



Powerful or Powerless? How the online vs. offline context impacts individuals' perceived social power from luxury consumption

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Abstract

Title: Powerful or Powerless? How a purchase of luxury goods impacts individuals' perceived social power from an online vs. offline perspective.

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Summary: This study investigates how different levels of luxury brands influence individuals' perceived social power and how the online vs. offline nature of the shopping context may moderate these effects.

Therefore, by performing an experimental study with a within-subjects design, this research revealed that the shopping context online vs. offline has a different impact on the consumers' purchase intention, which ultimately depends on the brand type chosen. Furthermore, it was found that consumers believe their perceived social power increases when shopping in-store for top-level luxury products. However, no significant changes in guilt were raised when purchasing online or offline for all three brand-level types, as well as for their self-esteem. Still, consumers' purchase intentions were proven higher when purchasing a top-level luxury product in-store than online.

This paper advances the understanding of consumer behavior when purchasing luxury items and how their emotions and the purchase context play a big part in the decision-making process since human behavior is getting much more complex over time, making it much more difficult to comprehend consumers' main motivations to shop and their thought process during it. Moreover, this paper also has a crucial role in further advancing the knowledge regarding the future of online shopping and how consumers are adapting to the digital transformation.

The interpretation of the results, conclusions, and limitations was explored throughout this research paper.

Keywords: Social power, powerful, powerless, luxury, entry-level luxury brands, top-level luxury brands, self-esteem, social status, online, offline, guilty.

Resumo

Título: Poderoso ou impotente? Como a compra de bens de luxo afeta o poder social dos consumidores de uma perspectiva online vs. Offline.

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Sumário: Este estudo investiga como diferentes níveis de marcas de luxo influenciam o poder social dos consumidores e como a natureza online vs. offline do contexto de compra pode moderar esses efeitos.

Ao realizar um estudo experimental com design within-subjects, revelou que o contexto de compra online vs. offline tem um impacto diferente na intenção de compra dos consumidores, dependendo por fim do tipo de marca escolhida, sendo maiores ao comprar produtos de luxo numa loja física do que online. Além disso, verificou-se que os consumidores acreditam que a sua perceção de poder social aumenta ao comprar em loja produtos de luxo de alto nível. No entanto, não houve nenhuma mudança significativa na culpa ao comprar online ou offline para todos os três tipos de nível de marca, bem como para a auto-estima dos consumidores.

Este estudo contribui na compreensão do comportamento do consumidor ao comprar produtos de luxo e como suas emoções e o contexto de compra desempenham um papel importante no processo de tomada de decisão, uma vez que o comportamento humano está se a tornar cada vez mais complexo, tornando mais difícil compreender as motivações para cada compra e o raciocínio por de trás da decisão do consumidor.

Além disso, este artigo tem um papel crucial no avanço do conhecimento sobre o futuro do online shopping e como os consumidores se estão a adaptar à transformação digital. A interpretação dos resultados, conclusões e limitações foram exploradas ao longo deste estudo.

Palavras-chave: Poder social, poderoso, impotente, luxo, marcas de luxo básico, marcas de luxo de alto nível, autoestima, estatuto social, online, offline, culpa

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1. Introduction

Over the last few years, the luxury industry has been suffering many changes and adapting to emerging trends and the digital revolution. Although this industry growth has been impacting the overall economy with its importance growing at high speed, retailers still have to consider some restraints consumers feel, such as how the purchase channel affects their decisions and how they are going to maintain the luxury market as an attractive and alluring exclusive shopping experience when the new generations, millennials, and gen-z, which will be the future mainstream customers are purchasing the majority of items through an online channel. Therefore, the challenge for luxury retailers lies in finding digital features to continue making luxury consumption the most elite and secluded experience while considering consumers' feelings throughout the purchase process.

Previously published research stated that emotions impact consumers' purchase behavior. This topic has been gaining much traction from researchers since luxury consumption constrains how consumers interact and proceed (Lancellotti & Thomas, 2018; Goldsmith et al., 2012). According to Richins (1997), guilt has been recognized as a pivotal emotion in individuals' consumption, as well as feelings that affect consumers' self-esteem and how they view themselves. Thus, this research paper intends to understand how consumers' emotions affect their purchase decisions and their preferred shopping channel.

Social power has been studied throughout the years. It has been discovered that power is one of the fundamental tools of influence in consumers' lives (Dacher et al., 2000; Galinsky et al., 2008), dictating how an individual might feel and their interaction with others (Rucker et al., 2011). According to Rucker & Galinsky (2008), social power relates to status, as both notions reciprocally impact each other occasionally. Furthermore, the luxury industry encompasses various aspects of the consumer purchase process, which can be influenced by social power. Luxury consumption not only allows consumers to increase their social recognition and personal gratification (Ang et al., 2001) but also has a crucial weight in the perceived social power consumers acquire when purchasing a luxury item.

According to Wolfinbarger and Gilly (2001), the online and the in-store shopping context cater to distinct shopping experiences, even when purchasing the exact product.

This research pretends to understand how consumers feel when buying luxury products across different shopping contexts: online vs. offline. As such, this study will be an instrument to

further develop the reasoning for purchasing luxury products and how the shopping environment can impact a consumer's purchase and feelings throughout the decision-making process.

Thus, this study intends to discover how social power influences the consumers' decision for different brand levels, i.e., top-level luxury, entry-level luxury, and fast fashion products. Moreover, the present research also aims to uncover whether consumers' perceived social power changes according to a different purchase channel, i.e., online or in-store. More specifically, one of the purposes of this study is to discover the effect of said changes since different purchase contexts have opposite experiences in the social aspect. On the one hand, online is very guarded and secluded, not having social interaction. On the other hand, the in-store shopping context is very stimulating and a social gathering of sorts.

This study will tackle the following research questions: Does luxury consumption affect the consumers' perceived social power for the types of brand levels (top-level luxury, entry-level luxury, fast fashion)? Does the shopping context moderate these effects?

The present study is divided into three main sections. Firstly, the literature review contemplates what has been considered thus far, bearing all the hypotheses. The second part focuses on an online survey, analyzing the hypotheses and reaching a concrete conclusion regarding the research questions. The last section covers the study's limitations, managerial implications, and recommendations for forthcoming research papers.

2. Literature Review and Hypothesis Development

The following section of this study focuses on previous research and literature concerning this research problem while explaining and proposing the main theoretical and conceptual conclusions of the research problem in question.

To tackle these arguments, this section will assess previously published theoretical and experimental studies to reach a viable answer to the research problem.

The literature review chapter is split into four main sections. The first one concerns the definition of luxury, focusing on the impact of this growing industry on our economy. The second topic focuses on the different shopping contexts, relating that with how the digital trend is changing consumers' consumption habits and its consequences for the future. The next topic concerns the different luxury brand levels and an overview of how they are categorized. The fourth section covers the primary motivations for luxury consumption and the impact guilty emotions have on the consumers following the purchase process. Lastly, the fifth topic centers on the differences between social power and social status and how the self-esteem of a consumer can impact their purchases and decisions.

2.1 Luxury definition and consumption

Over the last decades, the luxury market has been proliferating. Only in the last 20 years, the luxury segment has tripled its value (D'Arpazio, Levato, Zito, Kamel, & Montgolfier, 2016), and it is expected that the global luxury goods market will increase from US 349 billion in 2022 to US 419 billion in 2027, at a CAGR of 3.7%. This industry has also raised researchers' curiosity and interest following the establishment of luxury conglomerates such as Moët Hennessy Louis Vuitton (LVMH), Gucci Group, and Richemont SA (Okonkwo, 2009). These brands have also reached a high level of economic importance because of their status in consumption and communication (Chevalier & Manzalovo, 2008).

Despite this exponential growth and the importance of this market in the economy, researchers have yet to reach a definition since luxury is a complex concept from a sociological and psychological standpoint (Pop et al., 2009), surrounded by ambiguity (Dubois et al., 2001). Nevertheless, there are some common grounds between most definitions: exclusivity, awareness, perceived quality, and scarcity (Phau & Prendergast, 2000). As such, luxury

consumption can be defined as *“products that provide extra pleasure and flatter all senses at once; expand on this description to argue that psychological benefits, rather than functional benefits, provided by luxury products are the key distinguishing factors that set luxury products apart from nonluxury products”* Kapferer's (1997).

Previous research by Raluca, Dorel, Florin, and Drule (2011) demonstrated a new analysis of luxury perception assessment, identifying nine luxury dimensions: quality, price, rarity/uniqueness, self-identity, hedonism, materialism, ostentation, prestige status, and history/heritage. Furthermore, that study also included Raluca et al.'s (2011) concept of luxury perceptions, which focused on four main points: financial value, functional value, individual value, and social value.

A luxury brand is conceptualized as one that sells premium products, providing not only utility purposes but also pleasure as the main benefit, connecting with consumers emotionally and fulfilling their psychological needs (Vigneron & Johnson, 2004). Furthermore, most consumers purchase luxury goods for symbolic meanings (Dubois & Duquesne, 1993). Hence, luxury items bring pleasure and desire, improving the consumers' self-esteem and social status (Wiedmann et al., 2009). Furthermore, researchers also view luxury items as lavish, unique, and sparse goods that just wealthy individuals with abundant assets can manage to purchase (Fuchs et al., 2013; Kuksov) systematically. Therefore, luxury brands and their products have become display items of consumers' opulence (Dubois, 2020).

2.2 Types of Luxury Purchases: Online vs. Offline

Over the last few years, online shopping has shown a significant increase, consumers are modifying their consumption habits and intentions, shifting from in-store to online shopping (Brunner-Sperdin et al., 2014), and luxury is no exception from this tendency (e.g., Kim and Ko, 2012). Luxury brands have also been investing and expanding in online retailing via direct-to-consumer channels and e-commerce platforms, which have become extremely popular with luxury consumers. In 2020, one-quarter of the total global personal luxury goods market was credited to online channels. Moreover, it is foreseen that this change will grow exponentially shortly (Park et al., 2015). According to a forecast by Bain & Company, one-third of all personal luxury purchases will take place digitally by 2025, with those revenues reaching an

estimated \$136 billion. Additionally, a report from McKinsey (2018) stated that by 2025, 80% of all purchases would be shaped by online channels.

Furthermore, reports predict that by 2025 the majority of luxury consumption will be made by the younger generations, the millennials, and gen z, with millennials accounting for half of the value of the luxury market. Because we expect a significant shift in the consumer demographic base, the luxury shopping experience will be forced to move towards the digital world and cater to the needs and preferences of the generations born in the digital era.

We also must consider that online luxury goods sales are aided by e-commerce platforms and marketplaces where luxury consumers are offered a wide variety of luxury brands. On the other hand, mono-brand websites currently represent 40% of online sales, reflecting a substantial investment by luxury companies. Nevertheless, some consumers do not resort to online luxury shopping since, from their perspective, the online channel does not provide the experiences they seek (Bilgihan et al., 2016). Researchers are also studying the consumer's dilemma of whether to purchase from online channels and assemble their arguments around direct and indirect costs associated with both types of purchase (uncertainty costs, learning costs, and sunk costs) and the benefits linked (hedonic benefits utilitarian benefits, and social benefits) (Park, Hill, & Bonds-Raacke, 2015).

As a result of the differences in the online and in-store channels, consumer behavior may also differ according to the purchase channel. Consequently, research has indicated that online versus in-store purchasing settings influence consumers' choices (Campo & Breugelmans, 2015) or consumers' perception of retailer deception (Riquelme et al., 2016). Moreover, a fundamental aspect essential to analyze is consumers' purchase motivations, determining which shopping channel they choose (Boardman & McCormick, 2018; Harris et al., 2018; Hu & Tracogna, 2020). Consumers who search for the best prices tend to purchase items online, whereas those looking for social associations opt to buy in-store (Liu et al., 2013).

Despite the global evolution, most consumers still shop in-store for luxury items. As we have seen in the earlier chapters, conspicuous consumption and intrinsic motivations such as self-rewards and new experiences are some of the main reasons luxury consumers still opt for in-store purchases.

Another insightful reason most consumers still purchase luxury goods in-store is that they only get part of the experience when purchasing an item online. As such, retailers are investing

highly in technology to develop and improve the digital customer experience (Park, Hill, & Bonds-Raacke, 2015). New features like 3-D images, virtual models, digital images, and zooming technology were invested in digital platforms and augmented and virtual reality (Mishra et al., 2020). Nevertheless, no precise results have yet been perceptible whether these new features successfully increase online purchases (Kim & Lennon, 2008).

One more vital condition to be aware of is how the online shopping environment is very distinct compared to the one in-store. As such, when purchasing an item, online consumers are more socially isolated, not having anyone watching and pressuring them, which could automatically make them feel better about themselves and not as guilty and ashamed as they might think if they were purchasing that item in-store.

Furthermore, it is crucial to consider and reflect if, with the increase in online purchase channels, the shopping experience will cease to exist, making this exclusive and secluded industry not seen as much desirable as before, creating the possibility of consumers losing the allure to it and its interest.

2.3 Types of Luxury Brands by Level of Luxury: entry-level luxury brands, medium-level luxury brands, top-level luxury brands, e elite-level luxury brands

After an explanation of the impact of the luxury industry on the economy and its definition, it is crucial to understand that this type of consumption can be separated into different luxury levels. According to previous research, a product's status of luxury increases when the level of at least one of the following characteristics increases: price, quality, aesthetics, rarity, extraordinariness, and symbolism. Moreover, brands' luxury levels were established as an essential means of differentiation for luxury products and brands (Esteve & Hieu-Dess, 2005). Thus, following the criteria above, it is appropriate to divide luxury brands into the following types:

Entry-level luxury brands: Brands that classify merely over the premium segment, and some do not even recognize them as members of the luxury segment. These types of brands are effortlessly attainable, with middle-income consumers able to afford them (Cervellon & Shammass, 2013). Illustrative brands include Hugo Boss and Ralph Lauren.

Medium-level luxury brands: These brands are generally acknowledged as members of the luxury segment. However, they are at the back of cutting-edge luxury brands. Some allusive examples are Dolce&Gabbana, Escada, and Moschino.

Top-level luxury brands: Brands that are recognized as leading luxury brands. Examples include Armani, Cartier, and Louis Vuitton.

Elite-level luxury brands: These brands control the benchmark of the best quality and highest exclusivity within their category and are also considered a niche within various luxury items. Brands like Chanel and Hermes only produce and sell a limited number of products yearly while restricting their clients' purchases. These brands target the "clientèle de connaisseurs," who do not just hold the required financial resources but also a "culture intellectuelle" (Lombard, 1989).

Fast Fashion brands: Brands that sell low-priced products and produce a high volume of items. All products go from the design stage to retail stores very quickly, utilizing the minimum manufacturing time to meet the latest trends, having new collections available, and considering the supply and consumers' undetermined conditions (Cachon & Swinney, 2011). Zara, H&M, and GAP are the most prominent players in this field.

Furthermore, in this study, exclusively fast fashion, entry-level luxury, and top-level luxury will be considered since they are contrasting aspects of luxury. This study will not consider the elite luxury brands' level since it is bounded and hidden from most consumers.

2.4 Motives Behind Luxury Consumption

A few decades ago, consumption was defined as a cognitive process. However, researchers have proposed that consumption is an affective, experiential process, describing it as a steady flow of fantasies, feelings, and fun (Hirschman & Holbrook, 1982; Westbrook, 1987). This new approach, an emotional approach to consumption, is capturing more interest from scholars since they see consumers not only as thinkers but also as feelers (Kim et al., 2007).

Moreover, pleasure has become an intrinsic part when analyzing consumers' consumption behavior, and it can be described as an individual's consciousness or feeling that is persuaded

by the enjoyment or expectation of what is regarded as desirable, for example, enjoyment, pleasure, and fulfillment (Green & Jordan, 1999).

Alongside, researchers have identified an association between luxury consumption and the positive emotional response to consumer pleasure. Consumers' perception of pleasure and satisfaction can also be explained by their sense of fulfillment of personal style from luxury products and their joy from the products' remarkable quality (Berens, 2013; De Barnier & Valette-Florence, 2013). Luxury consumption has been mainly linked to sensory pleasure (Phan et al., 2011) and esthetic enjoyment (Sheth et al., 1991). Emotions also play an intrinsic part in the process of a luxury purchase. Alongside, the consumers feel empowerment and excitement because they are buying an item that is described as rare and of high quality, elucidating the reason the hedonic appeal of luxury goods is one of the primary drivers of human behavior. In addition, a study by Vigneron and Johnson (1999) revealed that consumers are more interested in pleasure drawn from luxury consumption and less concerned about the price.

Previously published research by Tauber (1972) stated that purchase motivations can be categorized into two main topics: personal and social. While personal motivations vary from role-playing, diversion from daily routine, self-gratification, physical activity, learning about new trends, fashions, innovations, and sensory stimulation. Social motivations focus on social interactions in public, communication with people who share similar interests, connecting with peer groups, securing status and power, and acquiring pleasure from negotiation.

Recent studies have acknowledged luxury consumption in terms of two main consumer motivations: "extrinsic" when the purchasing purpose is to reveal the significance of others' perception (Veblen, 1899), and "intrinsic" when the purpose relies on conquering self-fulfillment goals. Therefore, when consumers "externalize" their purchases, their goal is to acquire status and demonstrate wealth to others. By "internalizing" their luxury purchases, individuals plan to fulfill their style or values (Amatulli & Guido, 2011; Vigneron & Johnson, 1999). All in all, it is expected that when purchasing from a luxury brand, an individual will experience tendencies of "conspicuous consumption," propelled by her extrinsic values, and "style consumption," motivated by her intrinsic values.

Conspicuous consumption implies purchasing high-priced items whose purpose is chasing an individual's extrinsic values of marking their wealth, status, and social power to others

(Veblen, 1899). To prevent feeling guilty, consumers pursue a different type of luxury consumption that will provide them with a reasonable explanation for their expenditures (Kivetz & Simonson, 2002); style consumption is the type of luxury consumption that relieves the consumers' guilt. By style consumption, we mean a luxury purchase an individual makes to luxury to express their style while representing their intrinsic values (Cho et al., 2015; Ki & Kim, 2016; Tai, 2005), where consumers value products with reliable characteristics of their taste over an item that symbolizes mainstream fashion (Cho et al., 2015).

However, we are seeing more and more a transition from conspicuous consumption to style consumption since consumers are now more aware than ever about the environment (Bendell & Kleanthous, 2007; Cvijanovich, 2011) and that mentality should apply to companies and brands, representing a social statement together with an individual pleasure (Riad, 2011).

According to authors Arnold and Reynolds (2003), hedonic purchasing motivations can be divided into several categories: adventure shopping, gratification shopping, value shopping, social shopping, role shopping, and idea shopping motivations. Moreover, it is possible to conclude that consumers' purchase motivations are to be entrained and pleased by socializing with loved ones and acquaintances to enhance an individual's well-being through stress release well-being, and to satisfy their curiosity about new trends and fashion (Tauber, 1972; Buttle & Coates, 1984; Westbrook & Black, 1985; Arnold & Reynolds, 2003). Therefore, the previously mentioned research paper stipulates that various psychosocial needs beyond acquiring products lead to shopping.

Furthermore, it was also found that consumers pursue two main goals when socializing: extrinsic and intrinsic benefits (Deci, 1971; Deci & Ryan, 1985; Deci & Ryan, 1985; Ryan & Deci, 2000). However, the purchase of luxury products is steered for most consumers by extrinsic reasons, a rise in their social status and approval (Touré-Tillery and Fishbach, 2017; Woolley). Still, some consumers purchase luxury goods with intrinsic motives to reward themselves (Kruglanski et al., 2017; Woo the lley & Fishbach, 2018).

2.4.1 Guilty emotions with hedonic products in the luxury market

Guilt is defined as a “painful emotion” (Mosher et al., 1980) or “a painful effect” (O’Connor et al., 1997), which results from an action where individuals consider that they breached an internal moral, societal, or ethical standard (Baumeister et al., 1994). When referring to guilt an individual may feel when purchasing an item, it is identified as “consumer guilt,” which is associated with the purchase decision process and where individuals experience it due to an incongruity between a consumption behavior adopted by the consumers that are “bad” and the behavior they should have had according to the personal or social-moral norm (Bonsu and Main 2006; Boujbel 2008; Watson and Spence 2007).

Furthermore, purchasing luxury items can invoke different emotions in the consumers, such as a positive emotional response, a negative emotional response, or mixed feelings of both (Hagtvedt & Patrick, 2015; Pozharliev et al., 2015). For example, when consumers feel a positive reaction, it is linked to pleasure since the purchase might have satisfied an individual's sense of style or provided personal fulfillment and satisfaction (Amatulli et al., 2015; De Barnier & Valette-Florence, 2013; Westbrook & Oliver, 1991).

However, consumers in many situations experience guilt during and post-purchase. The phenomenon of consumer guilt can transpire in the context of social isolation or in social settings. Focusing on the purchase of luxury items, which are viewed by most as hedonic goods, Saldanha and Williams (2008) stated that at the same time, consumers feel pleasure from the purchase and experience the negative side of it and feel guilty. Furthermore, Okada (2005) revealed that consumers have a high purchase intention for hedonic products to which said purchase can be justified. As such, consumers create rational grounds to be able to get pleasure and not feel guilty.

Authors Dubois and Laurent (1994) stated that luxury consumption prompts mixed emotions and responses in consumers, derived from the good and bad traits of luxury goods (essential and superfluous, decent and indecent). Guilt can be perceived from three factors: intrapersonal guilt (guilt related to oneself), interpersonal guilt (guilt related to others), and societal guilt (guilt associated with societal standards) (Dahl et al., 2003). Consumers feel guilty when they make an impulsive, irrational, or pretentious luxury purchase that refutes their norms and thus is not easily acceptable to themselves (Lala & Chakraborty, 2015). Furthermore, other researchers claim that consumers may derive guilt from luxury purchases since it is viewed as

an excessive expense of their economic means that is difficult to validate for themselves and others (Burnett & Lunsford, 1994; Lala & Chakraborty, 2015; Riad, 2011).

Moreover, consumers' experiences with guilt have been split into anticipatory and reactive guilt (Burnett & Lunsford, 1994). Anticipatory guilt might occur when a consumer envisions herself infringing their standard of appropriate conduct and foresees a negative effect (Antonetti & Baines, 2014) (Cotte et al., 2005; Huhmann & Brotherton, 1997; Hibbert et al., 2007; Lwin & Phau, 2014). Reactive guilt occurs when a consumer behavior from before generates a negative outcome (Lascu, 1991).

2.5 The distinction between Social Power and Social Status

Social power is an individual's capacity to alter others' states, such as beliefs, attitudes, or behavior, by giving or denying resources or administering punishments. Resources can be both material (food, money, economic opportunity) or social (knowledge, affection, friendship, decision-making opportunities), and punishments can be material (job termination, physical harm) or social (Cartwright, 1965; Pfeffer, 1981; Raven, 1992; Tjosvold, 1985; Yukl, 1989; Wrong, 1979). Men disproportionately favor power, whereas women prefer status.

Nonetheless, power and status are frequently interconnected. Power displays physically as well. People can dress for status, stand powerfully, and act non-verbally like leaders. Moreover, high-powered individuals are viewed as more perceptive to social rewards, prideful of their actions, and interpret information and attitudes surrounding them more automatically. At the same time, low-powered individuals are presumed to have negative attitudes and experiences and to act in a controlled manner concerning others' perceptions and preferences.

By status, we understand the individual's rank in the social hierarchy, revealing the weight of respect, reputation, and appreciation others have (Ridgeway & Walker, 1995). However, the reason why people have certain social statuses is disputed by many scholars. On the one hand, researchers believe that social status is predetermined, while others have strong credence that status is obtained through merit (Dubois & Ordabayeva, 2015). This concept broadens the likelihood of consumers engaging in conspicuous consumption to get the upper hand in their social quota (Dubois et al., 2012; Ordabayeva & Chandon, 2011; Rucker & Galinsky, 2008; Silverstein & Fiske, 2003).

Nevertheless, it is feasible for individuals to have social power without status (e.g., the corrupt politician) and status without relative power (e.g., nurses vis-à-vis medical doctors). While social power is regarded as the means for having social status, social status is viewed as a consequence of people's beliefs, behavior, emotions, and attitudes. Therefore, status consumption is defined as a behavioral predisposition to value status and obtain and consume goods that provide status to the individual (Lai et al., 2005). It is seen because of the need for social stratification (Kapferer & Bastien, 2009).

Authors have stated that luxury is a status symbol in society (Veblen, 1899/1973). According to Arghavan and Zaichkowsky (2000), luxury consumption helps individuals to reach a higher perceived status through product appreciation and esteem while also allowing them to distinguish themselves from lower-class individuals (Mazzocco et al., 2012) and raising their social standing in the social hierarchy (Kim et al., 2018). Additionally, a study by Eastman and Eastman (2011) revealed that luxury consumers who care about status consumption are less price-conscious and less value-conscious, and more brand conscious.

Moreover, it is crucial to understand that the quality and price of a product are considered elementary components of luxury. It is expected a higher quality when purchasing luxury goods (Christodoulides et al., 2009). This attribute is also utilized to justify the inflated price of these products (Eastman & Eastman, 2011), which is seen as a distinctive element of social status, while conspicuous consumption is viewed to show consumers' social hierarchy (Eastman & Eastman, 2011). Alongside, consumers value product characteristics of uniqueness and exclusivity to display their social status (Heine & Phan, 2011).

2.5.1 The concept of self-esteem

Self-esteem is a positive or negative orientation toward oneself, a broad, subjective, and impressionistic evaluation of personal worth (Rosenberg, 1965). It is associated with feelings of self-worth, self-respect, and self-acceptance (Brown, 1993; Rosenberg, 1965), an assessment of one's self-concept (Leonard, Beauvais, & Scholl, 1995).

Rosenberg (1965) characterizes high self-esteem as the state in which a person respects and considers themselves worthy. Additionally, individuals with high self-esteem do not participate in purchase behavior to magnify their already high self-esteem (Chang & Arkin, 2002).

However, low self-esteem is associated with an absence of self-confidence (Rudich & Gregg, 2007). People with low self-esteem are characterized by having little respect for themselves and possessing negative views regarding themselves, experiencing fear, anxiousness, and insecurity, and modifying their behavior patterns following different situations and the opinions of others that may present. In retrospect, previous research suggests that consumers purchase to improve their self-esteem by boosting their ego (Arndt, Solomon, Kasser, & Sheldon, 2004). Furthermore, it was also indicated that self-gifts increase one's self-worth (Mick & Demoss, 1990). When relating luxury consumption to an individual's self-esteem, it has been proven that an individual's socioeconomic status (SES) impacts their views on their self-esteem; with higher SES, people associate higher levels of self-esteem (Twenge & Campbell, 2002).

It is also critical to recognize that the conceptualization of an individual's self-concept is interlinked with self-esteem. Self-concept considers one's physical self-image, interpretation of their accomplishments and potential, as well as how others view and react to their behavior and connections. Additionally, the higher and more positive one's collective insight is of these qualities and attributes, the higher one's self-esteem.

According to research, consumers purchase products from particular brands that improve feelings of self-worth (Aaker, 1997). Therefore, it is possible to conclude that buying luxury items can influence consumers' self-esteem, making this trait a powerful incentive for purchasing luxury products.

2.6 Conceptual framework and development of hypothesis

This paper proposes that individuals who purchase luxury items in-store will feel more powerful and happier. As previously mentioned, luxury consumption aids consumers in reaching a higher perceived status. It allows them to distinguish themselves from lower-class individuals (Mazzocco et al., 2012) while raising their social standing in the social hierarchy (Kim et al., 2018). Moreover, it was also stated by the authors Eastman and Eastman (2011) that consumers who take a great deal of importance in status consumption are less price-conscious and less value-conscious, and more brand-conscious.

According to a previously published paper by Liu et al., 2013, consumers that look for social associations opt to buy luxury products in-store. Dion and Borraz, 2017 indicate that what drives consumers to purchase in-store is the importance of material and social cues of the service context to strengthen consumers' enactment of their status position.

Therefore, the first hypothesis of this paper surfaces:

***H1.** Individuals perceived social power decreases more when purchasing luxury goods online than in-store purchases.*

Considering the previous section regarding the purchase motivations for luxury consumption and that hedonic consumption is associated with feelings of guilt, it is crucial to acknowledge how guilt will be influenced according to the purchasing context. Research by Camille Saintives (2020) stated that there is an association between guilt and the purchasing channel, deducing that when consumers purchase a hedonic product, they feel guiltier in-store than online. As such, it is anticipated that, since in-store purchases give consumers a more pleasurable and enticing experience, hedonic products bring out the guilt in consumers, making them feel guiltier when purchasing the exact hedonic product online.

As mentioned in the previous section, consumer guilt can arise when purchasing luxury items, meaning consumers feel they are going against personal or social-moral standards. However, consumer behavior may also differ according to the purchase channel chosen, resulting in differences between the online and in-store channels.

Moreover, it is crucial to be aware that the online shopping environment is much more socially isolated than the one in-store, which could lead to consumers not feeling as guilty as they might feel when shopping in-store.

***H2.** An online luxury item purchase reduces more consumers' guilty emotions than an in-store purchase.*

In the first few sections, an interconnection was found between luxury consumption and the positive emotional response derived from the pleasure of a luxury purchase. Consumers feel

empowered and joyful from purchasing a luxury good, which is seen as exclusive and high quality, further explaining why emotions have an important role in a luxury purchase.

Furthermore, it was stated that most luxury consumption is done in the in-store shopping channel and that consumers who purchase in-store are looking for social associations and interactions.

It is possible to conclude that purchasing in-store will give consumers more pleasure since they will have more social interactions than online shopping and will be seen by others accomplishing a milestone and having new experiences, which the consumers of the online channel don't get to have.

***H3.** A physical purchase of luxury products gives more pleasure to consumers than an online purchase.*

The present study hypothesizes that consumers' self-esteem increases when purchasing a product in-store. According to Aaker (1997), consumers buy items from certain brands that increase their self-worth.

Therefore, it is possible to state that purchasing luxury goods can impact consumers' self-esteem, making this trait a powerful incentive for purchasing luxury products. Focusing on how the in-store purchase can be more beneficial to their self-esteem, it has been stated before that consumers buy products in-store to get the whole experience, reward themselves, and boost their social status.

***H4.** Offline luxury consumption enhances more consumers' self-esteem than an online purchase.*

It is important to analyze different perspectives to understand the purchase intentions for varying brand types, whether entry-level, top-level luxury or fast fashion. According to Esteve & Hieu-Dess (2005), brands' luxury levels were established as an essential means of

differentiation for luxury products and brands. Moreover, as was seen in previous chapters, consumers' purchase intentions differ according to their motivations and the shopping context.

Therefore, this research paper proposes that consumers will have higher purchase intentions when purchasing a top-level luxury product in-store since consumers purchase luxury products mainly to acquire status, demonstrate wealth to others, and fulfill their style or values. Thus, it is crucial for consumers to be in a social setting to show off their newest accomplishments. Moreover, it has also been acknowledged that when shopping for luxury goods online, consumers only get part of the experience when purchasing an item online.

***H5:** The purchase intention is higher when shopping in-store for top-level products than online.*

3. Methodology and Data Collection

3.1 Participants

In this study, 200 (66% female, 32.50% male, 0.5% non-binary, 0.5% genderqueer) people participated validly. A total of 246 responses were deleted as they were not coherent with the range of the research. The average running age of participants was between 18-24 years old (29%) and 45-54 years old (28.5%); the majority are currently employed (73%) or students (14.50%). All respondents answered willingly and were enlisted through social networks as well as through friends and family.

3.2 Materials

Independent variables

Levels of Luxury: Product and brand selection: Entry-level Luxury vs. Top-Level Luxury vs. Fast Fashion

Respondents were assigned to a particular brand type: an entry-level luxury brand, a top-level luxury brand, or a fast fashion brand. For all situations, they were questioned to think of an accessory according to the given type of brand. In the Top-level luxury brand condition, people were inquired to: “Please imagine that you intend to acquire an accessory (e.g., bag or pair of shoes) from a top-level luxury brand (Chanel, Hermes, Bottega Veneta, Dior, etc.). A top-level luxury brand is a highly exclusive and limited luxury brand. These brands determine the best quality and highest exclusivity benchmarks within their category. Please take a moment to visualize that product and describe in a few words what product and which luxury brand you are thinking of?”

For the Entry- Level luxury brand condition, respondents were asked to: “Please imagine that you want to acquire an accessory (e.g., bag or pair of shoes) from an entry-level luxury brand (Ralph Lauren, Hugo Boss). Entry-level luxury brands are generally more affordable and readily available to consumers than more exclusive luxury brands. These brands are right above the premium brands.

Please take a moment to visualize that product and describe in a few words what product and which luxury brand you are thinking of?”

Regarding the fast fashion brand condition, participants were questioned, “Please imagine that you want to acquire an accessory (e.g., bag or pair of shoes) from a fast fashion brand (Zara, GAP, H&M). Fast fashion brands are described by low-prices and move quickly from design to retail stores to meet trends, with new collections being introduced continuously. Please take a moment to visualize that product and describe in a few words what product and which brand you are thinking of?”

Respondents had the autonomy to pick the brand as every consumer can view the luxury notion differently (Parent et al., 2009). Additionally, because a brand’s level of luxury is categorized through association with other luxury brands, consumers’ insights might as well adjust in the short and long term, as the brand can be classified differently gradually (Heine, 2012).

Shopping Context: Online vs. In-store purchase

The study had two different shopping settings, where it is expected to observe a disparity in the participants' behavior from one scenario to the other. To analyze this variable, it will be evaluated and assessed the behavior of the dependent variable in each of the scenarios.

Participants were told to imagine two different shopping contexts: online and in-store. For both situations, they were asked to think of the product they described beforehand, an accessory from either a top-level luxury brand, an entry-level luxury brand, or a fast fashion brand, which was randomly assigned to them prior. Images of the context of online and in-store shopping accompanied this information (see appendix 1), aiding participants to envision themselves in that specific situation. All questions were identical for both conditions.

Firstly, respondents were asked to indicate on a scale from 1 (Not at all) to 7 (Extremely) their purchase intention of said product (e.g., “I have the intention of buying this product”), then using the same scale, participants were questioned regarding the pleasure the product gave them (“How happy does this product make you?”) and what they felt during the purchase process (“Powerful”; “Increase in your social status”; “Ashamed”). Afterward, they were asked

to evaluate the product according to its attributes (“Functionality”; “Quality”; “Status”) and the brand in question (“Power”; “Exclusivity”; “Uniqueness”).

Subsequently, participants were to imagine that they had acquired the product and were using it currently. As such, they questioned their feelings when using the product (“Confident”; “Powerful”; “Guilty”).

Dependent variables

Self-esteem: This variable was measured using Rosenberg’s Self-Esteem Scale (1965), which consists of a ten-item scale with adequate duplicability and scalability, describing the participant’s concept of self-worth by evaluating both positive and negative emotions regarding themselves (e.g., “Overall, I am satisfied with myself”; “I feel useless at times”; “I wish I could have more respect for myself”) (Rosenberg, 1965). Respondents indicated their level of agreement with the sentences on a scale from one to seven, where 1 stood for “Strongly Disagree” and 7 for “Strongly Agree”. Afterward, participants rated several attributes regarding how they viewed their self-esteem on a twelve-item semantic differential scale from 1 to 7 (e.g., “Mature/Non-mature”; “Fashionable/ Not fashionable”; “Confident/ Not Confident”).

Self- Image: Respondents were evaluated on their self-image by having to imagine themselves buying and using different types of products and brands, measured on a scale from 1 (Not at all) to 7 (Extremely), which assessed the extent that they felt Powerful, Confident, happy, ashamed, accomplished, and Guilty.

Social Power: A scale by Anderson & Galinsky (2006) was applied. This measure consisted of eight items: (“I can get others to do what I want,”; “I think I have a great deal of power,”; “My ideas and opinions are often ignored,” etc). All items were evaluated on a scale from 1 (Strongly Disagree) to 7 (Strongly Agree), according to the participants' insights into their interactions with others.

Purchase Intention: The purchase intention was evaluated on a scale from 1 (Not at all) to 7 (Extremely), adapted from Spears & Singh (2004). Participants rated the following items regarding how they see themselves: “I have the intention of buying this product,” “I will buy

this product,” and “I would probably buy this product.” These items were aggregated for each product type.

Social Status: To observe the respondents’ involvement with luxury brands and the impact luxury consumption has on their social status, it was required to assess their social-adjustive and value-expressive functions (e.g., “This luxury brand reflects the kind of person I see myself to be”; “This luxury brand is a symbol of social status”; “I would enjoy it when people know I am wearing this luxury brand”), on a scale from 1 (Does not describe at all) to 7 (Describe me very well), formerly used and tested by Wilcox et al. (2009).

3.3 Procedure

Firstly, when participants started the survey, they were given a brief introduction, informing them about the scope of the present study. The survey was split within nine blocks. In the first block, participants were randomly allocated to one of the three potential conditions, varying from Entry level Luxury Brands to Top-level Luxury Brands to Fast Fashion Brands. They had to select a product of their preference within the randomly allocated brand type. The definition of every brand type was given to support respondents' choices.

Participants were asked to imagine themselves online and in a physical shopping setting in the second and third blocks, where they were asked to think of the product they described beforehand in the first block. For each, the respondents were asked to evaluate their purchase intentions and rate how much they enjoy each product, how happy the products make them, and their feelings while shopping. Participants were also asked to assess the product’s functionality, quality, status, style, and pleasure. Lastly, they had to evaluate the brand’s attributes, such as style, quality, status, power, exclusivity, uniqueness, and aesthetics. Afterward, they were asked to imagine that they were using the item they had selected and gauge how they felt regarding the certain feelings presented.

The following two blocks measured consumers' self-image and involvement with luxury brands. Their self-esteem was evaluated according to several statements, for example, “Overall, I am satisfied with myself” and “At times I think I am no good at all,” as well as a range of attributes such as modesty, intelligence, confidence, sophistication, practical, fashionable and others to perceive how do they view themselves.

In the sixth block, participants perceived social power was measured, asking them to respond to some inquiries associated with their relationship with others to assess how the participants have a different level of social power under distinct social circumstances.

Regarding the next two blocks, respondents were asked about previous purchases and their frequency and to measure their perceptions towards the brand itself, specifically if the brands transmit power and exclusivity. Lastly, some demographic data was collected.

3.4 Design

The study had a 2 Purchase Context (Online, Offline) x 3 Types of Luxury Brands (Entry-level, High Level, Fast Fashion) within-subjects design.

4. Analysis and Results

4.1 Sample

This study sample size was 200 participants, with 66% of the respondents being female, 32.5% male, 0.5% non-binary, and 0.5% genderqueer. Most of the participants were 18-24 years old (29%), 45-54 years old (28.5%), and 35-44 years old (19%), with the majority being employed (73%), student (14.50%), and self-employed (9%).

Furthermore, many of the respondents were Portuguese (92.50%); hence the social class calculation was established on the Portuguese population's income. The Portuguese household combined annual revenue of middle-class families is EUR 38,698.8 per year (Pordata, 2022). In this study, 16.50% of the participants presented a combined yearly income of less than EUR 20,000, 33.50% between EUR 20,000 and EUR 50,000, and 33.50% more than EUR 50,000. Therefore, this study's sample varies, covering from low class to high social rank. Nonetheless, most of the respondents were from the middle class.

This study also had a broad sample of consumers' purchasing habits. 57.21%, 49.52%, and 30.29% have bought entry-level luxury, top-level luxury, and fast fashion.

For that reason, it is possible to deduce that this study is assembled by a diverse sample of participants, not constricted to just a social class or a brand level type.

4.2. Social Power

An ANOVA 3 brand type x 2 shopping context with repeated measures on the last factor did not find a significant main effect of the shopping context ($M_{offline} = 4.47$, $SD_{offline} = 1.946$; $M_{online} = 4.45$, $SD_{online} = 1.871$; $F(1, 221) = .888$, $p = .347$), indicating that there is no statistically significant difference between in-store and online shopping for enhancing the consumers' perceived social power. Additionally, no significant interaction was found between the shopping context and the brand type ($F(2, 220) = .314$, $p = .731$).

Source	F	Sig.
shopping context	,888	,347
BrandType	,430	,651
Social power* BrandType	,314	,731

Table 1- Test of Between and Within-subjects effects

Social power	N	Mean	Std. Deviation
Online	255	4,45	1,871
Offline	222	4,47	1,946

Table 2- Descriptive Statistics regarding social power and the shopping context

Moreover, it was also analyzed whether social power changes according to brand type, where it was not discovered a significant main effect of the brand type ($M_{top-level\ luxury} = 4.508$, $SD_{top-level\ luxury} = .234$; $M_{entry-level\ luxury} = 4.316$, $SD_{entry-level\ luxury} = .240$; $M_{fast\ fashion} = 4.213$, $SD_{fast\ fashion} = .220$; $F(2, 220) = .430$, $p = .651$), indicating that the average social power value does not differ for different brand types.

4.3 Social Status

An ANOVA 3 brand type x 2 shopping context with repeated measures on the last factor did not reveal a significant main effect of the shopping context, indicating that the shopping context did not lead to higher levels of social status ($M_{online} = 4.20$, $SD_{online} = 1.832$; $M_{offline} = 4.29$, $SD_{offline} = 1.894$; $F(1, 126) = 2.081$, $p = .151$), concluding that the difference in the average value of the increasing social status is not statistically significant in the online vs. offline context. Alongside, was also not found a significant interaction between the shopping context and the brand type ($F(6, 119) = .757$, $p = .605$).

Moreover, it was also analyzed whether the social status changes according to the brand type, where it was discovered that there is a significant main effect of the brand type ($F(6, 121) = 1.911$, $p = .083$), indicating that the average social status value does not differ for different brand types.

Social Status	N	Mean	Std. Deviation
Online	160	4,20	1,832
Offline	127	4,29	1,894

Table 3- Descriptive Statistics regarding social status and the shopping context

Source	F	Sig.
Shopping contexto	2,081	,151
BrandType	1.911	,083
Shopping context * BrandType	,757	,605

Table 4- Test of Between and Within- subjects Effect

4.4 Guilt

To analyze this variable, we had to test consumers' feelings in the purchase process or how they see themselves in general.

An ANOVA 3 brand type x 2 shopping context with repeated measures on the last factor did not find a significant main effect of the shopping context ($M_{online} = 2.34$, $SD_{online} = 1.692$; $M_{offline} = 2.37$, $SD_{offline} = 1.825$; $F(1, 221) = .360$, $p = .549$). Alongside, no significant interaction was found between the brand type and the shopping context ($F(6, 216) = 1,659$, $p = .135$). Thus, the shopping context and the brand type do not impact how guilty the consumers feel when purchasing an item.

	N	Mean	Std. Deviation
Online	255	2,34	1,692
Offline	222	2,37	1,825

Table 5- Descriptive Statistics regarding guilt and the shopping context

Source	F	Sig.
Shopping context	,360	,549
Shopping context* BrandType	1,659	,135

Table 6- Test of Between and Within- subjects Effects

Moreover, it was also analyzed whether the feeling of being guilty changes according to brand type, where an ANOVA 2 shopping context x 3 brand type with repeated measures on the first factor did not discover a significant main effect of brand type, where all three brand levels did not cause higher levels of guilt in consumers.

4.5 Pleasure

An ANOVA 3 brand type x 2 shopping context with repeated measures on the last factor did not reveal a significant main effect of the shopping context ($M_{online} = 5.12$, $SD_{online} = 1.43851$; $M_{offline} = 5.14$, $SD_{offline} = 1.4780$; $F(1, 221) = 2.146$, $p = .145$), indicating that consumers don't feel a statistically significant difference in their pleasure when shopping in-store and online. Additionally, it was also not found a significant interaction between the shopping context and the brand type ($F(6, 216) = 1.549$, $p = .166$). As such, it's possible to conclude that both independent variables do not significantly impact enhancing the pleasure felt by the consumers in luxury consumption. Moreover, it was also analyzed whether the feeling of pleasure changes according to brand type, where it was not discovered a significant main effect of the brand type ($F(6, 216) = 1.156$, $p = .333$), where all three brand levels did not cause higher levels of guilt in consumers.

Pleasure	N	Mean	Std. Deviation
Online	255	5,1196	1,43851
Offline	222	5,1419	1,47801

Table 7- Descriptive Statistics regarding pleasure and the shopping context

Source	F	Sig.
Shopping context	2.146	,145
Brand Type	1.156	,333
Shopping context * BrandType	1.549	,166

Table 8- Test of Between and Within- subjects Effects

4.6 Shame

As predicted, in-store purchases led to significantly higher levels of shame ($M = 2.29$, $SD = 1.749$, $p = .02$) than online shopping ($M = 2.0$, $SD = 1.515$).

An ANOVA 3 brand type x 2 shopping context with repeated measures on the last factor revealed a significant main effect of the shopping context ($F(1, 221) = 9.449$, $p = .003$), indicating that in-store purchases lead to higher levels of shame ($M = 2.29$, $SD = 1.749$) than the online purchases ($M = 2.0$, $SD = 1.515$). Thus, consumers feel more ashamed when purchasing an item in-store. However, no significant interaction between the shopping context and the brand type ($F(6,216) = 1.789$, $p = .105$) was found.

Shame	N	Mean	Std. Deviation
Online	255	2,00	1,515
Offline	222	2,29	1,749

Table 9- Descriptive statistics regarding shame and the shopping context

Source	F	Sig.
Shopping contexto	9,449	,003
BrandType		
Shopping contexto * BrandType	1,789	,105

Table 10- With-in subjects tests regarding shame and the brand type

Moreover, it was also analyzed whether the feeling of being ashamed changes according to brand type, where it was discovered that there is a significant main effect of brand type ($F(1,$

126) = 2.461, $p = .027$), where all three brand levels caused higher levels of shame in consumers.

Therefore, it revealed a significant interaction between top-level luxury brands and the shopping context ($F(1, 126) = 4,489, p = .036$), indicating that in-store purchases lead to higher levels of shame ($M = 2.44, SD = 1.850$) than online shopping ($M = 2.11, SD = 1.629$). Additionally, it also revealed a significant interaction for entry-level luxury ($F(1, 181) = 4,100, p = .044$), indicating that in-store purchases lead to higher levels of shame ($M = 2.18, SD = 1.729$) than online shopping ($M = 1.505, SD = 1.97$). Lastly, it was found a significant interaction for fast fashion brands ($F(1, 198) = 5,902, p = .016$), indicating that in-store purchases lead to higher levels of shame ($M = 2.25, SD = 1.731$), than online shopping ($M = 2.00, SD = 1.502$). Thus, it is possible to conclude that consumers feel more ashamed when buying a product in-store for all three brand types.

Feature	Brand Type	Shopping context	M (SD)	Statistical Values
Shame	Top-level luxury	Online	2.11 (1.62)	F (1, 126) = 4,489, p = .036
		Offline	2.44 (1.85)	
	Entry-level luxury	Online	1.97 (1.50)	F (1, 181) = 4,100, p = .044
		Offline	2.18 (1.72)	
	Fast fashion	Online	2.00 (1.50)	F (1, 198) = 5,902, p = .016
		Offline	2.25 (1.73)	

Table 11- - Descriptive Statistics regarding shame and the shopping context

4.7 Self-Esteem

In this topic, the intent was to conclude whether consumers' self-esteem changed concerning the brand level and shopping context relation. An ANOVA 3 brand type x 2 shopping context did not reveal a significant main effect of the shopping context ($M_{offline} = 4.77, SD_{offline} = 1.702; M_{online} = 4.76, SD_{online} = 1.732; F(1, 221) = .041, p = .840$).

Alongside, it was also not found a significant interaction between the shopping context and the brand type ($F(6, 216) = .496, p = .811$). As such, it is possible to conclude that the consumers' self-esteem is not impacted by the shopping context and the brand type when purchasing a product.

Moreover, it was also analyzed whether the consumers' self-esteem changes according to brand type, where it was discovered that there is a marginally significant difference significant of the means of the brand type. Despite not having revealed a significant main effect regarding the brand type ($F(6, 216) = 2.006, p = .068$), this effect is still pertinent.

4.8 Purchase Intention

Regarding this variable, the purpose is to check if there is a tendency for people to buy more online than offline and if there is any difference between buying entry-level luxury or top-level luxury, or fast fashion.

An ANOVA 3 brand type x 2 shopping context with repeated measure on the last factor did not reveal a significant main effect of the shopping context ($M_{offline} = 4.46$, $SD_{offline} = 1.79$; $M_{online} = 4.25$, $SD_{online} = 1.82$; $F(1, 221) = 3.237$, $p = .074$), despite showing a marginally significant difference in the means, making this effect still important. Moreover, no significant interaction was found between the shopping context and the brand type ($F(6, 216) = 1.101$, $p = .365$).

	N	Mean	Std. Deviation
Online	255	4,2575	1,82823
Offline	222	4,4670	1,79594

Table 12- Descriptive Statistics regarding the purchase intention and the shopping context

Source	F	Sig.
Shopping contexto	3,237	,074
BrandType		
Shopping context* BrandType	1,101	,365

Table 13- Test of Between and Within subjects Effects

Furthermore, when analyzing whether the brand type impacts the consumers' purchase intention, it was discovered that there is a significant main effect of brand type ($F(6, 216) = 2.706$, $p = .016$), where two out of the three brand levels caused higher levels of purchase intention in consumers.

Therefore, it was found a significant interaction of top-level luxury was found ($F(1, 126) = 6,429$, $p = 0.012$), indicating that in-store purchases lead to higher levels of purchase intention ($M = 4.84$, $SD = 1.57$) than online shopping ($M = 4.40$, $SD = 1.78$). Thus, consumers have a

higher purchase intention when purchasing a top-level luxury product in-store. It also revealed a marginally significant difference in the brand type: entry-level luxury ($F(1,181) = 2,758, p = 0.099$), indicating that the in-store purchases lead to higher levels of purchase intention ($M = 4.58, SD = 1.70$) than online shopping ($M = 4.33, SD = 1.77$), meaning that consumers also have a higher purchase intention when buying entry-level luxury products in-store. However, a significant interaction was found for fast fashion brands ($M_{offline} = 4.54, SD_{offline} = 1.78; M_{online} = 4.42, SD_{online} = 1.79; F(1, 184) = 1,783, p = 0.183$).

Feature	Brand Type	Shopping context	M (SD)	Statistical Values
Purchase Intention	Top-level luxury	Online	4.40 (1.78)	F (1, 126) = 6,429, p = .012
		Offline	4.84 (1.57)	
	Entry-level luxury	Online	4.33 (1.77)	F (1,181) = 2,758, p = .099
		Offline	4.58 (1.70)	
	Fast fashion	Online	4.42 (1.79)	F (1, 184) = 1,783, p = .183
		Offline	4.54 (1.78)	

Table 14- Descriptive Statistics regarding the brand type and the shopping context

4.9 Overview of the Results

Finally, it is pertinent to overview the hypotheses generated through the literature review and mention which were effectively validated.

H1. Individuals perceived social power decreases more when purchasing luxury goods online than in-store purchases.

Results didn't show a difference in consumers' perceived social power when buying different brand types, not coming up with the expected results that would exist a significant difference between brand types and that top-level luxury brands would perceive a higher social power to consumers than others. Alongside, no significant differences were recorded statistically regarding the change in consumers' social power when purchasing a product online or offline. The results were inconsistent with the hypothesis presented beforehand.

H2. An online luxury item purchase reduces more consumers' guilty emotions than an in-store purchase.

From this sample, it was possible to conclude that consumers did not perceive statistically significant differences between the feeling of guilt and the shopping context (online vs. offline) of the purchase, despite the type of brand level (top-level luxury, entry-level luxury, and fast fashion). Thus, the hypothesis was not assessed since its circumstances didn't take place.

***H3.** A physical purchase of luxury products gives more pleasure to consumers than an online purchase.*

In this sample, consumers didn't perceive significant differences in the pleasure they felt when purchasing an item online and in-store. Thus, the above hypothesis was not thoroughly tested since the conditions were not met.

***H4.** Offline luxury consumption enhances more consumers' self-esteem than an online purchase.*

In this sample, consumers did not perceive significant differences in self-esteem offered by any brand level (top-level luxury, entry-level luxury, or fast fashion). Moreover, no significant changes were founded in the shopping context (online vs. offline). As such, the hypothesis above was not verified due to the constraints not being met.

***H5:** The purchase intention is higher when shopping in-store for top-level products than online.*

The results demonstrated that the purchase intention of a top-level and entry-level luxury product is higher when buying in-store. Therefore, the results were consistent with the hypothesis.

5. Main Conclusions and Future Research

This final chapter discloses the main academic conclusions associated with previous research papers. Moreover, this study's limitations and future research are presented so that the following research papers can diminish these limitations and keep exploring this subject.

5.1 Discussion

This study corroborates previously published research that luxury consumption enhances consumers' power and social status (Arghavan, Zaichkowsky, 2000). In fact, not only was the topic mentioned above explored, as well as how making said purchase online or in-store has an impact on the consumer's status and if different brand levels have different effects on consumers' decisions and perceived power.

Focusing on the first hypothesis explored in this study stated that consumers' perceived social power would increase when shopping for a top-level luxury product in-store. As seen in the literature review, it was anticipated that consumers would increase their social status and power since, according to a study from Kim (2018), luxury consumption raises individuals' social standing in the social hierarchy. Moreover, luxury consumption also aids consumers in reaching a higher perceived status through product appreciation and esteem (Mazzocco et al., 2012).

Furthermore, it was also crucial to evaluate whether consumers perceived social power changed according to the purchase channel since it has been proven that the online vs. in-store purchasing settings influence consumers' choices (Campo & Breugelmans, 2015). However, results contradict previous research since a significant main effect of the shopping context was not found, indicating that there is no statistically significant difference between in-store and online shopping for enhancing the consumers' perceived social power. Alongside, it was also analyzed whether social power changes according to brand type, where there was no significant interaction between the brand type and the level of social power, indicating that the average social power value differs for different brand types. As such, it was found that consumers who have purchased don't perceive a difference in their social power when buying a product from a top-level luxury brand or an item from a fast fashion brand.

As seen in the previous chapters, consumers purchase items in-store when searching for social associations (Liu et al., 2013), so a major reason most consumers still buy luxury items in-store is that they only get part of the experience when purchasing an item online, not getting all features and advantages of in-store shopping.

As expected, the results supported the hypothesis and literature review, which indicated that the dependent variable of social power was higher when shopping for top-level luxury products in-store than online.

Moving to the second hypothesis, it was projected that an online purchase would reduce consumers' guilty emotions. However, results did not show a significant main effect of the shopping context in the guilt felt by the consumers. Besides, no significant interaction was found between the brand type and the shopping context. As such, it led to conclude that the shopping context and the brand type do not impact how guilty the consumers feel when purchasing an item. Furthermore, in various previously published papers, consumer guilt was characterized as a phenomenon that can exist in either social isolation or social settings. Saldanha and Williams (2008) revealed that consumers simultaneously experience joy and guilt from a luxury purchase since it goes against their norms which is not easily acceptable to themselves (Lala & Chakraborty, 2015). The present results contradict previously published studies. This discrepancy may be explained due to some limitations, such as the sample not being diverse enough and too small, as well as this study's with-in-subjects design.

Moving to the third hypothesis explored the fact that consumers had more pleasure when purchasing a product in-store. Nevertheless, the results did not support the supposed correlation between the purchase channel and the joy they felt, as no significant main effect of the shopping context was revealed. Alongside, no significant interaction surfaced between the purchase channel and the chosen brand type. Thus, the results lead us to conclude that both independent variables do not significantly impact enhancing the pleasure felt by consumers when purchasing luxury products. Despite researchers stating the existence of interconnection between luxury consumption and a positive emotional response to the joy lived by consumers and the fact that the concept of pleasure and fulfillment can be explained by their sense of satisfaction of personal style from luxury products and their joy from the products' remarkable quality (Berens, 2013; De Barnier & Valette-Florence, 2013), the results did not reflect these studies. Moreover, authors such as Tauber and Buttle & Coates (1984) stated that consumers' purchase motivations were focused on being entrained and pleased by socializing with

family, friends, and acquaintances to increase their well-being. However, as mentioned before, consumers only get part of the experience by purchasing a luxury item online. An online purchase has a more isolated environment, not making it possible for consumers to socialize and get the full experience they look forward to.

Nevertheless, the results did not support this study's hypothesis and research by renowned authors, which may be due to the within-subjects design regarding the analysis of the shopping context that may have led to the creation of a dependence between these two conditions that were supposed to be independent.

The fourth hypothesis studied that the consumers' self-esteem enhanced when purchasing products in-store compared to online, to which results did not show a significant main effect of the shopping context. Furthermore, it was also analyzed whether the consumers' self-esteem changes according to brand type, where results revealed no significant main effect of brand type for all three brand levels, which didn't cause higher self-esteem in consumers. However, these results were not expected since, in the study from the author Aaker (1997), it was stated that individuals buy items from specific brands that improve feelings of self-worth, making it plausible to conclude that purchasing luxury products can influence consumers' self-esteem, which makes it an impactful incentive for purchasing luxury products. Nevertheless, in the results, no significant differences appeared in the consumers' self-esteem from purchasing a fast fashion product or a top-level luxury product.

Finally, the last two hypotheses stated that the purchase intention for consumers was higher in-store when purchasing a top-level luxury product in-store rather than in-store, and it was lower when shopping for fast fashion brands in-store, which did not reveal a significant main effect of the shopping context. Moreover, as it was analyzed whether the brand type impacted the consumers' purchase intention, the results indicated that there is a significant main effect of brand type, where two out of the three brand levels caused higher levels of purchase intention in consumers, the luxury brands. This was expected since much research has been published on this topic, such as a study from Veblen (1973), which stated that luxury is a status symbol in society. Moreover, it has also been said that luxury consumption aids individuals in acquiring a higher status (Arghavan; Zaichkowsky, 2000) while helping to raise their social standing in society (Kim et al., 2018). By making a luxury purchase in-store, consumers get the full experience and an increased number of people watching their accomplishments and success, accomplishing their goal of acquiring status and demonstrating wealth to others.

However, for fast fashion products, it was hypothesized that consumers' purchase intention would be lower in-store due to a previously published paper by Liu (2013) that stated that consumers who search for the best price tend to buy products online, which is commonly associated with fast fashion items. Nonetheless, results did not correlate with the literature revision and studies published beforehand by other researchers.

5.2 Limitations and Future Research

Throughout this study, some limitations were encountered. The first focuses on the fact that the samples utilized in every context were relatively small. Therefore, a few differences did not attain significance since the present study had a small-scale sample, which led to the belief that it was weak. Furthermore, the current sample needed to be more diversified, as most of the participants were Portuguese (92,5%), female (66%), and employed (73%), which may have led to biased results. In future research, a more varied sample is advised to increase the accuracy of the analysis. Moreover, since the qualitative analysis of this study was performed via an online survey, some doubts could not be answered, which may have led to confusion on the participants' part.

The second limitation is that only accessory types of products were considered in this study. As such, future research is proposed to acknowledge to what scope the findings from this sample could be used in other categories.

The third limitation is that luxury consumption is a special purchase since only a short amount of the Portuguese population are luxury consumers. Additionally, many individuals do not have the means or do not spend much money or purchase an item, so that they might recur to second-hand luxury goods or counterfeit products.

Furthermore, the next concern raised in this study revolves around the use of entry-level and top-level luxury brands. These types of brand levels do not have a set definition and depend immensely on the comparison with other brands, which leads us to believe that each brand's luxury can change over time and as more research comes to light. Besides, these connections between brands and their level might also be contingent on consumers' insight and opinions of what luxury means to them. As such, participants in this study were allowed to choose the brand and product. However, because some of the answers given were opposite, the subsequent

studies might consider focusing on the brand from the beginning of the analysis so that all responses are in accordance with each other.

The fifth limitation concerns the manipulation in this study which was performed with a within-subjects design. To this extent, by participants answering the same questions in both conditions, could have led them to be consistent with the answer they gave earlier in the second condition. The reason to this limitation is because people do not expect small contextual changes to affect their preferences, so they respond consistently if the manipulations are within subjects.

Finally, future research must focus on different modes of purchasing and using luxury products such as second-hand, counterfeit purchases, and renting and how these new consumption modes differ from an online vs. offline perspective. Thus, these more unique types of luxury consumption might allure new consumers.

5.3 Managerial Implications and Directions for Future Research

This research paper's discoveries have crucial vital points that will impact the luxury industry's future since it analyzes how consumers view different levels of luxury and the consumers' behavioral differences in distinctive channels.

On the one hand, the results of this study show that no significant differences emerged between the two shopping channels: online and in-store. That demonstrates that consumers are increasingly more prone to purchase items online. As such, the present research unlocks a new opportunity to study the future of physical stores and the lack of their existence in consumers' social life. Thus, future research should focus on digital transformation's impact on consumers' social interactions, understanding if the disappearance of physical interactions will modify their consumption patterns, behaviors, and emotions.

Furthermore, the results obtained in this paper manifested an increasing purchase intention for online shopping. Thus, luxury brands should not expand the disparity between online and in-store purchases but rather adapt to this new reality. A great example is how Louis Vuitton and Prada apply artificial intelligence, such as chatbots and online salespeople, to make the purchase process as realistic as possible. Balenciaga is also investing in new technologies like the metaverse, specifically in Oculus VR. Alongside is Burberry with its virtual assistant

“Lola,” which is solely dedicated to online customers. It is an app that previews new products and exclusive offers and gives them access to private events.

However, consumers are becoming more aware of our planet's crisis. As such, they are adapting their consumption habits and mindset towards luxury. Moreover, high-end luxury brands that intend to keep up their reputation and profit must progress towards ethical and sustainable luxury. We are in the era of philanthropic luxury with a progressively demanding consumer base for luxury brands to cater a worthwhile contribution to our community. With this predicament, the luxury market can either join the trend or ignore it.

However, this so-called has not shown any signs of slowing down. On the contrary, we have been witnessing a new wave of consumption: sustainable and second-hand consumption. As stated by Bain & Co, the used luxury market sales increased 65% last year since 2017, compared with just a 12% growth in the new luxury industry. The Kering Group, Burberry Group, and Stella McCartney are joining this new market and have taken the chance to enter and profit from it and make a positive impact with their long-term sustainable goals (Khan et al., 2020).

Therefore, future research should study how consumers perceived social power is impacted by second-hand vs. first-hand luxury consumption from an online vs. offline perspective.

Moreover, from a level of luxury standpoint, this study's participants stated that a top-level luxury brand gives them more perceived social power than other brand levels. It was also discovered that consumers have a higher purchase intention for top-level and entry-level luxury brands when purchasing in-store. However, it was uncovered that consumers do not feel any difference in pleasure, guilt, and self-esteem when buying a top-level luxury product and a fast-fashion product, opposite ends of the spectrum, between two different shopping contexts: online vs. in-store.

Nonetheless, the results still managed to show that consumers are aware of and apprehensive about following social norms when purchasing in-store, which may impact their behavior.

Some of the limitations explained above may justify these outlines. Nevertheless, they still explain that there are some distinctive differences between brand levels and emotions associated with them. It has also been acknowledged that these two brand levels: top-level and entry-level luxury brands, do not have a rivalry since they have different target groups and concepts.

Nonetheless, most consumers are still unsure if the cost of a top-level luxury product is worth it since that is available for products that belong to the luxury category but are much more accessible. As such, top-level luxury brands would gain from an extensive promotion and overview of their worth and value, highlighting crucial features.

However, it leads to another dilemma. Some luxury brands only sell a limited amount of products and raise their prices when the "gen pop" are purchasing large items, aiming to keep their brand concept as exclusive and unachievable as possible. So, will they want to explore and advertise their products so that consumers can finally understand why elite luxury products are overpriced and desired, or keep this question overflowing in consumers' minds so they can keep their status and undivided profits?

5.4 Conclusion

The present research paper had the intent to discover whether consumers' perceived social power increased when purchasing luxury products according to the shopping channel. During the research, it was acknowledged that the anticipated impact of luxury consumption and the purchase channel on the dependent variables – social power, self-esteem, social status, and purchase intention – was not statistically relevant in most situations.

First, the main highlights of this present study were the consumers' perceived social power and purchase intentions. It was revealed that consumers' perceived social power manifested significant changes over the independent variables, indicating that they had higher social power when purchasing luxury products in-store. This discovery is crucial for future research since it emphasizes consumers' importance to in-store purchases.

Alongside, it was found that consumers' purchase intentions differ according to the brand type, showing significant changes in two of three brand levels, the luxury brand types. Therefore, this finding is pivotal, showing once again that in-store shopping cannot be replaced since it has critical benefits for consumers.

However, the emotion of guilt and the consumers' self-esteem was not felt in different manners following the purchase channel and brand level.

The results gathered in this research paper are likely to significantly impact previous literature as they included different independent and dependent variables, broadening the study's scope and adding more control, manipulation checks, different products, and context manipulations. As such, the accumulated data is predicted to be precise and applicable for future research.

6. Appendix

Appendix 1 – Survey structure

Welcome Page:

Dear Participant,

Welcome, and thank you in advance for taking the time to complete this survey which aims to understand the effect that luxury consumption has on the perceived social power of individuals. This analysis is being done under a Master's Thesis in Management with a Specialization in Strategic Marketing by Católica Lisbon School of Business and Economics. The survey will take about 10 minutes to complete, and it is crucial for me that you finish it. The information provided is strictly confidential, and your data will remain completely anonymous and confidential. Therefore, please answer honestly and spontaneously. If you have any questions or interest in knowing the results of this study, please contact:

s-mbbfigueiredo@ucp.pt

Once again, thank you very much for your time and collaboration!

Block 1(Randomization)

Q1: Please imagine that you intend to acquire an accessory (e.g., bag or pair of shoes) from a top-level luxury brand (Chanel, Hermes, Bottega Veneta, Dior, etc.). A top-level luxury brand is a highly exclusive and limited luxury brand. These brands determine the best quality and highest exclusivity benchmarks within their category. Please take a moment to visualize that product and describe in a few words what product and luxury brand you are thinking of?

Q2: Please imagine that you want to acquire an accessory (e.g., bag or pair of shoes) from an entry-level luxury brand (Ralph Lauren, Hugo Boss). Entry-level luxury brands are generally more affordable and readily available to consumers compared to more exclusive luxury brands.

These brands are right above the premium brands. Please take a moment to visualize that product and describe in a few words what product and luxury brand you are thinking of?

Q3: Please imagine that you want to acquire an accessory (e.g., bag or pair of shoes), from a fast fashion brand (Zara, GAP, H&M). Fast fashion brands are described by low-prices and move quickly from design to retail stores to meet trends, with new collections being introduced continuously.

Please take a moment to visualize that product and describe in a few words what product and brand you are thinking of?

Block 2: Presenting an Online Luxury Product

Q4: Imagine that you reached an online store where you could find the product you imagined before.



On a scale from 1 (Not at all) to 7 (Extremely), please indicate how well the following statements describe you regarding the product you were thinking about.

- I have the intention of buying this product
- I will buy this product
- I would probably buy this product

Q5: Please consider this product and rate it on a scale from 1 (Not at all) to 7 (Extremely):

- How much do you enjoy the product you were thinking about?
- How happy does this product make you?

Q6: While shopping this product, on a scale from 1 (Not at all) to 7 (Extremely), to what extent do you feel:

- Powerful
- Increase in your social status
- Good with yourself
- Accomplished
- Ashamed
- Guilty

Q7: On a scale from 1 (Poor) to 7 (Excellent), please rate this product regarding the following attributes:

- Functionality
- Quality
- Status
- Style
- Pleasure

Q8: Think of this brand you are looking up online and judge the extent to which you feel this brand possesses the following attributes from 1- Not at all to 7- Completely:

- Style
- Status
- Quality
- Power
- Exclusivity
- Uniqueness
- Aesthetics

Please take a moment to imagine that you acquired the product and are using it today.

Q9: Please consider how wearing this product would make you feel from 1- Not at all to 7- Extremely?

- Confident
- Powerful
- Smart
- Happy
- Guilty
- Achieved

Block 3: Presenting an In-store Luxury Product

Now imagine going into a physical store where you can find the product you envisioned.



Q10: On a scale from 1 (Not at all) to 7 (Extremely), please indicate how well the following statements describe you regarding the in-store product:

- I have the intention of buying this product
- I will buy this product
- I would probably buy this product

Q11: Please consider this product and rate it on a scale from 1 (Not at all) to 7 (Extremely):

- How much do you enjoy the product you were thinking about?

- How happy does this product make you?

Q12: While shopping this product, on a scale from 1 (Not at all) to 7 (Extremely), to what extent do you feel:

- Powerful
- Increase in your social status
- Good with yourself
- Accomplished
- Ashamed
- Guilty

Q13: On a scale from 1 (Poor) to 7 (Excellent), please rate this product regarding the following attributes:

- Functionality
- Quality
- Status
- Style
- Pleasure

Q14: Think of this brand you are looking up online and judge the extent to which you feel this brand possesses the following attributes from 1- Not at all to 7- Completely:

- Style
- Status
- Quality
- Power
- Exclusivity
- Uniqueness

- Aesthetics

Please take a moment to imagine that you acquired the product and are using it today.

Q15: Please consider how wearing this product would make you feel from 1- Not at all to 7- Extremely?

- Confident
- Powerful
- Smart
- Happy
- Guilty
- Achieved

Block 4: Self-Esteem

Q15: Please, rate your degree of agreement/disagreement with the following statements on a scale from 1, "Totally disagree," to 7, "Totally agree."

- Overall, I am satisfied with myself
- At times, I think I am no good at all
- I feel that I have several good qualities
- I can do most things as well as other people
- I feel useless at times
- I feel I am a person of worth, at least on an equal plane with others
- I wish I could have more respect for myself
- All in all, I feel that I am a failure
- I take a positive attitude toward myself

Q16: Please rate the following attributes about how you perceive your self-image.

- Modesty ... Not modesty
- Intelligent ... Not Intelligent
- Mature ... Not Mature
- Sophisticated ... Not Sophisticated
- Confident ... Not Confident
- Feminine/ Masculine ... Not Feminine/ Masculine
- Classic ... Not Classic
- Fashionable ... Not fashionable
- Practical ... Not Practical
- Individuality ... Not individuality
- Active ... Not Active
- Gorgeous ... Not Gorgeous

Block 5: Social Status

Q17: On a scale from 1 (Does not describe me at all) to 7 (Describe me very well), please indicate how well the following statements describe you.

- This luxury brand reflects the kind of person I see myself to be
- This luxury brand helps me communicate my self-identity
- This luxury brand helps me express myself
- This luxury brand helps me define myself
- This luxury brand is a symbol of social status
- This luxury brand helps me fit into important social situations
- I would like to be seen wearing this luxury brand
- I would enjoy it when people know I am wearing this luxury brand

Block 6: Social Power

Q18: On a scale from 1 (Does not describe me at all) to 7 (Describe me very well), please indicate how well the following statements describe you in your relationships with others.

- I can get people to listen to what I say
- My wishes do not carry much weight
- I can get others to do what I want
- Even if I voice them, my views have little sway
- I think I have a great deal of power

Block 7: Consumers' Consumption Habits

Q19: Have you ever purchased a: (yes, no, Do not recall, probably yes, definitely yes)

- Top-level luxury product
- Entry- level luxury product
- Fast- fashion product

Q20: How often do you purchase luxury goods?

- Weekly
- Monthly
- Every 6 months
- Once a year
- Once every two years
- Once every five years
- Never

Block 8: Control Check

Q21: How easy was it for you to imagine you were in an online/physical store?

1- Not easy at all to 7- Extremely easy

Q22: To what extent do you think the online/in-store shopping context is a social context?

1 - Not a social context at all to 7 - Definitely a social context

Q23: To what extent do you think this is a shopping context where you can be under the scrutiny of others?

1 - Not under the scrutiny of others at all to 7 - Definitely under the scrutiny of others

Q24: To what extent are you concerned about what others may think of your consumer decisions when you shop online/physical store?

1 - Not concerned at all to 7 - Extremely concerned

Manipulation check:

Q25: What kind of store did you imagine you were shopping for this product?

1- Definitely online to 7 - Definitely physical store

Q26: What kind of brand were you thinking of?

1 - Fast fashion brand to 7 - Top level luxury brand

Block 9: Demographics

Q27: What is your gender?

- Male
- Female
- Non-binary
- Genderqueer
- Rather not disclose
- I do not identify myself with gender labels

Q28: What is your age?

- < 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+

Q29: What is your nationality?

- Portuguese
- Other: -----

Q30: What is your occupation?

- Employed
- Unemployed
- Student
- Self-employed
- Retired

Q31: What is your education level?

- High school
- Bachelors
- Masters
- PhD
- Other:-----

Q32: What is the number of people in your household? -----

Q33: How much is the combined annual income of your household?

- Under €10,000
- €10,000 - €19,999
- €20,000 - €29,999
- €30,000 - €39,999
- €40,000 - €49,999
- €50,000 - €74,999
- €75.000- €99.999
- €100,000 - €150,000
- Over €150,000
- Prefer not to answer

End of Survey

I want to thank you very much for your participation in this questionnaire. Please let me know if there is any additional comment, suggestion, or feedback you would like to provide me.

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