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ATTITUDES OF YOUNG PEOPLE TOWARDS LUXURY PRODUCTS

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Abstract

OBJECTIVE AND RESEARCH TASKS

The aim of the study was to examine young people's attitudes, i.e. their beliefs, feelings and purchase intentions, towards luxury products. The questions of the research concerned the meanings of the word "luxury" to young people, reasons for buying luxury products, and, on a small scale, young adults' luxury brand awareness and brand loyalty.

Although consumers aged 18-26 are a powerful force as luxury consumers in the years to come, they are a difficult group for marketers to get to know - but a very interesting target group to study more.

IMPLEMENTATION

The research was a qualitative study carried out by an Internet-mediated questionnaire with open-ended questions. The data collected in written form from 12 respondents in total was investigated in two ways: case by case and across cases by analysing the experiences and opinions of the respondents and by identifying the major themes.

RESULTS AND CONCLUSIONS

Most of the respondents showed positive attitudes towards luxury products. Half of the young people were luxury consumers, more or less. By the level of consumption, purchase intentions in the future and the attitudes to luxury the respondents could be divided into four groups: hard, regular, potential and non-interested luxury consumers.

The findings had practical managerial or marketing implications as they suggested that different marketing strategies could be applied to fulfill the needs of different consumer groups.

Keywords

luxury, luxury product, luxury brand, luxury consumer, young people, attitudes, Internet-mediated questionnaire, marketing

Miscellaneous

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Tiivistelmä

TAVOITTEET JA TUTKIMUSTEHTÄVÄT

Opinnäytteen tavoitteena oli tutkia nuorten ylellisyystuotteisiin kohdistuvia asenteita, jotka ilmenivät heidän käsityksissään, tuntemuksissaan ja ostoaikeissaan. Tutkimusongelmat käsittelivät ”luksus”-sanan merkityksiä nuorille, syitä luksustuotteiden hankkimiseen ja vähäisemmässä määrin nuorten aikuisten brändítietoisuuutta ja -uskollisuutta.

Vaikka iältään nyt 18–26 -vuotiaat ovat muutaman vuoden kuluttua merkittävä luksustuotteiden kuluttajaryhmä, markkinoijille he ovat vielä jokseenkin tuntematon kohderyhmä.

TYÖN TOTEUTUS

Tutkimus oli luonteeltaan kvalitatiivinen eli laadullinen ja tietojen keräys suoritettiin avoimia kysymyksiä sisältävällä kyselylomakkeella Internetin välityksellä. Kyselyyn osallistui 12 vastaajaa. Koottua kirjallista tietoa tutkittiin ja tulkittiin kahdella eri tavalla: tapaus tapaukselta sekä vertailemalla tapauksia toisiinsa analysoiden vastaajien kokemuksia ja mielipiteitä ja tunnistaen pääteemoja.

TULOKSET JA JOHTOPÄÄTÖKSET

Useimmat vastaajista suhtautuivat myönteisesti ylellisyystuotteisiin. Puolet nuorista ilmoitti ostavansa luksustuotteita. Kulutuksen tason, luksustuotteisiin kohdistuvien ostoaikeiden ja asenteiden perusteella vastaajat voitiin jakaa neljään ryhmään: ylellisyystuotteiden suurkuluttajat, vakiokuluttajat, mahdolliset kuluttajat ja ei-kiinnostuneet kuluttajat.

Tutkimustuloksia voidaan hyödyntää luksustuotteiden markkinoinnissa: Niiden mukaan erilaisia markkinointistrategioita tulisi soveltaa vastaamaan erilaisten kuluttajaryhmien tarpeita.

Avainsanat (asiasanat)
luksus, ylellisyystuote, luksusbrändi, luksuskuluttaja, nuoret, asenteet, Internet-kyselytutkimus, markkinointi

Muut tiedot

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1 INTRODUCTION

1.1 Background

"Luxury is a necessity that begins where necessity ends." Coco Chanel

Whenever you switch on the television, or flip through the pages of magazines, you are bombarded with celebrity news and reality shows that touch your inner needs to feel beautiful, important and recognized. Those gorgeous people in advertisements tell you that their lifestyle and material possessions like clothes and accessories can make you beautiful as well, and help you to be part of their world. All you need to do is to buy the right fashion goods by the right designers. Then you start to crave for the Louis Vuitton bag or the Chanel glasses. Soon you are hooked by the luxury fashion fever called brand loyalty.

Fashion has always played a significant role in the history of the great civilizations. Already in Egyptian, Greek and Roman Empires fashion was a key social element that reflected the society through apparel, accessories and cosmetics. With the clear differences between social classes the consumption of luxury was limited to the elite classes. The nineteenth century marked the beginning of the luxury goods sector and the start of many of the highly valuable luxury brands that we know today, e.g. Hermes, Cartier and Louis Vuitton in France, Burberry in England and Bvlgare in Italy. (See Appendix 1: Luxury fashion brands.)

During the last decades, the luxury sector has undergone a large change. The high entry barrier that the luxury sector guarded for centuries has been lowered driven by globalization and the Internet. The "democratization of luxury" means that luxury goods or goods that resemble luxury goods are now available to an increased number of consumers (Okonkwo 2007, 226–227).

The 1990s was a decade of explosive global consumption of modern luxury fashion goods. The management methods of luxury fashion brands were affected by the rapid growth of LVMH (Louis Vuitton Möet Hennessey), the first luxury goods conglomerate with a portfolio of more than 50 brands including Louis Vuitton and Christian Dior. LVMH's success led to the rise of a new luxury goods sub-sector and other corporate brands. Brands like Zara from Spain and H&M from Sweden began to produce catwalk-style fashion at low cost offering consumers of luxury fashion alternatives at low prices. (See Appendix 2: The major luxury fashion conglomerates.)

Nowadays, the luxury fashion sector is the fourth largest revenue generator in France, and one of the most remarkable sectors in Italy, Spain, the USA and the emerging markets of China, Russia and India. The luxury industry has increased impressively having a huge growth in demand. The luxury consumer is powerful. Consumers have much choice in products, shopping channels and pricing of luxury goods.

Consumer behaviour is the keystone of marketing planning. In the late 1960s, consumer research was in its infancy. The study of consumer behaviour has been influenced by many different, interdisciplinary perspectives, and nowadays it is an essential part of business marketing. Today's companies are interested in individual customers and hope to achieve profitable growth through larger share of each customer's expenditure. They also want to build higher customer loyalty. According to Kotler (2003, 26), many companies are moving from the marketing concept to the customer concept.

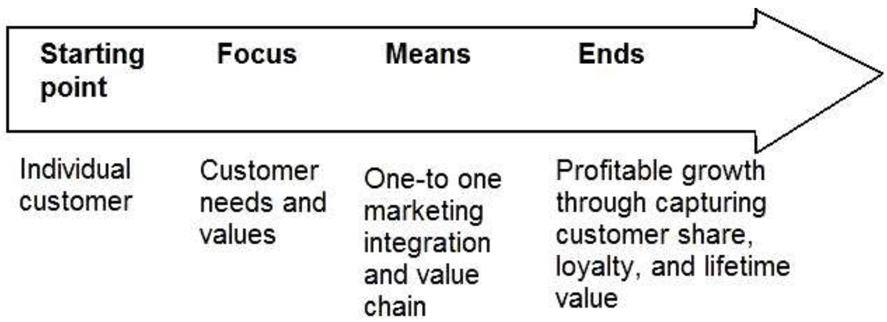


FIGURE 1. The customer concept (Kotler 2003, 26)

The aim of this study is to examine young people's attitudes, i.e. their beliefs, feelings and purchase intentions, towards luxury products. The author tries to find out what "luxury" means to young people, what influences their consumer decision-making, and on a small scale, young adults' luxury brand awareness. The data was collected using an internet-mediated questionnaire. The following FIGURE 2 shows the composition of this study. First, the concepts, products and brands of luxury are introduced.

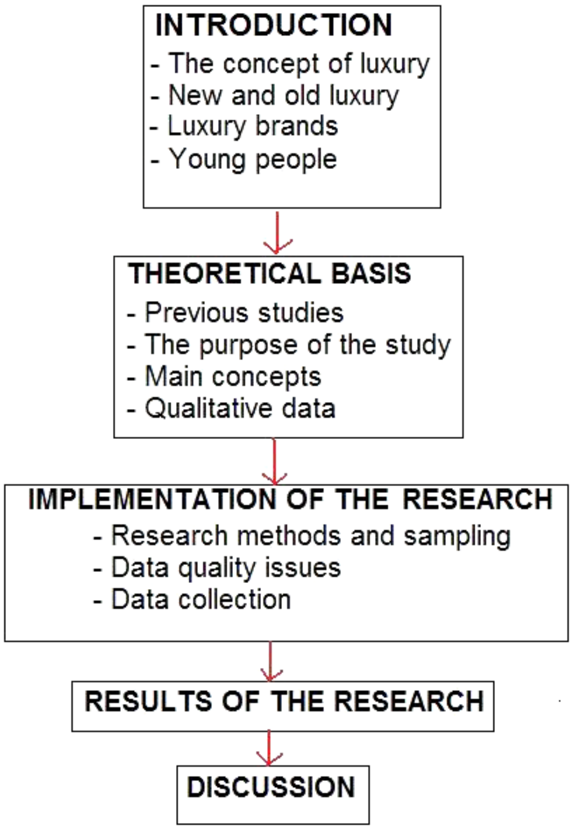


FIGURE 2. The composition of the report

1.2 The concept of luxury

It is not so easy to define the word "luxury". What is luxury for someone is just ordinary for others. In economic terms, luxury objects can be said to be those whose price/quality relationship is the highest on the market. Quality means there measurable, tangible functions of an object. Jean-Noël Kapferer criticizes this definition by saying that "what accounts, indeed, is not the absolute price, but the price differential between 'luxury'products and products with comparable functions" (Kapferer 1999, 77). The strictly economic perspective does not help differentiate the upper-range brand from the luxury brand. He states that upper-range products could be defined as tangibles associated with a specific product category, while luxury products are intangibles associated with values and ethics. (Kapferer 1999, 78.)

Kapferer uses etymology to clarify the concept. Luxury comes from “lux” that means light in Latin. Luxury glitters. Like light, luxury is enlightening. Luxury is visible; it must be seen, by the consumer and by others. Luxury defines beauty. There are two things relating to luxury: the monetary capacity to pay the price of quality and a propensity to appreciate the object’s artistic, creative and sensuous dimensions – something beyond mere practicality. Luxury items provide extra pleasure and flatter at the senses. Kapferer states that sociology and history can help clarify the concept, too. Luxury brands are exemplifying the signs and attitudes of the former aristocracy: a restricted group bonds together and distances itself from the rest of society in terms of price and preferences. (Kapferer 1999, 78–79.)

The Oxford Advanced Learner's Dictionary defines luxury as the enjoyment of special and expensive things, particularly food and drink, clothes and surroundings, as a pleasure or an advantage that you do not often have and as a thing that is expensive and enjoyable but not essential.

1.3 New and old luxury

During the last ten years, the market for luxury goods has experienced a considerable growth. Such a spectacular growth can be attributed to a powerful "democratization" trend: products and brands, which used to be rather exclusive, are now widely consumed by the public. For example, many American middle-market consumers want to trade up and they also afford to.

Michael Silverstein writes about “New Luxury” meaning by the concept “--products and services that possess higher levels of quality, taste, and aspiration than other goods in the category but are not so expensive as to be out of reach” (Silverstein & Fiske 2008, 1–2). New luxury goods are much more expensive than conventional goods but their volume is much higher than traditional luxury goods, and so their price is lower than that of traditional luxury. New luxury goods have flouted the rule: “The higher the price, the lower the volume.” Silverstein et al. identified three major types of new luxury goods: “Accessible superpremium products” are priced at or near the top of their category. “Old Luxury brand extensions” are lower-priced versions of products meant only for the really rich. “Mass prestige” goods occupy, according to Silverstein, a spot “between mass and class”, priced premium over conventional middle-market products but below superpremium or old luxury goods. (Silverstein & Fiske 2008, 4–6.)

The product portfolio of luxury brands has undergone a modification as several products that previously had the “exclusivity” attribute have been diffused to include lower-priced versions. Luxury brands have also extended their product ranges to include lower-priced items like cosmetics, fragrance, eyewear and other accessories. These goods are designed to act as the brand’s introductory points for new customers and the retentive points for old consumers. Other aspects of the product extension include goods that reflect a “lifestyle” such as furniture, interior decorations, restaurants and hotels. (Okonkwo 2007, 237.) Silverstein sums up the differences between old and new luxury and conventional goods as follows in the following table:

TABLE 1. Differences between new luxury, conventional and old luxury goods (Silverstein & Fiske 2008, 56.)

	NEW LUXURY	**CONVENTIONAL**	**OLD LUXURY**
Affect	Engaging	Bland	Aloof
Availability	Affordable	Ubiquitous	Exclusive
Price	Premium	Low cost	Expensive
Quality	Mass artisanal	Mass produced	Handmade
Social basis	Value driven	Conformist	Elitist

Compared with new luxury, old or traditional luxury is exclusive. Silverstein states that old luxury goods are priced to ensure that only the top-earning one to two percent of consumers can afford them. The limited volume and the uniqueness of each product justify their high price. Old luxury goods carry a sense of elitism: they are meant for only a certain class of people. He says that the most important thing is, however, that new luxury goods are always based on emotions. Consumers have a much stronger emotional engagement with them than with other goods. As an example of old luxury goods Silverstein mentions Chanel handbags that are based primarily on status, class and exclusivity. The appeal to conventional goods is based more on price, functionality and convenience than on emotions. (Silverstein & Fiske 2008, 4–6, 55–56.)

Luxury products include both goods and services. Luxury products can be grouped as shown in the following FIGURE 3.

LUXURY AND PRESTIGE GOODS

1. **Fashion**

   a. Clothing and apparel

   - designer fashion (haute couture)
   - ready-to-wear clothing (prêt-à-porter)
   - sportswear

   b. Leather goods and accessories

   - bags and wallets
   - shoes
   - belts
   - luggage

2. **Perfumes and cosmetics**

3. **Watches and jewellery**

4. **Eyewear**

   - sunglasses and prescription glasses

5. **Wines and spirits**

6. **Automobiles**

7. **Furniture and home decoration**

8. **Others**
   - Pens, writing materials
   - Textiles
   - Pet products

9. **Services**
   - Restaurants and clubs
   - Hotels and spas
   - Travel and yachting

FIGURE 3. Luxury and prestige products

1.4 Luxury brands

In this chapter the author looks at brands, because you cannot talk about luxury goods without talking about brand names. By the definition of the American Marketing Association, a brand is “a name, term, sign, symbol, or design or a combination of them, intended to identify goods or services of one seller or groups of sellers and to differentiate them from those of competitors” (Kotler 2003, 418). The brand identifies the origin of an item. It has the key credibility factor: offers a guarantee, a source of confidence and is a sign of power, expertise and ethics. It is the mark on the product, but it is also the overall value conveyed with promises of tangible and intangible satisfaction. (Kapferer 2001, 3, 10–11.)

As Okonkwo (2007, 4–5) says, developing and effectively managing a luxury brand is a long process; there are few existing brands that can claim true luxury status. Interbrand is a global branding consultancy. It releases an annual ranking of the best global brands by value, known as "The Best Global Brands." In 2010, Interbrand placed a brand value of 21,860$m on Louis Vuitton making it the most valuable brand in the luxury goods industry and the sixteenth most valuable brand in any product category in the world. FIGURE 4 represents the most valuable luxury brands in the world in 2010.

Brand	**Rank and product category**
MERCEDES-BENZ	12. automotive
LOUIS VUITTON	16. luxury
* H&M	21. apparel
GUCCI	44. luxury
* L'ORÈAL	45. FMCG
* ZARA	48. apparel
HERMÈS	69. luxury
PORSCHE	72. automotive
TIFFANY & CO.	76. luxury
CARTIER	77. luxury
MOET & CHANDON	79. alcohol
FERRARI	91. automotive
ARMANI	95. luxury
BURBERRY	100. luxury

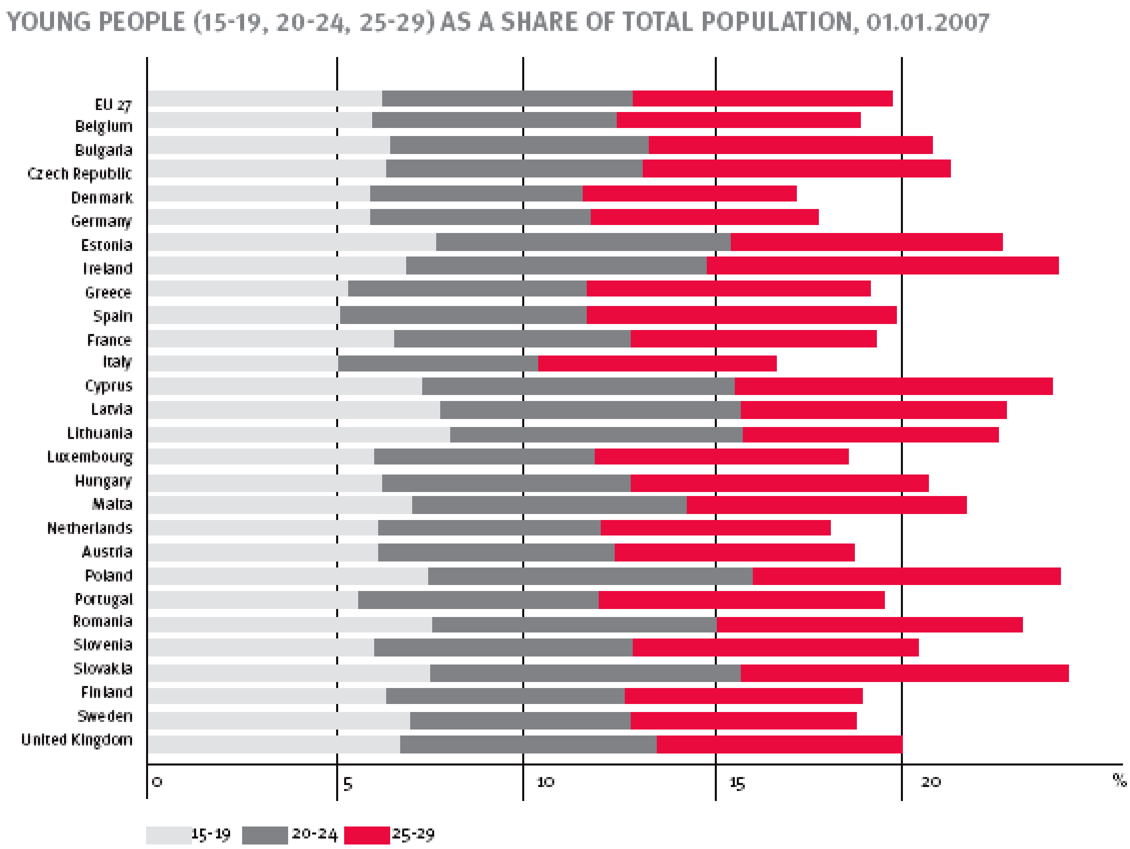
FIGURE 4. The most valuable luxury brands (Interbrand 2010)
* Although mass fashion brands H&M, ZARA and L'ORÉAL are not luxury fashion brands, they have become real competitors of luxury brands.

1.5 Young people

Because the study concerns the attitudes of young people, it is reasoned to look at the concept and traits of young people more accurately. Finding a definition of youth is not an easy task. Youth has been seen as a transition from a dependent childhood to independent adulthood. Young people are moving to a world of choice and risk where they have to choose and plan their own orientation and social integration. Adulthood is considered as the time when young people become financially self-sufficient. The increase in the length of studies, especially through participation in higher education, combined with difficulties in getting the first job and access to affordable housing have increased the length of the transition from youth to independence. (EU Youth Report 2009.)

Figures from the year 2007 (TABLE 2) show that there are 96 million young people aged 15-29 in the European Union, constituting almost 20 % of the total population. Some 32 million of them belong to the age group 20-24, and 34 million European habitants are between 25 and 29 years of age. It is projected that the share of young people will be reduced to 15.3 % in 2050.

TABLE 2. The number of young people in EU (EU Youth Report 2009)



Sources: Eurostat - Demographic data

In 2007 there were some 3 million more students in higher education than in 2000, and 1 million more graduates per year. The number of students increased by 25 % between the years 1998 and 2006. There were 23 % more young women than young men in higher education. More than one third of young people aged 15-24 were NEETs (Not in Education, Employment or Training). The unemployment rate (15.3% in 2007, 15.4% in 2008) of young people aged 15-24 was nearly twice the percentage observed among the whole working population. 20 % of young people aged 18-24 were at risk of poverty. Mean age to enter into a first marriage was 27,3 years. (EU Youth Report 2009.)

Increased mobility within Europe, for example through study mobility, twinning of European cities, cross-border labour markets and tourism, has developed young people's potential to make friends across Europe and the whole world. These consumers, aged 18-26, are a difficult group for marketers to get a clear picture of.

They will be, as Michael Solomon (2002, 423) says, “a powerful force in the years to come, whose tastes and priorities will be felt in fashion, popular culture, politics and marketing”. Solomon also reported from a study among 500 young opinion leaders aged 14-20 across 16 European countries. According to it, this generation is both brand-aware and brand-dismissive. He also mentions the term “parody display” that occurs when consumers seek status by deliberately avoiding fashionable products. (Solomon, Bamossy & Askegaard 2002, 409, 397–398.)

Young people aged 18-26 are sometimes called Generation Y, known also as the Millennial Generation. Most often that means people born from the mid-1980s to the early 2000s. There are a few common traits that define this generation (Kane 2011):

- Tech-Savvy: armed with BlackBerrys, laptops, cell phones etc., plugged-in 24 hours a day, 7 days a week
- Family-Centric: willing to trade high pay for fewer billable hours, flexible schedules and a better work/life balance. Older generations may view this attitude as narcissistic or lacking commitment, discipline and drive.
- Achievement-Oriented: Nurtured and pampered by parents who did not want to make the mistakes of the previous generation, Generation Y is confident, ambitious and achievement-oriented. They have high expectations of their employers, seek out new challenges and are not afraid to question authority.
- Team-Oriented and Attention-Craving: As children, Generation Y participated in team sports, play groups and other group activities. They value teamwork and seek the input and affirmation of others.

Pamela Danziger, an internationally renowned expert on the psychology of American luxury consumers, states that

> --*Young affluents - roughly corresponding to the Generation X and Millennial Generations - will play an increasingly important role in the target market for global luxury marketers over the next ten to twenty years. -- Looking to the future, the global luxury market will be less culturally bound. Given the rise of the internet and other global media embraced by young people, trends in the luxury market will cross borders at alarming rates. The future of the international luxury market will be a 'global village' made up of young affluent citizens of the world.* (Danziger, 2004.)

2 THEORETICAL BASIS

2.1 Previous luxury studies

2.1.1 Dubois's, Laurent's and Czellar's researches

As Radón (2010, 17–18) says, Dubois and Kapferer were among the first to recognize the importance of international luxury products and brands in academic literature. They were also the first to try to characterize them. These contributions to the field of luxury research are the most significant among a growing – but still relatively small-scale academic research within the field of luxury brands. There is little systematic research on luxury. In this chapter the most important luxury researches will be explored.

Perhaps the most interesting thing in Bernard Dubois's and Gilles Laurent's (1995) research concerning luxury possessions and practices is their theoretical starting point based on earlier findings. Previously, it had been possible to identify two major consumer segments in the market for luxury goods. First, the" Excluded", who, in most countries, comprised a vast majority of the population, without access to luxury, and secondly, the "Affluent" (well-to-do) who could be sub-segmented into two groups: "Old money" and the "Nouveaux Riches". Then it, however, appeared that a major part of the market consisted of "Excursionists", a third group of consumers who, in certain product categories such as perfumes, could account for more than three purchases out of four. In opposition to the Excluded, for whom the world of luxury was, at best, a dream, Excursionists did have access to luxury items. But in contrast to the Affluent, for whom luxury, according to Dubois and Laurent, was an "art de vivre", their acquisition and consumption of luxury items was intermittent, often linked to exceptional situations or circumstances. The purpose of this research was to develop an empirical scale to measure to which degree a person is immersed in luxury.

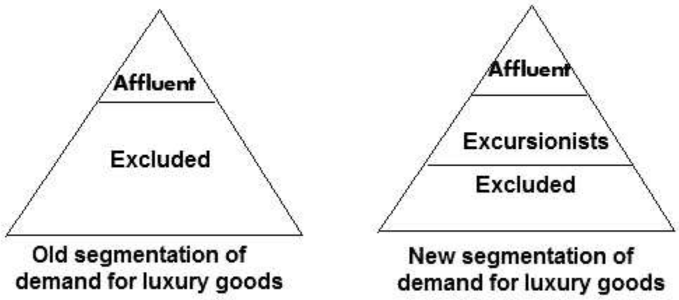


FIGURE 5. Old and new segmentation of demand for luxury goods (Dubois & Laurent 1995)

Dubois and Laurent (1994) explored the meanings attached to the word "luxury" using a two-step survey methodology. First, in-depth interviews were conducted by a professional psychologist with sixteen consumers having very different occupations, both males and females of 17 to 70 years of age. The interviews were done on a face-to-face basis and taped. The researchers found out that luxury items provoked many ambivalent feelings and reactions: luxury products were desirable at a day-dreaming level, contemplated at a distance. But when thinking of buying them, guilt feelings awoke. One could say that many negative feelings were attached to "others' luxury", while the positive opinions were kept for "my" luxury.

Then, on the basis of the results, a battery of attitudinal items was developed and administered to a sample of 440 French consumers. In order to improve the understanding of the attitudinal structure, correlation and principal component analyses were performed. The researchers also used factor analysis in their research.

Dubois, Laurent and Sandor Czellar (2001) published a consumer report analysing complex and ambivalent attitudes to luxury. Again they conducted two studies. The first study was a consumer-based exploratory analysis with usual qualitative interviewing methods. From the comments offered by the respondents on characteristics of luxury, six facets emerged to define the cognitive domain of content:

- excellent quality: exceptional ingredients, delicacy, expertise, craftsmanship
- very high price: expensive, elite and premium pricing
- scarcity and uniqueness: restricted distribution, limited number, tailor-made
- aesthetics and polysensuality: piece of art, beauty and dream
- ancestral heritage and personal history: long history, tradition, pass-on to generations
- superfluousness or uselessness: non-functional.

Their main objective in the second study was to assess the great diversity of luxury attitudes in a quantitative way. They therefore collected data in twenty different developed countries in a Western cultural context, located on four continents. The final sample comprised 1848 subjects (39.4 % female, mean age 26.5). This study was based on a large-case survey using items derived from the first study. All items were asked using a 5 point agrees-disagrees Likert format.

Dubois and Czellar (2002) have also explored the relationship between the concepts of "luxury" and "prestige" as applied to brands by means of an interpretative analysis of in-depth consumer interviews. The results indicated that prestige can be achieved independently of luxury in many categories. At a symbolic level, consumers can interpret luxury as the symbol of brand prestige.

2.1.2 Silverstein's researches

Michael Silverstein and Neil Fiske conducted, with the help of the research team of The Boston Consulting Group, an extensive survey of American consumers' product choices and the way how companies create "new luxury" brands that appeal to the mass-market consumer. The results were published in their book *Trading Up* in 2003. Their research can be regarded as a sociological study and as a business strategy.

Much of their information was gathered from public sources, e.g. US Census Bureau data, Health and Labor Statistics, companies' news and annual reports. In 2002, the researchers conducted a quantitative survey of American households, in partnership with a leading marketing research firm Harris Interactive. They polled 2333 adults using Internet surveys asking questions about luxury shopping. The data was analysed using a variety of statistical techniques. In 2003, they did another survey polling 2105 consumers. The results were consistent with those of the first survey. The quantitative surveys raised many questions about consumer motivations, and to gain further information the researchers interviewed thirty respondents that had participated in their survey. (Silverstein & Fiske 2008, 276–279.)

According to Silverstein's researches, there is no "typical" new luxury spender although consumers have some common features. They are very selective buyers: "They carefully and deliberately trade up to premium goods in specific categories while paying less or trading down in many, or most, others" (Silverstein & Fiske 2008, 15–16). Many of them are single working people in their twenties. As an example Silverstein mentions a 22-year-old single woman working as a business professional. She buys Coach handbags and premium wines and visits gourmet food shops but her shampoo is from a cheap drugstore. (Silverstein & Fiske 2008, 16.)

Other important traders up are "empty nesters": married couples, widows or widowers with good incomes having no children at home any more. Divorced women were the top traders up. Dual-income couples with no kids (DINKs) and dual-income couples with kids (DIWKs) are also new luxury buyers as they afford to buy premium goods that make their lives easier and less stressful. (Silverstein & Fiske 2008, 16–17.)

In general, women are the dominant new luxury consumers in America. Most American women participate in the workforce. Nowadays, they are less likely to get married or do so later in their lives. Young, single and working women have a high influence on the new luxury market both as consumers and tastemakers. As their prime categories of new luxury goods, Silverstein mentions fashion, food and beverages, cars, furniture, pet food and travel. This same trend is also seen in Japan. Young, single and working women – who live at home with their parents and have very low living expenses – have helped make Louis Vuitton the most successful luxury brand. Respondents were also asked how buying luxury goods makes them feel. Four emotional spaces were found (Silverstein & Fiske 2008, 35):

- Taking care of me
- Connecting
- Questing
- Individual style.

The emotional spaces are closely related without any strict boundaries between them.

Taking care of me

For many American consumers the most important reason to buy new luxury goods is the Taking care of me –emotions they arouse. Chocolate, ice cream, coffee, home-theatre equipment, appliances, furniture, bedding etc. give emotional uplift, stress reduction, comfort, pampering and rest. When women have some moments for themselves, they want to make the most of them, maybe have an aqua therapy bath or restaurant dining. Men retreat into a room equipped with a personal computer or a home theatre. (Silverstein & Fiske 2008, 35–37.)

Because these goods or activities are so personal, people sometimes think they are selfish when indulging in them and feel guilty, especially working mothers. People live in an uncertain world with fears of terrorism, war and other conflicts, but by using Silverstein's (2008, 41) words:

> *But even in the face of uncertainty–especially in the face of uncertainty–Americans don't want to spend their money on bland, emotionally empty goods. They want to spend on items that bring emotional engagement, from spirits to nice sheets. Why not? As Frances put it, "There's a part of me that feels like, 'Spend some money. Have some fun! You're going to die tomorrow.' "*

Connecting

New luxury goods are instrumental in helping to make connections and keep them strong. For many singles, dating is a serious marketing exercise. Goods can be used to send prospective partners signals to show who you are and what you are looking for. Goods tell about taste, knowledge, achievements and values. After a romantic breakup goods can bring solace, reward or revenge. In many families when family members cannot spend much time together, goods can act as compensations or substitutes for the lost moments. (Silverstein & Fiske 2008, 41–44.)

New luxury goods also give consumers a way to make affiliations and to "join the club". People buy premium goods to show that they belong to the ranks of successful people. (Silverstein & Fiske 2008, 44–45.)

Questing

According to Silverstein (2008, 45), "questing is about venturing out into the world, experiencing new things and pushing back personal limits". Travelling is the most popular way to add adventure and exoticism to life. Travel is not anymore only a rest and getaway but also acquiring new skills and memorable experiences.

Individual style

Brands are important when creating an individual style, especially when talking about shoes, clothing, watches, fashion accessories, spirits and cars. Brands send messages to friends, lovers and potential employers about who a person is or would like to be. Not only the brand names but the specific attributes which stick with the brands are important to new luxury consumers. Goods can be a nonverbal method of self-expression and social dialogue. The home is an important expression of individual style and a place for status purchasing, too. (Silverstein & Fiske 2008, 48–51.)

Silverstein's and Fiske's research was meant to make a tool to help consumers and creators of new luxury understand the key impulses behind most purchases. According to Silverstein (2008, 248), the four emotional spaces they identified in the United States also drive European consumers, but with some nuances. Europeans are more focused on authenticity than US consumers and care a lot about the origin of their goods. They are also more focused on individual style than Americans. Especially in France the genuineness of premium goods is important. Babette Leforestier (Silverstein & Fiske 2008, 248) from a French research firm says that "the claim of authenticity is one of the major trends in consumption and the ingredients strengthen the image of these products as genuine". In addition to the well-known premium global brands, many new luxury brands have emerged in France. Also in Europe women have increased their influence and roles in the economy and workplace, the average household size is decreasing and the number of single women has increased as well as the number of divorces. Europeans, just like Americans, are stressed by fast-paced lives. (Silverstein & Fiske 2008, 247.)

2.1.3 Other researches

The motivation to consume for the sake of consuming was first discussed by the social analyst Thorstein Veblen (1857–1929). He claimed that a major role of products was to be used to inspire envy in others through display of wealth or power. He created the term “conspicuous consumption” to refer to people’s desire to show their ability to afford luxury goods. For him the process of conspicuous consumption was most evident among “the leisure class”, people for whom productive work was taboo. (Solomon et al. 2002, 395–396.)

Anita Radon (2010) made her study of luxury brands online, using the Internet and websites. She collected her empirical material through e-mail interviews, instant messaging or live chat and visual data presentation.

2.2 The purpose of the study

Previously, Dubois has explored the meanings attached to the word "luxury", and consumer attitudes towards luxury. In his almost 20 years ago, in 1994, performed research both males and females were equally represented and their age varied from 17 to 70 years. In the other study the subjects’ mean age was 26.5. Silverstein’s researches concerned American adults. An interesting result in his studies was that young women were the dominant new luxury consumers in America. Could the situation be the same in Europe now almost ten years later? As earlier said that although consumers aged 18-26 will be a powerful force in the future, they are a difficult group for marketers to get to know - but a very interesting target group the author wanted to study more. The main research question of the study was:

What are attitudes of young people towards luxury products?

The sub-questions helped to explore the research problem:

1. What do young people think of "luxury" and luxury products?

2. Why do young people buy luxury products?

3. What luxury brands do young people know and buy?

The purpose of the study and the research questions were the starting point for determining specific research strategy and evidence-collection techniques (Remenyi, Williams, Money & Swartz 1998, 107). The research was mainly an exploratory study aiming "to seek new insights into phenomena, to ask questions, and to assess the phenomena in a new light" (Saunders, Lewis & Thornhill 2009, 529). According to Lambin (2000, 143–144) exploratory research is appropriate to clarify a concept, to increase the researcher's familiarity with a problem, to establish priorities for further research, and in general, to any problem about which little is known. The methods used are desk research and qualitative studies. But Lambin warns about great temptation among many managers to accept small sample exploratory results as sufficient for their purpose because they are so compelling their reality (Lambin 2000, 150).

Descriptive studies are designed to describe the characteristics of a given situation or population. They differ from exploratory studies in the rigour with which they are designed. Exploratory studies are characterised by flexibility. Descriptive researches try to obtain a complete and accurate description of a situation. (Lambin 2000, 151.)

2.3 Main concepts

Attitudes

Solomon (2002, 127) defines an attitude as “a lasting, general evaluation of people (including oneself), objects, advertisements, or issues.” Daniel Katz (1960, in Solomon et al. 2002, 128) has identified the following functions of attitudes to products:

- Utilitarian function: a product provides pleasure or pain, maybe some benefits for consumers
- Value-expressive function: what the product tells about the consumer as a person, about his or her values or self-concept
- Ego-defensive function: attitudes protect the person from external threats or internal feelings
- Knowledge function: attitudes are formed as the result of a need for order or meaning for example in an ambiguous situation.

An attitude has three components: affect, behaviour and cognition. Affect refers to the way a consumer feels about a product. Behaviour involves a person’s intentions to do something with regard to a product, and cognition refers to the beliefs a consumer has about products. Attitudes will be affected by consumers’ motivations, such as how a product makes them feel or the fun its use will offer. (Solomon et al. 2002, 129–130, 132.)

In this study the attitude is a person’s lasting and general evaluation of luxury products containing beliefs, feelings and purchase intentions.

Needs

Marketing students are taught that the goal of marketing is to satisfy consumers’ needs. From a psychological perspective, a need may be predominantly utilitarian, i.e. a desire to achieve some benefits, or it may be hedonic, i.e. experiential involving emotional responses or fantasies. Motivation refers to the processes that cause people to behave as they behave. Motivation happens when a need is aroused and the consumer attempts to satisfy it, to reduce or eliminate the need. Consumer motivations are often driven by underlying values. The desired end-state is the consumer's goal. Marketers try to create products and services that will provide the desired benefits. (Solomon et al. 2002, 93, 120.)

Okonkwo (2007, 62) names functional and symbolic needs. Functional needs are tangible and practical benefits of products, for example a watch that shows time. Symbolic needs have intangible benefits, e.g. fulfil self-esteem needs and reinforce social status. The principal value of luxury brands to consumers is the intangible benefit.

In this study the needs simply mean the reasons for buying luxury products.

Brand awareness

According to Lambin (2000, 188), brand awareness can be defined as follows:

> *--The ability of potential buyer to identify (recall or recognize) the brand with sufficient detail to propose, recommend, choose or use the brand to meet the need of a certain product.*

Brand recognition is a minimal level of awareness and it is measured by aided awareness: A set of brand names from a given product class is presented to respondents, who are asked to note the ones they have heard of before. Brand recall is a much more demanding test measured by unaided awareness, e.g. the respondent is questioned: Which luxury brands do you know? (Lambin 2000, 188.)

In this study brand awareness means brand recall.

Brand loyalty

According to Solomon (2002, 259), brand loyalty is a form of repeat purchasing behaviour reflecting a conscious decision to continue buying the same brand. This means that the consumer has a positive attitude towards the brand. Brand loyalty differs from inertia, where a brand is bought out of habit merely because less effort is required (Solomon et al. 2002, 259).

In this study brand loyalty means continual and conscious purchase of the same luxury brands.

2.4 Qualitative or quantitative data?

Research can be categorised into qualitative and quantitative types. Quantitative research produces numbers and figures – such as numbers and percentages of consumers who are aware of particular products or services. Qualitative research attempts to elicit information about the thoughts and feelings of respondents on a topic of interest and provides data, for example, on why people buy – what motivates them to buy – or their impressions of products, services or advertisements. Both forms of research produce information on markets, competitors, distributors and customers. (Proctor 2005, 16.) They are often combined into a single study or series of studies. Qualitative researchers normally work at the individual or small group level and aim to explore in greater depth the reasons why consumers think, feel or behave in particular ways; for example, to understand more about the meaning that a particular brand image may hold for a particular type of customer (Fill 1999, 175).

Qualitative evidence uses words to describe situations, individuals, or circumstances surrounding a phenomenon, while quantitative evidence uses numbers usually in the form of counts or measurements to attempt to give precision to a set of observations (Remenyi 1998, 121). Qualitative research does not provide samples that are representative of the target population of the research opposite to quantitative research with large samples that are designed to generate data that can be projected onto the whole population.

TABLE 3. Differences between qualitative and quantitative research (Proctor 2005, 221; Kananen 2008, 27)

Comparison dimension	**Qualitative research**	**Quantitative research**
Purpose	interpretation, understanding	generalisation, prediction, cause-and-effect relationships
Logic of reasoning	induction (from practice to theory)	deduction (from theory to practice)
Earlier information	none or a little	needed
Type of questions	probing	non-probing
Sample size	small	large
Information per respondent	much	varies
Collected data	expressed through words, pictures or video clips; non-standardised data requires classification into categories	derives from numbers, numerical and standardised data
Administration	requires interviewer with special skills	fewer skills required
Type of analysis	subjective, interpretive	statistical, objective
Hardware required	tape recorders, video, projection devices, pictures, discussion guides	
Ease of replication	difficult	easy
Type of research	exploratory or descriptive	descriptive or causal
Research methods	*focus groups, group discussions e.g. tele- or videoconferencing, depth interviews, projective techniques, electronic interviewing, metaphor analysis, observation, ethnography, case-study	observation, experimentation, surveys (personal interview/telephone/ mail/on-line)

* the typical focus group involves 7-13 participants, a moderator, an agenda for discussion, a room equipped with a one-way mirror in which sponsors may listen and watch, suitable equipment and chalkboards (Proctor 2005, 227)

Qualitative data analysis is said to be a complex process, especially if large volumes of research evidence are gathered or if the researcher is new to the interpretivist paradigm. The iterative nature of analysis and the importance of researcher reflection, interpretation, judgement and intuition mean that there are no clear rules to follow. Nevertheless, when qualitative analysis is conducted in a transparent manner, and when the logic of the researcher‘s interpretations can be traced, the interpretivist paradigm often leads to more interesting research findings. Earlier many researchers relied on pen, paper and highlighters when analysing their qualitative evidence. Lately computer programmes, e.g. CAQDAS (Computer Aided Qualitative Data Analysis Software) packages, have evolved and grown in functionality to support the qualitative analysis process. The number of CAQDAS tools available on the market has grown considerably since its first emergence over 20 years ago. (Carcary 2011, 10, 14.)

The author used qualitative data collection techniques with qualitative data analysis procedures to be able to answer the research questions.

3 IMPLEMENTATION OF THE RESEARCH

3.1 Research methods

Empirical data can be collected from primary sources (the researcher goes directly to the originator of the evidence, e.g. an interview) or from secondary sources (information is already published or available indirectly, e.g. annual financial statements, government publications, books, journals). The Internet and the World Wide Web are rapidly increasing in importance as sources of secondary data in business and management research. Primary data that are collected specifically for purposes of the research being undertaken may be collected either directly (the researcher interviews the informant personally and records the responses) or remotely (the informant completes a questionnaire without the interviewer being present). There are of course intermediate approaches, e.g. the researcher interviews the informant on the telephone or engages in a dialogue with him or her by e-mail. (Remenyi et al. 1998, 142.)

Dubois used in his researches both in-depth interviews and questionnaire techniques. When you want to explore in depth an area you are interested in, you would use in-depth interviews which are also called unstructured interviews. There is no predetermined list of questions, although you need to have a clear idea about the aspects you want to explore. In semi-structured interviews you will have a list of themes and questions to be covered, though these may vary from interview to interview. In-depth and semi-structured interviews are non-standardised and often called qualitative research interviews. (Saunders et al. 2009, 320–321.)

Both in-depth and even better semi-structured interviews would have been useful methods of data collection in the study providing the author with the opportunity to probe young people’s attitudes and opinions. However, people she would have liked to interview were not living in the same geographic areas. Interviews conducted by meeting participants face-to-face would have been too costly and time-consuming. Using the Internet made it possible to interview people who were geographically dispersed. It would be possible to use either e-mails and internet forums for asynchronous interviews (the interview is taken offline) or synchronous online forums like chat rooms. With electronic interviews the software automatically records as they are typed in, which removes audio-recording and transcription problems such as cost, time and accuracy. Interviews are normally conducted over an extended time period of weeks. An e-mail interview consists of a series of e-mails each containing a small number of questions rather than one e-mail containing a series of questions. After obtaining agreement to participate, you initially send a small number of questions to introduce the topic to which the participant will hopefully reply. Then you ask further questions and raise points of clarification. If you send one e-mail containing a series of questions, this is really an Internet-mediated questionnaire. (Saunders et al. 2009, 349–351.)

According to Saunders (2009, 362) questionnaires are usually not particularly good for exploratory or other research that requires large numbers of open-ended questions. Questionnaires are often used for descriptive or explanatory research with standardised questions. Large-scale surveys offer an opportunity to collect large quantities of evidence in a quick manner. In general, by means of questionnaires you achieve data concerning how much or how long or when, but less when you are asking about how or why. (Remenyi et al. 1998, 56–57.)

In order to answer the research questions the author asked open questions which allowed participants to define and describe their beliefs and feelings as they wished. Open questions are likely to start with “what” or “why”. They require the respondent to be articulate and willing to spend time on giving a full answer to the question. Questions of this type are typically used in personal interview surveys involving small samples. During analysis the non-standardised and complex nature of the qualitative data collected need to be summarised, categorised or restructured as a narrative. As Saunders (2009, 484) states, the analysis of qualitative data involves a demanding process. A popular technique for analysing narrative is content analysis (Remenyi et al. 1998, 152.)

The evidence collection happened by using the Internet-mediated questionnaire with open-ended questions.

3.2 Sampling

Interpretivists tend to view consumption experiences as unique situations that occur at specific moments in time, therefore they cannot be generalised to larger populations. It is sufficient to have findings representative of the population and a non-probability sample can be selected (Schiffman & Kanuk 2000, 28, 30). Saunders says that for research where the aim is to understand commonalities within a fairly homogenous group, 12 in-depth interviews should suffice. Heterogeneous or maximum variation sampling enables you to collect data to describe and explain the key themes that can be observed, and Saunders suggests that, for a general study, you should expect to undertake 25-30 interviews. Purposive or judgemental sampling strategies enable you to use your judgement to select cases that will best enable you to answer your research question. It is also possible to use self-selection sampling, which means that you allow each individual to identify own desire to take part in the research. They are usually interested in the research topic, consider it important and are willing to devote time to answering. (Saunders et al. 2009, 233–241.)

Kananen (2008, 34) warns about using methodological terms in wrong contexts. When speaking of qualitative research he uses Mason's (1996, 94) term "theoretical sampling" meaning

> *--selecting groups or categories to study on the basis of their relevance to your research questions... Theoretical sampling is concerned with constructing a sample...which is meaningful theoretically, because it builds in certain characteristics or criteria, which help to develop and test your theory an explanation."*

According to Kananen (2008, 34–35), the quality of the data is more important than the quantity of the data. He recommends continuing to collect data until data saturation is reached, i.e. until the additional data collected gives few, if any, new views.

Theoretical, purposive and self-selection sampling was used to collect the data.

3.3 Data quality issues

Reliability

Reliability means “the extent to which data collection technique or techniques will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from the raw data” (Saunders et al. 2009, 600). Therefore the author kept the evidence collected in an easy retrievable form to enable others to investigate it and retained notes relating to research design.

When doing a research there are some threats to reliability relating to subject, participant or observer errors and bias. A self-administered internet-mediated questionnaire completed by the respondents was used in the study. The questionnaire was sent by e-mail and it was addressed to the respondent by name to ensure that the respondent was the one wanted. As Saunders (2009, 363–365) says, respondents to self-administered questionnaires are relatively unlike to please the researcher or to believe that certain responses are more desirable. Using this technique there is no threat that the researcher’s comments or non-verbal behaviour would create interviewer bias. This improves the reliability of the data. It is probable that if another researcher asked the same persons the same questions, the answers would be about the same, but with different samples the questionnaire would not necessarily produce consistent findings. When interpreting the responses, bias should be avoided.

Validity and generalisability

Validity means, firstly, “the extent to which data collection method or methods accurately measure what they were intended to measure”, and secondly, “the extent to which research findings are really about what they profess to be about” (Saunders et al. 2009, 603). In this research validity refers to the extent to which the questions in the questionnaire give adequate coverage of the investigative questions. To minimise the likelihood of respondents having problems in answering the questions, and to get some idea about if the questionnaire appears to make sense, the author used a couple of friends and family members to pilot test the questionnaire. Due to feedback the author shortened the questionnaire to make it easier to answer.

As earlier discussed, qualitative researches based on the use of a small and unrepresentative number of cases or small samples are not designed to generalise the findings to large populations.

3.4 Data collection

The author sent e-mails to people belonging to the target group, aged 18-26, and being people, who were considered to be willing to take part in the research and to be able to give useful information. Because the number of responses was very low, the author also published the questionnaire in Facebook using free Thesis Tools Online Surveys (http://thesistools.com/). The data were collected during 5.5.-20.6.2011. As a result there were 12 competent answers in written form. The respondents were from eight different nationalities, mainly women and students aged 18-26 years.

TABLE 4. The respondents of the questionnaire

Respondent number:	Gender: F / M (Female, Male)	Age: 18-26 / over 26	Professional status: Student / Work	Nationality:
01	F	18-26	Work	Swiss
02	F	18-26	Student	Czech
03	F	18-26	Student	Finn
04	F	18-26	Student	German
05	M	over 26	Student	Chinese
06	F	18-26	Student	Vietnamese
07	M	18-26	Student	Finn
08	F	18-26	Student / Work	Russian
09	F	18-26	Student	Dutch
10	F	18-26	Work	Finn
11	F	18-26	Student	Finn
12	M	18-26	Student	Finn

Open questions were used to collect data from respondents; answers were recorded in writing by the respondents in their own words. After data cleaning, i.e. by correcting any typographical errors, each transcription was saved in a word-processed file. The questions were included in full in the transcriptions. The author used a filename that maintains confidentiality and anonymity but that is easily recognized. For example, the filename 04FSGe means the transcript of the fourth respondent, female, student, hail from Germany.

As Saunders (2009, 482) says, the nature of the qualitative data collected has implications for its analysis. Data was collected and then explored to find out which issues to follow up and concentrate on. The non-standardised data need to be summarised, categorised or restructured as a narrative to support meaningful analysis. Also analytic aids such as summaries, self-memos and a researcher's diary can be used to help analysis. Collecting data and analysing data goes hand in hand. (Saunders et al. 2009, 490–491.)

For a start the author found it easier to handle the answers by collecting all individuals' responses under the particular question (copy and paste using the computer). The author read the answers, made notes and summaries trying to find out categories or key themes from the data. Most of the categories are based on actual terms used by the participants ('in vivo' codes). It was also possible to integrate categories.

4 RESULTS OF THE RESEARCH

4.1 The answers

The data was rearranged, summarised and reduced into a more comprehensive and manageable form, guided by the purpose of the research. This chapter deals the results question by question.

Question 1: What do you mean by the word "luxury"? How do luxury products differ from ordinary products?

The two main features describing luxury products mentioned by all respondents were the high price and good quality of products:

"Something very expensive and usually of good quality" (01FWSwi). *"For me luxury is something more expensive which is harder to get because of the price. In my opinion luxury products differ from ordinary products due to the price and quality"* (03FSFi).

Luxury is something extra, *"not really necessary for daily needs"* (02FSCz) and special, *"Something that is special, that you probably can't afford everyday or that you can afford, but you just buy it for 'special occasions' because the price is somehow high"* (04FSGe). Luxury is extraordinary, *"some extra 'things', which is adding more value than only the basics people have, like a house, but full with luxury furniture" (09FSDu).*

Some respondents mentioned that a luxury product often has a brand name "*making it more desirable. These can be designer handbags, shoes and clothes, or then possible food, household things, cars and such..."* (10FWFi). For example Mercedes Benz and Bvlgari were mentioned as brands having *"a certain character, value and reputation that can't be overlooked by other brands"* (07MSFi). Luxury products are also distributed through limited channels (06FSVi).

Question 2: Why do people buy luxury products?

According to the respondents, the reasons for buying luxury products can be grouped as shown in the next table:

TABLE 5. Reasons for buying luxury products

Reasons	**Percentage (%) (number of mentions)**
To show social status, to show they have money to buy	75,0 (9/12)
To feel to be special and unique, different from ordinary people	58,3 (7/12)
Can afford and buy whatever they want	41,7 (5/12)
To enjoy and award oneself, satisfy a desire	41,7 (5/12)
Good quality of the product	41,7 (5/12)
Esteem of the brand	25,0 (3/12)
Spending for hobbies	16,7 (2/12)

The respondents think that the most common reasons for buying luxury products are to show social status and wealth, and the feelings to be special and unique. People also invest in quality. *"They can buy them, boost their status, to have products that last time and that are good quality" (10FWFi).*

Question 3: What is luxury especially for you? Do you buy luxury products?

For the respondents, luxury means goods (clothes, shoes, perfume, cosmetics, cars, electronics, luxury hotels, Rolex watches, food), better services in hotels and restaurants, treatments (facial, pedicure), free time and holidays, comfort, quality and individual style. Most of them are students with low income and therefore they cannot buy luxury products at all or as often as they would like to.

"Luxury is something you appreciate much, but you don't necessarily have enough money to buy it. As for now when I am a student I cannot afford all the things that I want. In the future though I think that when I have the money I will buy certain products that are important / valuable to me. Nice house / nice car / clothes / electronics etc." (07MSFi).

However, not everyone is willing to buy luxury goods even though they had money to do so: "*Poor students don't have money to spend it on luxury products. I think, if I had, I would not spend it a lot on this, it is wasting of money, may be just some watches of Rolex brand and a nice car to drive, like Porsche, that's it)" (08FS&WRu).*

The relationships between the respondents' purchase behaviour and intentions to buy or not to buy luxury products can be illustrated in the following way:

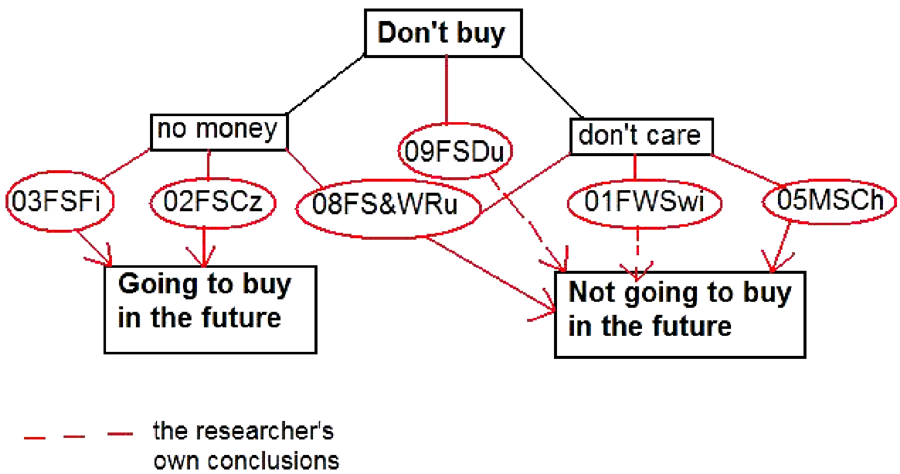


FIGURE 6. Non-consumers' purchase behaviour and intentions to buy luxury products

Question 4: What do you feel when buying luxury goods?

The respondents' feelings when buying luxury goods were mainly positive (58,3%; 7/12 mentions): *"Feels that I get an excellent product or excellent service and I am happy to pay for it"* (12MSFi). *"Nice, I feel like I'm investing"* (10FWFi). Only two person's opinions were clearly negative (16,7%; 2/12 opinions): *"Vanity"* (05MSCh). *"You feel that in the next minute you will have less money on your credit card"* (08FS&WRu).

Question 5: Identify reasons which influence your buying decisions.

The reasons influencing buying decisions in general, can be divided into two groups: the reasons related to the product itself, and those related to the consumer. The reasons related to the product were mentioned more often.

TABLE 6. Reasons influencing buying decisions

Reasons related to the product (number of mentions)	**Reasons related to the consumer (number of mentions)**
price (5)	received satisfaction (3)
quality (5)	own or others' experiences (2)
style/outlook/design (5)	needs (2)
brand (3)	show social status (1)
services provided (3)	
offers (1)	
environmental issues (1)	
Total number of mentions: 23	**Total number of mentions: 8**

Question 6: Mention luxury brands you know the best.

This question was meant to measure brand awareness, the respondents' cognitive attitudes towards luxury products. Dior (5 mentions), Gucci (3), Chanel (3), Dolce & Gabbana (3), Armani (3), Louis Vuitton (2), Rolex (2), Hilton Hotel (2), Jimmy Choo (2) and Porsche (2) got the most mentions. The question was not, however, very well formed, because there was some unclarity among the respondents about how to answer: *"What do you mean with "knowing"? ☺ I could mention several brands by names but I'm not that familiar with any of their background"* (11FSFi). In addition, when comparing the answers of this question with those of the next question,

Question 7: Mention luxury brands you buy

you can notice that many respondents who do not buy luxury brands named several luxury brands (01FWSwi, 02FSCz, 03FSFi, 08FS&WRu). Contrast to this the respondent who buys luxury products a lot *"Chanel, Alexander McQueen, Alexander Wang, Balenciaga, Chloe, Marc Jacobs, Gucci, Dolce & Gabbana, Jimmy Choo, Christian Louboutin, Manolo Blahnik, Hérve Léger..."* (10FWFi) answered to question 6: *"fashion, maybe a bit of cars...some hotels* (10FWFi). It is understandable that people didn't want to list the same names many times, especially when they knew a lot of brands.

Question 8: How often do you buy the same brand(s)?

This question was planned to generate information on brand loyalty. The brands mentioned were Armani (04FSGe, 12MSFi), Boss (12MSFi), D&G (06FSVi), Dior (06FSVi) and Hilton (06FSVi). But nobody seems to be passionately brand loyal. Even the respondent who buys luxury products a lot, says: *"I buy what I like, if I like it a lot and feel like it's worth my money"* (10FWFi).

The three last questions gave much information about the buyers of luxury products. On the grounds of purchase activities, the respondents can be classified as consumers who buy luxury brands and products often, sometimes or seldom.

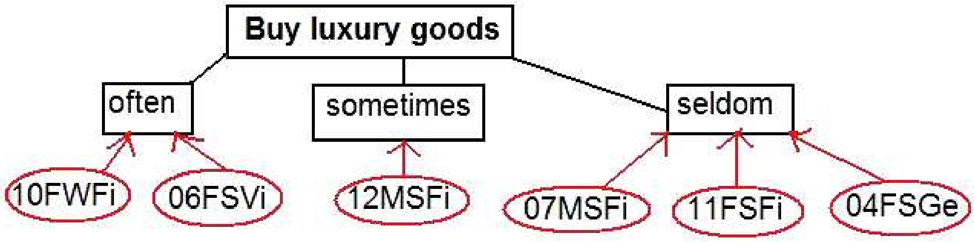


FIGURE 7. Luxury product consumers' purchase behaviour

4.2 Data analysis and interpretation

The analysis continued as the author read again the original transcriptions and searched for understanding of the relationships between different respondents and data and for patterns in the data. Networks to display selected data were drawn. That helped to rearrange the data again.

Based on the level of consumption, the respondents form two main groups: Firstly, people who buy luxury products, called Luxury consumers, and secondly, people who don't buy luxury goods, Non-consumers. According to purchase activities Luxury consumers form two sub-groups: hard consumers and regular consumers. Due to buying intentions and attitudes to luxury, Non-consumers can be divided into potential luxury consumers and non-interested luxury consumers.

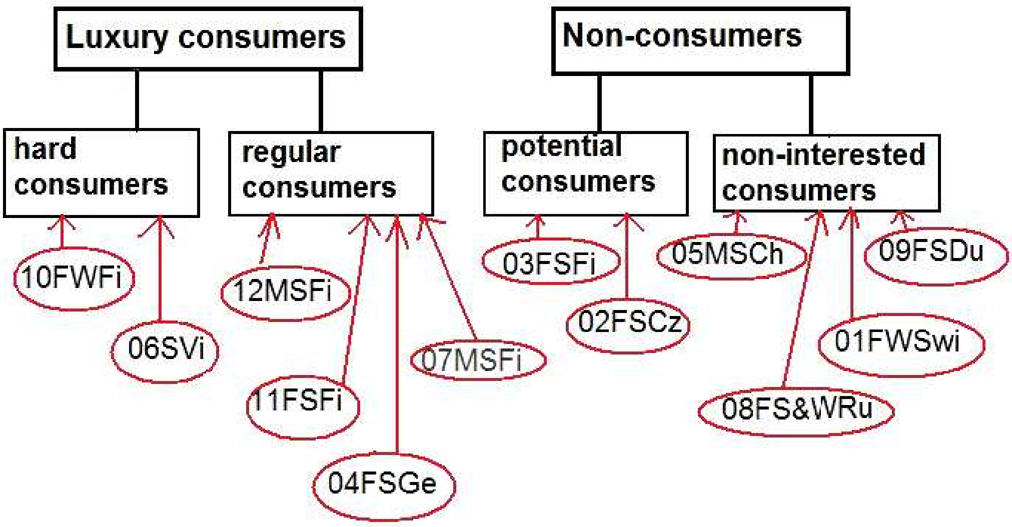


FIGURE 8. Groups of luxury product consumers

1. Hard luxury consumers

- buy often luxury products
- have money to spend
- have large knowledge of luxury brands
- enjoy buying quality products

2. Regular luxury consumers

- buy sometimes or seldom luxury products
- like buying luxury products at present and in the future
- esteem of some luxury brands

3. Potential luxury consumers

- have positive attitudes to luxury
- willing to buy luxury products later in life when they can afford them
- have large knowledge of luxury brands

4. Non-interested luxury consumers

- do not aspire to consume luxury products
- have indifferent or negative attitudes to luxury.

Half of the respondents were more or less consumers of luxury products. Also one third of those young people who didn't buy luxury products showed interest to buy them in the future, and they can be regarded as potential luxury consumers. In summary, most of the respondents, 66,7 % of the respondents showed positive attitudes to luxury products. The following figure illustrates it.

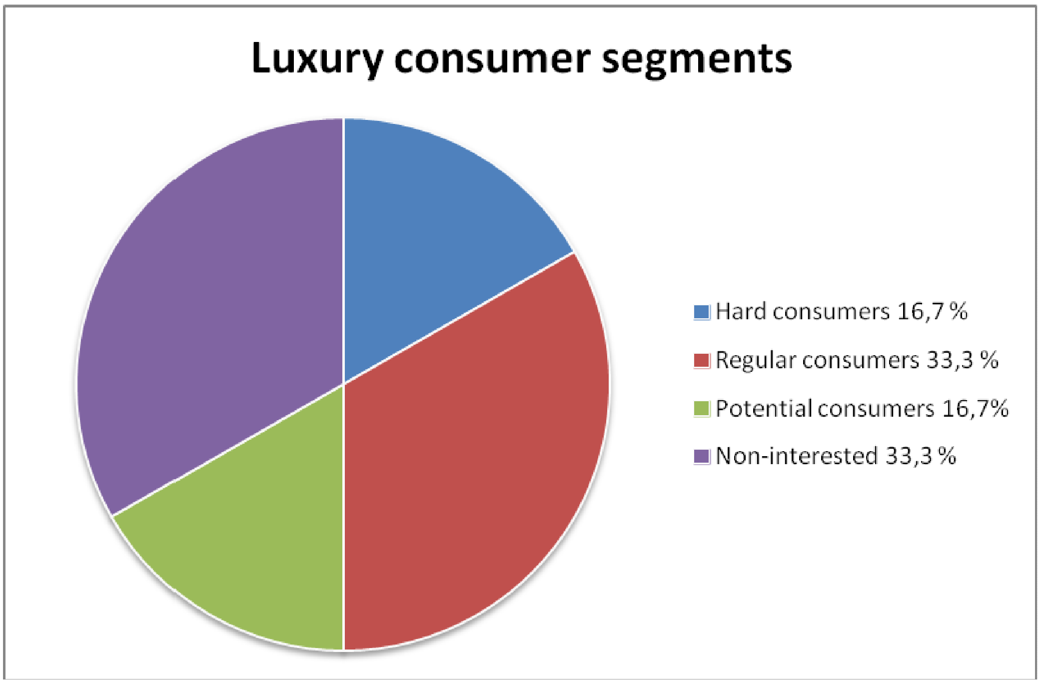


FIGURE 9. Luxury consumer segments

5 DISCUSSION

5.1 Summary

Luxury is a relative concept. On one hand, luxury products are unattainable *"products that not everyone can afford"* and, on the other hand, they are attainable *"If they have so much money that they don't even have to think about the price and just buy something they like" (07MSFi).* Herman (2007) mentions another example of the relativity:

"Rolex is considered a luxury watch brand by many. Not by buyers of Vacheron Constantin or Blancpain or Girard-Perregaux or Roger Dubuis or Patek Philippe for prices that normally range between $20K and over $2M."

A luxury brand is - and has to be - difficult to reach. The dream feeds the desire.

"I don't buy luxury products at the moment because of my student status, but this will change after I gain steady income" (03FDFi).

The cognitive component of attitudes to luxury products was examined by asking the respondents about their beliefs and opinions on luxury and their knowledge of luxury brands and products. The affective component became evident as the respondents told about their feelings when buying luxury goods, or about what luxury especially means to them. They also described their consumer behaviour and purchase intentions as well as the reasons that influence their buying decisions in general. If asked directly, it is sometimes difficult or unpleasant for people to tell about their thoughts. Therefore, a projective technique was used: why they thought people buy luxury products. The attitudes to luxury products came out very well in the study.

Negative attitudes to luxury were shown when people answered to the question, why luxury products are bought:

"To show that they have money to buy this kind of products" (01FWSwi). "--to make them feel somebody. But they aren't" (05MSCh). "They want to be different from others" (08FS&WRu).

But almost the same words could also reflect positive attitudes when talking about own buying:

“--(luxury) can give me feeling of being special, unique, above others who cannot afford luxury items (02FSCz).

Dubois (1994) mentioned these ambivalent feelings of quilt when thinking of buying luxury products. According to him, negative feelings were attached to "others' luxury", the positive opinions to "my" luxury. Also Silverstein (2008), mentioned that people sometimes think they are selfish when indulging in luxury.

“—I’d feel really good☺Maybe a bit snobbish, but when you can afford it, why not? (02FSCz).

Comments on the characteristics of luxury in this study are mainly the same as in Dubois’ (2001) analysis: good quality, high price, uniqueness, uselessness and aesthetics.

“--not daily-necessary products” (06FSVi). “--Something you don’t need at all, that you cannot afford and which is just to show up, like a diamond decorated something” (04FSGe).

In addition to these, Dubois also mentioned tradition and ancestral heritage as features of luxury. Maybe this is seen in the brands young people know or buy most: Gucci, Dior, Chanel, Cartier, Armani, Hugo Boss etc. Some respondents called luxury exclusive that is typical to old traditional luxury. Besides goods many respondents mentioned services as examples of luxury:

“For me luxury is not so much luxury products, it is more about the luxury service, such as service in a 5 star hotel or the service in a quality restaurant” (12MSFi).

Silverstein (2008), found four emotional spaces as an answer to the question how buying luxury goods makes people feel revealing the reasons for buying luxury: taking care of me, connecting, questing and individual style. The pampering element was shown in the words of the hard luxury consumer

"--to satisfy a desire... the satisfaction from buying luxurious stuffs, since I consider it a treat for myself if the financial situation allowed" (06FSVi).

Also *"--I also enjoy different kinds of treatments such as having a facial or pedicure" (11FSFi).*

The respondents' answers like *"--to show their wealth, it might be a symbol of their place in society" (04FSGe), "--to show status" (03FSFi) or "--the luxury product can give added value to the customer" (10FWFi)*

were rather common giving confirmation to the concept that people buy premium goods to show that they belong to the ranks of successful people (Silverstein 2008). Half of the respondents mentioned that holidays and travelling are important to them, and can be seen as a luxury. But I think they meant more "*staying in better hotels because it gives comfort"* (10FWFi) or *"holidays on yacht"* (02FSCz) than venturing out into the world and trying to find their personal limits. The respondent's own personal taste and style or the outlook and design of the product were mentioned as reasons which influence buying decisions but there was only one person out of twelve who really emphasized individuality and self-expression when talking about luxury products:

"--these products...are often very individual as well and I try to stay away from the obvious luxury brands such as Louis Vuitton and Burberry" (10FWFi).

In general, when the persons discussed the brands they didn't show strong feelings or passions. What matters, was really the quality of goods and for that reason the luxury products and brands were highly appreciated among the respondents.

"Luxury products are expensive, sophisticated, with the use of high quality materials..." (08FS&WRu). "I believe that the more it costs the better quality it is. I like luxury fashion because these products last for longer" (10FWFi).

Maybe this is also due to the respondents' age: they are supposed to be financially self-sufficient but most of them are students and don't have much money to waste, and they want to invest in quality, if possible: *"--when they can afford them to get the best available"* (02FSCz).

Most of the respondents, 2/3 of them, showed positive attitudes to luxury products. Half of the young people were more or less luxury consumers at this moment. 1/3 of those who did not buy luxury products showed their interest to buy when they can afford them. By the level of consumption, purchase intentions in the future and the attitudes to luxury the respondents can be divided into four groups: hard, regular, potential and non-interested luxury consumers.

Young people's interest in luxury products has also been seen outside Europe and the USA. The new global report of World Luxury Association 2010-2011 shows that the major consumers of luxury products in China are becoming younger as the new generation shifts their attitude towards life. The minimum age of China's luxury consumers has dropped to 25 in 2010 from 35 in 2007. It predicts that people aged between 25 and 30 will become the dominant group of consumers for luxury products in China in the next three to five years. (WLA report 2011.)

5.2 Evaluation

Scientific research tends to objectivity. According to Kananen (2008, 121), objectivity springs up when the researcher becomes aware of subjectivity concerning the research object, the researcher and research methods. The concepts of validity and reliability cannot be understood in the same way in qualitative and quantitative researches.

When planning the study, the questionnaire and its questions were paid much attention to in order to attain adequately information for the purposes of the study. The amount of the questions proved to be good, and the right questions were asked; there were even some overlap in the questions when asking information from a little bit different points of view. Using the Internet-mediated questionnaire to collect primary data in a qualitative research is neither a usual nor the best means of measurement but in this case it worked fine. The open-ended questions gave enough essential information to answer the research questions. The answers recorded in writing by the respondents, in their own words using so much time as needed without interference of the researcher, added the credibility of the study. The way the data was collected is very close to an e-mail interview that consists of a series of e-mails each containing a small number of questions. But it would have been more difficult to find voluntary persons to an interview.

When the author began to do her thesis, the author thought that “well-planned is half-done”. However, it was a big surprise to notice how difficult it was to get people to take part in the research. To use free Thesis Tools Online Surveys in Facebook proved to be a good solution. People who participated were motivated to answer and gave varied answers. Although the number of respondents was not very large, it was enough. Collecting additional data would not have given any new views, i.e. data saturation was reached.

The author paid special attention and accuracy to the way to do analysis and to interpret the results. The author didn’t want to mix up own thoughts with the respondents’ views; the quotes confirm the conclusions. Because the number of respondents was rather small, like in qualitative researches in general, you cannot say anything about the influence of the gender or nationality on the results. Neither the findings can be generalised to large populations.

The author tried to find an assignment from luxury industry for the thesis and contacted some fashion or beauty companies but they had no need to that or they offered thesis possibilities only for their own trainees. So the author didn’t have any background support to the study. If there had been a sponsor, maybe offering clientele or economic and information technological assistance, the study would probably have been a larger quantitative survey about attitudes towards luxury products.

The study has succeeded in finding new perspectives in marketing luxury products to young people. There has been an empty gap when examining attitudes towards luxury products of young people belonging to the target group. Most of the respondents were students. Though they are not as wealthy as those who already have professional careers, they do have exposure to luxury brands, and potential to become luxury consumers. They are knowledgeable about luxury brands, and likely to desire luxury brands. Students are establishing life-long buying patterns and loyalties, and are likely to become important consumer markets for luxury brands. Although this qualitative study does not provide a sample that is representative of the target population, it gives some guidelines how to market luxury products to young people.

5.3 Marketing implications

The findings have practical implications as they suggest that different marketing strategies could be applied to fulfill different consumers' needs. If you examine the hard luxury consumers' motives of this study, you will notice that they both appreciate e.g. staying in luxury hotels while travelling because it gives them comfort. The respondent 10FWFi emphasizes individual style of luxury products. To potential luxury consumers 02FSCz and 03FSFi luxury products are aims and targets to be reached later when they can afford them. For them luxury goods give the feeling of being special and unique and to show their social status, in addition to enjoying the good quality of products. The marketing of luxury products is facing two challenges: How to keep the present customers (hard and regular luxury consumers)? How to gain new customers? Establishing lasting relationships with customers is important. Luxury consumers are no longer content to use a single item for many years or loyal to a single brand; especially young people have become brand hoppers.

Limited availability or exclusivity may be an effective marketing strategy for luxury goods when a consumer wants to be unique and avoid similarity to others. Consumers can use luxury brands to display their status and show their esteem or wealth, so luxury brand manufactures can use marketing strategies to add status-associated messages and social images to appeal to the consumers of luxury brands. Purchase intentions toward luxury brands are aroused when people get interested in elite and upmarket images. Purchase decisions concerning luxury products are mostly based on brand choices. Luxury brands can be seen as symbols of a personal and social identity. Marketeers should create new stories behind luxury brands and guide young people to understand brand value.

The high quality of products was very important to all respondents. Therefore, luxury brand manufactures should emphasize their high quality and dependability for their marketing strategy. Consumers care about the consistency between the brand image and their internal beliefs. Advertising campaigns can stress the well-established brand equity such as a long tradition, superior brand reputation, and premium craftsmanship in order to inform consumers who are looking for products that correspond to their demands for excellence.

Affective-appeal is a very important factor to be included in marketing strategies. If customers have strong affects towards a luxury brand, even if they feel that they love the brand, the tendency to purchase it will increase. Feelings of pleasure aroused by good service generate positive effects associated with the product.

According to Spencer Stuart, an executive search consulting firm, finding and nurturing innovators is very important in the luxury industry, even more important than in any other kind of business, because innovation has to rub shoulders with heritage and tradition. The report points out that

> *"--The rewards are evident: highly discerning consumers with diminishing loyalties respond well to innovation in everything from craftsmanship to service. In the luxury sector, innovation is often described in terms of product — using different materials, meeting new needs, increasing effectiveness or introducing new lines as an entry point rather than reducing prices. But industry leaders are also talking about innovation that is less directly associated with the product. For example, finding new ways to communicate a brand's prestige and exclusivity through advertising; becoming more customer-centric; developing retail stores that express a mixture of wondrous invitation and intimidation into the luxury experience; or providing a truly exceptional level of service."* (Spencer Stuart report 2009, 10.)

Paurav Shukla has written about luxury consumption in a cross-national context. He suggests that there should be different strategies when marketing for developed and developing markets. For the British market the brand should be campaigned as a way to "gain popularity" and to be "noticed by others", and associate the brand with successful celebrities. For the Indian consumers, the brand should be positioned solely on ostentation and focus on the occasion specificity. (Paurav Shukla 2010.)

Future research

It would be very interesting to more thoroughly examine the non-interested luxury consumers' attitudes, interests, characteristics etc. as well as the respondents' consumer habits in five or ten years' time. A longitudinal research would give more information on brand loyalty and the permanency of consumer habits. The question where young people seek their information or buy their luxury products is a large section, too. The use of the Internet as a marketplace brings about new challenges to traditional marketing. You could also research young people's attitudes to brand extensions and diversification more exactly. Consumer research concerning attitudes and needs is continuously needed.

"The most important thing is to forecast where customers are moving and to be in front of them". Philip Kotler

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APPENDICES

Appendix 1. Luxury fashion brands (Okonkwo 2007, 45-46)

Brand name*	Year	Founder	Country
1. Guerlain	1828	Pierre Guerlain	France
2. Hermès	1837	Thierry Hermès	France
3. Loewe	1846	Enrique Loewe Roessberg	Spain
4. Cartier	1847	Louis Francois Cartier	France
5. Bally	1851	Carl Franz Bally	Switzerland
6. Louis Vuitton	1854	Louis Vuitton	France
7. La Maison Worth	1858	Charles Frederik Worth	France
8. Burberry	1856	Thomas Burberry	England
9. Lancel	1876	Alphonse & Angele Lancel	France
10. Cerruti	1881	The Cerruti Brothers	Italy
11. Bvlgari	1884	Sotirios Voulgaris	Italy
12. Lanvin	1889	Jeanne Lanvin	France
13. Jeanne Paquin	1890	Jeanne Paquin	France
14. Berluti	1895	Alessandro Berluti	France
15. Fendi	1897	Adele Casagrande Fendi	Italy
16. Paul Poiret	1904	Paul Poiret	France
17. Trussardi	1910	Dante Trussardi	Italy
18. Ermenegildo Zegna	1910	Ermenegildo Zegna	Italy
19. Chanel	1910	Gabrielle Coco Chanel	France
20. Madeleine Vionnet	1912	Madeleine Vionnet	France
21. Jean Patou	1912	Jean Patou	France
22. Prada	1913	Mario Prada	Italy
23. Balenciaga	1919	Christobal Balenciaga	Spain
24. Gucci	1921	Guccio Gucci	Italy
25. Hugo Boss	1923	Hugo Boss	Germany
26. Norman Hartnell	1923	Norman Hartnell	England
27. Rochas	1924	Marcel Rochas	France
28. Elsa Schiaparelli	1927	Elsa Schiaparelli	France
29. Salvatore Ferragamo	1927	Salvatore Ferragamo	Italy
30. Nina Ricci	1932	Nina Ricci	France
31. Roger Vivier	1937	Roger Vivier	France
32. Celine	1945	Celine Vipiana	France
33. Brioni	1945	Nazareno Fonticoli & Gaetana Savini	Italy
34. Christian Dior	1947	Christian Dior	France
35. Pucci	1948	Emilio Pucci	Italy
36. Louis Ferauld	1949	Louis Ferauld	France
37. Pierre Cardin	1950	Pierre Cardin	France
38. Max Mara	1951	Achille Maramotti	Italy
39. Hanae Mori	1951	Hanae Mori	Japan
40. Givenchy	1952	Hubert Givenchy	France
41. Chloé	1952	Jacques Lenoir & Gaby Aghion	France

42. Mary Quant	1955	Mary Quant	England
43. Krizia	1957	Mariuccia Mandelli	Italy
44. Guy Laroche	1957	Guy Laroche	France
45. Missoni	1958	Rosita & Ottavio Missoni	Italy
46. Mila Schön	1958	Mila Schön	Italy
47. Sergio Rossi	1950s	Sergio Rossi	Italy
48. Valentino	1960	Valentino Garavani	Italy
49. Yves Saint Laurent	1962	Yves Saint Laurent	France
50. Azzarro	1962	Loris Azzarro	Italy
51. Cacharel	1962	Jean Bousquet	France
52. Jean-Louis Scherrer	1962	Jean-Louis Scherrer	France
53. Karl Lagerfeld	1963	Karl Lagerfeld	France
54. Judith Leiber	1963	Judith Leiber	USA
55. Richard Tyler	1964	Richard Tyler	Australia
56. Emmanuel Ungaro	1965	Emmanuel Ungaro	France
57. Roberto Cavalli	1965	Roberto Cavalli	Italy
58. Bottega Veneta	1966	Vicence Bottega Veneta	Italy
59. Paco Rabanne	1966	Paco Rabanne	Spain
60. Ralph Lauren	1967	Ralph Lauren	USA
61. Calvin Klein	1968	Calvin Klein	USA
62. Sonia Rykiel	1968	Sonia Rykiel	France
63. Anne Klein	1968	Anne Klein	USA
64. Jil Sander	1968	Jil Sander	Germany
65. Zhandra Rhodes	1969	Zhandra Rhodes	England
66. Come des Garcons	1969	Rei Kawakubo	Japan
67. Oscar de la Renta	1969	Oscar de la Renta	USA
68. Paul Smith	1970	Paul Smith	England
69. Kenzo	1970	Kenzo Takada	France
70. Bill Blass	1970	Bill Blass	USA
71. Issey Miyake	1970	Issey Miyake	Japan
72. Vivienne Westwood	1971	Vivienne Westwood	USA
73. Mulberry	1971	Roger Saul	England
74. Yohji Yamamoto	1972	Yohji Yamamoto	Japan
75. Diane Von Furstenberg	1972	Diane Von Furstenberg	USA
76. Manolo Blahnik	1972	Manolo Blahnik	England
77. Thierry Mugler	1973	Thierry Mugler	France
78. Alberta Ferretti	1974	Alberta Ferretti	Italy
79. Giorgio Armani	1974	Giorgio Armani	Italy
80. Perry Ellis	1975	Perry Ellis	USA
81. Jean Paul Gaultier	1976	Jean Paul Gaultier	France
82. Escada	1976	Wolfgang & Margaretha Ley	Germany
83. Helmut Lang	1977	Helmut Lang	Austria
84. John Rocha	1977	John Rocha	Ireland
85. Ana Molinari	1977	Ana Molinari	Italy
86. Gianni Versace	1978	Gianni Versace	Italy
87. Gianfranco Ferre	1978	Gianfranco Ferre	Italy
88. JP Tod’s	1978	Diego Della Valle	Italy
89. Azzedine Alala	1980	Azzedine Alala	France
90. Marina Rinaldi	1980	Achille Maramotti	Italy
91. Michael Kors	1981	Michael Kors	USA

92. Carolina Herrera	1981	Carolina Herrera	USA
93. Anna Sui	1981	Anna Sui	USA
94. Kenneth Cole	1982	Kenneth Cole	USA
95. Elie Saab	1982	Elie Saab	Lebanon
96. Moschino	1983	Franco Moschino	Italy
97. Nicole Farhi	1983	Nicole Farhi	England
98. Thomas Pink	1984	Thomas Pink	England
99. Karl Lagerfeld	1984	Karl Lagerfeld	France
100. Tommy Hilfiger	1984	Tommy Hilfiger	USA
101. Donna Karan	1984	Donna Karan	USA
102. Marc Jacobs	1984	Mark Jacobs	USA
103. Dries Van Noten	1985	Dries Van Noten	Belgium
104. Dolce & Gabbana	1985	Domenico Dolce & Stefano Gabbana	Italy
105. Patric Cox	1986	Patric Cox	England
106. Hogan	1986	Diego Della Valle	Italy
107. Isaac Mizrahi	1987	Isaac Mizrahi	USA
108. Christian Lacroix	1987	Christian Lacroix	France
109. Ted Baker	1988	Ted Baker	Scotland
110. John Galliano	1989	John Galliano	England
111. L.K.Bennett	1991	Linda Kristin Bennett	England
112. Christian Louboutin	1992	Christian Loouboutin	France
113. Alexander McQueen	1994	Alexander McQueen	England
114. Anya Hindmarch	1994	Anya Hindmarch	England
115. Hussein Chalayan	1994	Hussein Chalayan	England
116. Marni	1994	Consuelo Castiglioni	Italy
117. Alessandro Dell'Acqua	1995	Alessandro Dell'Acqua	Italy
118. Viktor & Rolf	1995	Viktor Horsting & Rolf Snoeren	Netherlands
119. Paul & Joe	1996	Sophie Albou France	
120. Jimmy Choo	1996	Tamara Mellon	England
121. Mathew Williamson	1996	Mathew Williamson	England
122. Julien McDonald	1997	Julien McDonald	England
123. Narciso Rodriguez	1997	Narciso Rodriguez	USA
124. Alice Temperley	1999	Alice Teperley	England
125. Zac Posen	1999	Zac Posen	USA
126. Luella	2000	Luella Bartley	England
127. Stella McCartney	2001	Stella McCartney	England
128. André Ross	2004	Andrew Ross Biencowe	France
129. Tom Ford	2006	Tom Ford	USA

* Some brands might have been omitted as the result of the unavailability of data regarding their founding dates or origins.

Appendix 2. The major luxury fashion conglomerates (Okonkwo 2007, 123)

LVMH*	**RICHEMONT**	**GUCCI GROUP**	**PRADA**
France	**Switzerland**	**Italy**	**Italy**
Louis Vuitton	Cartier	Gucci	Prada
Loewe	Van Cleef & Arpels	Yves Saint Laurent	Miu Miu
Celine	Piaget	Sergio Rossi	Azzedine Alaia
Berluti	Baume & Mercier	Boucheron	Car Shoe
Kenzo	IWC	Bédat & Co.	
Givenchy	Jaeger-Le Couture	Bottega Veneta	
Marc Jacobs	A.Lange & Söhne	Alexander McQueen	
Fendi	Vacheron Constantin	Stella McCartney	
Stefano Bi	Dunhill	Balenciaga	
Emilio Pucci	Lancel		
Thomas Pink			
Donna Karan			
eLuxury			
Parfums Christian Dior			
Guerlain			
Parfums Givenchy			
Kenzo Parfums			
Laflachère			
Benefit Cosmetics			
Fresh			
Make-up Forever			
Acqua di Parma			
Parfums Loewe			
Tag Heuer			
Zenith			
Dior Watches			
FRED			
Chaumet			
OMAS			
DFS			
Sephora			
Sephora.com			
Le Bon Marché			
Samaritaine			

*LVMH brands shown are those in the luxury fashion goods division. Wines and spirit brands and brands in other activities have been excluded from the list.

Appendix 3. The questionnaire

Dear respondent,

As a part of my thesis research I have designed a questionnaire to find out the attitudes of young people towards luxury products. I hope you will have some time and willingness to answer these issues. Your opinions are essentially important and valuable for this study. Your responses are absolutely confidential with no names mentioned. I thank you very much in advance for your help. If you have any questions or would like further information, please do not hesitate to email me at mariahaataja@hotmail.fr

To get some background information needed, please select the right answer:

Gender: female ( ) / male ( ) Age: under 18 years ( ) / between 18-26 years ( ) / over 26 years ( ) old

Professional status: student ( ) / unemployed ( ) / working ( )

Nationality: ____

LUXURY AND LUXURY PRODUCTS Please answer these questions by your own words, expressing your thoughts and opinions. Use space as much as you need.

a. What do you mean by the word "luxury"? What do you regard as luxury? Mention some examples. How do luxury products differ from ordinary products?

b. Why do people buy luxury products?

c. What is luxury especially for you? Do you buy luxury products (goods or services)? Why? Why not? How often? Mention some examples.

d. What do you feel when buying luxury goods?

BUYING DECISION-MAKING

Identify reasons and motives which influence your buying decisions. When choosing between different alternatives, products or brands, what are the main reasons beyond your decisions?

BRANDS

a. Mention luxury brands you know the best (name and/or field):

b. Mention luxury brands you buy:

c. Do you buy the same brand(s): always ( ), often ( ), sometimes ( ), seldom ( ), never ( )? Why? Mention some examples.

Thank you very much for your participation.

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