visual store environment cues—a practice known as visual merchandising—on the consumers' luxury brand perceptions (e.g., Kerfoot et al., 2003; Dion and Arnould, 2011; Joy et al., 2014). The identified VMD elements are categorised into five categories, namely display fixtures, fixture materials, display structure, organisation, and technique, and several of the VMD cues that belong to each of these categories are characterised as being either of high-image or low-image.

Among the identified VMD elements that comprise a product's display, certain VMD cues, which for instance facilitate a 'museum-like' display, are shown as operating in accordance to the consumers' functional, symbolic, and hedonic luxury brand consumption motive and, thus, attribute to the brand a set of luxury perceptions (Dion and Arnould, 2011). A number of competing but complimentary theories, focusing mostly on 'inference theory' and 'contagion theory', are used to explain the effect of VMD on consumers' perceptions of luxury for the product and its brand on display. Moreover, evidence from the literature will be presented to suggest that this effect acts as the intermediate power in the hypothesised relationship between VMD and the consumers' purchases for luxury brands. Based on the reviewed literature and the supporting theories, two research hypotheses are proposed (Hypothesis 1 and 2) while the analysis slowly builds the model of the thesis.

As the concept of 'perceived risk' becomes exceptionally important when consumer behaviour researchers and marketers study the possible methods (mechanisms) that can elevate the consumers' purchase intention (Mitchell, 1999), this chapter explores also the concept of risk in luxury brand consumption, using the term 'personal risk' to describe it. In particular,

‘personal risk’, as a type of risk that is inextricably tied to luxury brands, is seen as an important ‘intermediate’ factor that can also affect consumers’ store-induced luxury brand purchases. Consumers, in order to feel ‘relief’ and reduce the perceived risk of a purchase choice, actively search for and receive pre-purchase information from several sources (Roselius, 1971). When the perceived risk of a brand choice is indeed reduced, consumers’ willingness to purchase increases (Murray, 1991; Lim, 2003). Accordingly, and drawing also upon inference theory, VMD is seen to operate as an informational source, but also as a risk-reduction strategy, used by consumers with incomplete information about a brand on display. In this way, VMD cues can affect consumers’ inferences not just about the expected benefits (perceptions of luxury) of a brand on display, but also about the anticipated risks (personal risk) in relation this brand, which also affects consumers’ intention to buy (Hypothesis 3).

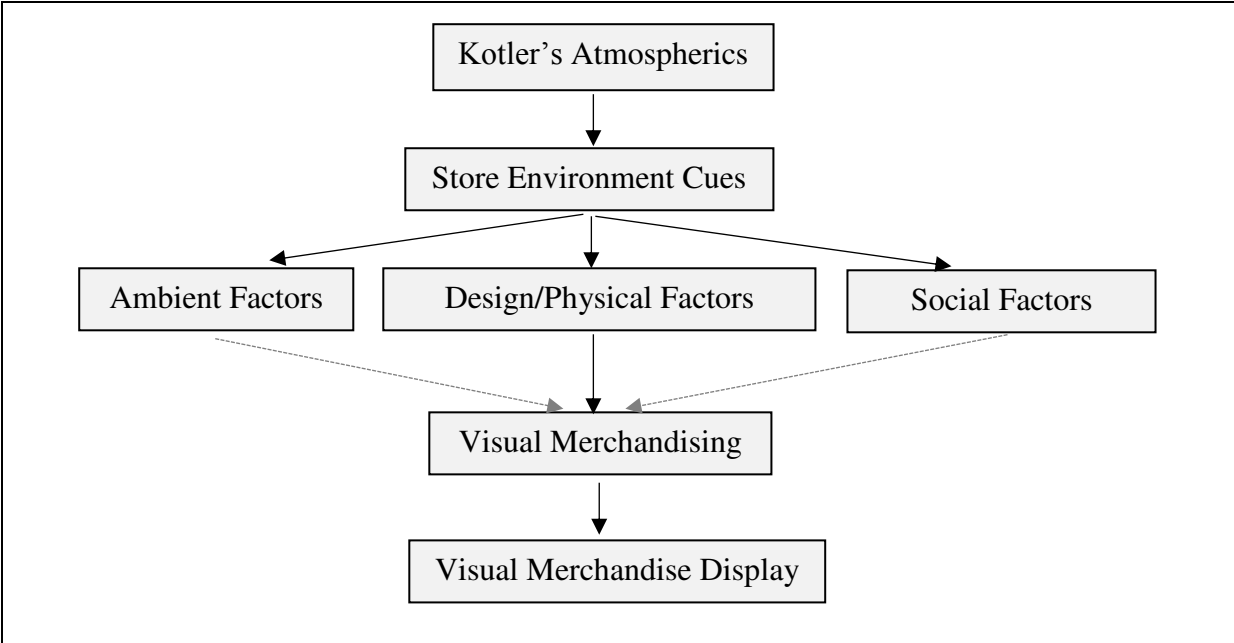
Finally a parallel process that explains the influence of VMD cues on purchase intentions through the influence of perceptions of luxury and personal risk is proposed (Hypothesis 4). This parallel process that explains ‘how’ VMD affects consumers’ purchases for luxury brands, provides the basic conceptual model of this thesis which is underpinned by the Stimulus-Organism-Response (S-O-R) model.

3.2 A Brief Introduction to Store Atmospheric Research

Store atmospheric research provides a notion of what comprises a store environment and how the store environment elements influence the consumers’ perceptions, attitudes, and behaviours in relation to the products, brands, and sellers. Kotler (1973) described store atmospherics as “*the conscious designing of space to create certain effects in buyers*” (p.50). A decade later, Donovan and Rossiter (1982), without suggesting specific store environment elements, provided the first empirical evidence to explain that the general retail atmosphere can affect consumer attitudes which, in turn, affect consumer behaviours. Based on environmental psychology, the authors structured their model on a Stimulus-Organism-Response (S-O-R) framework, where the atmospheric cues were operationalised as ‘stimuli’, the shoppers’ emotional reactions (such as their feelings of excitement) were described as the ‘organism’, while the consumers’ willingness to approach or avoid the store or a product was seen as the ‘response’.

The early researchers in this field have shown that store atmosphere is experienced by a variety of human senses, such as sight, sound, smell and so on. Accordingly, Kotler (1973), through a qualitative analysis based on examples of store atmospheric planning in several industries and companies, suggests a prominent general typology of elements that comprise a store’s atmosphere. In particular, he identifies four distinct dimensions of store environment elements: the visual dimension (i.e., colour, brightness, size and shapes), the aural dimension (i.e., volume and pitch), the olfactory dimension (i.e., scent and freshness), and the tactile dimension (i.e., softness, smoothness and temperature). During the 1980s and 1990s, researchers started to empirically investigate not just the general impact of store atmosphere but also the impact of specific atmospheric cues, such as music (Yalch and Spangenberg, 1990; Hui et al., 1997), lighting (Golden and Zimmerman, 1986), scent (Spangenberg et al., 1996), and colour (Bellizzi et al, 1983), on the consumers’ perceptions and purchase behaviours. This stream of research has motivated a range of typologies and classification schemes of store atmospherics which have informed the present study’s conceptualisation and operationalisation. Figure 3.1 presents a general typology of the store atmospheric elements based on how the key studies in this field have organised them.

Figure 3.1: A Summary of the typologies in the store atmospheric literature



(Source: this study)

Baker (1986) extended the work of Kotler (1973) and proposed a practical typology which suggests that the store environment is comprised of design factors (i.e., visual cues such as

layout and colour), ambient factors (i.e., non-visual cues such as smells and sounds) and social factors (i.e., the people in the store, both customers and frontline employees). Later studies that have generally focused on the effect of different in-store elements on the consumers' perceptions of the store's atmosphere and purchase behaviour, also suggest a similar categorisation (e.g., Baker et al., 1992; Baker et al., 1994; Grewal and Baker, 1994; Baker et al., 2002; Ailawadi and Keller, 2004). Moreover, some studies have adopted even an experimental approach to empirically test Baker's (1986) three-store-environment-factor typology. Baker et al. (1994) conducted a principal components factor analysis and found that the indicators (items) of participants' perceptions of the store environment cues were indeed grouped into three categories (factors) according to whether they were assessing design, ambient, or social store environment elements (i.e., a three-factor solution emerged with the three factors explaining the 70 percent of the total variance).

Bitner's (1992) study of services retailing provided an even more comprehensive typology of store environment factors, compared with that of Baker (1986). However, Bitner's typology refers to the 'servicescape', which is a concept developed by the author to describe the physical environment in which a service is taking place. Nevertheless, Bitner's (1992) classification is enriched and includes ambient conditions (i.e., cues that affect the five senses: temperature, lighting, noise, music and scent), in-store signage, symbols, and artefacts (i.e., signals that transmit information to consumers and affect the firm's image), and also includes spatial layout and functionality cues (i.e., the store arrangement such as the ways in which machinery, equipment, and furnishings are arranged considering also the spatial relationships among them).

3.3 The Concept of Visual Merchandise Display

The present thesis focuses on the visual store cues which are used for presenting a product to consumers, namely VMD cues. These visual elements are highly salient, because 90% of the environmental cues are experienced through sight (Edwards and Shackley, 1992). The present study first reviews the extant literature on design factors (referred in literature also as physical features). This is because the design factors concern mainly the 'visual' components of a store environment concerning functional and aesthetic store elements such as layout, colours, lighting, background (e.g., floors and walls), mannequins, fixtures, props, signage, artefacts, symbols, décor elements and the ways in which machinery, equipment, and furnishing are

arranged (Baker, 1986; Bitner, 1992; Baker et al., 1994; Fiore et al., 2000). However, the majority of the empirical studies in this field tend to focus their investigation on the impact of a single design element on the consumers' perceptual and behavioural responses. Thus, although there are research studies that focus for instance on store density (e.g., Hui and Bateson, 1991), store colours (e.g., Bellizzi et al., 1983) or carpeting (e.g., Wheatley and Chiu, 1977), researchers increasingly acknowledge the importance of the fact that many design elements are combined to create an actual product display (Baker et al., 1992; Fiore et al. 2000).

Thus, more recent studies have started to explore the combination of the visual in nature, design store cues, as a practice known as 'visual merchandising' (e.g., Kerfoot et al., 2003; Khakimdjanova and Park, 2005; Diamond and Diamond, 2007; Ha and Lennon, 2010; Shin et al., 2015). The term visual merchandising refers to the organisation of the store interior and exterior with the aim of communicating the store's image while at the same time creating an environment that is 'pleasant' to consumers (Law et al., 2012). The notable difference between the more recent 'visual merchandising' and the 'design factors' of the earlier studies is that the former suggests a degree of holistic organisation (Kerfoot et al., 2003).

Although visual merchandising refers to the organisation of a combination of several design cues of the whole store's interior and exterior, VMD refers explicitly to the visual store cues and the way in which they are holistically organised for showcasing a product to the consumers (Kerfoot et al., 2003). Few studies have focused on the VMD cues that comprise a window or an in-store display, although relevant findings could have several implications for both offline and online retailers. In comparison to the design cues or other store environment elements of the wider store environment, specific suggestions about VMD cues that can influence the consumers' responses, would provide useful guidelines for retailers to address elements that they can actually control³.

³ In comparison to other store design elements that are either expensive (such as the store's architecture) or not totally controlled by the retailer (such as the store's density), VMD cues can easily be addressed by offline or even online retailers to manage consumers' responses if research provides the necessary evidence.

However, to date, the marketing literature has given little empirical attention to the issues of visual merchandising and display, especially in a luxury brand consumption context (Chan and Chan, 2008); their effect on consumers' (luxury) brand perceptions has mostly been approached descriptively and analysed qualitatively through in-depth interviews or field observations (e.g., Dion and Arnould, 2011; Joy et al., 2014). Only a few studies have investigated the website environment cues (such as the larger, front or back view of the product and the size of the product information presented on the website) by adopting a more empirical (experimental) approach (e.g., Chang and Chen, 2008; Ha and Lennon, 2010). However, the generalizability of these findings is poor, as they do not offer implications that are suitable for the offline retailers. Consequently, although scholars suggest that visual merchandising and display can serve as an important contextual cue for assessing the perceived value and image of a brand on display, they rarely test this assumption empirically and quantitatively (Davies and Ward, 2005).

In response, this chapter will review the empirical quantitative studies on the design cues as well as the later qualitative studies on visual merchandising. It will then propose a typology of VMD cues that addresses which specific cues the consumers generally perceive as high and low-image based of their effect on consumers' perceptions of luxury in relation to a product/brand on display. The aim is to later empirically test them (their holistic organisation) in the context of luxury brand consumption.

3.4 Quantitative Evidence of the Influence of the Design Cues on the Consumers' Perceptions and Purchase Behaviour

In research concerning store atmospherics, the design elements of a store's environment have consistently been found to have a strong impact on perceptions of the store and merchandise (mostly quality perceptions). Table 3.1 summarises the first prominent studies that conducted experiments to empirically and quantitatively investigate the effect of visual cues on consumer responses.

Table 3.1: The impact of the store design elements on consumers' perceptions and purchase behaviour

Literature	Study	Findings
Environmental Psychology	Morrow and McElroy (1981); Sadalla et al. (1987)	People rely on interior design cues to form inferences about a place and the owner of that place.
Marketing and Retailing	Gardner and Siomkos (1985)	Using verbal description of the store environment cues, the authors found that the participants' evaluations of a brand of perfume elevated in a store environment consisted of 'high-image' design cues (e.g., soft lighting, carpeted floors, wide aisles and clean and large dressing rooms) as compared to when the same perfume was presented in a store comprised of low-image design cues (e.g., harsh lighting, linoleum/tile floors, narrow aisles, and dirty and small dressing rooms).
	Mazursky and Jacoby (1986)	Consumers heavily rely on the stores' interior design cues when evaluating a product's quality.
	Bitner (1990)	The physical surroundings of the place where a service is taking place affects both the consumers' and the employees' behaviour. The participants made inference about the efficiency of a provided service based on the physical environment of a travel agency.
	Bellizzi et al. (1983) Crowley (1993)	Participants, exposed to pictorial instruments, 'responded' differently to the colours of a retail furniture display (five groups of people experienced one of five colours: red, yellow, green, blue, or white). Findings suggest that colour can psychically attract the consumers to approach the product on display or encourage them to browse in the store for longer. Each colour has perceptual qualities which accordingly affect the consumers' product and store perceptions. In general, a product was perceived to be more 'up to date' when it is presented in a warm-coloured retail environment than in a cool-coloured retail environment.
	Grewal and Baker (1994)	The authors found that only when both the design and ambient cues were of high-image they affected the participants' acceptability of price. In turn, price acceptability increased the participants' purchase intentions.
	Baker et al. (2002)	The authors found that design cues had a relatively strong effect on the key aspects that determine the consumers' store choice. In particular, high-image design cues enhanced the participants' perceptions of the product's quality, which in turn elevated the product's perceived value and also determined the participant's store choice.

The first evidence for the effect of design cues came from environmental psychology. Researchers in this field adopted an experimental approach to investigate the effect that the house or office design cues have on peoples' general feelings about a place and on their tendency to make inferences about the identity or the personality of the 'owner' of the place (e.g., Zweigenhaft, 1976; Morrow and McElroy, 1981; Sadalla et al., 1987). For instance, Sadalla et al. (1987) asked upper-middle-class homeowners to reply to an extensive set of questions about themselves (i.e. they were asked to rate themselves on bipolar personality and identity scales). Pictures were then taken from the interior and exterior of their houses and were presented to the participants. The participants were asked afterwards to rate the homeowner, replying to the same set of personality and identity questions. What was found was that the participants were able to quite accurately guess (infer) the homeowner's self-concept, especially when they had been exposed to the pictures of the owner's home's interior. Among the three experimental conditions including exterior condition, interior condition and combined condition, the interior condition was found to have the strongest effect. Extending an earlier study by Zweigenhaft (1976), Morrow and McElroy (1981) in their study about office design cues (referring to the way a desk is placed inside the office, the status symbols found in the office and the office's tidiness) found that the participants' office perceptions (such as 'comfort' and 'wellcomeness') can be also affected by the office's design factors (such as the office's tidiness), which in turn affect the participants' inferences about the efficiency of this office. Although these early studies did not focus on store interior elements, they have informed the marketing and retailing literature.

Several researchers in marketing and retailing have found that the store design cues can have similar effects on consumers' perceptions and evaluation of stores, brands and products. For instance, Mazursky and Jacoby (1986) adopted an exploratory approach to explain the process through which the environmental cues shape store image. The authors presented the participants with five photo albums containing product and store related pictorial and verbal information (cues). The participants then had to evaluate five stores, evaluating the five different albums, both separately and in comparison. Interestingly, the authors presented the participants' evaluation by linking their albums cues with the key factors of store image (such as product quality). Using a hierarchical order, the authors started from the cues that were mostly (in terms of frequency) accessed by the participants during this evaluation process. The pictures of the store's interior design, among other pieces of important information (such as

photos and labels regarding the merchandise materials and price ranges), were second only to the brand name in importance for determining the evaluations of merchandise quality.

Many scholars have discriminated between ‘high-image’ and ‘low-image’ design cues and found that design cues can affect the consumers’ approach behaviour towards a product on display (e.g., Bellizzi et al., 1983), elevate the perceived value of the products in a store (e.g., Baker et al., 2002), influence the consumers’ store and brand perceptions (e.g., Gardner and Siomkos, 1985), induce the consumers’ inferences of efficiency about a seller or a service provider (e.g., Bitner, 1990), increase the consumers’ price acceptability in relation to a brand and, in turn, affect their purchase intentions (e.g., Grewal and Baker, 1994). However, this review of the store environment literature also shows that the prior research has focused either on the effect of the general construct of ‘store atmosphere’ and its associated ‘physical attractiveness’ (e.g., Kotler, 1973; Donovan and Rossiter, 1982; Mazursky and Jacoby, 1986) or on the effect of one store (design) cue at a time (e.g., Bellizzi et al., 1983; Eroglu and Machleit 1990; Hui and Bateson 1991). In the first case, the studies do not provide guidance to retailers because they do not indicate any specific store cue that can cause favourable effects on the consumers’ responses. On the other hand, the studies that have focused on a single store (design) cue, although they have provided some guidelines to retailers, do not take into consideration the effect of the interactivity between the different store (design) cues, even though in reality store elements holistically affect the consumer responses (Baker et al., 1992).

Some studies have focused on one or more categories of store environment elements (such as design, ambient and social factors) with the aim to identify the key cues that can affect the consumers’ perceptual and behavioural state of mind (e.g., Gardner and Siomkos, 1986; Baker et al., 1992; Baker et al., 1994; Grewal and Baker, 1994; Baker et al., 2002). For instance, Gardner and Siomkos (1986) have suggested specific design cues that can elevate the consumer’s brand evaluation. However, because they used verbal description of the store environment elements, the (external) validity of their study and the application of their findings for the retailers are often questioned by the other researchers in the field. Other studies have used more reliable methods (instruments) to facilitate their experimental conditions, such as pictures or videotapes of store environments. However, most have either focused on the ambient and social factors (e.g., Baker et al., 1992) or they manipulated few design cues and did not find an (independent) effect of the design factor on consumers’ responses also because of the tested retail context (e.g., Baker et al., 1994; Grewal and Baker, 1994). Nevertheless,

these few empirical studies have informed the present research and offer guidelines on how to operationalise my investigation (i.e., they informed my typology of VMD cues). Therefore, they will be discussed in a greater detail.

Baker et al. (1994), Grewal and Baker (1994), and Baker et al. (2002) have employed the same experimental design to examine the impact of a combination of store environment cues on consumers' responses. Firstly, Baker et al. (1994) enriched Baker's (1986) typology, proposing specific 'prestige-image' and 'discount-image' design, ambient, and social store cues that they identified in prior studies. Based on this enriched topology, Baker et al. (1994), Grewal and Baker (1994), and Baker et al. (2002) conducted experiments in which the design, ambient, and social factors were manipulated in a card and gift store to generate high-image and low-image store environment conditions (in total they created eight different experimental conditions/combinations). The store shopping experience was simulated using videotapes. In particular, Baker et al. (1994) investigated the effect of the combination of the store environment cues on the consumers' product and service quality inferences and on store image. The 'high-image' design factor was operationalised with the use of a gold metallic accents (trim) on displays (versus the lack of gold accent/trim), a peach and green store colour (versus the use of dated store colours), and a free-form (i.e., open) store layout (versus a grid layout). However, Baker et al. (1994) found that the design cues had no impact on the participants' product or service quality perceptions. The authors reported limitations in the way that they manipulated the design cues (the remodelling plan of the store possibly was not adequate) and they also acknowledged that the card and gift store context may not have been suitable for this investigation. Thus, they suggested further research to explore the same effect in other store types and product categories, such as in luxury goods, while additional store design cues were advised to be identified and tested.

Grawel and Baker (1994) employed the same experimental design in the same retail context (i.e., gift and card store) to study the effect of store environment on the consumers' price acceptability and purchase intentions. However, the authors added one more design cue when they operationalised the store design factor; this was the 'neat organisation of the merchandise' versus the 'scattered organisation of the merchandise'. The authors found then, an interactive (join) effect of the design and ambient cues on the consumers' price acceptability. Specifically, only when both the design and ambient cues were of high-image they could affect the participants' price acceptability, which in turn positively affected the participants' purchase

intentions. The authors highlighted the need to identify additional design cues to test the effect of the design factor on the consumers' responses and the importance of the fact that many store elements together affect consumers' perceptions and purchase intentions.

Finally, when Baker et al. (2002) tested the effect of the same store design cues on the key aspects that drive the consumers' choice of a store they found that the design cues had a relatively strong effect on all of the key aspects of the consumers' store choice criteria. For example, the authors found that the design cues can increase the consumers' perceptions of product quality, which elevates the perceived value of the merchandise of a store and determines the consumers' store choice. However, because of the limited empirical evidence, Baker et al. (2002) invited more research that could identify specific visual cues and test their effect on the consumers' product/brand perceptions considering also alternative store settings and product categories.

More recent studies have addressed some of the issues of the cited studies, by investigating for instance the effect of a combination of visual store environment cues—coining them as visual merchandising—in a luxury retail context (e.g., Kerfoot et al., 2003; Dion and Arnould, 2011; Joy et al., 2014). However, mainly because of the nature of the topic of visual merchandising, their investigation tends to be descriptive or purely qualitative and the quantitative empirical evidence that could confirm their assumptions is still missing from the visual merchandising literature. Nevertheless, these qualitative studies inform the present thesis's conceptualisations and thus their main findings are reviewed next.

3.5 Qualitative Evidence of the Influence of VMD on Consumers' Luxury Brand Perceptions and Purchase Behaviour

Kerfoot et al. (2003) inform the present study and suggests a potential link between certain VMD cues and the consumers' purchase intentions. The authors have adopted an exploratory approach to investigate the effect of visual merchandising on the consumers' purchase behaviour and recognition in relation to seven clothing brands in a department store. Specifically, thirteen female undergraduate students were exposed to pictures of the brands' concessions taken from a nearby department store. The authors interviewed each participant to identify the key visual merchandising elements that drove their perceptions and behaviours.

During the interviews the participants' described what they like or dislike in the brands' concessions, indicating also their intention to browse and/or purchase. The manner of the merchandise presentation, the fixtures and their materials, the display layout, the lighting, and the colours in the concession emerged as key themes in driving participants' perceptions and purchase intentions. Specifically, the authors found that the participants paid only minor attention to the background colours of the display. Although red colour display fixtures received negative comments from some participants, and lowered their merchandise quality and price perceptions, there was little consistency among the consumers' inferences induced by the same display or merchandise colours. In contrast, certain fixture types and materials were consistently seen as cuing specific messages. For instance, the use of shelves and rails were seen as indicating a 'discount brand image' while the use of tables and cubes to display folded garments was seen as an aesthetically pleasing presentation that communicates an 'up-market brand image'. The participants' perceptions were also changed according to the fixture materials. While glass or wooden fixtures induced inferences of good quality, the use of plastic lowered the participants' quality and price perceptions for both the fixtures and the brand. Moreover, low merchandise and display density were found to be associated with expensive, prestigious, and high quality brands. Finally, although the general use of lighting in a product display was found to be inviting for most of the participants and was perceived as a technique that highlights the 'importance' of the merchandise, certain types of lighting (such as fluorescent strip lighting) could actually lower the price and quality perceptions of the concession and the brand on display. This qualitative investigation shows that the participants tended to view and evaluate display cues holistically. Nevertheless, the authors suggested that the potential link between VMD cues and consumers purchase intentions needs to be empirically tested with a bigger sample.

Dion and Arnould (2011) explored the role of in-store visual merchandising in a firms' effort to build and sustain a luxury brand image. Although their study did not consider the consumers' perspective, and gathers qualitative data from interviews with experts in luxury retail (luxury boutique managers and architects specialising in luxury commercial architecture) and field observations in Parisian luxury shops, it informs the present thesis's investigation. The authors focused their analysis mostly on three luxury brands (i.e., Luis Vuitton, Dior and Chanel) to identify the key elements (themes) of a luxury shop. These found to be: the in-store design and the store's frontage, the materials used in the store, the store's decorative objects, the music, the fragrances, the lighting, the colours, the atmosphere (mostly derived by the retail design

elements), and the personnel. In particular, the authors explain how visual merchandising helps a luxury product to be perceived as 'artistic', by portraying the brand's director as the 'artist of the brand' and by transmitting his 'charisma' or 'aesthetic vision' through the retail store environment to the luxury brand's image. Accordingly, the store design, the merchandising, and also the window and the in-store displays when were built to reference the world of art and museums were seen to operate as a mechanism that was capable of transferring the perceived qualities of an artwork to the commercial products on display. This 'technique' is defined the 'museological technique' and is described by Dion and Arnould (2011) as a holistic strategy that is employed in luxury retailing. The study speculates that art inferences can be infused by the mode of a display and even without the physical presence of an artwork. In this, display cues that are associated with works of art, such as glass cases, lighting, pedestals, and so on, when they are holistically employed in presenting a product to consumers are seen as a technique (i.e., a museological presentation technique) that can elevate a brand's luxury image.

Joy et al. (2014) have extended Dion and Arnould's (2011) investigation, providing qualitative evidence of how the consumers perceive such luxury store's effort to implement elements of art galleries and museums in exhibiting commercial products in-store (using also the Louis Vuitton flagship store). In this ethnographic study, the authors interviewed twenty-five people in Hong Kong. The majority of these people were customers of Luis Vuitton, and only a few had previously been employees at Luis Vuitton. The authors found that the luxury consumers carefully consider the elegant architecture and the interior design of a luxury store. Consumers notice that in these luxury stores, the use of lighting is often modelled on that used by museums that hold world-class exhibits. In this store atmosphere, a product on display is indeed perceived by the consumers as 'artisanal' and the store creates to them feelings of 'otherness' and 'uniqueness'. The key themes of luxury retailing, as shown in Dion and Arnould's (2011) study, are found to be consistent with the key drivers of the consumers' perceptions of luxury. For instance, the issue of merchandise and display density emerged again in Joy et al.'s (2014) analysis, where the 'extra space' or the 'waste of space' is found once again to be associated with luxury and exclusive exhibits (products). The use of specific material in the store was also noticed and commented on by the most participants. For example, the use of marble and wood in the staircases was described as looking 'grand and classic'. Gold colours or golden details in the store's furniture or equipment were felt to be glamorous. In general, the use of reflective materials were described by the participants as an aspect that gives the whole store and its content a sparkling touch while at the same time it generates impressions of 'extra space' and

'grandness'. Finally, specific design store elements, such as glass cabinets and spotlights, were highly noticed and cited. The findings suggest that lighting is important in showcasing a product because it makes the products stand out and look more attractive. Specifically, lighting that is focused on a single product displayed inside a closed glass cabinet was perceived by the participants as a product presentation technique that is strongly associated with the way that museums and art galleries usually display their exhibits, which induces perceptions of luxury.

The cited studies suggest that the holistic organisation of certain VMD cues affects consumers' luxury brand perceptions. However, these qualitative evidences need to be systematically organised and then empirically and quantitatively tested to ensure the effect of such VMD cues on the consumers' luxury brand perceptions and purchase intentions. Thus, the next section summarises the finding from the quantitative and qualitative literature on store atmospherics and visual merchandising and proposes a typology of the VMD cues that affect consumers' perceptions of luxury.

3.6 A Typology of the VMD Cues that affect Consumer Perceptions of Luxury

The term VMD is used in the present study to describe a combination of store display (design) elements that facilitate a product's visual representation to consumers. Aspects such as fixtures (e.g., pedestals, hangers and mannequins), colours (e.g., the colours of the walls), fixture and fitting materials, lighting (e.g., lighting in the display cases) and also the manner of merchandise presentation, and the display structure/layout (e.g., path configuration and display and merchandise density), together with the product on display, seem in practice to comprise a VMD (Bliss, 1953; Buchanan et al., 1999; Kerfoot et al., 2003; Vrechopoulos et al., 2004; Davies and Ward, 2005; Ha et al., 2006; Hollenbeck et al., 2008; Mantrala et al, 2009; Valenzuela and Raghubir, 2009; Breugelmans and Campo, 2011; Dion and Arnould, 2011).

The reviewed literature suggested that VMD serves as a contextual cue for deriving a luxury brand image (Kerfoot et al., 2003; Dion and Arnould, 2011; Joy et al., 2014). However, an absence of a systematic examination (empirical research) for this topic has also been identified (Kerfoot et al., 2003; Davies and Ward, 2005). The different VMD elements are either generally referred in the literature as visual merchandising (mostly in the qualitative studies), or they are enlisted between other store design factors and they have been empirically tested independently one from the other. This means that the key VMD cues have not been classified

as such, and they have not been put together as VMD, which indicates the absence of a proper qualitative typology of the VMD cues. As a consequence, the influence of VMD on luxury brand perceptions and purchase intentions, although it is speculated, it has not been empirically tested (Baker et al., 1994; Lea-Greenwood, 1998; Kerfoot et al., 2003; Davies and Ward, 2005; Chan and Chan, 2008).

The present study organises the (empirical) quantitative and qualitative evidence in the literature to propose a qualitative typology of the VMD cues which consumers mostly seem to associate with luxury perceptions. Following the approach of the earlier empirical store atmospheric studies in presenting typologies of store environment elements (e.g., Hirschman et al., 1978; Gardner and Siomkos, 1986; Zimmer and Golden, 1988; Grewal and Baker, 1994; Baker et al., 1994; Baker et al., 2002), the identified VMD cues are first categorised and then discriminated into high-image and low-image cues. Such discrimination aims to provide later a way to manipulate, in an experimental sense, the VMD in its totality.

3.6.1 Categorisation of the VMD Cues

Reviewing the literature, five key categories of VMD elements emerge and seem to operate in accordance with the consumers' functional, symbolic, and hedonic luxury brand consumption motive. Accordingly, the display fixtures, fixture materials, display organisation, structure and techniques are the main issues to be considered when investigating the impact of VMD on consumers' luxury brand perceptions.

Display Fixtures

Display fixtures found to play an important role in affecting consumers' perceptions of luxury. For example, Schneider (1995) explained that traditional mannequins are 'too realistic' to serve the needs of a luxury display. Another study has corroborated this view and suggested that more abstract product presentations such as 'tailor's style mannequins' are better for conveying the image of luxury (Hansen and Wänke, 2011). In the luxury retailing literature, pedestals and cubes are seen mostly as the fixtures that support a luxury brand's image (Dion and Arnould, 2011). Indeed, in Kerfoot et al.'s (2003) study the use of glass tables/pedestals and cubes rather than shelves and rails was thought to portray a 'smart appearance'. Parker (2003) argues that no luxury product should be placed directly on the floor; the products should instead be

displayed on pedestals or raised platforms. This happens because the brands on display are evaluated more favourably⁴ when viewed from below or closer to the consumers' eye level (Meyers-Levy and Peracchio, 1992).

Display Fixture Materials

Perceptions of luxury are also inferred through the quality of the fixture materials found in the store (Rowley and Slack, 1999). According to Parker (2003), ornately gilded, fine marbled, polished wooden and glass fixtures can give 'a symbolic lustre of luxury' to displayed products. The concept being that such fittings represent a quality beyond that which most people would experience in their day-to-day lives. There is also an inextricable link between the weight of such fixture materials and their perceived quality (Spence and Gallace, 2011). For instance, Kerfoot et al. (2003) found that merchandise laid out on glass surfaces portrayed an 'up-market image'. Glass in general seems to provide consumers with a sense of luxury that plastic, for instance, cannot provide (Spence and Gallace, 2011). Kerfoot et al. (2003) found that respondents perceived wooden clothes hangers as 'showing quality', while the use of plastic hangers was perceived as 'cheap and nasty'.

Although it is difficult to identify an exhaustive list of fixture materials that are likely to enhance the consumers' perceptions of luxury, reflective materials usually generate impressions of 'sterilisation' and 'excellence' (Yun and Good, 2007; Joy et al., 2014). As such, golden/brass (trim) is often cited in the marketing literature as a high-image design characteristic (Baker et al., 1994, Baker et al., 2002). For instance, Figure 3.2 depicts 'Chloe's Boutique' emblazoned in brass trim, which generates perceptions of expense, excellence, and thus luxuriousness.

⁴ Sundar and Noseworthy (2012), in a packaging study, show that placing even the brand name high rather than low on the packaging is seen as a conceptual metaphor for power. Accordingly, the display fixture's height may suggest the perceived superiority of the product on display (Schuldt et al., 2012).

Figure 3.2: Brass trim on display fixtures in Chloe’s boutique



Display Organisation

Moore et al. (2010) studied the relationship between the store’s merchandise density and perceptions of luxury. In their qualitative study the authors identified the defining characteristics of a luxury flagship store, based on the retailers’ perspective. The ‘abundance of space’ inside the store was found to be a vital element of the consumers’ luxury brand and retailing experience because it signals exclusivity, extravagance and, thus, luxury. To facilitate this experience, a display organisation that features low merchandise display densities (rather than high merchandise display densities) is required. Merchandise display density refers specifically to the amount of products per square foot on display and relates to perceptions of product scarcity and extravagance. Not showing everything off seems to suggest that the content of the store, and thus the brand, is precious (Stewart, 1998). Indeed, in Kerfoot et al.’s (2003) consumer study, ‘neat’ and ‘sparse’ displays were found to be associated with more expensive and prestigious brands because the consumers perceived that ‘space says designer’, inferring that only expensive brands could afford the extra space. This explains why a ‘one item display’, where a single product is displayed alone to consumers, is often cited as a product presentation that implies that the brand on display is imposing and luxury (Buttle, 1984). Indeed, in Kerfoot et al.’s (2003) study, the display of one pair of trousers laid out on their own was perceived as showing that the brand can afford the space; thus, the participants made high price and quality inferences for the brand on display, which was automatically assumed to be a high-image brand.

Display Structure

Merchandise display structure, mostly in terms of showcases and the arrangement of the display fixtures, can enhance the consumers' perceptions of luxury (Bliss, 1953). Referring mostly to their observations at department stores, several studies have found that the consumers tend to associate separate/close display structure with higher status brands (Buchanan et al., 1999; Simmons et al., 2000). As described earlier, the brand's luxury values of uniqueness and exclusivity are emphasised in 'an item display' where a single product is put on display (Buttle, 1984). However, this also requires a display structure and fixture arrangement of pure symmetry, minimalistic elaboration, and product access distancing. Indeed, a display structure that succeeds in 'symbolically distancing' the consumers from the product (such as in the closed displays) gives an impression that the merchandise is carefully protected and the physical contact or approach is hard to get and, therefore, perceptions of brand rarity and authenticity are likely to emerge (Dion and Arnould, 2011). Glass display cases facilitate (operationalise) in visual merchandising such in-store structure, which signals novelty and preciousness, and thus elevates the consumers' desire to discover the 'treasure' behind the translucent glass (Kerfoot et al., 2003; Dion and Arnould, 2011). In contrast, in non-luxury brands a display that hinders the consumers' access towards the product usually heightens frustration. Conversely, in luxury goods which are high-involvement⁵ products, the consumers appear not just sufficiently motivated to undertake such a 'challenge' but their appreciation towards the protected brands on display can even elevate. Consequently, glass display cases where the products on display are accessible only with a key or the structure is open just on one side, suggest an in-store structure associated with luxury merchandise (such as fine jewellery) and luxury brands (Meyers-Levy and Zhu, 2007).

⁵ Luxury goods are high-involvement products because consumers usually consider and investigate thoroughly the psychological and functional consequences of their purchase choice before actually buying (Cornell, 2002, p. 47).

Presentation Technique

In the retailing literature, certain product presentation techniques have also been seen to enhance the consumers' perceptions of luxury. For example, presentation techniques that showcase the aesthetic ideology of an artist or brand director (such as Karl Lagerfeld, John Galliano and Marc Jacobs) are seen to reinforce perceptions of excellence and luxury (Dion and Arnould, 2011). A similar effect can occur also when, for instance, VMDs are built in proximity to the designer's studio, or pictures of it or other referential signs are placed in-store or in the window displays (Dion and Arnould, 2011).

Emerging studies in luxury retailing have qualitatively explored the role of the museological presentation technique in reinforcing luxury brand perceptions, which also encompass the organisation of the VMD cues in a way to produce a 'museum-like' display (e.g., Dion and Arnould, 2011; Joy et al., 2014). Hermes's window display is presented in Figure 3.3 to show you a presentation technique that simulates a museum display. In this, Hermes uses for instance an art video installation, glass cabinets, and lighting to present singularised items and showcase products that are actually for sale.

Figure 3.3: A Hermes video installation in a window display in Tokyo



Similar to museum exhibits, a luxury brand's aesthetic value (i.e., attractiveness) can be enhanced when the consumers immerse themselves in an experience of little active

participation, which provokes awe and increases novelty (Atwal and Williams, 2009). Thus, museum-like and/or artistic displays can establish the displayed brands in the consumers' minds as singular works of art that are not mass-produced for 'everyone' but which are meant for consumption by the very few who can appreciate and afford them (Dion and Arnould, 2011). Because of the principles of similarity and contagion embedded in this technique, a luxury brand can then be perceived as a 'talismanic', 'iconic work' and, thereby, achieve singularity and uniqueness (Dion and Arnould, 2011).

3.6.2 Discrimination of the VMD Cues in High-Image and Low-Image

Table 3.2 presents the proposed typology of the VMD cues that influence consumers' perceptions of luxury.

In support of the discrimination of the VMD cues in high-image or low-image cues, several researchers have explained that people often learn or develop 'shared associations' for the things around them (Peracchio and Meyers-Levy, 2005; Zhu and Meyers-Levy, 2009). This means, that certain things can entail specific concepts (e.g., wooden display fixtures are associated with the concept of naturalness), which can be transferred to the product on display. Accordingly, people are likely to attribute certain VMD cues as signalling a luxury brand, either because they have been associated with luxury goods or because they have been observed in the past within a luxury context (such as a hotel, a museum or an art gallery). Thus, display fixtures and materials, such as cubes, brass trims, and closed display structures (i.e., glass display cases), can convey a sense of luxury to the brand on display (Kerfoot et al., 2003; Joy et al., 2014). Similarly, in comparison to a 'dense merchandise display organisation', a 'one item display' is likely to be evaluated as up-market (Buttle, 1984; Joy et al., 2014). Moreover, a display mode, which can be aptly described as a 'museum-like display', has commonly been used in practice to convey a luxury brand image (Dion and Arnould, 2011; Joy et al., 2014). The next section focuses on the theories that underpin the effect of these VMD cues on the consumers' luxury brand perceptions.

Table 3.2: A typology of the VMD elements that affect consumers' perceptions of luxury and their discrimination in high-image and low-image VMD cues

VMD Elements	High-Image Cues	Low-Image Cues	Author(s)
Display Fixtures	Pedestals / tables / cubes	Shelves and rails	Kerfoot et al. (2003)
Display Fixture Materials	Brass/golden (trim) on display fixtures	No brass/golden (trim) on display fixtures	Baker et al. (1994) Joy et al. (2014)
	Muted but fashionable colours (e.g., gold, silver and black colours)	Dated colours	Baker et al. (1994)
	Glass surfaces	Other materials (e.g., plastic)	Kerfoot et al. (2003) Spence and Gallace (2011)
	Wooden fixtures (e.g., wooden clothes hangers)	Non-wooden fixtures (e.g., plastic hangers)	Kerfoot et al. (2003)
	Metallic	Burlap	Zhu and Meyers-Levy (2009)
Display Organisation (i.e., merchandise display density)	Neat and sparse (i.e., spacious layout, well-organised merchandise and display of fewer garments)	Messy and dense (i.e., crowded layout, unorganised merchandise and display of many garments)	Baker et al. (1994) Kerfoot et al. (2003) Dion and Arnould (2011) Joy et al. (2014)
	Low merchandise display density: One item display	High merchandise display density: Multiple-item display	Buttle (1984) Kerfoot et al. (2003)
	Clean and neat	Dirty	Baker et al. (1994)
Display Structure (i.e., fixture arrangement, approachability & showcases)	Closed display structure: Glass display cases	Open display structure: No glass display cases	Meyers-Levy and Zhu (2007) Cornell (2002)
Presentation Technique (i.e., display mode)	Art	Non-art	Mazursky and Jacoby (1985) Hagtvedt and Patrick (2011)
	Artist credentials	No artist credentials	Dion and Arnould (2011)
	Decorated displays	Exposed displays	Baker et al. (1994)
	Museological presentation (i.e., museum-like display)	Simple juxtaposition (i.e., non-museum-like display)	Dion and Arnould (2011) Joy et al. (2014)

(Source: this study)

3.7 The Underpinning Theories

In the literature that is cited in Table 3.3, the authors use different terminology to describe roughly similar phenomena. Although such theorisations have found different applications in the cited studies, they all inform the present thesis and explain through different lens the effect of VMD cues on the consumers' luxury brand perceptions. Nevertheless, inference theory and contagion theory are two competing but complimentary theories, which are most applicable for the present study's conceptualisations.

Table 3.3: The theories underpinning the effect of VMD cues on consumers' luxury brand perceptions

Theory	Application in the Literature	Application in this Thesis
Signalling Theory	Boulding and Kirmani (1993); Rao et al. (1999)	Expenditure on VMD serves for both consumers and sellers as a <i>signal</i> of 'high-image' and 'luxury value' which transmits the message that the product on display is a luxury brand.
Inference Theory	Nisbett and Ross (1980); Huber and McCann (1982); Baker et al. (1994)	Consumers <i>search</i> to form perceptions about the (unknown / new) brand on display on the basis of the information that they receive from the VMD cues that are available to them.
Contagion Theory Art Infusion Effect	Hagtvedt and Patrick, (2008a)	Consumers <i>transfer</i> perceptions from the VMD cues—such as fixtures, materials, mode of display and so forth — to the product on display.
Image Transfer Theory	Keller (1993); Gwinner and Eaton (1999); (Smith, 2004)	Consumers <i>form</i> a network of interconnected nodes containing all of the information they link to the brand following their encounter with it. This
Associative Network Theory	Childers and Houston (1983), Teichert and Schöntag (2010)	information is <i>filed</i> in the consumers' memory and is activated in a relevant context to determine their attitudes and behaviours towards the brand.

3.7.1 Inference Theory versus Signalling Theory

Signalling theory is mostly applied in economics in situations when there is asymmetric information between sellers and consumers (see Spence, 1974). It is also applied in consumer behaviour when the seller knows the true quality of a product, which could be high or low, but

the buyer does not know the true quality before actually buying and consuming the product (Boulding and Kirmani, 1993; Rao et al., 1999). In this case, the consumers need information (signals) which can help them to distinguish a high quality seller from a low-quality seller. Therefore, brands (firms) try to help consumers to classify the sellers and send pre-purchase signals by undertaking actions that demotivate (in terms of the involved costs) the low-quality sellers to engage in similar activities that could deceive the consumers. Accordingly, warranties (e.g., Boulding and Kirmani, 1993), advertising expenditure (e.g., Ippolito, 1990), price premiums (e.g., Milgrom and Roberts, 1986), or even brand names (e.g., Rao et al., 1999) have all been seen in the literature as signals of a product's and a seller's quality. In this context, high VMD expenditure (i.e., high-image VMD cues) can also be considered as a signal of a brand's true luxury identity and value. But, how do consumers decipher these signals?

From an inference making perspective, people tend to form a set of mental (i.e., cognitive) and/or emotional (i.e., affective) inferences about a phenomenon based on a set of perceptions and memories that they attach to it (Nisbett and Ross, 1980; Huber and McCann, 1982). These inferences represent what this phenomenon signifies for the individual. Inference theory has been applied and tested in the environmental psychology literature. Researchers in this field found that people make inference about the identity, the personality or even the efficiency of a person, a firm or an institution based, for instance, on the design cues (such as furniture) that can be found inside the place that this person, firm, or institution operates (Zweigenhaft, 1976; Morrow and McElroy, 1981; Sadalla et al., 1987).

This theory has also been applied in the literature of store atmospherics; accordingly, researchers have found that people tend to make mostly price and quality inferences about a store and its products based on the high-image or low-image store environment cues (Baker et al., 1994). Hence, it can also be assumed that when the consumers view a product among high-image VMD cues, such as on golden display fixture surfaces, they can make luxury inferences for the brand on display. Moreover, as a museum-like display is usually observed in displaying jewellery or artworks, it can signify for the consumers valuable and aesthetically superior objects on display; thus, consumers can make inferences about the brand's expensiveness and its aesthetic or class superiority. Although the explanation of such effect is also the focus of a number of contagion effects and memory theories, inference theory contributes here by establishing the notion that consumers are not passive recipients of information, but actively search to form perceptions about for instance an unknown brand on display (Nisbett and Ross

1980; Huber and McCann 1982). This means that consumers, based also on their expectations and past experience knowledge, will search and evaluate the available information which can help them to form brand-related (luxury) inferences. Relying on this notion, VMD cues can be used as informational inputs by the consumers who wish to evaluate a product or a brand on display.

To summarise, although signalling theory is mostly applied in research that studies organisations' or firms' effort (practices) in developing favourable consumers' responses, inference theory explains the consumers' perspective. Thus, the present study uses inference theory to argue that the VMD cues (high-image or low-image VMD cues) constitute for the consumers an informational source which they use in their effort to evaluate the perceived benefits (perceptions of luxury) and, as it will be explained in a next section, also the anticipated risks (perceived personal risk), of a luxury brand on display. However, to explain how VMD cues infuse or transfer specific associations to a brand on display, several researchers have applied contagion or image transfer theories (e.g., Smith, 2004; Hagtvedt and Patrick, 2008a; Dion and Arnould, 2011; Joy et al., 2014). Mostly the application of contagion theory, which is a competing but complimentary theory that enriches the theoretical ground of the present investigation, is discussed in the next section.

3.7.2 Contagion Theory: Art-Infusion Effect

Contagion theory enlightens our understanding of the general mechanism by which the direct or even indirect and perceived contact of two objects can cause the transfer of 'essence' (perceptions) from one object, which is the source, to another, which is the recipient (Rozin et al., 1986). The transmission of the essence of the source to the recipient may then remain, even when the two objects are no longer in physical contact (Rozin et al., 1986). In particular, the phenomenon that occurs when an object becomes more valuable because it is seen as possessing the essence of a valued source is called positive contagion (Newman and Dhar, 2014; Smith et al., 2016).

Accordingly, several researchers show that a product can become 'contaminated' by its contact with another product, person, event, or even place (Belk, 1988; Nemeroff and Rozin, 1994; Grayson and Martinec, 2004; Beverland, 2005; Argo et al., 2008; Morales and Fitzsimons, 2007; Newman et al., 2011; Newman and Bloom, 2012; Newman and Dhar, 2014). Consider

for instance the transmission of essence between two products or brands that are placed together or one next to the other in a window or an in-store display, such as a Luis Vuitton handbag next to a product of a less well-known brand. Similarly, goods become highly desirable and even collectable if they have been previously owned by rich and famous people, even though these objects have not been handled by these people (e.g., celebrities) for many years (Newman et al., 2011; Newman and Bloom, 2012; Smith et al., 2016). Even people can be seen as inheriting abilities, such as creativity or accuracy, if they use items that were previously touched by people who perceived to be high on those abilities (Lee et al., 2011; Kramer and Block, 2014). In a retail context, consumers' willingness to purchase a garment (such as a T-shirt) might increase when this garment was previously worn by an attractive person of the opposite gender (Argo et al., 2008). Finally, contagion theory is often applied also in cultural consumption or in general in an art-related context. For example, consumers value an artwork more when its creation involved its direct physical contact with the artist (Newman and Bloom, 2012). In many case such perceived value might even increase as the amount of contact between the valued source and the evaluated object increases (Newman and Bloom, 2012).

However, the marketing literature often uses different terminology to describe specific contagion effects that occur between the elements comprising a store environment, such as odours, ambient scents and music, and the consumers' brand perception (Gorn, 1982; Alpert and Alpert, 1990; Spangenberg et al., 1996). For instance, Hagtvedt and Patrick (2008a) referred to these effects as 'spillover effects' and by conducting three experiments showed that when for instance visual art is employed in presenting a product (the silverware of a restaurant), perceptions of luxury are infused from the artwork to the product. Hagtvedt and Patrick (2008a; 2008b) named this particular phenomenon the 'art-infusion effect'. Specifically, Hagtvedt and Patrick (2008a) found that the use of an art image (e.g., Van Gogh's painting versus a similar in content but non-art picture) on the product's packaging raised product evaluations. When the product was associated with Van Gogh's image, it was perceived to be more luxurious. In a second experiment, product advertising featuring Vermeer's painting *The Girl with a Pearl Earring* had a similar effect. A final experiment suggested that the art-infusion effect is content independent. Thus, the participants' luxury product perceptions did not differ when they were exposed to two different art images (e.g., Monet versus Turner) but changed considerably when a non-art picture, although identical in content with the art picture, was used instead.

Dion and Arnould (2011) explored the same effect in their qualitative study, but they called it the ‘magic’ effect. According to these authors, “*magic is a system for managing the transfer of qualities through similarity and contiguity*” (p. 504). In this case, art inferences were seen by the authors as the ‘intermediate power’ that can allow the store environment to generate an invisible link in the consumer’s mind between the world of art and the brand. Specifically, Dion and Arnould (2011, p.11) assert that: “*Through the intermediary of works of art on display at the point of sale, luxury products bathe in an artistic ambiance so that artistic properties will infuse and contaminate them, but more importantly will continue to emanate from them after sale.*” But, is the physical presence of an artwork absolutely necessary for the occurrence of an art-infusion effect in a retail store environment?

The present thesis assumes that a similar contagion effect can be elicited even by non-obvious references to artworks, such as when the display elements reference the places where the artworks are usually observed and reside. Hagtvedt and Patrick (2008a) suggest that a person simply walking through a museum may be subject to the art-infusion effect, even when the art is not directly tied to the evaluated product; the authors invite future research to investigate this phenomenon which they call a symbolic art-infusion effect. Dion and Arnould (2011) provide some qualitative evidence to suggest that art-infusion can be indeed induced by the mode of a display and is not necessarily induced from the physical presence of an artwork. Accordingly, specific VMD cues, such as pedestal blocks, glass display cases and lighting, when they are engaged together to form a museum-like display and present singularised objects, may also contaminate the commercial product on display with associations derived from the world of art and museums and build around it a set of luxury perceptions (Dion and Arnould, 2011; Joy et al., 2014). Relevant empirical evidence could make a novel contribution to the literature on contagion because, to date, previous empirical studies on contagion have focused exclusively on manipulations of the physical connectedness between for instance, an artwork and the product/brand on display (e.g., Hagtvedt and Patrick, 2008a). Hence, a symbolic art-infusion effect, caused by VMDs that reference through similarity the art institutions, such museums and art galleries, and contaminate the displayed product and its brand with luxury perceptions that are attached to artworks, is of worthwhile to be empirically investigated.

Lastly, the next section uses the lens of a competing theory, namely (Brand) Image Transfer Theory, to explain the same phenomenon of a ‘meaning transfer’ occurring because of the engagement of certain VMD cues in displaying a product. Nevertheless, for reasons which will

be discussed next, the present thesis uses inference and contagion theory over image transfer theory to support its conceptualisations.

3.7.3 Image Transfer Theory as a Meaning Transfer Theory

Memory models and consumer learning process theories could provide some help in developing a further understanding of the general ‘transfer of image’ that can occur between the VMD cues (which could be of high-image or low-image) and a brand on display. Specifically, image transfer theory has been employed by a number of studies to show that ‘image’ can be transferred to a brand (a process also referred as brand image transfer), as a result of a number of marketing related activities (Smith, 2004). Accordingly, image transfer is seen in the literature to occur mostly through celebrity endorsement (McCracken, 1989; Keller, 1993) or sponsorship activities (Nebenzahl and Jaffe, 1991; Meenaghan and Shipley, 1999; Gwinner and Eaton, 1999). In such cases, a celebrity’s, an event’s, or a sponsor’s image is transferred to the brand. Moreover, image is seen to also be transferred from one brand to another via brand extensions (Aaker and Keller, 1990) and co-branding alliances where two organisations jointly advertise their brand names (Rao and Reukert, 1994).

The majority of the studies that have applied image transfer theory have also adopted Keller’s (1993, p. 3) definition of brand image; accordingly, brand image is defined as the “*image perceptions about a brand as reflected by the brand associations held in memory.*” Such conceptualisation has also suggested an associative memory network perspective in studying image transfer effects (Gwinner and Eaton, 1999). In particular, associative network theory explains how human memory operates (Wyer and Srull, 1986) and it has been applied in several consumer behaviour studies to underpin a number of image transfer phenomena (Aaker and Keller, 1990; Till and Shimp, 1998; Samu et al., 1999). Associative network theory mostly establishes the notion of how the associations that have been transferred to a brand can then be ‘filed’ in the consumer’s memory as an organised schema which is recalled to generate consumer’s brand-related attitudes and behaviours (Teichert and Schöntag, 2010). Based on image transfer theory and associative network theory, consumers’ brand perceptions are seen to be the mental outcome that is produced by a network of interconnected nodes, which activate each other in relevant contexts (Christensen and Olson, 2002). Accordingly, the consumers file all of the information linked to the brand into their complex network of nodes as mental

imagery attributed to the visual representations and sensory perceptions of their encounter with the brand (Childers and Houston, 1983; Teichert and Schöntag, 2010).

Nevertheless, image transfer theory does not usually find relevant applications in-store atmospherics, but do apply adequately in advertising and sponsorship. The present study does not use image transfer theory because this theory mostly explains consumers' learning and recall processes in relation to brands and does not necessitate the physical contact of the source and the recipient of the image transfer. Nevertheless, this theory helps the present thesis's conceptualisations because it establishes the notion of a 'meaning transfer'. For instance, in McCracken's (1989) study of image transfer through celebrity endorsement, it was not the general attractiveness of the endorser (who could be a model or a celebrity) that was transferred to a brand but rather the consumer's interpretation of the celebrity's public image. Similarly, Gwinner and Eaton (1999) argue that the 'meaning' of a sporting event is what causes the image transfer. Accordingly, image transfer theory, when it is approached as a 'meaning transfer theory', can compliment contagion theory. Using these lens, certain VMD cues could be seen to be able to transfer a set of luxury perceptions to the brand on display not just because they are high-image VMD cues but mostly because of their signification (e.g., a museum-like display) for the luxury consumers.

However, the present study follows the consumer behaviour research that explores the effect of a visual environmental stimulus on consumers' brand perceptions and evaluation which mainly use contagion theories to describe how concepts and perceptions from the peripheral cues are infused to the product under evaluation (Gorn, 1982; Alpert and Alpert, 1990; Spangenberg et al., 1996; Hagtvedt and Patrick, 2008a). The key characteristic of these theories that distinguish them from image transfer theory is that the two 'components' of the transfer must have been in physical contact in order for the transfer between them to occur. Thus, while brand image transfer theory is akin to the air-born variant, where the source image simply travels through the 'air' (e.g., advertising) and forms relevant linkages in the consumer's mind (brand associations), in contagion theory the two parts of the transfer have been at least one time in physical contact.

To summarise, while the early studies in store atmospherics use inference theory to underpin the impact of store environment cues on the consumers' (mostly) quality perceptions, the most recent studies in luxury retailing refer to several contagion effects and they primarily rely on

contagion theory to describe the transmittable effect of certain VMD cues on luxury brand image. Hence, the present study initially uses inference theory and contagion theory as complimentary theories to provide an appropriate theoretical ground that underpins the effect of a certain combination of VMD cues on the consumers' luxury brand perceptions. This study then reviews the relevant literature on the key differences in the conceptualization of the two theories. Using the lens of inference theory, it is assumed that consumers are active individuals who search for and make (luxury/risk) brand inferences based on high-image or low-image VMD cues. Using the lens of contagion theory, it can be seen that the consumers' luxury brand perceptions are the result of the brand's contamination by a display mode that orchestrates the VMD cues to reference institutions of art and culture, such as museums and art galleries. Thus, these two theories could also be treated as competing theories. Indeed, through the empirical investigation, the present study finally suggests that contagion theory may better explain the effect of the VMD cues that form a museum-like display on the consumers' luxury brand perceptions and purchase intentions. However, future research will be invited to further empirically test and clarify whether a combination of high-image VMD cues can alone cause the consumers' luxury brand inferences or if the conceptual meaning of their holistic organisation in a museum-like display is what infuses perception of luxury for the brand on display.

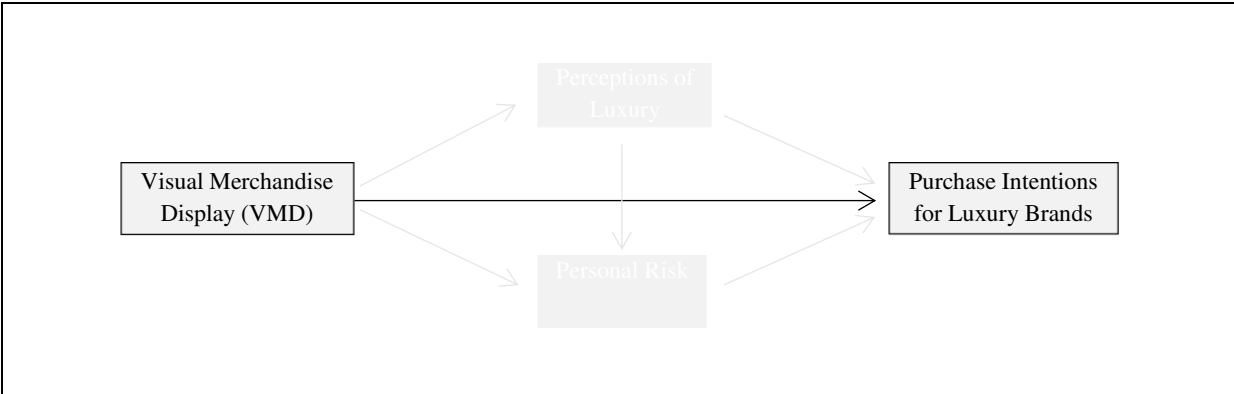
3.8 The Effect of VMD on Purchase Intentions

Kotler (1973) described purchase intention as the consumer's response not just towards a product or service that is being offered but as the consumer's response towards a 'total consumption package'. This means that the tangible product on sale is just a part of the whole consumption package which encompasses all of the elements that accompany this product. As such, the store environment and display elements contribute in making the purchase desirable for the consumers. In certain purchase situations and product classes, the 'place' and more specifically the 'atmosphere of the place' is so important that it could be proved to be even more important than the product itself (Kotler, 1973). Luxury brand consumption is considered as one of these cases because the satisfaction that the consumers often report in luxury purchases usually refers to the luxury experience at the point of the purchase rather to the acquisition of the luxury good (Kotler, 1973).

Store environment elements, in general, and VMD cues, in particular, have been found as primary factors in determining the consumers’ decision to purchase, mainly because they affect the consumers’ shopping experience directly at the point of purchase (Chan and Chan, 2008). Indeed, Kerfoot et al. (2003) in their qualitative study modelled 13 observations and found that a likable product display does not necessarily determine people’s purchases but it does make the purchase four times more likely to happen. Grewal and Baker (1994) have suggested that even the price of a brand is perceived as much more acceptable by the consumers when a brand is displayed among high-image store environment cues; this price acceptability then, increases the consumers’ purchase intentions. However, the opposite effect can occur, such as when the consumers dislike a display (Kerfoot et al., 2003). For example, Law et al. (2012) by conducting focus group interviews with 64 participants in Hong Kong found that when the display cues emphasised feelings of feminine sexuality, the participants’ negative emotional responses were triggered and this negatively affected their purchase intentions. Hence, the literature in-store atmospherics and visual merchandising suggests that VMD is a valuable marketing tool which can influence consumers’ intentions to purchase (as shown in Figure 3.4). Accordingly, the first research hypothesis is presented:

Hypothesis 1: The VMD cues that form a museum-like display positively affect the consumers’ purchase intentions for a luxury brand on display.

Figure 3.4: The impact of VMD on luxury brand purchase intentions



(Source: this study)

Although the relationship between VMD and purchase intentions can be assumed, it is important to understand the processes through which VMD plays this role. Drawing on the reviewed literature and supporting theories, the next section suggests that one possible

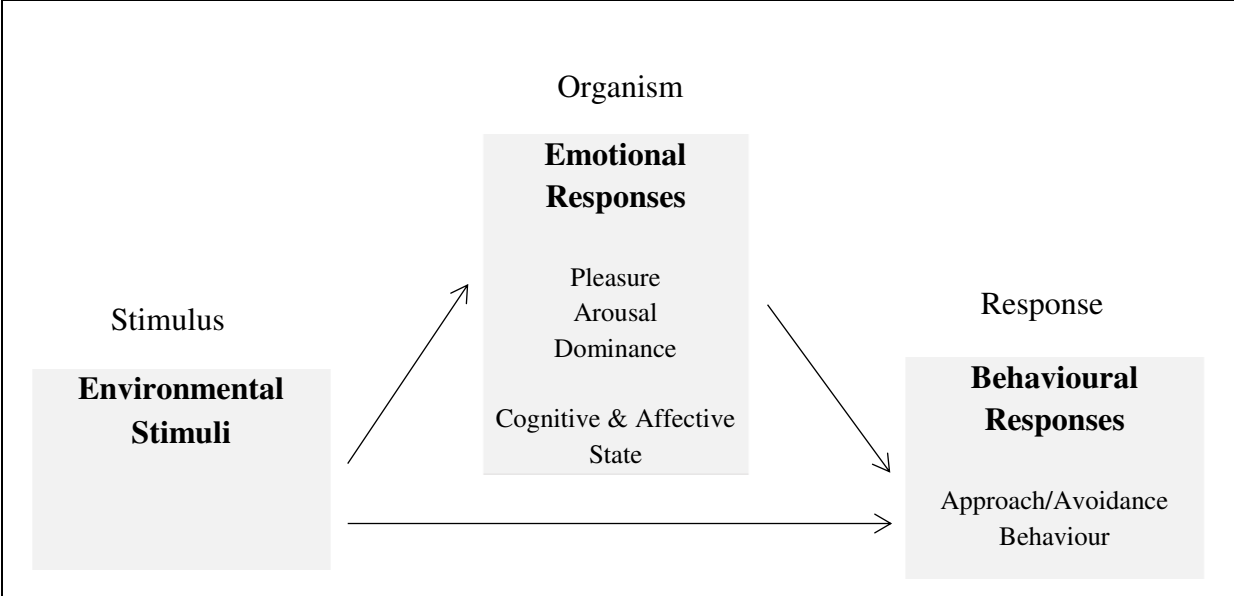
mechanism via which certain VMD cues can influence purchase intentions for luxury brands is by increasing the consumers’ perceptions of luxury for the product and its brand on display.

3.9 The Effect of VMD on Purchase Intentions via Perceptions of Luxury

The literature on store atmosphere has suggested that specific VMD cues, such as pedestal blocks, glass display cases, brass trims and museological presentation techniques, can attach to a brand on display a set of perceptions of luxury. Meanwhile, the marketing literature suggests that consumers’ perceptions of luxury in relation to a brand increase the consumers’ intentions to purchase it (Shukla and Purani, 2012; see Chapter 2). Thus, the literature on store atmosphere and visual merchandising often suggests that store environment elements affect the consumers’ emotional (affective) and/or cognitive (mental) state, which, in turn, influences their purchase intentions.

As discussed earlier, Mehrabian and Russell (1974) were the first to describe the influence of a built environment on people’s behaviour inside this environment, and developed a theoretical framework known as the stimulus-organism-response (S-O-R) model. Figure 3.5 shows how this theoretical framework explains consumers’ behavioural responses (R) to an environmental stimulus (S) through the changes in the consumer’s internal, mostly, psychological state (O).

Figure 3.5: Mehrabian and Russell’s (1974) S-O-R model



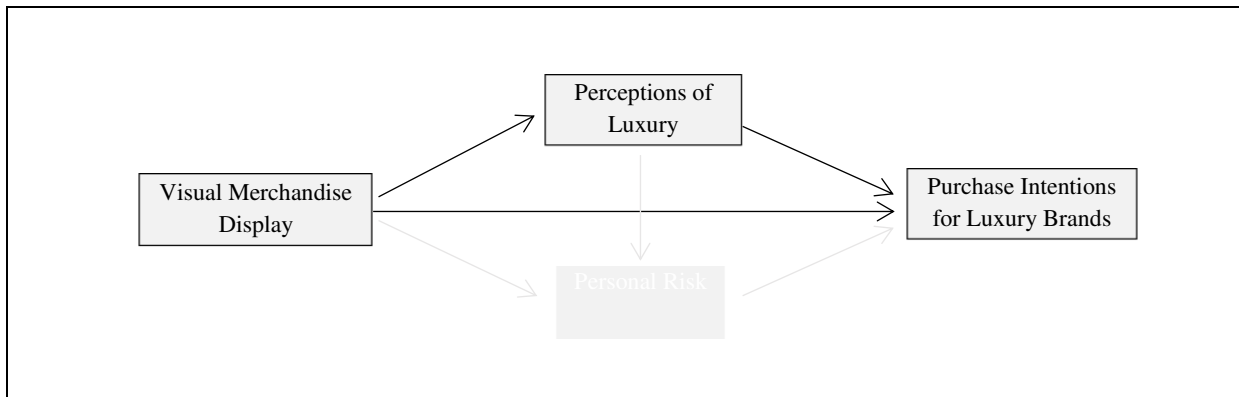
(Source: Mehrabian and Russell, 1974)

Afterwards, many researchers in this field underlined both the emotional and cognitive nature of the effect of the store environment cues on consumers' purchase intentions. Donovan and Rossiter (1982) have finally established the validity of the application the S-O-R model in a retailing context. In particular, the authors investigated the relationship between consumers' emotional states, induced by 11 different store environments, and their statements of behavioural intention in these environments. They found for instance that store-induced 'pleasure' was positively correlated with consumers' willingness to purchase. Baker et al. (1992) applied the same theoretical framework and found that the participants' affective state (pleasure and arousal) inside a store, which was derived by the store's social and ambient cues and their interaction, increased the participants' willingness to purchase. Ha and Lennon (2010) conducted an online experiment in which the participants were randomly assigned in one of four mock apparel websites that were created to manipulate the amount of 'task relevance'⁶ of the VMD cues. In this online context, the authors found that VMD cues (high and low task relevant cues) affected the participants' pleasure and arousal (respectively), which increased the consumers' purchase intention. VMD operates also on a cognitive basis. Accordingly, for consumers interested in luxury brands but with incomplete information about the specific brand on display, purchase decisions can be based on the store-induced inferences consumers make about the brand on display (Baker et al., 1994). Consequently, it could be assumed that VMD cues affect consumers' intention to purchase a luxury brand by affecting consumers' perception of luxury in relation to this brand. Based on the reviewed literature, supporting theories and S-O-R framework the second research hypothesis is presented (see also Figure 3.6):

Hypothesis 2: The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions, through the enhancement of the consumers' perceptions of luxury for the brand on display.

⁶ For instance, textual hyperlinks facilitated high task relevant cues while colours, patterns, fonts, animation and so on, facilitated low task relevant cues.

Figure 3.6: The influence of VMD on purchase intentions through perceptions of luxury



(Source: this study)

However, while consumers form luxury brand perceptions based on the VMD cues, which in turn affects their purchase intentions, they also associate certain risks to specific brands or purchase choices which constrain their decision to buy. Therefore, the present study wishes to investigate two parallel processes that explain the impact of VMD cues on purchases for luxury brands through the influence of the consumers' perceptions of luxury and personal risk in relation to the displayed brands. Thus, the next section explores the concept of risk in luxury brand consumption (i.e., the concept of personal risk) with the aim to uncover its role in the relationship between VMD and the consumers' purchase intentions for luxury brands.

3.10 The Concept of Perceived Risk in Consumer Behaviour Research

Risk is a concept that is inevitably linked to any purchase decision-making process. While the concept of risk is seen in economics (e.g., in decision theory or game theory) as a choice situation where outcomes can be either positive (possibility of gain) or negative (possibility of loss), risk in marketing and consumer behaviour is only associated with the negative consequences of a purchase choice (Stone and Grønhaug, 1993). Accordingly, because the consumer cannot be sure about the outcomes of a purchase decision, a certain degree of uncertainty is linked to this decision (González Mieres et al., 2005). Especially, risk is perceived when the consumer is concerned that a purchase choice might fail to realise her pre-set purchase goals (Mitchell, 1999).

The terms uncertainty and risk are used in this study to describe the same effect. However, there is a key difference between the two concepts: risk implies that the consumer can attribute

precise probabilities to the possible outcomes of a choice, whereas in uncertainty the consumer cannot do this (Stone and Grønhaug, 1993; Mitchell, 1999). Consumer behaviour researchers also use the two terms interchangeably, so as to be synonymous, mainly because they assume that it is impossible for a consumer to predict a priori the precise probability of the outcome of a purchase choice (Mitchell, 1999). This explains also why, despite the existence of several complicated (mathematical) conceptualisations of risk, coming mainly from research areas other than marketing, researchers in consumer behaviour prefer to simply define risk as the individual's expectations of some kind of loss (Stone and Winter, 1987).

In explaining the consumer's attitudinal and behavioural intentions, in particular, risk conceptualisation needs to be more psychologically-driven rather than being seen as a mathematically accurate interpretation (Mitchell, 1999). Therefore, the concept of 'perceived risk' partly adopts a psychological perspective, and because of its 'perceived' nature it is often described in the marketing literature as an emotion or feeling that individuals experience during a purchase decision process (Dholakia, 1997). For instance, Dholakia (1997) refers to perceived risk as the 'feeling of anxiety' that consumers face when dealing with purchase decisions that involve some probability and type of loss. This feeling of anxiety can increase, depending also on the consumer's level of involvement in a specific purchase (e.g., in terms of their investment in money, time and so on) and the particular consumption situation (e.g., for public versus personal use or in a gift consumption situation the perceived risk can increase). In the purchase of a luxury handbag, for instance, the consumer's feeling of risk can mainly concern the product's financial price but also the 'interpretation' of this choice by the consumer and his reference groups. The concept of perceived risk in luxury brand consumption is explained in more detail in a next section. Before this, the basic categories of risk are briefly discussed next.

3.11 The Basic Categories of Risk

The marketing literature indicates the existence of two broad categories of risk: 'inherent risk' and 'handled risk' (e.g., Dowling and Staelin, 1994; Chaudhuri, 1998; Mitchell, 1999). Inherent risk is the risk of a product class/category, such as the risk associated to luxury handbags, while handled risk is the risk of a brand choice within this product class/category, such as the risk associated with the purchase of a specific brand of luxury handbags (Dowling and Staelin, 1994). Although consumers may perceive that a certain amount of risk is linked to

a specific product category, after acquiring a satisfactory level information about a specific brand in this product category the feeling of risk for this specific brand choice as well as the initial perceived level of inherent risk can be reduced. Mitchell (1999, p. 166-7) argues that: “Handled risk represents the end results of information acquisition and risk-reduction processes on inherent risk”. However, in the case of a new-unknown brand, which is the case in this study, inherent and handled risk are assumed to be equal (Mitchell, 1999), to such an extent that the discrimination between these two risk categories no longer made sense in the present investigation.

Given that the concept of risk in marketing and psychology differs from the concept of risk in other research areas, such as in accounting, researchers also discriminate between ‘subjective risk’ and ‘objective risk’. Subjective risk is the ‘perceived risk’ and objective risk is the ‘real risk’ (Bauer, 1960). However, the majority of the marketing researchers define risk as the subjective expectation of loss (e.g., Dholakia, 1997; Sweeney et al., 1999). Especially for the case of a new brand, Mitchell (1999, p. 164) explains that:

In many instances, consumers will be faced with a completely new purchase which they have never encountered before. This makes accurate assessment of risk almost impossible. Even if the consumer could calculate accurately the risk involved, it is not this objective risk which motivates behaviour, but the consumer’s subjective impressions of it.

Many researchers across different research areas realise the complexity of measuring objective risk accurately, especially when risk is seen as a psychological construct (e.g., perceived risk as a feeling). This realisation although does not cancel the existence of an objective risk, which can still be approached theoretically, it certainly suggests to measure the subjective risk instead (Stone and Winter, 1985; Stone and Grønhaug, 1993). Thus, in practice, the two opposite views on risk (subjective risk and objective risk) converge and researchers tend to measure subjective risk. In particular, under the unifying concept of ‘perceived risk’, marketing researchers have concluded that what ultimately determines consumers’ behaviours, and specifically, their purchase intentions, is the risk ‘perceived’ by them (Mitchell, 1999; Tsiros and Heilman, 2005).

3.12 The Perceived Risk Dimensions that affect Consumer Purchases of Luxury Brands: the Concept of Personal Risk

Perceived risk is mostly seen in the consumer behaviour literature as a multidimensional construct. Accordingly, researchers in this field tend to conceptualise and measure risk by considering mostly six perceived risk dimensions (Dholakia, 1997). Specifically, researchers seem to agree that the dimensions of risk that affect consumers' overall perceived risk and purchase decision making are the perceived functional, performance, physical, psychological, social, financial and, in some only cases, time/convenience risk (Roselius, 1971; Jacoby and Kaplan, 1972; Kaplan et al., 1974; Havlena and DeSarbo, 1991; Greenleaf and Lehmann, 1995). Table 3.4 identifies each risk dimension. Although researchers agree mostly on the six perceived dimensions, they often assess such risk dimensions in different ways, such as by using multiple items or, by using a single item to capture each risk dimension.

Table 3.4: Dimensions of perceived risk associated with shopping behaviour

Dimension	Conceptualisation	Author(s)
Functional risk	The risk that the chosen product, may not perform as expected.	Jacoby and Kaplan (1972); Kaplan et al. (1974)
Performance risk	The risk that the chosen product may not meet the standards of quality.	Roselius (1971); Dunn at al., (1986)
Physical risk	The risk that consumer's safety may be harmed when using the product.	Jacoby and Kaplan (1972); Kaplan et al. (1974)
Psychological risk	The risk that this product choice may harms the consumer's ego (self-image).	Roselius (1971); Jacoby and Kaplan (1972); Kaplan et al. (1974)
Social risk	The risk that the product choice may cause embarrassment to the consumer in front of other members of his reference group.	Roselius (1971); Jacoby and Kaplan (1972); Kaplan et al. (1974); Dunn at al., (1986)
Financial risk	The risk that the product may not be worth its financial price.	Roselius (1971); Jacoby and Kaplan (1972); Kaplan et al. (1974); Dunn at al., (1986)

(Source: adapted from Tsiros and Heilman, 2005)

While people buy necessities and regular goods to satisfy their basic and physiological needs (i.e., lower level needs in Maslow's pyramid of hierarchy of needs), they tend to buy luxury brands to realise mostly psychological needs (e.g., conspicuousness, hedonic, self-expressive

and self-actualising needs). This difference in the consumption motives between the two kinds of purchases can explain why the composition of perceived risk (i.e., the perceived risk dimensions that shape consumer's overall perceived risk) also differs between different purchase situations and product classes (Dunn et al., 1986; Chaudhuri, 1998).

Tsiros and Heilman (2005), as part of their empirical research on the consumers' purchase behaviour in relation to six categories of perishable products (e.g., milk, yogurt and chicken), conducted a factor analysis for all six risk dimensions (i.e., functional risk, performance risk, physical risk, psychological risk, social risk and financial risk) with the intention to consider the possibility of reducing them into shorter constructs. Indeed, the authors identified two shorter constructs. In particular, the principal components analysis suggested a two factor solution whereby the functional, performance, and physical risk were grouped together as one construct, namely 'product quality risk' (PQR) while psychological, social, and financial risk were grouped together as a second construct, namely 'personal risk' (PR). Moreover, the authors found that the effect of risk dimensions on the consumers' purchase behaviour varies, depending on the class of the brand considered. In particular, because their study investigated perishable products, the construct of PQR was proven to be more influential for determining the main aspects of the consumer's decision-making process (such as the frequency in which consumers check the product's expiration date and so on). Although the authors did not empirically investigate the case of luxury brands, they did suggest that the construct of personal risk (i.e., the compositions of financial, social and psychological risk) is crucial in determining purchase intentions for luxury products.

In line with Tsiros and Heilman (2005), the concept of personal risk is used in the present study to better understand the effect of VMD on consumers' luxury brand purchase intentions. Hence, relying also on Mitchell's (1999) argument that the appropriateness of a perceived risk measure (construct) mostly depends on the specific construct that each researcher is trying to catch, which gives to the researcher "*licence to design objective-specific models*" (p. 187), the construct of 'personal risk'⁷ is used in this study as a psychological type of risk associated to

⁷ In luxury brand consumption, the consumers deal with uncertainty when considering the compatibility of a brand with their self-image. Consequently, consumers worry that a considered brand choice might 'harm their ego', which mostly refers to how individuals perceive themselves (i.e., perceived psychological risk). Another type of risk in this

luxury brand consumption. The next section, using the lens of inference theory, identifies evidence in the visual merchandising and risk literature to underpin the influence of VMD on personal risk.

3.13 The Application of Inference Theory: VMD as an Informational Source of the Anticipated Personal Risk

The purchase of luxury goods, such as perfumes and designer handbags, is considered to be a relatively ‘high-involvement buying decision’ (Dubois, 1995). This, increases the consumers’ perceived personal risk (Dholakia, 1997). In-store stimuli, on the other side, such as VMD cues, have been found to generally smooth the consumer’s anxiety by increasing consumers’ excitement for the purchase engaging them in the purchase experience (Mitchell and Harris, 2005). Nevertheless, a pleasant store atmosphere and a hedonic/luxury retail experience do not always result in a purchase, although they increase its probability (Kerfoot et al., 2003). Contemporary consumers are much more interested in searching for evidence (cues) that help them estimate the expected benefits but also the anticipated consequences of a purchase (Stevens, 2008; 2010).

The present study, using the lens of inference theory, suggests that VMD can affect the consumers’ perceived personal risk which is associated with a brand choice. Consumers’ store-based luxury brand inferences are juxtaposed to consumers’ luxury brand consumption motive and shape accordingly their perceived risk (see Mitchell and Harris, 2005). Mitchell and Harris (2005) argue that for every perceived risk dimension, the consumers may search for relevant

consumption relates to the ‘signalling utility’ of the consumer’s choice. Even if the consumer feels comfortable with the choice, he or she might still worry that others may not approve or like it (i.e., perceived social risk). Lastly, consumers usually associate luxury brands with high, and sometimes unreasonably high, price premiums. This refers to their financial price compared to the price of an alternative non-luxury brand choice (i.e., perceived financial risk). If this price premium is not justifiable in the consumer’s mind (e.g., in terms of quality, aesthetic superiority and so on), even in relative terms, then it can even increase the consumers’ psychological risk (Stone and Gronhaug, 1993).

store environment cues that could eliminate it. The authors used their interviews with grocery shoppers to form and present theoretical links (i.e., ladders) between: (1) certain store characteristics (e.g., cleanliness, attractiveness of the store, size, and layout), (2) the respondents' negative inferences (referred as consequences) when these store characteristics/attributes are either absent or not as expected, (3) the respondents' consumption motives, and (4) their perceived risk. From an inference making perspective, the authors' qualitative analysis suggested that consumers form risk perceptions by searching for and evaluating store environment cues. During this process, the consumers' store and brand-related inferences, as they have been formed by the identified store environment cues, are juxtaposed to consumers' initial consumption motives, which ultimately shapes their perceived risk in a purchase situation. Because Mitchell and Harris's (2005) investigation was in the context of grocery consumption, the authors reported the effect of certain store environment cues, such as of the cleanliness and helpfulness of the personnel, on the shoppers' time, financial, psychological, and physical risk. Accordingly, in a luxury brand consumption context and using the lens of inference theory, it can be assumed that consumers can also rely on VMD cues (as an informational source), to make inferences about the luxury brand image and the personal risk of the specific luxury brand choice. Risk-taking theory compliments these assumptions and also underpins the effect of VMD on personal risk; thus, this theory will be briefly discussed in the next section.

3.14 Risk-Taking Theory: VMD as the Consumers' Risk-Reduction Strategy

Information acquisition knowledge theories and, in particular, risk-taking theory have also been applied in the marketing literature to justify the relationship between store environment cues and the consumer's perceived risk (Murray, 1991). Risk-taking theory suggests that consumers are motivated to reduce the perceived risk in a purchase decision, therefore, they search for relevant cues derived from several different types of information sources. Risk-taking theory assumes that most of the purchase decisions are made by consumers under some degree of uncertainty for a given brand and asserts that when the consumers realise the risk they take steps to reduce it in ways that could better fit both the person and the particular consumption situation (Sheth and Venkatesan, 1968). Risk-taking theory supposes that the consumer cannot change the consequences of using a brand but can change the level of uncertainty in a specific brand choice by acquiring knowledge/information about the choice's consequences (Sheth and Venkatesan, 1968). Accordingly, consumers may try to reduce the

perceived uncertainty of a brand choice by obtaining information from informal and personal sources, such as friends and family members (or other reference groups), investigating alternative choices, relying on brand image or, on the direct product observation and so on (Sheth and Venkatesan, 1968).

Many researchers have studied a variety of ‘risk-resolution’ strategies that consumers consciously or unconsciously undertake during a purchase decision-making process, such as postponing the purchase, choosing well-known brands and taking advice or endorsement from trusted sources (Roselius, 1971; Mitchell and Harris, 2005; Tsiros and Heilman, 2005). Among a number of ‘risk-resolution’ strategies, the search for visual and other cues that provide brand-related information (i.e., direct observation) is seen by many researchers as a particularly important ‘risk-resolution’ strategy when consumers try to reduce the perceived risk of a purchase choice or the severity of the purchase consequences (Murray, 1991). Especially in the case of new products or brands that have not yet established a well-known and distinctive brand image, the direct product observation is what actually builds brand image (by creating a set of perceptions around the product on display). Thus, when the overall perceived risk of a purchase choice increases, the consumer’s direct encounter with a brand via store experience and direct product observation or trial is assumed to be a preferred source of information that operates as a risk-reduction strategy (Sheth and Venkatesan, 1968; Murray, 1991).

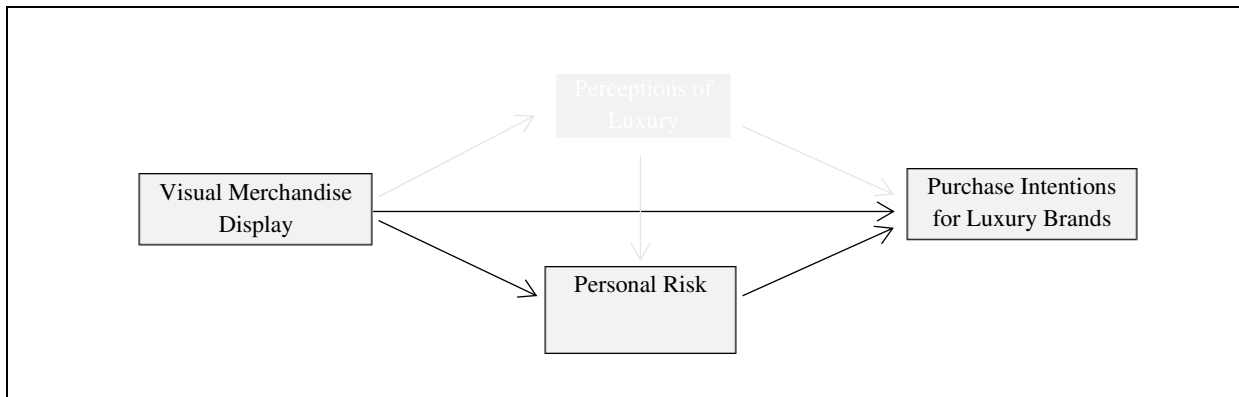
Moreover, as mentioned earlier, risk-taking theory suggests that the consumer chooses a risk-reduction strategy that best fits the particular consumption situation (Sheth and Venkatesan, 1968). This means, that the composition of the risk dimensions that shape the consumer’s perceived overall risk in a specific purchase, in part, also determines the risk-reduction strategy that a consumer is more likely to choose (e.g., Roselius, 1971; Derbaix, 1983; Mitchell and Harris, 2005). In luxury brand consumption, where personal risk mostly drives consumers’ perceived overall risk (Tsiros and Heilman, 2005), the store environment cues and a hedonic/luxury retail experience can become particularly important information sources for the luxury brand consumers. Thus, VMD is considered in this context to operate as a strategy and informational source that consumers use in order to manage the personal risk involved in a luxury brand purchase situation.

3.15 The Effect of VMD on Purchase Intentions via Personal Risk

Inference theory and risk-taking theory both explain through difference lens that VMD cues can influence consumers' perceived personal risk which, in turn, affects their luxury brand purchase intentions. Perceived risk has been seen in several behavioural studies as an intermediate variable that affects the consumer's purchase intentions (e.g., Lim, 2003; Wang and Emurian, 2005; Chau et al., 2007; Chen and Barnes, 2007). Few empirical studies have suggested that online store environment cues (e.g., the website's content, quality and attractiveness) can affect the consumers' purchase intentions through perceived risk and used a S-O-R theoretical framework to underpin this assumption (Chang and Chen, 2008). For example, Chang and Chen (2008) conducted survey questionnaires to assess the respondents' feelings and opinions about a number of websites. In this context, the authors empirically tested the effect of online environment cues on the consumer's purchase intentions in relation to an online retailer through the intermediate factors of consumer trust and perceived risk. In particular, the authors found that the quality of a website (e.g., the website's technical and content quality) and, more importantly, its brand image can affect the consumers' intention to purchase because they affect the consumers' trust and perceived risk towards the online retailer. Drawing upon the evidence, mostly in online retailing, and using inference theory and an S-O-R research framework, the present study suggests that the VMD cues can affect the consumer's purchase intentions for a luxury brand by affecting the consumer's perceived personal risk for the considered brand choice. Consequently, the third hypothesis (as shown in Figure 3.7) is proposed:

Hypothesis 3: The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the decrease of consumers' personal risk for the brand on display.

Figure 3.7: The influence of VMD on purchase intention through personal risk



(Source: this study)

Finally, the next section brings together the two proposed mechanism through which VMD is seen to affect consumer purchases of luxury brands, namely through perceptions of luxury and personal risk, and using an S-O-R research framework presents the study’s basic conceptual model.

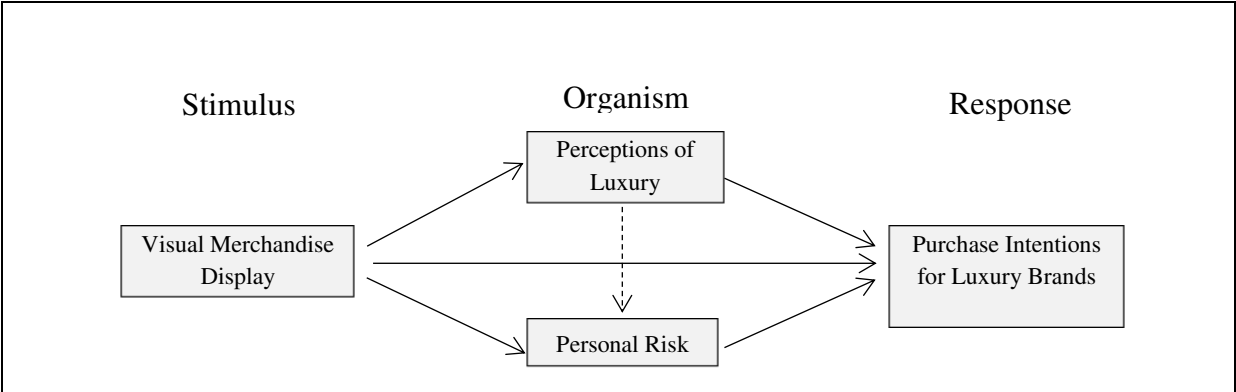
3.16 A Basic conceptual Model that Explains How VMD Affects Consumer Purchases of Luxury Brands

This literature review has often referred to S-O-R model to underpin the two proposed mechanisms through which VMD is seen to affect consumers’ luxury brand purchase intentions. The S-O-R framework has also been used in some studies to suggest parallel processes whereby store environment cues affect the consumers’ behavioural intentions by affecting the consumer’s affective and cognitive states (e.g., Mummalaneni, 2005; Ha and Lennon, 2010). Following these studies, the present study also applies an S-O-R framework to underpin a parallel mechanism through which, VMD affects consumers’ luxury brand purchase intentions by affecting their perceptions of luxury and personal risk for the brand on display. Consequently, Mehrabian and Russell’s⁸ (1974) S-O-R model, which is widely applied in

⁸ Mehrabian and Russell (1974) initially developed the pleasure-arousal-dominance (PAD) emotional state model. This (psychological) model uses three emotional dimensions (i.e., pleasure, arousal and dominance) to explain how a physical environment, that uses non-verbal signals can affect behaviour by affecting emotions (Bakker et al., 2014). The application of this model in marketing transferred the notion from the environmental psychology to the

environmental psychology and store atmospherics literature, provides for this study too a simple but comprehensive theoretical framework that underpins the present thesis’ basic conceptual model (see Figure 3.8).

Figure 3.8: A basic conceptual model of the influence of VMD on purchase intentions for luxury brands based on the S-O-R framework



(Source: this study)

retailing literature (Wirtz et al., 2000; Mattila and Wirtz, 2001). However, many contemporary researchers criticised the application of the PAD model in examining the impact of environmental stimuli on consumer behaviour. Most of them because they considered it to be narrow in scope (Eroglu et al., 2001, 2003; Chang and Chen, 2008). Others, because they saw little coherence in the interpretation of this model’s dimensions and underlying mechanisms in the extant literature (Bakker et al., 2014).

Mehrabian and Russell’s (1974) S-O-R Model provides a simpler but comprehensive theoretical framework which is applied in consumer behaviour and retailing research. Nevertheless, the S-O-R Model has also faced criticism, especially in the psychology literature. Although it is considered adequate to describe linear relationships between constructs, Jacoby (2002) argues that, when the investigated relationships are either non-linear or not purely logical but psychological, the simplicity of S-O-R model may impede the understanding of processes and behaviours that engage a greater degree of interactivity. Because of the ‘perceived’ nature of some of the involved constructs in the present study (such as perceived personal risk), Jacoby’s (2002) perspective could enrich my analysis but it could also overcomplicate it. Thus, given that the involved constructs in my model are linearly linked, their relationship can be adequately described under a simple S-O-R framework.

In the present study, and from an S-O-R perspective, VMD cues represent the visual stimulus which can enhance the consumers' luxury brand perceptions and decrease their perceived personal risk. However, evidence in the literature, underpinned by inference theory and S-O-R model, suggest that consumers' store-based luxury brand perceptions juxtaposed to consumers' luxury brand consumption motive influence the consumers' perceived personal risk (Mitchell and Harris, 2005). Thus, a link between consumers' luxury brand perceptions and personal risk can also be theorised. In any case, luxury brand perceptions and personal risk as a composition of affective and cognitive schemas (i.e., organism) can, in turn, affect the consumer's purchase intention for a luxury brand on display (i.e., response). Consequently, this thesis proposes the fourth hypothesis:

Hypothesis 4: The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the serially linked mediators of perceptions of luxury and personal risk.

3.17 Summary

The conceptual model in Figure 3.8 presents two parallel processes through which VMD can affect the purchases of luxury brands for the average consumer. Nevertheless, consumers differ in ways that can affect these two processes. The next chapter will cite a number of consumers' individual characteristics that have been found in the literature to affect consumers' behavioural responses in relevant S-O-R research contexts. As such, the concept of consumers' CC and its role on the impact of VMD on consumers' luxury brand and personal risk perceptions and, thus, on their purchase intentions for a luxury brand, is the focus of the next chapter.

CHAPTER 4 THE MODERATING ROLE OF CULTURAL CAPITAL

4.1 Overview

This chapter reviews the literature to uncover whether and why the impact of VMD on consumer purchases of luxury brands can be contingent upon the consumers' level of CC.

In a number of consumer behaviour studies and theories, the consumer is seen as an information processor (e.g., Bloch et al., 2003; Zhu and Meyers-Levy, 2009). The factors that the consumers attend to when acquiring relevant information and the way that they process this information, impact their attitudes and behaviours and, therefore, are important for researchers, brand managers, and retailers alike. However, the factors that are mostly attended, as well as the way that the consumers process information, can differ between different individuals. Thus, although the consumers' information processing, in general, concerns their responses towards three main stimuli: the product, its symbolic meaning, and the social environment (see Howard and Sheth's (1969) Theory of Buyer Behaviour), the consumers' attitudinal and behavioural intentions are often contingent upon their individual characteristics (see Engel et al.'s (1986) consumer decision model). In particular, many studies that have applied an S-O-R framework, suggest that the effect of store environment elements on consumers' attitudes, which in turn affect their purchase behaviours, is contingent upon the consumer's identity (e.g., Eroglu et al., 2003; Koo and Ju, 2010).

The concept of CC and its role in visual merchandising will be reviewed in this chapter as an element of the consumer's identity. Culture as a system of customs and morals of the environment that a person lives in, is seen in the literature to affect the way that people process information and make decisions (Engel et al., 1986; Singelis et al., 1995). However, the sociology literature argues that culture is also part of the individual's intangible resources (Lamont and Lareau, 1988). Accordingly, the term 'CC' refers to human culture as an individual characteristic that encompasses the consumer's intangible assets and resources (such as knowledge, personality traits, and values), which mostly manifest via lifestyle choices (Bourdieu, 1986) and affect the way that people think and act (Blackwell et al. 2001). Compared to other individual-level consumer characteristics that have used in some studies to approximate CC, such as fashion knowledge (see Berger and Ward, 2010), the consumer's level of CC is suggestive (apart of several socioeconomic type of information about a person) of how a person perceives herself, processes the information of the environmental stimuli, and expresses herself. It also indicates how this person wants to be perceived by others. Although

this information is valuable for consumer behaviour researchers, in many research contexts this information cannot be adequately provided by proxies of CC that may overlap but only partially explain the construct and the effect of CC.

Some consumer behaviour studies have tested the effect of the presence of art on the consumers' perceptions of luxury in relation to a product on display (e.g., Hagtvedt and Patrick, 2008a, 2008b). Researchers in the retailing literature have recently started to explore qualitatively the effect of a display mode that brings associations from the world of art and museums to the commercial products on display (i.e., a museological presentation technique) on the consumers' luxury brand perceptions (e.g., Dion and Arnould, 2011; Joy, 2014). However, although these studies point out that several individual differences may also affect consumers' brand evaluations, they do not consider the role of consumers' CC, which can be particularly important in this context. Thus, the present chapter reviews the literature on CC to uncover the role of CC in this luxury retailing context and presents six relevant research hypotheses.

Lastly, this chapter makes an effort to provide a theoretical explanation of the hypothesised contingent role of CC in this retail context. Many cross-cultural studies have suggested that culture, in general, affects the way that people process information and reach decisions (see Singelis and Brown, 1995; Gudykunst et al., 1996). The present thesis pushes this concept further and investigates whether people in the same culture but with different levels of CC use also different styles of processing a visual store environment stimulus. In particular, assimilation-contrast theory is used to underpin that CC could be an indicator of the consumers' tendency to process a VMD holistically rather than analytically. Accordingly, consumers with higher CC, by focusing on the 'big picture' rather than on the independent elements comprising this picture, may miss mild incongruities among the VMD cues and continue to attribute common evaluation to all VMD cues and to the product on display. Five relevant research hypotheses are finally presented.

4.2 The Role of the Consumers' Individual Characteristics

Many studies in the literature of store atmospherics have explored the role of several consumers' identity elements in an S-O-R research framework. Accordingly, the strength of the influence of the store environment on consumers' emotional and mental states can vary

depending on consumer's individual characteristics. In turn, this discrepancy on the affective (i.e., emotional) and/or cognitive (i.e., mental) state between different consumers is reflected in their purchase behaviour (Mehrabian and Russell, 1974; Mummalaneni, 2005; Ha and Lennon, 2010).

For instance, Eroglu et al. (2003) tested the contingent role of the consumers' 'involvement' and 'atmospheric responsiveness' on the effect of online environment cues on consumers' pleasure and arousal that shape consumers' attitudes, which then affect their purchase behaviours (such as satisfaction and approach or avoidance behaviour). In particular, the authors found that the atmosphere of a website improves the perceived pleasure for the 'low-involvement' consumers in visiting a site (i.e., only for those who were just browsing the site) and for those with high 'atmospheric responsiveness' (i.e., for people who in general attribute importance to the atmospheric elements of an environment). Accordingly, involvement and atmospheric responsiveness are found to affect the intensity of the effect of site atmospherics (stimulus) on pleasure (organism), and then indirectly affect their purchase behaviours (response) through the consumers' attitudes (organism).

Koo and Ju (2010) also investigated the effect of online store atmospheric cues on the consumers' behavioural intentions, through consumers' affective states. Moreover, the contingent role of consumer's 'perceptual curiosity' (i.e., a person's tendency to investigate and uncover the environment around him) was investigated in this S-O-R framework. The authors found that the consumers' high perceptual curiosity makes them pay closer attention to visual and other sensory cues. In particular, participants with high perceptual curiosity were found to be more pleased and aroused (organism) by the graphics of an online store (stimulus), which then affected their behavioural intentions.

Apart from the literature in store atmospherics, the greater marketing literature suggests that the consumers' information searching and processing procedure in a product purchase situation depends on some of the consumers' individual characteristics. For instance, Bloch et al. (2003) investigated the contingent role of the importance that the consumers ascribe in the products' visual aesthetics on the influence that such product aesthetics have on consumers' responses to the product. Accordingly, the 'centrality of visual product aesthetics' (CVPA) has been found to positively affect consumers' aesthetic product evaluations, attitudes, and purchase intentions. In particular, the authors found that for participants with high CVPA, their aesthetic

evaluations of products with high and low aesthetics were much more discrete than the evaluations of the people with low CVPA. This discrepancy was mainly caused by the fact that participants with high CVPA appreciated much more the aesthetically advanced products than those with low CVPA, while there were no differences in their evaluations about the low in aesthetics products. A similar pattern was identified when the authors assessed the participants' attitudes and purchase intentions for the aesthetically advanced and the low in aesthetics product.

Many studies have also investigated the role of the consumers' individual characteristics on their decision-making process under uncertainty (e.g., Cox, 1962; Bettman, 1973; Mitchell, 1999). For instance, the contingent role of consumer's level of 'confidence'—which is also referred as 'self-confidence', and which indicates how confident a consumer is when they categorise a cue as good or bad—has been found to be important in determining the consumers' information searching behaviour (Locander and Hermann, 1979). In general, the concept of perceived risk is seen in the literature as the individual's biased assessment of a risk situation and, therefore, the risk assessment differs among different people (Kahneman and Tversky, 1982). Consequently, risk evaluations in a product purchase situations are expected to be contingent upon the consumers' psychological and situational characteristics (Cho and Lee, 2006). For example, Kogan and Wallach (1964), and Schaninger (1976) found that the consumers' risk-taking behaviour while purchasing a product can depend on a number of consumer identity elements, such as 'self-sufficiency', 'self-esteem', 'independence', and 'rigidity'.

To summarise, a review of the literature of store atmospherics and consumer behaviour shows that many identity elements, such as 'atmospheric responsiveness' (Eroglu et al., 2003), 'perceptual curiosity' (Koo and Ju, 2010), 'hedonic motivation' (Chang et al., 2011) and 'centrality of visual product aesthetics' (Bloch et al., 2003), have been found to have a contingent role on the influence of store environment cues on the consumers' attitudes and purchase behaviours. Moreover, how the consumers' respond to risk in a purchase situation has also been found to rely upon the consumers' identity element, such as consumer's 'self-esteem', 'confidence', 'rigidity', 'self-sufficiency' and 'independence' (Schaninger, 1976; Locander and Hermann, 1979). Thus, the literature suggests that the relationship between stimulus (i.e., store environment cues) and organism (i.e., the consumer's emotional and mental state while stopping) is often reliant upon the consumers' individual characteristics, which

often concern the way that people process store or product-related cues. Some of these identity variables, such as the consumers' CVPA, could relate with the concept of CC but they could only narrowly approximate a measure of CC, which is worthy of further investigation.

This thesis wishes to bring CC into an S-O-R framework and examine its role in a retail context. In particular, my empirical investigation latter on will test whether the impact of a museum-like display on consumers' purchase intentions—through the enhancement of their perceptions of luxury and the reduction of their personal risk—depends on the consumers' CC. However, the concept of CC needs first to be clarified.

4.3 The Evolution of the Concept of CC

This section aims to develop an understanding of the concept of CC and it will examine how this concept has evolved. Moreover, it will present a critique informed by the literature of marketing and sociology on prior conceptualisations and operationalisations and it will identify the contemporary issues in conceptualising and operationalising CC.

4.3.1 The History and the Concept of CC in Sociology

The history of the study of CC dates back to the early-1960s and it is strongly intertwined with the sociologist Pierre Bourdieu. The concept was developed by Bourdieu (1979) to explain the higher educational achievements of students with educated parents. In particular, educational attainment was seen to be the result of the help and the privileges that the students were receiving from and because of their family background. Students with higher CC were found to be endowed with skills and attitudes which served as competitive advantages in their school life. They also had inherited the 'know how' and 'good taste', which means that they knew how to behave, write, and talk in a way that was socially acceptable and respectable, and that they had the ability of making 'aesthetic' choices that would be highly approved by others. These aspects proved to be strong predictors of their success.

Bourdieu's most important works have provided the theoretical fundamentals for the concept of CC. Robbins (2005; p.25) notes that in *Inheritors* (Bourdieu and Passeron, 1979) Bourdieu for first time used the term "*capital linguistique*", which was translated and replaced in 1979 by the term "CC". In his early work, Bourdieu demonstrated how people could be grouped or

categorised based on their cultural attitudes, preferences, behaviours, and possessions (Lamont and Lareau, 1988). CC at that time, was mainly defined and measured in terms of a person's informal academic qualifications (such as, informal knowledge, linguistic competence, refined attitudes and styles), which broadly referred to a combination of skills and habits related to high social class (Prieur and Savage, 2011).

In *Reproduction*, Bourdieu and Passeron, (1996[1970]) still described CC in terms of academic qualifications but their argument about academic qualifications was now based more on formal rather than on informal evidence of these qualifications (such as, academic culture, formal knowledge and actual certificates or diplomas). For instance, students who inherit refined skills and tastes will not only receive knowledge from a good academic institution but they will also be awarded with a 'prestigious' diploma which further enhances their CC (Prieur and Savage, 2011).

Lamont and Lareau (1988) argue that the theoretical role of CC changes for first time in *Distinction* (Bourdieu, 1984). That is because in *Distinction*, the discussion about what constitutes CC goes beyond education and aims to explain individual differences in tastes, lifestyles, morals, and politics (Prieur and Savage, 2011). CC was now defined as a composition of cultural attitudes, preferences, and behaviours which together shape a person's 'tastes' (Lamont and Lareau, 1988). In this work (Bourdieu, 1984), CC and economic capital (i.e., wealth), for first time, are even used to position people in different social classes where taste is the result of their cultural credentials, such as education, knowledge, and preference in fine art and classical music, number of books in a persons' home and so on (Prieur and Savage, 2011).

While studies of CC originated in France, a number of international scholars have started to explore the importance of CC in social structuring—that is, the social positioning and categorisation of peoples into socioeconomic groups based on relevant key criteria, such as occupation, income or status. Similarly, other researchers have used this concept to study a variety of non-educational phenomena, including political attitudes and lifestyle choices (Lamont and Lareau, 1988). Nevertheless, the role of CC and the family's background on the students' school experience, educational attainment, and completion, provided interesting insights into how this concept could be measured (see DiMaggio, 1982; DiMaggio and Mohr, 1985; Lareau, 1987). For example, some researchers have operationalised CC as: knowledge

of and participation in high culture (DiMaggio and Mohr, 1985), educational attainment (Robinson and Garnier, 1985), number of elite schools on a person's curriculum vitae or capacity to perform tasks in a culturally acceptable way (Holt, 1997). Table 4.1 provides an exhaustive list of the most important and heavily cited studies in the sociology literature, which suggests a variety of different approaches in conceptualising and operationalising CC.

A reviewing of this literature (see Table 4.1) shows that parental CC, as an indicator of a person's cultural upbringing, is often used in measuring CC (see Aschaffenburg and Maas, 1997; De Graaf et al., 2000; Van de Werfhorst and Hofstede, 2007). Moreover, starting from the earliest studies by Bourdieu (1977, 1984, 1986) and DiMaggio (1982), and moving towards more recent studies in sociology (Werner, 2004; Van de Werfhorst and Hofstede, 2007; Dumais and Ward, 2010), it is noticeable that high-brow arts play a central role in defining and measuring CC. However, recent scholars in the marketing and sociology literature criticise the inherited nature of CC, as well as the 'high-brow art' approach in capturing and measuring its concept. This critique concerns mostly prior assumptions that CC is static, whereas, in contrast, contemporary researchers argue that the concept of CC have changed over time. During this debate, even Bourdieu's original conceptualisation of CC, which constitutes the cornerstone of this research domain, has come under criticism.

Table 4.1: Alternative conceptualisations of CC in the sociology literature

Author(s)	Conceptualisation of CC
Bourdieu (1977, 1984, 1986)	Bourdieu associates taste in “high art” with CC. The concept of CC is defined through a prism of three dimensions: one’s talents and intellect (embodied state), possession of cultural goods (objectified state), and educational qualifications (institutionalised state).
DiMaggio (1982) DiMaggio & Mukhtar (2004)	Mostly interest and familiarity (via participation) with classical high-brow activities are considered the dominant component of one’s CC.
Katsillis & Rubinson (1990)	Like DiMaggio, the concept of CC is linked mainly to participation in high culture activities, such as visiting theatres, museums, art galleries and attending lectures.
Kalmijn & Kraaykamp (1996)	The concept of CC is seen as a variety of tastes and behaviours that result from the person’s socialisation into high-brow cultural activities.
Aschaffenburg & Maas (1997)	A person’s CC is considered a combination of parental cultural capital, parental education and a person’s education and training in various art forms (e.g., music or dance classes).
De Graaf et al. (2000)	People’s CC is determined by their parental cultural capital. This is reflected by the parents’ interests in culture in general (e.g., politics, philosophy and so on) and their participation in cultural activities (e.g., reading habits).
Werner (2004)	CC is divided in three sub-forms: 1) incorporated CC: where elements of the life-world, such as art works, classical music, or possession of a private library, form the way a person thinks and evaluates the world around him or her; 2) institutionalised CC: a result of educational achievements; and, 3) objective CC: possession of books, artworks, or special musical instruments.
Van de Werfhorst & Hofstede (2007)	CC is determined by parental involvement in high-brow culture, such as museums, theatre, musical concerts, classical concerts, and opera.
Dumais & Ward (2010)	CC is described as a combination of a person’s participation in high-brow arts and purposeful socialisation with people in key positions, such as authority figures, teachers or school administrators.

(Source: this study)

4.3.2 Critique of Bourdieu’s Three-Dimensional Approach

Bourdieu (1977, 1984) associated taste in ‘high art’ with the concept of CC but in the article ‘Forms of Capital’ (1986) he presents the concept through the prism of three distinct dimensions. Accordingly, CC can be described by one’s embodied state (i.e., human actions based on manners, tastes, skills, and dispositions), objectified state (i.e., cultural goods and

objects that people have in their possession), and institutionalised state (i.e., educational qualifications provided by the person's degrees and formal certificates which typically verify his embodied state). The question of whether Bourdieu's three dimensions are indeed the three facets of CC or simply different ways of measuring and conceptualising the concept of CC has become subject to intense debate among researchers in sociology and marketing (e.g., Holt, 1998; McQuarrie et al., 2013).

Embodied CC reflects the different cultural experiences that shape the way that a person feels, thinks, and acts. However, Holt (1998) argues that this rather abstract system of tastes and behaviours is difficult to measure in practice and is consequently often measured by a person's cultural possessions (i.e., the objectified CC) or academic degrees (i.e., the institutionalised CC). Similarly, when researchers examine consumption behaviour and practices in a specific domain, they often restrict the consumers' embodied CC by measuring a person's 'knowledge' of this specific field (Tap and Warren, 2010; Arsel and Thompson, 2011; Berger and Ward, 2010; McQuarrie et al., 2013; Parmentier et al., 2013). On the other hand, objectified CC (identified with the possession of books, paintings and so on), is also not currently suitable for discriminating between people belonging to different social classes because the meaning of these 'possessions' has gradually started to evolve and encompass many mass-produced consumption products, such as luxury goods, and less traditional high-brow cultural objects (Holt, 1998). Finally, institutionalised CC focuses on the official degrees and diplomas that verify one's CC. According to Holt (1998), this dimension overlaps with a person's embodied CC because it is an indicator of a person's 'education', in the broader sense, which also determines the way a person feels, thinks, and behaves. However, while education, like occupation, often predicts a person's CC and has thus been used as proxy for CC (see Üstüner and Holt, 2010; Moisio et al., 2013), it is questionable whether all people with degrees and diplomas are equally 'cultured' people.

To summarise, it seems that the concept of CC is far more abstract and complicated than Bourdieu's three dimensions would indicate. Moreover, the criticism that comes from the marketing and sociology literature, and which will be discussed in the next two sections, suggests that researchers must update the concept of CC and adopt more dynamic approaches in measuring it.

4.3.3 Criticisms of the Concept of CC in the Marketing Literature

The main points of contention that many marketers have with Bourdieu's CC is its static and inherited nature. Contemporary researchers argue that CC is neither static nor is it simply inherited; conversely, peoples' choice whether or not to participate in relevant (cultural) life experiences, in part, form and regularly inform their CC (McQuarrie et al., 2013). However, many consumer behaviour studies, in an effort to avoid the limitations embedded in prior conceptualisations of CC, tend to replace CC with the 'domain-specific knowledge', which is seen as a dynamic approximation of CC but in many cases can actually constitute a crude proxy for CC.

The work of Bourdieu succeeded in making an important point—that is, even people with the same economic and social status can behave differently in terms of their consumption as a result of being exposed to different cultural stimuli during their lifetime. However, according to McQuarrie et al. (2013), the implication of this conceptualisation is that only people who have grown up in environments containing objects of 'high culture' (e.g., paintings and sculptures) and were engaged from a very early age in 'cultural production' (e.g., piano playing and so on) would have 'inherited' the ability to perform any kind of aesthetic judgement that would classify them as members of a cultural elite. So, one of the basic shortcomings of Bourdieu's viewpoint is that it does not take into account that people can actually accrue CC via the cultural choices they make (e.g., by watching documentaries rather than talk shows on TV). However, since they contain an element of personal choice, such choices could be even more important than the fact that a person happened to grow up in a house full of cultural resources. Many consumer researchers identify this missing point in the prior conceptualisations of CC and consider it to be a serious limitation (Holt 1997, 1998; Tap and Warren, 2010; McQuarrie et al., 2013).

Secondly, although contemporary literature is interested in the original sociological meaning of CC (McQuarrie et al., 2013), marketing researchers have criticised and tried to replace prior conceptualisations of CC with more dynamic but domain-specific constructs (see Holt 1997; Berger and Ward, 2010; Arsel and Thompson, 2011; McQuarrie et al., 2013; Parmentier et al., 2013). As a result, many consumer researchers have actually detached the concept from its original sociological and high culture meaning by expanding it to a 'domain-specific' cultural knowledge (e.g., Holt 1997, 1998; Tap and Warren, 2010; Berger and Ward, 2010; Arsel and

Thompson, 2011). This domain-specific cultural knowledge, also referred to as ‘insiders’ knowledge’, is understood and often used as a dynamic conception of CC applicable to specific categories of consumer goods, such as fashion goods (McQuarrie et al., 2013). Although in some cases domain-specific knowledge serves as an adequate proxy of CC, in many cases it can presuppose the consumers’ prior interest and involvement in this kind of consumption (McQuarrie et al., 2013). For example, the consumer’s fashion knowledge may presuppose that this consumer is interested in and/or has been involved in some way in fashion brand consumption. Berger and Ward (2010) used fashion knowledge (using fashion students) as a proxy for CC in their study on inconspicuous luxury brand consumption and preference for subtle luxury brand signals, and they point out that: “...to capture differences in ability to pick up subtle signals, CC has multiple components (Holt 1998) and merely being a fashion student is certainly a crude proxy” (p. 567). So, whether or not Bourdieu’s CC influences consumers’ involvement in a particular field of consumption remains poorly understood, especially because the previous studies do not try to include and test both measures (CC and domain-specific cultural knowledge) into the same study.

Table 4.2 reviews some of the studies that have applied the concept of CC in the marketing literature. Although most of these studies define CC by relying on Bourdieu’s theories, they often then assume its existence by measuring instead the consumer’s domain-specific knowledge. The vast majority of these studies are qualitative. The absence of relevant quantitative investigations in the marketing literature indicates a need to measure CC and explore its influence on different consumption-related contexts. To this end, the investigation of the existing measures of CC and the development of a comprehensive new measure is necessary. Although the development of a new measure of CC is presented in a following chapter, Table 4.2 suggests that several contemporary sub-constructs, such as cosmopolitanism, cultural travelling and so on, should be taken into consideration in defining and measuring CC today. The next section presents a review of the criticisms from recent sociology scholars, which guides the effort to define and operationalise CC today.

Table 4.2: A review of the studies on CC in the marketing literature

Author(s)	Relevant concept	Conceptualisation/operationalisation of CC
Holt (1998)	Cultural capital	This author conducted ethnographic interviews and was able to discriminate between individuals with high and low CC resources, based on six dimensions of their tastes [material vs. formal aesthetics, referential vs. critical interpretations, materialism vs. idealism, local vs. cosmopolitan tastes, communal vs. individualistic forms of consumer subjectivity, and autotelic vs. self-actualising leisure].
Bernthal et al. (2005)	CC	These authors discriminated between individuals with high and low CC resources by assessing the interviewees' combination of skills, tastes, knowledge, and practices based on information taken from their credit card purchases.
Berger and Ward (2010)	Fashion knowledge	These authors described CC as a non-financial social asset. Interest and involvement in fashion is used to capture CC.
Arsel and Thompson (2011)	Cultural knowledge: Field-dependent cultural capital	Cultural knowledge is indicated by the consumers' relevant consumption experience (e.g., in music, art, fashion, records, books, film collections, esoteric fashion goods that innovatively express tastes, as well as their own cultural and artistic creations) (p. 797).
Saatcioglu and Ozanne (2013)	Cultural Capital	In this study, homes and neighbourhoods are considered to provide the ground where one can find subtle cultural practices, referring mostly to local and family activities, such as do-it-yourself activities, arts and crafts, games, and gardening.
McQuarrie et al. (2013)	Cultural Knowledge	Consumption of music, art, and travel are considered to be indicators of taste applied in a consumer behaviour context. Fashion, food, and home décor are considered good places to explore someone's CC. The authors use fashion blogging to assess fashion capital and suggest the use of, for example, 'Pinterest' for similar research on other domains such as home décor.
Parmentier et al. (2013)	Cultural Capital	CC is considered to be the special knowledge that someone has, and this is referred to as an insiders' knowledge in a field of consumption.
Cleveland et al. (2015)	Multifaceted Cultural construct	As part of the embodied form of CC, the authors consider that, for example, the ability to communicate in more than one language (i.e., bilingualism) conveys CC to the individual. Similarly, cosmopolitanism indicates 'cultural sophistication' Specifically, " <i>cosmopolitans are critical drivers of intercultural flows</i> " (p. 4). In this, international travel and global media usage can facilitate cosmopolitanism, even for people who have never travelled outside their home country.

(Source: this study)

4.3.4 The Current Critique of CC in Sociology

Although the research on CC has evolved, many researchers tend to follow Bourdieu and focus on 'high culture' to find ways that reflect an individual's legitimate culture (Lamont and Lareau, 1988). For example, DiMaggio (1982), and Katsillis and Rubinson (1999) represent those researchers in sociology who have conceptualised and operationalised CC as knowledge and participation in high arts. Although this choice has been successful for those studies that

have used it, the concept of high culture needs to be updated and empirically tested to see if it can facilitate an appropriate indicator of CC in today's reality and among different cultures and environments (Lamont and Lareau, 1988).

Although the work of Bourdieu and his collaborators has gained the appreciation of cultural sociologists, contemporary researchers in this field acknowledge the need to adopt more 'hybrid' conceptualisations of CC as a movement away from high-brow culture (Prieur and Savage, 2011). In particular, supporters of a 'cultural omnivore', which suggests that individuals of the same class can appreciate both high-brow culture and low-brow/popular culture (see Bourdieu's *Distinction*, 1984), have critically examined conceptualisations of CC that are based only on legitimate culture (Lamont and Lareau, 1988) because popular culture, as compared with high culture, may become even more important in describing CC today (Roose, 2010; Prieur and Savage, 2011). Thus, participation and knowledge of, for instance, classical music and fine art should be counterbalanced by other forms of cultural expression, such as travelling, which are more suited to modern day life. In reply, Bourdieu (2003) has made an effort to update the concept of CC by introducing the phenomenon of 'inverted snobbery' whereby a 'commercialised popular culture' gains ground over 'high-brow culture'. Accordingly, Bourdieu (2003; p. 71) argues that: "*it is the first time in history that the cheapest products of a popular culture...are imposing themselves as chic*". Prieur et al. (2008) also try to explain this change, arguing that cultural tastes and their social meaning can change as society evolves; for example, "*a choice that once was a sign of high distinction*", such as smoking cigarettes, can now become "*too popular among the wrong kind of people*" (p. 65). The opposite may also happen: things that used to signify a lower class, such as having tattoos, have now become symbols of sophistication.

Some studies have provided evidence for the declining role of high-brow culture and the decay of 'snobbism', which was originally linked with the exclusive appreciation of high-brow culture; meanwhile, other studies refer to a corresponding rise of 'omnivorousness', which describes a simultaneous appreciation of both 'high-brow' and 'low-brow' culture (see Peterson and Kern, 1996; Lareau and Weininger, 2003; Chan and Goldthorpe, 2005, 2007). However, Prieur et al. (2008) used a large sample of 384 participants who were carefully selected to have high-brow tastes, and they found that most of the people interested in high-brow tastes (58.9%) simultaneously refused low-brow tastes. Thus, these people were labelled as 'snobs'. Only 31 people (8.1%) expressed a weak refusal of low-brow tastes and, hence,

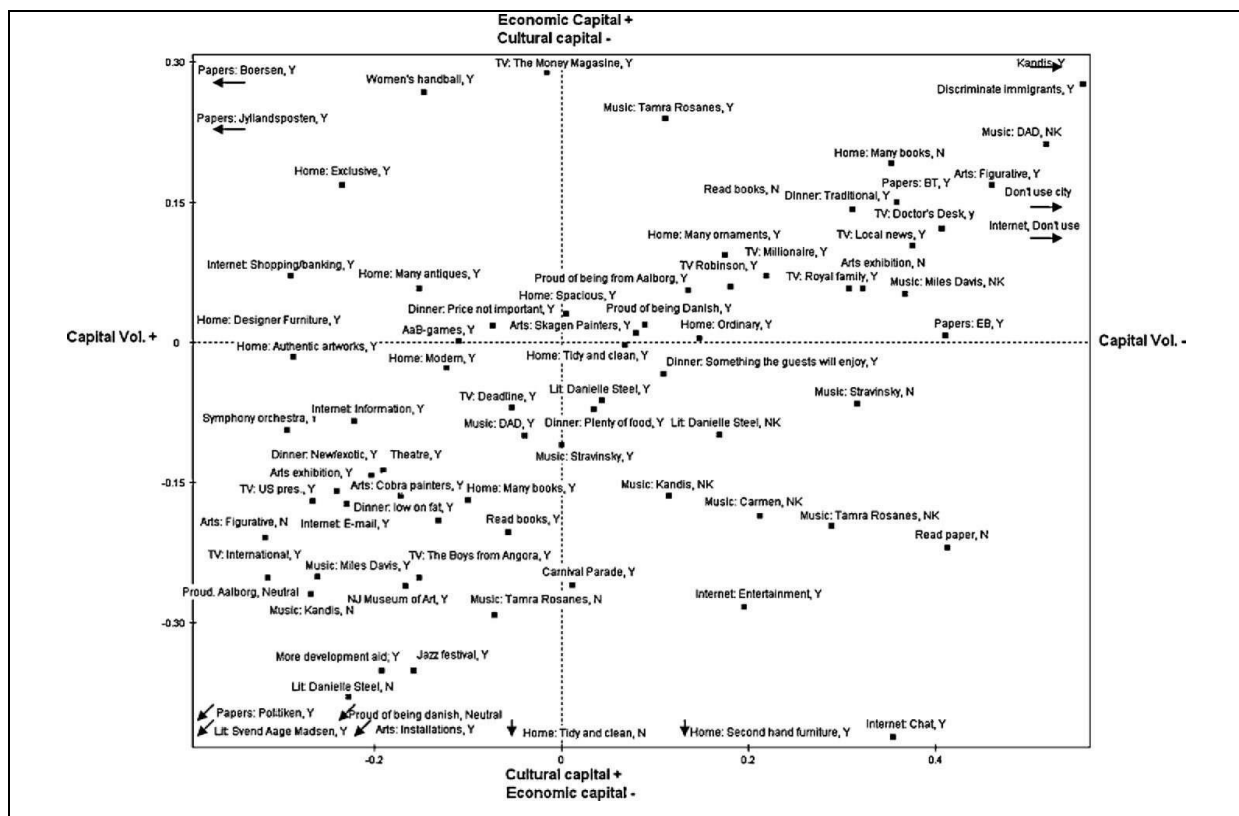
were labelled as ‘tolerant omnivores’. The findings suggest that, since the tolerant omnivores were just 2.7% of their total population (1174 people), people who strongly appreciate both high and low forms of CC were rather rare cases.

Although Prieur et al.’s (2008) study does not provide empirical support for the argument that the contemporary cultural elites are becoming ‘omnivorous’ while ‘snobbism’ is losing ground, many studies argue that some contemporary and popular cultural activities could inform and update the rather historic concept of CC (Roose, 2010). For instance, Prieur et al. (2008) suggest that ‘cosmopolitanism’ could play an important role in describing today’s CC. Prieur et al. (2008) find that Bourdieu sometimes replaced the term CC with ‘informational capital’. The authors argue that in today’s knowledge-based society, Bourdieu’s concept of informational capital has gained ground. Thus, they use the terms ‘cosmopolitanism’ or ‘connectedness’ to describe a cultural flow of information and knowledge that occurs as a result of several lifestyle choices and activities. Accordingly, travel, TV-preferences, political attitudes, and food consumption may also define CC today. Similarly to Prieur et al. (2008), many other researchers who have studied social differentiation based on socioeconomic characteristics have plotted a range of peoples’ cultural activities and preferences, which they term lifestyle choices, to identify several high-brow and popular cotemporary activities that occur together and can be used to profile someone as a person with high CC (see Prieur et al., 2008; Bennett et al., 2009; Roose et al., 2010; Prieur and Savage, 2011). Specifically, these researchers use multiple correspondence analysis (MCA) to present a co-occurrence matrix that accounts for the number of times that one type of activity occurs at the same time as another activity. This matrix of co-occurrences suggests which pairs of activities go together and which pairs of activities do not go together. Activities that frequently co-occur are placed close to each other on a map, while properties that rarely occur together are placed far from each other. Profiling variables such as age, income, and education can then be added to help the researcher interpret the underlying dimensions of the co-occurrence space.

The findings of these studies inform the present investigation because they indicate that CC can be identified in a person’s cultural activities and interests (i.e., lifestyle choices) while suggesting specific lifestyle choices that can define and discriminate people with higher CC from people with lower CC. For instance, Prieur et al. (2008) use MCA to generate a lifestyle space for Aalborg (Denmark). The findings that are presented in Figure 4.1 reveal a first dimension (vertical axis), which assess the relative importance of economic capital and CC,

and a second dimension (horizontal axis), which assess the volume of the individual's CC and economic capital. As can be seen in Figure 4.1, 77 activities that indicate categories of lifestyle choices were positioned on a map according to their ability to be statistically explained from at least one of the previously referred dimensions. These activities were derived from the respondents' answers in a set of questions about key lifestyle choices concerning frequency of reading, knowledge/preferences of literature and music, preference in TV programs, art preferences, and type of food served for guests.

Figure 4.1: Prieur et al.'s. (2008) lifestyle spaces in Aalborg



(Source: Prieur et al., 2008)

Similarly, Roose et al. (2010) used a sample of 2,849 people from Flanders (Belgium) to analyse 63 activities from cultural domains, such as music, visual arts, theatre, cinema, fashion, food, sports, and travel. The MCA in this study revealed three lifestyle dimensions. The first dimension contrasted participation versus refraining from all types (art, music, and so on) of cultural activities. The second dimension discriminated between high-brow activities and 'pop-culture' activities that were characterised by adventure, action, and excitement. The third dimension was labelled 'generalised openness' and it combined self-improvement with relaxation activities, including several mass-culture activities (e.g., watching TV). The highest

levels of participation were found among people with the highest income and education levels. Age also proved to be important—younger adults tended to more vigorously participate in these activities. As expected, older people were less interested in pop-culture activities. Finally, the findings in the third dimension depended on the stage of life and the age of the person. The findings in this study were consistent to some extent—in terms of the first dimension, including the associations with education and income, and the second dimension, including associations with age—with the finding of a similar prior study on British lifestyles conducted by Bennett et al. (2009). This gives confidence to assume that the findings of the present study could also be generalised into other countries.

Finally, Prieur and Savage (2011) compared the study of Prieur et al. (2008) in Denmark with the British study of Bennett et al. (2009). The authors again mostly identified similarities (e.g., the British study also identifies the total volume of capital as the critical differentiating dimension). Nevertheless, they also notice that the composition of capital—referring to high-brow and low-brow activities—was for the British less important in differentiating people. In this regard, Prieur and Savage (2011) conclude that even if the role of high-brow activities in discriminating people based on their cultural lifestyle expressions is declining, certain contrasts in peoples' cultural tendencies still emerge in the findings. In particular, the authors present nine contrasts which identify three key tensions that proved to be particularly important and strongly related to cultural consumption, that is: participation versus non-participation in cultural activities; knowledge versus ignorance of cultural issues, such as music, art and literature; and international versus local or national orientation.

To summarise, this section presented criticisms from the sociology literature on prior conceptualisations and operationalisations of CC. Four empirical studies were presented and their findings were compared and discussed in an effort to investigate and reveal some of the alternative and more contemporary ways to approach the concept of CC. In particular, MCA allowed the cited researchers to empirically test whether one type of cultural expression indeed appears to contrast another; such contrasts in peoples' lifestyle choices can then be used to discriminate people with higher CC from people with lower CC. Despite the contributions of these findings to my study, MCA has been seen by the British sociology literature as a controversial method for hypothesis testing (Prieur and Savage, 2011). As the aim of the present research is to hypothesize and test the contingent role of CC on the effect of VMD on the consumer purchases of luxury brands, the development of a CC scale is required. For this

scale-development, the presented empirical findings suggest some key themes of the general CC domain; that is, participation or appreciation and knowledge in art, music and travel, the reading of literature and newspapers as well as the food preferences and cosmopolitanism.

4.4 The Importance of CC for the Present Thesis

Taking insights from the sociology and marketing literature, it can be assumed that CC is a multifaceted concept that provides information about who a person is by explaining how her aesthetic judgements and tastes differ from those of other people (Prieur et al., 2008; Lamont and Lareau, 1988). By placing the person at the centre of this concept, one can then draw all of the elements around it, including those elements that are external (e.g., social and technological environment) and internal (e.g., personality traits and tendencies) to the individual, which form, shape, and communicate her cultural identity. Although a person's CC might initially be formed from her family background, which is beyond her control, it then regularly changes throughout her lifetime as she gathers new cultural experiences and as the external environment evolves. Thus, it is necessary to regularly update measures of CC to account for its dynamic nature rather than replace it by other contemporary dynamic concepts (such as domain-specific cultural knowledge) that only partially overlap and describe CC.

Although the process of building CC may have several starting points, each one arrives at this 'starting line' carrying a different load of cultural experiences. This is consistent with Bourdieu's notion of 'habitus', which refers to a complicated system of skills, habits, attitudes, and tastes that constitutes the cultural background of the person and differentiates one person from another. For these reasons, prior research in the sociology of education often considers parental CC as an indicator of the person's CC (Aschaffenburg and Maas, 1997; De Graaf et al., 2000; Van deWerfhorst and Hofstede, 2007). Similarly, parental cultural activities and interests during childhood (Aschaffenburg and Maas, 1997; De Graaf et al., 2000; Van deWerfhorst and Hofstede, 2007), parents' encouragement to participate in cultural activities, lessons, and classes (Aschaffenburg and Maas, 1997; Dumais, 2002), and cultural resources at home (Mohr and DiMaggio, 1985) have all been considered as the individual's initial load of CC. However, the measurement of CC should perhaps start from the point where someone starts making decisions and expressing intuitive and intrinsic inclinations to culture through her cultural interests, preferences, knowledge, activities, and tastes (Evans et al., 2010). This is why cultural activities and interests have been seen by most sociologists as defining CC.

However, what is considered as a cultural activity today may differ from what was considered as a cultural activity a decade ago; nevertheless, and despite the criticism from the marketing and cultural sociology literature, little effort has been made to update the concept of CC and use it in consumer consumption contexts today.

Drawing upon the CC literature, and in a later stage by gathering empirical data, the present thesis conceptualises CC as the information gathered around the following five person-centric questions:

1. Where does this person come from? (i.e., Bourdieu's 'habitus')
2. What does this person choose/like to do? (i.e., cultural lifestyle choices, see Prieur et al., 2008; Roose, 2010; Prieur and Savage, 2011)
3. How does this person think of herself? (e.g., cultivated self-image, see DiMaggio, 1982)
4. What is this person? (i.e., personality traits that discriminate people with high CC from people with low CC, such as idealism versus materialism see Holt, 1998)
5. How does this person perceive and connect with the world around her? (e.g., cosmopolitanism-connectedness see Holt, 1998; Prieur et al., 2008; Cleveland et al., 2015)

Whether or not the answers to these questions constitute different dimensions of CC or different facets of the same construct (and thus different ways of seeing and measuring the same construct) is something that will be theoretically but mainly empirically investigated in the subsequent results chapter. In any case, the review of the evolution of the concept of CC and the critique from the marketing and sociology literature shows the need to update the concept of the cultural activities and, rather than focusing on parental or domain-specific measures, to incorporate into the concept of CC sub-concepts that found to be a person's cultural expressions today. Finally, because this concept has been poorly investigated in the retailing literature, the role of consumers' CC on the influence of the store environment on consumers' product judgements and store-based purchases remains poorly understood.

The next sections will try to bring CC into consumption and store atmospherics and explain why consumers with higher CC can be more affected by the VMD cues when evaluating and purchasing a luxury brand.

4.5 Bourdieu's versus Kant's Theories of Taste and the Aesthetic Sensibility of Consumers with Higher CC

In Kant's (1790) theory of 'pure aesthetics' and 'pure tastes', beauty is considered to have a universal nature; this means that what is indeed beautiful is beautiful for everybody and whether or not something is beautiful does not depend on the person who evaluates it (Allison, 2001). Nevertheless, an individual's capacity to make aesthetic judgements (i.e., judgements of what is beautiful) is seen in this theory as the talent of a person to engage at once sensory, emotional, and intellectual abilities when judging what is aesthetically pleasing and beautiful (Allison, 2001).

Bourdieu associates CC with taste (Holt, 1998); however, he argued that an individual's capacity to make aesthetic judgements is a social capacity that is retained mainly from education and class upbringing. Afterwards, this retained capacity is experienced as: "*an individual gift*" or as an "*innate inclination testifying to spiritual worth*" (Wacquant, 1998; p. 270). Accordingly, the appreciation of a painting or a poem is, in this case, not a 'mystery' but rather 'mastery' in deciphering specialised symbolic codes that have been transmitted to a person unintentionally or intentionally via family upbringing and explicit teaching (Wacquant, 1998).

Accordingly, consumers with higher CC may appreciate more a museum-like display due to their familiarity with the world of arts and their retained capacity to decipher the symbolic codes which are embedded in product presentation technique that are usually found in museums and art galleries. However, contemporary researchers in the sociology literature argue that, based on Bourdieu's *Distinction*, a person's CC could be defined even in the absolute terms of Kantian aesthetics (see Prieur et al., 2008; Prieur and Savage, 2011). Accordingly, consumers with higher CC can be simply more sensitive to the aesthetics of the VMD cues when observing and evaluating a product on display.

Independent of how the capacity of good taste is retained, researchers in consumer behaviour seem to agree that consumers have different levels of sensitivity to aesthetics (Bloch et al., 2003). CC is seen by many studies in cultural sociology as a strong indicator of a person's good taste and aesthetic sensibility (Lamont and Lareau, 1988; Kalmijn and Kraaykamp, 1996;

Prieur et al., 2008). Thus, in consumer behaviour research, taste theories are used to underpin that for consumers with higher CC—although the material value of for instance the luxury goods is taken for granted—taste becomes “*a realm of self-expression*” and a mean of “*constructing subjectivity*” (Holt, 1998; p. 8). This means that, while what determines choices for people with lower CC is the level of comfort and reassurance perceived in a purchase choice, the choices of people with higher CC are rather determined by their need to express their aesthetic sensibilities (Holt, 1998). In this case, when the peripheral cues in a product’s representation fail to aesthetically satisfy the consumers with higher CC, their product-related judgements can be substantially and negatively affected. In contrast, when the presentation elements of a product aesthetically please the ‘eyes’ of the consumers with higher CC, their evaluations for the product on display can be more favourable compared to the product evaluations of the consumers with lower CC.

For up-market products and luxury brands the consumers’ aesthetic expectations are higher anyway. However, consumers with lower CC are more realistic and they mostly pay to acquire objects that are popularly perceived (by ‘others’) as luxurious (Holt, 1998). On the other hand, consumers with higher CC have learned via formal and informal humanistic education to place more emphasis on their own judgement of what constitutes an aesthetic experience, evaluating the elements of creativity embedded in a choice and sensing of the surrounding world rather than elaborating on the brutal realities, such as a cost-benefit comparison (Holt, 1998). To conclude, for consumers with higher CC, VMD cues may constitute the products’ surrounding world and their aesthetic and creative qualities are expected to affect more those consumers’ attitudes and purchase behaviours towards the product and the brand on display.

4.6 Expectation Confirmation Theory and Adaptation Level Theory

Expectation-confirmation theory (ECT), which is also referred in the literature as expectation-disconfirmation theory, is a cognitive theory which explains that the disconfirmation (i.e., when the outcome is rated as being below a reference point) of consumers’ expectations (i.e., which is the reference point) relates negatively to the consumer’s perceived satisfaction in a purchase choice, and affects the consumer’s attitudes and purchase intentions (Oliver, 1977; 1980). ECT was initially conceived by social and applied psychologists but the structure of this theory was developed by Oliver (1977; 1980) and found several relevant applications in marketing (e.g., Oliver, 1980; Parasuraman et al., 1985). Although the present thesis does not

elaborate further on ECT, it references a relevant to ECT theory, namely Adaptation Level (AL) theory, which compliments taste theories in underpinning that consumers' expectations, in terms of their aesthetic standards, differ, and this makes their attitudes and behaviours to vary accordingly.

AL theory, developed by Helson (1947), posits that a person's reference point for a subjective judgement in relation to a stimulus is determined by this person's prior exposure to a relevant stimuli and recollection of past judgements of similar stimuli. This psychological theory has been applied in marketing to investigate the effect of marketing communication strategies or persuasive tactics on the consumers' product evaluations (e.g., Gotlieb and Sarel, 1991). Although Helson (1947) formulated AL theory using precise mathematical terms, its non-mathematical application is what interests the present study. Specifically, applying the AL theory it can be also assumed that people can retain different 'adaptation levels' based also on their individual aesthetic standards and prior aesthetic experiences (e.g., gained by frequently visiting museums and art galleries). Moreover, AL theory suggests that the cognitive comparison between the adaptation level (aesthetic standards) and the actual product experience, identified as disconfirmation or confirmation, determines how the product evaluations can vary among different individuals. Thus, it is assumed that the confirmation or disconfirmation of the consumers' aesthetic standards from a product's visual presentation can depend on the consumer's level of CC. AL theory underpins the assumption made based on taste theories, according to which the consumers' responses to VMD cues can vary depending on their level of CC.

4.7 Evidence for the Contingent Role of CC on the Effect of VMD on Perceptions of Luxury and Personal Risk

Recently, the exploration of retail stores by contemporary researchers in the luxury retailing literature has focused on retail store cues that succeed in bridging the world of commerce with the world of art and museums (e.g., Dion and Arnould, 2011; Joy et al., 2014). However, the role of the consumers' CC in understanding their responses towards these store cues (e.g., when they are exposed to a museum-like display) still needs to be investigated.

Hagtvedt and Patrick (2008a), as part of their study of the effect of the presence of art on consumers' perceptions of luxury and evaluations in relation to a product on display, have made an effort to test the contingent role of the participant's 'familiarity with art' and 'knowledge of art history'⁹. Although these concepts were very closely related with Bourdieu's CC, none of them have been found to affect the intensity of the identified effect. The authors acknowledge that this possibly happened because they used undergraduate students, who proved to be a homogeneous sample. Specifically, they separated the thirty-four participants who evaluated the product advertised with an art image and created two groups: one group with participants with high familiarity/knowledge in art and one group with low familiarity/knowledge in art (by taking the median split). However, the average familiarity/knowledge of the students in each group was not considerably different (i.e., within the art condition no differences found in the means of the two groups). This is a limitation of Hagtvedt and Patrick's (2008a) study which suggests that further research is required, because the use of a different or simply larger sample or a better CC measure could uncover the contingent effect of CC. This is particularly important for the present research, which investigates the effect of a museum-like display on the consumer's luxury brand perceptions and purchase intentions, because associations with the museum and art gallery displays are subtle symbolic signals that may only be properly decoded by 'insiders' (i.e., people with higher CC).

In other consumer behaviour studies and in product consumption contexts, the consumers' centrality to visual (product) aesthetics has been found to affect their product-related responses, such as the consumers' product aesthetic evaluation, attitudes, purchase intentions, and the price that consumers are willing to pay (Bloch et al., 2003). Many researchers agree that an advanced aesthetic experience is not influential to the same degree for everyone (Osborne, 1986; Bloch et al., 2003). This means that the capacity to 'receive' and 'decode' an aesthetic experience, signal, or message, as well as the interest to develop this capacity further, is not the same among all people (Bloch et al., 2003). Given that CC is often described in the sociology literature as the capacity of a person to make 'aesthetic judgements' and display 'good tastes', and relying mostly on taste theories, the present study assumes the aesthetic

⁹ Hagtvedt and Patrick (2008a) used 'familiarity with art' and 'knowledge of art history' as covariates in their model or to discriminate between participants with high familiarity/knowledge in art and low familiarity/knowledge in art.

sensibility of the consumers with higher CC; and, drawing upon the extant literature, proposes that consumers with higher CC can be more effected by the VMD cues when evaluating and purchasing a luxury brand. Accordingly, it is first hypothesised here that:

Hypothesis 5a: The mechanism via which VMD increases the consumers' purchase intentions by increasing the perceptions of luxury for the brand on display, is contingent upon the consumers' CC. Specifically, the effect of VMD cues on luxury brand perceptions is stronger for the consumers with higher CC.

While taste theories underpin that consumers with higher CC can rely more heavily on store atmospheric cues to form luxury brand and personal risk perceptions, additional evidence in the CC and risk literature also suggest that mostly consumers with higher CC use these VMD cues as a risk-reduction mechanism when purchasing luxury brands.

The perceived level of risk associated to a product class (e.g., in luxury brands) varies among different individuals; thus, risk is seen in the risk literature as the subjective expectation of loss from the use of a specific product (Dholakia, 1997). Accordingly, the risk literature argues that several consumer individual characteristics not only determine what types of risks (e.g., financial, social, and/or psychological risk) affect a consumer but can also determine what types of information sources this person needs and uses to reduce the risk in a product purchase situation (Lutz and Reilly, 1973; Locander and Hermann, 1979; Capon and Burke, 1980; Midgley, 1983). A review of the CC literature also suggests that the consumer's CC can to some extent determine how informational sources work to reduce the perceived risk associated with a purchase choice. Accordingly, although luxury brands might have the same economical and materialistic value and imply financial risk for both consumers with higher and lower CC, it seems that different risks ultimately determine the purchase decisions of these two types of consumers (Holt, 1998).

In a qualitative study, Holt (1998) shows that for consumers with higher CC, an aesthetically pleasing choice that offers a sense of 'self-actualisation' determines their purchase intentions. These consumers seem to primarily aim to reduce the type of risk that has to do with their own

self, their ‘ego’¹⁰. Moreover, aiming on a horizontal rather than on a vertical differentiation¹¹, they wish to distinguish themselves from people of similar status while caring to be recognised and appreciated by only the very few people who are ‘in the know’, which can include other people with good taste and higher CC. In contrast, for consumers with lower CC, tasteful is considered to be what is regarded as such by ‘significant others’, referring mostly to people with similar status, as well as to friends and family members (Holt, 1998). These consumers’ main focus is simply on reducing the perceived social risk, by searching for and receiving information primarily from interpersonal sources, such as word of mouth and so on. Consequently, in luxury brand consumption, in particular, VMD can be accessed as a subsequently important informational source mostly by the consumers with higher CC. Because VMD cues work in satisfying mostly consumers’ aesthetic sensibilities, VMD seems to adequately handle the personal risk of the consumers with higher rather than lower CC. Thus, it is also hypothesised here that:

Hypothesis 6a: The mechanism via which VMD increases the consumers’ purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers’ CC. Specifically, the effect of VMD cues on personal risk is stronger for the consumers with higher CC.

The next section argues that the positive effects of VMD on the consumer’s perceptions of luxury and personal risk for the brand on display, and in turn on their intentions to purchase, depends on the consumer’s CC rather than on their fashion knowledge. This argument is important to be discussed at this stage because knowledge in fashion has been seen in consumer behaviour research to facilitate a dynamic conception (proxy) of CC that is suitable to explore the role of consumers’ identity in luxury brand consumption.

4.8 CC versus Cultural Knowledge in Fashion

As discussed earlier, in the marketing literature the consumer’s familiarity and knowledge with a specific domain of consumption (domain-specific knowledge) has often been seen as a dynamic replacement for the concept of CC (e.g., Berger and Ward, 2010; Tapp and Warren,

¹⁰ This is also described as the perceived psychological risk dimension.

¹¹ This is also described as the perceived social risk dimension.

2010; Arsel and Thompson, 2011; McQuarrie et al., 2013; Saatcioglu and Ozanne, 2013). Indeed, as consumers become more familiar with a brand (or product class), their perceived risk or uncertainty when buying this brand reduces (Alba and Hutchinson, 1987). Richardson et al. (1996) present empirical evidence which suggests that the familiarity with store brands decreases the perceived risk associated with their purchase. Roselius (1971) considers the consumer's past experience with a product, referring to its frequent use and consumption, as a risk-reduction strategy. Grønhaug (1972) argues that the consumers' experience and familiarity with a specific product category develops their understanding during the purchase process. This 'know how' refers to the easiness of the pre-purchase evaluation of a product or purchase situation, which can affect consumer's satisfaction. González Mieres et al. (2006; p. 68) also argues that: "...the fact of having experience in the use and consumption of a product causes consumers to feel more confident in their own capacity to make a good purchase choice."

However, the concept of familiarity or domain-specific knowledge is simply not enough to explain how the processing of the visual cues of a merchandise display affects the product evaluations of only a selection of consumers. An individual's capacity for good taste and centrality in aesthetics requires much more than just experience or knowledge in a specific field of consumption. This seems to be valid even if this 'field of knowledge' is in the domain of fashion, which is almost synonymous with aesthetics and implies the good taste of people who have developed expertise in it.

This assumption is underpinned by the fact that different consumer motives and identity characteristics seem to drive the tendency in culture and the interest in fashion. For instance, the consumer's interest or experience in the domain of fashion would still fail to comply with Holt's (1998) expectations of a person with high CC. For example, a person with higher CC is identified by Holt (1998) through a number of contrasts, such as 'idealism versus materialism' and so on. Whether or not people with higher CC are indeed idealists, they are expected to be less materialistic and display a lower level of susceptibility to social norms, roles, and relationships than those interested in fashion or luxury brands (Holt, 1998). In any case, knowledge and participation or experience in art and culture does not necessarily preoccupy or signify familiarity with fashion, and vice versa.

Thus, the present study relies upon the critique in the extant literature for the operationalisations of CC simply as domain-specific cultural knowledge and it aims to

distinguish fashion knowledge (i.e., domain-specific cultural knowledge) from the concept of CC. In particular, it aims to incorporate both concepts into the same model to test and provide empirical evidence that in the context of store atmospherics the two seemingly associated concepts can even play an opposite role in influencing consumers' store-based attitudes and behaviours. Accordingly, it is hypothesised here that:

Hypothesis 5b: The mechanism via which VMD increases the consumers' purchase intentions by increasing their perceptions of luxury for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on luxury brand perceptions is weaker for the consumers with higher fashion knowledge.

Hypothesis 6b: The mechanism via which VMD increases the consumers' purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on personal risk is weaker for the consumers with higher fashion knowledge.

Hypothesis 7: The mechanism via which VMD increases the consumers' purchase intentions through the increase of perceptions of luxury is contingent on the consumer's CC and not on their fashion knowledge.

Hypothesis 8: The mechanism via which VMD increases the consumers' purchase intentions through the decrease of personal risk is contingent on the consumer's CC and not on their fashion knowledge.

To summarise, the evidence presented in this section has suggested the contingent role of CC in visual merchandising. Specifically, the influence of VMD cues on consumers' perceptions of luxury and personal risk in luxury brand consumption seems to depend on the consumer's level of CC rather than on their level of fashion knowledge. This happens mainly because different consumer motives and characteristics drive these two interests and tendencies (tendency in culture and interest in fashion). Based on these assumptions, six research hypotheses have been presented.

The next section reviews the marketing, psychology, and sociology literature and applies styles of processing theories to shed more light on the hypothesised contingent role of CC in this retail context. In particular, it explains the influence of consumers' CC on their store-induced

brand perceptions and purchase intentions by exploring the relationship between three seemingly unrelated constructs, which are: the concept of a consumer's CC, her store atmospheric responsiveness, and her analytic-holistic style of processing peripheral store environment cues.

4.9 Explaining Why CC Influences Consumer Store-Based Purchases of Luxury Brands: A Consumer-Style-of-Processing Approach

This section applies the assimilation-contrast theory to explain 'why' the consumer's CC influences their store-based purchases.

4.9.1 Assimilation-Contrast Theory: The Assimilation Effect

The assimilation effect was first formulated as part of the assimilation-contrast theory in 1961 by the psychologists Sherif and Hovland. Bless et al. (2004) described assimilation effect as the bias evaluative judgement of a target stimulus because of its position in a contextual stimulus. When assimilation effect occurs, people's judgements and contextual information are positively related (Schwarz and Bless, 2007). This means that a positive context stimulus causes a positive judgement, whereas a negative context stimulus causes a negative judgement. The assimilation effect is opposite to the contrast effect. When a contrast effect occurs the observed relationship between judgements and contextual information is negative (Sherif and Hovland, 1961). However, the assimilation effect is more likely to occur when the context stimulus shares some common characteristics with the target stimulus (Herr et al., 1983). In contrast, when the difference between those two is not moderate but extreme, instead of an assimilation effect, a contrast effect is more likely to occur (Herr et al., 1983). Describing mostly the assimilation effect, Zhu and Meyers-Levy (2009, p. 37) argue that:

[Assimilation-Contrast theory implies that] a concept that is activated by contextual data (e.g., perhaps the concept of trendiness elicited by a glass display fixture) is used at the encoding stage to help a person interpret and construct a mental representation of the target.... In such cases, this concept is typically included in the person's representation of the target, and an assimilation effect occurs as target product evaluations are positively related to the implications of the contextual data.

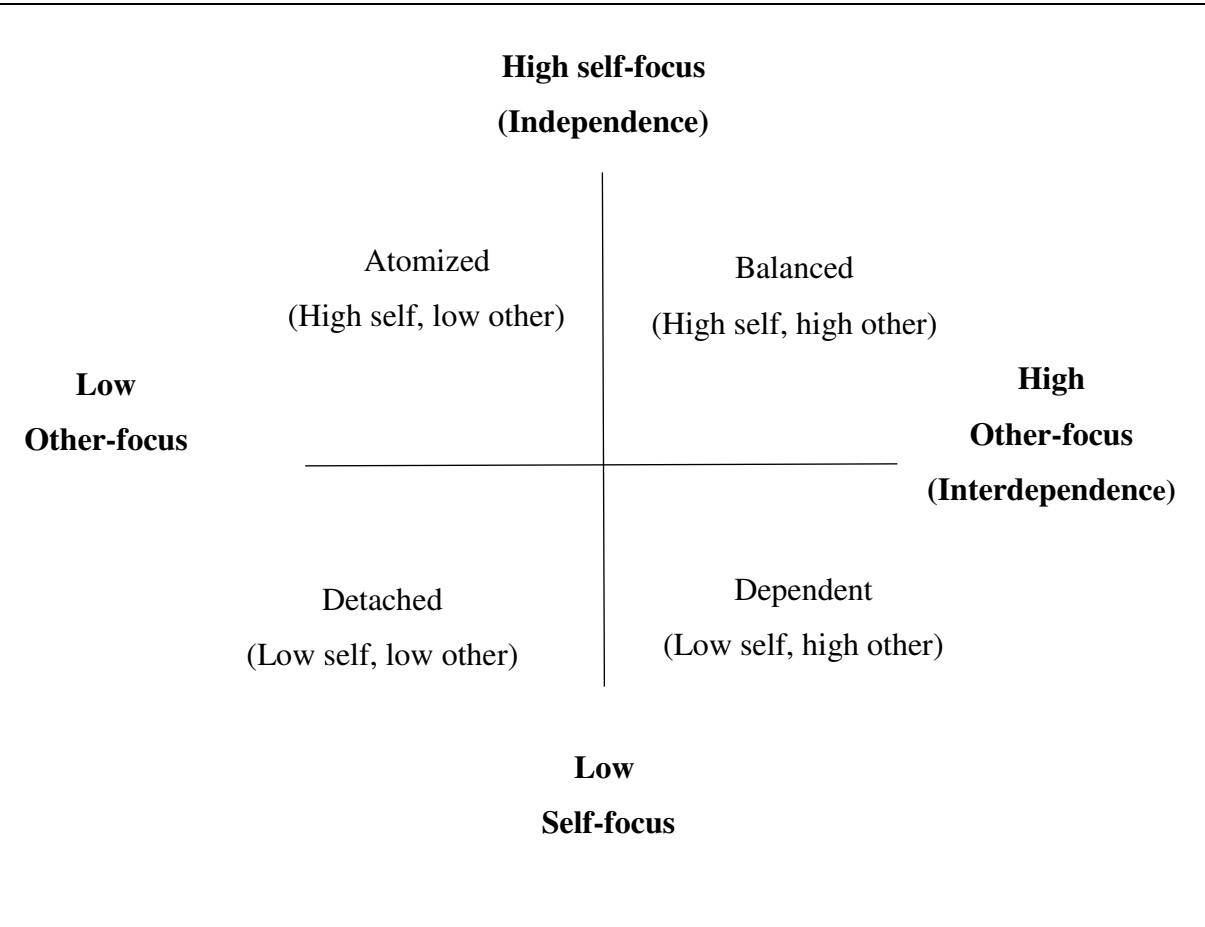
This conceptualisation implies that a ‘concept’ induced by the peripheral cues, such as the store environment cues, of a product on display can affect the consumers’ perceptions of this product. Specifically, when an assimilation effect occurs, the ‘borders’ between the peripheral cues and the product’s attributes are ‘blurred’ and common evaluations are attributed to both. Consequently, the notion of this theory applied in the present study’s store atmospherics context would suggest that for consumers who attribute favourable evaluations to a luxury product (target stimulus) when it is displayed among high-image VMD cues (context stimulus) and negative evaluations when the same product is displayed among low-image VMD cues, an assimilation rather than a contrast effect occurs. However, this positive relationship (i.e., the occurrence of assimilation over contrast effect) depends also on how the individual categorises and processes information and, therefore, this effect can be contingent on individual or cultural differences (Schwarz and Bless, 1992).

Assimilation-contrast theory has been used by many cross-cultural studies to discriminate between collectivistic and individualistic cultures and argue that an assimilation effect is usually observed in the evaluative judgement of the people in collectivistic cultures rather than in the evaluative judgement of those in the individualistic cultures (Triandis et al., 1990; Triandis, 1995; Triandis, 2001; Oyserman et al., 2002). Many researchers in social psychology who study social comparisons have also identified assimilation and contrast effects as the consequences of people’s ‘self-construal’ activations (Kühnen et al., 2000). However, assimilation-contrast theory has also been applied in consumer behaviour research to predict consumer attitudes (e.g., Schwarz and Bless, 1992). More importantly, the assimilation effect—as a consequence of an interdependent (versus independent) self-construal, that suggests the consumer’s holistic (rather than analytic) style of processing a stimulus (e.g., a product’s display)—has also been investigated in a visual merchandising context (e.g., Zhu and Meyers-Levy, 2009). The next sections focus on the empirical evidence of the application of assimilation-contrast theory in such a retail research context.

4.9.2 The Application of Assimilation-Contrast Theory in a Retail Context

Individuals differ in their levels of independent or interdependent ‘self-construal’ (Singelis, 1994; Triandis, 1995; Konrath et al., 2009). The psychology literature defines independent self-construal as a person’s self-perception in terms of ‘separateness’ from others, which means that this person’s actions are mostly affected by her own feelings and goals (Singelis, 1994; Singelis et al., 1995). In contrast, people with an interdependent self-construal think of themselves in terms of their ‘connectedness’ and ‘unity’ with others, hence, they act according to group roles, relationships, and goals (Konrath et al., 2009; p. 1197). However, Konrath et al. (2009) argue that these two states (independent and interdependent self-construal) can coexist within the same person. Thus, the authors made an effort to categorise people based on their self-focus tendencies and accordingly placed them in four different ‘quadrants’, namely: the “atomized”, the “dependent”, the “balanced” and the “detached” (see Figure 4.2).

Figure 4.2: Konrath et al.’s (2009) quadrants of self–other–focus



(Source: Konrath et al., 2009; p. 1198)

Prior research, mostly in the psychology literature, has provided evidence to suggest that people with different self-foci also differ in the way that they process information. People who think holistically, compared with those who think analytically, are often lower in self-focus and higher in other-focus (Peng and Nisbett, 1999; Norenzayan and Nisbett, 2000; Monga and John, 2008; Spencer-Rodgers et al., 2010; Kastanakis and Voyer, 2014). Thus, Konrath et al. (2009) assumed that people in the “atomized” quadrant will display the most analytic perceptual style (i.e., will perform better on analytic tasks as compare to everyone else) while people in the “dependent” quadrant were expected to have the most holistic perceptual style. The authors define holistic perceptual style as the person’s tendency to focus on the “big picture” and inter-relate the stimuli in the environment. In contrast, analytic perceptual style is seen as a person’s tendency to perceive the focus objects as separate and distinct from their surroundings. Through two supplementary studies, Konrath et al. (2009) found, indeed, that there was a marginal negative relationship between independent self-construal and holism. When they combined the data sets of these two studies, they identified also a positive relation between interdependence and holism.

Zhu and Meyers-Levy’s (2009) research constitutes a prominent study for the present thesis because it brings the notion from the psychology literature to marketing and applies the assimilation-contrast theory in a visual merchandising context to study the effect of consumers’ style of processing on their product evaluations. Specifically, the authors investigated the effect of a product display on prompting context effects (assimilation versus contrast effects) on the shoppers’ product evaluations. The authors hypothesised that the direction of such effects (i.e., whether it will be an assimilation or a contrast effect) would be determined by the observer’s perceptual style; that is, her holistic or analytic processing style prompted by her self-construal scheme (interdependent self-view versus independent self-view). It was found that the use of holistic perceptual style, as prompted by an interdependent self-view, produces an assimilation effect. In this case, and in a product display context, the product evaluations were found to be assimilated with associations of the table surface, where the product was displayed on. Specifically, the participants attributed to a product displayed on a glass table (which entailed trendiness associations) more trendiness, whereas when the same product was displayed on a wooden table (which entailed naturalness associations) had higher evaluations of naturalness. Consequently, people who processed the displayed items (i.e., the product and table) holistically, evaluated them as a single unit. Conversely, those who processed the displayed items (i.e., the product and table) analytically, perceived each item as a separate entity. In a

few cases the participants who relied on analytic processing, as prompted by an independent self-view, even elicited a contrast effect, where the product evaluations were negatively related to table surface associations.

Based on the evidence in the style of processing literature (e.g., Monga and John, 2008; Konrath et al., 2009; Zhu and Meyers-Levy, 2009), the present study assumes that people who exhibit an assimilation effect when evaluating a product on display process the VMD holistically rather than analytically. This means that such consumers are highly affected by the peripheral VMD cues and tend to attribute a common evaluation to the displayed product and to the VMD cues. In contrast, analytic-thinkers are less affected by the peripheral elements of the focus object (the product) which is evaluated. Zhu and Meyers-Levy (2009) found that analytical thinkers can even exhibit a contrast effect, whereby the concept (perceptions) activated for instance by a table's surface can be used as a comparison standard against the focus product which is displayed on this table.

To conclude, in a retail context, people who engage a holistic processing style are expected to focus on the big picture and inter-relate (assimilate) the product with the peripheral VMD cues. In contrast, people engaging an analytical perceptual style when viewing and evaluating a product on display may be less affected by its VMD cues. However, in real life, consumers are simultaneously exposed to a combination of visual cues, including the product elements, different types of fixture and fittings, materials, colours, lightings and so on. For those who engage a holistic cognition, an assimilation effect can be observed not just between their product evaluations and their associations with the peripheral cues but also between their evaluations and associations of the independent VMD cues that compose the whole store's environment. The implications of this assumption for moderately inconsistent¹² store environments (which will be the focus of my empirical investigation in Chapter 8) need to be explored as relevant notion could contribute to the extant retailing literature. To offer more insight on this topic, the next section reviews the literature on the relationship between three seemingly unrelated concepts which are: the consumer's CC, her store atmospheric responsiveness, and her holistic-analytic styles of processing.

¹² For example a moderately inconsistent high-image store environment would comprise a combination of several high-image and a few low-image VMD cues.

4.10 The Influence of CC on Consumer Purchases via Store Atmospheric Responsiveness and Holistic Style of Processing

The conceptualisations in this chapter, suggest that consumers with higher CC can be more affected by the store environment cues when evaluating and purchasing a product because they are highly interested and appreciative towards, in general, the visual store aesthetic information. However, assimilation theory suggests that such consumers, who tend to be affected by the store peripheral cues when evaluating a product, engage in a holistic rather than an analytic processing style.

Consumers, who tend to assimilate their product evaluations with the associations with the peripheral store environment cues, and thereby appear substantially affected by the store environment, are usually more atmospheric responsive people. But, what does atmospheric responsiveness mean? McKechnie (1974), an environmental psychologist, defines the concept of atmospheric responsiveness as a person's 'tendency' to be affected by the qualities of the physical environment. Eroglu et al. (2001) brought this concept to a retail context and considered store atmospheric responsiveness to be a consumer trait that is reflected in the extent to which store environment cues—such as colours, images, fixtures and so on—influence the customers' purchase decisions. For instance, Eroglu et al. (2003) found that store atmospheric responsiveness, as a consumer trait, influenced the positive impact that a website's atmosphere has on the shoppers' perceived pleasure (satisfaction), which in turn affects their approach or avoidance behaviour.

Given that CC is seen by many studies in cultural sociology as a strong indicator of a person's general aesthetic sensibility (Lamont and Lareau, 1988; Kalmijn and Kraaykamp, 1996; Prieur et al., 2008), the present thesis assumes that the positive effect of the consumers' CC on their store-based purchases can be firstly explained via their higher store atmospheric responsiveness. However, the consumers' store atmospheric responsiveness may also determine the occurrence of an assimilation effect between their evaluative judgements for the product on display and their associations of the VMD cues. This means that consumers with higher CC, who tend to search for and be more influenced by the peripheral store environment cues, as compared to those with lower CC, can also exhibit a stronger tendency to evaluate the store environment information holistically rather than analytically.

The CC literature does not provide though, enough evidence to theorise that the higher in CC consumers use a holistic (instead of an analytic) perceptual style. Nevertheless, many cross-cultural studies argue that people between the collectivist and individualistic cultures, referring mostly to Eastern and Western cultures, tend to view the world differently and attach to it different meaning (e.g., Triandis et al., 1990; Triandis, 1995; Triandis, 2001; Oyserman et al., 2002). The psychology literature argues that individualists and collectivists differ in the way that they process information (e.g., Peng and Nisbett, 1999; Norenzayan and Nisbett, 2000; Monga and John, 2008; Spencer-Rodgers et al., 2010; Kastanakis and Voyer, 2014). Individualists tend to engage an analytical style in information processing. This is a way of thinking that makes a person when focusing on a ‘message’ to categorise its attributes and assess the causality between them. In this case, when contradictory information is identified in the message, the person contrasts the contradictory information and feels the need to reject one piece of information in favour of another. In contrast, collectivists adopt a holistic style in information processing. This is a way of thinking that makes an individual considering the ‘bigger picture’ rather than concentrate only on the focal message. In this case, people can value and process even contradictory information and cues, and because they judge them as a whole they can find truthfulness in the communicated message. However, the psychology literature suggests that individualism and collectivism do not only exist at the cross-cultural level but exist also at an individual-level; as such, individuals within any single culture can differ in their tendency to process information holistically or analytically (Markus and Kitayama, 1991; Singelis, 1994; Triandis, 1995; Gudykunst et al., 1996; Imamoğlu, 1998; Oyserman et al., 2002).

Rossel’s (2011) quantitative empirical investigation constitutes for the present thesis one prominent study that connects, perhaps for first time, people’s processing style in cultural consumption with Bourdieu’s concept of CC. The author, conducting a survey with a large number of participants, found that a number of different perceptual modes, such as listening through ‘feelings’, ‘analysis’ and ‘superficiality’, can emerge when listening to opera music (as dimensions in an exploratory factor analysis). Although the total number of the indicators of the respondents’ CC better explained (predicted) their analytical way of listening to opera music (given the adjusted R squared values), it was found that an individual’s resources of CC can actually relate to two modes of processing relevant information. The first is the analytical mode, which is triggered by the cognitive mastery of a person on the relevant field. The second is the emotional mode (more holistic), triggered by the aesthetic pleasure that this person

experiences from the subjective elements that form and accompany the focal message (Bourdieu, 1968; Rossel, 2011). When Rossel compared the results from the impact of CC on these two most important modes of listening opera music, he found that the most general and attitudinal indicators of CC (e.g., education) are only relevant to the general feeling mode whereas the indicators of CC directly related to music or opera (e.g., vigorous involvement in music making and one's opera-specific culture) had an impact only on the analytic mode of listening. Thus, in cultural consumption, it seems that when people's CC becomes specific (e.g., attend opera music classes) they pass from 'feelings' and a holistic perceptual style to 'analysis'; but, this is rather the result of the expertise people gain in this specific cultural field. Transferring this notion from the field of cultural consumption to consumer product consumption, it can be assumed that the consumer's general CC (not the field-specific one) can relate to their holistic perceptual style. However, for consumers that vigorously participate in cultural activities that build their expertise in a relevant field, their analytic thinking might also emerge. For example, if a person regularly attends interior design classes, her style of processing the store environment element in a product display might become more analytic.

Taking insights from the assimilation-contrast theory and the cited literature and accounting mostly for the general indicators of one's CC, five final research hypotheses are presented to and explain-predict the role of consumers' CC on their purchase behaviour in a moderately inconsistent store environment:

Hypothesis 9: In a moderately inconsistent high-image store environment, consumers' CC positively affects their purchase intentions for the brand on display.

Hypothesis 10: In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions through the increase of their perceptions of luxury and the decrease of their personal risk for the brand on display.

Hypothesis 11: In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their store atmospheric responsiveness.

Hypothesis 12: In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their holistic style of information processing.

Hypothesis 13: In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display through the serially linked mediators of store atmospheric responsiveness and holistic style of processing.

4.11 Summary

The present chapter, applying the assimilation-contrast theory and taking insight from the style of processing literature, presented five final research hypotheses that explain the impact of consumers' CC on their store-based attitudinal and behavioural intentions, through their store atmospheric responsiveness and their holistic processing style. The next chapters focus on the methodology of the empirical investigation that tests all of the research hypotheses (13 in total), it will also present the results from this investigation and reflects on the empirical findings.

**CHAPTER 5 STUDY 1: THE INFLUENCE OF A MUSEUM-LIKE
DISPLAY ON CONSUMER PURCHASES OF LUXURY
BRANDS: THE MEDIATING ROLE OF PERCEPTIONS
OF LUXURY AND PERSONAL RISK**

5.1 Overview

Walking first into TK Maxx and then into Harvey Nichols, one could assume that brand perceptions are affected not by the merchandise but rather by the store environment and particularly the way in which the products are visually presented to the consumers. Although luxury marketers understand the importance of the display in influencing consumers' perceptions of luxury, the identification of specific display cues and the measurement of their effect on consumers' decision to buy is still vague. Hence, the influence of specific VMD cues on purchase intentions remains relatively unexplored, and many academics admit to knowing very little about the meaning and the mechanisms of luxury brand consumption (e.g., Joy et al., 2014).

In 2013, Karen Miller announced a substantial 'remodelling' of its stores, including a change in their look (such as facilitating a spare display organisation) to communicate 'affordable luxury' (Felsted, 2013). Mr. Mike Shearwood, the chief executive of Karen Miller, commented: "*Everything we do should be luxury except price. That gives you a true point of differentiation.*" However, it is unclear which design store elements form a presentation style that is able to communicate 'luxury' and how this can improve consumption. In the nineteenth century luxury brand consumption was seen as an aesthetically pleasing consumption, induced by visual merchandising techniques able to transform branded products into artworks. Thus, researchers recently came up with new terms, such as 'M(Art)World', in their effort to reflect an 'aesthetically oriented strategy' and explain how element of art galleries and museums are pulled together into luxury stores to create a concept of exclusivity and emblematic luxury (Joy et al., 2014).

In luxury retailing, museological presentation techniques or museum-like displays bring the 'art world' closer to a concept of a commercial 'art market' (see Becker, 1982; Moulin, 1986) where pedestals, shiny display cases, lighting and so on influence the consumers' way of thinking and acting. Although the extant literature supports the notion that a display mode (e.g., artistic inferences) improves brand evaluation and brand image in relation to a product (e.g., Hagtvedt and Patrick, 2008a), the present study tests the power and the process of this effect in luxury brand consumption. Thus, Study 1 develops a fundamental understanding of two possible mechanisms that underline the effect. In particular, it uncovers the processes that explain how certain VMD cues positively affect the consumers' purchase intention for a new

luxury brand of handbags because of the generation of perceptions of luxury and the reduction of consumers' perceived personal risk in relation to the unknown brand choice. While Table 5.1 sets out the four hypotheses, the present study has three basic research objectives:

(1) Identify the specific VMD cues that consumers consider important in connoting 'high-image' and 'low-image' displays (Pretest 1).

(2) Build the study's stimuli and create two conditions for VMD (high-image versus low-image) in presenting a handbag. This study will then test whether the participants perceive the necessary difference between the two merchandise displays (Pretest 2 and Pretest 3).

(3) Investigate two potential processes via which specific display cues impact the consumers' Purchase Intentions (PI) in relation to the new luxury brand on display, namely via Perceptions of Luxury (PL) and Personal Risk (PR).

Table 5.1: Summary of hypotheses and list of variables for Study 1

	Independent Variable	Mediator Variable 1	Mediator Variable 2	Dependent Variable	Predicted Sign	Hypothesis	Model Tested
H₁	Visual Merchandise Display (VMD)			Purchase Intention (PI)	+	The VMD cues that form a museum-like display positively affect the consumers' purchase intentions for a luxury brand on display.	<i>Direct Main effect</i>
The Process that Explains the Effect							
H₂	Visual Merchandise Display (VMD)	Perceptions of Luxury (PL)		Purchase Intention (PI)	+	The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions, through the enhancement of the consumers' perceptions of luxury for the brand on display.	<i>One-Step Mediation Model 1</i>
H₃	Visual Merchandise Display (VMD)	PR		Purchase Intention (PI)	+	The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the decrease of consumers' personal risk for the brand on display.	<i>One-Step Mediation Model 2</i>
H₄	Visual Merchandise Display (VMD)	Perceptions of Luxury (PL)	Personal Risk (PR)	Purchase Intention (PI)	+	The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the serially linked mediators of perceptions of luxury and personal risk.	<i>Serial Multiple Mediation Model 3</i>

The empirical investigation that follows is primarily carried out by conducting experiments to scientifically test the research hypotheses. In these experiments, the independent variable (i.e., the VMD cues, which are the cause) is manipulated and the dependent variable (i.e., perceptions of luxury, personal risk and purchase intentions, which are the effect) is measured while controlling any extraneous variables. The main advantage of this method is its validity (Webster and Sell, 2014). Therefore, the collected data are considered to be highly objective and less biased by the researcher's views and opinions (Webster and Sell, 2014).

The experiments that follow are laboratory/controlled experiments. This type of experiment is conducted in a well-controlled environment (although not necessarily in a laboratory) where accurate measurements are possible, which allows us to draw the clearest conclusions about the cause and the effect. The researcher decides where the experiment will take place, at what time, with what participants, under which circumstances, and by using a standardized procedure. The participants are then randomly allocated to each independent variable group. Employing a laboratory-type experiment, where a standardized procedure is used, will make it easier to replicate the experiment later in the follow up studies. In addition, by controlling for extraneous and other independent variables, a laboratory-type experiment will allow us to conclude that the relationship between cause and effect has actually been established (Webster and Sell, 2014).

The artificiality of the experiment setting may, however, produce unnatural behaviours that do not necessarily reflect real life (i.e., this method might have low ecological validity). This can harm the generalisability of the findings to a real retailing setting. For instance, Heather (1976) argues that the only thing that could be learned from a laboratory setting is how people behave in a laboratory. In contrast, Coolican (1998) argues that in a scientific investigation, it is often necessary to create artificial circumstances in order to isolate a hypothesised effect. Thus, the laboratory-type experiment is considered to be the most appropriate option for testing this study's hypotheses. The limitations and shortcomings that may arise from this research method will be analysed in the discussion and conclusions chapter.

5.2 Stimulus Development

To construct the appropriate stimuli, the typology of the VMD cues that have been proposed in Chapter 3 is revisited and specific VMD cues in this typology that have been identified in the literature as connoting high-image and low-image display environments are tested (Pretest 1). Two follow up pretests are then conducted with the purpose of validating two VMD conditions and testing whether the participants perceive the difference between the stimuli as intended (Pretest 2 and 3). All of the measures as well as the actual pretesting procedures which are used in validating the materials were adapted from prior studies, namely Grewal and Baker (1994), Baker et al. (1994), Baker et al. (2002), Hagtvedt and Patrick (2008a) and Zhu and Meyers-Levy (2009).

5.2.1 Pretest 1: High-Image and Low-Image VMD Cues

Chapter 3 has proposed a qualitative typology of the VMD cues containing high-image and low-image VMD cues (see Table 3.2), which was generated in line with the following sources: (1) conceptual and empirical studies on store design cues (e.g., Baker et al., 1994; Grewal and Baker, 1994; Baker et al., 2002) and (2) more recent qualitative research that explores the effect of the holistic organisation of several visual store environment cues (a practice known as visual merchandising) on the consumers' luxury perceptions (e.g., Kerfoot et al., 2003; Dion and Arnould, 2011; Joy et al., 2014). Table 5.2 presents the five basic categories of VMD elements, namely display fixtures, fixture materials, display organisation, structure and technique, as well as two key cues for each of these categories that have most frequently been found, based on empirical evidences, to operate as high and low-image VMD cues, respectively.

Table 5.2: Summary of the typology of the VMD cues and possible experimental stimuli

VMD Elements	High-Image VMD Cues	Low-Image VMD Cues
Display Fixtures	Cubes/pedestal blocks	Shelves/rails
Display Fixture Materials	Polished brass trim/accents	No polished brass trim/accents
Display Organisation	Low merchandise display density: One item display	High merchandise display density: Multiple-item display
Display Structure	Closed display structure: Glass display cases	Open display structure: No glass display cases
Presentation Technique	Museological presentation technique: Museum-like display	Non-museological presentation technique/simple juxtaposition: Non-museum-like display

5.2.1.1 Method and Design

To support the notions derived from the literature, a qualitative inquiry (exercise) is conducted using two groups of participants: one group of students and one group of non-students. This decision was made to ensure that the demographic differences between the two samples (such as age) did not affect the way that the ‘world’ is perceived in terms of their general judgement of what is seen as a high-image versus a low-image display element. Thus, 24 students and 24 non-students (mixed males and females) were separately familiarised with the concept of VMD by the moderator of the discussion. The same list of ten VMD cues was given to participants in both groups along with a written (strictly neutral) description for each one of them. Afterwards, a discussion and a sorting task exercise took place. The informants were asked to discern from the list the high-image VMD cues connoting ‘luxury’ from the low-image VMD cues connoting ‘non-luxury’. The participants were also encouraged to give a short description of the rationale behind their decisions, provide examples from their general knowledge or other market place observations and suggest other high-image or low-image display elements. This task was aimed to encourage consumers to recall the visual representation of several VMD cues that they would either cognitively or affectively associate or disassociate with the general concept of luxury.

As part of the group exercise, quantitative data were also collected in order to compare the high-image and low-image VMD cues and identify which cue(s) participants considered as the most powerful. Thus, the 48 participants were asked to rate the extent to which they considered

each one of the 10 presentation cues as a high-image (i.e., luxurious) product presentation on a seven-point Likert-type scale (ranging from 1 = “not at all” to 7 = “definitely”).

5.2.1.2 Results

The results confirm that for both groups of participants (i.e., students and non-students) certain cues, such as a low merchandise display density organisation (referring to one item display) and a museological presentation technique, were identified as high-image (i.e., associated with luxury) whereas other cues, such as a dense display organisation, were identified as low-image (i.e., associated with non-luxury). However, given the nominal nature of the data in this qualitative exercise, a series of chi-squared tests were run for each cue to assess whether the proportion of students seeing each VMD cue as high-image or low-image was equal to the proportion of non-students seeing that cue in a similar manner.

Accordingly, the null (H_0) hypothesis supposes that both groups perceive each VMD cue in the same way whereas H_1 hypothesises that students and non-students perceive each VMD cue in a different way. The results are reported in Table 5.3 and as one can see are statistically insignificant for all attributes ($p > .05$). Thus, the null hypothesis cannot be rejected and, based on the outcomes presented in Table 5.3, some confidence is built that the participants' perceptions of all of the VMD cues do not significantly differ between students and non-students. This legitimises pooling the two datasets together, and the combined results are presented in Table 5.3. Then, for instance, one can easily see that 95.84% of the participants associated a museological presentation technique with a high-image store environment whereas 97.92% of the participants associated a dense display with the concept of a low-image store environment.

Table 5.3: VMD cue discrimination for the total number of participants

VMD Element	VMD Cue	N	X ²	P Value	Perceptions between groups	High-Image Cue	Low-Image Cue
Fixtures	Cubes/pedestal blocks	48	.000	1.000	<i>Ho Accepted</i>	87.50%	12.50%
	Shelves/rails		2.021	.155	<i>Ho Accepted</i>	20.83%	79.17%
Materials	Polished brass (trims/accents)	48	1.231	.267	<i>Ho Accepted</i>	81.25%	18.75%
	Matte plastic (trims/accents)		.600	.439	<i>Ho Accepted</i>	16.66%	83.34%
Organisation	Low merchandise display density (One item display)	48	–	–	<i>Ho Accepted</i>	100%	0%
	High merchandise display density (Multiple-item display)		1.021	.312	<i>Ho Accepted</i>	2.08%	97.92%
Structure	Closed display (Glass display cases)	48	3.200	.074	<i>Ho Accepted</i>	93.75%	6.25%
	Open display		.444	.505	<i>Ho Accepted</i>	25.00%	75.00%
Presentation Technique	Museological	48	2.087	.149	<i>Ho Accepted</i>	95.84%	4.16%
	Simple juxtaposition		1.231	.267	<i>Ho Accepted</i>	18.75%	81.25%

However, just because the students and non-students see the VMD cues in a similar way, this does not necessarily suggest that each VMD cue is perceived to be equally luxurious. To dig deeper into the data, Table 5.4 presents the results from the quantitative exercise where the participants were asked to rate the extent to which they would consider each of the 10 presentation cues as a high-image (i.e., luxurious) product presentation on a seven-point Likert-type of scale (where, 1= “not at all” and 7= “definitely”). Table 5.4 separately presents a comparison of the means for each high-image and low-image VMD cue for student and non-students. Moreover, after running a series of independent sample t-tests, the null hypothesis is not rejected (i.e., *Ho*: There is no difference in the extent that students and non-students consider each VMD cue as a high-image product presentation). With $p > .05$ for each VMD cue, it is assumed that the extent to which the participants considered each one of them as high-image does not depend on whether they were students or non-students. This suggests that pooling the two groups for further analysis would be appropriate because both groups appear to see the display cues in a similar way and to the same extent.

Table 5.4: Group statistics and independent sample t–tests for students and non-students

	Participant	N	Mean	Std. Deviation	t-Value	Sig. (2-tailed)
Sparse merchandise display organisation	S*	24	5.92	.929	-.811	.422
	NS*	24	6.13	.850		
Dense merchandise display organisation	S	24	2.13	1.361	.113	.910
	NS	24	2.08	1.176		
Closed display structure (Glass display cases)	S	24	6.04	1.367	1.232	.224
	NS	24	5.54	1.444		
Open display structure	S	24	3.54	1.474	.093	.926
	NS	24	3.50	1.615		
Pedestals blocks/cubes	S	24	5.29	1.398	.445	.659
	NS	24	5.13	1.191		
Shelves /Rails	S	24	3.17	1.494	.758	.452
	NS	24	2.83	1.551		
Museological presentation technique	S	24	6.58	.776	.915	.365
	NS	24	6.33	1.090		
Simple juxtaposition	S	24	3.00	1.474	-.347	.730
	NS	24	3.17	1.834		
Polished Brass (trims/accents)	S	24	5.42	1.139	.836	.407
	NS	24	5.08	1.586		
Matt Plastic (trims/accents)	S	24	3.17	1.465	-.394	.695
	NS	24	3.33	1.465		

*S=student, *NS= non-student.

Finally, whether the participants viewed the cues as intended also needs to be determined. Namely, are high-image cues perceived as high-image scoring about the midpoint of 4? Are low-image cues perceived to be low-image scoring below the midpoint of 4? Table 5.5 illustrates, for all of the 48 participants pooled, a series of one-sample tests that compares each VMD cue against the scale's midpoint (i.e., 4). Accordingly, high-image cues should be significantly higher than 4, while low-image cues should be significantly lower than 4. Indeed, as Table 5.5 shows, I succeeded in identifying five high-image VMD cues and five low-image VMD cues. Among them, 'Dense Merchandise Display Organisation' (M = 2.10) and 'museological presentation technique' (M = 6.46) seem to represent the two end points of a luxury scale, respectively. This suggests that 'dense merchandise display organisation' represents in this sample the lowest-image VMD cue whereas 'museological presentation technique' is seen as the highest-image VMD cue.

Table 5.5: One-sample tests

	VMD Image	N	Mean	Std. Deviation	t-value	Sig. (2-tailed)
Museological presentation technique	High	48	6.46	.944	18.035	.001
Sparse merchandise display organisation	High	48	6.02	.887	15.784	.001
Closed display (glass cases)	High	48	5.79	1.414	8.781	.001
Polished Brass (Trims/accents)	High	48	5.25	1.376	6.293	.001
Pedestals blocks/cubes	High	48	5.21	1.288	6.502	.001
Open display structure	Low	48	3.52	1.530	-2.170	.035
Matte Plastic (Trims/accents)	Low	48	3.25	1.451	-3.580	.001
Simple juxtaposition	Low	48	3.08	1.648	-3.853	.001
Shelves /Rails	Low	48	3.00	1.516	-4.570	.001
Dense merchandise display organisation	Low	48	2.10	1.259	-10.434	.001

5.2.1.3 Summary

Based on the results from Pretest 1, a pool of VMD cues that could form a high-image and a low-image display is constructed and tested. Specifically, five high-image VMD cues (i.e., museological presentation technique, sparse merchandise display organisation, glass display cases, polished brass trims/accents and pedestals blocks/cubes) and five low-image VMD cues (i.e., dense merchandise display organisation, shelves/rails, simple juxtaposition, non-polished brass trims/accents such as matt plastic trims/accents and open display structure) were identified which should be appropriate for operationalising the stimuli in the two experimental conditions. Moreover, the identified cues for each experimental condition were tested with both students and non-students. The results show that both samples see each one cue as intended and to the same extent, which allows the generalisation of the findings to be assumed.

However, ‘museological presentation technique’ proved to be the most high-image VMD cue among both students and non-students. This finding is consistent with qualitative research in luxury retailing which reports that luxury brands apply a variety of formal mechanisms derived from the world of museums to give luxury products an aura of non-commercial art (e.g., Dion and Arnould, 2011). During this process, “*Sales items and items drawn from the designer collections are placed on pedestals; shiny display cases are ubiquitous, lighting is focused on the objects, clients are placed at some physical distance from the items, and so forth*” (Dion

and Arnould, 2011, p. 511). Indeed, Pretest 1 identifies ‘museological presentation’ as one VMD cue that is capable of orchestrating several other VMD elements, such as organisation (neat and sparse), structure (glass cases), materials (polished brass) and fixtures (pedestals blocks/cubes), to produce a high-image merchandise display.

Finally, although some cues were expected to be seen as old-fashioned (such as the use of polished brass on a display), they were found to still hold connotations with the traditional museum environment and be perceived as high-image cues in much the same way and to the same extent for the general public (non-students) as for younger and more modern adults (university students).

5.2.2 Pretest 2: Museological Versus Non-Museological Product Presentation

Drawing largely on retailing and marketing literatures, art has been found capable of transferring perceptions of luxury from an artwork (e.g., an art image on the cover of a box containing silverware) to a regular object (such as the silverware of a restaurant, see Hagtvedt and Patrick, 2011). But, art is not only found in the object; it is also a mode of display that uses similarities with certain environments and concepts (e.g., a museum environment) to transfer meaning (Melot, 1994). Thus, the purpose of Pretest 2 is to examine whether the stimuli used to facilitate two experimental conditions, which I name ‘museum-like display’ versus ‘non-museum-like display’, are actually perceived by participants as being discriminant in the expected way. A museum-like display which orchestrates the high-image VMD cues (identified in Pretest 1) and a non-museum-like display which incorporates the low-image VMD cues (also from Pretest 1) are tested using a within-subjects design to assess whether the participants perceive the product presentations as intended.

5.2.2.1 Method and Design

The five high-image VMD cues in contraposition with the five low-image VMD cues, as identified from Pretest 1, were used to generate two booklets of pictures (Booklet A and Booklet B; see Figures 5.1 and 5.2) which display the same handbag. All five of the high-image VMD cues when used together (i.e., sparse merchandise display organisation, the product displayed on a cube/pedestal block, covered by a glass display case, decorated by polished brass trims, using a museological technique where the light is focused on the singular and

protected item on display) facilitate what has been typically described in luxury retailing literature as a ‘museological presentation technique’ or ‘museum-like display’. In contrast, five low-image VMD cues (i.e., dense merchandise display organisation, the product displayed on shelves/rails and on non-polished brass fixture surfaces, not covered by a glass display case, using a simple juxtaposition of the merchandise) facilitates what has been typically seen as a regular/conventional product presentation technique. Thus, the two possible experimental treatments were termed ‘museum-like display’ versus ‘non-museum-like display’. The product displayed in both conditions is the same black handbag (neutral in colour and design) which comes from a new brand of handbags and leather accessories with hidden identification signs.

Figure 5.1: Booklet A = Museum-like display



Figure 5.2: Booklet B = Non-museum-like display



Pretest 2 used a within-subjects experimental design. The participants were a sample of 48 people, who were a mixture of students and non-students, males and females. The two booklets of pictures were presented to each participant side by side with the position of the booklets on the left or right counterbalanced. After reviewing both booklets, the participants were asked to indicate the following items on a seven-point Likert-type scale:

1. The extent to which they considered that the two booklets of pictures were very similar in terms of product presentation (1= “Not at all similar”, and 7= “Very Similar”); and,
2. The extent to which each booklet represented a high-image merchandise display (1= “not at all”, and 7= “definitely”).

5.2.2.2 Results

The participants rated the extent to which they considered that the booklets of pictures A and B were very similar in terms of the presentation of a product, on a seven-point Likert-type scale (1 = “not at all similar”, 7 = “very similar”). As shown in Table 5.6, the results show that the participants perceived the two presentation methods as almost completely dissimilar ($M = 1.438$, $t = 14.617$, $p < .001$). This difference is statistically significant at the $p < .001$ level. In particular, the majority of the participants (66.67%) perceived that the two booklets of pictures A and B are “not at all similar”, scoring 1 on the 7–point scale.

Table 5.6: One-sample test for similarity between Booklet A and Booklet B

	T	Df	Sig. (2-tailed)	Mean Difference
Booklet A & B /Similarity	14.619	47	.001	1.438

Although the above test focuses on the extent that the two booklets differ, it is more important to determine if they differ in a predictable way, namely: is Booklet A perceived as connoting a high-image display while Booklet B is perceived as a low-image display? Consequently, the participants rated whether each booklet is a high-image merchandise display on a seven-point Likert-type scale (1= “not at all”, and 7= “definitely”). Indeed, as Table 5.7 indicates, the participants appraised that Booklet A rather than Booklet B is a high-image product presentation ($M_A = 6.646$, $M_B = 1.583$). By comparing the sample means against the scale’s midpoint (= 4), it is concluded that Booklet A ($M_A > 4$) is a high-image VMD and Booklet B ($M_B < 4$) is a low-image VMD, which is as anticipated.

Table 5.7: One-sample test (test value = 4)

Stimuli	N	Mean	Std. Deviation	t	Df	Sig. (2-tailed)	Mean Difference
Booklet A: High-Image Presentation	48	6.65	.699	26.216	47	.001	2.646
Booklet B: Low-Image Presentation	48	1.58	.964	-17.370	47	.001	-2.417

The perceived difference between these two sets of pictures (i.e., Booklets A and B) is also examined using tests of within–subjects effects and pairwise comparisons ($MD_{AB} = 5.063$, $p < .001$). All of the tests confirmed that the null hypothesis (i.e., H_0 : there is no difference between

Booklet A and Booklet B) should be rejected and that the participants not only consider the two booklets dissimilar but they consider Booklet A to be a high-image product presentation whereas Booklet B is considered to be synonymous with a low-image product presentation.

5.2.2.3 Summary

Two booklets of pictures were pretested with 48 participants, the order between them was side by side and counterbalanced. The results indicated that the two booklets were perceived as: (1) extremely different; and, (2) different in a predictable way. Thus, Pretest 2 provides the necessary evidence to suggest that the booklets were suitable for operationalising the stimuli of our two experimental conditions (namely, museum-like display versus non-museum-like display). However, to further strengthen the findings, I also tested whether the stimuli are perceived as different in an expected way using a between-subjects design. This test uses a sample of female undergraduates that was consistent with the main study.

5.2.3 Pretest 3: Museum-Like Display versus Non-Museum-Like Display

This pretest aims to further validate the results of Pretest 2. It could also be seen as a pilot study since the participants shared common characteristic with those of the main experiment, namely they were female Cardiff University undergraduates. Pretest 2 developed some confidence that the participants were able to discriminate between the two booklets of pictures when they viewed them in juxtaposition but the strength of this discrimination when viewed separately is yet to be discovered.

5.2.3.1 Method and Design

Facilitating a between–subject design, thirty-four female undergraduate students from Cardiff University were randomly assigned to one of the two experimental conditions (museum-like display versus non–museum-like-display). The aim is to test whether the subjects: 1) perceive the two booklets of pictures as different; and, 2) whether Booklet A rather than Booklet B conveys perceptions of luxury, as anticipated. Pretest 3 took place in a large computer room. One instructor was there to recruit, guide, and coordinate the participants. The participants were then randomly allocated to one of the two experimental conditions. After considering the

booklet displayed on their computer screens (identical in size and resolution) for five minutes, all of the participants responded to a question using a seven-point Likert-type scale indicating: to what extent they consider the booklet of pictures as being associated with a high-image product presentation manner (1= “not at all” and, 7= “definitely”).

5.2.3.2 Results

In each condition there were 17 subjects. Table 5.8 illustrates the sample statistics and whether the sample means were statistically different from the scale’s midpoint = 4. A mean that is greater than 4 indicates a high-image product presentation while a mean that is less than 4 indicates a low-image product presentation. As anticipated, for subjects assigned to a museum-like display (booklet A) $M_A = 5.12$ whereas for subjects assigned to non-museum-like display (booklet B) $M_B = 1.82$.

Table 5.8: One-sample statistics for subjects in Booklet A and subjects in Booklet B for test value = 4

	N	Mean	Std. Deviation	t	Sig. (2-tailed)
Subjects in Booklet A	17	5.12	1.728	2.667	.017
Subjects in Booklet B	17	1.82	.883	-10.165	.001

An independent sample t-test of mean equality was also conducted (see Table 5.9). In this, the unequal variance t-test was used because: (1) it is more general; and, (2) the F-test shows that the variance of Group A is different from the variance of Group B. The perceived difference between-subjects in Booklet A and subjects in Booklet B is, as was expected, statistically significant at $p < .001$. Thus, as $M_A > 4$ ($p < .05$) and $M_B < 4$ ($p < .01$), it logically follows that Booklet A is different to Booklet B ($p < .001$).

Table 5.9: Independent samples test between the subjects

	Levene's Test for Equality of Variances		t-test for Equality of Means			
	F	Sig.	t	df	p	Mean Difference
	High-image product presentation	7.613	.010	7.000	23.822	.001

5.2.3.3 Summary

Together with the three pretests, this pilot study was a first indicator that the stimuli as well as the sample are appropriate for facilitating Experiment 1. Accordingly, a museum-like display versus a non-museum-like display connotes perceptions of luxury. Based on this assumption, Experiment 1 tests whether connotation of luxury can be infused from the display mode (organisation, structure, materials, fixture-type and technique) to the brand, reduce the perceived risk of the specific purchase situation, and increase the purchase likelihood. Moreover, students and non-students found to perceive each VMD cue that facilitates the two experimental conditions in a similar way and to the same extent. This allows the research hypothesis to be tested, using as a sample either students or non-students. However, for reasons that will be further explained below, it was decided to proceed using female undergraduates.

5.3 Empirical Evidence: Experiment 1

Experiment 1 aims to shed some light on the process (mechanisms) that explains ‘how’ specific VMD cues impact purchase intention in relation to a new luxury brand on display, and provide help for brand managers and marketers that may wish to establish new brands or reposition their brands in the luxury brand market. A four step analysis is followed by a test of a set of mechanisms that underlines the above mentioned relationship. Step 1 tests the simple direct effect of the positive influence of a museum-like display on the consumers’ purchase intention for the new luxury brand (H_1). I will bring the story up to date and instead of following Baron and Kenny’s (1986) causal steps approach, Hayes’s (2013) mediation analysis is adopted to explain the effect through a path mediation that helps build an understanding of the behavioural outcome. Thus, in Step 2 the study tests the positive indirect effect of the VMD on purchase intentions via the enhancement of consumers’ perceptions of luxury for the brand on display (H_2 , see Figure 5.3). The positive indirect impact of VMD on purchase intentions via the reduction of consumers’ personal risk is examined in Step 3 (H_3 , see Figure 5.4). Finally, Step 4 tests whether there is a serial multiple mediation whereby the VMD indirectly increases purchase intentions through perceptions of luxury, which in turn influences personal risk (see Figure 5.5).

Figure 5.3: The Mediating Role of Perceptions of Luxury (Mediation Model 1) **Figure 5.4:** The Mediating Role of Personal Risk (Mediation Model 2)

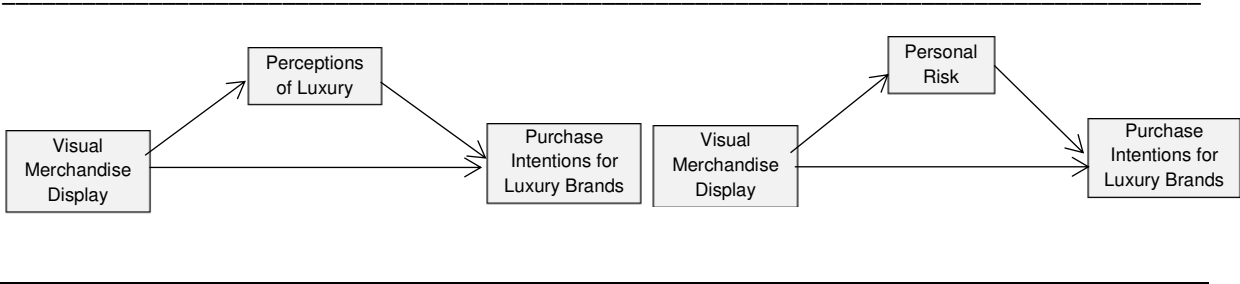
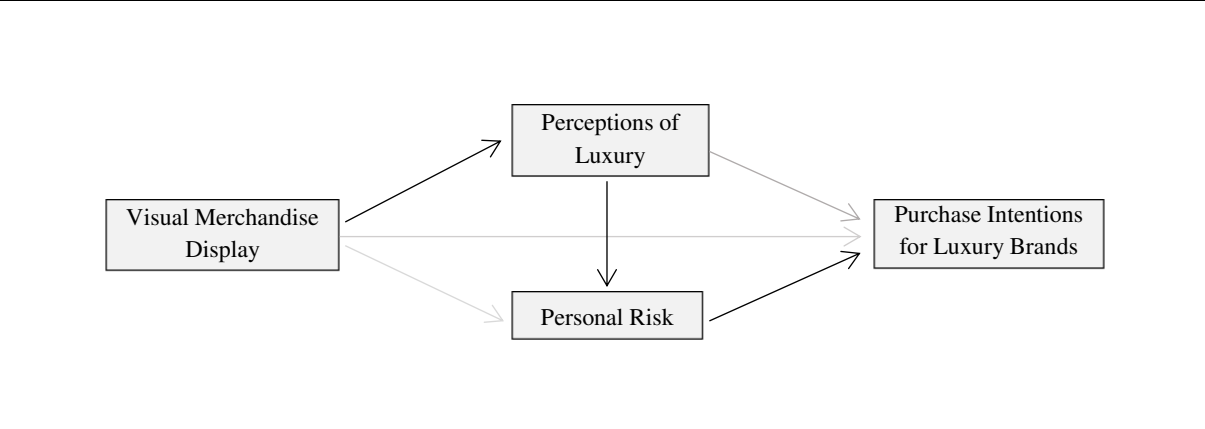


Figure 5.5: Serial Multiple Mediation Model 3



5.3.1 Stimuli and Procedure

Experiment 1 was carried out in laboratory conditions whereby one booklet of images (either Booklet A or B, see Pretest 3) displaying a handbag was presented on computer screens. A total of 126 female undergraduates from Cardiff University were randomly assigned either to the high-image visual merchandise display (i.e., museum-like display condition) or to the low-image visual merchandise display (i.e., non-museum-like display condition). In return, each participant was paid with a £5 gift card from a well-known UK coffee chain. The participants were given a cover story asking them to help the researcher understand consumer opinions, feelings, and attitudes towards a newly launched luxury brand of handbags and leather accessories that was not yet available in the UK market. The cover story told the participants that it was unlikely that they had seen the brand before, so a booklet of images was provided to familiarise them with one of the brand’s flagship products. In practice, one handbag of a lesser known ‘foreign’ brand with hidden identification signs was used for this purpose.

Handbags in general belong to a hedonic product category and seem to be one of the most suitable products for measuring perceptions of luxury because they tend to be desirable, especially for luxury brand consumers who wish to mark their social status and economic power symbolically, to less wealthy but aspiring consumers who want to signify their aspirations, and to younger consumers who seek identity affirmation and a sense of belonging in owning such goods (Thompson and Holt, 1997; Piacentini and Mailer, 2004; Hung et al., 2011). According to Thomas (2007, p. 168), “*handbags are the engine that drives luxury brands today*”. Thus, the fact that a handbag can carry a mixture of functional, experiential, and symbolic values (Hung et al., 2011) makes this a salient product that is particularly appropriate for the purposes of the present research. Finally, a handbag in comparison to shoes and clothing products does not involve consideration of size. This confines the consumers’ perceptions of luxury and preference to be solely influenced by cues offered by the stimuli and not by any other consumer-related reason.

In this study information related to product’s price was not provided to the participants because the consumers may otherwise use the product/brand price as a risk-reduction strategy. According to Olson (1977), price is often considered as a valuable ‘extrinsic cue’¹³ by consumers who have insufficient information about a product’s objective features (i.e., ‘intrinsic cues’). Thus, consumers tend to form mostly quality perceptions about a product/brand relying on its price. Moreover, different participants could be affected by price in a different way. For example, what is expensive for one participant could be inexpensive for another, and vice versa. People’s price judgements usually depend on their financial power, income, or occupation. So, price related information was simply not announced, which allowed me to exclude the influence of such factors (covariates) on the participants’ perceptions and intentions about the new luxury brand on display.

The cues offered by the stimuli (booklet of images) were only visual display-related cues and product-related elements. Keeping the product-related elements fixed between the two

¹³ Typically, as price increases the perceived risk associated with new or innovative products tends to reduce (Shimp and Bearden, 1982). However, for some consumers the perceived risk (e.g., financial risk) may also increase. So, given that the intention of this study is to focus exclusively on the influence of VMD as a risk–reduction strategy, the price information that could affect participants’ quality inferences about the brand was excluded.

conditions by using the same handbag ensured that any differences in the consumers' attitudes and behavioural intentions are solely caused by the manipulation of the VMD cues. Thus, the participants indicated their perceptions of luxury, their perceived personal risk, and their purchase intention in relation to the new luxury brand based on the display cues that they had been exposed to during the experiment (the questionnaire is attached in Appendix F).

5.3.2 The Participants and their Characteristics

The sample comprised 126 female undergraduates from Cardiff University. Students in general constitute a convenience sample but university students also represent an important present and future market segment which is considered most likely to buy luxury goods and services (Kapferer, 1998; Dubois et al. 2005; Hauck and Stanforth, 2007). Given that the cost of a university education is high (which is an indication of the financial background of the students' family) and that university students' prospects are also expected to be high (an indication of students' financial future), an understanding of these young people's attitudes towards luxury brands may also reveal their early perceptions, which tend to have lasting effects on their long run behaviours (Unity Marketing, 2007). Moreover, university students are relatively homogeneous in terms of their age (demographics), intelligence (education) and income (socioeconomic background), which should reduce the effect of these potential confounding factors on the results of the main experiment (Liu et al., 2012).

5.3.3 Measures and Scales

Independent Variable (X)

VMD Cues (Museum-like-display vs. non-museum-like display): The participants were randomly assigned to one of two conditions, either the museum-like display (high-image VMD cues) or non-museum-like display (low-image VMD cues).

Dependent Variables (Y)

- *Purchase Intentions for Luxury Brands (PI)*: The participants were asked how willing they would be to purchase the displayed luxury brand using a four-item measure¹⁴ used by Bian and Forsythe (2012), adapted from Dodds et al. (1991), as follows: “If I were going to purchase a luxury product, I would consider buying this brand”, “If I were shopping for a luxury brand, the likelihood I would purchase this luxury brand is high”, “My willingness to buy this luxury brand would be high if I were shopping for a luxury brand”, “The probability I would consider buying this luxury brand is high”. The reliability of the scale reported by Bian and Forsythe (2012) was .90.

Possible Mediators (M)

- *Perceptions of Luxury (PL)*: The participants were asked to indicate their perceptions of luxury for the brand on display based on Hagvedt and Patrick’s (2008a) widely used and highly reliable ($\alpha = 0.92$) four-item scale. In particular, participants rated their impression of the displayed brand as (i) luxurious, (ii) prestigious, (iii) attractive, and (iv) high class on a seven-point Likert scale, where 1 = “not at all”, and 7 = “extremely”. Following Hagvedt and Patrick (2008), these items were then combined to form a perception of luxury index.
- *Personal Risk (PR)*: Next, the participants rated the extent to which they agreed with 11 statements indicating their perceived financial, social, and psychological risk for the new luxury brand (see Table 5.10) on a seven-point Likert scale (1= “strongly disagree”, 7= “strongly agree”). The measures were adapted from González Mieres et al. (2006). These types of risk have been found in the marketing literature to be the primary determinants of consumers’ luxury brand consumption (e.g., D’Astous and Gargouri, 2001). Tsiros and Heilman (2005) found that these three risk dimensions load heavily onto one superordinate factor, of a product’s overall risk which they labelled Personal Risk (PR).

¹⁴ This measure is appropriate because it incorporates pre-existing purchase intentions for luxury and thus can assess participants’ intention towards the new luxury brand.

Table 5.10: Summary of items used for measuring social, psychological and financial risk

Construct of PR	Measures/items	Cronbach's Alpha*
Social Risk (SR)	–You are worried that, if you buy it, the esteem your family or friends have for you may drop. –You are afraid that, if you buy it, it may negatively affect what others think of you. –You think that, if you buy it, others will not see you the way you want them to. –You are afraid that, if you buy it, others may look down on you.	0.955– 0.932*
Psychological Risk (PSR)	–Buying it will make you feel uncomfortable with yourself. –Buying it makes you feel unhappy or frustrated. –It does not fit in well with the concept you have of yourself. –It makes you doubt whether you were right in buying it.	0.902– 0.860*
Financial Risk (FR)	–You think that buying it is a waste of money. –You are worried that it is not worth the money spent. –You think that it is not a wise way of spending money.	0.904– 0.813*

* *These are results of multiple applications of the scale (store brands and national brands) reported by González Mieres et al. (2006).*

However, because González Mieres et al. (2006) investigate the effects that a set of variables related to purchasing behaviour has on perceived risk between store brands and national brands, they did not check whether these three facets (social, psychological and financial risk) load onto one-higher order PR construct. The present study adopts measures from González Mieres et al. (2006) because these measurements were constructed to assess perceived risk for consumer products where the physical hazards were not the only or the dominant cause of the effect. Although in the marketing literature there are other reliable scales, such as Tsiros and Heilman's (2005) measurement of risk for perishable products, they tend to focus more on performance (i.e., quality or durability) and physical risk (products that can cause physical hazard such as electric equipment), which are not relevant for luxury brand consumption or they measure each perceived risk dimension with a singular item. Therefore, González Mieres et al.'s (2006) approach was considered as the most appropriate and precise for the present study because measuring personal risk via a multi-dimensional scale could allow me to even investigate the differences between the risk dimensions (as it is presented in Appendix B) while also verifying the reliability and validity of the scale. Thus, a Principal Components Analysis (PCA) (see Appendix A) is conducted to test whether these three risk dimensions could be aggregated together to form an overall personal risk measure.

Manipulation Check: As a final test, the participants were asked to indicate on seven-point Likert-type of scale (where, 1 = “not at all” and 7 = “definitely”) the extent they considered the booklet of pictures as connoting a high-image product presentation manner. It is here underlined that the question solely referred to the manner in which the product is presented and displayed, and did not refer to the product itself.

5.3.4 Measurement Checks

All of the measures were tested for their appropriateness in measuring the relevant concepts. Thus, validity and reliability tests were run for all the items and scales in Experiment 1. In the analysis that follows, items’ (observed variable) loading on measures (latent variables) based on strong inter–correlations ($r > .6$) are presented. Initially, the suitability of the data for PCA purposes is tested. Bartlett’s tests of the null hypothesis (i.e., H_0 : the original correlation matrix is an identity matrix) were highly significant ($p < .001$) for all measures. Given that the null hypothesis is rejected, some relation is identified among the observed variables, which justifies the appropriateness of a PCA (Pallant, 2005). A Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy is used to assess the robustness of the identified correlation patterns, which also suggests distinct and reliable components ($KMO > 0.5$ see Kaiser, 1974). Cronbach’s alpha—which is a function of the number of the items, the average covariance between item–pairs, and the variance of the total score—indicates the reliability of each measure ($\alpha > .7$) (Pallant, 2005). Table 5.11 reports the relevant outputs for all of the one component constructs.

Table 5.11: Reliability outputs and PCA for the one component measures

One Component Constructs	EFA				Number of Items	Cronbach's Alpha	Inter-Item Correlations
	K–M–O	Communalities	Eigenvalues	Loadings			
Perceptions of Luxury (PL):	.799	.624 – .863	3.15	.790 – .929	4	.909	.554 – .844
Purchase Intentions (PI):	.855	.789 – .900	3.43	.888 – .949	4	.945	.745 – .870
Financial Risk (FR):	.653	.554* – .700	1.176	.745 – .836	3	.701	.360* – .514
Social Risk (SR):	.851	.759 – .880	5.14	.871 – .938	4	.926	.708 – .843
Psychological risk (PSR):	.768	.500* – .855	1.79	.707 – .925	4	.853	.381* – .842

* *Scale included item with negative wording (reversed scored).*

Accordingly, for the scales of Perceptions of Luxury (PL), Purchase Intentions (PI), Financial Risk (FR), Social Risk (SR), and Psychological Risk (PSR), the PCA loadings suggest that the items load onto a single measure (i.e., only 1 eigenvalue greater than 1, see Kaiser's (1974) rule for factor extraction) and are suitable for measuring the relevant one-dimensional concept. Factorability, checked via KMO (a measure of sampling adequacy), were $> .6$ for all measures. Thus, the compact correlation pattern among the items of each scale indicates that one coherent component is capturing the construct described from each measure. Indeed, the initial eigenvalues in each PCA verify that for all single-component constructs, one component explains, for instance, 78.86% of variance for PL, 85.89 % of variance for PI, 62.69% of variance for FR, 82.28% of variance for SR, and 69.76 % of variance for PSR. The Cronbach's alphas are $> .7$ for all measures, indicating their reliability. Moreover, inter-item correlation (are $> .3$ in all scales) also confirms the internal consistency (reliability) of these measures.

However, in order to be consistent with the risk literature, a multi-dimensional approach to measuring participants' personal risk is adopted. When the 11 items (Cronbach's alpha = 0.878) measuring the concepts of financial, social, and psychological risk (see González Mieres et al., 2006) are put together in a PCA, three distinct dimensions of personal risk related to the

new luxury brand emerge. The factorability of the multi-dimensional scale, checked via the KMO measure of sampling adequacy, is 0.861 and the initial eigenvalues verify that three components explain the 46.79% (SR), 16.30% (PSR), and 10.69% (FR) of the total variance of PR. Thus, the three-factor solution accounted for 73.78 % of the total variance. In particular, as Table 5.12 illustrates, the items load on their intended scales, namely social (SR), psychological (PSR) and financial (FR) risk. The high loadings (> .6) indicate the reliability of the measure, the low cross loadings (< .4) indicate the discriminant validity of the three-dimensional construct and the high communalities ranging from 0.51 to 0.87 (all > .5, see Appendix A) indicate that items are inter-correlated to a satisfactory level. Therefore, the PCA satisfies Hair's et al. (1998) criteria for a solid scale. A more comprehensive illustration of the PCA is presented in Appendix A.

Table 5.12: Factor loadings for the 11 items

Items:	SR	PSR	FR
1-4	.783-.908	<.4	<.4
5-8	<.4	.637-.862	<.4
9-11	<.4	<.4	.630-.857

The composites' correlations between the three factors/dimensions (SR, PSR, and FR) ranged from 0.270 to 0.555 and were all statistical significant at $p < .01$ level, indicating unidimensionality sufficient to support the decision to aggregate across the three dimensions into one scale. Thus, the items that comprise each dimension/factor were averaged and the PCA was repeated using the three average scores (SR, PSR, and FR) as inputs. Indeed, social risk, psychological risk, and financial risk load together on one-higher order scale that measures personal risk. Appendix A, (see Table A7 and Figure A2) illustrates that each factor/risk dimension loads (ranging from 0.693 to 0.867) in the one component scale, namely personal risk. The initial eigenvalue indicates now that one component explains 61.69% of variance for personal risk and is suitably reliable ($\alpha = .689$). To summarise, social risk, psychological risk, and financial risk appear to be different yet distinct dimensions of one construct, namely personal risk. Accordingly, the consumers' perceived personal risk for the new brand is the composition of the uncertainty they might feel because this particular choice: may result in social embarrassment; may negatively affect the person's ego; and, may not be worth its financial price (the price premium of the luxury brand).

5.3.5 Results and Analysis

Manipulation check

An independent measure t-test confirms that the materials/stimuli (see Figure 5.6 and 5.7) were manipulated as intended and the participants considered the two product presentation manners (museum-like display versus non-museum-like display) as different ($t = -11.043, p < .001$).

Figure 5.6: Museum-like display



Figure 5.7: Non-museum-like display



More importantly, a one-sample test (see Table 5.13) for each condition (museum-like display and non-museum-like display) was separately run against the scale's midpoint of 4.

Table 5.13: Group statistics for the manipulation check against the scale midpoint value of 4

Display		Observations	Mean	Std. Deviation	Std. Error Mean	T Value	P Value
Manipulation Check: High-Image VMD cues	High-Image VMD cues: Museum-like display	63	5.365	1.440	.181	7.523	.001
	Low-Image VMD cues : Non-museum-like display	63	2.460	1.511	.190	-8.085	.001

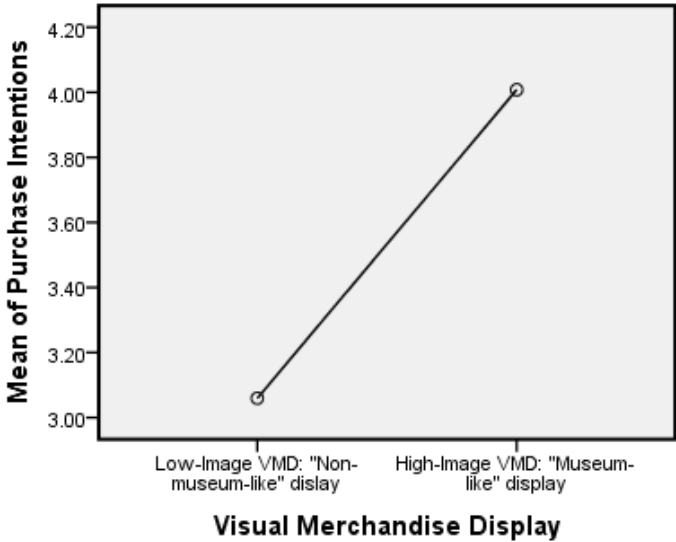
As anticipated, the 63 participants assigned in the museum-like display perceive the display as a high-image product presentation ($M_A = 5.365, t = 7.523, p < .001$) while the 63 participants assigned to the non-museum-like display perceived the display as a low-image product presentation, ($M_B = 2.460, t = -8.085, p < .001$). Given that the materials/stimuli were successfully manipulated, the focus is now on switching to processes/mechanism through which

VMD affects purchase intentions. Thus, before looking at the three potential underlying processes, it is essential to start with the direct effect.

The Main Effect of VMD on Purchase Intentions

To test the main effect of VMD on participants' purchase intentions for the luxury brand on display (H_1) a simple regression analysis (with VMD as a dummy variable) reveals that the participants' willingness to purchase the handbag when it is displayed in the museum-like display increases by $\beta = .948$ ($t = 3.412$, $p < .001$) unit, as compared with their intentions to purchase the handbag when it is displayed in the non-museum-like display. Figure 5.8 visualises that when passing from a conventional non-museum-like display to a museum-like display (i.e., 1 unit of VMD difference), the consumers' intentions to choose to buy the brand increase by 0.948 units. The R-squared — which is a statistical measure that expresses the goodness-of-fit for the linear model (i.e., how close the data are to the fitted regression line, see Malhotra et al., 2012) — is $R^2 = 8.6\%$. This evidences that VMD explains some proportion in the variation of consumers' purchase intentions.

Figure 5.8: Purchase intention as a function of VMD condition



Although the influence of VMD on purchase intentions has gained a great degree of attention in the literature in retailing contexts, such as supermarkets and grocery stores (e.g., Vrechopoulos, 2004), the rationale underlying this effect changes in luxury brand

consumption. For instance, the general rules of what makes the consumer comfortable to approach and consider a product in a supermarket does not find important implication in a luxury brand boutique. The consumers' motives also differ a lot among these two purchase situations. The present tests helped to test H_1 , which is accepted, but they have also set the framework for an analysis that sheds some light on the process via which the above mentioned effect occurs in luxury brand consumption. Therefore, a set of mediation analyses will follow in order to examine and explain the mechanisms that underline the main effect.

Model 1: Mediation by Perceptions of Luxury

To uncover the mechanism that explains the main effect, the indirect impact of VMD on purchase intentions mediated by perceptions of luxury (H_2) is tested. In this study, a simple mediation model is tested and a mediation analysis following Hayes (2013) is run. The PROCESS computational method is used, which allows me to estimate a mediation model calculating various effects of interest by implementing modern and computer-intensive methods of inference. In particular, I have used bootstrap confidence intervals, which is a new and more powerful statistical method for estimating the indirect effects. In its simplest form, the bootstrap method involves drawing a random sample of n observations with replacement from the original sample and estimating the indirect effect for this sample. This process is then repeated 10,000 times and the regression coefficients are collected. As a result, PROCESS obtains an empirical distribution of the indirect effect, from which the confidence interval is derived (see Hayes, 2013). According to Hayes (2013), this method is considered to be more appropriate (theoretically and statistically) for testing hypotheses about a mechanism in a mediation analysis.

In the analysis that follows, the total effect of the VMD on purchase intentions is indicated by $c = 0.948$ (see Table 5.14), while the regression coefficients of the mediation paths are also presented and described. Accordingly, the regression coefficient a represents the difference between the two groups' means of perceptions of luxury (PL) when VMD is changed by one unit. Coefficient b represents the difference in purchase intentions when two cases differ by one unit on the possible mediator (such as PL) but are equal on VMD (holding VMD constant). Then, the multiplication $a \times b$ constitutes the indirect effect. The direct effect c' estimates the difference on purchase intentions when two cases differ by one unit of VMD but are equal on the possible mediator (controlling for PL).

By implementing a simple mediation analysis (conducted by using ordinary least squares regression) it is found that VMD cues indirectly increase participants' intention to buy the handbag on display through the enhancement of their luxury brand perceptions. As can be seen in Figure 5.9 and Table 5.14, the results indicate that when the handbag is portrayed in a museum-like display (i.e., among high-image VMD cues) the luxury brand perceptions increase by 1.642 units more than when the handbag is portrayed in a non-museum-like display (i.e., among low-image VMD cues). In turn, the participants with increased perceptions of luxury for the brand on display express greater intention to purchase this luxury handbag ($b = 0.863$). A bias-corrected bootstrap (all confidence intervals reported at the 95% level) confidence interval (CI) for the indirect effect ($ab = 1.418$) based on 10,000 bootstrap samples was entirely above zero (0.948 to 1.971). The null (H_0) hypothesis supposes that the regression coefficient of the indirect effect (ab) is zero (i.e., the collected regression coefficients from the 10,000 repetitions may take the value of zero). Given that the CI does not include the value of zero, H_0 is rejected and the indirect effect is statistically significant.

Figure 5.9: The mediation by perceptions of luxury: paths and results

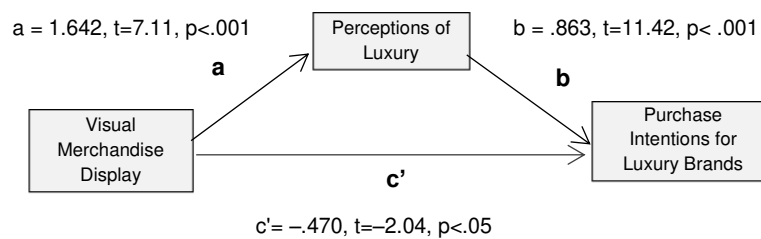


Table 5.14: Model 1: direct, indirect and total effects

Path	Coeff.	S.E.	T	Sig. (2-tailed)	(Boot)*LLCI	(Boot)*ULCI
c	.948	.277	3.412	.0009	.994	1.983
a	1.642	.230	7.114	.0000	1.185	2.099
b	.863	.075	11.427	.0000	.714	1.013
c'	-.470	.230	-2.040	.0435	-.927	-.014
**a x b	1.418	.260	—	—	.948	1.971

*LLCI: Lower levels for CIs.

*ULCI: Upper levels for CIs.

**These results for the indirect effect were calculated using bootstrap method.

Although all of the path coefficients a , b and c appear to be positive, large and highly significant (p 's $< .001$), the direct effect of the VMD on participants' intentions to buy the new luxury brand on display (when controlling for PL) is estimated as $c' = -.470$ ($SE = .230$, $t = -2.04$) and, although it is now weaker, it is still statistically significant. I will shortly return to discuss this issue in more depth.

It was earlier reported that VMD affected the participants' purchase intentions [$F(1,124) = 146.512$, $p < 0.001$], and this explained a proportion in the variation of the participants' purchase intentions ($R^2 = 8.6\%$). This analysis shows that VMD predicts the participants' brand perceptions of luxury ($F(1,124) = 50.614$, $p < 0.001$, $R^2 = 28.9\%$), and VMD and perceptions of luxury together can better explain the participants' purchase intentions ($F(2,123) = 77.205$, $p < 0.001$, $R^2 = 55.6\%$). Most importantly, it is assumed that the likelihood of the participants' choice for the luxury handbag can be positively affected by the museum-like display, partly because this VMD enhances their luxury brand perceptions (i.e., $H2$ can be accepted). The next section aims to test the influence of VMD on purchase intentions through personal risk as a parallel mediation process that theoretically, at least, explains also part of the main effect.

Model 2: Mediation by Personal Risk

In order to test the meditational role of personal risk on the impact of VMD cues on consumers' purchase intentions ($H3$), the above analysis is repeated while substituting the perceptions of luxury variable with personal risk. As Figure 5.10 and Table 5.15 presents, participants indicate that when the brand is portrayed in a museum-like display (high-image VMD cues) the personal risk associated with the new luxury brand decreases by 0.678 units than when the brand is portrayed in a non-museum-like display (low-image VMD cues) ($a = -0.678$). In turn, participants who perceived that less personal risk was associated with the specific brand choice expressed a stronger intention to purchase the brand on display ($b = -0.680$). A bias-corrected bootstrap 95% CI for the indirect effect ($ab = 0.461$) based on 10,000 bootstrap samples is entirely above zero (0.170 to 0.853). Moreover, there is not enough evidence that VMD cues influenced intention to buy the new luxury brand independent of its effect on personal risk ($c' = 0.487$, $p = .069$).

Figure 5.10: The mediation by personal risk: paths and results

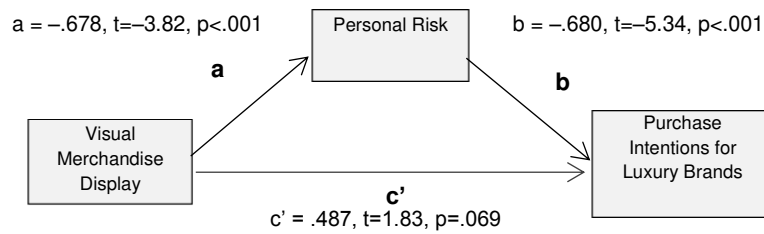


Table 5.15: Direct, indirect and total effects

Path	Coeff.	S.E.	t	Sig(2-tailed)	(Boot)*LLCI	(Boot)*ULCI
c	.948	.277	3.412	.0009	.994	1.983
a	-.678	.177	-3.823	.0002	-1.029	-.327
b	-.680	.127	-5.345	.0000	-.932	-.428
c'	.487	.265	1.832	.0693	-.039	1.013
**a x b	.461	.175	-	-	.170	.853

*LLCI: Lower levels for CIs.

*ULCI: Upper levels for CIs.

**These results for the indirect effect were calculated using bootstrap method.

The analysis shows that VMD predicts the participants' perceived personal risk ($F(1,124) = 14.621, p < 0.001, R^2 = 10.5\%$), and VMD and personal risk together better explain the participants' purchase intentions ($F(2,123) = 21.404, p < 0.001, R^2 = 25.8\%$). As Figure 5.10, presents, the path coefficients ($a = -0.678$ and $b = -0.680$) are negative, large, and highly significant (p 's $< .001$). It is important to mention once again that when controlling for personal risk, the effect of VMD on purchase intentions turns insignificant: direct effect ($c' = .487, S.E. = .265, t = 1.832, p > .05$). This indicates that the participants' choice of the luxury handbag is the result of the reduction of their personal risk, which occurs when the brand is presented in a museum-like display. Thus, Hypothesis 3 is accepted.

Appendix B offers more insights by deconstructing personal risk and evaluating the contribution of each individual perceived risk dimension to the indirect effect of VMD on purchase intentions. The analysis starts by first testing a parallel multiple mediator model with three mediators (i.e., financial, social and psychological risk). The results highlight the mediational role of the perceived psychological risk dimension (indirect effect, $a_3b_3 = 0.422$).

Financial risk is found to play also an important mediating role ($a_1b_1 = 0.153$). However, social risk is found to have no mediating effect in the relationship between VMD and purchase intentions ($a_2b_2 = -0.049$, $CI = -0.273$ to 0.069).

Although social risk is expected to be an important constraint in conspicuous–types of consumption (e.g., in the purchase decisions for luxury brands/products), it does not appear to mediate here the effect of the VMD cues on participants' purchase intentions for the luxury brand on display ($b_2 = 0.085$, $p = .440$). But, is this true? One possible explanation is that the effect of social risk has been absorbed and, consequently, is expressed via financial or psychological risk. The risk literature refers that consumers although may 'feel' that a purchase poses a degree of social risk, they often express it (name it) using some other type of risk name and avoid admitting that the perceived social risk constrains their purchase decisions. Thus, psychological risk (PSR) has been found in the extant literature to mediate the influence social risk on the overall perceived risk (Stone and Granhaug, 1993). However, by running a simple mediation analysis for each risk type separately (see Appendix B), it is found that social risk mediates the effect of VMD on purchase intentions ($ab = 0.131$, $CI = 0.013$ to 0.363).

If the analysis was stopping here, it could be assumed that a parallel multiple mediation via perception of luxury and personal risk partly explains the influence of a museum-like display on consumers' purchase intentions for a new luxury brand. However, the existence of any possible inner relationship (correlation) between the two possible mediators while controlling for VMD should be also taken into consideration.

The Relationship between Perceptions of Luxury and Personal Risk

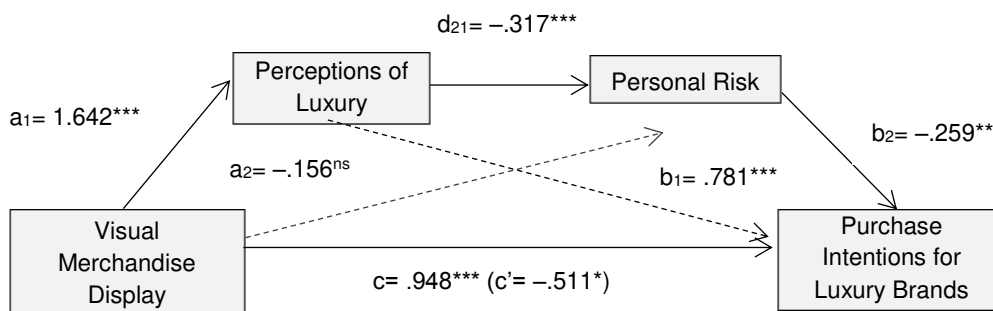
The existence of a parallel multiple mediator model could be assumed, where VMD indirectly affects purchase intentions through the influence of perceptions of luxury and personal risk. However, in a serial multiple mediator model, the assumption of no causal association between perceptions of luxury and personal risk is rejected outright since both moderators are measured simultaneously. Thus, if these two possible mediators (perceptions of luxury and personal risk) remain correlated even after adjusting (controlling) for VMD, then this would suggest that one mediator (perceptions of luxury) may affect another (personal risk) and would indicate the adoption of a *serial multiple mediator model*. Indeed, when controlling for VMD, the partial correlation between perceptions of luxury and personal risk is statistically significant and

negative ($c = -.414, p < .001$). This degree of association between the two variables should be certainly taken into consideration for the present study's model. Thus, in this study there is sufficient evidence¹⁵ to suggest moving, in terms of the analysis, from a parallel multiple mediator model to a serial multiple mediator model.

Model 3: Serial Multiple Mediator Model via Perceptions of Luxury and Personal Risk

To test whether VMD cues indirectly increase purchase intentions via the serially linked perceptions of luxury and perceived personal risk (*H4*), a serial multiple mediation analysis is conducted. Figure 5.11 presents the model and results.

Figure 5.11: Serial multiple mediator model for the indirect effect of VMD on purchase intentions via perceptions of luxury and personal risk.



Note: A two-step mediation using the bootstrap method with 10,000 samples (Hayes, 2013). The total indirect effect through perceptions of luxury and perceived personal risk was significant, with a 95% CI of [0.035, 0.316]. Light dashed lines indicate paths that although have been tested do not offer important information to the mediation analysis. * $p < .05$; ** $p < .01$; *** $p < .001$.

¹⁵ In line with the risk literature (e.g., Mitchell and Harris, 2005) and based on inference theory it is also expected that perceptions of luxury, inferred by a museum-like display, can mediate the influence of VMD on personal risk. Indeed, Appendix C illustrates that the participants' inferred personal risk for the new luxury brand is significantly reduced because of the increased perception of luxury when the brand was portrayed in a museum-like display ($ab = -0.521, CI = -0.869$ to -0.256). Moreover, there is no evidence that VMD influences personal risk independent of its effect on perceptions of luxury ($c' = -0.156, p = .418$).

As can be seen in Figure 5.11 and Table 5.16, the results indicate that when the brand is portrayed in a museum-like display (i.e., among high-image VMD cues) the perceptions of luxury for the new luxury brand increase much more ($a_1 = 1.642$) than when the brand is portrayed in a non-museum-like display (i.e., among low-image VMD cues). The participants with increased perceptions of luxury for the brand on display perceive much less personal risk in the unknown luxury brand choice ($d_{21} = -0.317$). The participants that infer less personal risk in this brand choice express a stronger intention to purchase (that is, they are much less unwilling to buy, $b_2 = -0.259$) the new luxury brand. A bias-corrected bootstrap (all CIs = 95%) CI for the indirect effect ($a_1d_{21}b_2 = 0.135$) based on 10,000 bootstrap samples was entirely above zero (0.035 to 0.316). Although the hypothesised total indirect effect is confirmed by the results, it is reported rather than ignored the unexpectedly negative direct effect ($c' = -0.511^*$), which, although has been decreased after accounting for the indirect effects of luxury perceptions and personal risk, it is still statistically significant ($p < .05$). According to Zhao et al. (2010), this may suggest the existence of an additional mediational mechanism that is negative in sign, which could provoke further research. This further research could focus on the identification of a suppressor variable whose introduction into the regression model could increase the predictive validity of VMD on purchase intentions. However, the focus of the present study is not on searching for possible mediators causing an indirect effect that is negative in sign; given that this is a theory driven research, the aim was to present a set of mechanisms that can explain the theoretically identified effect.

Table 5.16: Direct and total effects

Effect	Path	Coeff.	S.E.	t	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
VMD→PI	c	.948	.277	3.412	.0009	.994	1.983
VMD→PL	a_1	1.642	.230	7.114	.0000	1.185	2.099
PL→PR	d_{21}	-.317	.063	-5.037	.0000	-.442	-.192
PR→PI	b_2	-.259	.106	-2.451	.0156	-.469	-.050
VMD→PI	c'	-.511	.226	-2.255	.0259	-.959	-.062
**VMD→PL→PR→PI	$a_1d_{21}b_2$.135	.069	—	—	.035	.316

*LLCI: Lower levels for CIs.

*ULCI: Upper levels for CIs.

**These results for the indirect effect were calculated using bootstrap method.

To conclude, VMD predicted participants' perceptions of luxury for the brand/product on display ($F(1,124) = 50.614, p < 0.001, R^2 = 28.9\%$). However, VMD and luxury brand perceptions together explain ($F(2,123) = 21.437, p < 0.001$) participants' personal risk ($R^2 =$

25.8%). Finally, VMD, perceptions of luxury and personal risk together explain better the participants purchase intentions ($F(3, 122) = 55.570, p < 0.001, R^2 = 57.7\%$). Most importantly and based on the reported results, H_4 is accepted, as the VMD cues organised in a museum-like display found to indirectly increase purchase intentions for a new luxury brand by enhancing peoples' perceptions of luxury which decrease their personal risk. Consequently, perception of luxury has been found to be transferred from a museum-like display to the brand, which reduces the uncertainty¹⁶ that a luxury brand consumer feels during this purchase. This set of mechanisms explains why consumers who view even a new (unknown) luxury brand in a museum-like display become less unwilling to proceed and purchase it. The processes uncovered here, as well as the specification of the VMD cues that produce the above mentioned effect, constitute important implications for luxury brand managers, marketers and retailers. These implications together with this study's contributions and suggestions for further research will be discussed in the discussion and conclusions chapter; however, a selection of these points that have motivated the conduction of the next studies are discussed in short in the summary section that follows.

5.4 Summary

This study compliments the prior qualitative studies in luxury retailing and contributes on the literature of visual merchandising and store atmospherics by stressing the direct but also the indirect effect of VMD on the consumers' purchase intentions for luxury brands. In particular, specific VMD cues are proposed and their combined effect, as a museum-like display, is tested on the consumer's attitudes (perceptions of luxury and personal risk) and behavioural intentions (purchase intentions) in a luxury brand context.

The holistic organisation of certain VMD cues, pretested as high-image VMD cues, operationalised in this study what the luxury retailing literature rather vaguely describes as a 'museological presentation' or a 'museum-like display'. Accordingly, a singular product (handbag) was displayed on a cube (pedestal block) decorated by polished brass trims, covered by a glass display case, while light was focused on it. Through a quantitative empirical investigation, this research illustrates that this VMD, compared to a conventional (non-

¹⁶ This is referred as personal risk and concerns the possibility of a financial loss, a social embracement, and an ego hazard associated with a specific brand choice.

museum-like) display, increased the participants' intentions to purchase the displayed luxury handbag. More importantly, the present study contributes by providing evidence about a possible mechanism that explains the consumers' purchase behaviour in this retail context. Accordingly, the fact that the participants' perceived personal risk about the luxury handbag on display decreased as perceptions of luxury were transferred from the display mode to the displayed brand, is what made the participants less reluctant towards the possibility of purchasing the new luxury brand's product on display. The findings build upon inference theory by empirically verifying and quantifying in a luxury retail context the effect(s) of visual peripheral cueing on consumers' brand perception and purchase intentions. Moreover, they build on contagion theory as they may suggest that an art-infusion effect—whereby, perceptions of luxury that are attached to artworks are transferred to brands—can occur not only because of the physical connectedness of an artwork with the product on display but even when the VMD succeeds to symbolically reference (i.e., simply through similarity) the places (such as museums and art galleries) where artworks usually reside.

In agreement with the present study's quantitative findings, the emerging qualitative studies in the luxury retailing literature show that luxury flagship stores tend to become 'hybrid institutions' embodying in-store elements from both art galleries and museums (e.g., Dion and Arnould, 2011; Joy et al., 2014). In particular, Joy et al. (2014) describe the essence of this aesthetically oriented retail strategy using the term 'M(Art)World'. However, are all the individuals capable of 'appreciating' and 'decoding' such costly display techniques? What is the role of Bourdieu's theory and the individual's CC on the inferred relationships and the mediating effects uncovered in Study 1? Study 2 will try to address some of these issues and test whether the indirect effect of VMD on consumer purchases of luxury brands is reliant upon the consumer's level of CC. To this end, and because of the absence of the establishment and consistent use of a contemporary continuous measure of CC, which was identified in the literature review, the next chapter will present the scale-development and validating process of a psychometric measure of CC.

**CHAPTER 6 THE SCALE-DEVELOPMENT FOR CULTURAL
CAPITAL: ATTITUDINAL AND BEHAVIOURAL
MEASURES OF CULTURAL CAPITAL**

6.1 Overview

In the marketing literature, many consumer personality factors and individual characteristics have been found to determine the type of the information that the consumers mostly pay attention to while purchasing (see Dholakia, 1997; Mitchell, 1999; González Mieres et al., 2005). In particular, elements related to the consumer's cultural identity can determine how information sources, such as the store environment cues, operate to affect consumers' brand evaluation (Bloch et al., 2003). Nevertheless, the luxury retailing literature rarely considers such individual differences between the consumers when examining the effect of VMD cues on their attitudinal and behavioural intentions. Hence, the role of consumers' CC in understanding their purchase behaviour when they are exposed to a museum-like display is yet to be discovered. This will be the focus of my investigation in the next chapter. However, to facilitate this investigation, a contemporary and reliable measure of CC is needed, which will be the focus of this chapter.

CC refers to human culture and constitutes an individual characteristic that encompasses consumer's intangible assets and resources, such as knowledge, personality traits, and values, which manifest via lifestyle choices and affect the way that people think and act (Bourdieu, 1986; Blackwell et al., 2001). However, Bourdieu's CC has over the years been conceptualised and operationalised in a variety of ways. This is particularly true when one is reviewing different disciplinary areas. For instance, prior work in the sociology of education considers CC to relate to a person's involvement in high-brow activities, such as attending classical concerts, visiting museums and taking music classes (DiMaggio, 1982; Aschaffenburg and Maas, 1997; Katsillis and Rubinson, 1999; Van deWerfhorst and Hofstede, 2007). The existing CC scales in this early literature tend to measure interest and/or participation in specific high-brow activities rather than assessing interest and/or participation in several 'types' of cultural activities (DiMaggio, 1982). Thus, the fact that one person may not attend or like opera performances, yet continues to enjoy classical concerts, has an effect on the estimated level of CC, which may not truly reflect the external reality. Most importantly, several of the high-brow activities became dated over the time. Thus, and because the concept of a 'cultural activity' is itself rather dynamic and needs to be updated while the social and technological environment changes, the use of exclusively classical high-brow activities to measure CC encompasses the risk of missing 'the big picture' of today's reality (Bennett, 2005).

More recent literature in the sociology of stratification offers a quantitative cultural analysis based on extant theories of class and status (e.g., Prieur et al., 2008; Roose et al., 2010; Prieur and Savage, 2011). Accordingly, researchers in this field categorise people into socioeconomic classes (e.g., upper class, middle class and so on) based on relevant criteria, such as occupation and income. Such studies mostly assume people's CC by contrasting their lifestyle choices (e.g., by contrasting participants' preferences towards soap opera television programmes and towards documentaries). The idea of measuring CC by assessing people's lifestyle choices is well documented in the sociology of stratification literature and it gives the researchers the chance to assess both high-brow cultural activities/choices and more contemporary (popular) cultural activities/choices (e.g., travelling abroad and using the Internet for certain purposes) (see Prieur et al., 2008; Roose et al., 2010; Prieur and Savage, 2011). However, these studies use MCA to positioning people into a socioeconomic space (groups) by also taking into account their CC, and they do not care to generate a comprehensive CC scale to assist in the measurement of this construct. Thus, the absence of a continuous measure of CC still hampers the measurement of CC in marketing.

The marketing literature operationalises CC often by using a CC rating scheme¹⁷ (e.g., Holt, 1998; Üstüner and Holt, 2010; Moisiso et al., 2013) or by estimating consumers' cultural knowledge in a specific domain (e.g., Berger and Ward, 2010; Arsel and Thompson 2011; McQuarrie et al., 2013; Parmentier et al., 2013). The present study identifies serious limitations in both ways of measuring it. In the first case, the measure focuses on parental CC, considering it as an important part of a person's CC although this might not always be the case, and on demographic information, which reflect the person's socioeconomic status rather than her CC with the original sociological meaning of the term. In the second case, researchers approximate CC by assessing mostly qualitatively the participants' domain-specific cultural knowledge, which is actually the participants' product (class) knowledge (e.g., Berger and Ward, 2010; Arsel and Thompson, 2011; McQuarrie et al., 2013; Parmentier et al., 2013). Although domain-specific knowledge can in many cases serve the research purposes of the studies that use it, it

¹⁷ A CC rating scheme is a weighted sum of the respondent and her father's/parent's educational and occupational rate, where the respondent's rate receives a weight of 1 and the father's rate receives a weight of 1/2 [CC rating = (father's education + occupation)/2 + education + occupation].

cannot always replace or represent correctly the concept of CC. This means that high CC does not always indicate high domain-specific knowledge, and vice versa. The present study argues for instance that consumers' knowledge in fashion may even relate negatively to their CC.

The identified limitations in the prior efforts to measure CC underline the need to develop, test, and validate a reliable scale of CC taking insights from all of the relevant literature. The present study, by starting with a qualitative inquiry and using the CC literature to validate its findings, initially conceptualises CC through two different perspectives, namely as 'internalised CC' and 'externalised CC'. However, following mostly the directions provided by the contemporary literature in the sociology of stratification (e.g., Prieur et al., 2008; Roose et al., 2010; Prieur and Savage, 2011), it ultimately focus on developing a scale that measures 'externalised CC'. Accordingly, the present scale-development study has three key objectives:

(1) Develop an understanding of the concept of CC by conducting a number of face-to-face interviews. The finding will be analysed with the purpose of identifying in them the key components of the CC construct's domain taking insights mostly from the contemporary quantitative CC research in sociology (of stratification) (Pretest 1: Qualitative inquiry).

(2) Based on Pretest 1, develop a 'pool' of items facilitating a measure that reflects people's attitudes towards cultural activities (i.e., an attitudinal measure of CC). In addition, a measure that assesses the respondents' participation in these activities (i.e., a behavioural measure of CC) will be also constructed to examine whether the validity of the attitudinal measure of CC suffers because of social desirability responding issues. This pool of items will be then condensed into a series of underlying factors. The validity and reliability of the proposed measures in reflecting an individual's CC will be finally tested (Pilot Study: Quantitative inquiry).

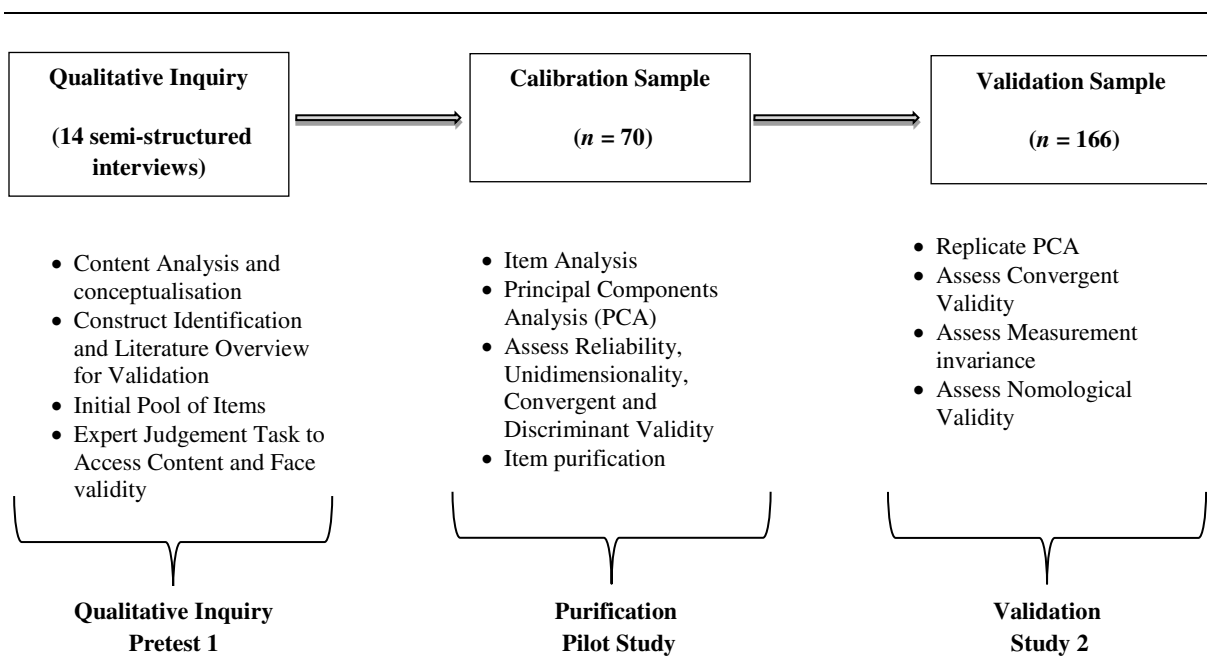
(3) Undertake minor refinements to the wording of specific items and replicate both measures of CC (the attitudinal and behavioural) with a larger sample of participants to provide further evidences of validity for the newly introduced scales (as part of Study 2).

6.2 The Scale-Development Procedure

The present study relies on the procedures for scale-development that were proposed by Arnold and Reynolds (2003), adapted of course for the purposes of the present investigation. The authors follow Churchill's (1979) protocol on scale-development but also suggest additional validation processes, such as the nomological validity test, which are documented by the relevant literature (e.g., Cronbach and Meehl, 1955; Netemeyer et al., 1991; Babin et al., 1994). These additional validation processes are exceptionally useful and appropriate for the purposes of the present study.

Accordingly, the process for the CC scale-development follows three key steps: (1) understand the concept of CC (via two different perspectives) and identify the components that make up the CC construct domain (pretest 1), (2) test the reliability (internal consistency) and the construct validity of the proposed measures in a pilot study, and (3) refine the scales and re-test their validity as part of a broader study using a larger student sample. Figure 6.1 summarises and visualises these three steps of the scale-development procedures employed by this study.

Figure 6.1: Scale-Development Process



(Source: Arnold and Reynolds, 2003)

6.3 Pretest 1: The Qualitative Inquiry

The aim of Pretest 1 is to understand the essence of the concept of CC and to identify what composes the CC construct today. Thus, in this qualitative investigation (as Figure 6.1 illustrates in its first step) the respondents have been interviewed and evidence from the CC literature is used to first validate the CC conceptualisations as derived from the qualitative data. The present study analyses and codes the qualitative findings to provide a comprehensive picture of the key components of the CC's construct and relies mostly on the quantitative CC literature in sociology of stratification to validate the analysis and the interpretation of the themes. The whole process eventually generates an initial pool of items whose content and face validity is assessed by a few experts. A refined version of this pool of items is then tested in a pilot study.

6.3.1 Method and Design

In order to conceptualise CC, understand the facets that make up the CC construct domain, and generate an initial pool of items, two methods of data collection were employed: (1) semi-structured interviews and (2) a review of the CC literature.

For the data collection in this qualitative inquiry, a projective technique is used. Projective techniques are indirect methods that are used in qualitative research (Haire, 1950). These techniques allow researchers to tap into the consumers' deeper motivations, beliefs and attitudes around constructs that might have a high level of abstraction. By taking the form of disguised questioning, they encourage participants to attribute their feelings and beliefs of a concept onto another person, object or situation (Housden, 2012). The participants are afterwards asked to explain their reasoning, which can uncover their subconscious thoughts. The real explanations can often be uncovered by probing the interviewees. Projective techniques can include word associations, sentence completion, thematic apperception tests, collages and so on (Housden, 2012).

The main advantage of a projective technique is that it can provide something 'different' to a moderated discussion—something that can facilitate the participants' involvement in the discussion in a way that makes them happy to express their thoughts and feelings while allowing the researcher to delve deeper into their subconscious (Haire, 1950). Projective

techniques are also particularly useful when researchers are exploring subject areas that the consumers might not necessarily find easy to articulate an opinion about (Haire, 1950). However, from the researcher's point of view, considerable care needs to be taken when a construct with a high level of abstraction needs to be investigated (Haire, 1950). Because researchers are often concerned about the reliability and validity of these techniques, the assumptions from the employed projective technique in the present qualitative research will be validated with evidence from the literature. In addition, data from quantitative research (surveys) and data from multiple people will be combined.

Following Bloch et al. (2003), in this qualitative inquiry stage, interviews were conducted with people perceived to have higher (above average) CC. This entailed targeting people with a high level of education, based on Bourdieu's notion of institutionalised state, which estimates one's CC using a person's educational qualifications proved by degrees and certificates. Thus, fourteen respondents were selected. The majority of the respondents were PhD holders in a social science subject ($n = 10$) and belonged to the academic faculty of Cardiff University, some of them ($n = 2$) belonged to the administration faculty of Cardiff University and some were PhD students ($n = 2$). The total sample consisted of six men and eight women, ranging from 25 to 57 years of age.

The participants were first provided with the following broad description of the term CC, adapted from Katsillis and Rubinson (1990): *A person's cultural capital encompasses non-financial social assets that promote a person's personality and critically differentiate one from another. CC is defined as a person's competence in a society's high status culture, behaviour, habits, attitudes and possibly social hierarchies.* Then, to understand the CC concept, I adapted Chaplin and John's (2007) 'collage approach'¹⁸, which they developed to measure materialism. Accordingly, in my study, as Figure 6.2 shows, each respondent was provided with a set of 28

¹⁸ In Chaplin and John's (2007) study the respondents were provided with a set of stimuli (five sets of laminated labels and/or pictures covering five different domains) and were then asked to construct a concept-collage (e.g., a happiness collage) by choosing relevant items, referring to labels and pictures, which they then posted on a board. Upon completing the collages, respondents were asked to describe why they had placed certain items on the collage.

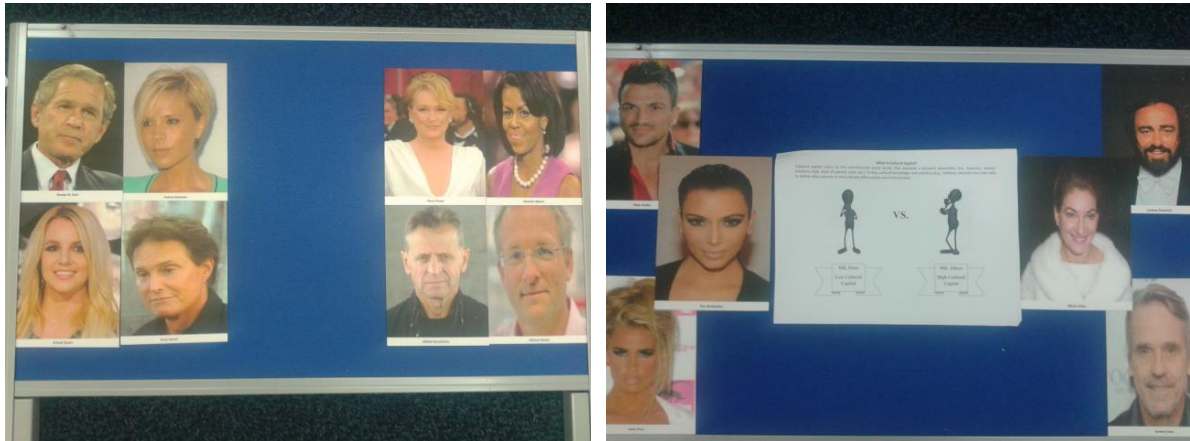
visual stimuli, which were 28 laminated pictures of celebrities and well-known people. Each picture had a label with the name of the person displayed on it, and they were used to initiate and motivate discussion around the concept of CC. The celebrities and well-known people in the pictures were carefully chosen to vary in their perceived public image and possible in their level of CC. Consequently, the same respondent came across celebrities such as Kim Kardashian and Peter Andre but also Meryl Streep and Jeremy Irons, and was asked to explain how she perceives them and what makes them different.

Figure 6.2: Visual stimuli used in semi-structured interviews



The respondents were then asked to create two decks of cards by classifying celebrities and well-known public figures into two categories, namely ‘low CC people’ versus ‘high CC people’ (see Figure 6.3). A compare-and-contrast activity followed, which provided the impetus to discuss a variety of reasons for differentiating even people with the same profession or educational level on the grounds of CC.

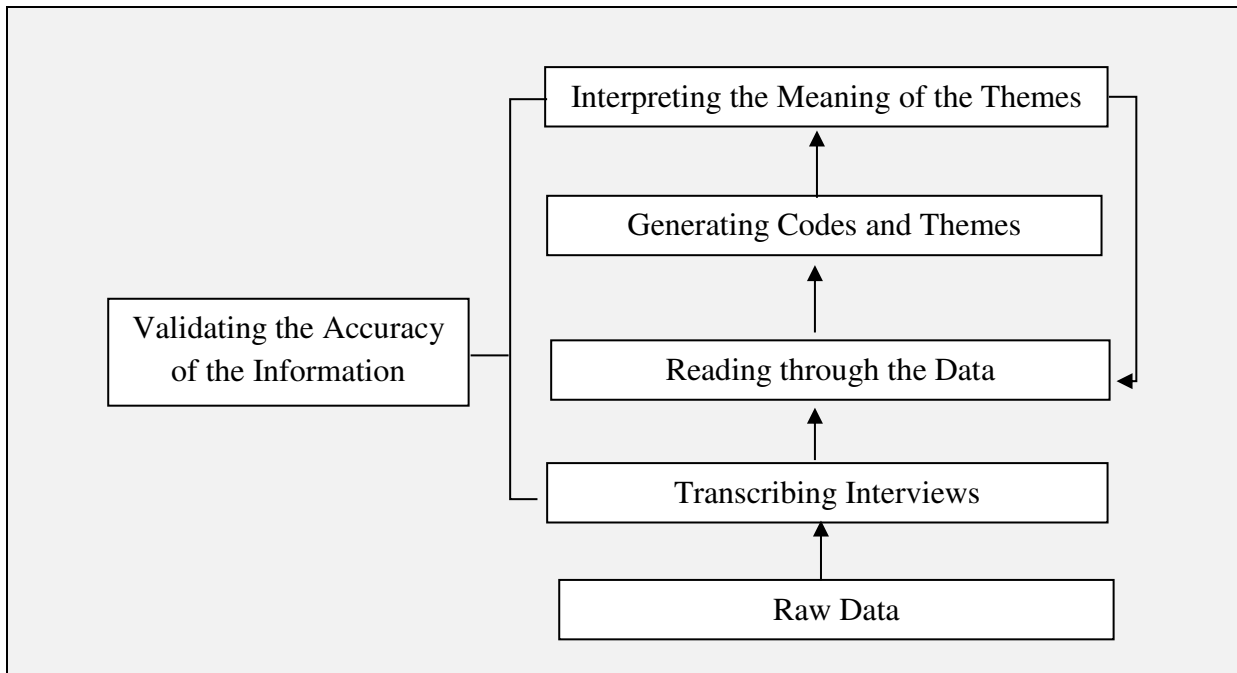
Figure 6.3: Two examples of the compare-and-contrast activity of two different respondents



Once the respondents felt comfortable with the concept of CC and engaged in the process and discussion, they were ‘led away’ from celebrities and asked to identify what constitutes (i.e., the fundamental characteristics of) a person with high CC (as compared to that of low CC) in general. Each interview lasted approximately forty-five minutes to one hour (for more information, see Appendix G).

To analyse the qualitative data, the present study follows Creswell’s (2009) procedure. As Figure 6.4 shows, when the interviews were completed, the raw data were transcribed and once again read and checked carefully. The ultimate task of this procedure was to generate codes and to identify recurring themes in the data. To interpret the themes I first sorted them into categories under two very broad concepts, which were labelled ‘intrinsic’ and ‘extrinsic’ CC. Further analysis provided a picture of the components that make up the CC construct domain. Evidence from the literature was also used during the qualitative data analysis phase for the purpose of validating the accuracy of the information presented.

Figure 6.4: Steps of the qualitative data analysis



(Source: Creswell, 2009; p. 185)

The next section argues that two different perspectives exist in conceptualising CC.

6.3.2 Results and Analysis

Several recurring themes have emerged from the analysis of the qualitative data. Before focusing the analysis on identifying the components of the CC construct domain in the recurring themes, it seems that the qualitative inquiry has revealed two different perspectives in viewing and capturing the general concept of CC.

6.3.2.1 Two Different Perspectives in Conceptualising CC

Based on the illustrative comments in Appendix D, it can be seen that the respondents repeatedly referred to a person's 'intrinsic qualities' referring mostly to personality traits. For example, all 14 respondents mentioned that a high CC individual is expected to be a "considerate person". At the same time, during their effort to describe CC and contrast people with high and people with low CC, the respondents also repeatedly referred to the cultural interests, preferences, and activities that people with high CC are expected to have. Thus, although initially thirteen themes emerged from the data (see Table D1 in Appendix D), Table 6.1 proposes a general high CC typology derived from the respondents' tendency to describe a

person with higher CC in two different ways: first, using an individual’s intrinsic characteristics and qualities as personality traits, or second, by outlining extrinsic or externalised expressions of these characteristics, referring mostly to attitudes towards and/or participation in cultural activities.

Table 6.1: Proposed typology for a high CC individual based on the two different perspectives of conceptualising CC

Perspective	Typology Derived from the Emerged Themes (see Table D1 in Appendix D)
Intrinsic CC (Internalised CC)	“Considerate public behaviour”, “thoughtful”, “polite/good-mannered”, “elegant”, “honest”, “intelligent”, “a life-long learner”, “refined”, “artistic”, “emotional”, “polite”, “kind”, “good listener”, “credible”, “trustful”, “intellectual”, “socially conscientious”, “self-control”, “respectable”, “helpful”, “considerate”, “open-minded”, “innovative”, “creative” “sophisticate”, “integrity”, “eclectic”, “idiosyncratic”, “experientialists”, “eccentric”, “thinker”, “diacritical”, “discreet”, “non-conformists”, “non-selfish”, “multidimensional”, “sensitive”, “interesting”, “non-ruthless”, “ethical”, “perfectionist”, “stylistic”, ”good taste”, “talented”, “hard-worker”, “articulate”, “good communicator”, “expressive”, “charming language use”, “well-read”, “broad knowledge”, “music-education”.
Extrinsic CC (Externalised CC)	“Reading”, “thinking”, “reflecting”, “participating in cultural activities”, “attending performing arts”, “involvement in arts”, “like intellectual pursuits”, “practice sports”, “practicing arts”, , “like social sciences”, “like learning”, “interested in music”, “like socialising” “eating good food”, “travelling to see the world”, “participating in volunteering and charity programs”, “care about the environment”, “interested in the political and social issues”, “like communication”, “travelling as self-improvement dream”.

To summarise, CC has been identified and expressed by the respondents in two different ways. Accordingly, CC could be seen using an intrinsic or extrinsic focus as, either/or:

- (i) The inner self of a person formed by aspects such as manners, values, tastes, personality characteristics, inherited or acquired capabilities which indicate ‘who this person is’.
- (ii) The externalised expressions of ‘who this person is’ reflected by the person’s attitudes towards and/or participation in cultural activities.

The next section provides evidence from the CC literature to validate the assumption that CC can be indeed seen and defined in two different ways.

6.3.2.2 Literature Overview for Validation and Conceptualisation

The aim of this section is to present prior conceptualisations and findings from the CC literature, which validate the present qualitative inquiry's conceptualisations of CC as, either internalised CC or externalised CC. Indeed, the CC literature seems also to suggest that internalised CC (i.e., refers to a person's intrinsic self and describes her cultural identity) and externalised CC (i.e., refers to a person's extrinsic self, reflected by her cultural interests-preferences and activities) are two different perspectives in viewing and defining the same concept and not two components of the CC's construct (DiMaggio, 1982; Bourdieu, 1986; Kalmijn and Kraaykamp, 1996; Aschaffenburg and Maas, 1997; Holt, 1998; Katsillis and Rubinson, 1999; Dumais, 2002; Jeannotte, 2003; Bernthal et al., 2005; Van deWerfhorst and Hofstede, 2007; Prieur et al., 2008; Roose et al., 2010; Roose et al., 2011; Cleveland et al., 2014). Thus, in line with the CC literature, my later analysis will dig deeper into one of these perspectives (the eternalized CC) and will identify through this lens the components that make up the CC construct domain.

Intrinsic Self: Cultural Identity

An individual's CC seems to resemble a combination of personality-type traits. A significant number of my informants described those with high CC as:

People with serious or respectable public behaviour and good manners. They are regarded to be considerate people on a broader level (i.e., they care about the whole world), perfectionists, with strong and well defined personalities, intelligent, people who like to socialise with other high CC individuals, immerse themselves in new experiences and in a life-long learning.

The prior (qualitative) literature on CC is consistent with these findings. For instance, Holt (1998), presenting a theoretical review of 'taste', refers to a number of traits that discriminate people with high CC from people with low CC. Holt's six dimensions of taste that define people with high CC are: 'a natural inclination towards formal aesthetics', 'consideration in the limits of idealism', 'individualism', 'self-actualising incentives', 'cosmopolitanism' and, 'a tendency for the critical interpretation of the things around us'. Holt's dimensions of taste

indicate several personality-type characteristics (traits) that define a persons' CC and validate the present study's conceptualisation of an internalised CC.

The qualitative data in the present study suggest that a person's inherited and acquired capabilities—such as: *Talents, communication skills referring mostly to articulation and / or education in the sense of cultivation*—are also part of the person's personality and as such determine this person's CC. Indeed, qualitative research in the marketing literature (e.g., Cleveland et al., 2014; Bernthal et al., 2005) often describes CC, aside of taste, as a combination of different skills and knowledge. Similarly, Bourdieu's (1986) embodied state defines CC as the 'personality-assets' that someone possesses in the form of one's talents and intellectual abilities and capabilities. Consequently, the CC literature validates the internalised perspective in seeing and defining the concept of CC.

Extrinsic Self: Cultural Interests-Preferences and Activities

The majority of the respondents in the present study's qualitative inquiry described people with high CC by guessing their attitudes towards and participation in certain cultural activities (see Appendix D, Table D1). Based on these findings, CC is identified in the 'ways' that people choose to manifest (express) their cultural identities. Examples of possible ways that people might use to express their cultural selves include writing poetry, acting, taking artistic classes, attending concerts, reading newspapers or protesting for the rights of minority groups.

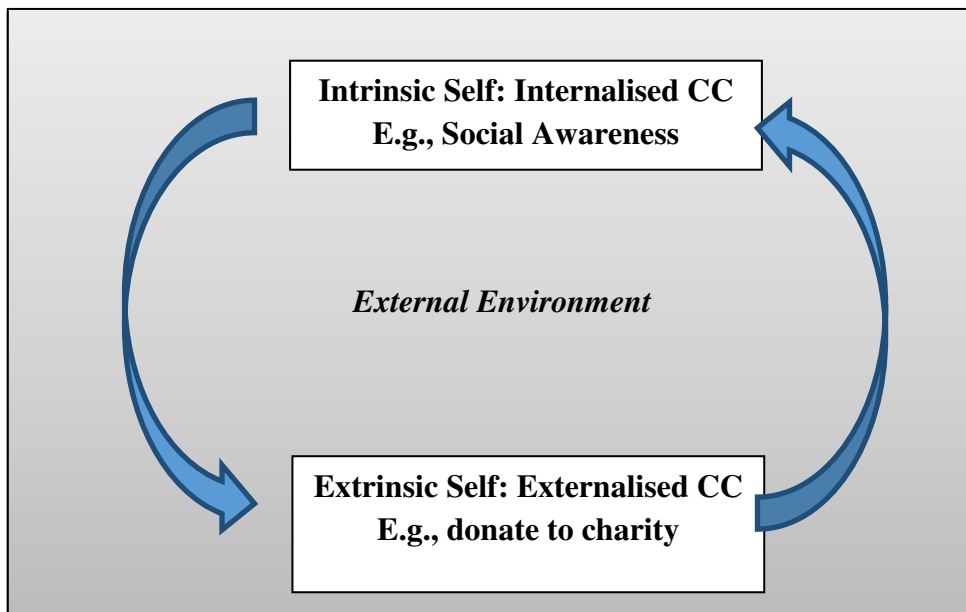
As in the marketing literature, where consumers' consumption experience of music, art, fashion, literature, or cinema constitute indicators of their CC or knowledge in the relevant fields (see Arsel and Thompson, 2011; McQuarrie et al., 2013), in the sociology literature CC is also defined, evidenced and measured by a person's involvement mostly in high-brow activities, such as visiting theatres, museums, and art galleries (e.g., DiMaggio, 1982; Kalmijn and Kraaykamp, 1996; Aschaffenburg and Maas, 1997; Katsillis and Rubinson, 1999; Dumais, 2002; Jeannotte, 2003; Van deWerfhorst and Hofstede, 2007). Recent studies in the sociology of stratification consider that a person's CC is actually the person's lifestyle choices. When they assess lifestyle choices though, they also take into account, apart from the respondents' interest and participation in high-brow activities, their attitudes towards and participation in contemporary popular (low-brow) cultural activities (such as leisure activities and food and travel preferences) (e.g., Prieur et al., 2008; Roose et al., 2010; Roose et al., 2011).

Consequently, this literature is consistent and validates the ‘externalised’ perspective of seeing and defining the concept of CC.

Externalised CC versus Internalised CC

Evidence in the CC literature validates the interpretation of my qualitative findings, based on which internalised CC and externalised CC are two different perspectives for conceptualising CC. However, it seems, that ‘who a person is’ (i.e., the intrinsic self) decides what interests-preferences and activities (extrinsic expressions) this person will have or do, which then act as inputs in informing and updating ‘who this person is’. Figure 6.5 provides a schematic presentation of a dynamic conceptual model which suggests that CC could be either captured from the inner qualities and schemas of a person that indicate her cultural identity or from the ways through which her CC is manifested.

Figure 6.5: A proposed conceptual diagram of an individual’s CC



(Source: This study)

Thus, any decision to measure CC using one of these two concepts (either intrinsically or extrinsically) should be taken under the realisation that, internalised and externalised CC should validate each other as they constitute two different perspectives in conceptualising and measuring CC and are not different components of the CC construct.

Nevertheless, externalised CC as a way to conceptualise CC seems to have some advantages compared to the ‘internalised CC’ perspective: it can identify CC in a variety of attitudes and behaviours while provides a much more explicit way of operationalisation (Kalmijn and Kraaykamp, 1996). Thus, by conceptualising and measuring CC as attitudes towards or participation in cultural activities, researchers can take the dynamicity of the concept of CC into account. This is because cultural activities can much easier adjust and almost immediately reflect the changes in the external environment. Although these changes will eventually update the person’s (cultural) identity, the effect in her internalised CC might take longer to become part of one’s self. This can then be measured as a personality trait. For example, although the technological changes can almost immediately be reflected in contemporary cultural activities, such as in the frequency of travelling abroad, the intrinsic consequences of travelling abroad for a person (e.g., cosmopolitanism) might need longer to reflect as a personality trait that can be measured.

While defining and measuring CC using peoples’ attitudes towards or participation in cultural activities seems to be a dynamic way of approaching the concept of CC, personality definitions and measures based on traits and inherited qualities are suggestive of a less dynamic approach. Moreover, the personality-kind of themes that emerged during this qualitative inquiry to describe the internalised CC (see Appendix D, Table D1) seem to enclose a greater degree of bias. In particular, respondents seem to have described what they would like (or should like) a person with high CC to be (e.g., idealist, considerate person and so on) rather than who this person is in reality. Based on these realisations, and following the contemporary sociologists’ directions on how CC can be operationalised today (e.g., Prieur et al., 2008; Roose et al., 2010; Roose et al., 2011), the present study adopts the externalised perspective in defining and measuring CC and it does not bring forward the internalised CC.

Focusing on externalised CC, the next section presents few examples from the analysis of the qualitative data, showing how codes and themes were generated and interpreted. Most importantly, it shows that during the analysis of the qualitative data a greater breadth of cultural activities, compared to the prior studies of high-brow culture, were identified and five themes (components) referring to contemporary types of cultural activities were found to relate and define the current construct of CC.

6.3.2.3 The Components of the CC Construct

The analysis of the qualitative data (identification and interpretation of the emerged themes) revealed two broad categories of CC at the highest level of abstraction. However, the interpretation of their meaning brought me to the conclusion that intrinsic CC and extrinsic CC are two different perspectives in approaching this concept. Therefore, this categorisation was taken from the measurement of CC. Aiming more for a dynamic conception of CC, the present study focuses on the externalised CC and tries to identify in the qualitative data the key components that make up the CC construct domain. Table 6.2 presents an example of the coding procedure and structure using a collection of texts from several respondents (as depicted in Table 6.3). In Table 6.2, the last column shows the number of text passages assigned to each sub-code, while these sub-codes suggest (are interpreted as) five key components (themes) in capturing the construct of CC.

Table 6.2: The coding structure of the externalised CC

Themes' categorisation	Code	Sub-codes (themes)	Total
Externalised CC	Attitudes towards and/or participation in cultural activities	Art and music	4
		Intellectual pursuits	2
		Food and Dinning	3
		Travel	3
		Volunteering/Donating	3

Table 6.3: Externalised CC as it was described by the respondents

An individual with high CC is reflected by the informants' comments as: *a person who reads literature and books, visits bookshops and reads a diverse range of magazines for relaxation and inspiration. Reading is for this person a way of thinking and reflecting. A person with high CC likes visiting museums and art galleries, classical concerts, bookshops, trendy bars and jazz clubs. He/she enjoys going to cinema, theatre and parks. He/she regularly attends theatre plays, art and other cultural performances (e.g., concerts, opera, ballets and so on). This person attends talks, lectures, debates and watches documentaries. It is a person somehow involved in arts even if this is just taking some art classes. When a person with high CC is on holidays usually travels to see different places around the world and document different experiences. People with high CC also like discovering, trying and cooking authentic cultural food. A person with high CC often participates in volunteering programs. He/she likes to contribute to charitable social and art performances. Travelling for people with high CC is a lifestyle choice but also a self-improving procedure, e.g., climbing Himalayas or visiting Uganda. A person with high CC is interested in political and social issues (i.e., wider affairs and current affairs). For people with high CC, cultural activities encompass travelling in unique destination but also actions such as volunteering for social causes, donate to charity (e.g. participate to run marathon for charity and so on). However, people with high CC like also to enjoy life. They express this aspect enjoying good food and wine. They are though interested is good quality-food. They like dining out in authentic restaurants in the company of other people.*

Accordingly, CC is a construct composed by five components called themes, which refer to people's attitudes towards and participation in five key types of cultural activities. Specifically, peoples' attitudes towards and/or participation in art and music, intellectual leisure activities, food and dining, travelling and volunteering type of activities can capture a person's CC. The next section summarises the evidence in the CC literature that validate this interpretation of the qualitative data, and thus support the operationalisation of CC as people's attitudes towards and/or participation in these cultural activities.

6.3.2.4 Literature Overview for Validation and Operationalisation

Juxtaposing my qualitative findings with the extant research on CC helps to validate them and focus on the key themes that reflect the concept of CC. The end result of this procedure is the generation of a pool of items that capture each theme.

Table 6.4 summarises the marketing and sociology literature that conceptualise CC as a combination of certain 'contrasts' between people with high CC and low CC. These studies

have been explored extensively in the literature review chapter. Accordingly, and as Table 6.4 shows, Holt's (1998) ethnographic interviews revealed six dimensions of taste that discriminate people with high and low CC, while Prieur and Savage (2011) suggested nine contrasts to conceptualise CC in relative terms and discriminate between high and low classes. Finally, Prieur et al. (2008), similar to Roose et al. (2010), built and presented a two-dimensional space (using MCA), plotting similar contrast in people's lifestyle choices.

Table 6.4: Conceptualisations of CC in the literature that suggest a common operationalisation

Author(s)	Conceptualisation of CC based on:	Constructs
Holt (1998)	Six contrasts	<ul style="list-style-type: none"> • Formal aesthetics vs. Material aesthetics • Critical interpretations vs. Referential interpretations • Idealism vs. Materialism • Cosmopolitanism vs. Localism • Individualism vs. Collectivism • Self-actualising leisure vs. Autotelic leisure
Prieur et al. (2008)	Lifestyle contrasts	<ul style="list-style-type: none"> • Use of the city • Regular reading of newspapers and magazines • Knowledge and preference in literature and music • Preferred TV programs and genres • Preference in art • Style of housing interior • Internet use • Type of food serve for guests
Roose et al. (2010)	Lifestyle contrasts	<ul style="list-style-type: none"> • Participation in cultural activities ranging from high-brow to low-brow • Dispositional aspects of cultural behaviour (focusing on how people do things)
Prieur and Savage (2011)	Nine contrasts	<ul style="list-style-type: none"> • Participation vs. non-participation in cultural activities • Knowledge vs. Ignorance of cultural issues • Abstract vs. concrete (art) preference • The intellectually demanding vs. the relaxing activities • The rare vs. the usual • The expensive vs. the cheap • Conspicuous vs. Inclusive • Taste and distaste • International vs. local or national orientation

There is a common element in the literature cited in Table 6.4, which validates the qualitative results of the present study and suggests a common line in operationalising CC. All of the studies cited in Table 6.4 in their effort to conceptualise and operationalise CC refer to attitudes towards and participation in cultural activities, considering 'high-brow' and 'low-brow' culture as equally important.

For instance, Holt (1998) identifies self-actualising leisure activities—which offer diverse educational and informative experiences, competences, knowledge, and creative self-expression—as key indicators of an individual’s high level of CC. Prieur and Savage (2011) found that the first contrast: participation versus non-participation in cultural activities, together with the second (i.e., knowledge versus ignorance of cultural issues, such as music, art and literature) and the last (i.e., international versus local or national orientation) were particularly important in their analysis crosscutting various forms of cultural consumption. Prieur et al. (2008) operationalised CC and created a lifestyle space based on 80 lifestyle questions on knowledge and preference in music, art, reading, food, leisure activities, moral issues and political matters. Accordingly, aspects such as travel, TV-preferences, political attitudes, and food consumption have been found to define CC today. Roose et al. (2010) used identical methods (i.e. MCA) to assess the respondents’ CC based on their participation in cultural activities, ranging from high-brow to low-brow (e.g., from reading poetry to going to pubs) and discriminating between the important and unimportant things that people find in these activities (e.g., travel for learning about other cultures versus travel searching for sun and beach destinations). Such activities, in particular, included cultural domains such as music, visual arts, theatre, cinema, fashion, food, sports, and travel. Consequently, the sociology literature provides evidence that validates my qualitative findings and suggests the operationalisation of CC by measuring an individual’s attitudes towards or their participation in cultural activities.

Analysing the qualitative data and validating the emerged themes with evidence from the CC literature, the assumptions are summarised and presented in Table 6.5. Accordingly, attitudes towards cultural activities mostly describe people’s attitudes towards art and music, intellectual (leisure activities) pursuits, food-dining and travelling. In terms of the actual participation in such cultural activities, two rather general themes emerged, which refer mostly to participation in artistic and other social activities. Based on the findings and the validating evidence that are presented in this pretest (qualitative inquiry), a pool of relevant items is generated and is presented, tested, and purified in the next pilot study.

Table 6.5: Themes capturing externalised CC based on the qualitative data analysis and the validating evidence in the CC literature

Attitudinal Scale of CC: Attitudes towards Cultural Activities	
An indicator of an individual’s lifestyle choices that express the person’s level of CC	
Construct(s)	Definition
Attitudes towards art and music	It is practically an individual’s level of appreciation towards the high-end art world. Keeping some distance from the concept of cultural omnivorousness, high-brow activities, such as, attending classical concerts, visiting museums, taking music classes and so on, still capture a big picture of an individual’s CC with the traditional and linguistic meaning of the term and as the average person still perceives it (see DiMaggio, 1982; Katsillis and Rubinson, 1999).
Attitudes towards intellectual pursuits	Could be defined using Holt’s (1998) terminology of ‘self-actualising leisure activities’ to indicate an individual’s interest in intellectually demanding activities which offer diverse educational and informative experiences, competences, and knowledge.
Attitudes towards Food and Dining	This is the individual’s intention to express sophistication turning simple human needs to ‘lifestyle choices’.
Attitudes towards Travelling	This is defined as the level of an individual’s interest in experiencing the world, with the purpose of rejecting possible parochial attitudes while allowing intercultural flows which expand the way one thinks and acts.
Behavioural Scale of CC: Participation in Cultural Activities	
The intensity of an individual’s lifestyle choices that can confirm her level of CC	
Construct(s)	Definition
Participation in cultural activities	<p>This is the extent to which an individual is involved in cultural activities, (here there is no discrimination between high-brow and other cultural activities) that can relate to art and aim to culturally promote one’s self by providing, for instance, educational and informative experiences, competences or knowledge.</p> <p>Part of this participation in cultural activities is also the expression of the position and the role an individual wants to take or play, as part of the society. Thus, participation in cultural activities may refer also to the extent to which, a person involves in cultural activities that aim to promote or improve culturally the society in general.</p>

To summarise, this qualitative inquiry revealed that CC can be conceptualised in two different ways: as internalised CC or as externalised CC. In the first case, CC is defined as the cultural

identity of a person described mostly by several personality traits such as consideration, perfectionism and so on. However, this ‘cultural identity’ ‘chooses’ relevant ways to express itself. Thus, for example, talented people are more likely to express themselves by practicing some form of art (e.g., by acting), while a perfectionist or an experientialist can express a greater interest in learning (e.g., by watching documentaries, reading literature, or travelling abroad) and so on. Indeed, the qualitative findings, which were validated by the contemporary CC literature in sociology, suggest operationalising CC as the individual’s attitudes towards (attitudinal measure of CC) or participation in (behavioural measure of CC) cultural activities. These are measures of externalised CC and, although they are expected to be very closely related (they are expected to validate each other), the appropriateness of each of them could depend on the characteristics of the sample.

6.4 Pilot Study: Purification of the CC Scales

This pilot study, which constitutes the second step in Figure 6.1, aims to generate a reflective scale of CC that measures ‘attitudes towards cultural activities’, and tests its validity and reliability with a sample of university students. Admitting that an attitudinal measure of CC might be affected by social desirability responding (Taylor, 1961), the present study simultaneously constructs and tests a behavioural measure of CC that assesses the respondents’ actual participation in those cultural activities.

The term ‘social desirability’ is used in the literature to describe an identified tendency on the part of the participants to present themselves in a favourable light, regardless of their true feelings on a topic (Podsakoff et al., 2003). This tendency is problematic because it potentially biases respondents’ answers and also because it can later mask the true relationships between two or more variables (Ganster et al., 1983). According to Haddock and Maio (2004), the attitude-behaviour relation is expected to suffer when the respondents are unwilling to reveal their true feelings and attitudes on a topic. Therefore, the intention here is to generate a behavioural measure of CC and to validate the attitudinal measure of CC by testing this attitude-behaviour relation.

Nevertheless, the appropriateness of these measures in future research applications, as mentioned earlier, will most likely depend on the sample’s characteristics. Accordingly, for the sample of this study, the attitudinal measure of CC might be more appropriate compared to the

behavioural one, if only because undergraduate students usually do not have the money to frequently participate in the cultural activities that they may like. Thus, although the present pilot study actually generates and tests two measures of CC (attitudinal and behavioural), it uses the behavioural measure as a way to test the reliability and validity of the attitudinal one. The behavioural measure has a better chance to be tested with a sample of full-time employees in a later study (see Study 3). Nevertheless, to ensure the proper development of both scales in this stage, constructs that relate to the concept of CC either negatively (such as materialism) or positively (such as cosmopolitanism) are identified in the CC literature, and are used to provide evidence of discriminant and convergent validity for both newly introduced CC scales.

6.4.1 Method and Design

Seventy female undergraduate students from Cardiff University participated in an online survey administered via Qualtrics. An exclusively female sample was used to be consistent with participants in Study 2, which follows. The students were incentivized by a £50 gift card, drawn randomly. The survey was initially sent to 278 female students via an e-mail that also contained a cover letter outlining the core research objectives. In response, 70 subjects accepted the invitation, giving a response rate of 25%. The questionnaire identified people's lifestyle choices based on their cultural interests and preferences (attitudes), as well as participation patterns in various activities. All of the items were assessed using 7-point-Likert-type scales (1= 'not at all' and 7= 'definitely' or 1= 'never' and 7 = 'very often'). Finally, several demographic questions about the respondent and their parents were also asked, including the family's annual income.

6.4.2 Reliability Results and Item Analysis

As explained in Figure 6.1, the items of each scale are analysed in this step of the scale-development process. Two exploratory factor analyses, specifically, principal components analyses, are presented. The first tests the attitudinal measure of CC (i.e., Attitudes towards Cultural Activities (ATCA)) and the second tests the behavioural one (i.e., Participation in Cultural Activities (PICA)). The analysis mostly assesses issues of reliability and unidimensionality and purifies the tested items of each CC measure.

Attitudes towards Cultural Activities

The initial item-generation process produced 34 items. This initial pool of items was then reduced to 19 items based also on the experts' judgements on the items' content and face validity. Thus, Table 6.6 presents a final pool of 19 items as indicators of attitudes towards various cultural activities generated through the qualitative inquiry and the experts' judgements on the items' content and face validity. Accordingly, these 19 items are expected to statistically load on relevant themes (components) and, in turn, these components to load onto a more abstract, higher order CC scale.

Table 6.6: A pool of items assessing ATCA

<ol style="list-style-type: none">1. I appreciate all forms of artistic expression (e.g., paintings, interior design, architecture, music, literature and photography).2. I am interested in artistic performances such as theatre, ballet and opera.3. I am interested in visiting art galleries and museums.4. I am knowledgeable about art, culture and music.5. I appreciate abstract art and sculpture.6. I am interested in attending classical, symphonic, jazz concerts or opera.7. I like listening to classical, symphonic, jazz or opera music.8. I enjoy exchanging ideas with people that have a sophisticated way of thinking.9. I prefer reading broadsheets rather than tabloid newspapers.10. I am interested in talks, debates, lectures and documentaries.11. I prefer spending time on intellectually demanding activities (e.g., chess playing, information searching on Internet, educational TV, reading literature etc.) than on relaxing leisure activities (e.g., bowling, chatting on Internet, watching entertaining TV, browsing weekly magazines etc.).12. I like dining out in nice restaurants.13. I prefer healthy low-fat food.14. I like trying out new recipes.15. I prefer to eat in gourmet restaurants than fast food chains.16. When I travel I mostly seek for adventure and fun.17. When I travel, I like to party and have fun with new people.18. When I travel, I look for sea, sun and fun destinations.19. When travelling, I love to experience different cultures.

In this early stage of research, the need to gather information and explore further the interrelationship among this set of variables, suggests that factor analysis is the most appropriate way to proceed (Pallant, 2005). The specific technique used for undertaking this analysis is called Principal Component Analysis (PCA). This technique is recommended when the researcher aims to derive an empirical summary of a larger data set and allows the original variables to be transformed to smaller set of linear combinations using all the variance of the explored variables (Tabachnick and Fidell, 2001). Thus, PCA is the specific method and orthogonal rotational is the technique used for the factor extraction. Varimax rotation (i.e., the

orthogonal rotational) is used to minimise the number of the variables that have high loadings on each factor/component (Pallant, 2005). Varimax orthogonal rotation is consistent with several studies that have previously tried to establish a quantitative measurement of CC (see DiMaggio, 1982; Katsillis and Rubinson, 1999).

The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy for the tested indicators (items) was found to be 0.813, which indicates the factorability (i.e., that some correlations exists between the variables, which suggests that coherent factors can be identified) and thus the suitability of the data for factor analysis (Pallant, 2005). Kaiser’s (1960) and Cattell’s (1966) selection rule (i.e., eigenvalue > 1 and the break in the scree plot) determined the smallest number of factors that could best represent the inter-relationships among the set of the items/indicators. Once the number of the factors/components is determined, the next step, following Pallant (2005), will be their interpretation.

The PCA results for the 19 items suggest that four key factors/components emerge in providing a picture of an individual’s attitudes towards cultural activities (ATCA). However, based on Hair et al.’s (1998) criteria for a solid scale, items exhibited high cross loadings (>0.4) and low loadings on their expected factor/scale (<0.6) were eliminated. Specifically, items 11, 13, and 19 were eliminated from the initial pool of items. Nevertheless, because the items’ wording might have caused cross-loading problems, their wording is reworked and tested again in the final validation study. However, the analysis in the present pilot study does not bring these items forward.

The PCA was run for the remaining 16 items. Based on Pallant’s (2005) selection rule for the factor extraction in the principal components method, initial eigenvalues verified that four components explain 69.34% of total variance (37.33%, 14.94%, 8.99%, and 8.08%, respectively) of an individual’s ATCA. Moreover, the loadings of these items were high (> 0.6) which indicates the reliability of the tested measure, the cross loadings were low (< 0.4) which ensure the discriminant validity of the proposed four-dimensional construct, and communalities were all high (> 0.5), ranging from 0.57 to 0.76, which indicates that the items are inter-correlated to a satisfactory level (Hair et al., 1998). As Table 6.7 illustrates, the items do not just display high loadings but they load indeed on their intended scales, reflecting the participants’ attitudes towards art and music (AM), intellectual pursuits (IP), food and dining (F) and travel (T). Interpreting the results, the 16 items capturing the concepts of people’s

attitudes towards art and music, intellectual pursuits, food and dining and travelling relate to the concept of CC.

Table 6.7: Factor loadings

Items:	AM	IP	F	T
1-7	.687 - .885	< .4	< .4	< .4
8-10	< .4	.680 - .806	< .4	< .4
12-15	< .4	< .4	.715 - .824	< .4
16-18	< .4	< .4	< .4	.696 - .879

As Table 6.8 illustrates, Cronbach's alphas for all the one component measures which exceeded 0.60 (ranging between 0.72 and 0.92), which according to Nunnally (1978) indicates that each measure is internally reliable. The inter-item correlations also suggest the internal consistency (reliability) of each of these measures. Establishing the reliability for each individual scale in Table 6.8 and pointing out that some relationship exist among the items composing each one them, allows me to bring the analysis a step forward and investigate whether these four scales can be seen as four dimensions (components) of a higher order CC scale.

Table 6.8: Reliability outputs

One Component Construct	Number of Items	Cronbach's Alpha	Inter-Item Correlations
Art and Music (AM)	7	.921	.489 - .828
Intellectual Pursuits (IP)	3	.747	.384 - .578
Food and Dining (F)	3	.729	.349 - .588
Travel (T)	3	.720	.278 - .601

Because the present study is interested in the general construct of CC rather than in the CC's dimensions, a more abstract factor analysis is conducted, based on the composites' scores (i.e., the averaged items' loadings). Specifically, a factor analysis was conducted to see if the three first order factors (composites scores) load onto one-higher order CC scale. The three composite scores for the three factors were generated by averaging across the items loading on each factor (AM, IP, F and T). The composites' correlations between the first three factors

(AM, IP, and F) were relatively high ranging from 0.295 to 0.541 and statistically significant ($p < 0.01$); this indicates unidimensionality to an extent that suggests that the aggregation of the three components in one-higher-order scale is reasonable. However, the composite that assessed attitudes towards travelling (T), was not correlated with any other composite ($p > 0.05$) suggesting that this factor should be either excluded from the aggregated scale or its items wording should be slightly modified to establish a more appropriate use. Although the analysis in this pilot study does not bring this factor forward, later in Study 3, the wording of the items composing ‘attitudes towards travel’ are modified and this factor is tested again.

The remaining composites, as Table 6.9 and Catell’s (1966) scree plot in Figure 6.6 illustrate, load indeed on one-higher order scale which measures individuals’ ATCA. Initial eigenvalues indicate that one factor captured the 59.51% of the total variance, with loadings ranging from 0.65 to 0.83 which were acceptable (> 0.6) (see Hair et al., 1998). The Cronbach's Alpha for the one-higher order attitudinal CC scale is 0.65 which suffices the exploratory research criteria ($\alpha > 0.6$) established by Nunnally (1979).

Table 6.9: Composites’ loadings

Attitudes towards Cultural Activities (ATCA)*	
AM	.832
IP	.818
F	.651

Extraction Method: PCA.

* One component extracted.

Figure 6.6: Scree plot for ATCA



To summarise, although the analysis started with four factors (components), it ended up with three factors. The results suggest that the dimensionality of the overall CC construct can be described by the peoples’ attitudes towards art and music, intellectual pursuits and food/dinning. These dimensions can be combined together into one scale that measures ATCA and adequately reflects an individual’s level of CC. However, to better investigate what has happened with the construct of travelling and to find its importance in identifying one’s CC, the items composing this dimension are reworked and this factor is tested again in a later study

with an alternative sample of non-students (Study 3). In any case, the present analysis revealed that several of the rest of the scale's items might also benefit from further modification and rewording, or even by adding new items to equalize the number of the items in each dimension of the scale. Most of these issues are addressed by the final step of the scale-development procedure which is the validation study.

Participation in Cultural Activities

The present study assessed also, participants' frequency of participation in several types¹⁹ of cultural activities. Accordingly, Table 6.10 presents six items that assess an individual's participation in six types of contemporary cultural activities during the last 12 months.

¹⁹ In the sociology literature, measures that capture the frequency that a person undertakes mostly highbrow cultural activities are acknowledged to be a reliable method for identifying CC (e.g., Aschaffenburg and Maas, 1997; Katsillis and Rubinson, 1999; Van deWerfhorst and Hofstede, 2007). Thus, many studies in the sociology of education have operationalised CC by measuring the frequency by which a child participates or attends highbrow activities (e.g., DiMaggio, 1982; Katsillis and Rubinson, 1990). However, these frequency scales were developed several years ago; therefore, they do not assess cultural activities which are popular at the present time (e.g., travel abroad). Moreover, they tend to assess frequency of participation in specific activities, although individuals differ in their preferences and tastes and someone who does not participate in one cultural activity may frequently participate in another. For example, the fact that one person attends often jazz concerts but does not attend classical concerts or attends classical concerts but does not visit art galleries should not dramatically affect her assumed level of CC as all of these activities indicate a person's involvement in 'cultural art events' and no one can really say that one activity inside this category of cultural activities can indicate more CC than another. The prior measures of CC do not take this into consideration.

Table 6.10: A pool of items assessing PICA

1. Read different forms of literature/books (e.g., novels, poetry, fictions, mythology, philosophy, non-fictitious bibliographies etc.) and/or magazines/newspapers for relaxation or inspiration.
2. Visited/attended cultural events e.g., visiting museums, theatre, art galleries/exhibitions, attending classical or symphony concerts, jazz festivals, plays, ballet, opera etc.
3. Attended or watched talks, debates, lectures and documentaries.
4. Attended an artistic class (e.g., for music, painting, sculpture, photography, dance, acting, etc.)
5. Travelled abroad to visit different places of the world.
6. Donated to charity or participated in a volunteer program.

By repeating the PCA for these six items exactly as described earlier, the KMO measure of sampling adequacy was found to be 0.695, which suggest that some correlation exists between the variables to identify coherent factors and therefore, the data are suitable for factor analysis (Pallant, 2005). Following again Kaiser's (1960) and Cattell's (1966) selection rule (eigenvalue >1 and the break in the scree plot), the smallest number of factors that could best represent the inter-relationships among the set of my six items was determined and the results were then interpreted.

Based on the PCA results, a two factor solution emerged in describing participation in cultural activities. Specifically, the eigenvalues suggest that two components explain 44.73% and 20.67%, respectively, of the total variance of an individual's participation in cultural activities (PICA). Thus, the two factor solution explained the 65.4% of the total variance. Table 6.11 shows that the items' loadings are high (almost all >0.6) which indicate the reliability of the measure, the cross-loading are low (<0.4) which suggests the discriminant validity of the two-dimensional construct and, the communalities are high (>0.5), ranging from 0.513 to 0.754, which indicates that items were inter-correlated to a satisfactory level (Hair et al., 1998). Only, item 1 displayed low loading (<0.6) and was the only candidate for elimination, possibly because of the item's wording. This item's wording is modified and retested in the validation study.

Interpreting the two factor solution, one can say that items from 1 to 4 describe the respondents' participation in artistic activities that promotes one's self, and therefore these components are denoted as 'participation in artistic activities' (PIAA), such as visiting or attending cultural events (e.g., museums, theatre, art galleries/exhibitions and music concerts). Items 5 and 6 describe frequency of participation in other social activities (PISA), such as donating to charity and participating in a volunteer program. Hence, PIAA and PISA emerged as two distinct dimensions of PICA that relate to the concept of CC. Table 6.12 presents the Cronbach's alpha coefficients for each component scale and their inter-item correlations indicating the reliability and the internal consistency of each independent measure.

Table 6.11: Factor loadings for the six items

Items:	PIAA	PISA
1-4	.594* - .856	< .4
5-6	< .4	.677 - .867

* This item's loading is < .6 suggesting that the item's wording might need to be improved.

Table 6.12: Reliability outputs

One Component Construct	Number of Items	Cronbach's Alpha	Inter-Item Correlations
Participation in artistic activities (PIAA)	4	.689*	.304 - .556
Participation in social activities (PISA)	2	.467**	.305

*Deleting item 1, alpha becomes 0.715; this indicates reconsideration of this item's wording. The wording of this item is modified in the next validation study and it is tested again.

**The low value of alpha is an indication to: (1) reconsider the wording and number of the items involved in measuring the relevant construct, (2) consider the particularities of the sample (i.e., undergraduate students) and recognise that this factor (participation in social activities) might perform better with a non-student sample or the items that compose the emerged two factors may load together as on one component (behavioural) CC scale.

The correlation between the two composite scores (PIAA and PISA) was 0.364 and statistically significant ($p < 0.01$), indicating that it is appropriate to aggregate the two factors in one-higher order scale. Thus, as a next step, a PCA tests whether PIAA and PISA load together on one-higher order scale that measures PICA. Indeed, as Table 6.13 and Figure 6.7 illustrate, these composites load on a higher order PICA scale. Initial eigenvalues indicate that one component explains 68.181% of variance with high loadings (> 0.6), equal to 0.82, for both composites. The squared correlation between the two composite variables (PIAA and PISA), is 0.132 (< 0.2 , see Nunnally, 1979), which might indicate that the two factor solution might not emerge again if the scale is tested again with a different sample (e.g., with an alternative non-student sample). Nevertheless, before testing this scale with a non-student sample (as part of Study 3), the validation study that follows purifies the scale’s items and retests them again using a student sample.

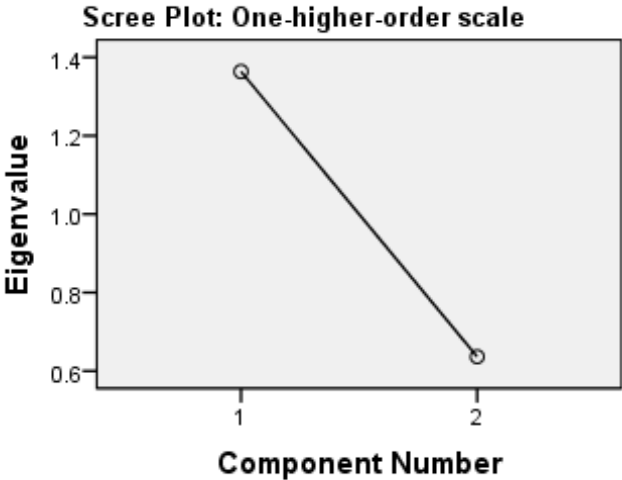
Table 6.13: Composites’ loadings

	Frequency of Participation in Cultural Activities (FPCA)*
PIAA	.826
PISA	.826

Extraction Method: PCA.

* One component extracted.

Figure 6.7: Scree Plot for PICA



To summarise, although the analysis suggests that participation in cultural activities reflects an individual’s CC, this two-dimensional behavioural CC scale might be more appropriate to be tested using a sample of participants that are not students but they are, for instance, full-time employees. For a sample that has a disposable income (and is older in age) the discrimination between PIAA and PISA activities might not emerge and the items composing these two factors can load together into one component scale that reflects an individual’s PICA. Thus, this behavioural measure of CC is tested later as part of Study 3 using an alternative non-student sample. Nevertheless, in this scale-development chapter, using exclusively a sample of students, the behavioural measure of CC is constructed and used solely with the purpose of

using it to qualify and check the appropriateness of the attitudinal measure of CC. This is because, participants could indicate favourable attitudes towards certain cultural activities ($M = 5.122$, $SD = 0.998$, skewness = -0.193) providing socially desirable answers, but rare actual participation ($M = 4.322$, $SD = 1.221$, skewness = 0.046) in these activities. However, this is not the case here, as the two measures proved to be highly correlated ($r = 0.656$). This provides some confidence that the attitudinal measure of CC works just as it should. The next section uses constructs that relate to CC and builds more confidence for the newly introduced CC scale by providing evidence of convergent and discriminant validity.

6.4.3 Convergent and Discriminant Validity

This pilot study identifies in the CC literature (e.g., Holt, 1998; Cleveland and Laroche, 2006; Cleveland, 2014) constructs that relate to the concept of CC either positively or negatively and uses them to provide evidences of convergent and discriminant validity for the newly introduced CC measure. Specifically, as it has already been discussed, ‘cosmopolitanism’/‘internationalism’ and ‘parental CC’ are constructs that the CC literature often uses to identify CC. Thus, these constructs are used to test whether they indeed relate positively and significantly with CC as this is captured by the newly introduced CC scale. Moreover, arguing that socioeconomic measures are not always adequate to replace CC—especially today, where knowledge and information are easily accessed (e.g., through Internet) by everyone no matter their socioeconomic status—the construct of economic capital (i.e., wealth) is used to show that, at least for a sample of students, the relationship between CC and economical capital may be weak.

Cosmopolitanism and Internationalism

The CC literature suggests that cosmopolitanism-internationalism can be used to discriminate between people with high and low CC (e.g., Holt, 1998, Prieur and Savage, 2011). This pilot study following Arnold and Reynolds (2003) validation methods, measures ‘cosmopolitanism’, ‘international travelling attitudes’ and ‘international media usage’ with three single items (1 = “strongly disagree”, 7 = “strongly agree”). All items were adapted from Cleveland et al. (2015): “I enjoy being with people from other countries to learn about their unique views and approaches”, “I travel to learn new things and experience different cultures”, “I prefer to watch international TV programs in a language that I may not speak, than local TV

programs”. As the correlation matrix in Table 6.14 illustrates, the correlation between these three items ranges from 0.247 to 0.480. More importantly, the correlation between these three items and the attitudinal measure of CC (ATCA) ranges from 0.391 to 0.480 (all significant at the 0.01 level).

Table 6.14: Evidence of convergent validity for the attitudinal measure of CC

		Cosmopolitanism	International travelling attitudes	International media usage	Behavioural CC(PICA)
Cosmopolitanism	Pearson Cor.	1	.480**	.247*	.378**
	Sig. (2-tailed)		.000	.040	.001
International travelling attitudes	Pearson Cor.	.480**	1	.308**	.390**
	Sig. (2-tailed)	.000		.009	.001
International media usage	Pearson Cor.	.247*	.308**	1	.398**
	Sig. (2-tailed)	.040	.009		.001
Attitudinal CC (ATCA)	Pearson Cor.	.447**	.480**	.391**	.656**
	Sig. (2-tailed)	.000	.000	.001	.000

**Correlation is significant at the 0.01 level (2-tailed).

*Correlation is significant at the 0.05 level (2-tailed).

Indeed, CC correlates, as expected, positively and highly ($r > .3$), with the relevant constructs of ‘cosmopolitanism’, ‘international travelling attitudes’ and ‘international media usage’. This provides a first evidence of convergent validity for the attitudinal but also the behavioural CC scale.

Parental CC

In educational sociology, parental CC (mostly father’s CC) is often seen as an important indicator of a child’s CC (see Aschaffenburg and Maas 1997; Van deWerfhorst and Hofstede, 2007). In the sociology and marketing literature, parental CC is sometimes assumed by the father’s occupational status/prestige and, more often by his level of education (DiMaggio, 1982; DiMaggio and Mohr, 1985; Holt, 1998). However, such measures, referring mostly to occupational status/prestige, entail the risk of replacing the concept of CC with the concept of (social) class.

The present study, following Üstüner and Holt (2010) and Moisiso et al. (2013) estimates father's occupational prestige and education and identifies some relationship between them ($r = 0.570$). However, it finds no correlation between father's occupational prestige and the respondent's CC (as reflected by the newly introduced attitudinal CC scale). This may suggest that prior operationalisation of CC based on parental occupational scores (e.g., Üstüner and Holt, 2010 and Moisiso et al., 2013), can facilitate a socioeconomic classification for the young adults but do not necessarily reflect their level of CC.

When parental CC was alternatively measured with Aschaffenburg and Maas (1997) four-item instrument ($M = 4.482$, $\alpha = 0.821$)—which, assessed the frequency of parental cultural initiatives and activities while the respondent was growing up (illustrate item(s) include: “encouraging the respondent to read books not required for school or religious studies” and “listening to classical music or opera”) using a 7-point Likert scale (1= never, 7= very often)—the correlation estimate between parental CC²⁰ and the participant's attitudinal CC was 0.607 ($p < 0.01$). So, although parental CC associates with a person's CC, it seems that is mostly peoples' cultural than economical upbringings what determines their CC.

Economic Capital

In the sociology literature, economic capital and social stratification (i.e., class) often interrelate with the concept of CC (see Roose et al., 2010). In this study, an attitudinal and a behavioural measure of CC is developed with the intention of updating the concept of CC while retaining its original sociologic meaning in today's reality where access to cultural knowledge is available to almost everybody, almost regardless of people's socioeconomic capital.

An ordinal measure is used to capture the respondent's level of economic capital (i.e., wealth). Specifically, respondents were asked to indicate their family's combined annual income compared to the average income of a British family by choosing one of the five categories ranging from 1 = “a lot below the average” to 5 = “a lot above the average”. The low correlation between participants' economic capital and their attitudinal CC ($r = 0.109$) [or even their behavioural CC ($r = 0.146$)] provides evidence of discriminant validity and shows that young

²⁰ The correlation between the parental CC and the participant's behavioural CC was 0.587.

adults' economic status may indicate but does not always preoccupy their higher CC. So, cultural mobility may tend to reduce, as young people become increasingly e-literate and gain the ability of obtaining easily access to information, knowledge and culture mostly through the online world.

To summarise, this pilot study analysed the items of each CC scale (attitudinal and behavioural measure of CC) and proved reliability for both intended measures. Accordingly, a three-component scale measuring ATCA (art and music, intellectual pursuits and food/dinning) and a two-component measure of PICA reflected almost equally well the concept of CC. The validity of the proposed scales was then assessed by confirming the scales' correlation with related to CC concepts proposed by the extant research literature. Overall, the presented analysis provided directions and suggestions for purifying the two new CC scales, which are modified accordingly and then tested with a larger sample in the validation study that follows (as part of Study 2).

6.5 Validation Study

The validation study is conducted as part of the larger Study 2 (which is explicitly discussed in the next chapter). This validation study replicates the PCA for the purified CC items and tests them with a larger sample. This will provide further evidence for the validity of both attitudinal and behavioural measure of CC.

6.5.1 Method and Design

As part of Study 2, the attitudinal and behavioural measures of CC were retested and further validated. A larger sample of 166 female undergraduate students from Cardiff University was surveyed, again using Qualtrics software. The survey was initially sent to 697 female undergraduate students via an e-mail containing a cover letter outlying the core research objectives. Although 187 people accepted the invitation, for a response rate of 24%, 166 finally completed the online survey. All items were assessed on 7-point-Likert-type scale (1= 'not at all' and 7= 'definitely', 1= 'never' and 7= 'very often'). The participants also answered several demographic questions about their ethnicity, social class and family's annual income.

6.5.2 Purified Items and Replicated Results of the PCA

All of the items that have spotted in the pilot study to cause cross-loading issues (>0.4) or display low loading (<0.6) in their intended scale were modified in terms of their wording. Moreover, few new items were added to equalize the number of the items in each dimension of the scale. Afterwards, the PCA is replicated for the larger sample and results are presented and discussed in the next sections.

Attitudinal Measure of CC: ATCA

Based on the results of the pilot study, Table 6.15 presents a refined list of 18 items that measure ATCA and capture the construct of CC. The aim here is to replicate the PCA for the purified items and test whether three factors (components), relating to CC, emerge.

KMO measure of sampling adequacy is 0.919, which according to Pallant (2005) indicates the existence of some correlations between these variables and suggest that coherent factors can be identified and thus the data are suitable for factor analysis. Following again Kaiser's (1960) and Cattell's (1966) selection rules for the factor extraction, when these 18 items were combined together in a PCA, three distinct factors of ATCA, related to the general concept of CC, emerged. Initial eigenvalues verify that these three components explained 71.08% of the total variance (54.45%, 9.65%, and 6.98%) of an individual's ATCA. Moreover, as Table 6.15 illustrates, the items load on their intended scales, namely Art and Music (AM), Intellectual Pursuits (IP), Food and Dining (F), displaying high loadings (>0.6), low cross-loading (<0.4) and high communalities (ranging from 0.573 to 0.809, all >0.5). This, based on Hair's et al. (1998) criteria for a 'solid' scale, indicates once again the reliability and the validity of the measure.

Table 6.15: The refined pool of items assessing ATCA and their factor loading

Art and Music ($\alpha = .93$)	F1	F2	F3
1. I am interested in artistic performances such as theatre, ballet and opera.	0.769	0.311	
2. I am interested in visiting art galleries and museums.	0.721		0.331
3. I am knowledgeable about art, culture and music.	0.778		0.315
4. I appreciate all forms of artistic expression (e.g., paintings, interior de-sign, architecture, music, literature and photography).	0.736		0.369
5. I appreciate abstract art and sculpture.	0.684		
6. I am interested in attending classical, symphonic, jazz concerts or opera.	0.832		
7. I like listening to classical, symphonic, jazz or opera music.	0.780		
<hr/>			
Food and Dining ($\alpha = .91$)			
8. I enjoy visiting farmers markets.		0.760	
9. I like trying out new recipes.		0.776	
10. I like visiting artisan food stores and delicatessens.	0.322	0.814	
11. I like dining in restaurants that serve authentic cultural food.		0.781	
12. I appreciate organic food and produce.	0.320	0.638	
13. I like cooking with new and unusual ingredients.		0.827	
<hr/>			
Intellectual Pursuits ($\alpha = .87$)			
14. I am interested in talks, debates, lectures and documentaries.			0.783
15. I enjoy exchanging ideas with people that have a sophisticated way of thinking.			0.799
16. I enjoy reading literary works.	0.382		0.601
17. I prefer reading broadsheets rather than tabloid newspapers.			0.827
18. I enjoy reading current affairs magazines such as The Spectator, National Geographic, The Economist, and Newsweek.	0.333		0.624

Cronbach's alphas (all > 0.7) and the inter-item correlation (ranging from 0.55 to 0.89 for AM, 0.41 to 0.75 for IP and 0.51 to 0.74 for F) for each of the three factors indicate once again the reliability (internal consistency) for each one component measure. Moreover, calculating the

composite scores for each component, the correlation between these composite variables were high (ranging from 0.614 to 0.704) and statistically significant ($p < 0.01$) which suggests to bring these components together to construct a three-dimensional CC scale. Indeed, the PCA results for the three composite variables suggest now a one factor solution and initial eigenvalues indicate that one component explain 76.85% of variance for ATCA. Loadings were high, ranging from 0.853 to 0.894. Cronbach's Alpha for the higher order scale of CC is 0.848 which certainly suffices the exploratory research criteria ($\alpha > 0.6$) established by Nunnally (1979). Consequently, the replicated results confirm that attitudes towards art and music, intellectual pursuits and food-dinning can be combined together into one scale that measures CC.

Behavioural Measure of CC: PICA

Also based on the results from the pilot study, a refined list of nine items referring to PICA is presented in Table 6.16. The purpose is again to ensure that two components, namely PIAA and PISA, emerge in describing behaviourally an individual's CC.

The KMO measure of sampling adequacy is 0.861 and indicates that some correlations exist between the two variables. This suggests, that the data are suitable for factor analysis as coherent factors can be identified in them (Pallant, 2005). Specifically, when a PCA is run for these nine items two dimensions of PICA are found once again to relate to the concept of CC. Initial eigenvalues verify that these two components explained 61.08% of total variance [49.79% and 11.28%] of an individual's PICA. Moreover, Table 6.16 shows that the 9 items load on their intended scale. The high loadings (>0.6), the low cross-loading (<0.4) and the high communalities, ranging from 0.484 to 0.773, indicate the reliability of this two-dimensional measure (Hair et al., 1998). Thus, participants' participation in cultural activities found again to be a two-dimensional construct composed by participants' participation in artistic and other social activities.

Table 6.16: The refined pool of items assessing participation in cultural activities and the factor loading

Participation in Personal Activities ($\alpha = .88$)	F1	F2
1. Visited cultural places such as museums, theatre and art galleries.	0.782	
2. Read different forms of literature/books (e.g., novels, poetry, fiction, mythology, philosophy etc.).	0.711	
3. Attended plays, ballet or opera.	0.853	
4. Attended classical or symphony concerts or jazz festivals.	0.819	
5. Attended or watched talks, debates, lectures and documentaries.	0.618	
6. Attended an artistic class (e.g., for music, painting, sculpture, photography, dance, acting, etc.)	0.794	
Participation in Social Activities ($\alpha = .59$)		
7. Travelled abroad to visit different places of the world.		0.686
8. Donated to charity.		0.813
9. Participated in a volunteer program.	0.312	0.622

However, although the correlations between the items in each factor (component) suggest their reliability (ranging from 0.42 to 0.78 for PIAA and 0.25 to 0.39 for PISA), the fact that the sample is consisted of students might have affected the reliability ($\alpha = 0.59$) of the second factor (i.e., the participants' participations in social activities, PISA). As the indicators of PISA (such as travel and donate) have a higher financial cost, this component would be much more reliable to be tested with a non-student sample that has a disposable income. In that case, all nine items could be even found to load together on one component scale that measures participation in cultural activities and reflect an individual's CC.

Nevertheless, for the present study and for a sample of students the correlation between the two composite scores of PIAA and PISA is 0.542 and statistically significant ($p < 0.01$) which supports the decision to aggregate the two individual scales into one-higher order CC scale. Indeed, initial eigenvalues verify that one component explains 77.09% of variance for PICA. Moreover, the two composite variables load on this one-higher order scale with high loading (0.878). Cronbach's Alpha for this one-higher order behavioural scale is 0.699 which suffices the exploratory research criteria ($\alpha > 0.6$) established by Nunnally (1979).

The analysis shows that people's participation in artistic (such as attending classical concerts and visiting museums) and other social activities (such as travelling abroad and donating to charities) relate to the CC's construct and reflect a person's participation in cultural activities. The intention though, in this chapter, is to use the behavioural measure of CC to validate the attitudinal measure. Indeed, PICA correlates with the participants' ATCA to an extent ($r = 0.705$) that suggests that both scales are appropriate for measuring CC.

6.5.3 Nomological Validity

Nomological validity is tested in this study, following the scale-development paradigm of Arnold and Reynolds (2003). Accordingly, theoretically inter-related constructs are identified and tested to see if they work as expected in a nomological network that could validate the newly introduced CC scales. The importance of this approach as a validation process in scale-development is well documented in the literature (e.g., Cronbach and Meehl, 1955; Netemeyer et al., 1991; Babin et al., 1994).

The marketing and sociology literatures agree that 'cosmopolitanism' relates positively with the concept of CC (e.g., Holt, 1998; Prieur et al. 2008; Prieur and Savage, 2011). On the other hand, people with high CC are considered to be low in 'materialism' (Holt, 1998). However, an individual's level of materialism is expected to be positively correlated with a person's knowledge in fashion (i.e., domain-specific cultural knowledge), which is likely then to be negatively correlated with an individual's level of CC.

According to Holt (1998), a person's cosmopolitanism suggests the ability of understanding the social world as an expansive construct, much broader than the surrounding world. Cleveland et al. (2015, p. 545), argues that cosmopolitanism is "*a reflection of cultural sophistication*", and cosmopolitans are "*critical drivers of intercultural flows*". Cosmopolitanism here is measured with a 7-item Likert scale (1 = "strongly disagree" and 7 = "strongly agree") ($\alpha = .956$, PCA loading ranging from 0.852 to 0.936) adapted from Cleveland and Laroche's (2006) 11-item scale ($\alpha = 0.906$). An example of these items is: "I am interested in learning more about people who live in other countries".

Materialism measures an individual's perception of the meaning of good or happy life as the plethora of the possessions that are popularly perceived as expensive and luxurious (Holt,

1998). Richins (2004, p. 201) conceptualised Material Values Scale (MVS) as encompassing three domains: “*the use of possessions to judge the success of others and oneself, the centrality of possessions in a person’s life, and the belief that possessions and their acquisition lead to happiness and life satisfaction.*” The author refers to these three domains as: success, centrality, and happiness, respectively. Thus, materialism is measured here with the 9-item version scale, 1 = “strongly disagree” and 7 = “strongly agree” ($\alpha = 0.89$) of Richins’s (2004) ($\alpha = 0.82$). Accordingly, success, centrality and happiness are measured with the 3-item subscales (loadings range from 0.847 to 0.871). Illustrative items for each one of these are: “I admire people who own expensive homes, cars, and clothes”, “I like a lot of luxury in my life”, “I’d be happier if I could afford to buy more things”.

Domain-specific cultural knowledge is understood and often used in the marketing literature as a dynamic conception of CC, applicable to several categories of consumer goods and consumer behavioural studies (McQuarrie et al., 2013). To measure domain-specific knowledge in fashion, a 3-item bipolar adjective (familiar/unfamiliar, informed/uninformed, knowledgeable/unknowledgeable) scale is employed here ($\alpha = 0.955$, PCA loadings ranging from 0.941 to 0.973) using the concepts of product class knowledge adapted by Oliver and Bearden (1985) ($\alpha = 0.85$) and Brucks (1985) ($\alpha = 0.91$).

Finally, Table 6.17 summarises the descriptive statistics for all the concepts involved in this validation process and shows that the correlation between the measures of CC (ATCA and PICA) and cosmopolitanism (COS) is high and positive ($r \geq 0.584$) whereas the correlation between the measures of CC and materialism (MVS) is high and negative ($r \geq -0.436$). Moreover, correlation between MVS and fashion knowledge (FK) is positive and higher ($r = 0.388$) than the correlation between CC (ATCA and PICA measures) and FK which is lower and negative ($r \leq -0.216$). Thus, although the marketing literature often treats cultural knowledge in fashion as a dynamic conception of CC in consumer behaviour study on luxury brands (e.g., Berger and Ward, 2010; Han et al., 2010), the present analysis reveals that CC and domain-specific cultural knowledge may be different and to some extent opposite constructs.

Table 6.17: Correlations matrix for nomological validity and descriptive statistics of the constructs involved in this validation process

Correlations matrix:		ATCA	PCA	COS	MVS	FK
Attitudes Towards Cultural Activities (ATCA)	Pearson Correlation	1	0.705**	0.631**	-0.443**	-0.298**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
Participation in Cultural Activities (PICA)	Pearson Correlation	0.705**	1	0.584**	-0.436**	-0.216**
	Sig. (2-tailed)	0.000		0.000	0.000	0.005
Cosmopolitanism (COS)	Pearson Correlation	0.631**	0.584**	1	-0.352**	-0.191*
	Sig. (2-tailed)	0.000	0.000		0.000	0.014
Materialism (MVS)	Pearson Correlation	-0.443**	-0.436**	-0.352**	1	0.388**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
Fashion Knowledge (FK)	Pearson Correlation	-0.298**	-0.216**	-0.191*	0.388**	1
	Sig. (2-tailed)	0.000	0.005	0.014	0.000	
Descriptive statistics:		Mean	Std. Deviation	N		
Attitudes Towards Cultural Activities (ATCA)		5.058	1.244	166		
Participation in Cultural Activities (PICA)		4.336	1.268	166		
Cosmopolitanism (COS)		5.833	1.120	166		
Materialism (MVS)		3.530	1.257	166		
Fashion Knowledge (FK)		4.224	1.658	166		

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The fact that all of the constructs in the validation process work as expected in a nomological network and equally well with both the attitudinal and the behavioural measure of CC, suggests that both instruments are appropriate for measuring CC.

6.6 Summary

The CC scale-development started with a qualitative inquiry (Pretest 1). The qualitative findings and their interpretation were then validated by theoretical and empirical evidence in the CC literature (e.g., Bourdieu's, 1986; Holt, 1998; Bernthal et al., 2005; Prieur et al., 2008; Roose et al., 2010; Prieur and Savage, 2011; Cleveland et al., 2014). The initial findings suggested two perspectives in conceptualising CC discriminating between internalised CC and externalised CC. However, following the directions provided by the contemporary research on

CC in sociology (Prieur et al., 2008; Roose et al., 2010; Prieur and Savage, 2011), the present study only adopts the externalised perspective of CC. Accordingly, people's lifestyle choices are seen as elements of their externalised CC through which their cultural self (i.e., their internalised CC) usually manifests. Thus, the present study develops two reflective and continuous measures of CC that assess peoples' attitude towards certain cultural activities but also their actual participation in them.

After running a pilot study and replicating the analysis using a larger sample of students, the psychometric results for the two scales were found to be good and consistent. Consequently, the exploratory analysis in this chapter provides confidence that the developed scales constitute two reliable measures that adequately capture the concept of CC. Specifically, an attitudinal three-dimensional CC scale was constructed. This measure assesses CC by measuring peoples' attitudes, such as, interest, knowledge and preference in art and music, intellectual pursuits and food-dining. In addition, for the purpose of validating the attitudinal measure, a behavioural measure of CC that assesses peoples' (frequency of) participation in artistic and social cultural activities, was also developed. Indeed, the relationship between the two measures was found to be strong and positive which indicated their appropriateness in measuring CC. Finally, a number of concepts that are relevant to CC ensured further the validity of the presented scales. During this test, both CC scales were found to differ to a certain degree from fashion knowledge, which has been used in the marketing literature as a proxy for CC.

The present study fills a void in the marketing literature by constructing two continuous CC measures. Although many researchers in marketing discriminate between people with high and low CC (e.g., Holt, 1998), the present study argues that in reality an individual's level of CC can lie between the two extremes and provides the necessary instruments to actually measure it. Thus, the constructed scales could help researchers to incorporate the concept of CC as a continuous variable in various consumer behaviour models. This could also provide them with additional information for a segmentation analysis. The present study also updates the conceptualisation and operationalisation of the relatively old concept of CC by being careful enough to avoid distinction between high-brow activities and other contemporary popular activities, considering them all as lifestyle choices. Lastly, the present study draws attention to the fact that CC can differ from other socioeconomic (e.g., occupational status or prestige) or domain-specific constructs although the latter are often used in the marketing literature to represent CC.

Although this chapter provides evidence for the reliability and validity of the developed scales, the appropriateness of each one of them might depend on the sample's characteristics. For the purposes of the present thesis, the sample used in the scale-development only included undergraduate students. For a sample of students who normally do not have high disposable income, the attitudinal measure is believed to be more appropriate. Nevertheless, both measures, and particularly the behavioural measure, need to be tested with a non-student sample.

Compared to other consumer identity measures, consumer's CC may have an important role in affecting the emotional experience that consumers gain in a retail store, which in turn can affect their attitudes and purchase behaviours (e.g., Dawson et al., 1990). Consumers with higher CC tend to appreciate what is aesthetically pleasing and might pay more attention to a larger set of retail attributes such as display fixtures, materials, and so on. These store environment cues can thus constitute an important informational source in their purchase decision-making process (Dawson et al., 1990). Therefore, the next study (Study 2) will investigate whether the effect of VMD on consumer purchases of luxury brands depends on consumers' level of CC.

**CHAPTER 7 STUDY 2: THE ROLE OF CULTURAL CAPITAL IN
EXPLAINING THE CONSUMER'S PURCHASE
INTENTIONS WHEN EXPOSED TO A 'MUSEUM- LIKE'
DISPLAY**

7.1 Overview

Study 1 has found that a museum-like display is capable of transferring perceptions of luxury from the display mode to the displayed brand. When perceptions of luxury increase, the consumer's personal risk for the brand decreases and, in turn, the purchase likelihood for the displayed product increases. The findings complement the extant qualitative studies in luxury retailing literature (Hollenbeck et al., 2008; Dion and Arnould, 2011; Joy et al., 2014), which highlight the role of museological presentation techniques in building and sustaining a luxury brand image.

However, the extant literature on store atmospherics and particular in museological presentation techniques does not consider the fact that people differ in their ability (i.e., 'connoisseurship') to decode and appreciate such displays, which often require substantial investment in fixtures, expensive materials, or complicated designs or architecture. However, two people exposed to the same museum-like display condition may differ in the extent to which they are 'intrinsically bewitched' and sufficiently confident to purchase. In other words, a number of questions remain to be answered in this study, including, is the extent to which a museum-like display increases purchase intentions, even for a new or unknown luxury brand, similar among consumers? Or, will only 'some' of them have the necessary CC to be notably affected by such a display mode?

Using Bourdieu's theory as a foundation, Study 2 proposes that the consumer's level of CC can moderate the indirect influence of VMD cues on purchase intention, by moderating the effect of VMD cues on perceptions of luxury and personal risk. It is conjectured that for consumers with higher CC the choices are determined by their need to express their aesthetic sensibilities, feel good with their own choices and be approved only by the very few with similar tastes (aesthetic sensibilities). In contrast, for people with lower CC, their purchase decisions are determined by the level of 'comfort' and 'reassurance' that is involved in their choice (Holt, 1998). While the latter can be mainly derived by information coming from interpersonal sources, such as word of mouth, celebrity endorsement advertising, or well-known brand names, VMD can serve as a substantially important diagnostic informational source for those higher in CC by satisfying their aesthetic sensibilities in their encounter with the product on sale.

The present study rather than dichotomising people into two groups, who are somewhat arbitrarily classified as higher or lower in CC, acknowledges CC as a continuous variable and measures the extent to which people differ in it. However, the marketing literature on CC, which tends to measure or approximate CC with the domain-specific knowledge (e.g., Arsel and Thompson 2011; McQuarrie et al., 2013; Parmentier et al., 2013; Berger and Ward, 2010), suggests that consumers' knowledge in fashion, for instance, could, in this case, represent evenly well the concept of CC. In contrast, the present study argues that a person with higher fashion knowledge would not necessarily have that level of CC, which is needed to appreciate a museum-like display to such an extent that her attitudinal and behavioural intentions towards the product on display could be notably affected. Moreover, as consumer's higher fashion knowledge may also indicate different consumption motives (e.g., materialism see Holt, 1998), the effect of fashion knowledge on the indirect effect of VMD on purchase intentions may even be opposite from the effect that CC is expected to have. Thus, this study will test the moderating effect of consumer's CC and fashion knowledge on the indirect influence of VMD on purchase intentions via the mediation of perceptions of luxury and personal risk.

Table 7.1 sets out the four research hypotheses. Accordingly, the present study has one analytical goal: to understand and describe the conditional nature of a set of mechanisms, which have already been introduced in Study 1 (that is, to replicate Study 1), but apart from confirming the previous findings, to test whether the process whereby VMD indirectly increases the purchase intentions for luxury brands, depends positively on consumer's CC and negatively on their fashion knowledge. Moreover, having tested the effect of each moderator separately, the last part of the investigation will put both moderators (CC and fashion knowledge) together into the same model, and test whether the indirect effect of VMD on purchase intentions is reliant upon CC and not on fashion knowledge.

Table 7.1: Summary of hypotheses and list of variables for Study 2

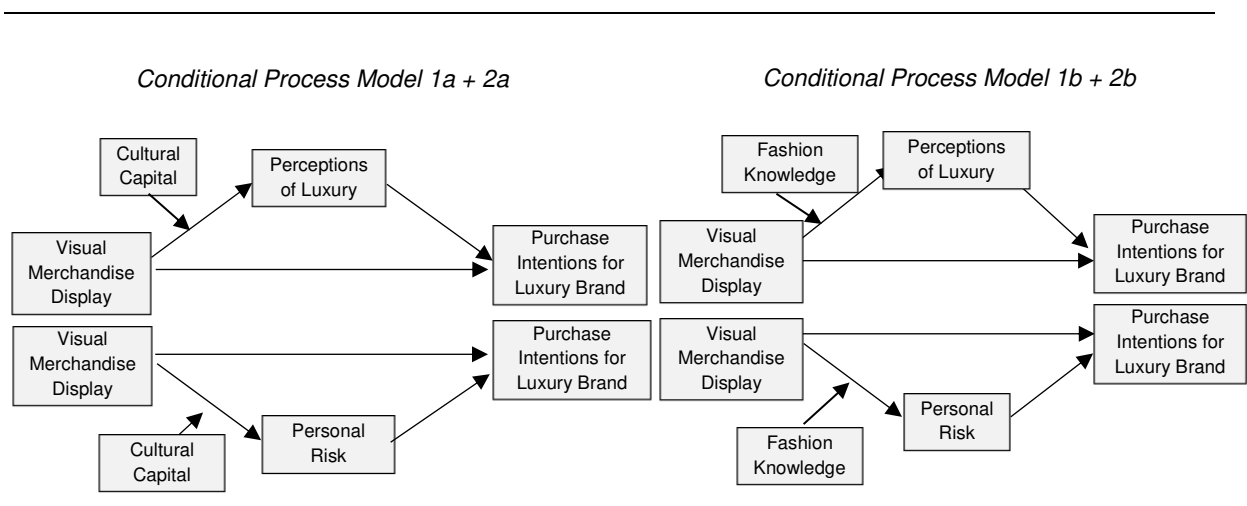
	Independent Variable	Moderator Variable(s)	Mediator Variable(s)	Dependent Variable	Hypothesis	Model
H5a	Visual Merchandise Display (VMD)	Cultural Capital (CC)	Perceptions of Luxury (PL)	Purchase Intention (PI)	The mechanism via which VMD increases the consumers' purchase intentions by increasing the perceptions of luxury for the brand on display, is contingent upon the consumers' CC. Specifically, the effect of VMD cues on luxury brand perceptions is stronger for the consumers with higher CC.	<i>Conditional Process Model 1a</i>
H5b	Visual Merchandise Display (VMD)	Fashion Knowledge (FK)	Perceptions of Luxury (PL)	Purchase Intention (PI)	The mechanism via which VMD increases the consumers' purchase intentions by increasing their perceptions of luxury for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on luxury brand perceptions is weaker for the consumers with higher fashion knowledge.	<i>Conditional Process Model 1b</i>
H6a	Visual Merchandise Display (VMD)	Cultural Capital (CC)	Personal Risk (PR)	Purchase Intention (PI)	The mechanism via which VMD increases the consumers' purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers' CC. Specifically, the effect of VMD cues on personal risk is stronger for the consumers with higher CC.	<i>Conditional Process Model 2a</i>
H6b	Visual Merchandise Display (VMD)	Fashion Knowledge (FK)	Personal Risk (PR)	Purchase Intention (PI)	The mechanism via which VMD increases the consumers' purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on personal risk is weaker for the consumers with higher fashion knowledge.	<i>Conditional Process Model 2b</i>
H7	Visual Merchandise Display (VMD)	Cultural Capital (CC) Fashion Knowledge (FK)	Perceptions of Luxury (PL)	Purchase Intention (PI)	The mechanism via which VMD increases the consumers' purchase intentions through the increase of perceptions of luxury is contingent on the consumer's CC and not on their fashion knowledge.	<i>Conditional Process Model 3</i>
H8	Visual Merchandise Display (VMD)	Cultural Capital (CC) Fashion Knowledge (FK)	Personal Risk (PR)	Purchase Intention (PI)	The mechanism via which VMD increases the consumers' purchase intentions through the decrease of personal risk is contingent on the consumer's CC and not on their fashion knowledge.	<i>Conditional Process Model 4</i>

7.2 Empirical Evidence: Experiment 2

Study 1 has gradually uncovered a possible mechanism that explains the impact of VMD on purchase intention for a luxury brand. This has been described as a transmittable effect of one variable to another. However, in favour of simplicity for the analysis, even though the two mediators (perceptions of luxury and personal risk) are correlated, the total indirect effect will be deconstructed into a set of parallel mechanisms (one-step processes) through which VMD affects purchase intentions via the increase of perceptions of luxury and/or the decrease of personal risk for the specific brand. Study 2 brings this analysis a step forward. It tests and explains how the two indirect effects can be moderated by CC in juxtaposition to the moderating effect that cultural knowledge in fashion may also have in the same set of mechanisms.

The analysis in the present study is presented in three main Sections. Section 1 aims to replicate and confirm the findings of Study 1 (i.e., confirm Hypothesis 1 to 4) using a different and larger ($n = 166$) student sample. Assuming that the previous findings are confirmed, Section 2 will build upon the same two mechanisms of the indirect influence of VMD on purchase intentions. Specifically, Study 2 will investigate whether the indirect positive effect of VMD on purchase intentions depends positively and linearly either on CC or on fashion knowledge. Thus, it will test four conditional process models (moderated mediation models) which are presented in Figure 7.1. Finally, in Section 3, the two possible moderators are put together in two parallel one-step models (conditional process models with two moderators) to investigate their combined moderating effect.

Figure 7.1: Four moderated mediation models



7.2.1 Stimuli and Procedure

Experiment 2 (see Appendix H) uses the same two booklets of images (denoted Booklet A and Booklet B) in displaying a handbag (see Study 1 for the stimulus development) to represent the high-image and low-image VMD environments (i.e., a museum-like display versus a non-museum-like display). The cover story explained that the participation would help the researcher to understand people's opinions, feelings and attitudes towards a newly launched, but not yet available in the UK market, luxury brand of handbags and leather accessories. As in Study 1, the cover story explained to participants that it was unlikely that they had seen the brand before; thus, a booklet of images was provided to familiarise them with one of the brand's flagship products. Moreover, the cover story informed participants that questions regarding their lifestyle choices, preferences and participation patterns in cultural activities will be asked together with demographic-related questions. Identical to Study 1, the cues offered by the stimuli (booklet of images) were only visual display-related cues and product-related elements (i.e., the handbag on display). Using the same handbag in the between-subjects experiment ensured that any differences in consumers' attitudes and behavioural intentions were solely attributed to the manipulation of the VMD condition and/or differences in their individual characteristics (i.e., the level of CC or fashion knowledge).

7.2.2 Participants and Characteristics

A total of 166 undergraduate female students who were enrolled in different subjects in Cardiff University were randomly assigned either to a high-image VMD (museum-like display) condition or to a low-image VMD (non-museum-like display) condition. In return, each participant was included in a prize draw for a £50-gift card from a well-known British retail chain selling electronic products. Apart from the reasons reported in Study 1, a sample of university students enrolled in different subjects was chosen for the present study to ensure that some variation in the degree of CC will be identified among the participants. Given that university students are relatively homogeneous in terms of intelligence (education) and income (socioeconomic background), these potential covariates and source of a possible alternative explanation for the findings are restricted (see Liu et al., 2012) allowing the experiment's results to be solely affected by the stimulus's manipulation and the participants' level of CC or fashion knowledge.

7.2.3 Measures and Scales

Study 2 used same materials/scales as Study 1 with some minor differences or adjustments which will be highlighted.

Independent Variable

- *VMD Cues (VMD: Museum-like display vs. non-museum-like display)*: As in Study 1, the participants in Study 2 were also randomly assigned to one of two conditions, either the museum-like display (high-image VMD cues) or non-museum-like display (low-image VMD cues).

Manipulation Check

- As in Study 1, participants indicated on a seven-point Likert-type of scale (where 1 = “not at all” and 7 = “definitely”) the extent to which they consider the booklet of pictures as connoting a ‘high-image’ product presentation style. In addition, this study uses Hagtvedt and Patrick’s (2008a) perceptions of luxury index with a different referent here, which is to assess the VMD environment. Specifically, participants’ impressions of the product presentation manner (VMD) as (i) luxurious, (ii) prestigious, (iii) attractive and (iv) high class were rated using the same four-item measure ($\alpha = 0.964$, PCA loadings = 0.907-0.978, inter-item correlations ≥ 0.770). The same measure later on is used to measure participants’ perceptions of luxury for the handbag on display. This allowed me to provide supplementary evidence of the contagion effect occurring between the display mode and the displayed product/brand.

Dependent Variable

- *Purchase Intentions*: As in Study 1, with minor adjustment in the wording of the items (e.g., “If I were shopping for a handbag, the likelihood I would purchase this brand would be high”, “The probability I would consider buying this brand is high”), the participants’ willingness to purchase the displayed luxury handbag is measured on the same four-item scale ($\alpha = 0.924$, PCA loadings = 0.820-0.936, inter-item correlations ≥ 0.637) adapted from Bian and Forsythe (2012) and Dodds et al. (1991).

Possible Mediators

- *Perceptions of Luxury*: Hagtvedt and Patrick's (2008a) four-item scale is used here to assess participants' perceptions of luxury for the brand on display ($\alpha = 0.924$, PCA loadings = 0.827-0.944, inter-item correlations ≥ 0.628). The same perceptions-of-luxury index has also been used for the same purpose in Study 1.
- *Personal Risk*: Participants' perceived personal risk was measured by 11 items, such as "You think that the brand on display might be a waste of money", "You are worried that, if you buy the brand on display, the esteem your family or friends have for you may drop", "May not fit in well with the concept you have of yourself". The items were adapted from González Mieres et al. (2006) to assess perceived financial, social and psychological risk. The PCA analysis for Study 2, which is presented in Appendix E, proved that (as in Study 1) these three risk dimensions could be aggregated together to form an overall personal risk scale ($\alpha = 0.813$ and the PCA loadings range from 0.776 to 0.922). This higher order personal risk scale was also used in Experiment 1.

New Variables—Possible Moderators

- *CC*: To measure CC, the present study introduces and applies the attitudinal measure of CC, which was constructed in the previous chapter to assess participants' ATCA. The descriptive statistics and the PCA results have been presented and discussed in detail in the scale-development chapter (see Chapter 6). As the employed sample consisted of undergraduate students, the attitudinal (ATCA) rather than the behavioural (PICA) measure (see Chapter 6) was judged to be more appropriate for this study to measure the participants' CC. So, when the models will be tested, the annotation CC will represent ATCA.
- *Fashion Knowledge*: The 3-item bipolar adjective scale (familiar/unfamiliar, informed/uninformed, knowledgeable / unknowledgeable) was employed to measure the participants' domain-specific knowledge in fashion, compared to the average person. This measure ($\alpha = 0.955$, PCA loading = 0.941 to 0.973, inter-item correlations ≥ 0.637)

contains the concept of product class knowledge and has been adapted from Oliver and Bearden (1985) ($\alpha = 0.85$) and Brucks (1985) ($\alpha = 0.91$).

7.3 Section1: Replication of Study 1

This section replicates Study 1 and tests whether the assumption that VMD cues, in particular a museum-like display, can increase consumers' purchase intentions through the increase of perceptions of luxury and the decrease of inferred personal risk for the brand on display, is valid in Study 2. Thus, the analysis begins by testing the manipulation of the study's materials, the main effect of VMD on purchase intentions, the two simple one-step mediation models and the two-step (serial) mediation model with a different and bigger sample of students. Before presenting the results of this analysis, Table 7.2 summarises the descriptive statistics for all the dependent measures used in this study for both the museum-like display (high-image VMD cues) and for the non-museum-like-display (low-image VMD cues) condition.

Table 7.2: Descriptive statistics for the dependent measures between the two experimental conditions

Dependent variables	Low-Image VMD cues, <i>n</i> = 83			High-Image VMD cues, <i>n</i> = 83		
	<i>M</i>	<i>SD</i>	<i>Skew</i>	<i>M</i>	<i>SD</i>	<i>Skew</i>
Manipulation check (VMD)	1.843	1.117	1.404	5.171	1.286	-0.187
Purchase intentions	2.716	1.312	0.313	3.602	1.663	0.511
Perceptions of luxury	2.843	1.321	0.265	4.741	1.324	0.044
Personal risk	3.935	3.935	0.632	3.151	1.190	0.520

Manipulation Check

An independent sample T-test ($H_0: M_{\text{high-image}} = M_{\text{low-image}}$, $H_A: M_{\text{high-image}} \neq M_{\text{low-image}}$) verified that the stimuli used for operationalising the two experimental conditions were appropriate for the sample of 166 female undergraduate students. Indeed, the participants perceived the two product presentations as different and discriminant ($t = -15.674$, $p < 0.001$). More importantly, running a test for each condition separately (one-sample) against the scale's midpoint of 4 (test value = 4), the 83 participants assigned in the high-image 'museum-like display' ($M = 4.99$, $t = 5.807$, $p < 0.001$) and the 83 participants assigned in the low-image 'non-museum-like

display' ($M = 1.73$, $t = -19.055$, $p < .001$) were found to have perceived the VMDs as intended (manipulations check as in Study 1 using a single item).

Moreover, Hagtvedt and Patrick's (2008a) perceptions of luxury index further shows the appropriateness of the visual stimuli in facilitating a 'high-image' VMD and a 'low-image' VMD. Using this additional measure, it is confirmed that the manipulation works effectively as the two independent groups (in the one-sample tests against the scale's midpoint of 4) perceived the museum-like display as a high-image product presentation ($M = 5.17 > 4$, $t = 8.297$, $p < 0.001$) whereas the non-museum-like display was perceived as a low-image product presentation manner ($M = 1.84 < 4$, $t = -17.587$, $p < 0.001$). Both ways of testing the manipulation seem to be valid as the correlation between the Hagvedt and Patrick's (2008a) measure and the one item measure used in Study 1 is very high ($r = 0.852$).

The Effect of VMD on Purchase Intentions

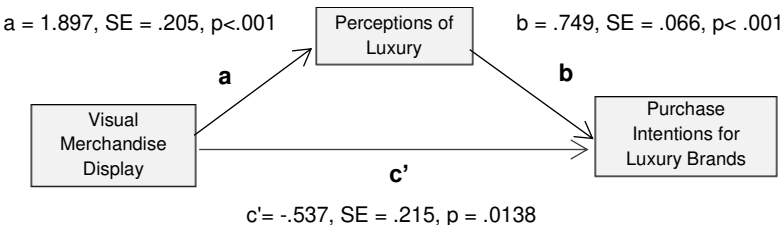
The test of the main (total) effect of VMD on purchase intentions for the luxury brand is replicated in this study. A simple regression analysis (VMD = dummy variable) revealed that participants' willingness to purchase the luxury handbag when it was presented in a museum-like display increases by $\beta = 0.886$ ($t = 3.808$, $p < 0.001$) units, as compared to their intentions to purchase the same handbag when it is presented in a non-museum-like display. These results show, that even with a different sample of female undergraduate students ($n = 166$) the findings remain consistent. This suggests, that a retailer's decision to replace a conventional display (that is, non-museum-like display) with a museum-like display may increase consumers' intentions to buy the displayed product/brand (almost by 0.886 units, $R^2 = 8.1\%$).

Mediation by Perceptions of Luxury

A simple mediation analysis shows once again that VMD cues indirectly influence participants' intention to buy the handbag on display through the VMD's effect on participants' perceptions of luxury. The analysis suggests that VMD can predict the participants' luxury brand perceptions ($F(1,164) = 85.422$, $p < 0.001$, $R^2 = 34.2\%$) and VMD and perceptions of luxury together can explain better the participants' purchase intentions ($F(2,163) = 76.353$, $p < 0.001$, $R^2 = 48.3\%$). Most importantly, Figure 7.2 shows that when the handbag is portrayed in a museum-like display instead of being portrayed in a non-museum-like display, the

perceptions of luxury for the brand increase ($a = 1.897$). In turn, participants with increased perceptions of luxury expressed stronger intention to purchase this new luxury brand of handbags ($b = 0.749$). Indeed, a bias-corrected, bootstrapped, 95% confidence interval for the indirect effect ($ab = 1.422$) based on 10,000 resamples was entirely above zero (1.016 to 1.916), which means that the null hypothesis of no indirect effect ($H_0: ab = 0$) is rejected. Thus, as in Study 1, participants are found to be more willing to purchase the luxury handbag on display when it is portrayed in a museum-like display because, in this case, perceptions of luxury are transferred from the displayed mode to the displayed brand.

Figure 7.2: Mediation by perceptions of luxury: paths and results



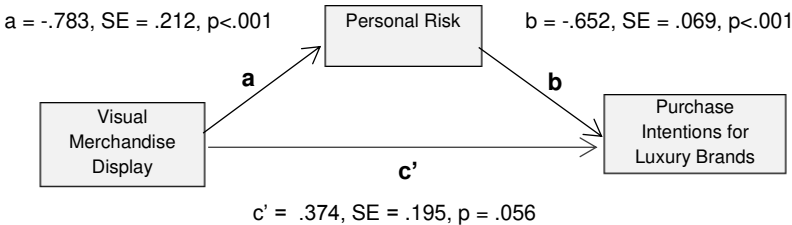
However, the direct effect of the VMD on the participants’ intentions to buy the new luxury brand on display (when controlling for perceptions of luxury) is $c' = -0.537$ ($SE = 0.215$, $p = 0.0138$) and remains significant at a 5% level and has a negative sign, which also happened in Study 1. This is an issue that will be revisited later on.

Mediation by Personal Risk

To confirm the mediational role of personal risk on the impact of VMD on purchase intentions, a second simple mediation analysis is performed. In this analysis, VMD predicted the participants’ perceived personal risk for the brand on display ($F(1,164) = 13.632$, $p < 0.001$, $R^2 = 7.6%$) and VMD and personal risk together, explained better their purchase intentions ($F(2,163) = 55.877$, $p < 0.001$, $R^2 = 40.6%$). Most importantly, as Figure 7.3 presents, the participants indicate that when the handbag is portrayed in a museum-like display, the inferred personal risk for the unknown luxury brand choice decreases by 0.783 units ($a = -0.783$) compared to when the same handbag is portrayed in a non-museum-like display. In turn, participants who perceived less personal risk in this brand choice expressed stronger intention

to purchase this luxury handbag ($b = -0.652$). Indeed, a 95% bias-corrected bootstrap confidence interval for the indirect effect ($ab = 0.511$) based on 10,000 bootstrap samples was entirely above zero (0.224 to 0.844). Moreover, there was no evidence that VMD influences participants' intention to buy independent of its effect on personal risk ($c' = 0.374$, $p = 0.056$). This suggests, in consistency with Study 1, that the participants are more confident to purchase the luxury handbag when it is portrayed in a museum-like display because in this display environment their perceived personal risk for the luxury brand decreases.

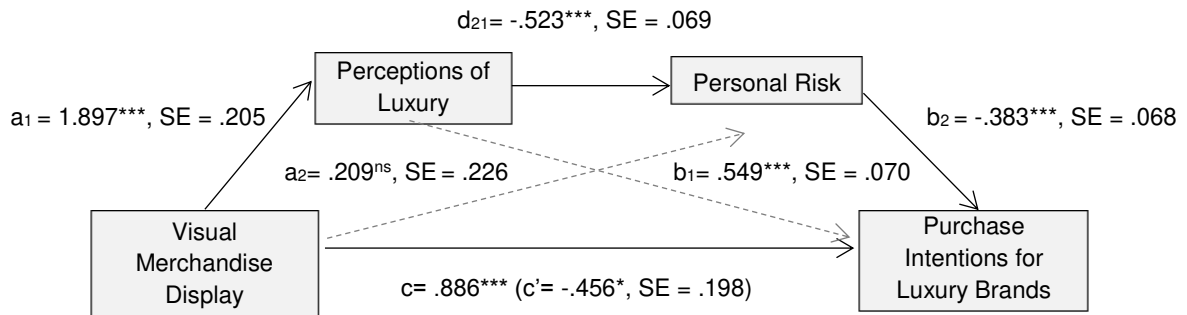
Figure 7.3: Mediation by personal risk: paths and results



Sequential Multiple Mediator Model via Perceptions of Luxury and Personal Risk

One could also assume the existence of a parallel (multiple) mediator model here, where VMD affects indirectly purchase intentions for the luxury brand through its positive influence on perceptions of luxury and its negative influence on personal risk for the brand on display. However, the two possible mediators (perceptions of luxury and personal risk) are correlated even after adjusting (controlling) for VMD (partial coefficient correlation, $r = 0.662$). Thus, a serial multiple mediation analysis suggests that VMD indirectly increases the purchase intentions for the luxury brand via the serially linked mediators of perceptions of luxury and personal risk. Figure 7.4 presents this sequential multiple mediator model in a statistical diagram.

Figure 7.4: A sequential multiple mediator model visualising the influence of VMD on purchase intentions for the luxury brand on display



Note: A two-step mediation using the bootstrap method with 10,000 samples (Hayes 2013). The total indirect effect (0.3807) through perceptions of luxury and personal risk was significant, with a 95% CI of [0.228, 0.602]. Light dashed lines indicate paths that have been tested but do not offer information to the two-step mediation analysis. * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

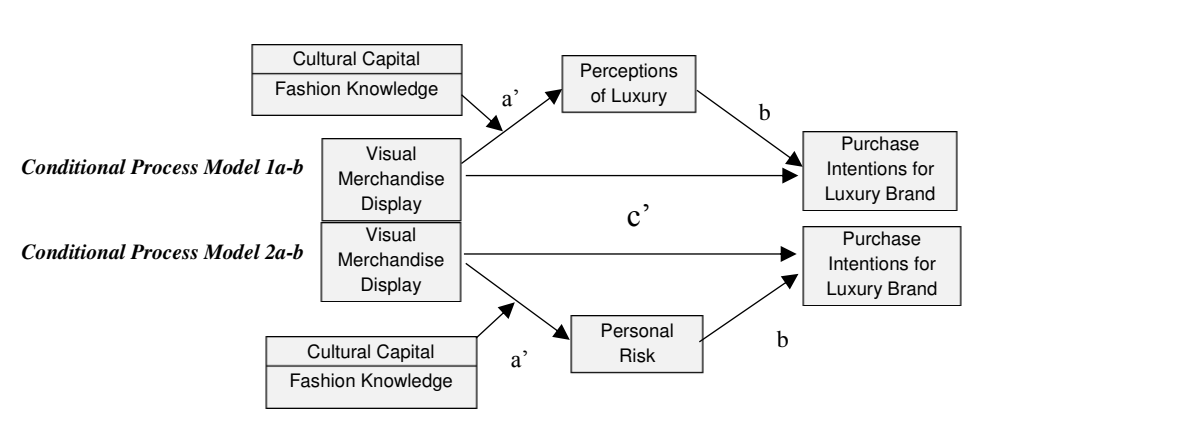
VMD predicted the participants' perceptions of luxury for the brand/product on display ($F(1,164) = 85.422, p < 0.001, R^2 = 34.2\%$). However, VMD and luxury brand perceptions together explain ($F(2,163) = 37.217, p < 0.001$) participants' personal risk ($R^2 = 31.3\%$). Finally, VMD, perceptions of luxury and personal risk together explain the participants' purchase intentions ($F(3, 162) = 70.789, p < 0.001, R^2 = 56.7\%$). In particular, the participants indicated that when the handbag is portrayed in a museum-like display their perceptions of luxury for the luxury brand increase more than when this handbag is portrayed in a non-museum-like display ($a_1 = 1.897$). The participants with increased perceptions of luxury for the brand infer less personal risk for the new luxury brand choice ($d_{21} = -0.523$). In turn, the participants that infer less personal risk for this brand choice expressed a stronger intention to purchase the handbag ($b_2 = -0.383$). Indeed, the bias-corrected bootstrap 95% confidence interval for the indirect effect ($a_1 d_{21} b_2 = 0.3807$) based on 10,000 bootstrap samples was entirely above zero (from 0.228 to 0.602). These results are consistent with the assumptions made in Study 1. While the hypothesised total indirect effect is confirmed also in the present study with a greater sample of 166 participants, I report again the unexpectedly negative direct effect ($c' = -0.456^*$).

The analysis in this section confirms once again hypotheses *H1* to *H4* (see Study 1). This enables Study 2 to bring the analysis a step forward to a conditional process analysis (which may even provide a possible explanation for the negative sign of the direct effect). However, to keep the model simple, instead of introducing interactions (conditional process analysis) in the serial multiple mediator model, I deconstruct this model into two parallel processes (two simple one-step mediation models). Accordingly, the following analysis aims to provide evidence that both mechanisms through which VMD can increase purchase intentions, that is, via its positive effect on perceptions of luxury and, via its negative effect on personal risk, depend positively on consumer’s level of CC rather than on their level of fashion knowledge.

7.4 Section 2: Conditional Process Analysis

The investigation at this stage seeks to determine whether consumers’ level of CC, as opposed to their level of fashion knowledge, affects the size of the positive effect of VMD on purchase intentions via a moderated mediation process. Hypotheses *H5_{a-b}* and *H6_{a-b}* (contingent effects) are tested through a conditional process analysis, which pieces together mediation (described in the previous section) and moderation into a single integrated analytical model. Figure 7.5 schematically conceptualises the analytical strategy which, by following Hayes’s (2013) approach, will build and test the four conditional process models.

Figure 7.5: Conceptual diagram: a parallel representation of the one-step conditional models



The conditional effect of each moderating variable (CC and fashion knowledge) on the two processes through which VMD affects purchase intentions are calculated and the moderating roles of CC and fashion knowledge are compared.

Conditional Process Model 1a

Hypothesis *H5a* is tested in the *conditional process model 1a*. In this model, the strength of the indirect positive impact of VMD on purchase intentions via the enhancement of perceptions of luxury depends on consumers' CC. Accordingly, path *a* in the previously examined simple mediation model (see Figure 7.2) is now moderated by CC. To ease interpretation of the results, CC is mean-centred (deducting from the initial values the mean value of the variable, $M = 5.058$, $SD = 1.244$). Thus, the interpretation of the results will have as a reference point the individuals with the average CC rather than those with $CC = 0$. This is important as the bounds for the CC scale were set in the study to take on values between 1 and 7. Therefore, having as a reference point, people with $CC = 0$, or even those closer to the scale's minimum bound, would bear little empirical relevance.

The regression coefficients for VMD and CC in the model of perceptions of luxury (PL) now constitute conditional effects. Accordingly, and as Table 7.3 illustrates, a_1 estimates the effect of VMD on perceptions of luxury for individuals with average CC. This effect is positive and statistically different from zero ($a_1 = 1.878$, $p < 0.001$). So, among participants with average level of CC, the difference in their perceptions of luxury for the brand of the handbag on display increases by 1.878 units when the handbag is portrayed in a museum-like display (i.e., among high-image VMD cues) than when the same product is portrayed in a non-museum-like display (i.e., among low-image VMD cues). The regression coefficient a_2 also estimates a conditional effect. It estimates the effect of CC on perceptions of luxury among those assigned to the non-museum-like display (i.e., low-image VMD cues = 0). For participants assigned in the non-museum-like display condition: when the level of their CC increases by one unit, their perceptions of luxury decrease by 0.473 units ($a_2 = -0.473$). More importantly, the moderation of the path *a* (VMD→PL) is evidenced here by the statistically significant interaction between VMD and CC in the model of perceptions of luxury ($a_3 = 1.085$, $p < 0.001$). Thus, coefficient a_3 is important because in this model it represents the two-way interaction. It also tells us that there is moderation and that the strength of the effect of VMD on perceptions of luxury depends on CC. Specifically, the regression coefficients of the product of VMD and CC (a_3) quantifies how the effect of VMD on perceptions of luxury changes as CC increases by one unit. Thus, as CC increases by one unit, the difference in perceptions of luxury between those in the museum-like and in the non-museum-like display condition increases by 1.085 units.

Table 7.3: Model coefficients for the conditional process model 1a

Antecedent		Consequent						
		Mediator (PL)			(Y) Purchase Intention			
		<i>Coeff.</i>	<i>SE</i>	<i>p</i>	<i>Coeff.</i>	<i>SE</i>	<i>p</i>	
<i>VMD</i>	<i>a</i> ₁	1.878	.180	.001	<i>c'</i>	-.537	.215	.013
<i>PL</i>		-	-	-	<i>b</i>	.749	.066	.001
<i>CC</i>	<i>a</i> ₂	-.473	.092	.001		-	-	-
<i>VMD x CC</i>	<i>a</i> ₃	1.085	.150	.001		-	-	-
<i>Constant</i>	<i>i</i>	2.777	.127	.001	<i>i</i>	.585	.225	.010
R ² = 0.504				R ² = 0.483				
F(3,162) = 55.058, <i>p</i> < 0.001				F(2,163) = 76.353, <i>p</i> < 0.001				

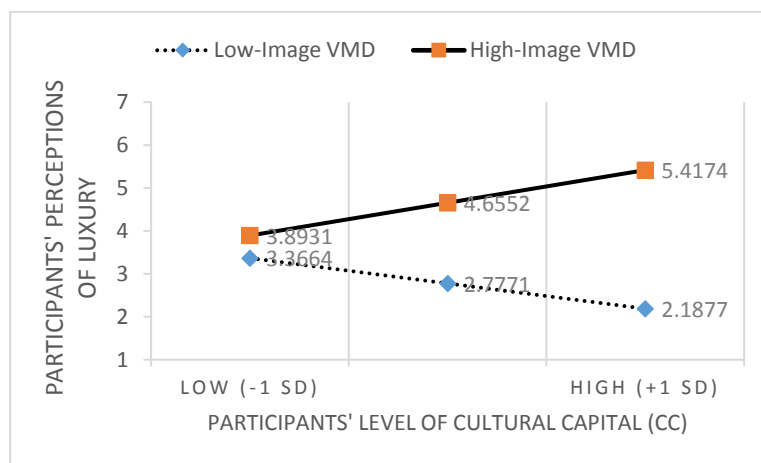
Although Table 7.3 summarises the necessary evidence to build the conditional process model, it does not show where in the distribution of CC, VMD has or does not have an effect on purchase intentions that is different from zero (i.e., it does not provide information for the magnitude of the discrepancy in purchase intentions between the two conditions). However, marketing managers, for instance, would be interested to know how the strength of the effect (of VMD on purchase intentions) varies according to CC. Thus, it is a common practice among researchers to run an additional inferential test, which is commonly known as ‘probing’ an interaction (see Hayes, 2013). This procedure involves three general steps: (1) selecting a value(s) of the moderator (CC), (2) calculating the conditional effect of VMD on purchase intentions via perceptions of luxury at the selected values of CC, and (3) calculating an inferential test or generating a CI to show for which values of CC there is an indirect effect of VMD on purchase intentions, that is different from zero.

The present study follows Aiken and West’s (1991) approach to visualising and probing an interaction, which is also known as simple slopes or spotlight analysis. Given that this approach is appropriate when the moderator is a quantitative/continuous variable, the conditional effect of VMD on purchase intentions via perceptions of luxury is estimated when CC is equal to the mean, one standard deviation below the mean and one standard deviation above the mean. This allows us to ascertain whether VMD is related to purchase intentions among those with ‘relatively low’ (Mean-1SD), ‘moderate’ (Mean), and ‘relatively high’ (Mean + 1SD) CC. With this information, I will be able to visualise the interaction (i.e., provide useful ‘descriptive’ insights) and also run simple slopes tests to determine under what conditions

(values of CC) the VMD-purchase intention relationship is statistically significant (i.e., provide ‘inferential’ p-values insights). This two-step follow up procedure is described below.

Figure 7.6 provides a visual representation of the conditional effect of VMD on perceptions of luxury among those individuals who are relatively low ($CC = -1.244$), moderate ($CC = 0$) and relatively high ($CC = +1.244$) in CC. Among those with average CC, perceptions of luxury, when the handbag was displayed among high-image VMD cues (museum-like display), were 1.878 units higher than when the same handbag was displayed among low-image VMD cues (non-museum-like display). Here, a' denotes the size of the gap (the vertical difference) between the two lines. This difference (a') between the two VMD conditions, as can be seen in Figure 7.6, gets even larger as the participant level of CC increases. For those with high CC, this difference increases to 3.232 units. However, for participants with low CC this difference becomes much smaller ($a' = 0.527$), to a degree that perceptions of luxury are almost the same between the two VMD environments.

Figure 7.6: A visual representation of the moderation of the effect of VMD on the participants’ perceptions of luxury as a function of CC



The moderation of path in this model does not change the fact that the indirect effect of VMD on purchase intentions through perceptions of luxury is still a product of two paths of influence ($a \times b$) (see Hayes, 2013). What changes is that the indirect effect ($a' \times b$), rather than being the product of $a \times b$, is now a product involving one function [$a' = (a_1 + a_3 \text{ CC}) b$]. This also makes the indirect effect a function of the CC, which influences the size of the effect in this causal-type system. Thus, in this moderated mediation model, although path b (PL \rightarrow PI =

0.749) is unconditional (i.e., the relationship between perceptions of luxury and purchase intentions does not depend on CC), the total indirect effect of VMD will also be conditional on CC. Therefore, the next step of the analysis, following Aikin and West (1991), is the estimation of the conditional indirect effect for the three values of CC along with an inferential test at those values to determine if the slope was statistically different from zero at that point.

As Table 7.4 illustrates, the conditional indirect effect ($a' \times b$) of VMD on purchase intentions is positive for all values of CC and increases as participants' level of CC increases. However, among those with low CC, the conditional indirect effect is not statistically different from zero (based on a 95% bootstrap confidence interval). The results confirm hypothesis *H5a*, according to which the indirect positive influence of VMD on purchase intentions through the increase of perceptions of luxury for the brand depends positively and linearly on consumers' level of CC. However, the hypothesised transfer of perceptions of luxury from a museum-like display to the product on display was found to occur only for those participants who had higher or at least moderate (i.e., average) CC. Only these people's luxury perceptions and, in turn, their purchase intentions for a luxury handbag were found to be substantially affected (increased) by the VMD cues used in the brand's representation. In contrast, for participants with lower CC, a museum-like display did not have a substantial effect on their luxury perceptions about the brand and, therefore, their intentions to buy were not largely affected by the VMD environment. This finding may constitute the first evidence that contagion theory (rather than inference theory) explains the effect of VMD on consumers' brand perceptions and purchase intentions whereby an 'art infusion effect' can be subject to the observer's 'eye' or 'style of processing'. The investigation of this finding is the focus of the exploration in Study 3. The present study does not theorise and, thus, does not test the moderation of the direct effect (c') of VMD on purchase intentions (when controlling for perceptions of luxury and CC). Nevertheless, the direct effect ($c' = -0.537, p = 0.013$) could also depend on CC and this could provide a possible explanation of its negative sign.

Table 7.4: Model coefficients for the conditional indirect effect of VMD on purchase intentions through perceptions of luxury for various values of CC

CC	Indirect Effect			
	$a' = a_1 + a_3 \text{ CC}$	b	$\omega = a' \times b$	95% Bias-Corrected Bootstrap CI
Low (-1.244)	0.527	0.749	0.394	-0.0173 to 0.8172
Moderate (0.000)	1.878	0.749	1.408	1.0691 to 1.8070
High (1.244)	3.232	0.749	2.421	1.7383 to 3.0749

To summarise, participants with higher CC were found to have transferred more perceptions of luxury from the museum-like display to the product on display. The findings suggest that, for consumers with higher CC, perceptions of luxury and, therefore, purchase intentions for a product on display can be substantially affected (increased) by the VMD cues. However, is this assumption valid when CC is replaced with fashion knowledge?

Conditional Process Model 1b

This section replicates the preceding analysis by replacing CC with fashion knowledge in the *conditional process model 1b* and tests hypothesis *H5b*. This model tests whether the strength of the indirect positive impact of VMD on purchase intentions through the enhancement of perceptions of luxury depends (negatively) on the participant’s cultural knowledge in fashion. Accordingly, path *a* of the simple mediation model (see Figure 7.2) is tested to see if it is moderated by fashion knowledge. To ease interpretation, the fashion knowledge variable is also mean-centred.

The regression coefficients for VMD and fashion knowledge in the model of PL constitute conditional effects. Accordingly, in Table 7.5, a_1 estimates the effect of VMD on perceptions of luxury for individuals with average fashion knowledge. This effect is positive and statistically different from zero ($a_1 = 1.901$, $p < 0.001$). So, among participants’ with average fashion knowledge the difference in perceptions of luxury increases by 1.901 units when the product is portrayed in a museum-like display than when it is portrayed in a non-museum-like display. However, for participants assigned to the non-museum-like display condition, when the level of their fashion knowledge increases by one unit, their perceptions of luxury slightly increase by $a_2 = 0.174$ units. More importantly, the regression coefficient of the VMD and

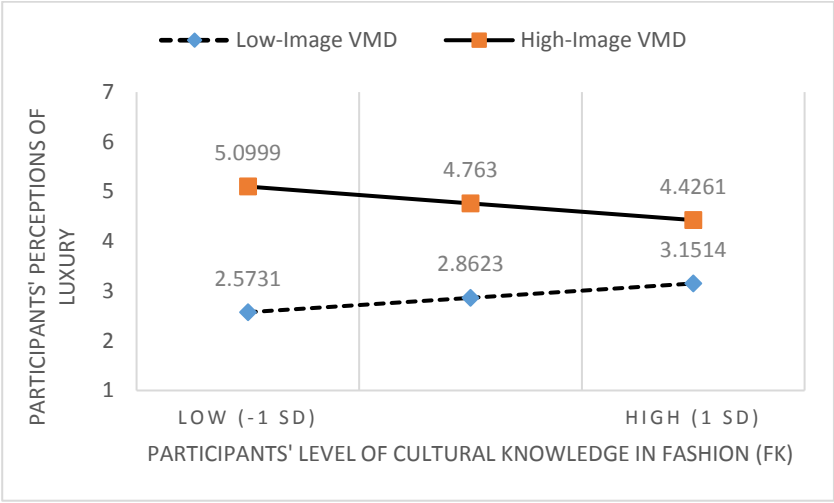
fashion knowledge (two-way) interaction is statistically significant ($a_3 = -0.377$, $p < 0.01$), which suggests that the path a (VMD→PL) is also moderated by fashion knowledge. However, in this case, when the level of fashion knowledge increases by one unit, the difference in perceptions of luxury between those in the museum-like display and those in the non-museum-like display condition decreases by 0.377 units. This shows that as the participant’s fashion knowledge increases, they appear to be less able to transfer perception of luxury from the VMD to the brand on display.

Table 7.5: Model coefficients for the conditional process model 1b

Antecedent		Consequent						
		Moderator (PL)			(Y) Purchase Intention			
		<i>Coeff.</i>	<i>SE</i>	<i>p</i>	<i>Coeff.</i>	<i>SE</i>	<i>p</i>	
<i>VMD</i>	a_1	1.901	.201	.001	c'	-.537	.215	.013
<i>PL</i>		-	-	-	b	.749	.066	.001
<i>FK</i>	a_2	.174	.086	.044		-	-	-
<i>VMD x FK</i>	a_3	-.377	.121	.002		-	-	-
<i>Constant</i>	i	2.862	.142	.001	i	.585	.225	.010
$R^2 = 0.379$				$R^2 = 0.483$				
$F(3,162) = 33.038, p < 0.001$				$F(2,163) = 76.353, p < 0.001$				

To provide further insights about the magnitude of the discrepancy in perceptions of luxury and purchase intentions between the two conditions, I follow Aiken and West’s (1991) approach and first estimate the conditional effect of VMD on purchase intentions through perceptions of luxury when fashion knowledge is equal to the mean, one standard deviation (SD = 1.657) below the mean (i.e., low) and one standard deviation above the mean (i.e., high), as shown in Figure 7.7.

Figure 7.7: A visual representation of the moderation of the effect of VMD on participants' perceptions of luxury as a function of fashion knowledge



Indeed, among those with average fashion knowledge, the perceptions of luxury when the handbag was displayed in a museum-like display were 1.901 units higher than when it was displayed in a non-museum-like display. However, the difference in luxury perceptions (a' between the two VMD conditions) gets smaller as the participants' fashion knowledge increases. In particular, for participants with high fashion knowledge this difference is $a' = 1.275$, while for participants with low fashion knowledge, the difference in perceptions of luxury among the two VMD conditions is larger ($a' = 2.526$).

In this moderated mediation model, although path b ($PL \rightarrow PI = 0.749$) is unconditional (i.e., the relationship between perceptions of luxury and purchase intentions does not depend on fashion knowledge), the total indirect effect of VMD on purchase intentions is also conditional on fashion knowledge. Therefore, the conditional indirect effect for the three values of fashion knowledge is also estimated, along with an inferential test at those values. As Table 7.6 illustrates, the conditional indirect effect ($a' \times b$) of VMD on purchase intentions is positive for all values of fashion knowledge but decreases as participants' fashion knowledge increases and it is statistically significant (based on a 95% bootstrap CI) no matter the participant's level of fashion knowledge. This suggests that VMD cues can increase purchase intention through increasing perceptions of luxury; however, this positive influence is decreasing as consumers' fashion knowledge increases.

Table 7.6: Model coefficients for the conditional indirect effect of VMD on purchase intentions through perceptions of luxury for various values of an individual’s fashion knowledge

Fashion Knowledge	Indirect Effect			
	$a' = a_1 + a_3 FK$	b	$\omega = a' \times b$	95% Bias-Corrected Bootstrap CI
Low (-1.657)	2.526	0.749	1.894	1.2782 to 2.5745
Moderate (0.000)	1.901	0.749	1.425	1.0318 to 1.8933
High (1.658)	1.275	0.749	0.955	0.5398 to 1.4552

The results thereby confirm hypothesis *H5b* because it is proven that the indirect positive influence of VMD on the purchase intentions through the increase of perceptions of luxury for the brand depends negatively and linearly on consumers’ level of fashion knowledge. Although this study does not hypothesise that fashion knowledge moderates the direct effect (c') of VMD on purchase intentions, this may possibly be the case and this would explain the negative sign ($c' = -0.537$, $p = 0.013$) of the direct effect. In any case, the findings suggest that for the consumers with higher fashion knowledge, the transfer of perception of luxury between the museum-like display and the product on display is getting harder. Therefore, the positive effect of the VMD cues on purchase intentions for luxury brands gets smaller for the consumers with high fashion knowledge.

Conditional Process Model 2a

Hypothesis *H6a* will be tested in *conditional process model 2a*. This model investigates the conditional nature of a parallel to the previous models process, where VMD affects purchase intentions not through the increase in perceptions of luxury but via the decrease in personal risk. According to *H6a*, the strength of this indirect positive impact depends on CC. The path a in the simple mediation model presented in Section 1 (see Figure 7.3) is now moderated by CC (which is appropriately mean-centred).

The regression coefficients for VMD and CC in the model of personal risk (PR) constitute now conditional effects. Accordingly, and as Table 7.7 illustrates, a_1 estimates the effect of VMD on personal risk for individuals with average CC. This effect is negative and statistically different from zero ($a_1 = -0.783$, $p < 0.001$). So, among participants with average CC, the

difference in their inferred personal risk for the luxury handbag decreases by 0.783 units when the handbag is portrayed in a museum-like display compared to when the same handbag is portrayed in a non-museum-like display. The regression coefficient a_2 shows that for participants assigned in the low-image condition ($VMD = 0$) when the level of their CC increases by one unit, their personal risk increases by 0.530 units. Most importantly, the path a ($VMD \rightarrow PR$) in this model is moderated by CC, which is evidenced by the statistically significant interaction between VMD and CC ($a_3 = -1.059$, $p < 0.001$). This suggests that as CC increases by one unit, the difference in perceived personal risk between those in the museum-like display condition compared to those in the non-museum-like display condition decreases by 1.059 units. This might suggest also that consumers with high CC might rely more heavily on VMD cues when making inferences about the personal risk of luxury brand choice.

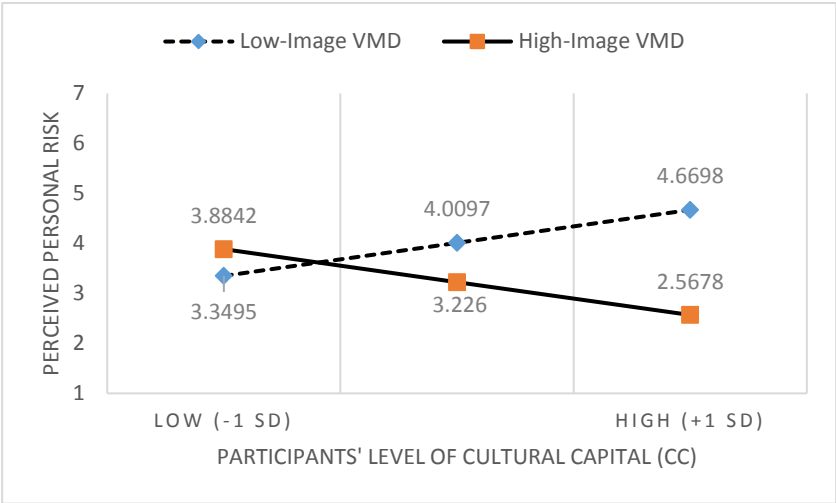
Table 7.7: Model coefficients for the conditional process model 2a

Antecedent		Consequent						
		Moderator (PR)			(Y) Purchase Intention			
		<i>Coeff.</i>	<i>SE</i>	<i>p</i>	<i>Coeff.</i>	<i>SE</i>	<i>p</i>	
<i>VMD</i>	a_1	-.783	.188	.001	c'	.374	.195	.056
<i>PR</i>		-	-	-	b	-.652	.069	.001
<i>CC</i>	a_2	.530	.096	.001		-	-	-
<i>VMD x CC</i>	a_3	-1.059	.156	.001		-	-	-
<i>Constant</i>	i	4.009	.133	.001	i	5.284	.302	.001
		R ² = 0.290			R ² = 0.406			
		F(3,162) = 22.072, $p < 0.001$			F(2,163) = 55.877, $p < 0.001$			

Table 7.7 summarises the necessary evidence in building the conditional process model 2a. However, to provide further insights about the magnitude of the discrepancy in personal risk and purchase intentions between the two conditions, I follow Aiken and West's (1991) approach (probing an interaction) and estimate first the conditional effect of VMD on purchase intentions via personal risk when CC is equal to the mean, one standard deviation below the mean and one standard deviation above the mean. Accordingly, Figure 7.8 constitutes a visual representation of the conditional effect of VMD on personal risk for those individuals who are relatively low ($CC = -1.244$), moderate ($CC = 0$) and relatively high ($CC = +1.244$) in CC. Among those with average CC, the inferred personal risk when the handbag was displayed in a museum-like display (among high-image VMD cues) was 0.783 units lower than when it was displayed in a non-museum-like display (among low-image VMD cues). This decrease (a')

between the two VMD conditions becomes even larger as the participants' level of CC increases. For those with high CC, this difference (the decrease) significantly increases ($a' = -2.102$). However, for participants with low CC, this decrease becomes initially small ($a' = 0.534$), to such a degree that perceived personal risk is similar in both VMD conditions, and then stops existing.

Figure 7.8: A visual representation of the moderation of the effect of VMD on personal risk as a function of CC



Given that path a (i.e., VMD \rightarrow PR) is moderated by CC and, although path b (PR \rightarrow PI = 0.749) remains unconditional (i.e., the relationship between personal risk and purchase intentions does not depend on CC), the total indirect effect of VMD will also be conditional on CC. Table 7.8 illustrates the conditional indirect effect ($a' \times b$) of VMD on purchase intentions. For people with average and above average CC, the indirect effect of VMD on purchase intentions through personal risk is positive and increases as CC increases. However, among those with low CC, the conditional indirect effect is negative and is not statistically significant. Accordingly, based on a 95% bootstrap confidence interval, for participants with low CC, the effect of VMD on their purchase intentions via its effect on personal risk had no difference between the two VMD conditions; that is, for museum-like display and non-museum-like display. In this model, there is also no evidence that VMD influences purchase intentions independently of its effect on personal risk ($c' = 0.374$, $p = 0.056$).

Table 7.8: Model coefficients for the conditional indirect effect of VMD on purchase intentions through personal risk for various values of an individual’s CC

CC	Indirect Effect			
	$a' = a1 + a3 \text{ CC}$	b	$\omega = a' \times b$	95% Bias-Corrected Bootstrap CI
Low (-1.244)	0.534	-0.652	-0.348	-0.8078 to 0.0339
Moderate (0.000)	-0.783	-0.652	0.511	0.2629 to 0.8069
High (1.244)	-2.102	-0.652	1.371	0.8779 to 1.8902

The results confirm Hypothesis *H6a*, according to which the indirect positive influence of VMD on the purchase intentions through the decrease of personal risk for the brand depends positively and linearly on consumers’ CC. However, this condition is valid for people that possess at least an average level of CC. For individuals who are lower in CC, VMD does not constitute a sufficient condition/element which could dramatically change their inferred personal risk for the product and its brand on display.

To summarise, the findings suggest that consumers with higher CC may perceive and infer less personal risk about a product on display when this product is presented among high-image VMD cues (i.e., in a museum-like versus a non-museum-like display). In this case, and for these consumers, the product purchase intentions are also expected to increase. However, for consumers with lower CC, a museum-like display does not have a substantial effect on the inferences they make about the personal risk of the (luxury) brand/product on display and thus those people’s intentions to buy are not expected to be largely affected by the VMD environment. Finally, the next section tests whether this conclusion remains valid when CC is replaced with fashion knowledge.

Conditional Process Model 2b

The analysis is replicated one more time, this time replacing CC with fashion knowledge in *conditional process model 2b* to test *H6b*. This model tests whether the strength of the indirect positive impact of VMD on purchase intentions for a new luxury brand through the reduction of personal risk depends on the participants’ cultural knowledge in fashion. Accordingly, the path *a* (see Figure 7.3) is tested to uncover moderation by fashion knowledge (which is also mean-centred here).

The regression coefficients for VMD and fashion knowledge in the model of PR constitute conditional effects. As Table 7.9 illustrates, a_1 estimates the effect of VMD on personal risk for individuals with average fashion knowledge. This effect is still negative and statistically significant ($a_1 = -0.766$, $p < 0.001$). So, among participants' with average fashion knowledge, the difference in their perceived personal risk for the luxury brand decreases by 0.766 units when the handbag is portrayed in a museum-like display than when it is portrayed in a non-museum-like display. However, for the participants assigned in the low-image VMD condition, when the level of their fashion knowledge increases by one unit, their perceived personal risk slightly decreases by 0.321 units ($a_2 = -0.321$). More importantly, the path a (VMD→PR) is also moderated by fashion knowledge which is evidenced by the statistically significant interaction between VMD and fashion knowledge ($a_3 = 0.477$, $p < 0.001$). This means that as fashion knowledge increases by one unit, the difference in perceived personal risk between those in the high VMD condition as compared to those in low VMD condition increases by 0.477units.

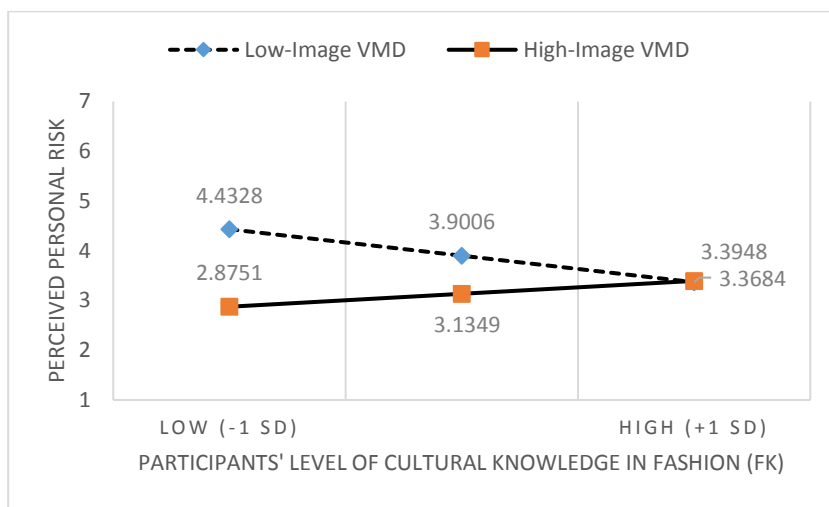
Table 7.9: Model coefficients for the conditional process model 2b

Antecedent		Consequent						
		Moderator (PR)			(Y) Purchase Intention			
		Coeff.	SE	p	Coeff.	SE	P	
VMD	a_1	-.766	.203	.001	c'	.374	.195	.056
PR		-	-	-	b	-.652	.069	.001
FK	a_2	-.321	.087	.001		-	-	-
VMD x FK	a_3	.477	.123	.001		-	-	-
Constant	i	3.900	.144	.001	i	5.284	.302	.001
		R ² = 0.163			R ² = 0.406			
		F(3,162) = 10.563, $p < 0.001$			F(2,163) = 55.877, $p < 0.001$			

Again, following Aiken and West (1991), I estimate the conditional effect of VMD on purchase intentions via personal risk when fashion knowledge is 'relatively low' ($FK = -1.657$), 'moderate' ($FK = 0$), and 'relatively high' ($FK = 1.657$). Figure 7.9 illustrates that among those with an average fashion knowledge, inferred personal risk when the handbag is displayed in a museum-like display was 0.766 units lower than when the same handbag was displayed in a non-museum-like display. This decrease in personal risk (a') between the two VMD conditions gets larger as participants' fashion knowledge decreases. For those participants who are low in

fashion knowledge, this decrease increases ($a' = -1.558$). However, for participants with high fashion knowledge, this decrease stops existing as perceived personal risk turns out to be even slightly higher for those assigned to a high-image VMD condition ($a' = 0.026$). This may suggest that consumers with higher fashion knowledge may rely less heavily on VMD cues to make inference about the personal risk of a luxury brand choice.

Figure 7.9: A visual representation of the moderation of the effect of VMD on personal risk as a function of fashion knowledge



With evidence that path a (i.e., VMD \rightarrow PR) is also moderated by fashion knowledge and path b (PR \rightarrow PI = -0.652) is unconditional (i.e., the relationship between personal risk and purchase intentions does not depend on fashion knowledge), the total indirect effect of VMD on purchase intentions will also be conditional on fashion knowledge. Table 7.10 illustrates this conditional indirect effect ($a' \times b$). For people with average and below average fashion knowledge, the indirect effect of VMD on purchase intentions through personal risk is positive and increases as fashion knowledge decreases. However, when fashion knowledge gets relatively high the total conditional indirect effect becomes negative and not statistically different from zero based on a 95% bootstrap CI. In this model, there is no evidence that VMD can directly influence purchase intentions ($c' = 0.374$, $p = 0.056$). So, VMD cues are found to be capable of increasing the participant's purchase intentions for a product on display by decreasing the perceived personal risk arising from this choice, but this effect is found to rely on the participants' fashion knowledge.

Table 7.10: Model coefficients for the conditional indirect effect of VMD on purchase intentions through personal risk for various values of an individual’s fashion knowledge

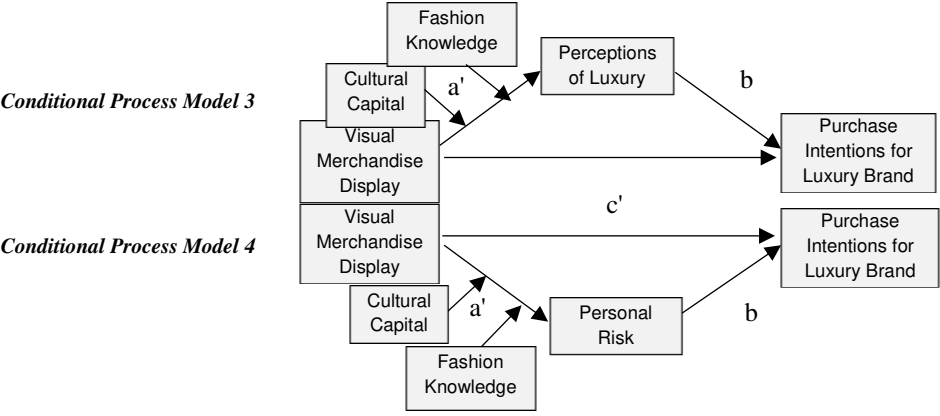
Fashion Knowledge	Indirect Effect			
	$a' = a1 + a3 FK$	b	$\omega = a' \times b$	95% Bias-Corrected Bootstrap CI
Low (-1.657)	-1.558	-0.652	1.0162	0.5613 to 1.5381
Moderate (0.000)	-0.765	-0.652	0.499	0.2358 to 0.8254
High (1.658)	0.0264	-0.652	-.0172	-0.3983 to 0.3809

These results confirm Hypothesis *H6b* because they show that the indirect positive influence of VMD on the purchase intentions through the decrease of personal risk for the unknown brand choice depends negatively and linearly on consumers’ fashion knowledge. However, these findings are only valid for people with average or below average fashion knowledge. In particular, when the participants’ fashion knowledge was relatively high, then there was no difference in the effect of VMD on purchase intentions though personal risk between the two VMD environments; that is, museum-like display and non-museum-like display.

7.5 Section 3: Multiple Additive Moderation Analysis

The two moderating variables CC and fashion knowledge are moderately correlated ($r = -0.298$). Moreover, as shown previously, both moderate (in separate moderated mediation models) the indirect effect of VMD on purchase intentions for luxury brands through either perceptions of luxury or personal risk. Therefore, I run a multiple additive moderation analysis (i.e., a multiple regression model with three predictor variables: VMD, CC and fashion knowledge) with both potential moderators (CC and fashion knowledge) included into the same model in order to avoid omitted variable bias and most importantly to test whether fashion knowledge and CC overlap to an extent that the replacement of CC with fashion knowledge by prior studies in marketing is justifiable. Figure 7.10 visually describes the conceptual models to be tested.

Figure 7.10: Conceptual diagram: A parallel representation of the one-step conditional models moderated by CC and fashion knowledge



Conditional Process Model 3— With Two Moderators

As both the moderating effects of CC and fashion knowledge, when entered separately in the model(s) of the indirect effect of VMD on purchase intentions, were significant, the present section introduces the two moderators (CC and fashion knowledge) together into the same model. Accordingly, the conditional process analysis is replicated placing CC and fashion knowledge in the *conditional process model 3* that tests *H7*. The aim here is to test whether the strength of the indirect positive impact of VMD on purchase intentions through the enhancement of perceptions of luxury depends on participant’s level of CC and/or knowledge in fashion. Accordingly, the path *a* of the simple mediation model (see Figure 7.2) is tested to uncover moderation by both CC and fashion knowledge. Both CC and fashion knowledge are mean-centred.

In this model of multiple moderators, the regression coefficients a_1 , a_2 and a_3 constitute conditional effects. As Table 7.11 illustrates, a_1 estimates the effect of VMD on perceptions of luxury for the participants with both average CC and fashion knowledge. This effect is positive and statistically significant ($a_1 = 1.887, p < 0.001$). This suggests that among participants’ with average CC and fashion knowledge, perceptions of luxury for the brand increase by 1.887 units when the handbag is portrayed in a museum-like display than when it is portrayed in a non-museum-like display. Further, a_2 estimates the conditional effect of CC on perceptions of luxury among those assigned to low-image VMD condition (VMD = 0) and holding fashion

knowledge constant, while a_3 estimates the conditional effect of fashion knowledge on perceptions of luxury among those assigned to the same condition (VMD = 0) but holding CC constant. Accordingly, among participants assigned to the low-image VMD condition (non-museum-like display), perceptions of luxury decrease by $a_2 = -0.454$ units as the level of CC increases by one unit (holding fashion knowledge constant). But, no statistically significant difference (as $a_3 = 0.046$, $p = 0.571$) was identified in participants' perceptions of luxury in the low-image VMD condition (non-museum-like display) when the level of fashion knowledge was increasing by one unit (keeping CC constant/average).

More importantly, the path a (VMD→PL) in this conditional process model is found to be moderated by CC which is evidenced by the statistically significant interaction between VMD and CC in the model of PL ($a_4 = 1.024$, $p < 0.001$). This indicates that holding fashion knowledge constant, as the level of CC increases by one unit, the difference of perceptions of luxury between those in high and low VMD condition (museum-like versus non-museum-like-display) increases by 1.024 units. However, as Table 7.11 illustrates, putting the two moderators together into the same conditional process model, the moderating effect of fashion knowledge on path a turns insignificant ($a_5 = -0.147$, $p = 0.199$). So, what determines the strength of the indirect influence of VMD on purchase intentions through its effect on perceptions of luxury seems to be the consumers' level of CC rather than their fashion knowledge.

Table 7.11: Model coefficients for the conditional process model 3

Antecedent		Consequent						
		Moderator (PL)			(Y) Purchase Intention			
		Coeff.	SE	p	Coeff.	SE	p	
VMD	a_1	1.887	.181	.001	c'	-.537	.215	.013
PL		-	-	-	b	.749	.066	.001
CC	a_2	-.454	.097	.001		-	-	-
FK	a_3	.046	.081	.571		-	-	-
VMD x CC	a_4	1.024	.157	.001		-	-	-
VMD x FK	a_5	-.147	.114	.199		-	-	-
Constant	i	2.784	.128	.001	i	.585	.225	.010
$R^2 = 0.510$				$R^2 = 0.483$				
$F(5,160) = 33.401, p < 0.001$				$F(2,163) = 76.353, p < 0.001$				

Given that the path b (i.e., $PL \rightarrow PI = 0.749$) of the total indirect effect ($VMD \rightarrow PL \rightarrow PI$) is unconditional (i.e., the relationship between perceptions of luxury and purchase intentions does not depend either on CC or fashion knowledge), it is concluded that the total indirect effect of VMD will be conditional on CC and not on fashion knowledge. Therefore, $H7$ is confirmed. By omitting the moderating variable of fashion knowledge from the conditional process model, the visual representation of the conditional effect of VMD on perceptions of luxury as a function of different values of CC (low = -1.244, moderate = 0.000, high = 1.244) will be identical to that presented in Figure 7.6 and the inferential tests will be identical to those presented in Table 7.4.

Conditional Process Model 4— With Two Moderators

The *conditional process model 4* tests this study's final hypothesis, $H8$. In particular, it tests whether the strength of the indirect positive impact of VMD on purchase intentions through the reduction of personal risk depends on participant's level of CC and not on their fashion knowledge. Accordingly, path a of the simple mediation model (see Figure 7.3) is tested to determine if it is moderated by CC and fashion knowledge (suitably mean-centred).

In this model, the regression coefficients a_1 , a_2 and a_3 constitute conditional effects. As Table 7.12 illustrates, a_1 is negative and statistically significant ($a_1 = -0.763$, $p < 0.001$). This means that, among participants' with average CC and fashion knowledge, perceived personal risk for the brand decreases by 0.763 units when the handbag is portrayed in a museum-like display than when it is portrayed in a non-museum-like display. The regression coefficient a_2 estimates the conditional effect of CC on personal risk among those participants assigned to the low-image condition ($VMD = 0$) and holding fashion knowledge constant, while a_3 estimates the conditional effect of fashion knowledge on personal risk among those participants assigned to the same condition ($VMD = 0$) but holding CC constant. Accordingly, for participants assigned to the low-image VMD condition, perceived personal risk increases by $a_2 = 0.452$ units as CC increases by one unit (holding fashion knowledge constant) but decreases by $a_3 = -0.193$ units as fashion knowledge increases by one unit (holding CC constant).

More importantly, the path a ($VMD \rightarrow PR$) in this model is found to be moderated by CC. This is evidenced by the statistically significant interaction between VMD and CC in the model of

PR ($a_4 = -0.952$, $p < 0.001$). This indicates that holding fashion knowledge constant (at the average value), as the level of CC increases by one unit, personal risk for those in high VMD condition (museum-like display) as compared to those in the low VMD condition (non-museum-like display) decreases by 0.952 units. Path a is also moderated by fashion knowledge ($a_5 = 0.260$, $p = 0.028$). But, holding CC constant, as the level of fashion knowledge increases by one unit, personal risk for those in high VMD condition as compared to those in the low VMD condition slightly increases. With evidences that path a (i.e., VMD \rightarrow PR) is moderated by both CC and fashion knowledge and path b (PR \rightarrow PI = -0.652) is unconditional, the total indirect effect of VMD will also be conditional on CC and fashion knowledge.

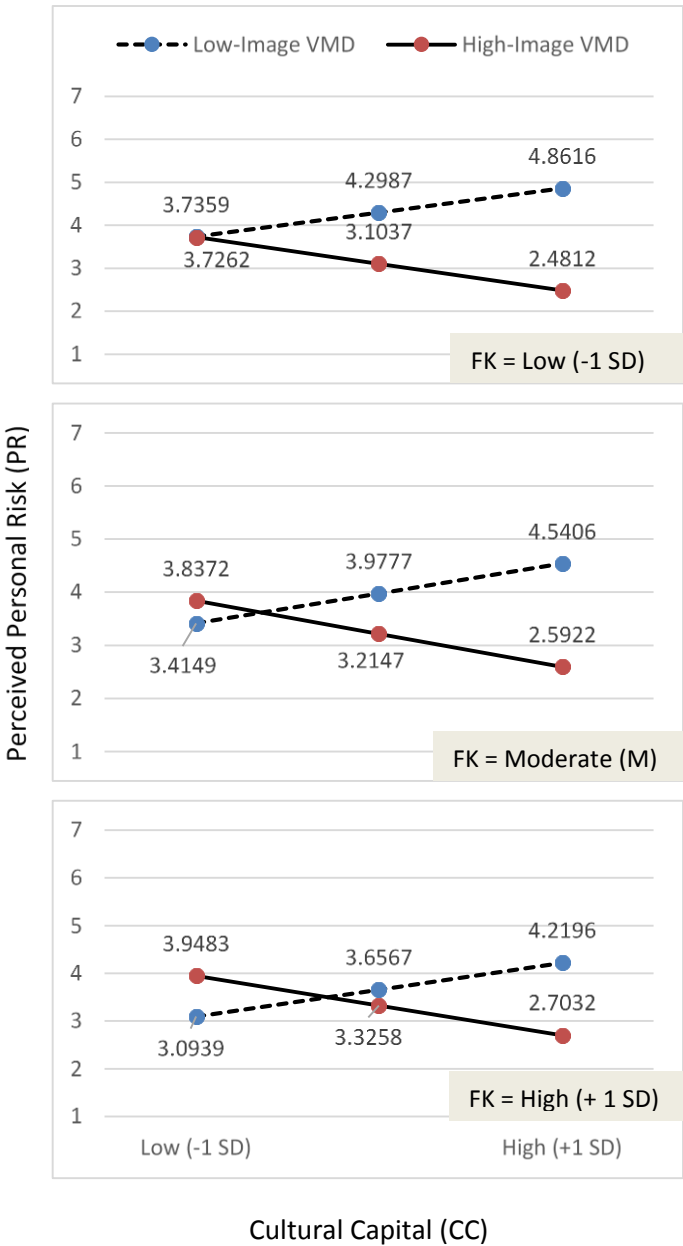
Table 7.12: Model coefficients for the conditional process model 4

Antecedent		Consequent						
		Moderator (PR)			(Y) Purchase Intention			
		Coeff.	SE	p	Coeff.	SE	p	
VMD	a_1	-.763	.187	.001	c'	.374	.195	.056
PR		-	-	-	b	-.652	.069	.001
CC	a_2	.452	.100	.001		-	-	-
FK	a_3	-.193	.084	.022		-	-	-
VMD x CC	a_4	-.952	.162	.001		-	-	-
VMD x FK	a_5	.260	.117	.028		-	-	-
Constant	i	3.977	.132	.001	i	5.284	.302	.001
		R ² = 0.315			R ² = 0.406			
		F(5,160) = 14.755, $p < 0.001$			F(2,163) = 55.877, $p < 0.001$			

Although Table 7.12 summarises the necessary evidence for building conditional process model 4, it does not provide information for the magnitude of the effect of VMD on purchase intentions between the two conditions. Thus, following again Aiken and West (1991), additional inferential tests (probing an interaction) are presented to estimate the conditional effect of VMD on purchase intentions via personal risk for the nine conditions which combine CC when it is ‘relatively low’ (Mean-1SD), ‘moderate’ (Mean), and ‘relatively high’ (Mean + 1SD) (and fashion knowledge is constant) with the three values of fashion knowledge (relatively low = Mean-1SD, moderate = Mean, and relatively high = Mean + 1SD) when CC is constant. Figure 7.11 visually shows the conditional effect of VMD on personal risk for the nine different value-combinations of CC (depicted on the horizontal axis) and fashion knowledge (depicted by the three different diagrams in Figure 7.11). As is observed in all three

diagrams in Figure 7.11, the decrease in personal risk in the high-image VMD condition (i.e., in the museum-like display) as compared to the personal risk in low-image VMD condition (i.e., in the non-museum-like display) becomes substantial (significant) when participants' level of CC ranges between average and high (mostly in the right part of the diagrams). However, when the participant's level of fashion knowledge is also higher (see the bottom diagram), this decrease reduces.

Figure 7.11: A visual representation of the conditional effect of VMD on personal risk as a function of CC and fashion knowledge



Indeed, as Table 7.13 illustrates, the conditional indirect effect ($a' \times b$) differs in sign and significance across the nine value-combinations of CC and fashion knowledge. In particular, for people with low CC, the total conditional indirect effect is not statistically different from zero, based on a 95% bootstrap confidence interval, when fashion knowledge is average or below the average. Also, for those with average CC and high fashion knowledge, the

conditional indirect effect is not statistically significant. Thus, in many cases, the effect of CC dominates the effect of fashion knowledge because a_4 ($a_4 = -0.952$) is much larger than a_5 ($a_5 = 0.260$) in the absolute magnitude. However, for participants with average and above average CC, the indirect effect of VMD on purchase intentions is positive and increases as CC increases and fashion knowledge decreases.

Table 7.13: Model coefficients for the conditional indirect effect of VMD on purchase intentions through personal risk for various nine value-combinations of CC and fashion knowledge

CC	FK	Indirect Effect			
		$a' = a_1 + a_4 \text{ CC} + a_5 \text{ FK}$	b	$\omega = a' \times b$	95% Bias-Corrected Bootstrap CI
-1.244	-1.657	-0.009	-0.652	0.006	-0.4562 to 0.4965
-1.244	0.000	0.422	-0.652	-0.275	-.7092 to 0.0987
-1.244	1.658	0.854	-0.652	-0.557	-1.0960 to -0.0988
0.000	-1.657	-1.195	-0.652	0.779	0.4400 to 1.1869
0.000	0.000	-0.763	-0.652	0.497	0.2499 to 0.7987
0.000	1.658	-0.331	-0.652	0.215	-0.1480 to 0.6381
1.244	-1.658	-2.381	-0.652	1.552	0.9893 to 2.1013
1.244	0.000	-1.949	-0.652	1.271	0.8061 to 1.7788
1.244	1.658	-1.517	-0.652	0.989	0.4923 to 1.6112

Consequently, $H8$ is rejected as the mechanism by which the VMD increases purchase intentions for luxury brands through the reduction of consumers' personal risk, depends positively and linearly on the individual's level of CC and negatively on their cultural knowledge in fashion. However, this assumption is valid among people with average or above average CC. Fashion knowledge has a moderating effect in the above mentioned mechanism but its effect is smaller and opposite in sign from that of CC. By putting the moderating powers of CC and fashion knowledge into the same conditional model, it is concluded that part of the positive effect of fashion knowledge on personal risk is out-weighed by the negative and stronger effect of CC.

7.6 Summary

The present study builds upon Study 1 and contributes further to the qualitative research in luxury retailing (Dion and Arnould, 2011; Joy et al., 2014), which argues that in-store museological presentation techniques can help a brand to build and sustain its luxury image. In particular, the present study confirms the predictions made in Study 1 that a museum-like display can improve consumer purchases of luxury brands because it increases consumers' luxury brand perceptions while decreasing their personal risk associated with the brand on display. More importantly, it contributes to the extant literature by showing that not all the people are equally affected when they are exposed to the same visual merchandising techniques. Specifically, Study 2 illustrates through an empirical investigation that consumers with higher CC are more affected by a museum-like display (i.e., by the tested VMD cues) compared to those with lower CC. Participants with higher CC are found to transfer more perceptions of luxury from a museum-like display to the product on display. Thus, these people's luxury perceptions and, in turn, their purchase intentions for a luxury handbag were found to be substantially affected (increased) by the VMD cues used in the brand's representation. Similarly, participants with higher CC were found to perceive and infer less personal risk when viewing a luxury handbag in a museum-like display (compared with viewing the same product in a non-museum-like display). In this case, and for these participants, their product purchase intentions increase. In contrast, for participants with lower CC, a museum-like display did not have a substantial effect on their luxury or risk perceptions about the brand and, therefore, their intentions to buy were not largely affected by the VMD environment.

The present study also argues that CC and cultural knowledge in fashion, which has been used in the marketing literature as a proxy for CC (Berger and Ward, 2010), may in reality have an opposite effect on consumers' attitudinal and behavioural intentions. The results suggest that although the VMD cues increase the purchase intentions for the average consumer, by increasing their luxury brand perceptions, this positive influence decreases as the participants' fashion knowledge increases. This suggests that for participants with higher fashion knowledge, the transfer of perception of luxury from the museum-like display to the displayed product is smaller and, thus, the positive effect of the display environment on their intentions to buy is smaller, too. Moreover, while VMD cues increase purchase intentions for a product on display by decreasing the personal risk of this choice, participants with higher fashion

knowledge were found to rely less on the peripheral display cues when making inferences about the personal risk of a luxury brand choice. Thus, the effect of the display cues on their personal risk and in turn on their purchase intention was negligible.

To conclude, consumers' CC and fashion knowledge both affect the strength of positive influence that the visual peripheral display cues have on consumers' brand perceptions and purchase intentions. Their effect, though, is found to be opposite in direction. While consumer's CC can increase the strength of the VMD's impact, their fashion knowledge decreases it. Moreover, to decide whether fashion knowledge can replace CC in this retail context, the role of both CC and fashion knowledge on the same relationships was tested simultaneously. In this case, the influence of VMD on luxury brand perceptions is found to depend no longer on fashion knowledge (i.e., the moderating effect of fashion knowledge turns insignificant) and its effect was out-weighted by CC. Thus, the strength of the indirect influence of the VMD on purchase intentions through its effect on perceptions of luxury is determined by the consumers' CC rather than by their knowledge in fashion. Nevertheless, when both moderators are tested together, fashion knowledge is found to maintain its negative effect on the intensity with which VMD cues reduce the personal risk of a luxury brand choice. However, the moderating effect of fashion knowledge on the relationship between VMD and personal risk is smaller and opposite in sign to that of CC. Thus, the peripheral display cues affected the purchase intentions for the product on display by decreasing the inferred personal risk, but mostly for the participants whose CC is higher, or at least relatively higher than their level of fashion knowledge. This positive effect seems to increase mostly as consumers' CC increases and less as their level of fashion knowledge decreases.

Drawing upon the notion that mostly consumers with higher CC are affected by display techniques which reference the world of art or, in general, by the peripheral visual cues in a brand's representation, this study can provide some help to marketing managers who wish to design their store/website environments or even their advertising campaigns to attract market segments that are found to actually use such cues as brand-related information. Building upon this logic, the present study could propose possible segmentation strategies. As it will be elaborated in the discussion chapter, several distinct shopper segments can emerge based on several combinations of different levels of CC and fashion knowledge (where for instance CC indicates consumer's responsiveness to atmospheric cues and fashion knowledge their interests and involvement in the product class category). Further analysis then can indicate different

marketing communication strategies, allocating different amount of investment in resources such as the design elements of a store environment, to target different types of consumers.

The present study suggests that the visual peripheral cues in a brand's presentation do not affect the consumers' brand evaluations in the same way and to the same extent; the strength of such influence can depend on consumers' CC. Accordingly, consumers with higher CC can be more affected by the peripheral cues when evaluating a brand on display. However, the present study does not explain why. The next study explores a possible explanation. Based on assimilation-contrast theory, Study 3 will investigate whether the way the visual peripheral cues are processed differs between the consumers with higher and lower CC. In particular, this last study investigates whether the greater responsiveness of the consumers' with higher CC to the store atmospheric cues indicates their holistic rather than analytic way of processing them. The next study, by adopting this consumer-style-of-processing approach in its investigation, raises also several research questions that need to be addressed in future research.

**CHAPTER 8 STUDY 3: THE IMPACT OF CULTURAL CAPITAL ON
CONSUMER PURCHASES OF LUXURY BRANDS IN A
MODERATELY INCONSISTENT STORE
ENVIRONMENT: A CONSUMER-STYLE-OF-
PROCESSING APPROACH**

8.1 Overview

Studies 1 and 2 suggest that a museum-like display is capable of transferring perceptions of luxury from the display mode (i.e., the way that the VMD cues are orchestrated to visually present a product to consumers) to the product and its brand on display. Specifically, the participants who were exposed to a combination of high-image VMD cues that form a museum-like display perceived that the brand on display was more luxurious. Participants who made more luxury brand inferences also perceived less personal risk and, in turn, their willingness to buy the displayed product increased.

The empirical findings in Studies 1 and 2, are consistent with contemporary research in the luxury retailing literature, which qualitatively explores the role of museological presentation techniques in building and sustaining a luxury brand image (e.g., Dion and Arnould, 2011; Joy et al., 2014). However, because the extant literature does not consider that people can differ in their ability to decode or appreciate such museum-like display techniques, Study 2 has made a contribution by actually showing that even people who have been exposed to the same museum-like display can differ in the extent to which they are positively influenced and, therefore, are sufficiently confident to purchase. Specifically, the indirect positive effect of a museum-like display on the consumers' luxury brand purchase intentions, through the increase in the consumers' perceptions of luxury and the decrease of their personal risk for the brand on display, was found to be reliant upon the consumers' level of CC.

Since a museum-like display can reference the authority of art institutions, such as museums and art galleries, and connote associations with the art world, could have signified, mostly for those with higher CC, the perceived luxury values of the art objects displayed in such environments. This may suggest, that only people with higher CC were capable of fully interpreting the message entailed in a museum-like display and, therefore, their luxury perceptions and purchase intentions for the brand on display were largely affected. But, why were the people with higher CC considering more the peripheral store environment cues, in the first place, when looking, evaluating, and purchasing a luxury product?

To answer this question, the present study (Study 3) tests whether the effect of CC on the consumers' purchase intentions through perceptions of luxury and personal risk continues to hold when consumers are exposed to a combination VMD cues that do not necessarily connote

a museum-like display. In particular, Study 3, by ‘restricting’ the conceptual meaning of the VMD to a moderately inconsistent high-image store environment that consists of several high-image VMD cues mixed with a few low-image VMD cues, explains the effect of CC on consumer store-based purchase intentions for luxury brands using a consumer-style of processing approach, which adds value to the previous work.

The CC literature provides little evidence²¹ to theorise the relationship between consumers’ CC and their holistic or analytic style of processing information. However, the application of assimilation-contrast theory in a retail context may suggest that consumers who use peripheral cues, and who blur the borders between the peripheral cues and the product on evaluation, tend to attribute common evaluations to both. These consumers are also most likely process the stimulus (e.g., the product display) holistically rather than analytically (Zhu and Meyers-Levy, 2009). Building on this, Study 3 aims to develop a fundamental understanding of two possible mechanisms that underline the positive effect of consumers’ CC on their purchase intentions, even in-store environments that are slightly inconsistent. Accordingly, it will investigate whether consumers’ responsiveness towards the store environment elements (i.e., consumers’ store atmospheric responsiveness) and their holistic style of processing peripheral cues increase as their level of CC increases. In particular, Study 3 distinguishes between a ‘holistic perceptual style’—whereby a person has a tendency to focus on the ‘big picture’ interrelating the stimuli in the environment—and an ‘analytic perceptual style’—whereby a person perceives the focal object (e.g., a handbag on display) as separate and distinct from its surroundings (Konrath et al., 2009). It then examines whether consumers with higher CC are more willing to buy a luxury handbag in a moderately inconsistent high-image store environment, because of their store atmospheric responsiveness and their holistic way of processing the store interior elements. While Table 8.1 sets out the five research hypotheses, the present study has three basic research objectives:

²¹ Only Rossel (2011) argues, that people’s processing modes in cultural consumption (e.g., how they listen to opera music) relate with Bourdieu’s concept of CC. Specifically, an individual’s CC resources (such as art experiences) relate to two modes of processing the relevant information: (1) the analytical mode, and (2) the emotional mode.

(1) Build the study's stimuli to facilitate a high-image but moderately inconsistent store environment that includes a combination of several high-image and a few low-image VMD cues (Pretest 1).

(2) Validate the CC scales that were constructed in Chapter 6. In particular, validate the attitudinal measure of CC (i.e., ATCA) and, most importantly, validate the behavioural measure of CC (i.e., PICA) using an alternative non-student sample that includes full-time employees (Section 1).

(3) Test whether in a moderately inconsistent high-image store context, the indirect effect of CC on purchase intention is still mediated by the increase of consumers' perceptions of luxury and the decrease of their personal risk for the product on display. Most importantly, in the same store context, investigate two alternative potential processes via which CC impacts the consumers' purchase intentions, namely via consumers' store atmospheric responsiveness and holistic style of processing (Section 2).

Table 8.1: Summary of hypotheses and list of variables for Study 3

	Independent Variable	Mediator Variable 1	Mediator Variable 2	Dependent Variable	Predicted Sign	Hypothesis	Model Tested
H9	Cultural Capital (CC)			Purchase Intention (PI)	+	In a moderately inconsistent high-image store environment, consumers' CC positively affects their purchase intentions for the brand on display.	<i>Direct Main effect</i>
The Process that Explains the Effect							
H10	Cultural Capital (CC)	Perceptions of Luxury (PL)	Personal Risk (PR)	Purchase Intention (PI)	+	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions through the increase of their perceptions of luxury and the decrease of their personal risk for the brand on display.	<i>Parallel Multiple Mediation Model 1</i>
H11	Cultural Capital (CC)	Store Atmospheric Responsiveness (SAR)		Purchase Intention (PI)	+	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their store atmospheric responsiveness.	<i>One-Step Mediation Model 2</i>
H12	Cultural Capital (CC)	Holistic Style of Processing (HSOP)		Purchase Intention (PI)	+	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their holistic style of information processing.	<i>One-Step Mediation Model 3</i>
H13	Cultural Capital (CC)	Store Atmospheric Responsiveness (SAR)	Holistic Style of Processing (HSOP)	Purchase Intention (PI)	+	In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display through the serially linked mediators of store atmospheric responsiveness and holistic style of processing.	<i>Serial Multiple Mediation Model 4</i>

8.2 Pretest 1: Stimulus Development and Style of Processing Material Pretest

The purpose of Pretest 1 is: (1) to develop an appropriate stimulus that provides a moderately inconsistent high-image store environment for the purposes of Study 3; (2) to pretest visual material that depicts a line drawing of a scene with smaller figures embedded (Embedded Figures Test)—which has been previously used in the consumer literature to measure or prime participants’ analytic-holistic style of processing (e.g., Monga and John, 2010)—to determine its appropriateness for measuring consumers’ analytic-holistic styles of processing as part of my online survey.

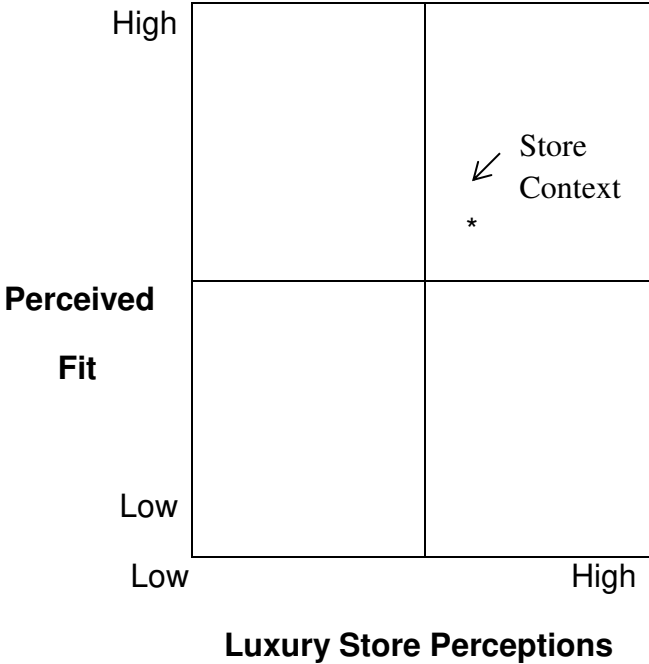
8.2.1 The Participants and their Characteristics

In this pretest I used a sample that shares common characteristic with the sample that I will use in Study 3. Nineteen full-time working female participants between the ages of 19 and 50 who reside in the UK were the target sample for this pretest. To identify this sample, I used Qualtrics’s pool of participants. Qualtrics, which is a private research software company, have people opting in to be contacted for research purposes. Participants who had been profiled into my sampling frame were then contacted and given a chance to take part in this pretest.

8.2.2 Method and Design

Because the primary purpose of conducting Study 3 is to explain the impact of CC on consumer purchases of luxury brands using a style of processing approach, the study’s stimulus were developed with the purpose of generating a ‘moderately luxurious’ store environment but with a few inconsistencies in terms of the VMD cues that make up the store’s interior. Specifically, Figure 8.1 describes the store environment that I intended to develop, by placing this store environment into a two-dimensional matrix where the horizontal axis describes participants’ luxury store perceptions and the vertical axis their perceived-fit of the store’s fixtures and fittings.

Figure 8.1: The intended store environment: a moderately inconsistent high-image store



(Source: This study)

Hence, several high-image VMD cues were mixed with a few low-image VMD cues (based on the typology of the VMD cues that is presented in Chapter 3 and the pretesting of VMD cues in Study 1 to generate the ‘mood-board’ that is presented in Figure 8.2.

Figure 8.2: The mood-board that facilitated a moderately inconsistent high-image store environment



(Source: This study)

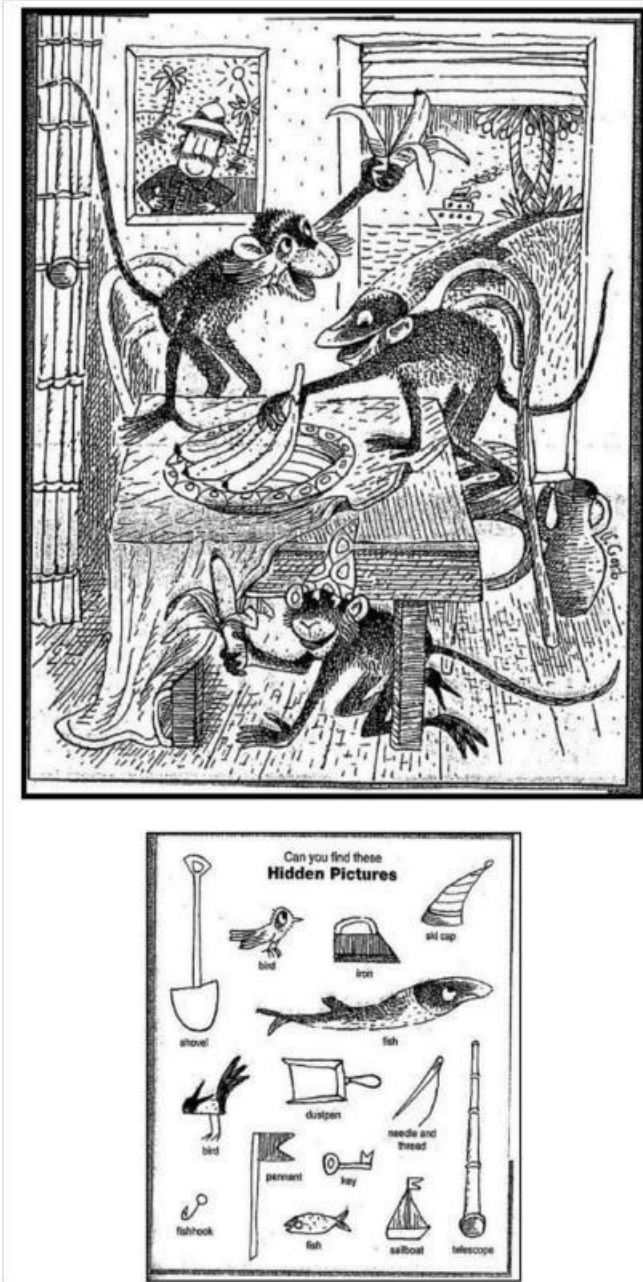
In particular, the mood-board presented in Figure 8.1 was used to introduce a new brand of leather goods to participants by depicting a leading product of this brand among a number of fixtures and fittings from the brand’s proposed new store interior. In practice, the displayed product was a black handbag (neutral in colour and design) of a lesser known ‘foreign’ brand with hidden identification signs. As the data for this pretest were collected through an online survey, the visual materials that I used were uploaded online using Qualtrics software and the participants were exposed to them by viewing them on their computer screen for a preset time period. Specifically, after the participants were given about 30 seconds to look at the mood-board and imagine shopping in this new store, they were then asked to indicate on a seven-point Likert-type scale the extent to which they:

- (1) Considered that the store interior was (i) high class, (ii) attractive, (iii) luxurious, and (iv) prestigious (where, 1 = “not at all”, and 7 = “extremely”); and,
- (2) Thought that the proposed fixtures and fittings were (i) appropriate for displaying a luxury brand of handbags, (ii) work well together, (iii) complement each other, and (iv) fit together (where, 1 = “not at all”, and 7 = “extremely”).

Following Hagtvedt and Patrick (2008a), the tested items were then averaged to construct perceptions of luxury and a perceived-fit index for assessing participants’ impressions of the store environment.

Finally, the Embedded Figures Test (EFT) that is presented in Figure 8.3 and has been previously used by Monga and John (2008; 2010) to prime participants’ style of processing in face-to-face small group interviews was also tested to check its appropriateness in an online rather than in a pencil-and-paper survey.

Figure 8.3: The Embedded Figures Test (EFT)

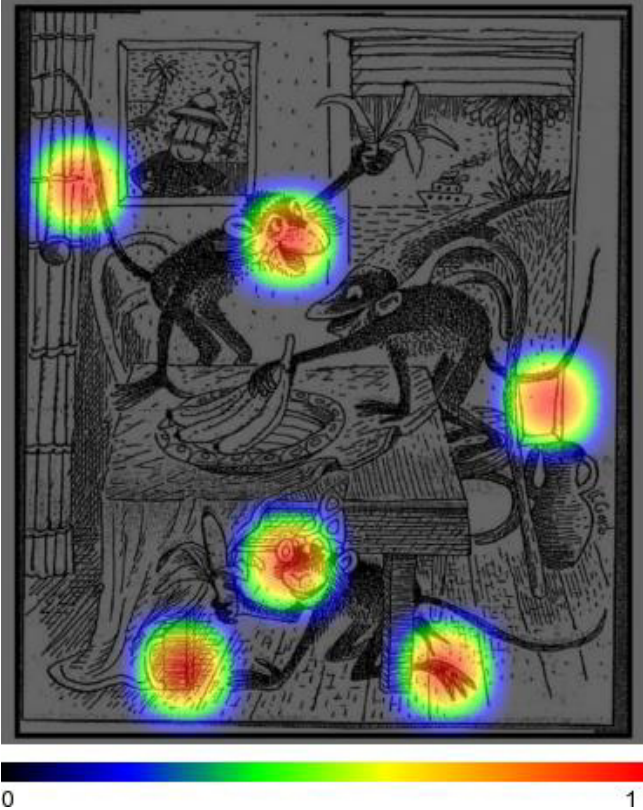


(Source: Monga and John, 2010)

The participants were informed that at least 10 smaller objects (such as a ski, cap, bird, key and so on) were embedded in the big picture of Figure 8.3 and were asked to find as many of these object as they could. Qualtrics’s ‘hot spot’ option for designing and operationalising relevant puzzle and game tasks online was used (see Figure 8.4). Specifically, the participants were given seven minutes to find and indicate, by clicking on the big picture, the locations of

the objects they found. They were also asked to specify the total number of the objects that they were sure they successfully identified. According to Nisbett et al. (2001), the participants' ability to find the embedded figures in the larger scene constitutes a major characteristic of their analytic thinking.

Figure 8.4: Qualtrics's 'hot spot' option for designing the EFT



(Source: This study)

In addition, I followed Monga and John (2010) and assessed the participants' holistic style of processing by using also four items from the analytic-holistic thinking scale developed by Choi et al. (2007). However, instead of relying exclusively on Choi et al.'s (2007) self-reported scale, the supplementary use of the EFT could provide a more reliable approach in measuring the participants' holistic-analytic style of processing of visual cues. The next section presents the results from this pretest and discusses whether the use of the pretested materials in Study 3 is indeed appropriate.

8.2.3 Pretest Results

It is necessary to ensure that the proposed materials operate as intended. Table 8.2 presents the focal measures' psychometric results.

Table 8.2: Reliability and PCA results for the measures used in Pretest-1

Constructs	K-M-O	Communalities	Eigenvalues	Factor Loadings	Number of Items	Cronbach's Alpha	Inter-Item Correlations
Store Perceptions of Luxury (SPL):	0.831	0.607 – 0.961	3.444	0.779 – 0.980	4	0.943	0.625 – 0.966
Perceived-Fit (PF):	0.874	0.924 – 0.965	3.795	0.961 – 0.982	4	0.980	0.912 – 0.965
Holistic Style of Processing (HSOP):	0.667	0.610 – 0.833	2.238	0.781 – 0.913	3*	0.806	0.508 – 0.774

**One item was eliminated from the four-item HSOP scale as this item, based on Hair et al.'s (1998) criteria for a solid scale, displayed low communalities (0.098), low factor loading (0.312) and low inter-item correlation (0.066 -0.227).*

For all the measures which are presented in Table 8.2, only one eigenvalue was greater than 1. This suggests that one component/factor adequately represents the inter-relationships among the set of each measure's items. Moreover, all of the items exhibited high loadings (> 0.6) and high communalities (> 0.5) in their intended scales. The Cronbach's Alpha for all the measures are greater than 0.7. Consequently, according to Hair et al.'s (1998) criteria for a solid scale, the results in Table 8.2 illustrate the reliability of the three measures which will be used to pretest: (1) the stimulus of Study 3, and (2) the EFT on the online survey.

Stimulus Development Results

The mood-board (visual stimulus) in Figure 8.2 was first tested to see whether it portrayed a high-image store environment. In this, Hagtvedt and Patricks' (2008a) perceptions of luxury index was used. Specifically, running a one-sample test against the scale's midpoint of 4, the actual value of the sample's mean ($M = 4.17$, $t = 0.449$, $p = 0.659$) is almost at the midpoint

(4) and, not surprisingly, the t-value was not statistically significant. This suggests that the store environment presented on the mood-board, was neither of low-image (< 4) nor of high-image (>4) but was in the middle. Consequently, the materials did not work as anticipated because the pretested stimulus (i.e., the mood-board) was not perceived by the participants as a high-image store environment but was instead perceived as a 'medium-image store environment'.

The proposed store environment was also intended to be composed of 'slightly inconsistent' fixtures and fittings. Hence, the interior elements depicted in the mood-board were a combination of several 'high-image' and a few 'low-image' VMD cues. However, running a one-sample test of the Perceived Fit index against this scale's midpoint of 4, the sample mean ($M = 4.01$, $t = 0.031$, $p = 0.975$) was found to be at the midpoint (4). This suggests that the participants evaluated the store interior as being incongruent to a greater extent than the one intended.

Consequently, although the materials were designed to denote a 'moderately high-image store environment' comprising a mix of several high and a few low-image store elements, the participants evaluated the store interior as being a 'medium-image' store environment that is incongruent to a greater extent than intended. Nevertheless, but more importantly, some variation was identified in the participants' store perceptions. Considering this variation in the participants' store perceptions of luxury ($SD = 1.661$) and fit ($SD = 1.832$), and considering the fact that the pretest's sample was small ($n = 19$), the mood-board was modified to only slightly elevate the participants' store evaluations. The modified mood-board is presented in Figure 8.5, whereby one 'low-image' VMD cue was replaced by a 'high-image' VMD cue. Specifically, to ensure that in Study 3 participants will perceive the store environment as being moderately inconsistent and high-image, the plastic hangers (left bottom corner in Figure 8.2) were replaced with the wooden hangers shown in Figure 8.5.

Figure 8.5: The Modified stimulus based on the results of Pretest 1



(Source: This study)

EFT Results

Pretest 1 also tested the suitability of the styles of processing measures in an online survey. However, Pretest 1 did not provide enough evidence to ensure that the EFT is appropriate to measure the participants' styles of processing in an online survey. The fact that the data were collected through an online survey hampered the results, whose accuracy was difficult to check. The main concern here refers to the participants' level of involvement in this task. In particular, whether participants who identified many embedded figures in the bigger scene are actually more analytical thinkers or if they just used more time and put a lot more effort into this activity is difficult to decide. On the other hand, the assumption that those who identified one object

very quickly and moved forward onto the next task without really engaging are holistic thinkers is again a risky assumption to make.

If the participants' scores in the EFT were negatively correlated with Choi et al.'s (2007) four-item analytic-holistic processing scale, as expected, then this would indicate that the use of the EFT to measure participants' style of processing in an online survey is appropriate. However, this was not the case here ($r = -0.002$, $p = 0.994$). This correlation could be improved if the researcher could accurately exclude those people who did not really engage in the online task by filtering the data (e.g., based on the minimum time that the participants used and the number of objects they identified). However, such a decision risks losing several observations by considering them to be outliers without really being, which could manipulate the data in ways that are difficult to justify. Consequently, although I preset the minimum and the maximum time that the participants had to devote to completing this task using Qualtrics's software, it seems that this measure of participants' styles of processing (i.e., EFT) requires a pen and pencil approach (consistent with Monga and John, 2010). Therefore, because Study 3 was designed to be an online survey, I chose in the end to measure the participants' style of processing using exclusively the four items from the analytic-holistic thinking scale developed by Choi et al. (2007) and used by Monga and John (2010) to identify and measure the individuals' style of processing differences.

The aim of Study 3 is to shed some light on the mechanisms that explain why the consumers with higher CC are more influenced by the peripheral store environment elements when considering buying a luxury product. As a starting point, however, the next section will first validate the two newly introduced in Chapter 6 CC measures using a sample consisting of full-time employees.

8.3 Section 1: Validation of the CC Scales

In Chapter 6, the scale-development study used a sample of undergraduate students to construct and validate one attitudinal CC scale. However, the use of a student sample who does not have a permanent disposable income to validate the behavioural measure of CC, which assesses participants' actual participation in cultural activities that may anticipate a financial cost, was deemed to be rather not realistic. Consequently, the choice of a student sample may have hampered the reliability of the behavioural CC measure and was judged to be a limitation that

would challenge the scale’s generalisability and portability. This scale’s reliability and validity would be increased if it could be validated using a sample of people with a disposable income. Thus, both CC scales will be tested and validated by replicating the same factor structure as a part of Study 3 with 193 full-time working females between the age of 19 and 50 who reside in the UK.

8.3.1 Validation of the Behavioural CC Scale with a Non-Student Sample

In Chapter 6, nine items were identified to measure participation in cultural activities (PICA). This list of items, with few minor modifications in their wording, is presented in Table 8.3. Accordingly, a principal components analysis (PCA) is specified for the nine-item scale using a non-student sample.

Table 8.3: Communalities and factor loadings for PICA Scale

	Communalities	Factor Loadings
1. Visited cultural places such as museums or art galleries.	0.512	0.716
2. Read works of literature (e.g., poetry, mythology, philosophy etc.).	0.598	0.773
3. Attended plays, ballets or operas.	0.744	0.862
4. Attended jazz, classical or symphony concerts.	0.716	0.846
5. Attended or watched talks, debates, lectures or documentaries.	0.510	0.714
6. Attended art classes (e.g., music, painting, sculpture, photography, acting, etc.)	0.647	0.804
7. Travelled abroad.	0.365	0.604
8. Donated to charity.	0.273	0.523
9. Volunteered for a charitable organisation.	0.479	0.692

PCA is the method that will be used for the factor extraction. An orthogonal rotational technique is used to assist this procedure. Specifically, Varimax rotation (orthogonal approach) is used in this study to minimise the number of items/indicators that have high loadings on each factor/component. Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy is 0.865, and indicates the ‘factorability’ (i.e., some correlations exists between the variables, which suggests that coherent factors can be identified) and thus the suitability of the data for factor analysis (Pallant, 2005). Kaiser’s (1960) selection rule (eigenvalue > 1) determined the smallest number of factors that could best represent the inter-relationships among the set of the nine

items/indicators. Once the number of the factors/components is determined, the next step, following Pallant (2005), will be their interpretation.

The PCA results (component matrix) are indicative of a one factor solution for the PICA scale. Specifically, based on Kaiser's (1960) selection rule for the factor extraction in the principal components method, the fact that only one eigenvalue (4.571) was greater than 1 (and there was only one break in the scree plot, see Cattell's (1966) selection rule) suggested that one component/factor can adequately represent the inter-relationships among this set of nine items.

Specifically, Table 8.3 illustrates the communalities and loading of each item on the one component CC scale. Item 8, which displayed the lowest loading (0.523), is excluded from the PCA analysis. Although, conceptually, Item 8 might belong to a CC scale, it may be just poorly worded or, most likely, the frequency by which people donate usually differs from the frequency by which people participate in other cultural activities. Therefore, a yes/no type of answer would be more appropriate for assessing this indicator (rather than measuring the participation frequency within the last 12 months). In any case, by excluding this item from the PCA analysis the results improved, indicating higher loadings (ranging from 0.60 to 0.86) and higher communalities (ranging from 0.36 to 0.74). These results, according to Hair et al.'s (1998) criteria for a solid scale, indicate the reliability of the behavioural CC measure. Although Item 7 also displays a low communality and a relatively lower loading (0.604) in the PCA component matrix, this item is retained because it refers to 'travelling', for which there are good theoretical reasons for including it in the measure (validity). Finally, the Cronbach's Alpha for the eight-item scale is 0.88. Consequently, interpreting the PCA results, it can be assumed that people who are higher in CC engage more frequently in cultural activities, such as: visiting museums or art galleries; attending plays, music concerts or art classes; listening to talks, debates or documentaries; reading literature; travelling abroad; and, volunteering for charitable organisations.

To summarise, by testing the same nine items using a sample of full-time employees, the PCA results suggested the reliability of the behavioural CC measure. However, although in the study that used a student sample (in Chapter 5), Items 1 to 6 loaded on one factor (participation in artistic cultural activities), and items 7 to 9 loaded on a different factor (participation in social cultural activities), all nine items load now onto one component CC scale. This indicates that there is no longer a need to discriminate between 'participation in artistic' and 'participation

in social activities' for reflecting the CC of the people who have a fixed income (i.e., for a sample of full-time employees).

However, although their 'behaviours' may be considered a truer reflection of CC for people who are not constrained by the lack of income, the exclusive use of this measure does raise an issue as to the generality of the scale for people who are financially disadvantaged. Moreover, the behavioural measure of CC might correlate highly with the participants' economic capital (i.e., wealth). Hence, in order to: (1) test the convergent validity of the CC scales using an alternative non-student sample and (2) control for wealth (economic capital) when testing the influence of CC on participants' store-based purchases for luxury brands (exclude participants' wealth as a possible covariate), a truncated version of the attitudinal CC scale (i.e., where the number of indicators/items is reduced from 18 to 9) will be next also tested and used to validate this behavioural measure of CC.

8.3.2 The Truncated Attitudinal CC Scale

A truncated attitudinal CC scale is presented to validate the behavioural CC scale and test the attitudinal CC measure using the sample of full-time employees. The present study follows the approach of Ritchin (2004) who developed shorter versions for the 15-item material values scale (MVS), with scale lengths of nine, six, and three items. Ritchin (2004) found that the psychometric properties of the nine-item version were adequate for measuring materialism at a general level. Similarly, the present study developed a nine-item attitudinal CC scale by selecting the three items with the higher²² loadings from each of the three factors that emerged from the PCA in Chapter 6, thereby reducing the 18-item attitudinal CC measure by 50% (see Table 8.4).

²² However, the three first items (Item 1 to 3) in Table 8.4 were not strictly chosen to satisfy the rule of the higher loadings; instead, items with high loadings that also constituted variety in the type of artistic activities were chosen. Accordingly, and being concerned also about the validity of the proposed truncated measure, although the three items with the higher loadings in the 'art and music' factor (see Chapter 6, Table 6.16) concerned exclusively attitudes towards music, three items with high loadings capturing attitudes towards music, artistic performances and art exhibitions were chosen instead.

Table 8.4: The factor loading of the nine items for the ATCA scale

Items:	Factor Loadings		
	F1	F2	F3
Art and Music ($\alpha = 0.83$)			
1. I am interested in artistic performances such as theatre or ballet.			
2. I am interested in visiting art galleries and museums.		0.838	
3. I am highly knowledgeable about art, culture and music.		0.768	
		0.740	
Food and Dining ($\alpha = 0.86$)			
I like visiting artisan food stores and delicatessens.	0.803		
I like cooking with new and unusual ingredients.	0.887		
I like dining in restaurants that serve authentic cultural food.	0.861		
Intellectual Pursuits ($\alpha = 0.81$)			
I prefer reading broadsheets rather than tabloid newspapers.			
I am interested in talks, debates, lectures and documentaries.			0.649
I enjoy exchanging ideas with people that have a sophisticated way of thinking.			0.863
			0.809

A PCA is then structured for these nine-items for the factor extraction. Varimax orthogonal rotation is used here to minimise the number of the variables that have high loadings on each factor/component. The KMO measure of sampling adequacy is 0.845, which indicates some correlation between these variables and suggests that coherent factors can be identified and thus the data are suitable for factor analysis (Pallant, 2005). The PCA component matrix in Table 8.4 is indicative of a three-factor solution for the attitudes towards cultural activities (ATCA) scale. Specifically, based on Kaiser's (1960) and Cattell's (1966) selection rule for the factor extraction in the principal components method (i.e., Eigenvalue > 1 and the break in the scree plot), three components/factors seem to better represent the inter-relationships among the set of the nine items. Initial Eigenvalues verified that three components explained 76.76% of the total variance of ATCA. Moreover, the loadings of these items were high (> 0.6), cross loadings were low (< 0.4) and communalities were all high (> 0.5), ranging from 0.585 to 0.866. This once again indicates the reliability of the tested measure (see Hair et al., 1998). As Table 8.4 illustrates, the items do not just display high loading but they load indeed on their intended scales, reflecting the participants' attitudes towards art and music (AM), intellectual pursuits (IP) and food and dining (F). The inter-item correlations (ranging from 0.59 to 0.67 for AM, 0.47 to 0.79 for IP and 0.65 to 0.69 for F) indicated the reliability (internal consistency) of each one-component measure. Consequently, when the nine items were analyzed together

in PCA, three²³ distinct dimensions of attitudes towards cultural activities, related to the general concept of CC, emerged as expected.

Because the present study is interested in the general construct of CC rather than in the CC's dimensions, a more abstract factor analysis is conducted, based on the composites' scores (i.e., the averaged items' loadings). Specifically, a factor analysis was conducted to see if the three first order factors (composites' scores) load onto one higher order CC scale. The three composite scores for the three factors were generated by averaging across the items loading on each factor (AM, IP and F); the correlation between these three composites was high (ranging from 0.432 to 0.687) and statistically significant ($p < 0.01$), which suggests aggregating the three composites into one higher order scale is reasonable. Indeed, one factor captured the 68.67% of the total variance, with loadings ranging from 0.732 to 0.878. Consequently, the aggregated values of AM, IP and F load on one-higher order scale which measures individuals' attitudes towards cultural activities. The Cronbach's Alpha for the one higher order truncated

²³ As mentioned in the scale development chapter (Chapter 6), attitudes towards 'travel'—which initially comprised a 'fourth' factor of the attitudinal CC scale—were once again tested in this study with an alternative non-student sample. Specifically, three modified items: "Travelling abroad is one of my favourite things", "When travelling, I love to experience different cultures", "When I travel, all I want to do is party, drink lots and have fun with new people", were initially incorporated into the PCA to see whether a fourth factor, thereby capturing participants' travel attitudes, could contribute to reflect an individual's CC. Nevertheless, this factor was found to overlap with the factor denoted as 'food and dining'. The reason seems to be that they both capture participants' cosmopolitan attitudes. Rather than excluding the travel scale, the attitudes towards travel and food could be combined to form a 'cosmopolitanism' dimension in the CC scale that measures participants' attitudes towards cosmopolitanism. But, 'travelling' was included as a behavioural indicator of an individual's CC in the behavioural measure of CC. Moreover, travelling has a financial cost. Therefore, allowing for some discriminant validity between the attitudinal and the behavioural measure but also allowing the generalisability of the attitudinal CC scale for people who are financially disadvantaged, the indicator(s) of travelling was retained in the behavioural CC scale but were not retained in the attitudinal scale. Thus, this factor is not included in the attitudinal CC scale.

attitudinal CC scale is 0.769 which suffices the exploratory research criteria (alpha >0.6) established by Nunnally (1979).

To conclude, the results suggest that a person's attitudes towards art and music, intellectual pursuits and food and dining can be combined together into one scale that measures attitudes towards cultural activities and adequately reflects an individual's level of CC. Moreover, the correlation between the attitudinal CC measure (ATCA) and behavioural CC measure (PICA) is high ($r = 0.626$), which further validates the appropriateness of both in measuring the CC construct (even inter-changeability) in a non-student population.

8.3.3 The Predictive Validity of the CC Scales

The predictive validity of both scales will be tested by assessing their relationship with the theoretically related variable of *store atmospheric responsiveness*²⁴. Both measures of CC are expected to be positively correlated with the participants' store atmospheric responsiveness (Lamont and Lareau, 1988; Kalmijn and Kraaykamp, 1996; Eroglu et al., 2003; Prieur et al., 2008).

McKechnie (1974), who is an environmental psychologist, defines the concept of *atmospheric responsiveness* as a person's tendency to be affected by the qualities of the physical environment in general. Eroglu et al. (2001) applied this concept to a retail context and described atmospheric responsiveness as a consumer trait that is reflected in the extent to which store environment cues, such as, colours, images and fixtures, influence customers' purchase decisions. In particular, Eroglu et al. (2003) argue that store atmospheric responsiveness as a consumer trait influences consumers' decisions about 'where' and 'how' to shop but also influences the outcomes of the consumers' shopping experience such as consumer's satisfaction and purchase intentions.

²⁴ Based on the CC literature and the assumption made in Study 2, although store atmospheric responsiveness facilitates a criterion measure in this section, it represents one key variable for the investigation that will be presented later in the next section.

Study 2 has contributed to the literature of store atmosphere by identifying consumers with higher CC to be more affected by the store environment elements than those with lower CC. In particular, consumers with higher CC were found to be more heavily reliant on the visual merchandise display (VMD) cues when making product-related inferences and purchase decisions than those lower in CC. Therefore, it follows that consumers with higher CC should also exhibit a higher degree of store atmospheric responsiveness. Hence, both the behavioural and the attitudinal measures of CC should be positively associated with store atmospheric responsiveness. In fact, the correlation and, thus, the strength of association between CC and store atmospheric responsiveness is positive and statistically significant ($p < 0.01$). This suggests that when participants' attitudes towards cultural activities improve ($r = 0.211$) or their participation in cultural activities increases, ($r = 0.188$), their store atmospheric responsiveness also increases.

To summarise, both CC scales have been tested in this section and found to be reliable based on the psychometric results of the PCA. Accordingly an individual's CC can be reflected by this person's attitudes towards art and music, intellectual pursuits and food-dining and/or by her frequent participation in relevant cultural activities. The attitudinal measure of CC validates the behavioural measure of CC, and vice versa ($r = 0.626$); showing, as expected, that people with positive attitudes towards every-day cultural activities are also more likely to frequently participate or practice them. Finally, the results suggest that using interchangeably the attitudinal and the behavioural CC scale, is appropriate. Specifically, people's attitudinal and behavioural CC can, to some extent, predict how important the store environment elements are for them when making product judgements or taking purchase decisions, such as those presented and tested in the next section.

8.4 Section 2: The Empirical Evidence of Study 3

This section focuses on explaining the impact of CC on consumers' purchase intentions but in a different retail context than which was investigated in Studies 1 and 2. In particular, using a combination VMD cues (that do not necessarily connote a museum-like display), it investigates why consumers with higher CC, compared to those with lower CC, are more willing to buy a luxury handbag even in a moderately inconsistent store environment consisting of several high-image and a few low-image VMD cues. A four step analysis is followed to test of a set of

mechanisms that underline this positive relationship between CC and participant' purchase intentions in such moderately inconsistent high-image store context. Specifically, Step 1 tests the simple main effect of the positive influence of CC on the participants' purchase intentions for luxury brands (H9). Step 2 then tests a variant of the basic model presented in Study 2 and explores whether the positive main effect of CC on purchase intentions is yet mediated by the enhancement of consumers' perceptions of luxury and the reduction of consumers' personal risk for the brand on display (H10, see Figure 8.6). Steps 3 and 4 will explore the positive indirect impact of CC on purchase intentions via participants' store atmospheric responsiveness (H11, see Figure 8.7) and holistic style of processing (H12, Figure 8.8), and will conclude by testing whether there is a two-step serial mediation (H13, see Figure 8.9).

Figure 8.6: Parallel multiple mediation, Model 1

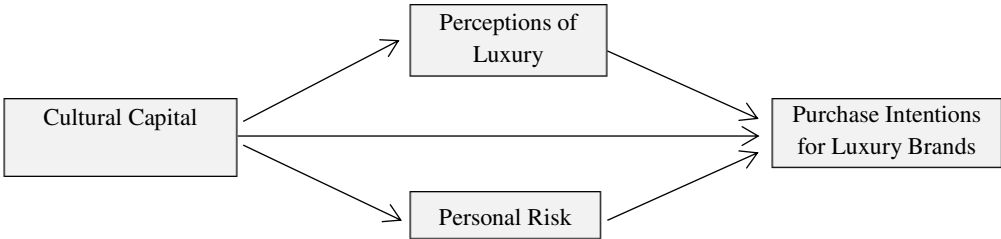
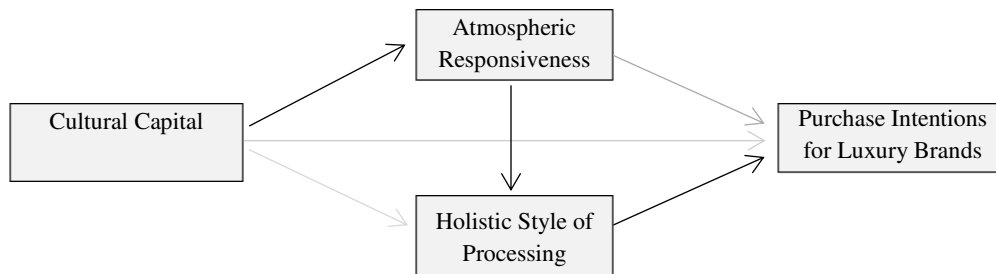


Figure 8.7: The mediating role of store atmospheric responsiveness, Model 2

Figure 8.8: The mediating role of holistic style of processing, Model 3.



Figure 8.9: Serial multiple mediation, Model 4



During this investigation the behavioural and the attitudinal measure of CC will sometimes be used interchangeably.

8.4.1 Methods and Procedures

Study 3 was carried out as an online survey using Qualtrics research software. The participants were told that their participation would help the researcher to understand people's opinions, feelings and attitudes towards this newly launched, luxury brand of handbags and leather goods. In particular, the cover story of the survey explained to the participants that the brand's stores are about to open in the UK. A picture of one of the brand's flagship products (in practice, one handbag of a lesser known foreign brand with hidden identification signs) and a mood-board (see Figure 8.10) with fixtures and fittings from the brand's new store interior were displayed to familiarise them with what this brand is all about. Next, the participants were also told that people tend to think or solve problems in different ways. For instance, some people are very organised and logical, while others are more intuitive and spontaneous in their approach. Afterwards, the participants were asked to consider how they approach similar tasks. Finally, several questions regarding the participants' lifestyle choices, preferences and participation in cultural activities were asked, together with demographic-related questions (see Appendix I).

8.4.2 The Participants and Their Characteristics

Qualtrics recruited 193 full-time working females between the ages of 19 and 50 who reside in the UK and who comprised the sample of Study 3. These women represent an important market

segment that is considered most likely to buy luxury goods. The fact that these participants have a permanent disposable income eases any constraints that could arise from the fact that the participation in cultural activities often has a financial cost (e.g., think about travelling) and luxury goods, by definition, are quite expensive. Moreover, people within this age frame are reasonably active and thus willing to participate in cultural activities (Roose et al., 2010).

8.4.3 Measures and Scales

The same measures that were used in Studies 1 and 2 are used in Study 3. Therefore, these measures are only briefly discussed here. The present section elaborates only on the measures, such as store atmospheric responsiveness and holistic style of possessing, which are new to my analysis. Nevertheless, Table 8.5 summarises the psychometric results of all the measures which are used in this investigation.

Table 8.5: Reliability and PCA results for the one component measures

One Component Constructs	KMO	Communalities	Eigenvalues	Factor Loadings	Number of Items	Cronbach's Alpha	Inter-Item Correlations
Store Perceptions of Luxury (SPL):	.836	.813 – .950	3.583	.901 – .975	4	.961	.772 – .941
Perceived Fit (PF):	.865	.758 – .938	3.564	.871 – .969	4	.959	.764 – .940
Purchase Intentions (PI):	.878	.870 – .928	3.610	.933 – .963	4	.964	.832 – .903
Perceptions of Luxury (PL):	.829	.685 – .899	3.284	.828 – .948	4	.923	.668 – .875
Personal Risk (PR):	.604	.576 – .817	2.036	.759 – .904	3	.762	.759 – .904
Store Atmospheric Responsiveness (SAR):	.796	.698 – .826	3.113	.835 – .909	4	.905	.618 – .847
Holistic Style of Processing (HSOP):	.778	.614 – .828	2.852	.783 – .910	4	.864	.529 – .740

Measures for the Manipulation Checks

- *Store Perceptions of Luxury (SPL)*: As in Study 2, the present study uses Hagtvedt and Patrick's (2008a) perceptions of luxury index to assess the respondents' perceptions of the store environment presented on the mood-board. The sample item is, "this store environment is luxurious".
- *Perceived Fit (PF)*: To assess the perceived-fit of the VMD elements that compose the store environment, a perceived-fit-index was again generated (like in Pretest 1), following Monga and John's (2010) approach (in measuring brand extension fit). The sample item is, "the store's fixtures and fittings work well together".

Independent Variable

- *CC*: To measure CC, the present study uses, often interchangeably, the behavioural measure of CC which assesses participation in cultural activities (PICA) and the attitudinal measure of CC which assesses participants' attitudes towards cultural activities (ATCA). The psychometric results based on the principal components analysis for both CC measures were discussed in Section 1.

Dependent Variable

- *Purchase Intentions (PI)*: As in Studies 1 and 2, participants' willingness to purchase the handbag was measured with the same four-item scale adapted from Bian and Forsythe (2012) and Dodds et al. (1991).

Possible Mediators

- *Perceptions of Luxury (PL)*: Again, Hagtvedt and Patrick's (2008a) four-item scale is used to assess participants' perceptions of luxury for the brand.
- *Personal Risk (PR)*: In Studies 1 and 2, personal risk was found to be a three-dimensional construct. Thus, one-higher-order scale, consisting of the aggregated averages of social, psychological and financial perceived risk dimensions, was used to measure participants'

personal risk. The indicators (items) of each construct were adapted from González Mieres et al. (2006). The present study uses a truncated version of that nine-item scale. Accordingly risk is now based on a three-item scale with the highest loading item taken from the corresponding dimension in Study 2. Specifically, the construct of personal risk is captured by the following items: “To what extent are you worried that purchasing the Little Black Handbag will negatively affect what others think of you”, “To what extent might purchasing the Little Black Handbag fit poorly with what you think of yourself”, and “To what extent do you think that the Little Black Handbag might be a waste of money”.

- *Store Atmospheric Responsiveness (SAR)*: Atmospheric responsiveness is measured by a four-item scale (1 = ‘strongly disagree’ and 7 = ‘strongly agree’) adopted from Eroglu et al. (2003) ($\alpha = 0.79$). Specifically, the construct is captured by the following items: “When I go shopping, I pay attention to the store ‘environment’”, “Things like music, colours, lighting in a store make a difference to me in deciding which store I shop at”, “I find myself making shopping decisions based on how the store looks”, and “Store décor influences my decision about where I shop” ($\alpha = 0.90$).
- *Holistic Style of Processing (HSOP)*: The present study follows Monga and John (2010), who assessed participants’ analytic and holistic thinking using four items from the analytic-holistic thinking scale developed by Choi et al. (2007). The participants were asked to agree or disagree (1 = “strongly disagree” and 7 = “strongly agree”) with the following statements: “The whole is greater than the sum of its parts”; “It is more important to pay attention to the whole than its parts”, “The whole, rather than its parts, should be considered in order to understand a phenomenon”, and “It is more important to pay attention to the whole context rather than the details.” The items were then averaged to generate a holistic style of processing scale ($\alpha = 0.86$).

Control Variables

- *Economic Capital (EC)*: An ordinal measure was used to capture the respondent’s level of economic capital (i.e., wealth). Specifically, the respondents were asked to indicate their family’s combined annual income compared to the average income of a British

family by choosing one of the five categories ranging from 1 = “a lot below the average” to 5 = “a lot above the average”.

8.4.4 Study 3 Results

Study 3 aims to explain ‘why’ consumers with higher CC, compared with those who are lower in CC, are more affected by the store environment elements when they make product inferences and take purchase decisions. Initially, a variant of the conditional process model in Study 2 is replicated. Accordingly, the indirect effect of CC on purchase intentions, via perceptions of luxury and personal risk, is tested in a moderately inconsistent high-image store environment. Moreover, the aim is to uncover the process that explains this effect. In particular, the role of consumers’ store atmospheric responsiveness and holistic style of processing, as two competing processes that can explain the positive effect of consumers’ CC on their store-based purchase intention for a luxury brand, is explored.

8.4.4.1 Manipulation Check and Descriptive Statistics

Before presenting the results of my main investigation, it is necessary to ensure that the materials (i.e., the mood-board) used have operated as intended and generated perceptions of a moderately inconsistent high-image store environment. Hagtvedt and Patrick’s (2008a) perceptions of luxury index (just as in Pretest 1) was used again to test the appropriateness of this mood-board. Running a one-sample test against the scale’s midpoint of 4, the actual value of the sample mean ($M = 4.5$, $t = 4.859$, $p < 0.001$) was greater than 4 although still closer than expected to the midpoint (4). Although a mean of 5 or 6 would be more consistent with a ‘luxurious’ (i.e., high-image) store environment, it is assumed that the participants evaluated the store interior as being a ‘moderately luxurious’ (i.e., moderately high-image) store interior. Moreover, using also the perceived-fit-index and running a one-sample test against this scale’s midpoint of 4, the actual value of the sample mean ($M = 4.5$, $t = 5.43$, $p < 0.001$) was found to be above the test value although also close to the midpoint (4). This suggests that participants evaluated the store’s interior as being ‘moderately incongruent’. Before presenting the analysis and results of the main study, a summary of the descriptive statistics of all the measures that will be used is presented in Table 8.6. The standard deviations and the means of the variables, which are presented in Table 8.6, suggest that some variation was identified in participants’

store and brand perceptions and evaluations as well as on their level of CC. Thus, the investigation of the role of consumers' CC in this store context becomes interesting.

Table 8.6: Descriptive statistics for the measures used in Study 3

Variables in Study 3	Slightly Inconsistent Store Environment <i>N</i> = 193		
	<i>M</i>	<i>SD</i>	<i>Skew</i>
Manipulation Check:			
Store perceptions of luxury	4.507	1.451	-0.364
Perceived-fit	4.590	1.510	-0.560
Attitude towards cultural activities	4.181	1.316	-0.192
Participation in cultural activities	2.990	1.420	0.608
Purchase intentions	4.242	1.555	-0.472
Perceptions of luxury	4.506	1.424	-0.473
Personal risk	3.514	1.416	0.144
Store Atmospheric responsiveness	4.439	1.452	-0.521
Holistic style of processing	4.792	1.091	-0.188

The next section will investigate the effect of CC on consumers' purchase intentions for a luxury brand in this moderately incongruent store environment.

8.4.4.2 The Effect of CC on Purchase Intentions

The aim is to test first whether CC affects the consumers' purchase intentions for the luxury brand on display, even in a moderately inconsistent and (moderately) high-image store environment (*H9*). This analysis interchangeably uses the behavioural and the attitudinal measures of CC to check whether the results remain consistent. Accordingly, a simple regression analysis revealed that when the participants' participation in cultural activities increase by one unit, their intentions to purchase the luxury handbag increase by $\beta = 0.205$ ($t = 2.632$, $p < 0.01$) units ($R^2 = 3.5\%$). Similarly, when the participants' attitude towards cultural activities improve by one unit, their purchase intentions for the handbag increase by $\beta = 0.191$ ($t = 2.259$, $p < 0.05$) units²⁵ ($R^2 = 2.6\%$). Consequently, the results confirm *Hypothesis 9* and

²⁵ This analysis, as well as the analyses that follow, were repeated controlling for participants' economic capital (i.e., wealth). However, because the assumptions remain the same and

suggest that consumers with higher CC feel more confident to purchase this luxury brand after being exposed to this brand's store environment. The analysis that follows focuses on uncovering why consumers with higher CC are more likely to purchase even in this moderately inconsistent high image store environment. Is it because those higher in CC form higher perceptions of luxury and lower perceptions of risk for the brand on display or, is it some other process that explains the positive main effect in this store context?

8.4.4.3 Testing the Parallel Multiple Mediation Model 1: Mediation by Perceptions of Luxury and Personal Risk

The parallel multiple mediation model 1 is a variant of the basic model in Study 2 and, therefore, was expected to show that after the subjects were exposed to the store's interior, participants' CC affected their purchase intentions for the luxury handbag by increasing their luxury brand perceptions and by reducing their perceived personal risk for the brand on display.

However, for Study 3's store context, and contrary to expectations, the tested model in Figure 8.10 and the conducted mediation analysis using the behavioural CC scale (see Table 8.7) suggested that the participants' CC did not affect their perceptions of luxury for the brand on display ($a_1 = 0.097$, $p = 0.179$). Moreover, participation in cultural activities (CC) was found to increase rather than decrease the participants' inferred personal risk ($a_2 = 0.208$, $p < 0.01$). Therefore, a bias-corrected, bootstrapped, 95% CI for the indirect effect of CC on purchase intentions through perceptions of luxury ($a_1b_1 = 0.067$) based on 5,000 resamples, contained the value of zero (from -0.0334 to 0.1720), which suggests that the null hypothesis of no indirect effect ($H_0: ab = 0$) cannot be rejected. This means, that the positive influence that participants' CC has on their store-based purchase intentions is no longer explained by the increase of their luxury brand perceptions simply because their CC did not determine participants' perception of luxury in this study's store context. Although, the indirect effect of CC on purchase intentions through personal risk ($ab = -0.039$) was significant—because the bootstrapped, 95% CI based on 5,000 resamples did not contain a zero value (from -0.0938 to -0.0067)—this mediating effect of personal risk (which is a negative in sign indirect effect) does not explain the positive impact of CC on purchase intentions, which is the focus of my

participants' purchase intentions does not correlate with economic capital ($r = 0.078$, $p = 0.283$), I did not include economical capital as a covariate in my tested models.

investigation. Moreover, the direct effect of the CC on participants' intentions to buy the luxury handbag when controlling for perceptions of luxury and personal risk ($c' = 0.176$) remains significant at a 1% level and has a positive sign. This suggests that alternative processes which may better explain the positive impact of CC on purchase intentions exist and need to be investigated.

Figure 8.10: Parallel multiple mediation model 1: the indirect effect of the behavioural measure of CC on purchase intentions via perceptions of luxury and personal risk

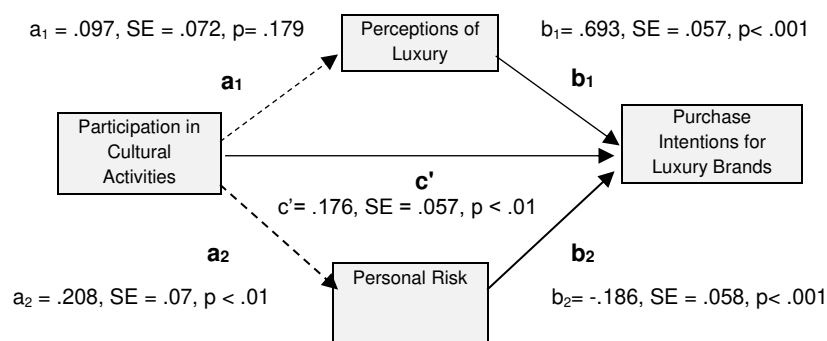


Table 8.7: Direct, indirect and total effects for the behavioural CC

Effect	Path	Coeff.	S.E.	T	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
Main effect: CC→PI	c	0.205	0.078	2.632	0.009	—	—
Path coefficients: CC→PL	a ₁	0.097	0.072	1.347	0.179	-0.045	0.239
CC→PR	a ₂	0.208	0.070	2.961	0.003	0.069	0.348
PL→PI	b ₁	0.693	0.057	12.092	0.001	0.580	0.807
PR→PI	b ₂	-0.186	0.058	-3.180	0.001	-0.302	-0.070
Direct effect: CC→PI	c'	0.176	0.057	3.063	0.002	0.062	0.289
**Indirect effects: CC→PL→PI	a ₁ b ₁	0.067	0.052	—	—	-0.036	0.169
CC→PR→PI	a ₂ b ₂	-0.039	0.021	—	—	-0.093	-0.006
Total indirect effect	ab	0.028	0.057	—	—	-0.087	0.138

*LLCI: Lower levels for CIs.

*ULCI: Upper levels for CIs.

**These results for the indirect effect were calculated using bootstrap method.

To exclude the possibility that the counter-intuitive result might be because of the CC scale chosen, the above analysis is repeated while replacing the behavioural measure with the

attitudinal measure of CC. When the mediation analysis for the two (parallel) mediators is replicated for the attitudinal CC scale (ATCA), CC did not affect perceptions of luxury ($a_1 = 0.071$, $p = 0.360$), neither did it affect personal risk ($a_2 = 0.087$, $p = 0.263$). Thus, the indirect effect of CC on purchase intentions via perceptions of luxury is not significant ($a_1b_1 = 0.050$, $CI = -0.074$ to 0.172) and the indirect effect of CC on purchase intentions via personal risk is not significant too ($a_2b_2 = -0.013$, $CI = -0.053$ to 0.008). The direct effect of CC on participants' intentions when controlling for perceptions of luxury and personal risk ($c' = 0.153$) once again remains significant (at a 5% level) and has a positive sign. Table 8.8 summarises the findings for attitudinal measure of CC.

Table 8.8: Direct, indirect and total effects for the attitudinal CC

Effect	Path	Coeff.	S.E.	t	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
Main effect							
CC→PI	c	0.191	0.084	2.259	0.025	0.994	1.983
Path coefficients:							
CC→PL	a ₁	0.071	0.078	0.917	0.360	-0.082	0.225
CC→PR	a ₂	0.087	0.077	1.121	0.263	-0.066	0.240
PL→PI	b ₁	0.707	0.057	12.32	0.001	0.594	0.820
PR→PI	b ₂	-0.158	0.057	-2.742	0.006	-0.272	-0.044
CC→PI	c'	0.153	0.061	2.521	0.012	0.033	0.274
**Indirect effects							
CC→PL→PI	a ₁ b ₁	0.050	0.061	—	—	-0.074	0.172
CC→PR→PI	a ₂ b ₂	-0.013	0.015	—	—	-0.053	0.008
Total indirect effect	ab	0.036	0.065	—	—	-0.096	0.165

*LLCI: Lower levels for CIs.

*ULCI: Upper levels for CIs.

**These results for the indirect effect were calculated using bootstrap method.

To summarise, only for the behavioural measure of CC, the effect of CC on purchase intentions via personal risk was found to be significant; nevertheless, this indirect effect is negative in sign. Although I will return later to this difference in perceptions determined by the behavioural as compared to the attitudinal measure of CC, the other hypothesised indirect effects (for both measure of CC) were found to be insignificant and positive in sign. The results indicate that when a handbag is associated with a moderately inconsistent high-image store environment, the effect of CC on luxury brand perceptions no longer holds. Consequently, the positive total indirect effect of CC on purchase intentions through perceptions of luxury and personal risk is

not significant, no matter the measure of CC. Thus, *Hypothesis 10* cannot be accepted. However, despite the fact that the store context did not help participants to make clear luxury and personal risk inferences about the product on display, the participants with higher CC expressed a stronger intention to purchase the displayed luxury handbag, independent of the effect of the two tested mediators. Hence, the analysis that follows will revisit the positive main effect of CC on purchase intentions and investigate it further. However, it is important to first reflect on these findings which are contrary to my original hypothesis and discuss possible explanations for these counter-intuitive results.

The findings suggest that in the present study's store context, which comprised a combination of high-image VMD cues mixed with a few low-image VMD cues, and for a sample of non-students, the previously identified (in Study 2) transfer of perceptions of luxury from the display environment to the product/brand on display, especially for the participants with higher CC, did not actually occur. Moreover, personal risk,²⁶ which is a type of risk associated with luxury brand consumption, was also not reduced for the participants with higher CC when they were exposed to the store's interior elements. In contrast, in Study 2, the participants' perceptions of luxury for the brand on display were influenced by the participants' level of CC and this influence was found to be stronger in the high-image VMD condition compared with the low-image VMD condition. In the present study, by designing only one moderately high-image store environment/condition, where the participants' induced luxury store perceptions were neither extremely high nor low, the effect of consumers' CC on their luxury brand perceptions was expected to be smaller but not absent.

One possible explanation for the disappearance of the effect of CC on perceptions of luxury is the replacement of the photograph of a museum-like display in Study 2 by a combination of independent VMD cues presented on a mood-board (in Study 3). This suggests that the effect of VMD on the participants' luxury brand perceptions, especially for those with higher CC, was not caused by the brand inferences that they made based on the high-image or low-image VMD cues of the retail environment. This transfer of perceptions of luxury to the brand seems to have been caused instead by the display elements and mode (i.e., a museum-like displays)

²⁶ This is partly because the effect of VMD cues on personal risk is fully mediated by the consumer's luxury brand perceptions (see Appendix C), which, in the present study, were not affected by the participants' CC.

that succeeded to reference through similarity and contagion the authority art institutions (such as museums and art galleries) and, thus, made participants with higher CC attach to the brand on display a set of luxury associations which are usually attached to artworks. This assumption will be elaborated in the discussion chapter.

In conclusion, in the present study's store context, although the effect of CC on participants' purchase intentions for luxury brands is not explained via the increase of perceptions of luxury or the decrease of personal risk, because these were no longer determined by CC, the participants' purchase intentions was found to have three drivers. Specifically, in this moderately inconsistent store environment, (1) CC, (2) increases in luxury perceptions and (3) decreases in personal risk, were found to be three additive predictors of consumers' purchases for luxury brands; but CC was found to act independently from the other two. The next section will explain why consumers with higher CC still appear to be more willing to purchase. Are consumers with higher CC more willing to buy because they are simply more affluent? Or, does CC predict a specific way that these people see, process and evaluate store and product-related information? To answer these questions, two alternative and competing processes that explain the positive effect of CC on purchase intentions through *store atmospheric responsiveness* and *holistic style of processing* will be investigated.

8.4.4.4 A Consumer-Style-of-Processing Approach in Examining the Impact of CC on Purchase Intentions

An alternative consumer-style-of-processing approach is applied here to examine why consumers' CC affects their store-based purchase intentions. In particular, I will investigate two competing processes which can theoretically explain the main effect. The first process will explain the positive effect of CC on store-based purchase intentions through the mediating role of consumers' store atmospheric responsiveness. The second process will examine the same effect through the mediating effect of consumers' holistic style of processing. However, the two processes can be inter-related because the consumers' store atmospheric responsiveness relates with their tendency to process the store environment cues holistically. Therefore, ultimately my analysis will combine both processes into the same model and will use the two serially linked mediators to explain the indirect effect of CC on purchase intentions for luxury brands in this moderately inconsistent high image store context.

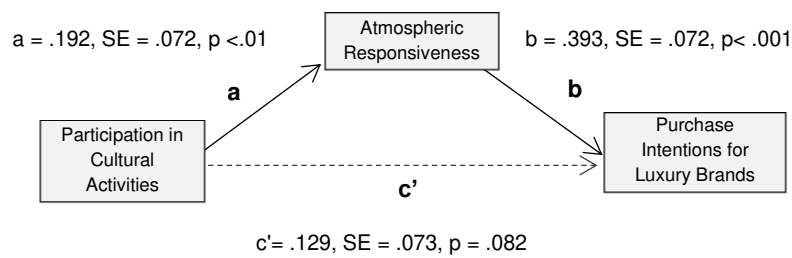
Mediation Model 2: Mediation by Store Atmospheric Responsiveness

This investigation starts by testing the mediating role of store atmospheric responsiveness in the relationship between CC and consumers' purchase intentions. Thus, a simple mediation analysis is conducted using the behavioural CC measure (PICA), and it is then replicated using the attitudinal CC measure (ATCA). Although the behavioural measure of CC judged to be more appropriate for a sample of participants with a permanent disposable income (e.g., for full-time employees), the correlation of this measure with the participants' economical capital (i.e., wealth) is moderately high ($r = 0.361, p < 0.001$). Consequently, part of the positive effect of CC on purchase intentions could happen because these participants are simply more affluent. The attitudinal measure of CC is not correlated with the participants' economical capital ($r = 0.125, p = 0.083$). Thus, although the mediating role of store atmospheric responsiveness in the relationship between CC and purchase intentions will be tested using both measures of CC (to provide some more evidence of validity for the newly introduced CC scales), when the impact of CC on purchase intentions is investigated, the attitudinal measure of CC might be more appropriate to use in order to discard the influence of participants' economic capital as a possible confounder. However, I have run every single analysis controlling for the participants' economic capital and the results remain consistent.

The results suggest that no matter the measure of CC, CC indirectly affects participants' intentions to purchase the luxury handbag on display via its effect on participants' store atmospheric responsiveness. In particular, CC affects the participants' purchase intentions ($F(1,191) = 6.928, p < 0.01$), but it only explains a small proportion in the variation of participants' purchase intentions ($R^2 = 3.5\%$). CC predicts also to a small extent the participants' store atmospheric responsiveness ($F(1,191) = 7.024, p < 0.01, R^2 = 3.6\%$); but, CC and store atmospheric responsiveness together can much better explain the participants' purchase intentions ($F(2,190) = 18.756, p < 0.001, R^2 = 16.4\%$). Most importantly, Figure 8.11 illustrates, when the participants' participation in cultural activities (behavioural measure of CC) increases by one unit, their store atmospheric responsiveness increases ($a = 0.192, p < 0.01$). In turn, the more store atmospheric responsive participants expressed a stronger intention to purchase the handbag ($b = 0.393, p < 0.001$) after being exposed to its (moderately inconsistent) store interior. A bias-corrected, bootstrapped, 95% confidence interval for the indirect effect ($ab = 0.075$) based on 5,000 resamples was entirely above zero (0.0261 to 0.1527), which suggests that the null hypothesis of no indirect effect can be rejected and the

positive influence of CC on purchase intentions is assumed to be mediated by store atmospheric responsiveness. Moreover, there were no evidence that CC influences participants' intention to buy independent of its effect on store atmospheric responsiveness ($c' = 0.129$, $p = 0.082$).

Figure 8.11: One-step mediation model 2: mediation by store atmospheric responsiveness



The conclusions remain consistent when the behavioural measure of CC is replaced by the attitudinal measure ($a = 0.232$, $p < 0.01$; $b = 0.398$, $p < 0.001$; $c' = 0.098$, $p = 0.224$; $ab = 0.092$, $CI = 0.0336$ to 0.1851 , $R^2 = 15.8\%$). Consequently, the consumers' store-based purchase intentions are positively affected by their level of CC simply because consumers with higher CC, as compared to those lower in CC, tend to be more store atmospheric responsive and better appreciate the store environment cues when making purchase decisions. Therefore, *Hypothesis 11* is accepted.

Although, based on the assumptions made in Study 2, the indirect effect of CC on purchase intentions through store atmospheric responsiveness is an easy one to assume, it is important to understand the implications of this finding. The higher store atmospheric responsiveness of the consumers with higher CC can indicate, as assimilation theory suggests, their holistic way of processing store environment and product-related information. Thus, the next section will investigate the relationship between consumers' CC, store atmospheric responsiveness and holistic style of processing in the present experiment's specific retail context.

The Relationship between Consumers' CC, Store Atmospheric Responsiveness and Holistic Style of Processing

There is little evidence in the literature to suggest that the consumer's CC relates to their holistic or analytic style of processing (thinking). Only in cultural consumption (such as in

listening to opera music), peoples' processing modes were found to depend on Bourdieu's concept of CC. In particular, according to Rossel (2011), an individual's resources of CC (such as art experiences) relate to two modes of processing relevant information: (1) the analytical mode, and (2) the emotional mode. When Rossel compared the results from the impact of CC on these two modes of listening to opera music he found that the most general attitudinal CC indicators (such as education) only relate to the 'feeling mode'. In contrast, when the indicators of CC referred to a person's active involvement or production in this cultural field (such as, playing a musical instrument, attend music classes, visit opera or classical concerts), they related to the analytic mode of listening. Hence, in cultural consumption people may pass from a holistic perceptual style (feeling mode) to an analytic style as the nature of their CC changes and from general or attitudinal becomes specific and more behavioural. Accordingly, it could be assumed that in product consumption the consumers' CC (accounting mostly for the attitudinal measure of CC) can also relate to their tendency to process the store atmosphere and product-related information holistically. The empirical evidence from Study 2 has suggested that consumers with higher CC (accounting for the attitudinal CC), as compared to those with lower CC, are more affected by VMD cues when making product judgements and taking purchase decisions. Zhu and Meyers-Levy (2009), using the assimilation-contrast theory, argue that such people who are influenced by the store peripheral cues and tend to attribute common evaluations to store environment cues and to the object (product) under evaluation tend to process the stimulus (such as a product's display) holistically rather than analytically.

Indeed, the results in the correlation matrix in Table 8.9 illustrate that in Study 3, the attitudinal measure of CC correlates moderately with the consumers' holistic style of processing ($r = 0.164$). However, both, the attitudinal ($r = 0.211$) and the behavioural ($r = 0.188$) measure of CC correlate with consumers' store atmospheric responsiveness, which then correlates with participants' holistic style of processing ($r = 0.289$).

Table 8.9: Correlation matrix illustrating the relationship between CC, store atmospheric responsiveness and holistic style of processing

		ATCA	PICA	HSOP	AR
Attitudinal measure of CC (ATCA)	Pearson Correlation	1	0.626**	0.164*	0.211**
	Sig. (2-tailed)		0.000	0.023	0.003
Behavioural measure of CC (PICA)	Pearson Correlation	0.626**	1	0.074	0.188**
	Sig. (2-tailed)	0.000		0.305	0.009
Holistic style of processing (HSOP)	Pearson Correlation	0.164*	0.074	1	0.289**
	Sig. (2-tailed)	0.023	0.305	0.000	0.000
Atmospheric Responsiveness (AR)	Pearson Correlation	0.211**	0.188**	0.289**	1
	Sig. (2-tailed)	0.003	0.009	0.000	

**Correlation is significant at the 0.01 level (2-tailed).

*Correlation is significant at the 0.05 level (2-tailed).

Consequently, CC can predict the consumer's store atmospheric responsiveness which then predicts the consumers' tendency to process the relevant information holistically. Drawing upon the assimilation-contrast theory, and based on the results in the correlation matrix, the next section will investigate the mediating role of consumers' holistic style of processing in the relationship between consumers' CC and purchase intentions in this moderately inconsistent store context.

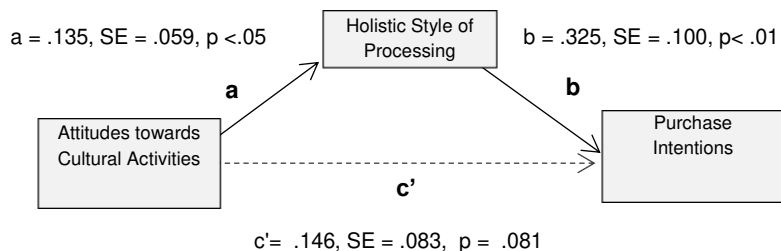
Mediation Model 3: Mediation by Holistic Style of Processing

Following Rossel (2011), and based on the fact that the attitudinal measure of CC (as compared to the behavioural CC) does not correlate with the participants' economic capital ($r = 0.125$, $p = 0.083$) but predicts their tendency to process information holistically ($r = 0.164$, $p < 0.05$), the present investigation uses the attitudinal measure of CC to investigate the effect of CC on purchase intentions through consumers' holistic style of processing.

A simple mediation analysis suggests that in a moderately inconsistent store environment CC can indirectly increase participants' purchase intentions by affecting their holistic way of

evaluating the information around them. As discussed earlier, CC can predict only to a very small extent the participants' holistic style of processing ($F(1,191) = 5.258, p < 0.05, R^2 = 2.7\%$) but CC and participants' holistic style of processing together explained better the participants' purchase intentions ($F(2,190) = 7.911, p < 0.001, R^2 = 7.7\%$). Specifically, Figure 8.12 shows that when the consumers' attitude towards cultural activities improve by one unit, their tendency to process information holistically also increases ($a = 0.135, p = 0.022$). In turn, participants who expressed a stronger tendency to process information holistically, were also more willing to purchase the luxury handbag that was displayed in this moderately inconsistent store environment ($b = 0.325, p = 0.001$). A bias-corrected, bootstrapped, 95% confidence interval for the indirect effect ($ab = 0.044$) based on 5,000 resamples was above zero (0.0066 to 0.1194), which suggest that the positive influence of CC on purchase intentions is mediated by the participants' holistic style of processing. Moreover, there was not enough evidence to support the view that the consumers' attitudinal CC affects purchase intentions independently from its effect on participants' tendency to process information holistically ($c' = 0.146, p = 0.081$).

Figure 8.12: One-step mediation model 3: mediation by holistic style of processing (paths and results)



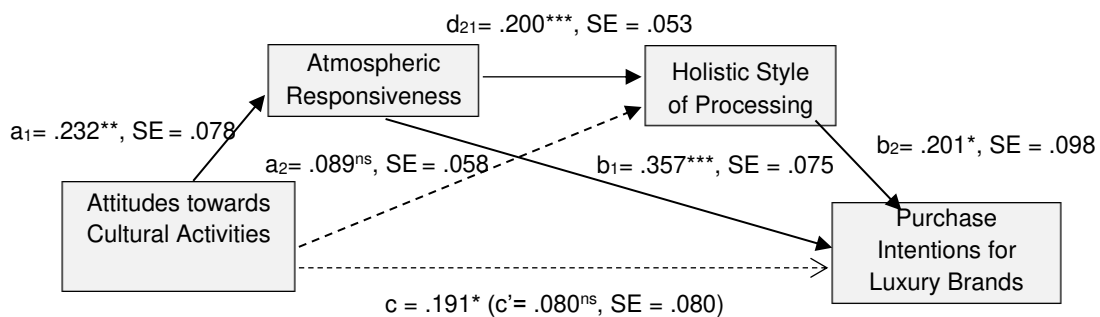
Consequently, *Hypothesis 12* is accepted. Accordingly, it is assumed that in a moderately inconsistent high-image store environment, the purchase intentions of the consumers with higher rather than lower CC can increase because of their tendency to engage a holistic style in processing and evaluating the store environment elements. Since these elements consisted of high-image VMD cues mixed with only a few low-image VMD cues, consumers with higher rather than lower CC tend to miss such mild inconsistencies in the store's interior and appear more willing to buy the luxury handbag that is on display.

Serial Multiple Mediation Model 4: Serial Mediation through Consumers' Store Atmospheric Responsiveness and Holistic Style of Processing

It could be assumed a parallel (multiple) mediation model, whereby, in a moderately inconsistent store environment, CC indirectly positively affects purchase intentions, through its positive effect on the consumers' store atmospheric responsiveness and on their holistic style of processing. However, the two possible mediators (store atmospheric responsiveness and holistic style of processing) are correlated even after adjusting (controlling) for CC. The partial correlation coefficients between the two mediators after adjusting for the behavioural and attitudinal measure of CC, respectively, are 0.281 and 0.264.

Although it is assumed that no causal association exists between store atmospheric responsiveness and holistic style of processing—as in cross-sectional data both moderators are measured simultaneously—their reported correlation suggests that a serial multiple mediation analysis would be appropriate to examine whether CC indirectly increases purchase intentions in the moderately inconsistent store environment via the serially linked mediators of store atmospheric responsiveness and holistic style of processing. Figure 8.13 presents this serial multiple mediator model.

Figure 8.13: Serial multiple mediation model 4: a serial multiple mediator model visualising the influence of the attitudinal CC on purchase intentions



Note: A two-step mediation using the bootstrap method with 5,000 samples (Hayes, 2013). The total indirect effect (0.008) through store atmospheric responsiveness and holistic style of processing was significant, with a 95% CI of [0.0015, 0.0291]. Light dashed lines indicate

paths that have been tested but do not offer information to the two-step mediation analysis. * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

The results suggest that participants' store atmospheric responsiveness increases ($a_1 = 0.232$, $p = 0.003$) as their attitudes towards cultural activities (ATCA) improve. Participants with higher store atmospheric responsiveness expressed a stronger tendency to process information holistically ($d_{21} = 0.200$, $p = 0.0001$). In turn, participants' holistic style of processing information made them more willing to purchase the luxury handbag displayed in the moderately inconsistent store environment ($b_2 = 0.201$, $p = 0.043$). Indeed, the bias-corrected bootstrap 95% confidence interval for the indirect effect ($a_1d_{21}b_2 = 0.009$) based on 5,000 bootstrap samples was entirely above zero (from 0.0013 to 0.0305). Moreover, there was not enough evidence to support that CC affected participants' purchase intentions independently from its effect on participants' store atmospheric responsiveness and their tendency to process information holistically ($c' = 0.080$, $p = 0.319$). Replacing the attitudinal measure of CC with the behavioural (PICA) and repeating the analysis, the results remained consistent²⁷.

Given that the results remain consistent no matter what the CC measure is, *Hypothesis 13* is accepted. Accordingly, the purchase intentions of consumers increase with their level of CC after they have been exposed to a moderately inconsistent store environment (where the majority of VMD elements that form the store interior are high-image VMD cues). Specifically, consumers with higher CC because of their higher level of store atmospheric

²⁷The results indicated again that participants' store atmospheric responsiveness increases ($a_1 = 0.192$, $p = 0.008$) as their participation in cultural activities (PICA) increases. Participants with higher atmospheric responsiveness expressed a stronger tendency to process information holistically ($d_{21} = 0.214$, $p = 0.0001$). In turn, participants' holistic style of processing information made them more willing to purchase the luxury handbag displayed in this moderately inconsistent store environment ($b_2 = 0.208$, $p = 0.034$). The confidence interval for the indirect effect ($a_1d_{21}b_2 = 0.008$) based on 5,000 bootstrap samples was entirely above zero (from 0.0015 to 0.0291). Moreover, there was not enough evidence to support the view that PICA affected the participants' purchase intentions independently from its effect on participants' store atmospheric responsiveness and their tendency to process information holistically ($c' = 0.125$, $p = 0.087$).

responsiveness, which affects their holistic processing style, rely more on the general feeling of the store interior rather than examine each individual element that composes it. Thus, they appear to be more confident in purchasing, even in a high-image store environment that is moderately incongruent. However, although in this store context, CC affected participants' purchase intentions ($F(1,191) = 5.104, p < 0.05$), it only explained a very small proportion in the variation of consumers' purchase intentions ($R^2 = 3\%$). CC predicted also to a small extent consumers' store atmospheric responsiveness ($F(1,191) = 8.891, p < 0.01, R^2 = 4.5\%$) but CC and store atmospheric responsiveness together moderately explained ($F(2,190) = 9.947, p < 0.001$) the participants' holistic style of processing ($R^2 = 10\%$). Finally, consumers' CC, store atmospheric responsiveness and holistic style of processing together explain the participants' purchase intentions ($F(3, 189) = 13.461, p < 0.001, R^2 = 18\%$).

8.5 Summary

The present study validated the newly developed CC scales using an alternative non-student sample. Specifically, the behavioural measure of CC that assesses people's participation in cultural activities was finally tested using a sample of full-time employees where financial constraints were less of an issue. Additionally, a truncated version of the attitudinal measure of CC was also tested using the same non-student sample. Therefore, both measures facilitated my investigation, which attempted by using a style of processing approach to explain why consumers with higher CC are more affected by the peripheral store environment cues when they make purchase decisions. For the purposes of this investigation, an alternative store context was used: a moderately inconsistent and moderately luxurious store interior comprising several high-image VMD cues mixed alongside a few low-image VMD cues.

In this store context, the effect of CC on consumers' purchase intentions for luxury brands, was no longer explained through an increase in participants' perceptions of luxury and decrease in their perceived personal risk for the displayed product. So, in this store context and for a non-student sample, the previously identified transfer of perceptions of luxury from the display cues to the displayed product was hampered. Participants' personal risk, which is a type of risk associated to luxury brands, was also not significantly reduced. Although the participants with higher CC were found to be more willing to purchase after they were exposed to the store's interior elements, the new presentation format of the study's stimulus (i.e., the mood-board) that was used to present to participants independent VMD cues as elements that compose the

brand's store interior was not enough to help them make clear luxury or personal risk inferences for the brand on display. Although this is partly explained also by the fact that the store environment was designed and intended to be neither of exclusively high nor of low-image, it may also suggest that what caused the 'luxury perception transfer' for the consumers with higher CC, before (in Study 2), was not the high or low-image VMD cues but mostly the display mode that orchestrated them to form a 'museum-like' display.

The present study suggests through an empirical investigation that a combination of high-image VMD cues alone may not be enough to induce higher luxury brand perceptions for the consumers with higher CC. Alternatively, a symbolic type of art-infusion effect, which is caused by the display elements and mode—such as the museological presentation techniques or simply a museum-like display—that reference through similarity art institutions such as museums and art galleries, could explain why mostly for the consumers with higher CC the displayed brand becomes contaminated with luxury perceptions that are usually attached to artworks. However, even without using a museum-like display environment but a moderately inconsistent high-image store environment, participants' CC were found to positively affect their intentions to buy. The present study contributes by adopting a consumer-style-of-processing approach and investigating two alternative possible mechanisms that can explain this positive main effect; namely, through consumers' store atmospheric responsiveness and holistic perceptual style. Specifically, participants with higher CC were found to be, in general, more store atmospheric responsive people. However, such people also indicated a stronger tendency to process the store environment holistically. Hence, the higher purchase intentions of the consumers with higher CC, as compared to those lower in CC, for a luxury handbag were ultimately explained through their higher store atmospheric responsiveness which in turn enhances and promotes their tendency to process the store environment cues holistically rather than analytically.

However, the impact of consumers' CC on perceptions of luxury and personal risk because of a conceptual meaning transfer or an art-infusion effect, induced by display cues that reference the world of art and possibly the consumers' conceptual fluency to decipher such cues, needs to be tested in a future study. Moreover, whether or not the nature of the consumers' CC can affect their style of processing needs to be further investigated; in particular, can consumers in product consumption, just as in cultural consumption, pass from a holistic to an analytic perceptual style when their CC changes from general or attitudinal to be more field-specific

and behavioural? The next chapter discusses these topics in further detail. Specifically, it summarises the present thesis's contributions, its managerial implications and it provides direction for further research that could improve the validity and generalisability of my assumptions.

CHAPTER 9 DISCUSSION AND CONCLUSIONS

9.1 Overview

This final chapter summarises the key objectives of my research and reflects upon the main findings. Based on this, a summary of the key contextual and methodological contributions to the theoretical understanding of store atmospherics and luxury retailing will be presented. In addition to its contribution to the theory and literature, this research also offers a number of practical implications for retailers, brand managers and marketers. This study has also observed some limitations, the identification of which motivates directions for future research that can provide refinements and extensions to this research.

9.2 Addressing the Research Question and Research Objectives: An Overview of the Findings

The present research was initially motivated by:

- (1) The prior empirical finding in the literature on store atmospherics, which by discriminating between high-image and low-image store environment cues suggested that the store environment cues can affect the consumers' inferences about a product on display; and,
- (2) Contemporary qualitative research in luxury retailing, which suggests that museological presentation techniques help in building and sustaining a luxury brand image.

Based on the reasons that have motivated this research and the extant gaps in the literature, the main research question is:

Do the VMD cues that form a museum-like display affect the luxury brand perceptions and purchase intentions of all consumers equally and positively? Or, are only those consumers with higher CC substantially affected by such display cues?

Although the extant qualitative literature in luxury retailing praises museological presentation techniques for their influence on consumers' luxury brand perceptions, the results of the present research seem to suggest that the identified effect of the VMD cues on the participants' brand perceptions and purchase intentions requires the consumers to have high or at least

average CC. It is important to mention, that for participants with low CC, a museum-like display (as compared to a conventional/non-museum-like product presentation) has no effect on their brand perceptions or purchase intentions. Although there was one main research question, the present investigation had a number of research objectives. Table 9.1 provides a summary of the research hypotheses that have been tested in order to answer the research question and address the individual research objectives.

The first objective of this research was to identify a combination of VMD cues that form a museum-like display and examine its influence on the consumers' purchase intentions for a hedonic product; specifically, for a luxury brand. The empirical findings of this investigation (that is, Studies 1 and 2) are indeed suggestive of the positive effect of such VMD on consumers' purchase intentions for the luxury brand on display.

The second research objective was to understand 'how' a museum-like display affects consumers' luxury brand purchase intentions. Studies 1 and 2 have uncovered a process which explains that a museum-like display increases consumers' purchase intentions by increasing their perceptions of luxury and by decreasing their perceived personal risk associated with the product and its brand.

The third objective of this research was to investigate whether, in the context of luxury brand consumption, the effect of a museum-like display on consumers' purchase intentions is contingent upon the consumers' CC. The empirical evidence in Study 2 is indeed suggestive of the contingent role of consumers' CC. Consumers with higher CC found to be more strongly influenced by the VMD cues. Interestingly, CC behaved differently from fashion knowledge when both were introduced into the same model, although the latter has been used as a proxy for CC in prior marketing studies.

This study aimed to develop a deeper understanding of the contingent role of CC in a retail context, and clarify whether the stronger effect of VMD on purchase intentions for the consumers with higher CC is caused by the high-image VMD cues or by their 'holistic organisation' that forms a museum-like display. Thus, Study 3 designed an experiment where the museum-like displays were replaced by a store environment consisting of a majority of high-image VMD cues. Although CC was once again found to determine consumers' store-induced purchase intentions, its explanatory power (i.e., the model's goodness of fit) was much

smaller ($R^2 = 3\%$) compared to what it was in the context of a museum-like display ($R^2 = 29\%$). Furthermore, in this moderately high-image store environment, the positive effect of consumers' CC on purchase intentions via its effect on consumers' luxury brand perceptions (increase) or on their personal risk (decrease), was no longer confirmed.

The final objective of my research was to explain why consumers with higher CC, when evaluating or purchasing a product, tend to pay more attention to the peripheral store environment cues than consumers with lower CC. Thus, the effect of consumers' CC on their purchase intentions in a moderately inconsistent high-image store environment was investigated using a consumer-style-of-processing approach. Accordingly, Study 3 uncovered two alternative processes that explain the influence of CC on purchase intentions through the participants' store atmospheric responsiveness and their holistic style of processing. Specifically, consumers' with higher CC were found to be more responsive to store atmospherics and engage in a holistic style of processing the product on display; this holistic perceptual style makes them then miss mild inconsistencies in the store's environment and feel more confident to make a purchase.

Table 9.1: Summary of the Supported and Non-Supported Research Hypotheses

Study	Hypothesis	Supported
<i>H1</i>	1 The VMD cues that form a museum-like display positively affect the consumers' purchase intentions for a luxury brand on display.	Yes
<i>H2</i>	1 The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions, through the enhancement of the consumers' perceptions of luxury for the brand on display.	Yes
<i>H3</i>	1 The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the decrease of consumers' personal risk for the brand on display.	Yes
<i>H4</i>	1 The VMD cues that form a museum-like display indirectly increase the consumers' purchase intentions through the serially linked mediators of perceptions of luxury and personal risk.	Yes
<i>H5a</i>	2 The mechanism via which VMD increases the consumers' purchase intentions by increasing the perceptions of luxury for the brand on display, is contingent upon the consumers' CC. Specifically, the effect of VMD cues on luxury brand perceptions is stronger for the consumers with higher CC.	Yes
<i>H5b</i>	2 The mechanism via which VMD increases the consumers' purchase intentions by increasing their perceptions of luxury for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on luxury brand perceptions is weaker for the consumers with higher fashion knowledge.	Yes
<i>H6a</i>	2 The mechanism via which VMD increases the consumers' purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers' CC. Specifically, the effect of VMD cues on personal risk is stronger for the consumers with higher CC.	Yes
<i>H6b</i>	2 The mechanism via which VMD increases the consumers' purchase intentions by decreasing their personal risk for the brand on display, is contingent upon the consumers' fashion knowledge. Specifically, the effect of VMD cues on personal risk is weaker for the consumers with higher fashion knowledge.	Yes
<i>H7</i>	2 The mechanism via which VMD increases the consumers' purchase intentions through the increase of perceptions of luxury is contingent on the consumer's CC and not on their fashion knowledge.	Yes
<i>H8</i>	2 The mechanism via which VMD increases the consumers' purchase intentions through the decrease of personal risk is contingent on the consumer's CC and not on their fashion knowledge.	No
<i>H9</i>	3 In a moderately inconsistent high-image store environment, consumers' CC positively affects their purchase intentions for the brand on display.	Yes
<i>H10</i>	3 In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions through the increase of their perceptions of luxury and the decrease of their personal risk for the brand on display.	No
<i>H11</i>	3 In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their store atmospheric responsiveness.	Yes
<i>H12</i>	3 In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display because of their holistic style of information processing.	Yes
<i>H13</i>	3 In a moderately inconsistent high-image store environment, consumers' CC indirectly increases their purchase intentions for the brand on display through the serially linked mediators of store atmospheric responsiveness and holistic style of processing.	Yes

9.3 Contributions to Theory

By addressing its research objectives, this study provided empirical findings and drew conclusions that extend the extant literature on store atmospherics, visual merchandising and luxury retailing. Furthermore, my study has used the concept of CC, which comes from sociology, to illustrate that CC in a retail context can determine consumers' susceptibility to store atmospherics and affects the way that they process store environment stimuli and evaluate products on display. The discussion that follows next elaborates on the main contextual and methodological contributions of this research.

Contextual Contributions

The early researchers in store atmospherics tended to investigate the effect of a single store environment element, one at a time, on consumers' quality perceptions or store patronage intentions and, usually, in non-luxury store contexts (e.g., Baker et al., 1994; Grewal and Baker, 1994; Baker et al., 2002). However, these early researchers also noted the importance of the 'holistic organisation' of the store environment elements. Thus, they invited more empirical research that could address the effect of a combination of store environment cues on consumers' product evaluations and behavioural intentions in alternative store contexts and product classes (e.g., Baker et al., 2002). Researchers started to explore the holistic organisation of the store environment cues, as a practice called visual merchandising, and study the effect of VMD on consumers' brand perceptions in non-luxury and luxury store contexts (e.g., Kerfoot et al., 2003). However, the incoherent identification of the elements that make up a VMD, and the qualitative and purely descriptive approach of the contemporary researchers when investigating the effect of VMD on consumers' brand evaluations make the findings in the extant literature look a bit vague (e.g., Kerfoot et al., 2003).

The present study contributes to this literature because it:

- (1) Organised the elements that constitute a VMD and proposed a typology of VMD cues that relate to consumers' perceptions of luxury; and,
- (2) Tested the 'holistic effect' of a combination of VMD cues, that form a museum-like display, on consumers' brand attitudes (perceptions of luxury and personal risk for the brand on display) and purchase intentions in a luxury brand context.

Secondly, and more importantly, this study builds on the emerging research in luxury retailing that only qualitatively explores the effect of museological presentation techniques on consumers' luxury brand perceptions (e.g., Dion and Arnould, 2011; Joy et al., 2014). My research compliments these qualitative studies by illustrating through an empirical quantitative investigation that a museum-like display, compared to a conventional non-museum-like display, can increase consumers' luxury brand purchase intentions. Moreover, it provides empirical evidence for a mechanism that explains how this happens. A museum-like display is found to increase the purchase intentions for a luxury brand by increasing consumers' perceptions of luxury for this brand which, in turn, decreases their perceived personal risk associated with the brand choice.

Perhaps the most important contribution of my research is that it introduced the concept of CC in consumer product consumption and in a retail context. Concepts closely related to CC (e.g., knowledge and familiarity with art) have previously been considered in contagion theory research when Hagtvedt and Patrick (2008a) investigated the effect of the presence of an artwork in a product's display on consumers' product evaluations. However, the evidence as to their contingent role has perhaps been inconclusive; specifically, although a non-significant effect was identified, the authors recognise that this might have been because of the small sample size and the homogeneity of the study's student sample. Thus, further research was invited to better investigate this possibility.

The contemporary luxury retailing literature (qualitatively) explores the effect of museological presentation techniques on the consumer's luxury brand perceptions but does not consider that people might differ in their ability (i.e., connoisseurship) to decode and appreciate such display techniques. In response, the present study contributes to this literature by showing through an empirical investigation that even people who have been exposed to the same museum-like display differ in the extent to which they become positively affected and, thus, confident to purchase. Specifically, I found that the positive effect of a museum-like display on consumers' purchase intentions through the increase of their perceptions of luxury and the decreased of their personal risk for the displayed brand depends on the consumer's level of CC. Consumers with higher, rather than lower, CC were more positively affected by such VMD cues.

While the early studies in store atmospherics use inference theory to underpin the impact of store environment cues on the consumers' (mostly) quality perceptions, the most recent studies

in luxury retailing refer to several contagion effects and they primarily rely on contagion theory to describe the transmittable effect of certain VMD cues on luxury brand image. The present research initially used both inference theory and contagion theory as complimentary theories to provide an appropriate theoretical ground that underpins the effect of a certain combination of VMD cues on the consumers' luxury brand perceptions. However, the fact that the intensity of this transmittable effect was found to differ among the participants (see Study 2), and for those with higher CC the identified effect was stronger, constituted a first indication that the two theories might instead be two competing theories. In particular, through the lens of inference theory, consumers are active individuals who search for and make (luxury/risk) brand inferences based on high-image or low-image VMD cues. Alternatively, through the lens of contagion theory, the consumers' luxury brand perceptions are the result of a display mode that orchestrates the VMD cues to reference institutions of art and culture, such as museums and art galleries. Through the empirical investigation of the present research, evidence was provided suggesting that contagion theory rather than inference theory could better explain the effect of the VMD cues that form a museum-like display on consumers' luxury brand perceptions and purchase intentions. Nevertheless, future research is needed to further empirically test whether a combination of high-image VMD cues can alone cause the consumers' luxury brand inferences or if the conceptual meaning of their holistic organisation in a museum-like display is what infuses the perception of luxury for the brand on display.

This research adds to the theoretical understanding of the effect of VMD on consumers' product/brand perceptions. Although the earlier studies on store atmospherics use inference theory and the qualitative researchers in the retailing literature use contagion and art-infusion effects to often explain the same or a similar phenomenon, the present study is suggestive of a symbolic type of art-infusion effect that can explain the positive effect of the VMD cues on the participants' luxury brand perceptions. Accordingly, the combination of high-image VMD cues to form a 'museum-like display', rather than the fact that these VMD cues were of high-image, enhances the participants' luxury brand perceptions, especially for those with higher CC.²⁸

²⁸ In fact, once the museum-like environment was replaced in Study 3 with a store environment consisting of high-image, in their majority, VMD cues, the effect of CC on the participants' luxury brand or risk perceptions was eliminated. Although CC still positively affected the participants' purchase intentions, this effect was much smaller than the one found in the prior experiments, when the same product was portrayed in a museum-like display.

Thus, a symbolic art-infusion effect—which is caused by the display elements/mode that reference, through similarity, the art institutions, such as museums and art galleries—could better explain why a brand that is displayed in a museum-like display becomes contaminated with luxury perceptions that are usually attached to artworks and why such an effect is stronger for the consumers with higher CC. Although the latter needs to be tested in a future study and verified using a non-student sample, the present study has made a contribution to the literature on contagion. While prior empirical studies on contagion have primarily focused on manipulating the physical connectedness between, for instance, an artwork and the product on display (e.g., Van Gogh’s art image in the box of a silverware see Hagtvedt and Patrick, 2008a), the present study shows that the physical presence of an artwork might be unnecessary for an art-infusion effect to occur, when, in a retail context, the VMD cues symbolically (through similarity) reference the world of art or the places where artworks usually reside.

Finally, the present study investigated the relationship between CC and people’s style of information processing (i.e., their analytic and holistic thinking). Although prior research on cultural consumption (e.g., in the way people listen to opera music) suggested that CC may be related to peoples’ analytic and holistic information processing style (Rossel, 2011), such relationships had not been investigated in the context of consumer product consumption. My study aimed to address this gap by adopting a consumer style-of-processing approach in explaining why consumers with higher CC consider the peripheral store environment cues more than those lower in CC when making product purchase decisions. Although only a weak relationship was identified between CC and consumers’ holistic-analytic thinking, the results are suggestive of one possible mechanism which explains that consumers with higher CC, compared to those with lower CC, are more willing to purchase in a moderately inconsistent high-image store environment because they are more store atmospheric responsive and they tend to evaluate the store environment stimulus holistically rather than analytically.

Methodological Contributions

The present study has also made several methodological contributions. First, it measured personal risk, which is an important concept that determines luxury brand consumption (Tsiros and Heilman, 2005) by constructing and testing a three-dimensional personal risk scale.

More importantly, in order to measure the concept of consumers' CC, the present study developed and validated two CC scales, one attitudinal and one behavioural, that assess attitudes towards and participation in contemporary cultural activities, respectively. Accordingly, this study updated the conceptualisation and operationalisation of CC, which were time and context dependent, and avoided discriminating between certain²⁹ contemporary popular cultural activities and high-brow cultural activities, considering them all as consumers' lifestyle choices that reflect their level of CC. Although researchers in marketing tend to qualitatively set certain criteria and discriminate between people with high and low CC (e.g., Holt, 1998), the present study argues that in reality an individual's level of CC may vary between these two extremes and provides the necessary instruments to actually measure an individual's level of CC. Thus, this study contributes to the CC literature and particularly fills a void in the marketing literature which misses a continuous contemporary CC measure. The constructed scales would also help other researchers to:

- (1) Measure the concept of CC and incorporate consumers' CC as a continuous variable in their consumer behaviour models;
- (2) Use consumers' CC as a consumer characteristic to add information for a possible segmentation analysis; and,
- (3) Use the CC measure which best suits their research objectives and sample characteristics or check the relationship between attitudes and behaviours when measuring CC.

Finally, the present study, by measuring an individual's level of CC, noted that the concept of CC today can differ from other socioeconomic (e.g., CC rating schemes) or domain-specific constructs that were believed to be associated with CC and are often still used in the marketing literature to represent CC (e.g., Üstüner and Holt, 2010; Moisio et al., 2013; Arsel and Thompson 2011; McQuarrie et al., 2013). As such, the present study focuses on the concept of fashion knowledge because it has been used as a proxy for CC in prior marketing studies on luxury brands (e.g., Berger and Ward, 2010). By introducing both CC and fashion knowledge together into the same model, I found that in a retail research context CC behaved differently

²⁹ For the selection of such cultural activities, insights have been taken from the contemporary research in sociology, which by plotting several activities, presents co-occurrence matrixes that suggest which popular activities often occur together with other highbrow activities (see Prieur et al., 2008; Bennett et al., 2009; Roose et al., 2010; Prieur and Savage, 2011).

and to some extent oppositely from fashion knowledge (the two measures were negatively correlated, $r = -0.298$) in influencing consumers' store-induced brand perceptions and purchase intentions.

9.4 Implications for Practice

According to Davidson et al. (1988, p. 73), retailers and brand managers who have the knowledge of how to diminish the consumers' perceived risk of a purchase choice will also have a powerful advantage in building and expanding their market share. In the current digital age, where the visual messages are predominant and most powerful, the knowledge of how to use VMD to manage consumers' luxury brand perceptions and personal risk can be particularly important. This is particularly true for the brand managers and offline or online retailers who wish to launch, establish, or even reposition their brands in the luxury brand market, which is an exceptionally difficult market to enter. In this, the present study provides specific directions and suggests that the holistic organisation of certain VMD cues, including low merchandise display density, cubes and pedestal blocks, glass display cases, polished brass trims and lights, to project a museum-like display, can transfer to the brand the 'aura of an artwork' and attach to it perceptions of luxury that are usually attached to artworks. Furthermore, such VMD eases the consumers' financial, psychological, and social constraints (i.e., personal risk) in relation to this specific brand choice and make the consumers much more confident to purchase it.

According to Arnold and Reynolds (2003, p. 90), "*knowledge of distinct shopper segments is useful for retailers in constructing marketing communication strategy and designing appealing store environments*". The present study provides some help to retailers and marketing managers who design their store and website environments or their (visual) media advertising campaigns to attract market segments that mostly use such visual display cues as brand-related information. In this, the notion that in a product purchase situation, consumers with higher CC are more affected by display cues that reference the world of art and by the general peripheral store environment cues, is important. This is particularly true when the retailers and brand

managers have identified among its regular consumers a segment with higher CC or found out that this is the leading segment.³⁰

The marketing literature suggests that many consumer identity characteristics influence the outcome of their encounter with a brand, such as their satisfaction or brand loyalty. Thus, identifying the level of consumers' CC and accordingly segmenting the market can also establish a valuable tool in managing customers' attitudinal and behavioural outcomes. By conceptualising and measuring CC based on consumers' attitudes or participation in contemporary cultural activities (i.e., assessing their lifestyle choices), the present study provides marketing managers with information on how to acquire similar customer information; for instance, by tracking their participation in the proposed cultural activities or much more simply by filling out a short survey every time they purchase online or in-store. In this way, they can segment their markets, profiling consumers based on their CC, to allocate VMD expenditure and to design appropriate product presentation strategies and techniques.

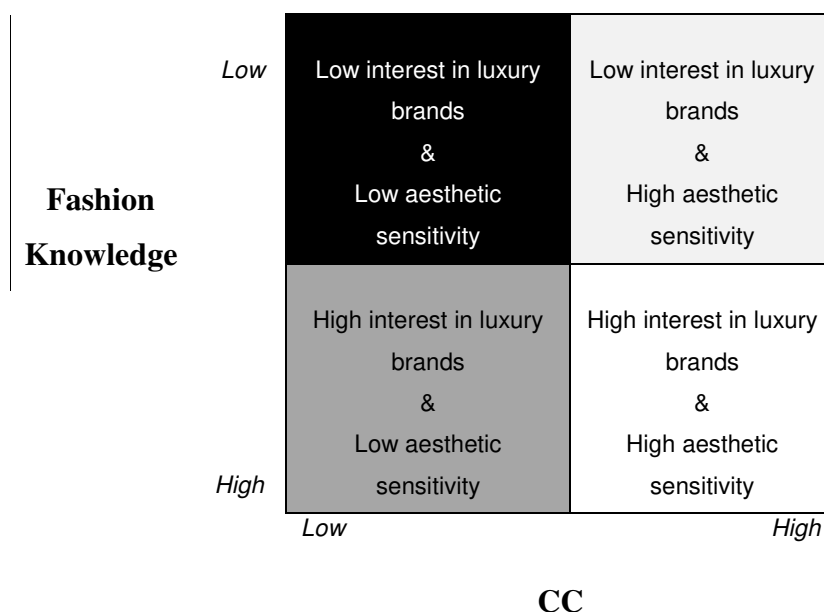
Specifically, the empirical findings suggest that when the target segment comprises people with higher CC, retailers can elevate a brand's luxury image or reduce the anticipated risk of this brand choice by focusing on the conceptual meaning of the product's presentation to generate associations with the world of art. However, when VMD expenditure has to be reduced (e.g., due to a limited budget for investing in high-image store environment elements), and sales rather than image need to be reinforced, even a moderately inconsistent high-image store environment—where the store's interior comprises a few low-image store elements among several other high-image store elements—could adequately retain or even slightly increase the purchases of the consumers with higher CC.

Several distinct shopper segments can also be identified based on different combinations of consumers' level of CC and product knowledge. For example, by integrating my work with that of prior studies in marketing (e.g. Holt, 1998; Berger and Ward, 2010; Han et al., 2010), a possible segmentation scheme in luxury brand consumption that could determine retailers'

³⁰ Consumers with lower CC but with high economic power often tend to copy the choices of those with higher CC in order to be perceived also as belonging to the same cultural elite (Berger and Ward, 2010; Han et al., 2010).

need for investing in specific VMD cues is presented in Figure 9.1. In this example I use fashion knowledge to indicate a person’s interest and involvement with fashion or luxury brands and CC to indicate this person’s responsiveness to atmospheric cues (i.e., her aesthetic sensitivity).

Figure 9.1: An example of segmentation scheme that can determine the need for investing in VMD cues



The black square represents a market segment that is not interested in luxury brands. All of the other squares require a different investment in VMD and, thus, a different strategy for enhancing purchases. The people in the white and light grey squares are consumers with higher CC. Such consumers, according to Holt (1998), primarily care for what is aesthetically pleasing and not for what is generally considered by others as a symbol of status. Such higher in CC individuals, though, often receive the appreciation of others and, although they try to retain their individuality with their purchase choices, they are often followed-copied by people who belong to the dark grey square. For instance, Han et al. (2010) suggest that parvenu-type consumers (i.e., the new-money people) may have the economical capital but not necessarily the patricians’ level of CC (i.e., the old-money people generally referred to as aristocrats) to be considered of a similar social class. However, those who have the ‘knowledge’ to decide what is aesthetically beautiful (i.e., an ability generally recognised as good taste, see Holt 1998) often also retain the power (Dion and Arnould, 2011). This means that the choices of those people with higher CC are often followed by those who do not have the same level of CC

because the latter consider the former as insiders in the cultural elite to which they crave to belong.

For the segment of consumers with higher CC, and for reasons that have been well documented in this thesis, the store environment constitutes an important informational source that affects their purchase intentions. In contrast, for those consumers in the dark grey square, VMD plays almost no role; however, people in this segment are affluent and use fashion brands as a sign of belonging to certain status groups. Such people tend to follow consumers with higher CC, in order to be considered among those “few in the know” (Berger and Ward, 2010; Han et al., 2010). Lastly, for those consumers in the light grey area, investment in VMD cues could generate a number of impulsive purchases. However, a focused marketing communication strategy could motivate them to move towards the white square.

To conclude, it is important for brand managers and marketers to understand whether a large segment of consumers with higher CC exists among their regular consumers. The present study provides the necessary instruments and directions on how to gather such information on consumers’ level of CC. This can then help brand managers and marketers to design a brand’s marketing communication mix and strategy that can appropriately attract different types of consumers or focus on target segments. To this end, the present study also constitutes a valuable help because it expands marketing managers’ and retailers’ understanding of what VMD cues consumers with different levels of CC mostly pay attention to, as well as of how consumers with different levels of CC process store environmental stimuli, evaluate products on display and ultimately make purchase decisions.

9.5 Research Limitations

The present study also suffers some contextual and methodological research limitations that may provide opportunities for future research, which are discussed next.

Contextual Research Limitations

The present study has adopted a cognitive approach in empirically and quantitatively exploring the effect of VMD on consumer purchase intentions and the role of CC. Nevertheless, emotional determinants contributing to consumer decisions may have been missed. Hence,

future studies might want to include emotional as well as cognitive determinants, and an eye-tracking study might usefully capture such rich information.

Although the present study focused on measuring the effect of one visual informational source on consumer purchase intentions—that is, the store’s environment and specifically a combination of VMD cues that are used to visually present a product to consumers—in real life consumers receive brand information through multiple visual sources (e.g., advertisement, Internet and so on) and ultimately their combined effect determines their brand attitudes and purchase decisions. However, this combined effect is difficult to measure.

The present study found that a museum-like display affects consumers’ brand perceptions and their purchase intentions, and that this effect is contingent upon the consumer’s level of CC. However, consumers’ consumption motives and, thus, their purchase behaviour might differ in consumption situations where the purchase is made for or in front of someone else (e.g., in a gift-giving purchase situation). Moreover, although I assume the generalisability of my findings for many hedonic products and store contexts (e.g., online stores, boutiques and department stores), the applicability of my finding to alternative product classes (e.g., non-luxury brands or non-hedonic products) and store contexts (e.g., supermarkets) can be poor.

The conceptualisation and operationalisation of CC was based on people’s attitudes towards or their participation in contemporary cultural activities. However, the student and non-student sample that I used for developing and validating the scales comprised participants who are resident in the UK. Although the sociology literature suggests that the lifestyle choices that can reflect people’s CC are consistent in Western countries (see Prieur et al., 2008; Bennett et al., 2009; Roose et al., 2010; Prieur and Savage, 2011), the conceptualisation of CC in other cultures (e.g., in Eastern cultures) might differ in terms of what are considered to be popular and high-brow cultural activities. Therefore, unless it is tested empirically, my newly introduced CC scale might have little application in cross-cultural studies, although Easterners constitute a substantial segment of luxury brands.

The present study has also compared the concept of CC with that of domain (field)-specific cultural knowledge to show that in a retailing research context their influence on consumers’ perceptions and purchase intentions may differ. In particular, although the luxury brand literature in marketing has used product knowledge (e.g., fashion knowledge) as a proxy for

CC, my study shows that fashion knowledge and CC are negatively correlated and influence differently consumers' store-induced luxury brand perceptions. However, alternative measures of domain-specific cultural knowledge, such as knowledge in interior design, might need to be tested to find to what extent it can represent CC in store atmospherics studies.

Possibly the most important limitation of the present study is that it did not succeed in explaining why consumers' CC influences their store-induced luxury and personal risk perceptions for the brand on display. More importantly, by replacing the museum-like-display stimulus which was used in Studies 1 and 2 with the mood-board in Study 3, the effect of CC on perceptions of luxury and personal risk was no longer confirmed. Thus, Study 3, by using an alternative store context and sample (i.e., non-student participants), presented counter-intuitive results. Although one can speculate that the museum-like connotations of the store environment stimulus have caused the previously identified effect of CC on consumers' perceptions of luxury and personal risk (in Studies 1 and 2), conclusions cannot be really made unless this is tested in a future study (that measures the stimulus's connotations with the art world). The section that discusses suggestions for future research elaborates further on this issue. One alternative explanation for the counter-intuitive results also concerns the manipulation of the store environment (stimulus) in Study 3. The study's stimulus was intended to be perceived as a high-image store environment with moderate inconsistencies in its VMD cues but, instead, was perceived by the participants as being a moderately inconsistent almost of medium-image store, which may have also hampered the participants' ability to make clear luxury and risk inferences for the brand on display.

Nevertheless, in the alternative store context of Study 3, the consumers' CC was once again found to influence purchase intentions and this effect was investigated by adopting a consumer style-of-processing approach. The results suggest that consumers with higher CC, because of their higher store atmospheric responsiveness and their holistic style of processing the store environment stimulus, may have missed the mild inconsistencies in the store's environment and are found to be more willing to buy. However, because of the small size of the identified effects and the low goodness of fit, the generalisability and the validity of these findings can be questioned.

Methodological Research Limitations

There are primarily three methodological limitations concerning: the sample, the materials-instruments, and the data collection methods.

Lamont and Lareau (1988) suggested that variables such as age and gender can be predictors of preferences in cultural consumption, at least in the United States. However, for the purposes of the present thesis, the sample used in the CC scale-development was comprised exclusively of female participants. Extant conceptualisations and operationalisations of CC have also received criticism that have never been empirically tested cross-culturally (Lamont and Lareau, 1988). In my study, the CC scales were validated using both student and non-student samples of participants who reside in the UK and this could be a limitation for the scales' generalisability for cross-cultural studies. Moreover, some of the instruments that I used as part of the scale-development/validation process were based on self-reported scales (e.g., fashion knowledge), which increased the risk of social desirability responding issues. Nevertheless, the theoretically related measures/concepts that I used for validating my scales were found to operate as expected even when engaged in a nomological network (i.e., nomological validity test), which further ensured the reliability and validity of the presented results.

The present study employed an experimental design to test its research hypotheses. By using laboratory-type experiments, a standardised procedure was facilitated, which made it possible to replicate each experiment in the follow up studies. This increased the validity and reliability of the findings. This method also allowed for precise control of extraneous and independent variables. In this way, the cause and effect relationship was more easily established.

Nevertheless, it is also important to understand the limitations that might have arisen because of the use of this experimental design. Researchers, in general, express concern that the artificiality of the setting in a laboratory experiment may produce an unnatural behaviour that may not necessarily reflect real life (Heather, 1976). This implies that the generalisation of the present findings to a real retailing setting cannot be taken for granted. Thus, an important shortcoming of the present study is that its findings have not been tested in a real retail setting by conducting, for instance, field experiments. However, in a scientific investigation, it is sometimes necessary to create artificial circumstances in order to isolate a hypothesised effect (Coolican, 1998). Given that the present research attempted to investigate the impact that a

combination of certain visual store environment cues has on a consumer's luxury brand perception and purchase intentions (while controlling for all the other store environment cues that could also affect consumers' luxury brand perceptions and purchase intentions), the use of a real retail setting and a field experiment could have made it difficult to actually isolate and examine the hypothesised relationships independently from the other extraneous independent variables such as sounds, store location and so on. However, further study should also test the interactivity between different store environment cues (e.g., visual and audio cues), as well as their combined effect on the consumers' brand perceptions and purchase intentions, by conducting a field experiment in a real retail store.

A few shortcomings or ethical issues might also have arisen because of the chosen experimental design, which include the participants' 'demand characteristics' or 'experimenter effects'. This means that the participants in a laboratory experiment can often try to second guess the experiment and act accordingly (Orne, 1962). Moreover, when people are being watched, their behaviour is often altered because of their desire not to be seen in a negative light (i.e., evaluation apprehension) (Sigall et al., 1970). In this case, even the right to withdraw can be jeopardised due to the participants' wish not to cause problems or negative feelings (Webster, 2014). This is the reason why some of the laboratory experiments in the present research were replicated in the form of an online survey.

The data of some of my experiments were collected by conducting online surveys. This raises a usual issue as to what extent the participants' evaluations of the stimuli (i.e., the store environment cues and the product on display) could have been hampered by technical issues that the researcher could not control. For example, the vividness of the colours and the clarity of the depicted products, display fixtures and materials in the displayed pictorial materials of the surveys could have been affected by the technical qualities of the personal computer used by each participant. Although computers today share broadly common technical characteristics and display properties, such rather improbable computer/display issues could have affected those participants' ease of processing (perceptual fluency) the experiments' stimuli, which could have then negatively influenced their evaluations (see Reder et al., 2004).

Lastly, the online data collection (through online surveys) seems to have caused one more limitation that concerns the measurement of the consumers' holistic-analytic thinking. Nisbett

et al. (2001) have suggested that the participants' ability to perform well on the Embedded Figures Test (EFT) and to find hidden figures in a larger scene constitutes a major characteristic of their analytic thinking. Hence, instead of relying on self-reported scales that can only to some extent reflect a person's analytic-holistic style of thinking, the use of an EFT might have provided a more reliable approach to measuring participants' processing style in a visual merchandising context. Thus, following Monga and John (2010), I incorporated, as part of my online questionnaire, an EFT task to measure participants' analytic thinking. Four items from the analytic-holistic thinking scale developed by Choi et al. (2007) were also used but with the purpose of validating the EFT task results. However, the fact that the data were collected through an online survey hampered the results, whose accuracy was difficult to check. The main concern referred to the participants' level of involvement in this task. In particular, it was difficult to decide whether participants who did identify many embedded figures in the test were more analytical thinkers or if they just spent more time and put a lot more effort into this activity. Moreover, the assumption that those who identified one object very quickly and moved forward onto the next task without really engaging are holistic thinkers was again a risky assumption to make. For almost half of my sample size (90 participants), the time taken to complete this task suggests that they used an unreasonably long time and identified embedded items or they did not identify any because they just left the screen as soon as the 30-second minimum time had elapsed. Thus, and more importantly, contrary to expectations, the participants' score in the EFT was not correlated with Choi et al.'s (2007) four-item analytic-holistic processing scale. Although such correlation was improved by filtering the data to exclude those participants who did not really engage in the online task (e.g., based on the minimum time that the participants used and the number of objects they identified), this would have risked losing several observations (46.7% of the total observations), considering them to be outliers without being really sure that they are, which could have manipulated the data in ways that would have been difficult to justify.

To conclude, it seems that the measurement of participants' styles of processing (i.e., EFT) required a pen and pencil approach (consistent with Monga and John, 2010), and was not appropriate for an online survey. Moreover, the respondents' empathy/relationship with the researcher in a pen and pencil approach could better motivate them to engage in this more demanding task, compared to the extrinsically (money) motivated respondents at Qualtrics who are serial questionnaire survey respondents. Although I ultimately succeeded in measuring the participants' style of processing by using the four items from the analytic-holistic thinking

scale developed by Choi et al. (2007), and also used by Monga and John (2010), these four items came from one dimension of the original 24-item scale as the other dimensions were not relevant to my study's focus (which is on the visual processing style). As the reliability, but mostly the validity, of this way of measuring participants' holistic thinking could be subject to critique, a future study could consider alternative options (visual materials) of measuring it that the literature in cognitive science may suggest but which the present study has missed.

9.6 Directions for Future Research

These recommendations for future research are motivated by the research limitations that had been identified and by a number of research questions that have emerged during my research study.

First, to ensure the generalisability of my conclusions, further research is proposed to explore the indirect effect of a museum-like display on consumers' purchase intentions through the increase in the consumers' perceptions of luxury and the decrease in personal risk for the brand on display, using an alternative non-student sample and other product categories. This (empirically driven) research could also consider whether the participants' gender or age determines the identified indirect effect and provide information to perform a clustering analysis.

Second, it is interesting to investigate the role of personal risk on the effect of a museum-like display on purchase intentions (focusing for instance on social risk) when consumers make product evaluations and purchase decisions in front of other individuals (e.g., in the company of another individual that could be a friend or a family member) or for other individuals that might have a different level of CC (e.g., in a gift-giving purchase situation). This can give researchers a chance: (1) to compare the outcome of an individual choice with that of a group choice (e.g., test for the 'risky shift' effect and examine how it is influenced by social risk); (2) to examine whether consumers' purchase behaviour is influenced not just by their own level of CC but also by the level of the CC of 'others'; and, (3) to understand whether consumers with higher CC constitute a leading segment in luxury brand consumption, whose behaviour is followed by those having lower CC but similar economic power.

Although my study provides two continuous instruments to identify the consumers' level of CC, further research is needed to increase the instruments' reliability and validity by testing them with a sample of male or mixed male and female participants because gender is often a predictor of preferences in cultural consumption (Lamont and Lareau, 1988). Moreover, further research is necessary to empirically test whether consumers' attitudes towards or participation in certain cultural activities reflects their CC cross-culturally. Other European countries with different socioeconomic conditions would be an interesting case to begin with.

The present study suggested that the museum-like connotations in a product's display affect the consumers' brand evaluations. Specifically, consumers with higher CC were found to be more affected by a museum-like display when evaluating a brand. However, the present study did not explain why this is happening. Thus, future research is invited to replicate Study 2 using an alternative non-student sample. This means that the influence of a museum-like display on consumers' brand perceptions and purchase intentions, as well as the contingent role of CC, need to be retested to ensure that the identified effects hold no matter the sample (i.e., students or non-student). More importantly, a future study should test the symbolic art-infusion effect by investigating whether passing from a museum-like display to a store environment that comprises high-image VMD cues but does not entail connotations with the art world affects the relationship between consumers' CC and their store-induced luxury brand perceptions and purchase intentions.

Alternatively, this relationship could also be investigated through the lens of processing fluency as a conceptual meaning transfer, which happens because consumers with higher CC can more easily process the concept of a museum-like display and, therefore, more positively evaluate the brand on display. The literature on processing fluency suggests that both the consumers' perceptual and conceptual fluency (i.e., consumers' processing experience) affect their perceived aesthetic pleasure and influences their aesthetic judgements (e.g., Reber et al., 2004). Therefore, it would be interesting to investigate the concept of conceptual fluency in this museum-like retail context to explore whether it can provide complimenting or even competing explanations about the identified effect (see Lanska et al., 2014). Sirianni et al.'s (2013) three items could be used to measure the participants' conceptual fluency and may be averaged to form a display and/or a brand conceptual fluency index.

Despite its limitations, the present research has further investigated why consumers with higher CC, as compared to those with lower CC, no matter the store environment context (museum-like or non-museum-like), tend to pay more attention to the peripheral store environment cues when making product purchase decisions. Study 3 attempted to provide an explanation using the assimilation-contrast theory and adopting a consumer-styles of processing approach. Accordingly, it was suggested that the higher store atmospheric responsiveness of consumers with higher CC affects their holistic way of processing the product on display. This holistic perceptual style, in turn, makes consumers with higher CC, even in a moderately inconsistent high-image store environment, feel more confident to purchase. However, the size of the identified effect was small, and limitations concerning the materials used in this study may have hampered the strength of the identified relationships. Thus, future research is invited to test the same relationships in a moderately inconsistent but clearly high-image store environment and using a more appropriate holistic-analytic measure. For instance, the relationship between consumers' CC and their holistic or analytic perceptual style in a retail context could be investigated using the four-item (or the 24-item) holistic-analytic scale developed by Choi et al. (2007); additionally, either an EFT as a pen and pencil activity or, the use of an instrument that is suitable for online surveys, such as the change blindness task that Masuda and Nisbett (2006) have developed, could also be pretested and accordingly used.

Finally, following Rossel's (2011) study, which suggests that the nature of a person's CC (i.e., how much the indicators of a person's CC reflect her active involvement in this specific cultural activity) also determines whether her CC relates to her analytic or holistic/feeling mode of listening to opera music, future research could investigate whether the nature of the consumers' CC can also determine their style of processing in a retail research context.

9.7 Summary of Final Thoughts

The final chapter of my thesis has reflected on how this research and its empirical findings have:

- (1) Addressed the research questions that have motivated my investigation;
- (2) Contributed to the literature on CC, store atmospherics, visual merchandising and, most importantly, complimented the qualitative studies in the luxury retailing literature by quantifying effects and relationships that this prior research speculates about; and,

- (3) Provided a direction for brand managers, marketing managers, brick-and-mortar and online retailers, who wish to understand and segment their market to adequately manage the brand perceptions and purchase intentions of different types of consumers.

To conclude, this research has further motivated my interest in the luxury goods sector, which is a vital component of the UK's economy while, on a global level, predictions foresee its growth into a trillion-dollar industry (Green, 2011). However, this research has also developed my understanding that people's way of thinking, evaluating and ultimately purchasing differs between different cultures as much as within the same culture and among people with different levels of CC. Thus, the empirical findings seem to suggest that the success of many newly introduced marketing communication techniques, including the use of experiential marketing and the tendency of contemporary branding to 'subtly' communicate the understated cleverness of a brand, may be subject to the consumers' level of CC. While branding today is more about sending subtle brand messages that communicate the brand's philosophy, innovativeness, and creativity, the consumers' CC might play a crucial role in determining the consumers' understanding and appreciation towards such contemporary branding practices. In any case, in today's visual and digital world, the way that consumers process product-related information and relevant visual stimuli, as well as what drives their aesthetic judgements, is very important for the new generation of retailers. The present study has developed my understanding of how the elements involved in a product's visual presentation are processed by different types of consumers and can be organised by the retailers to affect the consumers' perceptions and purchase intentions. This knowledge, together with the obtained research skills on how to design and conduct experiments, has built my expertise in this research field, which is a very interesting area for further investigation.

APPENDIX A: Principal Components Analysis (PCA) for Personal Risk (PR)

Table A1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
Bartlett's Test of Sphericity	Approx. Chi-Square	847.830
	df	55
	Sig.	.000

Table A2: Communalities

	Initial	Extraction
PSR1	1.000	.866
PSR2	1.000	.842
PSR3	1.000	.563
PSR4	1.000	.603
FR1	1.000	.513
FR2	1.000	.754
FR3	1.000	.644
SR1	1.000	.837
SR2	1.000	.878
SR3	1.000	.774
SR4	1.000	.842

Extraction Method:

Principal Component

Analysis.

Table A3: PCA that shows the three-dimensional construct of personal risk for luxury brands (factor loadings)

Item(s)	Rotated Component Matrix: Component Loadings		
	Social Risk (SR)	Psychological Risk (PSR)	Financial Risk (FR)
1. You are afraid that, if you buy the brand on display, others may look down on you.	.908	.132	-.001
2. You are afraid that, if you buy the brand on display, it may negatively affect what others think of you.	.906	.209	.117
3. You are worried that, if you buy the brand on display, the esteem your family or friends have for you may drop.	.875	.236	.121
4. You think that, if you buy the brand on display, others will not see you the way you want them to.	.783	.364	.168
5. Buying the brand on display makes you feel unhappy or frustrated.	.314	.862	.027
6. Buying the brand on display will make you feel uncomfortable with yourself.	.337	.859	.123
7. The brand on display does not fit in well with the concept you have of yourself.	.068	.707	.244
8. The brand on display makes you doubt whether you were right in buying it.	.276	.637	.348
9. You are worried that the brand on display does not worth the money spent.	.129	.059	.857
10. You think that the brand on display is not a wise way of spending money.	.052	.131	.790
11. You think that buying the brand on display is a waste of money.	.066	.335	.630

Note: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Table A4: Items' correlation matrix

	FR1	FR2	FR3	SR1	SR2	SR3	SR4	PSR1	PSR2	PSR3	PSR4
FR1	1.000	.444	.360	.263	.238	.243	.105	.377	.301	.380	.300
FR2	.444	1.000	.514	.208	.206	.272	.125	.220	.140	.268	.389
FR3	.360	.514	1.000	.159	.155	.219	.089	.248	.204	.245	.366
SR1	.263	.208	.159	1.000	.843	.710	.765	.521	.467	.281	.396
SR2	.238	.206	.155	.843	1.000	.754	.799	.474	.458	.277	.418
SR3	.243	.272	.219	.710	.754	1.000	.708	.587	.539	.344	.510
SR4	.105	.125	.089	.765	.799	.708	1.000	.415	.408	.206	.304
PSR1	.377	.220	.248	.521	.474	.587	.415	1.000	.842	.555	.638
PSR2	.301	.140	.204	.467	.458	.539	.408	.842	1.000	.502	.611
PSR3	.380	.268	.245	.281	.277	.344	.206	.555	.502	1.000	.381
PSR4	.300	.389	.366	.396	.418	.510	.304	.638	.611	.381	1.000

Table A5: Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	5.147	46.794	46.794	5.147	46.794
2	1.793	16.300	63.095	1.793	16.300	63.095
3	1.176	10.690	73.785	1.176	10.690	73.785
4	.734	6.669	80.453			
5	.543	4.940	85.393			
6	.492	4.470	89.863			
7	.327	2.973	92.836			
8	.279	2.535	95.371			
9	.219	1.987	97.358			
10	.164	1.494	98.852			
11	.126	1.148	100.000			

Extraction Method: Principal Component Analysis.

Figure A1:Total variance explained for personal risk

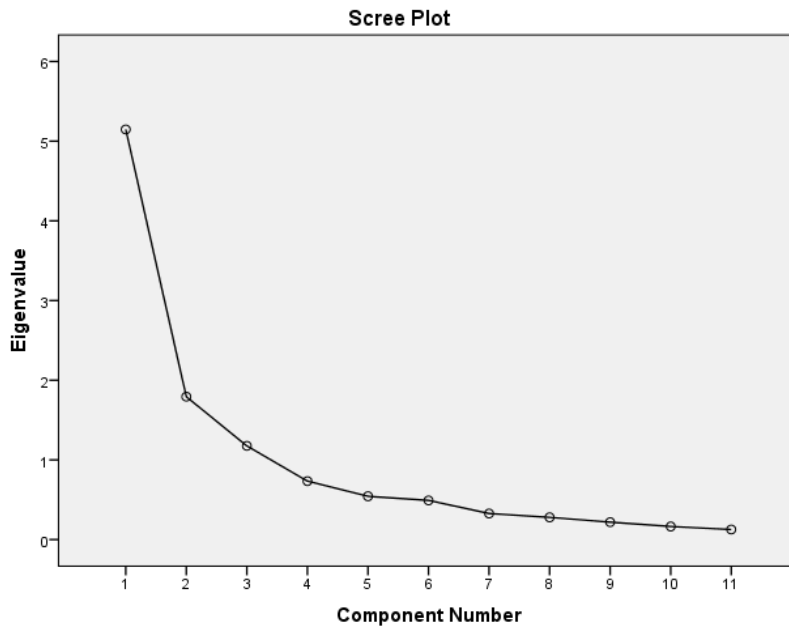


Table A6: Correlation between dimensions

		FR	SR	PSR
FR	Pearson Correlation	1	.270**	.435**
	Sig. (2-tailed)		.002	.000
	N	126	126	126
SR	Pearson Correlation	.270**	1	.555**
	Sig. (2-tailed)	.002		.000
	N	126	126	126
PSR	Pearson Correlation	.435**	.555**	1
	Sig. (2-tailed)	.000	.000	
	N	126	126	126

** Correlation is significant at the 0.01 level (2-tailed).

The PCA results for the three composite scores suggest that the three risk dimensions (composites) can be aggregated in one higher order scale named Personal Risk. The outputs of the first order factor analysis are presented in Table A7 and Figure A2.

Table A7

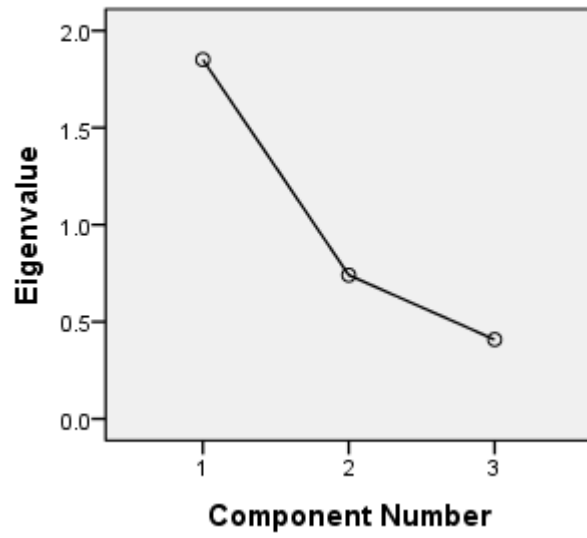
Component matrix*
(first-order-loadings)

	Personal Risk*
PSR	.867
SR	.786
FR	.693

*Extraction Method: Principal Component Analysis.*One component extracted.*

Figure A2

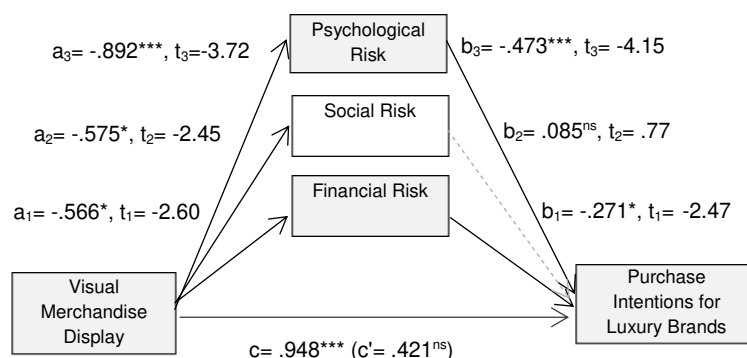
Scree Plot: One-higher order scale



APPENDIX B: Parallel Multiple Mediator Model with Three Mediators (Financial, Social and Psychological Risk) and Three Simple Mediator Models

A mediation analysis with parallel multiple mediators (financial, social and psychological risk) is implemented by conducting an ordinary least squares path analysis. As can be seen in Figure B1 and Table B1, the results indicate that when the brand is portrayed in a museum-like display (high-image VMD cues) the participants perceive that less financial risk ($a_1 = -0.566$), less social risk ($a_2 = -0.575$) and much less psychological risk ($a_3 = -0.892$) is involved than when the brand is portrayed in a non-museum-like display (low-image VMD cues). The participants that perceive less financial risk and less psychological risk were less unwilling to purchase the new luxury brand on display ($b_1 = -0.271$ and $b_3 = -0.473$ respectively) but this was not the case for the participants that perceived less social risk ($b_2 = 0.085$, $p = 0.440$). Thus, the indirect effect via financial risk ($a_1b_1 = 0.153$) and psychological risk ($a_3b_3 = 0.422$) based on 10,000 bootstrap samples was entirely above zero (0.020 to 0.429 and 0.150 to 0.807, respectively) but not for the indirect effect via social risk ($a_2b_2 = -0.049$, $CI = -0.273$ to $.069$). However, the total indirect effect (with 3 mediators) was $= 0.527$ and was statistically significant. Moreover, there is no evidence that VMD influenced the intention to buy the new luxury brand on display independently of the parallel effect on financial, social and psychological risk ($c' = 0.421$, $p = 0.106$).

Figure B1: A parallel multiple mediator model via financial, social and psychological risk



Note: A parallel multiple mediations with three mediators (financial, social and psychological risk) using the bootstrap method with 10,000 samples and 95% CI. Light dashed lines indicate a path that is found to be not statistically significant. * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Table B1: Direct, indirect and total effects of VMD on purchase intentions

Path	Coeff.	S.E.	t	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
c	.948	.277	3.412	.0009	.994	1.983
a ₁	-.566	.217	-2.605	.0103	-.996	-.136
a ₂	-.575	.234	-2.456	.0154	-1.039	-.111
a ₃	-.892	.239	-3.726	.0003	-1.367	-.418
b ₁	-.271	.109	-2.471	.0149	-.488	-.054
b ₂	.085	.110	.773	.4408	-.132	.303
b ₃	-.473	.113	-4.157	.0001	-.698	-.247
c'	.421	.259	1.624	.1068	-.092	.934
a ₁ b ₁	.153	.099	—	—	.020	.429
a ₂ b ₂	-.049	.082	—	—	-.273	.069
a ₃ b ₃	.422	.169	—	—	.150	.807
**a ₁ b ₁ + a ₂ b ₂ + a ₃ b ₃	.527	.186	—	—	.204	.931

**LLCI: Lower levels for confidence intervals.*

**ULCI: Upper levels for confidence intervals.*

***These results for the indirect effect were calculated using bootstrap method.*

However, in luxury brand consumption, it is difficult to accept that social risk does not mediate the effect on purchase intention. Thus, three simple mediation analyses for each risk dimension were run separately to see if the effect of social risk is there but absorbed by some other risk type when all three risk dimensions (types) are put together in a multiple mediator model.

First, the mediating role of perceived financial risk on the impact of VMD on purchase intentions is tested. As Figure B2 and Tables B2 indicate, when the brand is portrayed in a museum-like display (high-image VMD cues), the perceived financial risk for the new luxury brand choice decreases much more than when the brand is portrayed in a non-museum-like display (low-image VMD cues) ($a = -0.566$). Participants that perceive less financial risk from the specific brand choice express a stronger intention to purchase ($b = -0.455$). A bias-corrected bootstrap confidence interval for the indirect effect ($ab = 0.257$) based on 10,000 bootstrap samples is entirely above zero (0.052 to 0.597). There is, though, evidence that VMD influenced the intention to buy the new luxury brand independently of its effect on financial risk ($c' = 0.690$, $p < 0.05$).

Figure B2: The mediation by financial risk: paths and results

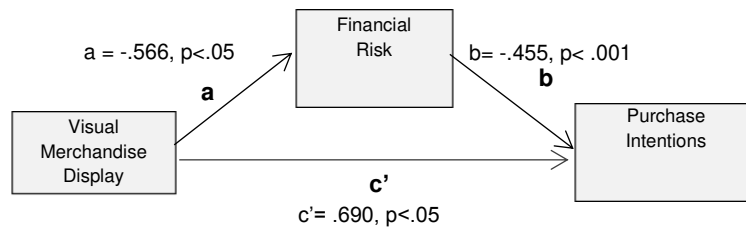


Table B2: Direct, indirect and total effects of VMD on purchase intentions via financial risk

Path	Coeff.	S.E.	t	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
c	0.948	0.277	3.412	0.0009	0.994	1.983
a	-0.566	0.217	-2.605	0.0103	-0.996	-0.136
b	-0.455	0.107	-4.222	0.0000	-0.668	-0.241
c'	0.690	0.267	2.579	0.0111	0.160	1.220
**ab	0.257	0.137	—	—	0.052	0.597

*LLCI: Lower levels for confidence intervals.

*ULCI: Upper levels for confidence intervals.

**These results for the indirect effect were calculated using bootstrap method.

The mediating role of social risk is also tested separately. As Figure B3 and Tables B3 indicate, VMD indirectly affects purchase intentions via its effect on perceived social risk [i.e., a bias-corrected bootstrap confidence interval for the indirect effect ($ab = 0.131$) based on 10,000 bootstrap samples is entirely above zero (0.013 to 0.363)]. However, there is still strong evidence that VMD influenced the intention to buy independently even of its effect on social risk ($c' = 0.817, p < 0.01$).

Figure B3: The mediation by social risk: paths and results

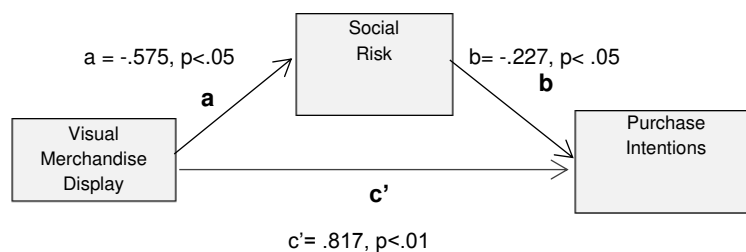


Table B3: Direct, indirect and total effects of VMD on purchase intentions via social risk

Path	Coeff.	S.E.	t	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
c	.948	.277	3.412	.0009	.994	1.983
a	-.575	.234	-2.456	.0154	-1.039	-.111
b	-.227	.105	-2.170	.0319	-.435	-.020
c'	.817	.280	2.914	.0042	.262	1.372
**ab	.131	.084	—	—	.013	.363

*LLCI: Lower levels for confidence intervals.

*ULCI: Upper levels for confidence intervals.

**These results for the indirect effect were calculated using bootstrap method.

Finally, the mediational role of psychological risk on the impact of VMD on purchase intentions is tested. As Figure B4 and Tables B4 show, when the brand is portrayed in a museum-like display (high-image VMD cues) the perceived psychological risk for the new luxury brand decreases a lot more than when the brand is portrayed in a non-museum-like display (low-image VMD cues) ($a = -0.892$). The participants that perceive less psychological risk express then a stronger intention to purchase the brand ($b = -0.526$). A bias-corrected bootstrap confidence interval for the indirect effect ($ab = 0.469$) based on 10,000 bootstrap samples was entirely above zero (0.177 to 0.862).

Figure B4: The mediation by psychological risk: paths and results

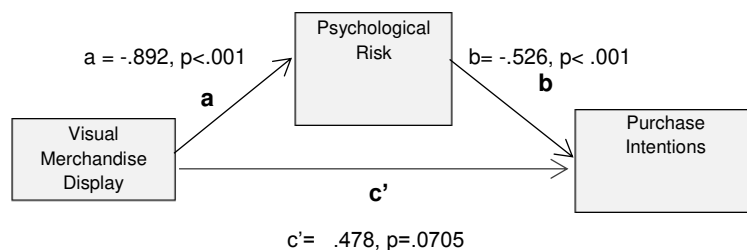


Table B4: Direct, indirect and total effects of VMD on purchase intentions via psychological risk

Path	Coeff.	S.E.	t	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
c	.948	.277	3.412	.0009	.994	1.983
a	-.892	.239	-3.726	.0003	-1.367	-.418
b	-.526	.093	-5.646	.0000	-.710	-.341
c'	.478	.262	1.824	.0705	-.040	.997
**ab	.469	.175	—	—	.177	.862

**LLCI: Lower levels for confidence intervals.*

**ULCI: Upper levels for confidence intervals.*

***These results for the indirect effect were calculated using bootstrap method.*

Only in the case of psychological risk, not enough evidence was found to suggest that VMD directly influences purchase intentions ($c' = 0.478$, $p = 0.07$). This suggests that the mediating role of PSR is the strongest and when the three types of personal risk are put together, PSR may absorb part of the effect of SR and FR. However, aggregating the three risk dimensions enables us to have a holistic idea about the total effect of personal risk that encompasses risk types that theoretically are inextricably linked to luxury brand consumption.

APPENDIX C: The Mediating Role of Perceptions of Luxury on the Impact of VMD on Personal Risk

As can be seen in Figure C1 and Table C1, it is found that VMD cues indirectly influence perceived personal risk via its effect on participants' perceptions of luxury. In particular, when the handbag is portrayed in a museum-like display (high-image VMD cues) the perceptions of luxury increase ($a = 1.642$), much more than when the handbag is portrayed in a non-museum-like display (low-image VMD cues). Participants with increased perceptions of luxury perceive then much less personal risk in this luxury brand choice ($b = -0.317$). Thus, a bias-corrected bootstrap (the level of confidence for all confidence intervals = 95%) confidence interval for the indirect effect ($ab = -0.521$) based on 10,000 bootstrap samples was entirely below zero (-0.869 to -0.256).

Figure C1: The mediation by perceptions of luxury: paths and results

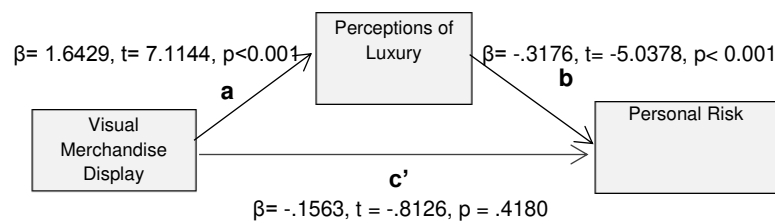


Table C1: Direct, indirect and total effects of VMD on personal risk

Path	Coeff.	S.E.	t	Sig(Two)	(Boot)*LLCI	(Boot)*ULCI
c	.948	.277	3.412	.0009	.994	1.983
a	1.642	.230	7.114	.0000	1.185	2.099
b	-.317	.063	-5.037	.0000	-.442	-.192
c'	-.156	.192	-.812	.4180	-.537	.224
**ab	-.521	.156	—	—	-.869	-.256

*LLCI: Lower levels for confidence intervals.

*ULCI: Upper levels for confidence intervals.

**These results for the indirect effect were calculated using bootstrap method.

In this simple mediation model there is no evidence that VMD influences perceived personal risk independently of its effect on perceptions of luxury ($c' = -0.156$, $p = 0.418$). Thus, it can

be assumed that perceptions of luxury for the brand on display fully mediate the impact of VMD on PR. This indicates that the participants' perceived personal risk was reduced because of the increase of luxury perceptions induced from the product's visual presentation.

APPENDIX D: Conceptualisation of Cultural Capital as This Emerges from the Qualitative Inquiry

Table D1: The themes of cultural capital as these immerse from the respondents' illustrative comments and their categorization into two broader categories

Theme Categories	Themes	Respondents' Illustrative Comments
Internalized CC (Personality traits perspective)	Public behavior	<ul style="list-style-type: none"> • <i>Their public behavior is a 'serious behavior'! If entertainers, they entertain not by using their personal life but, using art or some serious form of entertainment. It is not only the way they talk but, also what they choose to talk about. Is the way someone comes across! Respected by the general public. Care less about 'public image' and more about 'public behavior'. Their public behavior often makes them good role models. 'Serious people'. They deal with more important stuff in life. I would say, ... general respectability!</i>
	Taste	<ul style="list-style-type: none"> • <i>Good taste. I am not expecting him/her to be necessarily dressed in an Armani suit but, whatever he/she wears I am sure it will be clean and tidy. Not branded but, well-dressed. Choices in dressing. Sense of style. Sophisticated taste.</i>
	Manners	<ul style="list-style-type: none"> • <i>Good public behavior also requires good manners! Refined, polite people...meaning that they behave, move, talk and choose with elegance! They have class! Elite and elegant people. Delicate manners...not making rough or rude gestures.</i>
	Consideration/ Idealism/Social Awareness	<ul style="list-style-type: none"> • <i>Emotional people. High levels of emotional intelligence, meaning EI! With high level of empathy. They think of others. They are more aware of others in society. Helpful. Is not that selfish! They like to assist other people and inspire or motivate them! Thinking of other people's feelings. Not necessarily thinking the poor people, but think that what they say and do may have an impact on others! Considerate people. Thoughtful people. Sensitive in social issues. Care about others...I am referring to people around me and to the people around the world. They retain satisfaction by their deep care about a social cause. Social awareness. People around the world are just as much important as people around me! Thinks about the future of his/her family and society in general. Wants to make the world a better place to live in. Care about the future of this world/society.</i>
	Perfectionism	<ul style="list-style-type: none"> • <i>Credibility in what they do. They put effort in what they do...credible individuals. They love what they do and they do what they love! Not always satisfied by their own achievements. Want to get better, if possible the best in what they do. High self-expectations. They try to become better in what they do: the element of improvement. Honesty, integrity and hard work! Is not what job they do but, how well they do their job! Successful in what they do. To operate with a level of integrity in whatever they choose to do. They like to do well at work!</i>
	Individualism	<ul style="list-style-type: none"> • <i>They are not flashy or showoff. They don't need to show! Idiosyncratic people not pretentious. Eccentric. Discreet. Want to be different from others! Not shocking personalities: 'they don't shock you, they impress you'! Differentiate from others. Well-defined personalities. They want to live the life they choose. They think for themselves. Make choices no matter if they are good or wrong. Express himself via choices in life and words. Non-populist. A person that acts based on his own opinion...does not follow anyone...and nobody's suggestions! They make their-own decision.</i> • <i>Non-simplistic thinking. An intellectual debate is happening inside them! They tend to question the easy aspects of the things. Sophisticated thinkers. Deep personalities...certainly non superficial people. Smartness and education does not preoccupy intelligence! An intelligent person may not necessarily have high CC</i>

	<p>Intellectuality</p> <p>Social Self</p> <p>Experientialism</p> <p>Talents</p> <p>Articulation</p> <p>Education-Cultivation</p>	<p><i>but a person with high CC I think should be intelligent (not stupid I mean)! Intelligent manipulators. Intellectual personalities. Education in the meaning of intellectuality! Smart people.</i></p> <ul style="list-style-type: none"> • <i>Fit with other individuals of similar status. They like to socialize with other 'insiders'. No matter the family they come from, they seem to fit well with other individuals with high CC.</i> • <i>An individual with high CC wants always to learn new things! People who are not opinionate and do not think that they are always right but, people interested in life-long learning. Open-minded. Searching for interesting stories, ideas or things. No matter how much they know, they feel modest! Want to expand knowledge in everything! Like new experiences. They have and open interest in learning. Not some short-sighted people. Progressive thinking. Intellectual curious. Wants to keep learning and educating. Non-polarized people...they adopt a balanced view of the world. Education is a life-long learning procedure. They enjoy intellectual stimulation of all forms!</i> • <i>They are expected to have some talents. Talented People. Many talents. Talented in what they do. They are stars, really talented people! Work hard on the talent they have and want to become continuously better.</i> • <i>Endowed with the power of speech! Articulate people. Good communication abilities. By well-educated people I do not mean "degrees"...we usually name them "well-spoken" people and by this we do not mean their accent but to be able to clearly articulate themselves. Way of speaking. Articulate, well-spoken, expressive! Charming because of the way they use the language and the things they know. Posh accent!</i> • <i>Education. Well-educated. Music education. Education in classical music. Well-read. Broad knowledge. Play a musical instrument.</i>
<p><i>Externalized CC Interests/Preferences (i.e., attitudes towards) and/or participation (i.e., behavior towards) cultural activities</i></p>	<p>Art & Music</p> <p>Intellectual Pursuits</p> <p>Food and Dining</p> <p>Travel</p>	<ul style="list-style-type: none"> • <i>Like visiting museums, classical concerts, bookshops, trendy bars. They like cinema, theater and parks. Interested in theater plays. They enjoy cultural and art performances. They are going to concerts, opera, and theater. Like theater and ballets. Participate in many cultural activities. They go to Jazz clubs. They visit galleries and museums.</i> • <i>Going in music concerts. Liking Classic music.</i> • <i>Should be a person involved in arts. Art classes.</i> • <i>Look in the novelty aspect of the things. A person who appreciates and enjoys beautiful things. Likes beauty in all forms of artistic expression e.g., painting, furniture, music, people, culture.</i> <hr/> <ul style="list-style-type: none"> • <i>Reading literature and books. Visiting bookshops. Reading a diverse range of magazines and books for relaxation and inspiration. They like reading, thinking and reflecting!</i> • <i>Attend talks and debates. Interested in intellectual pursuits such as art, museums, theaters, debates, lectures, documentaries and so on. Participate in intellectual pursuits such as art, museums, theaters, debates, lectures, documentaries and so on.</i> <hr/> <ul style="list-style-type: none"> • <i>Good food and wine. Like good food and red wine in the company of other people.</i> <hr/> <ul style="list-style-type: none"> • <i>Traveling for holidays and to see different places. To see the world. Traveling around the world and documenting different experiences. Traveling is for them a lifestyle but also a self-improving activity, for instance think climbing Himalayas or visiting Uganda. Cultural traveling in unique places.</i>

Volunteering/
Donating

- *Participating in volunteering programs. Volunteering for social causes. Give money to charity. Donate to charity. Contribute to charitable social and art performances. Run for charity.*
- *Does the recycling. Interested in nature and environment.*
- *Awareness of the political and social issues. Interest in wider affairs. Current affairs.*

APPENDIX E: Outputs of the Principal Components Analysis for the Personal Risk Scale

Replicating the PCA for the 11 items in Study 2, the same key factors as in Study 1 emerge. Factorability, checked via Kaiser-Meyer-Olkin measure of sampling adequacy, is 0.894 and initial Eigenvalues suggest that three components explain together 85.51 % of the total variance of all communalities measuring personal risk (PR). The items load on their intended scales, namely social (SR), psychological (PSR) and financial (FR) risk displaying high loadings (almost all >0.6), low cross loading (<0.4) and high communalities (>0.5) ranging from 0.803 to 0.939 (see Table E1). Table E2 presents the Cronbach's alpha for the three factors (components) ($\alpha \geq 0.880$) and indicates the reliability of each one of them while the inter-item correlation illustrates the internal consistency of each measure.

Table E1: Factor Loadings

Items:	SR	PSR	FR
1-4	.810 - .911	< .4	< .4
5-8	< .4	.708 - .817	< .4
9-11	< .4	< .4	.805 - .874

Table E2: Reliability Outputs

One-Component Construct	Number of Items	Cronbach's Alpha	Inter-Item Correlations
Perceived Social Risk (SR)	4	.961	.771- .935
Perceived Psychological Risk (PSR)	4	.930	.712- .894
Perceived Financial Risk (FR)	3	.880	.691- .737

Calculating the composite score the correlations between the three composite variable (SR, PSR and FR) were ranging between 0.434 and 0.737 and were statistical significant at $p < 0.01$ level, indicating unidimensionality to an extent that suggest to aggregate the three factors into one higher order personal risk scale. Checking whether the three factors load indeed together

on one-higher order scale that measures personal risk (PR), initial Eigenvalues indicated that one component explains the 72.853% of variance for personal risk and loadings were high for all three factors ranging between 0.776 and 0.922 (alpha = 0.813).

APPENDIX F: Questionnaire for Study 1

(Condition 1)

Introduction

This questionnaire is part of a wider study assessing spontaneous attitudes towards a newly introduced luxury brand of handbags. As the brand is not yet in the market and participants have never seen the brand's product before, the following images are used as part of this questionnaire to familiarize respondents with the brand.



Part 1

1. On a scale of 1-7 (where, 1 = "not at all" and 7 = "extremely") to what extent would you consider that the brand on display is:

	Not at all	1	2	3	4	5	6	7 Extremely
Luxurious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prestigious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High class	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attractive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with the following statements:

- You think that buying the brand on display is not a waste of money.
- You are worried that the brand on display is not worth the money spent.
- You think that the brand on display is not a wise way of spending money.

3. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with the following statements:

- You are worried that, if you buy the brand on display, the esteem your family or friends have for you may drop.
- You are afraid that, if you buy the brand on display, it may negatively affect what others think of you.
- You think that, if you buy the brand on display, others will not see you the way you want them to.
- You are afraid that, if you buy the brand on display, others may look down on you.

4. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree that buying the brand on display will make you feel:

- Uncomfortable with yourself
- Unhappy or frustrated
- It fits in well with the concept you have of yourself
- It makes you doubt whether you were right in buying it

5. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with following statements:

- If I were going to purchase a luxury product, I would consider buying this brand.
- If I were shopping for a luxury brand, the likelihood I would purchase this luxury brand is high.

- My willingness to buy this luxury brand would be high if I were shopping for a luxury brand.
- The probability I would consider buying this luxury brand is high.

6. On a scale of 1-7 (where, 1 = “not at all” and 5 = “definitely”) to what extent would you consider the pictures displayed at the beginning of this questionnaire as a high-image (i.e., prestigious) product presentation manner (we are now referring to the manner in which the product was presented rather than to the product itself).

Not at all 1 2 3 4 5 6 7 Definitely

Demographics

Gender:

Male Female

Ethnicity:

(Afro)American

Hispanic

Anglo-Saxon

Other European

Asian

Other black

Other white

Annual household income (i.e., combined family income):

Under £36,999

£37,000-£59,999

£60,000-£89,999

£70,000-£111,999

£112,000-£129,999

Above £130,000

Education of the head of the household (e.g., parent, foster parent, guardian etc.):

High school (and less)

Community college Bachelor's degree

Postgraduate (and more)

Occupation of household's head (e.g., parent, foster parent, guardian etc.):

(Condition 2)

Introduction

This questionnaire is part of a wider study assessing spontaneous attitudes towards a newly introduced luxury brand of handbags. As the brand is not yet in the market and participants have never seen the brand's product before, the following images are used as part of this questionnaire to familiarize respondents with the brand.



Part 1

1. On a scale of 1-7 (where, 1 = "not at all" and 7 = "extremely") to what extent would you consider that the brand on display is:

	Not at all	1	2	3	4	5	6	7	Extremely
Luxurious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Prestigious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
High class	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Attractive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

2. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with the following statements:

- You think that buying the brand on display is not a waste of money.
- You are worried that the brand on display is not worth the money spent.
- You think that the brand on display is not a wise way of spending money.

3. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with the following statements:

- You are worried that, if you buy the brand on display, the esteem your family or friends have for you may drop.
- You are afraid that, if you buy the brand on display, it may negatively affect what others think of you.
- You think that, if you buy the brand on display, others will not see you the way you want them to.
- You are afraid that, if you buy the brand on display, others may look down on you.

4. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree that buying the brand on display will make you feel:

- Uncomfortable with yourself
- Unhappy or frustrated
- It fits in well with the concept you have of yourself
- It makes you doubt whether you were right in buying it

5. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with following statements:

- If I were going to purchase a luxury product, I would consider buying this brand.
- If I were shopping for a luxury brand, the likelihood I would purchase this luxury brand is high.

- My willingness to buy this luxury brand would be high if I were shopping for a luxury brand.
- The probability I would consider buying this luxury brand is high.

6. On a scale of 1-7 (where, 1 = “not at all” and 5 = “definitely”) to what extent would you consider the pictures displayed at the beginning of this questionnaire as a high-image (i.e., prestigious) product presentation manner (we are now referring to the manner in which the product was presented rather than to the product itself).

Not at all 1 2 3 4 5 6 7 Definitely

Demographics

Gender:

Male Female

Ethnicity:

(Afro)American
 Hispanic
 Anglo-Saxon
 Other European
 Asian
 Other black
 Other white

Annual household income (i.e., combined family income):

Under £36,999
 £37,000-£59,999
 £60,000-£89,999
 £70,000-£111,999
 £112,000-£129,999
 Above £130,000

Education of the head of the household (e.g., parent, foster parent, guardian etc.):

High school (and less)

Community college Bachelor's degree

Postgraduate (and more)

Occupation of household's head (e.g., parent, foster parent, guardian etc.):

APPENDIX G: Semi-structured Interviews for the Cultural Capital Scale Development

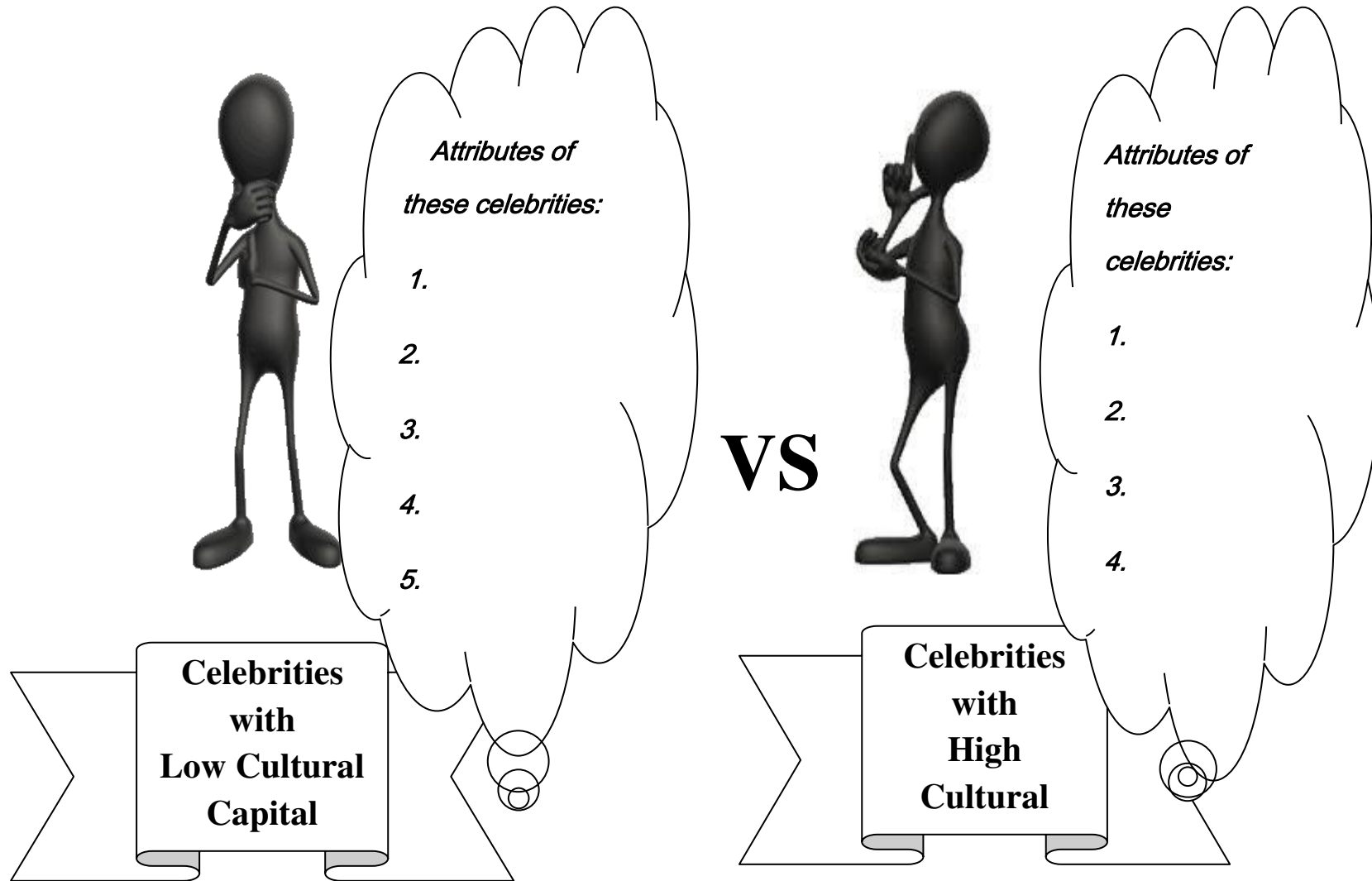




Figure G1: Photographic materials used in the scale development study for Cultural Capital

*Albert would say: "I am the kind of person
that....."*

.....
....."

*"I am the kind of person
that....."*

.....
....."

*"I am the kind of person
that....."*

.....
....."

*"I am the kind of person
that....."*

.....
....."

*"I am the kind of person
that....."*

.....



MR. Albert
High
Cultural
Capital

APPENDIX H: Questionnaire for Study 2

(Condition 1) Introduction

This questionnaire is part of a wider study assessing spontaneous attitudes towards a newly introduced brand of handbags and leather accessories. As the brand is not yet available in the UK market (only launched in other European countries) and you may not have seen the brand's products before, the following images are used to help familiarise you with the brand and the particular product on display. The questions that follow aim to assess people's views regarding the displayed handbag and you may agree *OR* disagree with them.



Take a few moments to consider the brand on display and reply to the following question.

1. On a scale of 1-7 (where, 1 = "not at all" and 7 = "extremely") to what extent would you consider that the brand on display is:

	Not at all	1	2	3	4	5	6	7Extremely
Luxurious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prestigious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High class	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attractive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

People buy products for various reasons! Some products are purchased frequently and some not so frequently. Some products are expensive and some inexpensive. Accordingly, customers may anticipate some degree of uncertainty in a purchase. The questions that follow assess how you would feel about choosing the brand on display.

2. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with the following statements?

- You think that the brand on display might be a waste of money.
- You are worried that the brand on display may not be worth the money spent.
- You think that the brand on display might be a foolish way of spending money.

3. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree with the following statements?

- You are worried that, if you buy the brand on display, the esteem your family or friends have for you may drop.
- You are afraid that, if you buy the brand on display, it may negatively affect what others think of you.
- You think that, if you buy the brand on display, others may not see you the way you want them to.
- You are afraid that, if you buy the brand on display, others may look down on you.

4. On a scale of 1-7 (where, 1= "strongly disagree" and 7= "strongly agree"), to what extent would you agree that buying the brand on display:

- Might make you feel uncomfortable with yourself.
- Might make you feel unhappy or frustrated. May not fit in well with the concept you have of yourself.
- Might make you doubt whether you were right in buying it.

Take a few moments to consider the brand on display. The questions that follow will ask you about your thoughts and feelings about buying the brand/product on display.

5. To what extent would you agree with the following statements?

- If I were going to purchase a handbag, I would consider buying this brand.
- If I were shopping for a handbag, the likelihood I would purchase this brand would be high.
- My willingness to buy this brand would be high if I were shopping for a luxury brand.
- The probability I would consider buying this brand is high.

Now take a few moments to consider the Presentation Environment displayed in the pictures. The questions that follow will ask you about the MANNER in which the product was presented (product presentation) and NOT about the product/brand itself.

6. To what extent would you consider that the manner of the product presentation portrayed in the pictures is:

	Not at all	1	2	3	4	5	6	7 Extremely
High Class	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attractive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Luxurious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prestigious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 2

(Lifestyle Choices)

The questions that follow will ask you a few things about your lifestyle choices, your general knowledge and your preferences in life.

7. On a scale of 1-7 (where 1= "not at all" and 7= "definitely"), to what extent do each of the following sentences describe your interest and knowledge about art and music?

- I am interested in artistic performances such as theatre, ballet and opera.
- I am interested in visiting art galleries and museums.
- I am knowledgeable about art, culture and music.
- I appreciate all forms of artistic expression (e.g., paintings, interior de-sign, architecture, music, literature and photography).

- I appreciate abstract art and sculpture.
- I am interested in attending classical, symphonic, jazz concerts or opera.
- I like listening to classical, symphonic, jazz or opera music.

8. To what extent do each of the following sentences describe your interest in the following leisure activities?

- I am interested in talks, debates, lectures and documentaries.
- I enjoy exchanging ideas with people that have a sophisticated way of thinking.
- I enjoy reading literary works.
- I prefer reading broadsheets rather than tabloid newspapers.
- I enjoy reading current affairs magazines such as The Spectator, National Geographic, The Economist, and Newsweek.

9. To what extent do each of the following sentences describe your interest in food, cooking and dining?

- I enjoy visiting farmers markets.
- I like trying out new recipes.
- I like visiting artisan food stores and delicatessens.
- I like dining in restaurants that serve authentic cultural food.
- I appreciate organic food and produce.
- I like cooking with new and unusual ingredients.

10. Compared to the average person, how familiar/knowledgeable are you about fashion or fashion branding?

	1	2	3	4	5	6	7	
Unfamiliar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Familiar
Uninformed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Informed
Not knowledgeable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Knowledgeable

11. To what extent would you agree (1 = “strongly disagree”, 7 = “strongly agree”) with the following statements?

- I enjoy being with people from other countries to learn about their unique views and approaches.

- I travel to learn new things and experience different cultures.
- I prefer to watch international TV programs in a language that I may not speak, than local TV programs.

12. To what extent would you agree with the following statements?

- I am interested in learning more about people who live in other countries.
- I like to learn about other ways of life.
- I enjoy being with people from other countries to learn about their unique views and approaches.
- I like to try restaurants that offer food that is different from that in my own culture.
- I enjoy exchanging ideas with people from other cultures or countries.
- I like to observe people of other cultures, to see what I can learn from them.
- I find people from other cultures boring. I enjoy trying foreign food.
- When travelling, I like to immerse myself in the culture of the people I am visiting.
- Coming into contact with people of other cultures has greatly benefited me.
- When it comes to trying new things, I am very conservative.

13. On a scale of 1-7 (where 1= "never" and 7= "very often"), how frequently/regularly have you undertaken the following activities in the LAST 12 months?

- Visited cultural places such as museums, theatre and art galleries.
- Read different forms of literature/books (e.g., novels, poetry, fiction, mythology, philosophy etc.).
- Attended plays, ballet or opera.
- Attended classical or symphony concerts or jazz festivals.
- Attended or watched talks, debates, lectures and documentaries.
- Attended an artistic class (e.g., for music, painting, sculpture, photography, dance, acting, etc.)
- Travelled abroad to visit different places of the world.
- Donated to charity.
- Participated in a volunteer program.

14. To what extent would you agree with the following statements?

- I admire people who own expensive homes, cars, and clothes.

- The things I own say a lot about how well I'm doing in life.
- I like to own things that impress people.
- I try to keep my life simple, as far as possessions are concerned.
- Buying things gives me a lot of pleasure.
- I like a lot of luxury in my life.
- My life would be better if I owned certain things I don't have.
- I'd be happier if I could afford to buy more things.
- It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.

Demographic Information

The questions that follow require some demographic information such as your age, gender etc. and some socio-economic information about your family in general.

What is your age? (Please write your answer)

What is your ethnic group?

- White
- Black
- Asian
- Mixed
- Other

The average income for a British family with two adults working is approximately £50,000 a year. Based on this, select one of the following choices that best describes your family's combined annual income (household's income):

- A lot above the average
- Slightly above the average
- Average
- Slightly below the average
- A lot below the average

The next few questions are about your parents. If you were raised mostly by foster parents, step parents or other, answer for them.

What is the HIGHEST level of the education (highest educational qualification) of your parent(s) (father's or mother's, foster father's or foster mother's or guardian's education)?

- No educational qualification
- School level (11-16 years)
- College level (16-18 years)
- Professional qualification (EDcert, CIMA, etc.).
- Graduate qualification (BA, BSc etc.)
- Postgraduate qualification (MA, MSc, MBA, PhD, PGCE etc.)

Other (please specify)

What is the occupation (i.e., current or last main job) of the head of your household (father or mother, foster father, guardian, etc.)? (Please write your answer)

How often (1= never, 7= very often) did your parent(s) (or foster parent, guardian etc.) do the following activities, while you were growing up:

- Listening to classical music or opera.
- Taking you to museums or art galleries.
- Taking you to artistic performances (e.g., plays, dance or classical music etc.).
- Encouraged the reading of books not required for school or religious studies.

What is your family's postcode (the postcode of the place where your family/parents live)?

(Please write your answer)

(Conditions 2 changes only in terms of the stimulus exactly as in Study 1)

APPENDIX I: Questionnaire for Study 3

Introduction

This survey is conducted by Maria Logkizidou, PhD Student at Cardiff Business School (Cardiff University), in order to understand consumer's attitudes and opinions about a new brand of handbags and leather goods. As the range is not yet available in the UK market, we provide some images to familiarize you with the brand and their products. We value your opinion and appreciate your time in completing the survey. It will take about 15 minutes. Your responses will be treated confidentially and will be compiled and analysed together with other survey respondents.

Demographics

Do you currently reside in the UK?

- Yes
 No

What is your age? (Please enter the number)

What is your gender?

- Male
 Female

What is your ethnic group?

White
Black
Asian
Mixed
Other

Part 1

The Little Black Handbag Company (a fictitious name to protect the manufacturer's true identity) design and sell handbags and leather accessories to people like you. The company have recently hired a design agency to develop ideas for a new store interior. Here is a "Mood Board" with fixtures and fittings for the proposed new store. Please spend a few moments (about 27 seconds) looking at this and try to imagine yourself shopping in this store. We will latter on ask you some questions about the store and the brand.



Bag with adjustable and detachable strap in black color and internal zip pockets

<http://www.littleblackhandbag.com/.com>

Here is a leading product from the Little Black Handbag Company. This handbag is made of calf-leather, has an adjustable and detachable strap and several internal pockets.



Imagine that you are considering purchasing a new handbag and the Little Black Handbag (depicted on the previous screen) is within your price range.

1. On a scale of 1-7 (where, 1 = not at all, 7 = extremely) to what extent would you consider that the Little Black Handbag is:

- Luxurious
- Prestigious
- High class
- Attractive

2. To what extent are you worried that purchasing the Little Black Handbag:

- Will negatively affect what others think of you.
- Fit poorly with what you think of yourself.
- Might be a waste of money.

Part 2

Fashion retailers spend a lot of money on designing appropriate store interiors and layouts. Spend a few moments thinking about the fixtures and fittings for the proposed new Little Black Handbag store.

3. To what extent do you think that the proposed fixtures and fittings:

- Are appropriate for displaying a luxury brand of handbags, such as the Little Black Handbag company's.
- Work well together.
- Complement each other.
- Fit together.

4. To what extent would you consider that the Little Black Handbag's store interior is:

- High class
- Attractive
- Luxurious
- Prestigious

5. When I go shopping:

- I pay attention to the store "environment".
- Things like music, colors, lighting in a store make a difference to me in deciding which store I shop at.
- I find myself making shopping decisions based on how the store looks.
- Store decor influences my decision about where I shop.

7. Write down the number of objects you are SURE you have found.

People solve problems in different ways. Some people are very organised and logical, while others are very intuitive and spontaneous in their approach. Consider how you approach such tasks generally.

8. Thinking about an activity that requires your attention or a problem solving situation, to what extent do you agree with the following statements:

- The whole, rather than its parts, should be considered in order to understand a problem.
- It is more important to pay attention to the whole context rather than the details when solving a problem.
- It is more important to pay attention to the whole than its parts.
- The whole is greater than the sum of its parts.

Personal Characteristics

Finally, we are going to ask you some more questions about you, your family and your household.

9. To what extent do each of the following statements describe your interest and knowledge about art and music?

- I am interested in artistic performances such as theater or ballet.
- I am interested in visiting art galleries and museums.
- I am highly knowledgeable about art, culture and music.

10. Thinking about various leisure activities, to what extent do you agree with the following statements?

- I prefer reading broadsheets rather than tabloid newspapers.
- I am interested in talks, debates, lectures and documentaries.

- I enjoy exchanging ideas with people that have a sophisticated way of thinking.

11. To what extent do each of the following statements describe your interest in food, cooking and dining?

- I like visiting artisan food stores and delicatessens.
- I like cooking with new and unusual ingredients.
- I like dining in restaurants that serve authentic cultural food.

12. Now consider travelling and holidays.

- Travelling abroad is one of my favourite things.
- When travelling, I love to experience different cultures.
- When I travel, all I want to do is party, drink lots and have fun with new people.

13. How often have you undertaken the following activities in the last 12 months?

- Visited cultural places such as museums or art galleries.
- Read works of literature (e.g., poetry, mythology, philosophy etc.).
- Attended plays, ballets or operas.
- Attended jazz, classical or symphony concerts.
- Attended or watched talks, debates, lectures or documentaries.
- Attended art classes (e.g., music, painting, sculpture, photography, acting, etc.)
- Travelled abroad.
- Donated to charity.
- Volunteered for a charitable organization.

14. If the average income for a British household is approximately £50,000 a year, how would you describe your household income?

- A lot above the average
- Slightly above the average
- Average
- Slightly below the average
- A lot below the average

15. What is your highest educational qualification?

- No educational qualification
- School level (11-16 years)
- College level (16-18 years)
- Professional qualification (EDcert, CIMA, etc.).
- Graduate qualification (BA, BSc etc.)
- Postgraduate qualification (MA, MSc, MBA, PhD, PGCE etc.)
- Other (please specify)

APPENDIX J: Cardiff Business School Ethical Approval

ETHICS 2



FULL ETHICAL APPROVAL FORM
(STAFF/PHD STUDENTS) or students referring
their form for a full ethical review

(For guidance on how to complete this form, please see Learning Central – CARBS RESEARCH ETHICS)

If your research will involve patients or patient data in the NHS then you should secure approval from the NHS National Research Ethics Service. Online applications are available on <http://www.nres.npsa.nhs.uk/applicants/>

NB: Safety Guidelines for researchers working alone on projects – please go to this University's web link to learn about safety policies - <http://www.cf.ac.uk/osheu/index.html>

Name of Lead Researcher : Maria Logkizidou

School: Cardiff business school (CARBS)

Email: logkizidou.m@cardiff.ac.uk.

Names of other Researchers: (supervisors)

Prof. Costas Andriopoulos.

Dr. Manto Gotsi

Email addresses of other Researchers :

andriopoulos.c@cardiff.ac.uk.

gotsi.m@cardiff.ac.uk

Title of Project:

The influence of visual merchandise Display cues on purchase intentions for luxury brands: Perceptions of luxury vs. consumption guilt.

Start and Estimated End Date of Project:

28 November 2013 - 30 January 2014

Aims and Objectives of the Research Project:

Examine the influence of visual merchandise display cues on respondent's perceptions of luxury, consumption guilt and purchase intentions for the brand on display (primary data collection).

Please indicate any sources of funding for this project:

CARBS Postgraduate Research Fellowship support funds.

APPLICATION APPROVED
RESEARCH ETHICS COMMITTEE
CARDIFF BUSINESS SCHOOL
CARDIFF UNIVERSITY

1. Describe the methodology to be applied in the project

- Quantitative Data
- Questionnaires
- Experimental factorial Design / Multigroup Design between the subject.

ETHICS 2

PLEASE ATTACH COPIES OF QUESTIONNAIRES OR INTERVIEW TOPIC GUIDES TO THIS APPLICATION

2. Describe the participant sample who will be contacted for this Research Project. You need to consider the number of participants, their age, gender, recruitment methods and exclusion/inclusion criteria

- University Students (conv. sample) + random sampling (pretests)
 - over 18 year old
 - Females only
 - A cover story (introductory paragraph) will be incorporated in the questionnaire explaining to participants: what they have to do, reasons for conducting this research (including information about the research and the researcher) Additionally, a booklet of 4 images will be presented to participants. Based on these images participants will have to reply in several established scales

3. Describe the method by which you intend to gain consent from participants.

Invitation letter (Invitation for the research is attached)

APPLICATION APPROVED
 RESEARCH ETHICS COMMITTEE
 CARDIFF BUSINESS SCHOOL
 CARDIFF UNIVERSITY

PLEASE ATTACH A COPY OF ALL INFORMATION WHICH WILL BE GIVEN TO PROSPECTIVE PARTICIPANTS (including invitation letter, briefing documents and, if appropriate, the consent form you will be using).

4. Please make a clear and concise statement of the ethical considerations raised by the project and how you intend to deal with them throughout the duration of the project (please use additional sheets where necessary)

Please complete the following in relation to your research project:

5		Yes	No	n/a
(a)	Will you describe the main details of the research process to participants in advance, so that they are informed about what to expect?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b)	Will you tell participants that their participation is voluntary?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c)	Will you obtain written consent for participation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d)	Will you tell participants that they may withdraw from the research at any time and for any reason?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e)	If you are using a questionnaire, will you give participants the option of omitting questions they do not want to answer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f)	Will you tell participants that their data will be treated with full confidentiality and that, if published, it will not be identifiable as theirs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g)	Will you offer to send participants findings from the research (e.g. copies of publications arising from the research)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Not working with children

(h)	If working with children and young people please confirm that you have visited this website : Working with children and young people and vulnerable adults please go to web link - http://www.cardiff.ac.uk/racdv/ethics/guidelines/index.html	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(i)	DATA PROTECTION: (A) Will any non-anonymised and/or personalised data be generated? (B) If "YES" will it be stored beyond the end of the project/archived? http://www.cardiff.ac.uk/socsi/research/researchethics/destructionofdata/index.html	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE:

If you have ticked No to any of 5(a) to 5(g), please give an explanation on a separate sheet.
(Note: N/A = not applicable)

If there are any other potential ethical issues that you think SREC should consider please explain them on a separate sheet. It is your obligation to bring to the attention of the Committee any ethical issues not covered on this form and checklist.

Signed: _____
 (Principal Researcher/Student)
 Print Name: MARIA LOGKIZIDOU
 Date: 11 Nov. 2013

SUPERVISOR'S DECLARATION (Student researchers only): As the supervisor for this student project I confirm that I believe that all research ethical issues have been dealt with in accordance with University policy and the research ethics guidelines of the relevant professional organisation.

Signed: _____
 Print Name: Dr. MANTO GOTSI
 Date: 5/11/2013

TWO copies of this form (and attachments) MUST BE OFFICIALLY STAMPED by Ms Lainey Clayton, Room F43, Cardiff Business School BEFORE any research project work is undertaken

STATEMENT OF ETHICAL APPROVAL

This project has been considered using agreed School procedures and is now approved.

Official stamp of approval of the School
Research Ethics Committee:

Date: 20/11/13.

APPLICATION APPROVED
RESEARCH ETHICS COMMITTEE
CARDIFF BUSINESS SCHOOL
CARDIFF UNIVERSITY

INVITATION FOR THE RESEARCH

I am Maria Logkizidou, a doctoral student at Cardiff Business School. I am conducting a research project on the influence of the merchandise display cues on consumers' intentions to buy a luxury brand. A set of pictures are used as part of this questionnaire to familiarise participants with the brand, since it is not yet in the market. So, attached to this questionnaire is a booklet containing four images of the above mentioned brand. I will ask you few questions with the aim of assessing your attitudes towards the newly introduced brand. I will follow this with a few questions regarding your perceptions of yourself and your general familiarity with luxury brands.

This questionnaire, which should take no more than 15 minutes of your time, consists of a series of closed questions and one open-ended question.

Please note that your participation is voluntary and you can choose to decline to answer any of the questions or withdraw at any point from this project.

This research will adhere to my high ethical standards of confidentiality and anonymity and any information provided will be used only for the purpose of this research (including inquiries about participation prize) and will certainly not be transferred to third parties.

Should you need any further information on this research or about the research outcome please do not hesitate to contact me at logkizidou@cardiff.ac.uk.

Many thanks for your help.

Maria Logkizidou

APPLICATION APPROVED
RESEARCH ETHICS COMMITTEE
CARDIFF BUSINESS SCHOOL
CARDIFF UNIVERSITY

This research has been approved by Cardiff Business School Ethics Committee.

4. Please make a clear and concise statement of the ethical considerations raised by the project and how you intend to deal with them throughout the duration of the project (please use additional sheets where necessary)

This research (conducted survey) will adhere to high ethical standards of confidentiality and anonymity. Any information provided from respondents will only be used for the purpose of this research and will not be used for any purposes different from what has been stated.

Personal information in a form of participants' e-mail address will be requested. The release of this information by respondents is voluntary and only necessary for participants who wish to participate in a prize draw. This information will only be used to contact the participant(s) who actually wins a prize.

For the purpose of this research we used an unfamiliar/fictitious brand whose identification signs have hidden. Care has been taken not to expose participants to any identification sign of any brand name or any retail store. Pictures have been used as part of this questionnaire to familiarize participant with the brand. All pictures were prototypes and produced just for the purposes of this research.

APPLICATION APPROVED
RESEARCH ETHICS COMMITTEE
CARDIFF BUSINESS SCHOOL
CARDIFF UNIVERSITY

Informed Consent Declaration - For Research Participants

This study is being conducted by Maria Logkizidou, a doctoral student at Cardiff Business School under the supervision of Professor Costas Andriopoulos (andriopoulosc@cardiff.ac.uk) and Dr. Manto Gotsi (gotsim@cardiff.ac.uk).

Participation in the research project may evolve as a pretest a focus group (a face to face exercise) attempting to identify respondent perceptions of the different types of merchandise display cues. Participants may also ask questions at any time and discuss any concerns with either the researcher (logkizidoum@cardiff.ac.uk) or the supervisor as listed above.

The findings of the study will form part of my research assignment.

All information provided during the interview will be held anonymously so that it will not be possible to trace information or comments back to individual contributor. Information will be stored in accordance with the current Data Protection Act.

Participants can request information and feedback about the purpose and the results of the study by applying directly to the researcher logkizidoum@cardiff.ac.uk

8/11/2013
Researcher-Maria Logkizidou
Cardiff University
CF10 3EU

APPLICATION APPROVED
RESEARCH ETHICS COMMITTEE
CARDIFF BUSINESS SCHOOL
CARDIFF UNIVERSITY

SURNAME: Logkizidou
Student Number: c1057358
(if applicable)

ETHICS 2



**FULL ETHICAL APPROVAL FORM
(STAFF/PHD STUDENTS) or students referring
their form for a full ethical review**

(For guidance on how to complete this form, please see Learning Central – CARBS RESEARCH ETHICS)

If your research will involve patients or patient data in the NHS then you should secure approval from the NHS Health Research Authority. Online applications are available on <http://www.hra.nhs.uk/resources/applying-for-reviews/>

NB: Safety Guidelines for researchers working alone on projects – please go to this University’s web link to learn about safety policies - <http://www.cf.ac.uk/osheu/index.html>

Name of Lead Researcher : Maria Logkizidou

School: CARDIFF BUSINESS SCHOOL

Email: LogkizidouM@cardiff.ac.uk

Names of other Researchers: Paul Bottomley, Robert Angell

Email addresses of other Researchers : BottomleyPA@cardiff.ac.uk; AngellRJ@cardiff.ac.uk

Title of Project:

The role of consumers' processing style in evaluating visual stimuli

Start and Estimated End Date of Project: 29 January - 05 February

Aims and Objectives of the Research Project:

This is the third study of a sequel of studies in my thesis. It tries to investigate why consumers with high cultural capital are more sensitive to peripheral cues when evaluating a product. My aim here is to gather quantitative data from around 200 participants that could inform the researcher whether there is some difference in the “way” (i.e., style) that people with high cultural capital process visual stimuli in general (i.e., analytic versus holistic processing of visual information).

Please indicate any sources of funding for this project:

Self-funded

APPLICATION APPROVED
Research Ethics Committee
Cardiff Business School
Cardiff University

SURNAME: Logkizidou
Student Number: c1057358
(if applicable)

1. Describe the methodology to be applied in the project

The data for the study will be collected through an online survey. The survey's questionnaire will be distributed to a big number of participants to obtain around 200 responses. In this study I adopt a quantitative approach using only items that are suggested in the literature to investigate hypothesised relationships of variables and build my model. For designing my questionnaire I have used Qualtrics Online Survey Software. I also intend to use Qualtrics pool of participants.

APPLICATION APPROVED
Research Ethics Committee
Cardiff Business School
Cardiff University

PLEASE ATTACH COPIES OF QUESTIONNAIRES OR INTERVIEW TOPIC GUIDES TO THIS APPLICATION

2. Describe the participant sample who will be contacted for this Research Project. You need to consider the number of participants, their age, gender, recruitment methods and exclusion/inclusion criteria.

A sample of 200 full-time or part-time working female participants between the age of 19 and 50 that reside in the UK is my target. Qualtrics have people signed up (opting in) to be contacted for research purposes. People are profiled into the sampling frame and then contacted once and given a chance to take part in the research. A covering letter in the form of the study's first page is provided in this application. This recruits participants and provides all the information they need for participating in the survey.

3. Describe the method by which you intend to gain consent from participants.

In my case participants have opted in to being contacted for this type of research. An e-mail will be sent by the Online Survey provider to all the prospective participants together with the consent form that provides the necessary information for participating in the survey. In particular, participants will

SURNAME: Logkizidou
 Student Number: c1057358
 (if applicable)

be informed and ensured that their answers will be treated with confidentiality and will not be distributed to any other third parties. Their participation is anonymous, voluntary and they can choose not to submit the questionnaire. Partially completed surveys (but not submitted) will not be used in the research. Data will be stored securely in an encrypted file with no identifying information. For any further information or requests though, participants will be encouraged to communicate via e-mail with the researcher.

APPLICATION APPROVED
 Research Ethics Committee
 Cardiff Business School
 Cardiff University

PLEASE ATTACH A COPY OF ALL INFORMATION WHICH WILL BE GIVEN TO PROSPECTIVE PARTICIPANTS (including invitation letter, briefing documents and, if appropriate, the consent form you will be using).

4. Please make a clear and concise statement of the ethical considerations raised by the project and how you intend to deal with them throughout the duration of the project. (Please use additional sheets where necessary.)

The survey aims to obtain mainly impersonal information from the participants. Nevertheless, participants will be asked about their cultural capital, their processing style and few personal-demographic information. I try to eliminate ethical issues via my consent form and the introductory paragraph of the survey. Participants, by reading these two sources of information, are informed that their participation is anonymous and confidential as well as that they can refuse to reply to a equations or even quit the whole questionnaire any time that they wish to. Moreover, for all the questions that assess their processing style participants are informed that there are not right and wrong answers and that these questions DO NOT assess their intelligence. The contact details of the researcher are provided in the consent form.

5. Please complete the following in relation to your research project:

		Yes	No	n/a
(a)	Will you describe the main details of the research process to participants in advance, so that they are informed about what to expect?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b)	Will you tell participants that their participation is voluntary?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c)	Will you obtain written consent for participation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d)	Will you tell participants that they may withdraw from the research at any time and for any	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SURNAME: Logkizidou
 Student Number: c1057358
 (if applicable)

	reason?			
(e)	If you are using a questionnaire, will you give participants the option of omitting questions they do not want to answer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f)	Will you tell participants that their data will be treated with full confidentiality and that, if published, it will not be identifiable as theirs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g)	Will you offer to send participants findings from the research (e.g. copies of publications arising from the research)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h)	If working with children and young people please confirm that you have visited this website : Working with children and young people and vulnerable adults please go to web link - http://www.cardiff.ac.uk/racdv/ethics/guidelines/index.html	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i)	DATA PROTECTION: (A) Will any non-anonymised and/or personalised data be generated? (B) If "YES" will it be stored beyond the end of the project/archived? http://www.cardiff.ac.uk/socsi/research/researchethics/destructionofdata/index.html	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE:

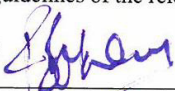
If you have ticked No to any of 5(a) to 5(g), please give an explanation on a separate sheet.
 (Note: N/A = not applicable)

If there are any other potential ethical issues that you think SREC should consider please explain them on a separate sheet. It is your obligation to bring to the attention of the Committee any ethical issues not covered on this form and checklist.

Signed:
 (Principal Researcher/Student)
 Print Name: Maria Logkizidou

Date: 19/01/2016

SUPERVISOR'S DECLARATION (Student researchers only): As the supervisor for this student project I confirm that I believe that all research ethical issues have been dealt with in accordance with University policy and the research ethics guidelines of the relevant professional organisation.

Signed: 
 Print Name: Paul Bottomley

Date: 19/01/2016

APPLICATION APPROVED
 Research Ethics Committee
 Cardiff Business School
 Cardiff University

TWO copies of this form (and attachments) MUST BE OFFICIALLY STAMPED BEFORE any research project work is undertaken -

STATEMENT OF ETHICAL APPROVAL

This project has been considered using agreed School procedures and is now approved.

SURNAME: Logkizidou
Student Number: c1057358
(if applicable)

Stamped by School :

Date:

APPLICATION APPROVED
Research Ethics Committee
Cardiff Business School
Cardiff University

Informed Consent Declaration – For Research Participants

This study is being conducted by Maria Logkizidou, PhD Student at Cardiff Business School and Cardiff University under the supervision of Professor Paul Bottomley & Dr. Robert Angell who can be contacted via following email addresses: BottomleyPA@cardiff.ac.uk; AngellRJ@cardiff.ac.uk

Participation in this research project involve the completion of an online survey that partakes images and puzzle games; in this the research tries to identify the role of the individuals' style of processing visual stimuli/information on the way they evaluate product and brands on display.

Participation in the study is entirely voluntary and participants can withdraw from the study at any time without giving a reason. Participants may also ask questions at any time and discuss any concerns with either the researcher (LogkizidouM@cardiff.ac.uk) or the supervisor as listed above.

The findings of the study will form part of my thesis and may be used for potential research publications.

All information provided during the research will be held anonymously so that it will not be possible to trace information or comments back to individual contributors. Information will be stored in accordance with the current Data Protection Act.

Participants can request information and feedback from the study by applying directly to the researcher LogkizidouM@cardiff.ac.uk.

19th of January 2016

Researcher – Maria Logkizidou PhD Student

Cardiff Business School

Cardiff University

APPROVED
RESEARCH ETHICS COMMITTEE
Cardiff Business School
Cardiff University

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