

# Motivations for Chinese and Indian Consumers to Buy Luxury Brands.

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# 1 Introduction

This section aims to communicate the overall structure of this dissertation. It comprises of nine sub-sections. Firstly, the research discusses the background of the literature relevant to luxury brands and their relationship with Chinese and Indian cultures. Secondly, it gives a summary of the arguments and different schools of thought in the body of luxury literature. Thirdly, from reviewing the literature, the researcher arrives at research problems that are addressed by the piece of research. Fifthly, the research problems are justified through theoretical and practical rationale. Sixthly is a summary of the qualitative method used to gather data aimed at answering the research questions that arose. Seventh is a more detailed outline of the report is given. Eighth is a delimitation they scope and key assumptions. Finally, a brief conclusion regarding the findings is given.

## **1.1 Problem Orientation**

The concept of a luxury product is “perceived to be the extreme end of the prestige-brand category... where brand identity, awareness, perceived quality and loyalty are important components” (Phau & Prendergast, 2000). Luxuries are a type of good that has existed for centuries, dating back to Roman times, where luxuries such as silks were consumed for status, respect, and pleasure - to the reformation in Europe (during the 1600s), where luxuries were consumed secretly, since their extravagant nature seriously compromised consumers’ modesty and equality, important values at the time (Berry, 1994). The first academic literature arose at the turn of the century in the USA, where rising incomes resulted in a new class of highly wealthy consumers - the ‘Leisure Class’. These consumers turned to luxury products which, could be used to signify wealth and status and distance consumers when consumed conspicuously (Veblen, 1899) from more-humble ancestral beginnings, and as a means of ascribing to upper-class society.

From Veblen, a whole body of literature started to develop over the later decades of the twentieth century, yet despite being over a century old, Veblen's ideas have current relevance in the context of this dissertation, as his picture of emerging USA of the 1900s is reflected today in the emerging markets of China and India. Like Veblen's environment, these economies are characterised by high-growth, an

emerging middle-class, and a new-found appetite for luxury products - a sign that a post-modern society is emerging in China and India (Chaudhuri & Majumdar, 2006).

Though consumers of luxury products in China and India are similar to those from Veblen's time, the luxury market itself has evolved. For many years, luxury companies remained unchanged. They focused on creating usually a limited amount of one kind of luxury product, incrementally improved over time. The 1980s saw many of these organisations being acquired by entrepreneurs like Bernard Arnault and François Pinault, who dramatically changed the market from small boutique production oriented, to an industry dominated by three large conglomerates (Thomas, 2007). Accordingly, luxury brands started to become competitive and needed to be run like businesses (Danziger, 2005). New strategies included creating new products outside their traditional industry (line extensions), moving from timeless to contemporary pieces, creating separate lines and items to entice non-luxury consumers, co-operation from would-be competitors within a given conglomerate, and shifting production to less expensive environments to reduce overheads (Thomas, 2007). Even markets in Asia, through global media, have created awareness and demand for luxury products (Danziger, 2005) which wouldn't have existed in Veblen's time.

## **1.2 Literature**

The body of literature relating to luxury products arises when literature from a wide range of business disciplines, which also focus on luxury brands, is compiled together to form a broad literature group. This can be referred to as luxury literature.

Because luxury literature represents the compilation of literature from varying business disciplines, notably: marketing, management, international-business, branding, advertising, and strategic-planning; the following characteristics are attributed to luxury literature.

Firstly, it is industry focused. Although the literature deals with a range of issues evident in the industry, the literature group is held together by a focus on the luxury industry, as opposed to a particular business discipline.

Secondly, because the literature that comprises the group comes from a variety of disciplines, individual literature pieces are hybrid in nature – in that they deal with a particular discipline along with a luxury industry orientation.

Thirdly, the literature is often, though not always, empirically based.

The researcher was able to generate a resulting list of literature that might hold potential Chinese and Indian luxury purchase motivations. From these, the researcher was able to organise the literature into five groups based on the writing perspective, subject, and context of the motivations. This is visually presented and discussed in depth within 'Section 2: Literature Review' of this dissertation, but these five are briefly described for introductory purposes as follows.

Group one refers to 'Basic Human Motivations', and the literature contained in this group argues that the human psyche and inner human needs are responsible for luxury purchase motivations (Leibenstein, 1950; Mason, 1981, 1995; Veblen, 1899; Vigneron & Johnson, 1999).

Group two refers to 'Societal Group Motivations' and the literature contained in this group argues that the consumer's place in society (i.e. their social-group) is responsible for luxury purchase motivations (Berry, 1994; Cole-Gutierrez, 2006; Hauck & Stanforth, 2007; Tynan, McKechnie, & Chhuon, 2008; Vickers & Renand, 2003).

Group three refers to 'International/Global Motivations' and the literature contained in this group argues that common needs or desires that are shared across cultures are responsible for luxury purchase motivations (Wiedmann, Hennigs, & Siebels, 2007).

Group four refers to 'Culture Based Motivations' and the literature contained in this group argues that unique culture-specific constructs for every culture are responsible for luxury purchase motivations (Chaudhuri & Majumdar, 2006; Dubois & Duquesne, 1993; Lai & Chu, 2006; Rolf-Seringhaus, 2002; Wong & Ahuvia, 1998).

Group five refers to 'China & India Motivations' and the literature contained in this group argues that these cultures carry certain specific norms and values that are

responsible for luxury purchase motivations (Chadha & Husband, 2006; Danziger, 2005; De-Mooij, 2005; Debnam & Svinos, 2006; Hofstede, 2008; Kripalani, 2007; Thomas, 2007).

These groups identified are not independent, but rather represent a graduation of thinking - moving from general consumer-based motivations at one end, to Chinese and Indian motivations at the other; with general self-acknowledged trans-national motivations lying in the middle. Though the groups are interrelated, they remain unique in that each group holds its own distinctive subject group and context. As such, the researcher uses these groups as 'schools-of-thought'. The motivations themselves, as well as further definition on the schools-of-thought are covered in depth within 'Section 2: Literature Review'.

Reviewing the literature led the researcher to notice that many of the motivations conveyed by different authors are similar and interrelated, since later authors base their work around those of earlier authors. Later authors commonly interpret or rework specific motivations in order to fit an individual argument or perspective. After a literature review was complete, the researcher was able to collect these motivations and simplify them down to their most basic meaning, resulting in a working model of seven classical luxury purchase motivations. These motivations are: Self-beautification and adornment, Hedonic appreciation and sensual gratification, Self-actualisation, Uniqueness and scarcity, Signalling, Influence-gaining, and Obligation (Berry, 1994; Chadha & Husband, 2006; Chaudhuri & Majumdar, 2006; Cole-Gutierrez, 2006; Danziger, 2005; De-Mooij, 2005; Debnam & Svinos, 2006; Dubois & Duquesne, 1993; Kripalani, 2007; Lai & Chu, 2006; Leibenstein, 1950; Mason, 1981, 1995; Mittelstaedt, 2004; Phau & Prendergast, 2000; Rolf-Seringhaus, 2002; Thomas, 2007; Veblen, 1899; Vickers & Renand, 2003; Vigneron & Johnson, 1999; Wiedmann et al., 2007; Wong & Ahuvia, 1998).

### **1.3 Research Problem**

Industry activity in luxury brands is culturally western-focused. However markets in Asia, like China and India, are expected to have some form of local luxury industry as well as the western-based globally oriented industries discussed. As such, these markets and their consumers could potentially be more complex, and unique. This provides the rationale to question the validity of broad western luxury-purchase motivations when applied to Asian consumers in their respective luxury markets.

The research questions arrived at were:

RQ1: What are the motivations for consumers in China and India to purchase Luxury products?

RQ2: Are there any major similarities or differences in what motivates consumers in China and India to purchase luxury products?

### **1.4 Justification of the Research**

This research has justification and importance on both theoretical and practical grounds, which are discussed as follows.

#### **1.4.1 Theoretical Justification**

The researcher felt that there were three small gaps in the luxury purchase motivation literature. Firstly, the earliest motivations identified, around which the whole body of literature is based, convey motivations that are inadvertently Western in nature. These might not apply in a Chinese or Indian context, on the fact that these cultures are different to western cultures. Secondly, the motivations that arose later on are not only embedded in this Western orientation, but the various motivations are merely a reinterpretation of an older motivation. There is a lack of fresh original data, so that the reader is required to make an uneducated choice in picking the seemingly most accurate motivation variant. Thirdly, though relevant Chinese and Indian luxury purchase motivations exist, they aren't academic in nature, and therefore of uncertain validity.

This research would try to address these gaps in the literature, by identifying motivations arising from fresh data, rather than from contemplation. New data would provide motivations that are soundly based in research and are contemporary. It



would also close the literature's gap where few Chinese and Indian luxury purchase motivations have been identified. Furthermore, this research's results would contextualise the body of literature's motivations with some market-specific motivations. Finally, the findings produced by this research could validate some existing motivations, whilst potentially challenging the reliability of others.

### **1.4.2 Practical Justification**

The great opportunity that China and India's emerging markets present to multi-national enterprises, such as those within the luxury brand industry, were highlighted earlier. Multi-national enterprises will want to do business with these countries in order to capitalise on their growth and new-found wealth, where “the appetite for luxury brands has grown particularly in the emerging Asian markets such as China and India.” (Tynan, McKechnie et al. 2008). The literature portrays that in these markets, luxury products are seen as essential, and consumption for luxury products is voracious (Chadha and Husband 2006; Danziger 2005; Thomas 2007).

In order to do this effectively and efficiently, multi-national enterprises (or MNEs) will need to formulate effective strategic plans tailored to these markets. This research is relevant here, because it would describe how similar or different the motivations in those two markets are. The degree of similarity would determine the treatment of design, presentation, advertising, promotion and possibly retailing. If the motivations turn out to be very different in these two countries, then two quite different streams of effort might have to be set up, possibly requiring different production and marketing teams. The production costs would reflect this duplication. If however the fundamental consumer motivations were the same, then the MNE would only need to make lesser adaptations to language, and local tastes in colour, semiotics and advertising content. Core brand platforms which are critical to luxury products could remain the same.

## **1.5 Methodology**

The research process engaged is qualitative in nature. This was chosen to fit the requirement of eliciting and disclosing motivations without pre-judging what these might be. This choice fits into the naturalist approach defined as follows.

“Naturalism is an orientation concerned with the study of social life in real, naturally occurring settings, the experiencing, observing, describing, understanding and analysing of features of social life in concrete situations as they occur independently of scientific manipulation. It is the focus on natural situations that leads to the sobriquet ‘naturalism’ and is signified by attention to what human beings feel, perceive and think and do in natural situations that are not experimentally constructed or controlled.”

(Miller & Brewer, 2003, p. 209)

The open-ended projection instrument used to gather interview data relied in particular on the naturalist tradition.

“Stress is also laid on the analysis of people’s meanings from their own standpoint, the feelings, perceptions, emotions, thoughts, moods, ideas, beliefs, interpretive processes of members of society as they themselves understand and articulate them”

(Miller & Brewer, 2003, p. 211)

The emergent technique of thematic analysis was entailed in both the collection of the data and in its interpretation. Thematically analysed data would produce luxury purchase motivation concepts and categories based on new data elicited in a qualitative and relatively unstructured interview, and thus fits well with the research's naturalist approach. This was preferred to analytic induction, which could result in bias in so far as the literature's motivations may be inducted into the data gathering.

The research method was based around the process of Thematic Analysis, a four part process of creating codes, concepts, themes, and finally global themes (Attride-Sterling, 2001). Responses from respondents are used as the research's internal data. These respondents were gathered using purposive Quota sampling. The research's specific focus on consumers from China and India make this a suitable sampling method. It allows the recruitment of Chinese and Indian respondents in equal number while fulfilling an age, gender, and education profile. Respondents voluntarily

participated in an interview consisting of open-ended questions and projective interviewing techniques. Open-ended questions allow the researcher the opportunity to explore the topic flexibility and with more depth if desired. Projective techniques allowed the simple communication of a tricky scenario and provided as a safe and comfortable way for the respondents to express inner attitudes. Individual interviewing was selected for the comfort of participants, a lack of group pressure made respondents relaxed and open. Interviewing was also easier to control on the part of the researcher.

The interviews were fully transcribed to provide a text reflecting all the answers elicited by the interviews. This is the data for all subsequent analysis. The data was analysed using a thematic analysis method outlined by Attride-Sterling (Attride-Sterling, 2001) using the following cycle, with Chinese and Indian based responses, being analysed separately. Firstly, open-codes were created, and data was coded accordingly. After reanalysis the codes were given improved definitions which were reflected by the creation of a coding schedule. Secondly, the responses were reanalysed according to the newly-developed codes, to test the codes' accuracy. Thirdly, the concepts in the coding manual were reflected upon, to see whether the concepts could be grouped based on a fundamental similarity, thereby creating themes. Lastly, with separate concepts and groupings being created to reflect China and India independently, the concepts and categories were compared to identify similarities and differences - and to create potential global themes (Attride-Sterling, 2001).

## ***1.6 Outline of the Report***

This research consists of five sections. The first section is an introduction and overview - aimed to inform the reader about the topic, the body of literature, and the gaps in the body of literature. From there, it identifies the main research questions, justifies why these questions are relevant, and then sets out to explain how the researcher produced answers to the research questions, with some of the considerations taken to ensure the data was valid. After this, there is a short summary of some of the findings and conclusions produced.

The second section takes an in-depth look as to how the literature was divided into the five categories addressed earlier, and explains the major motivations within each. After this, the research discusses some of the more-common motivations that arose in the literature. This section concludes with the research questions.

The third section deals with the methodological approach taken to answer the questions put forward at the end of the literature review. It identifies and justifies naturalist style and qualitative procedure being used to gather data from a combination of in-depth interviews, with volunteer respondents recruited by purposive convenience sampling, to fulfil two cultural quotas. It outlines the interview protocols, interview schedules, how variables were controlled, and the ethical considerations which were taken. This section also describes and justifies the choice of thematic analysis used to analyse the data.

The fourth section produces the findings arrived at through thematic analysis of the data. This section states in particular, the concepts and themes that relate to luxury purchase motivation in China and India, whilst conveying the similarities and differences present between these two cultures. Findings produced are compared to the theory prevalent in the luxury body of literature addressed in section 2.

The fifth and last section draws conclusions from the findings produced in section 4, by addressing how said findings answer the research questions and research problems identified. Following this, the section outlines the implications and limitations of the research, as well as identifying areas of further research that have arisen.

## **1.7 Definitions**

### **1.7.1 Luxury Brands**

The definition of Luxury brands as it relates to this piece of research is an expansion on a typical traditional Western concept of luxury brands defined by Chadha and Husband, whose definition narrows luxury brands, in this context, to fashionable and high-quality consumer goods made by reputed luxury brands (Chadha & Husband, 2006). This includes wearable fashion items, notably clothes and leather-goods (such

as handbags, belts, wallets and shoes), manufactured by large renowned luxury brand manufacturers like Louis Vuitton Gucci and Burberry to name a few "everything from caviar to champagne, luxury spas to cruise liners, high-end condominiums to sports cars would qualify, we have limited ourselves to luxury brands on your person" (Chadha & Husband, 2006). Chadha and Husband's definition is useful, because it acknowledges that these wearable luxury branded products are both universally available and universally accepted as luxury products. It overcomes problems of individuals perceiving different products as a luxury, such as a New Zealander not regarding an elaborate sari as a luxury product; or a luxury product being unavailable in a location regardless of wealth, such as a beach house being a luxury in New Zealand which is simply not available to Hong Kong consumers.

However, Chadha and Husband's definition limits itself in that it only pertains to luxury fashion goods (Chadha & Husband, 2006), when there are other luxury products that are also both universally available and accepted as luxury. For this research, the definition has been expanded to include other universal luxury products such as: cars, fragrances, wines and spirits, porcelain and hollowware.

### **1.7.2 Motivation**

In this instance, motivation can be defined as a combination of willingness, decision, or need, of the consumer to purchase a luxury product. This definition acknowledges that a motivation to buy a luxury product could be regarded as a positive response, a neutral response, or a negative response as a reaction to various influences. Or more simply put, it is the consumers' rationale for that consumer to purchase a luxury product, whether explicit/conscious, or implicit/unconscious.

### **1.7.3 Culture**

Culture can be defined as "the customs, ideas, values, etc of a particular civilisation, society or social group, especially at a particular time"(Chambers-Harrap, 2008). It can be described as a society or societal groups' series of unique material, intellectual, and spiritual aspects which encompass value systems, traditions, and beliefs at an implicit level, and art, literature, and lifestyles at an explicit level (UNESCO, 2002).

This research uses the nation-state as the societal group within which culture is analysed. This fits with business and culture academics, notably Trompenaars and Hofstede, who use nation-states as a basis for defining and comparing cultural differences in business environments. Like these academics, this research will focus on the national norm when it comes to customs, ideals, and values etc. of a particular nation-state.

While this stance can be criticised for glossing over cultural differences that may exist within different societal groups of a national culture,(Hofstede, 2008; Trompenaars & Hampden-Turner, 2004) the literature review later helps justify that luxury goods consumers tend to be more homogenous within a national culture - due to middle class social effects and exposure to international/Western ideals through media (Wiedmann et al., 2007). This understanding of culture is heavily relied upon in International business, and is an appropriate concept for this research in its focus on International business.

### ***1.8 Delimitations of Scope and Key Assumptions***

The sample population of this research was limited to Males between the ages of twenty and thirty-five, of Chinese or Indian origin and who now reside in New Zealand, and who have tertiary education. It is not possible to generalise that their motivations would represent those of all China and all India. The sample was confined to these respondents in order to reduce noise and give some homogeneity to the data. The limitations of using expatriates as respondents are unknown but acknowledged as being present. Since the age and gender of respondents was limited by design to the 20 to 35 male cohort to allow homogeneity in the data, extrapolations of insights would therefore be confined to this age and gender.

Experimenter bias is a possibility in the data in that the same researcher conducted all the qualitative interviews. It is conceivable that a different researcher, e.g. a female or an older male researcher, may have attracted answers of a different mix or slant. Qualitative research is naturally vulnerable to this criticism. A larger scale project would ideally rotate 2 to 4 different researchers in the interviewer role.

The findings produced are intended to reflect Chinese and Indian luxury purchase motivations only. They are not meant to reflect their motivation to purchase other products, nor are they meant to reflect the luxury purchase motivations of other Asian national cultures. The findings will also correspond to this point in time, and are not meant to reflect past and future luxury purchase motivations of Chinese and Indian consumers. Furthermore, the findings are expected to only produce some insights into luxury purchase motivation. The role of this research is to support and develop the existing literature, rather than replace the concepts and theories of others.

## **1.9 Conclusion**

Luxury brand products and the motivation to buy luxury brands is becoming increasingly relevant to consumers in China and India. However there is little academic literature addressing luxury products in the context of these markets. Luxury purchase motivation is predominantly based on Western thoughts and markets. Literature addressing luxury perceptions and motivations in Asian contexts is not common, even less so when comparing Asian attitudes to luxury. Through a qualitative method, the research aims to uncover luxury purchase motivations of Chinese consumers and Indian consumers. From this, it will become evident if there are any similarities and differences in luxury purchase motivation between the two national-cultures. As a result, the research has academic justification by filling a gap in the body of luxury literature, and practical justification by providing luxury organisations with relevant environmental information. The following section, section 2, analyses the literature relating to luxury purchase motivation more specifically, thus leading the reader to be more informed on the dissertation's topic.

## 2 Literature Review

The following section discusses the five distinct schools of thought identified in the literature, and summarised in the introduction section. These five schools of thought are: 'Basic Human Motivations', 'Societal Group Motivations', 'International/Global Motivations', 'Culture Based Motivations', and 'Chinese and Indian Motivations' – and are covered in that order. Following the discussion of these, a summary of the motivations identified in the literature as a whole is given in a table. This is followed by the research questions that arose as a result of conducting a literature review.

A body of literature specific to luxury brands exists based on the fact that within several business fields, namely marketing, branding, international business, and management, there exists academic literature and case studies based on, or directly related to, the subject of luxury brands.

Compiling this academic literature together from its parent subjects, gave rise to a specific luxury brand literature. This body of literature, though arising from different parent literature groups, can be grouped separately with comfort. This is because the literature deals with common issues with regard to luxury brands, regardless of which field of business literature individual findings come from. One of these issues is the thinking concerning luxury brand motivation, in which numerous academic authors address the specific topic of consumer motivation to buy luxury brands. This specific body of motivation literature was focused upon due to its direct relevancy to this particular dissertation, in hopes that it might generate understanding of the topic, and highlight a literature gap which could be addressed.

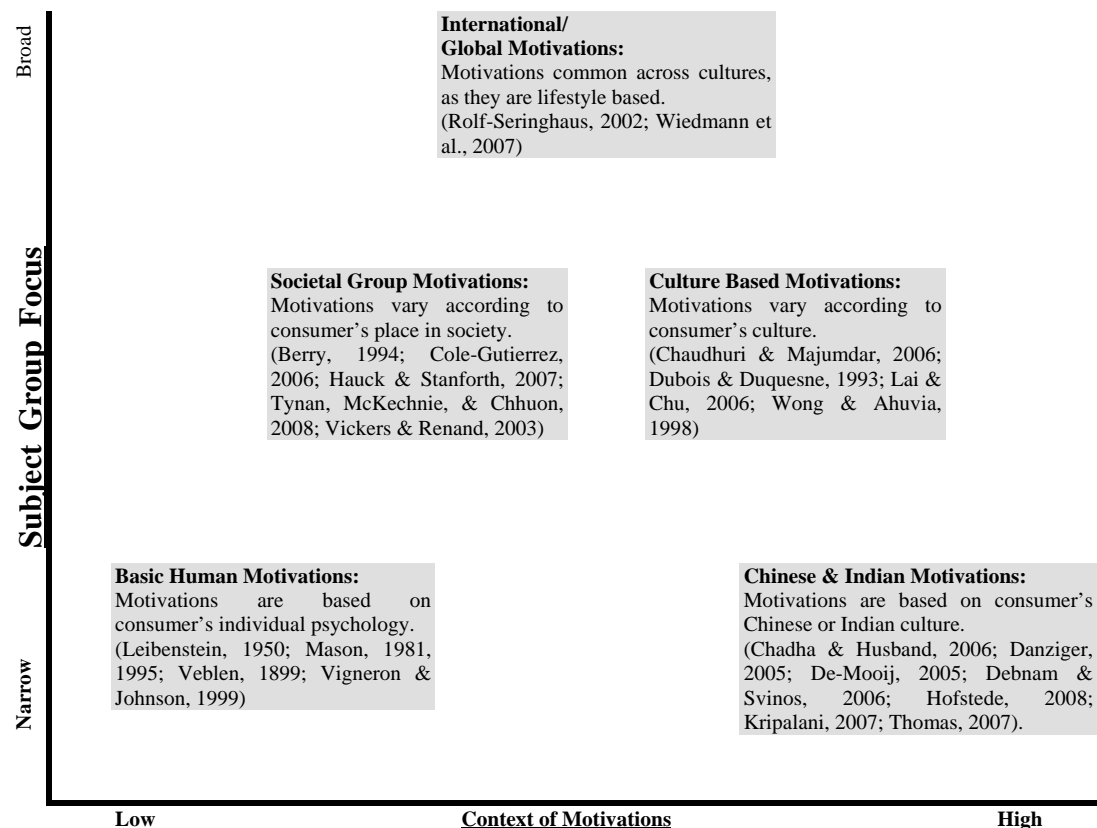
The literature, concerning specifically motivations to buy luxury brands is found amongst general luxury brand literature, and these can be seen as interdependent and interrelated. Much of the older literature is fundamental to the topic, and has been used as a base from which more recent literature is created. The same or similar themes are reworked from traditional pieces, resulting in the literature being closely interrelated.



## 2.1 Review of the Literature

From the specific body of literature on luxury brand purchase motivation, the author identifies five emergent schools of thought. These schools of thought are grouped based on the common subject or focus they take. It's important to note that some literature pieces commented upon in this review give information which could divide the piece between two schools of thought. These are grouped according to the dominant perspective taken. The following diagram illustrates that the literature can be seen as falling along two continuums. The vertical continuum illustrates whether the literature-group focuses on a specific narrow subject, or a broad subject group. These are the subjects that the motivations relate to. The horizontal continuum illustrates to what degree the motivations have been conceptualised to the subject's environment. Plotted in this diagram are the five different schools of thought present in the literature as identified by the author.

### Model 1: Schematic Description of the Luxury Purchase Motivation Body of Literature



The diagram represents the progression of thought that has occurred, from where culture was not seen as an issue, to where it was seen as a possible factor, to where it is seen as a major influence in luxury consumption motivation. Grouping also aims to show the relationship between various parts of the literature. The literature pieces themselves don't always apply to one group, and some authors contribute to the arguments of other groups. These pieces of literature were placed in a group that the author's overall argument most reflected. The groups are now discussed in more depth.

## **2.2 Basic Human Motivations**

This school of thought focuses narrowly on the human being. It identifies that what motivates humans is based on instincts and individual expression, so context is low. Though academic authors in the subsequent literature groupings often criticise the arguments made in this school of thought - many of the works contained in this category are seminal works. The findings of these are used, or at least debated in other works that will be addressed in the other subsequent literature groupings.

The earliest motivation for buying luxury products was discussed by Thorstein Veblen in his seminal work 'Theory of the Leisure Class', who deemed that conspicuous-consumption motivates consumers to consume luxury products. This term was coined by Veblen to describe the use of luxury goods being consumed in public, for the high price of luxury products coupled with ostentatious display were a means of displaying wealth and therefore status of newly-wealthy consumers in turn-of-the-century United States (Veblen, 1899). Though dated, it is relevant for its use as a starting-point for the body of literature, and for the reason that China and India's markets are now a similar consumer environment to 1900s USA which Veblen based his observations on.

Liebenstein developed Veblen's idea of conspicuous-consumption and status-seeking behaviour labelling these as a singular motivation coined 'Veblian' motivation. Along with these, he identified two similar motivations called 'snob' and 'bandwagon'. Equally responsible for the creation of these fundamental motivations is Roger Mason, who took these concepts from their purely economic background, and

developed them to apply to other business disciplines such as marketing and management. Snob buyers are motivated to buy luxury products because their cost and relative rarity make luxury products inaccessible to the average consumer - the 'Snob' buyer is motivated to buy luxury products based on wanting to feel superior and unique (Leibenstein, 1950; Mason, 1981, 1995; Vigneron & Johnson, 1999). 'Bandwagon' on the other hand refers to consumers who buy luxury products in order to fit in. The 'bandwagon' buyer is motivated to buy luxury products based on wanting to feel accepted, belonging. Snobs and Bandwagons are antecedents but interrelated. 'Bandwagons' follow the trends set by 'snobs', and 'snobs' abandon trends that become mass-adopted by 'bandwagons' (Leibenstein, 1950; Mason, 1981, 1995). Leibenstein acknowledges that all three of these motivations, 'Veblen' 'Snob' and 'Bandwagon' are non-functional, and rely on external effects for utility (Leibenstein, 1950).

The concepts of 'Veblen', 'Snob' and 'Bandwagon' were developed further by Vigneron and Johnson, who noticed these motivations were Interpersonal, or relied on other consumers' perceptions to bring out the benefit of the luxury brand (Vigneron & Johnson, 1999). Vigneron and Johnson believed that there are motivations and behaviours of an alternative 'personal' nature, from within the consumer, extraneous to external influences. Thus 'Hedonic' and 'Perfectionist' luxury purchase motivations were proposed: 'Hedonic', where a consumer is motivated to purchase a luxury product because it produces positive emotions, and 'Perfectionist' where the consumer is motivated for the safety a luxury product will bring in its quality or design (Vigneron & Johnson, 1999).

Mittelstaedt concurs that emotions are a valid aspect to luxury purchase motivation by stating "if a person pays a premium price for a product, there must be some emotional attachment to that product. Since some people do and others do not buy any given premium product, their degree of emotional attachment must differ" (Mittelstaedt, 2004)

## **2.3 Social Group Motivations**

This school of thought shows a graduation in thinking. It acknowledges that a person's social group (within society) will impact upon their perception of luxury, and that their social group will entail motivation to purchase luxury products. Therefore motivations are regarded as relating to a context, and the subject matter has moved from individuals to societal groups.

Rolf-Seringhaus supports this notion by stating that the “perception of luxury is influenced by demographics, lifestyle, habit, social environment, and of course the purveyors of luxuries - the marketers”. Hauck and Stanforth illustrate how different age groups within society tend to perceive luxury differently, noting that there are “significant difference between cohort groups in the perceptions of luxury goods and products” (Hauck & Stanforth, 2007). They found different motivations for purchasing luxury goods between three age-based cohort groups. Hauck and Stanforth established that the younger cohort's motivations for buying luxury products was based on: improving their quality of life, pleasure, and for entertainment purposes. The oldest cohorts motivations for buying luxury products was based on: improving their quality of life, pleasure, and relaxation. (Hauck & Stanforth, 2007)

In keeping with this idea, Berry supports this view by defining the social context as follows: “ratings of luxury and necessity are social perceptions based on differing values and tastes of each individual”, and furthermore that “one person's luxury can be another person's necessity” (Berry, 1994).

Rolf-Seringhaus identifies traditional segments of luxury consumers, being ‘Old Money’, ‘Nouveau Riche’, and ‘Excursionists’, each of whom have different motivations to consume luxury products (Rolf-Seringhaus, 2002). Similarly, Rolf-Seringhaus puts forward how luxury consumers purchase motivations can be segmented according to psychographics, and also through changing-segment behaviour also (Rolf-Seringhaus, 2002).

This supports the notion put forward by Vickers & Renand, who acknowledge that luxury brands are consumed to symbolise personal identity and social identity (Vickers & Renand, 2003) within society.

Tynan, McKechnie and Chhuon imply that luxury purchase motivation arises from consumer value: “functional/instrumental value, experiential/hedonic value, symbolic/expressive value, and cost/sacrifice value” (Tynan et al., 2008).

In essence Berry and Rolf-Seringhaus support Hack and Stanford’s stance that perception of luxury is different depending on who the consumer is and which of society's groups the consumer is in.

In her research, Cole-Gutierrez showed that luxury brands can act as a marker that reflects a person’s ‘world views’, and as such, helps to attract similar people in the same societal group, particularly when consumers are reminded of their own mortality (Cole-Gutierrez, 2006). This could show that a potential motivation to purchase luxury brands is so the consumer can subconsciously attract similar people who share the same life views.

## ***2.4 International/Global Motives***

This grouping of literature represents a drastic shift in the definition of the consumer’s group. The perspective has progressed from a societal intra-cultural group, to where the larger cultural group as a whole becomes subject for discussion. Thus it follows the argument of the last literature-grouping, where a consumer’s group will influence the motivation to purchase luxury products, but now the consumer’s group is larger and involved in a global context. This grouping falls in the middle of the continuum as it acknowledges culture as a potential factor influencing motivation to consume luxury products for the first time. However, this group openly disregards culture as influencing motivation to consume luxury products in favour of common human needs, similar to earlier literature-groupings. This arises from the authors' acknowledgement that luxury consumers exist in every culture, forming an ‘international’ group with similar environments and lifestyles. Wiedmann, Hennigs and Siebels convey that “the needs of the luxury consumer segments cross national

borders and that “common structures in luxury value perception exist cross culturally” (Wiedmann et al., 2007) acknowledging that relative importance of motivations will vary when consuming luxury brands, rather than the motivations themselves. This literature grouping uses similar themes identified in previous groupings. These being the consumers’ perception of self and extended-self, as well as the consumers’ perception of hedonism, quality, uniqueness, and conspicuousness.

One thread of explanation for luxury good buying in this group of literature refers to value seeking behaviour. Wiedmann, Hennigs and Siebels contend “luxury-seeking consumer’s decision-making process can be explained by five main factors that form a semantic network”(Wiedmann et al., 2007). The network relates to Vigneron and Johnson’s work covered in the first literature grouping, in that the scale borrows from Vigneron and Johnson’s luxury consumption motivations, reworked to fit an international perspective.

These values include: Financial Value, where consumers are motivated to buy a luxury product in order to attain something valuable (Wiedmann et al., 2007). Functional Value, where consumers are motivated to buy a luxury product because it fulfils a core benefit (Wiedmann et al., 2007). Personal Value, where consumers are motivated to buy a luxury product due to its personal appeal (Wiedmann et al., 2007). Social Value, where consumers are motivated to buy a luxury product due to it fulfilling a social function (Wiedmann et al., 2007). And finally Luxury Value, where consumers are motivated to buy a luxury product to gain the combined value of all four earlier values (Wiedmann et al., 2007).

## ***2.5 Culture Based Motivations***

This literature-grouping continues the focus of the last grouping, where authors regard luxury purchase motivation as an intercultural-issue and not just a psychological one. This writing point becomes stronger here as evidenced by the use of national-culture as a strong writing context, and the resulting natural outcome of focus on the subject group of consumers within these national-cultures. However, a radical change from the last literature-grouping arises where, unlike the last group, the literature argues that national-culture is a very strong influence affecting consumers’ motivations for

buying luxury products. This grouping acknowledges Western influence in luxury purchase motivation literature so far, and calls for a need to consider culture when forming consumption motivations “Cultural variables influence attitudes towards luxury goods as much as personal views” (Rolf-Seringhaus, 2002), and “culture and income play a significant role in the acquisition of luxury goods” (Dubois & Duquesne, 1993). As such, this literature-grouping presents luxury purchase motivations that are shared but exclusive to Asian national-cultures “The Asian consumer is brand-conscious and likes luxury goods and the region has been a gold mine as western prestige brands are sought after.” (Rolf-Seringhaus, 2002)

“Asian values are highly compatible with luxury brands: trust and relationship are very important across Asian culture and luxury brands offer those” (Rolf-Seringhaus, 2002). The literature here relates strongly to previous literature groupings covered. The classical motivations of conspicuous-consumption, snob, and bandwagon (covered in ‘Basic Human Motivations’) are validated here as motivations for buying luxury products, but with reservations. This grouping sees these classical concepts as being too discrete, as the classical motivations concern themselves with how luxury brands are consumed with little acknowledgement of the consumer motive underlying that consumption (Chaudhuri & Majumdar, 2006). Thus the literature in this group involves itself with looking at the thinking behind the action, and what influences this thinking. This makes the concepts more compatible to cross culture comparison, as the thinking would be expectedly different between national-cultures.

As a result of these reservations, Lai and Chu's concept of ‘Luxury consumption’ is preferred to be used in place of the traditional Veblen style ‘conspicuous-consumption’ (Lai & Chu, 2006). It is a more accurate way of conveying status and conspicuous consumption in a singular term by this group.

Some consumer behaviours underlying the luxury consumption of Taiwanese-Chinese, conducted in a study by Lai and Chu include: self-monitoring, susceptibility to interpersonal influence, and social value. Self-monitoring is where “the degree to which a person observes and controls their expressive behaviour and self-presentation through cues”; Susceptibility to interpersonal influence is “the need to identify or enhance one’s image with significant others through the acquisition and use of

products and brands, the willingness to conform to the expectations of others regarding purchase decisions and or the tendency to hear about products and services by observing others and or seeking information from others”(Chaudhuri & Majumdar, 2006), and social value is where the consumer's behaviour is an “outcome of consumption based on social image, norms, or group associations” (Lai & Chu, 2006). Dupont and Duquesne add two unique motivations to this school of thought, in that ‘self achievement’ and ‘personality extension through luxury brands’ are further culture-based luxury purchase motivations (Dupont & Duquesne, 1993).

Chaudhuri & Majumdar criticise the three classic motivations as being “discrete of conceptual tools for explaining a so called ‘irrational’ dimension of consumer behaviour and lacks any effort in establishing a valid interrelationship among these constructs to fully explain conspicuous aspects of consumer behaviour” (Chaudhuri & Majumdar, 2006). They maintain that in reality, consumers are different than they were in the past, and see today’s consumers as defined within themselves and by others by the self-images they consume (Chaudhuri & Majumdar, 2006; Dubois & Duquesne, 1993; Wong & Ahuvia, 1998). Consumers create identity and self-realisation through consuming the symbolic and social meanings conveyed by products (Chaudhuri & Majumdar, 2006; Dubois & Duquesne, 1993; Wong & Ahuvia, 1998). Because of this school of thought’s reworking of the classical motivations, refined motivations are outlined as follows.

### **2.5.1 Ostentation and Signalling.**

Put forward as a motivation for purchasing luxury products by Chaudhuri & Majumdar, Ostentation and Signalling refers to where consumers are motivated to purchase luxury products in order to impress others, on the assumption that luxury products are able to signal wealth, and therefore power and status. This comes about because price becomes a surrogate indicator of wealth and power (Chaudhuri & Majumdar, 2006; Dubois & Duquesne, 1993). This concept has been reworked from Veblen's conspicuous-consumption by Chaudhuri & Majumdar to take into account the consumer's concepts of: self, public consumption, and self-concept. This is supported by Chu and Lai, who discovered in their findings that this kind conspicuous-consumption is influenced by self-monitoring, interpersonal influence,



and status-consumption - and that conspicuous-consumption is a means of attaining social value as an end state (Lai & Chu, 2006). Furthermore, Dupont and Duquesne expand this motivation by expressing that there exists a “wish to seek status and recognition, whether to impress others or to impress oneself” (Dupont & Duquesne, 1993).

### **2.5.2 Uniqueness**

Similar to Liebenstein's "snob" motivation, Uniqueness is a motivation to buy luxury products based on limited supply or cost barriers making the product inaccessible to many. It takes into consideration personal desires, emotional desires, and the behaviours of others as factors affecting the motivation like the ‘snob’ motivation does. The difference here is that the Uniqueness definition has been expanded and updated to acknowledge post-modernist ideas in the West, where “consumers would reject the dominant values and everything that is normal... do their own thing... encouraging consumers to interpret products differently” (Chaudhuri & Majumdar, 2006), thereby creating more variance on what's considered a luxury through interpretation. Thus, the definition has somewhat undergone a transformation from the consumer wanting what others can't have, to the consumer wanting something other's don't have - though the mechanics of this motivation are still largely intact.

### **2.5.3 Social Conformity**

Where consumers are motivated to purchase luxury products to enhance self-concept, but in a way that conforms to the culture's majority opinion (Chaudhuri & Majumdar, 2006). A distinct thread of thought that arises within the culture dependant group of explanations for buying luxury goods is that of Confucianism. This is a mode of thinking parallel to western thought, the culture of which, supports the social conformity motivation (Wong & Ahuvia, 1998).

Wong and Ahuvia explain that the social-conformity concept is particularly strong in the Confucian-based cultures of East Asia, and therefore particularly relevant to this study(Wong & Ahuvia, 1998). Wong and Ahuvia's cross-cultural comparison

highlights the concept of the Interdependent self-concept of Eastern cultures vs. Independent self-concept of Western cultures to support a Social Conformity luxury-purchasing motivation (Wong & Ahuvia, 1998).

Independent cultures, such as those in the west, regard people as individuals who are separate and distinct. The inner self that governs a person's preferences, values, and abilities, is what represents who an individual is and how that individual behaves. Interdependent cultures on the other hand, such as those in the east, perceive a person's identity based on the relationships the person has with others - such as familial, professional, and social relationships - Here, Internal attributes and abilities represent only a small part of an individual (Wong & Ahuvia, 1998).

This interdependence in Confucian cultures leads to a focus on group needs over individual needs. Conformity is seen as positive, where an individual puts aside their feelings and values by acting in a way that creates smooth social relations within the group, and helps advance the group. Interdependence permits individuals to judge a person mainly on the person's group identities such as nationality and family. Interdependence leads to respect and obedience to hierarchies; and values humility and modesty - but allows elaborate consumption is acceptable if in the right context (Wong & Ahuvia, 1998).

Conversely, Independence in Western cultures leads to a focus on individual needs over group needs. Non-conformity is seen as positive, where an individual expresses their values and feelings to achieve a state of individual freedom and authentic living - The role of the group is to provide service to the individual. Independence permits individuals to judge a person mainly on the person's individual attributes. Independence views hierarchies with suspicion (Wong & Ahuvia, 1998).

Wong and Ahuvia state that consumers are motivated to buy luxury products in Confucian cultures that are publicly visible and have a shared public meaning in order to use the symbols to climb up a social hierarchy, which supports the 'Ostentation and Signalling' motivation in an Asian context (Wong & Ahuvia, 1998). Furthermore, Confucian-influenced consumers will uniquely buy luxury products out of duty and obedience, and will consider the implications that the luxury purchase has on others,

which supports the 'Social conformity' motivation. Other unique Confucian aspects that will affect luxury consumption motivation includes judging the luxury product by what groups it originates from (such as company, country of origin), and giving or receiving a luxury product as a gift (Wong & Ahuvia, 1998). Conversely in Western non-Confucian societies, consumers evaluate a product by its individual attributes. Consumers buy luxury products for themselves, consumers are more likely to buy a product to 'stand out', are attracted to private personal meaning, and place importance on the luxury product's hedonic value (Wong & Ahuvia, 1998). The implications of this support Wiedmann et al's argument common global luxury purchase motivations (Wiedmann et al., 2007), as Confucian motivations mentioned relate strongly to their Social dimension, as luxury brands would be expected to elevate an individual's status in a Confucian culture, and act as an important social marker and tool (Wong & Ahuvia, 1998). While the other four values have a weak connection to Confucian cultures, but Ahuvia and Wong illustrate their appropriateness for Western luxury consumption.

## ***2.6 China & India Specific Motivations***

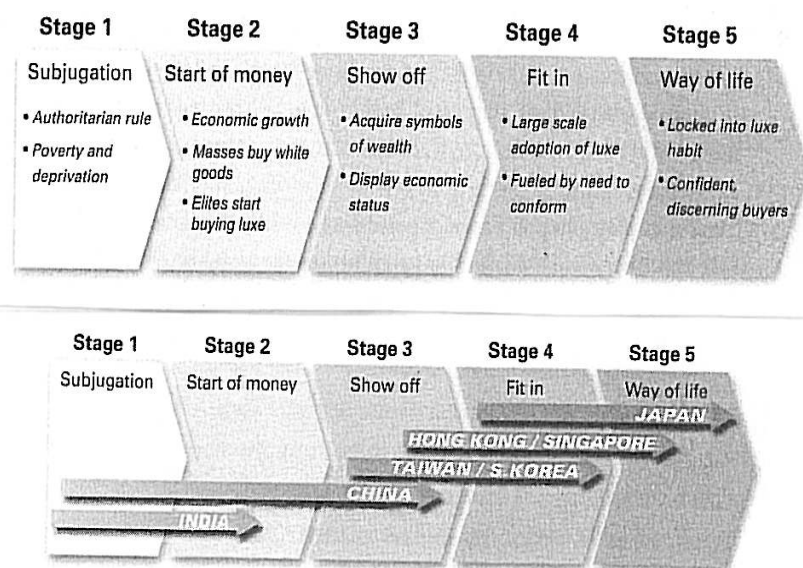
Here, the context has been refined to cover the subject matter of consumers in China and India. The context is no longer international, but specific to these two national markets. As such, the information expressed in this section is most relevant to the researcher, as it focuses on specific reasons for consumers purchasing luxury products in China and India only. In nature, the literature is empirical and based on these authors' observation and experience. Therefore motivations are specific, distinct, and link directly to culture, rather than broad concepts open to interpretation, conveyed in previous groupings. This grouping of literature shows that there are luxury consumption motivations common between the two cultures, and motivations unique to each culture also.

## 2.6.1 Common Motivations

The final grouping of literature relating to motivations regarding luxury purchase motivation identified in Figure 1, are writings dealing specifically with Chinese and Indian motives. Thus the subject group is defined and focused, and the entailing motivations are highly contextualised.

In her study, De Mooij used the cultural dimensions of Hofstede to identify that the national cultures of both China and India are strongly Masculine cultures (De-Mooij, 2005) “very assertive and competitive cultures” (Hofstede, 2008) and Collectivist cultures “societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty” (Hofstede, 2008). As a result of this, De Mooij identifies that these cultures purchase luxury products based on conformance, group enhancement, and social-status reasons (De Mooij, 2005); which supports the earlier motivations of 'Social conformity', and 'Ostentation and Signalling'(Chaudhuri & Majumdar, 2006). However India's collectivist attribute is more neutral than that of China (Hofstede, 2008; Trompenaars & Hampden-Turner, 2004), and as a result, one is lead to believe that that these motivations are stronger or more common in China than they are in India.

### Model 2: Chadha and Husband’s Evolution of Luxe Model



(Chadha & Husband, 2006)

Like Chaudhuri and Majumdar, Chadha and Husband acknowledge that motivation and expression in buying luxury goods is relative to a country's development, and to a lesser extent, a past relationship with luxury (Chadha & Husband, 2006). China and India share a similar background where for a large part of the twentieth century, Luxury goods that were commonplace suddenly vanished due to political factors such as closed borders government disapproval of luxuries and price inaccessibility. Now that both countries have open borders and a burgeoning middle class, they are able to afford luxury products (Danziger, 2005; Thomas, 2007). Consumers are motivated to buy luxury products with great enthusiasm as a means of self-expression and rebelling against the subjugation of the past (Chadha & Husband, 2006).

This is expressed in Chadha and Husband's 'Evolution of Luxe' model, for which China and India are in different stages of this model. Their motivations for buying luxury products will be affected accordingly. This model breaks down developed economies more specifically, and focuses on Asian economies to form Chadha & Husband's five-stage process of 'Luxe evolution' (Chadha & Husband, 2006). Stage 1 'Subjugation' refers to poverty, and deprivation; Stage 2 'Start of Money' refers to economic growth where the masses adopt household goods and elites adopt luxury goods; Stage 3 'Show off' refers to where symbols of wealth are acquired and economic status is displayed; Stage 4 'Fit in' refers to large-scale adoption of luxury and the need to conform; finally Stage 5 'Way of Life' refers to confident discerning buyers who are locked into the habit of purchasing luxe (Chadha & Husband, 2006). India is seen as transgressing from stage 1 to stage 2; and China from stage 1 through stage 2 to stage 3 (Chadha & Husband, 2006). While generally similar, China transcends more of these stages than India, and as a result this is expected to reflect generally similar but slightly different motivations for buying luxury products - such as China buying luxury products more for conspicuous purposes. This model supports Chaudhuri and Majumdar's theory that a nation's development will impact upon luxury purchase motivation (Chaudhuri & Majumdar, 2006). They note that both China and India are both in a 'modern-capitalist' phase of development, where luxury goods can be used as a means of identification and self-realisation through the consumption of the symbolic meaning of luxury products (Chaudhuri & Majumdar, 2006). Western cultures in contrast have moved past this stage to a 'post-modern'

stage, where as a result of wealth and education the population doesn't acknowledge the consumption of luxuries as a symbol of status anymore (Chaudhuri & Majumdar, 2006).

### **2.6.2 Motivations in China**

From the literature, the researcher has identified eight unique reasons for Chinese consumers to purchase luxury products.

Firstly, and quite simply, Chinese consumers are motivated to consume luxury products to create and assert status (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007).

Secondly, carrying on from the first point, the status implied from a luxury brand can command respect from others, improving the family's 'Face' (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007). Improving face could be seen as a separate motivation, albeit an interrelated motivation to a status-seeking motivation. Gifting, often seen as a motivation in its own right, is regarded here as an expression of an inner 'Face' motivation - for the act of gifting is done with the intent to better the Face of the consumer's group or family.

Thirdly, Middle-class professional consumers can be motivated to buy luxury products out of self-reward, for accomplishing goals and lifting their social status. An interesting motivation to arise, as much of the literature in the past section didn't allude to Eastern cultures as having personal reasons for buying luxury.

Fourthly, Chinese are said to be motivated to buy luxury brands as it indicates that the owner has naturally good taste – which reflects upon the consumers' personality rather than status (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007).

Fifthly, Chinese consumers can be motivated to buy luxury brands as they believe it can make them beautiful or attractive. This may seem like a basic human motivation, but Chinese are attracted to accessible forms of beauty, not the bold and rare standards encountered in Western cultures. Therefore buying luxury brands allows Chinese to attain this reachable standard of beauty.

Sixthly, Chinese consumers are said to have low brand awareness and are unable to differentiate different luxury brands extensively. Chinese consumers are thus motivated to buy luxury products that are identifiable to other Chinese consumers, who have limited luxury brand knowledge (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007).

Seventhly, price may be a factor influencing motivation, but not a motivation itself, for purchasing luxury products in China. It has been acknowledged that Chinese consumers are price-conscious, but don't mind paying the luxury brand's premium (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007).

Lastly Consumers may be motivated to buy a luxury product for the purpose of gifting it to another person. Gifting is a common socio-cultural practise in China, and gifting a luxury purchase would increase the group's face by indicating that the group is successful, has good taste, and is affluent (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007).

### **2.6.3 Motivations in India**

There has been much less luxury literature relating specifically to India than to China, so less India-specific motivations exist in the luxury body of literature. Some unique motivations for Indian consumers are as follows.

Firstly India has always been a hierarchical society. It went from a caste-based society, which was abolished, to a class-based society which emerged due to the Indian culture's dependence on hierarchies and acceptance of inequality. Therefore Indian consumers are motivated to buy luxury products, as these products act as a

symbol or marker of status and class that Indian consumers like to display (Chadha & Husband, 2006; Debnam & Svinos, 2006; Thomas, 2007). Since inequality and hierarchy is acceptable in this culture, it's seen as acceptable for consumers to use luxury products to display their position in society. This is further encouraged by the fact that Indian tradition gives meanings to objects, thereby creating icons and symbols. Therefore luxury brands get further symbolised by this aspect of Indian culture. This somewhat alludes to conspicuous consumption, but with a difference. It relates to conspicuous-consumption in that it relies on the luxury brand being used in public, but this motivation explains that the conspicuousness fulfils a valid societal role through symbolism as opposed to consumers merely being ostentatious (Chadha & Husband, 2006; Danziger, 2005; Thomas, 2007).

Secondly, modern Indian middle-class consumers have upward social mobility arising from a higher quality of life. This has led to aspirations of wealth, power, and modern lifestyles. Furthermore the 'global lifestyle' as seen in media has led the Indian middle-class to get caught up in the ideals of the 'developed world'. Purchasing luxury products is a means of satisfying these aspirations.

Thirdly, For some, owning luxury brands is a way in which to establish an identity, particularly entrepreneurs and consumers from the emerging middle class. These individuals would be motivated to buy luxury brands not only to communicate their worth, but what their identity is also (Chadha & Husband, 2006; Danziger, 2005; Thomas, 2007), supporting Chaudhuri & Majumdar's earlier argument of 'signalling' as a motivation.

Lastly, it has been noted that Indian consumers are motivated to buy luxury products out of the examples set by Bollywood movie stars (Kripalani, 2007). These consumers wish to mimic the star's lifestyle and personal style portrayed in both film and real life (Kripalani, 2007).



## **2.7 Summary of the Motives Identified**

This researcher does not propose to define any new or different motivations or dynamics for the purchase of luxury goods as part of this paper. However it does seem reasonable to draw together the recurring themes in the literature reviewed here to state with minimum duplication or overlap the motives that different authors have identified. In practice this was found difficult to do. Motives operate together or in relationship to each other so that the set never seems unique. What follows is a pragmatic compromise to assist the interview stage of this research.

Reduced to the simplest perspective seven (relatively) different motives were raised. Four of these are 'inner-directed' in that they do not rely on the gaze of an audience to validate the purchasers spend on the luxury. For the purchaser any learned values picked up from society or other people have been entirely internalised.

Three of the motives are outer-directed in that they rely on the gaze of others to appreciate the luxuriousness of the purchase.

**Table 1: Working Summary of Literature Motivations**

**Inner Directed**

Other people are not a critical influencing factor on luxury purchase motivation.  
Consumers don't require other people to acknowledge the ownership in order for the consumer to be satisfied with the luxury item

Self Beautification & Adornment

Consumers are motivated to buy luxury products for the psychological reason to enhance self-beauty, express personal style.

'Hedonic', Appreciation, Sensual Gratification

Consumers are motivated to buy luxury products because the craftsmanship, design, perfection is pleasurable to the senses - such as taste, touch, smell... etc.

Self-Actualisation

Consumers are motivated to buy luxury products for their ability to act on a psychological level as a self-reward, aspiration, aspiration device.

Uniqueness & Scarcity

Consumers are motivated to buy luxury products for their ability to own something unique and rare, to express individuality.

**Outer Directed**

Other people are the influencing factor on luxury purchase motivation.  
The consumer relies on others as an audience to appreciate overtly, or even discretely and covertly, in order to deliver its satisfaction to the purchaser.

Signalling

Consumers motivated to buy luxury products for its ability to communicate a message about the consumer to others. Incorporates the ideas of snob, bandwagon, conspicuous-consumption, status-consumption

Influence gaining

Consumers motivated to buy luxury products as a means of gaining or exerting power, affection, or influence. This is done as a means to build a relationship, show obeisance, impress.

Obligation

Consumers motivated to buy luxury products as a result of a social obligation, duty, conformity.

Source:(Berry, 1994; Chadha & Husband, 2006; Chaudhuri & Majumdar, 2006; Cole-Gutierrez, 2006; Danziger, 2005; De-Mooij, 2005; Debnam & Svinos, 2006; Dubois & Duquesne, 1993; Kripalani, 2007; Lai & Chu, 2006; Leibenstein, 1950; Mason, 1981, 1995; Mittelstaedt, 2004; Phau & Prendergast, 2000; Rolf-Seringhaus, 2002; Thomas, 2007; Veblen, 1899; Vickers & Renand, 2003; Vigneron & Johnson, 1999; Wiedmann et al., 2007; Wong & Ahuvia, 1998)

**2.8 Gaps in the Literature**

There are three significant factors to the motivations conveyed in the luxury body of literature.

The first factor is that classical motivations were formed and created without considering the variation of the consumer's national culture, which could impact upon luxury purchase motivation. Thus the classical motivations, created by western researchers, may only be valid in various western societies. The second factor is that

later research on this topic contains luxury purchase motivations that are in effect interpretations and reworking of the classical motivations just discussed. As such, there exist many motivations which are variants of the same 'core' motivation. This requires a person researching the subject to make an uneducated decision on which variant to use. Thirdly, practitioner-focused literature exists, which conveys luxury purchase motivations specific to China and India. But because it's practitioner-focused, it naturally leaves one to question the validity of these motivations. As a result of these factors, a small but important gap in the literature exists, for academic-based motivations for purchasing luxury goods specific to consumers in China and India.

## **2.9 Research Questions**

From the literature review, the researcher put forward two research questions were the focal point of this research. These are:

RQ1: What motivates consumers in China and India to purchase luxury products?

RQ2: Are the motivations between the cultures largely similar, or different?

## **2.10 Conclusion**

A review on the relevant literature that relates to luxury product motivation that the literature forms five potential schools of thought based on the context and orientation reflected in the writing of individual pieces. While context and perspective may vary, the literature shows that many of the motivations between the schools of thought have a common root. Many of the motivations are variations of older theories, reworked to take the writer's context into consideration. This shows that there are fundamental themes to luxury purchase motivation theory, which led to a summary of literature motivations being produced. The following methodology outlines the methodological procedure used to address the identified gaps in the literature to see whether any of the luxury purchase motivations prevalent in the literature arise.

### **3 Methodology**

The following section addresses the methodological procedure used to gather data. It consists of nine sub-sections. The first three explain and justify the choice of approach, choice of format, and choice of elicitation technique respectively. The next subsection covers the elicitation technique is described followed by considerations for implementation of the methodology. Then the section focuses on the particulars of the interview covering Respondents, Interview protocols, Interview schedule, Ethical considerations, and the control of variables respectively.

The goal of the methodology is to answer the research questions that arose from a review of the luxury brand literature. These were: What motivates consumers in China and India to purchase luxury products? Are the motivations between the cultures largely similar, or different?

Finding answers to these questions would help fill a gap that exists within the luxury brand body of literature.

#### **3.1 Choice of Approach**

The study's purpose, understanding the motivations underlying luxury goods purchase, does not automatically point to either a quantitative or qualitative approach as a uniquely suitable method. Data from quantitative research with a large sample could lead to inferences and interpretations regarding motivation, just as qualitative procedures aimed at more direct exploration of motivation could.

The deciding reason for the choice of qualitative procedure was the wish to identify which motives are at work and how they relate to each other. This is because the researcher acknowledges that a qualitative approach “produces findings not arrived at by statistical procedures or other means of quantification. It can refer to research about persons' lives, lived experiences, behaviours, emotions, and feelings as well as organisational functioning, social movements, cultural phenomena, and interaction” (Strauss & Corbin, 1998).

By contrast quantitative procedures imply knowing at least something about the variables and then constructing metrics to measure them in the population. This

format "quantifies relationships between variables... express the relationship between variable using effect statistics, such as correlations, relative frequencies, or differences between means" (Hopkins Jr., 2000). This conveys that themes and variables are already known, when in reality, this researcher feels the variables aren't necessarily known or valid in this context. Though the researcher doesn't question their validity, one must acknowledge that the motivations provided in the literature are either western in nature and may not apply to China and India, or are practitioner-focused. The task of the methodology is to create a system to elicit and disclose the luxury purchasing motivations, rather than to measure their population by proportions.

The researcher decided to utilise a naturalist style of thinking to accompany the qualitative research technique, in aiming to understand the social reality within its own context (Bryman & Bell, 2007). This tradition suits for its focus on social situations. It aims to understand how people interact within and also interpret a given social context. An appropriate tradition, since the literature review acknowledged repeatedly that various social effects were often key factors underlying luxury purchase motivations.

Ethnomethodology, where the researcher "takes naturalism's attention to the detail of everyday life but locates that life in talk-in-interaction" (Gubrium & Holstein, 1997), appeared a too fine-grained here. To ascertain luxury purchase motivations, it seemed unnecessary to consider everyday life - particularly everyday life within a different culture which could be difficult for even very experienced researchers. Emotionalism, where the researcher "desires more intimate contact with research subjects and favours the personal biography as both topic and resource in its project of displaying researcher' "feelings about feelings" (Gubrium & Holstein, 1997), would provide more information than the researcher needed, and could influence the data through emotional connotation. Postmodernism, where the researcher has an "interest in the narrative experiment... deconstruction of the tropes of the subject and the field" (Gubrium & Holstein, 1997) was another tradition which seemed unnecessarily deep for this consumer purchasing subject. These methods don't have a tradition of application to business and consumer research; therefore they seemed less appropriate.

A naturalist approach would see the researcher looking at a subject with a clear mind without prejudice, thus able to see the research 'for what it is'. It therefore seemed like the most appropriate tradition with which to collect and analyse the data in order to find valid luxury purchase motivations for Chinese and Indian consumers.

This naturalist stance was chosen as the literature review raises the points that in different cultures, consumers attribute different meanings to luxury brands and luxury brand consumption. The consumer's themselves actively create these meanings as well as fall subject to the meanings. Using a naturalist approach acknowledges this effect, which would result in information (theory) that accurately represents reality.

### ***3.2 Choice of Format***

Within qualitative research, two main formats are available for gathering new data from sampled populations. These two are focus groups on the one hand, and individual in-depth interviewing on the other hand. Both have scope for applying a variety of probing or elicitation techniques.

The format chosen for this luxury brand research was the in depth interview. The reasoning for this choice was threefold. Firstly there was the wish to minimize cross influence between participants in a group setting. Intuitively it was felt safer with a category like luxury goods where participants may limit their disclosing for fear of judgement by others. Secondly, the research required some 30 minutes or more participation from each respondent. In focus groups of say 8 participants it was not likely that 30 minutes contribution time would be obtained from each of 8 respondents since this would extend the duration of the group unreasonably.

### ***3.3 Choice of Elicitation Technique***

Within qualitative research there are a range of techniques for eliciting and disclosing peoples perceptions, beliefs and attitudes. These techniques are widely described in market research texts, including texts specialised to Qualitative research (Gordon & Langmaid, 1988).

The format of a semi-structured interview was used for gathering data. This consisted of a series of open-ended questions perhaps better described as probes. Answers are given verbally, recorded, and transcribed. Analysis is done by grouping themes, which shall be discussed in more depth later. This middle-ground method of interviewing allows the benefits of both structured interviews, and unstructured interviews. A semi-structured method provided a structure with a set of themes to be tested from the literature, similar to a structured interview, but it allowed the interviewer to be flexible and give the respondent opportunities and flexibility with their responses, like an unstructured interview.

Overviewed in the context of choices for this study of luxury goods, three choices of elicitation approaches are available. Projective techniques such as picture sort, sentence completion, thought bubble, picture collage, storytelling, critical incident, and others. These consist of providing participants with loosely defined stimulus material onto which they are encouraged to overwrite their own perceptions and understandings. This indirectness is considered to enable participants to reveal their underlying thoughts and feelings to an extent that they would not or even could not do to direct questions and probes. For all these techniques the researcher is able to capitalise on what was said in the initial response to create further appropriate probes to uncover further associations the person may have. This research chose to work with these projective techniques. They were viewed as requiring the least structure and greatest flexibility during the interview. Most importantly, they appeared to produce the kinds of unstructured answers that suited the chosen thematic analysis procedure.

Elicitation techniques not chosen for this research included those which have more structured probing procedures and which lead to more structured forms of analysis. Best known of these are Laddering (Reynolds & Gutman, 1988), and Kelley Repertory Grid (Jankowicz, 2003). Both techniques begin by focusing respondents on distinctions between products or types. Laddering generally takes two products or types to start, Kelley Grid takes sets of three, and both probe for perceived differences and the value that the respondent puts on those differences. Aside from the initial focus on two or three starting stimuli, both are fairly flexible in probing the respondents' perceptions of the difference. However both then lead to semi

quantitative ways of analysing the relationships they uncover. Laddering leads to a quantitatively stated Hierarchical Value Map and the Kelly procedure leads to the numerically stated Repertory Grid.

### ***3.4 Considerations for Implementation***

#### Interviewing skill

Qualitative interviewing differs from quantitative interviewing in the extent to which the interview is dependant on the process of interviewing itself. In the in depth interview the interviewer has the flexibility to vary the sequence of probes as the interview progresses in response to whatever reaction has been attracted from the respondent .This flexibility suggests that skill is required. As a graduate project the researcher could not expect to bring great skill to the task since presumably some years of experience are required to build this. However a set of pilot interviews were conducted to acquire some expertise with the way respondents were likely to behave and to put the probes effectively.

#### Rapport

Rapport relates to creating a confident mindset in the respondent so that he/she feels comfortable to speak openly to the interviewer. At the start of the interview participants were assured that there were no right or wrong answers, that they were the person with the greater knowledge of the topic, and that they could readily 'put the interviewer straight' if they felt any of the questions were wide of the mark for their culture. In addition the interviewer tried to show complete neutrality while being very interested in what the participants views were. The interviewer was conscious of showing no nonverbal cues of surprise, disapproval, or approval so as to avoid any demand driven feedback.

#### Interviewing blocks

Blocks are known to occur in participants' ability to respond to probes. This can happen for different reasons. For example the participant may not have a reply to a given probe, the probe may be too sensitive or personal, or the participant has not really thought of the point before or cant articulate what they feel. The interviewer



was aware that these blocks may arise and was prepared to respond by varying the probe to ask it in a third person format, asking the person to think of an occasion where the point might come to the fore, or asking the participant to imagine the negative where the point would not apply.

### **3.4.1 Pilot test of the Interview.**

Once a draft interview schedule had been prepared and reviewed by the academic supervisor a pilot study was carried out. This had two purposes. The main purpose was to see whether the interview schedule was effective in eliciting material from respondents, to identify “practical problems, such as faulty instructions and inadequate arrangements for recording answers” (Fowler, 1995) and to provide a basis for changes to probes that did not produce input from respondents. The secondary purpose was to give the researcher some experience at administering a qualitative interview so interviews could be carried out more effectively.

The sample base was a total of two interviews, one person of Indian culture and person of Chinese culture. Each of the elements of the interview were used with the participants to view their reaction. These included: Information sheet, consent form, stimulus material, and probes. One non standard aspect was introduced to the pilot in an attempt to gain the most improvement possible to the process. This was to share the purpose of the pilot with the pilot participants, inviting them to offer suggestions as to how it might be finessed to engage people like themselves better.

The interviews were taped with the explicit knowledge of the participants. Transcripts were made from these tapes by the researcher to help review the process and learn what could be usefully changed.

## **3.5 Respondents**

### **3.5.1 Sample**

The population targeted for this research was people of Chinese and Indian origin, who identify as being culturally Chinese or culturally Indian, who formally resided in China or India, but who now reside in New Zealand. The fact that these groups reside in New Zealand makes the sample group accessible and convenient.

### **3.5.2 Sampling Method**

A sampling method needed to be chosen to access respondents for the interview. A non-probability sample was appropriate given the use of qualitative procedures for interviewing, the student scale of the project, and resource limitations. Methods of non-probability sampling available were convenience sampling, snowball sampling, and quota sampling. All three were used in the sampling method. Convenience and snowball sampling carry the risk that the respondents recruited by the researcher may differ in some way from the norm. This risk is inherent and difficult to test for. Quotas were needed to provide equal numbers of the two cultural groups.

### **3.5.3 Screening**

The sample specification for participants was people who were upwardly-mobile, male, aged 35 and under, and who regarded themselves as being culturally Chinese or Indian in origin. The rationale for this specification was that upwardly mobile persons might be expected to see luxury products as a realistic option in the futures, and therefore engage with the interview more readily. Participants were considered to be upwardly mobile if they were university students or recent graduates. The rationale for confining the sample to 'males under 35' was to try to get a reasonably homogeneous sample and thereby reasonably homogeneous data to analyse. Age and gender variations would have brought more complexity into the range of answers and possibly blurred the findings.

### **3.5.4 Recruitment**

Recruitment was by direct approach to students on university and polytechnic campuses and allowed for snowball referrals from the initial contacts. All participants were provided with an information sheet describing the study and recorded their agreement to the interview by signing a consent form.

### **3.5.5 Limitations**

The researcher recognises that the results from this kind of sample may not generalise to the population of all people who are of Indian or of Chinese cultural background, or even of people in the subgroup - the younger, male, upwardly mobile set. This is a

given when qualitative research is done. Like all qualitative research the findings are best seen as providing groundwork and hypotheses for larger quantitative study.

### **3.6 Interview Protocols**

Through the aforementioned techniques, a list of potential respondents were gathered through university and workplace contacts, along with their telephone details. From this, the interviewer contacted the potential respondent, asked if he wanted to participate in the interview, and if agreed, an appropriate time and venue was arranged between the respondent and researcher.

All interviews were conducted by the researcher (George Heinemann) during daylight hours sporadically between 8am and 8pm, from 21st of June to 30th July 2008. The interviews took place on AUT University campus, and in an office meeting room in Mt Eden. The secluded and professional nature of these settings allowed the respondent to feel safe, and for a friendly social atmosphere to be created between researcher and respondent.

In all, twenty-three interviews were conducted which includes the pilot for each cohort. The pilots were included in the final, as they provided valid information that aligned with the rest of the respondent data. Three further respondents agreed to take part in the interview but did not arrive and participate. All respondents who arrived and participated in the interview completed the interview fully. The interviews themselves were kept flexible. Major protocols in place in order of action were: Pre-interview conversation, giving the information sheet in Appendix C to the respondent, discussing the information sheet, signing of the consent form in Appendix B by the respondent, starting the tape-recorder, presenting the first showcard, commencing and completing the interview, thanking the respondent and stopping the tape-recorder, reminding respondents that if necessary they may pursue their post-interview options - such as contacting the academic supervisor if necessary.

### **3.7 Interview Schedule**

The expression 'interview schedule' is used here in preference to the expression questionnaire. Questionnaire generally refers to a standard set of questions asked in a standard way and in a specific sequence. Interview schedules by contrast are sets of probes which the interviewer can vary in expression and sequence to capitalise on answers the participants give. The interview schedule included the following steps.

The first step was a warm-up and relaxation moment between researcher and respondent. This reassures the participant that there are no right or wrong answers, that they know more about the topic than the researcher, they're free to use any thoughts they have on the topic regardless of question asked, and they're free to leave the interview at anytime if desired.

The second step entailed keying in to the Luxury Brand topic. This step was to draw the topic to the front of the participants mind and hopefully bring luxury goods thoughts and experiences to mind. This consisted of showing a display of some luxury goods through showcards, and asking the participant if there are any brand names they liked (or knew of) for each type of category.

The third step probed the participants for their thinking on what distinguished luxury products, like the ones displayed, from standard products. Probing first capitalised on comments the participants made. Further probing was attempted on what benefits the participant felt they (the consumer) might get from buying a luxury version. The interviewer encouraged the participant to refer to the product types on the showcard to help them make their point.

The fourth step entailed another probe aimed at bringing the country of the participant into the conversation, aimed to elicit any luxury goods connections the consumer might have. Participants were asked whether any of the luxury product types hold special appeal in their country (consumer culture), and why they thought that was. Their choice of products was not the purpose of asking - it was the reasoning behind the choice that might reveal motivation.

The fifth step applied a projective procedure to try to elicit the participants' views of motives to buy luxury products. The technique used was to show participants a selection of male consumers of their own ethnicity (i.e. either Chinese or Indian) and invite them to select a man who they could associate most with being a "luxury products consumer". Through interview questions, the respondent created a story of this man's relationship with luxury products. This projective technique assumes participants will use the pictures as an aid to overwrite their own connection with luxury brand buying or at least their understanding of luxury consumers within their culture.

The sixth step presented the respondent with the motivations summarised from the literature, expressed in simple sentences that describing different feelings that might be present when buying luxury products. Participants were asked to say whether each would be either a strong feeling from the buyer, or a feeling that was weaker, but often present just in the background, or not present in the feelings of luxury goods buyer they were projecting. For those that were indicated as 'strong' in the feelings of the buyer, participants were invited to comment on how that came to be.

The seventh step was a discussion of the possible negative consequences of being a luxury consumer. This was essentially a complementary way to draw out the thinking of the participant. It also enabled the researcher to look at what drawbacks, if any, a luxury consumer might have to face in expressing their motives to buy luxury products.

The eighth step was a complementary way to draw out motivations, through a final probe centred on the role of fake luxury products in the participants' consumer culture. Fake brands present an issue to the genuine brand buyers and the satisfaction of their motives. The way they are thought to see fakes might help reveal their own motives from another angle.

### **3.8 Data Capture and Data Analysis.**

The data obtained from the interview was recorded in two forms. The first method was through a taped audio recording of the interview - taken with the respondent's full knowledge and consent. The second was a simple write-on form that respondents completed. These methods produced raw data for the researcher.

Thematic analysis was the method used to analyse the raw data. This was done using a four-step process outlined by Attride-Sterling, to create codes, concepts and themes related to luxury purchase motivation (Attride-Sterling, 2001). Thus the occurrence of certain of words, phrases, and scenarios given by the respondents were important factors of coding. The more times a response occurs, the more valid a theme. This method's focus on the identification of themes makes it an appropriate analysis method for searching for luxury purchasing motivations. Analysis and coding on data based on the cultures of China and India were done separately, in order to create themes and categories that have an optimal fit for these two data sets. It will also allow the researcher to explore the potentially subtle differences between the grouped themes of each national culture.

The data sets (transcripts and write-on forms) were read and reviewed in order to become implicitly familiar with the data. Using light thematic analysis, some open-codes, where codes emerge from the data, were created (Attride-Sterling, 2001). These codes were trialed and reviewed to test whether they are able to group data appropriately. When it was felt that these open-codes accurately reflected the data, a coding schedule was created, where codes were given open and flexible definitions.

The second step involved the refinement of codes to create more distinct concepts (Attride-Sterling, 2001). Concepts became evident from the definitions created by the coding schedule. The data was then re-analysed according to the definitions conveyed in the coding schedule. This allowed responses to be grouped and reviewed to see if a response fits accurately with a code. Once data was regrouped and reviewed, codes were made more specific, resulting in a more detailed replacement for the coding schedule.

The third step involved the categorisation of similar concepts to create 'themes' (Attride-Sterling, 2001) for buying luxury products in China and India. From these, the researcher was able to reflect on the different motivations conveyed in the coding process, and group motivations which appear to have a linkage - thereby creating groups of motivations that have a common root (Attride-Sterling, 2001).

The fourth and final step saw the development of 'global themes' from the themes and concepts created (Attride-Sterling, 2001). The groups along with their entailing motivations were used to form a theoretical framework of luxury purchase motivation for each of the individual national cultures.

### **3.9 Ethical Issues**

Ethical issues were low, largely due to a vigorous ethical approval assessment done by the researcher's university. This concerned itself with the research process, and the interviewing of the respondents.

The respondents were not seen as vulnerable. This is because even though the survey was conducted amongst Chinese and Indian expatriates/migrants not born in New Zealand, meaning English wasn't the natural mother tongue, the respondents were competent in English, and the survey wasn't difficult to understand. Quota sampling to objective criteria (age, gender, cultural-origin, tertiary education background) allowed the researcher to gain respondents through general demographic information readily available and given publicly without negative overtones.

Participants were given a 'Participant Information Sheet' (Appendix C), which helped to clarify many ethical issues. It allowed the respondent to understand several important aspects of the research, and as a result, increase their comfort level with the interview. The participant information sheet detailed information which included: the purpose of the information, how respondents were chosen, outlined potential discomforts and risks, that the respondent is allowed to leave at any point during the interview without pressure, potential costs to the respondent, privacy issues, and follow-up contact information if concerns arose.

In general, the participant information sheet in Appendix C outlined that the research process was commonplace and safe. It informed the respondent of potential discomfort with regard to answering questions and being tape-recorded. Conversely, it let respondents know that no personal identity information is recorded to ensure their confidentiality of their responses would be kept safe in a locked metal filing cabinet with limited access at the university. Written consent was given by respondents to the researcher, by the signing of a consent form included in Appendix B. All forms and recordings of the individual interviews are kept in a secure locked cabinet at Auckland University of Technology.

Copies of the interview documents were submitted to AUT University's ethics committee AUTEK, for rigorous ethical examination. After the researcher made the required changes necessary, AUTEK granted the researcher ethical approval of the interview method and interview documents on 5 May 2008, outlined by Appendix A.

### ***3.10 Control of Variables***

The interviews were conducted largely with exchange students or international students, who in nature, have only been living in New Zealand for a maximum period of five years. This enabled the researcher to be sure that the respondents were culturally more Chinese or Indian than Western, and therefore able to provide responses that accurately reflect those that would arise in China or India.

Using a sample of tertiary-educated males under 35, of Chinese or Indian culture respectively, aims to provide some homogeneity to the within-group findings. This is justified by Hauck and Stanforth's findings that there are differences between cohorts in their perception of luxury (Hauck & Stanforth, 2007). Confining the study to one cohort avoided confusion from cross-cohort motivation. The cohort chosen is also a preferred focus for marketers of luxury goods.

The use of showcards and illustrations helped to overcome a language barrier, eliminating semantics which could have lead the respondents to interpret the question



slightly differently to what the researcher intended - as English wouldn't have been their mother tongue. These also ensured that the concepts conveyed in the interview, notably 'luxury' were the same or at least complementary between the researcher and the respondent.

The interviews were tape recorded for reference purposes. This enabled the researcher to have an original testament and not to deviate too far away from the original responses when processing the data. This suited the naturalistic style of qualitative research, as it enabled the researcher to refer back to original data, rather than use interpretation in ambiguous situations. One-on-one interviews were conducted, so group influences and pressures could be reduced (i.e. focus group), resulting in less biased data being gathered.

The different sets of data, from respondents who were culturally Chinese and culturally Indian, were analysed separately. This allowed each data set to be taken in its own context, allowing differences to arise. Analysing and coding the data together may have glossed over these differences. Comparing the data together early on would create less accurate themes, as analysing the data sets together would lack the fundamental perspective that these cultures are different.

### **3.11 Conclusion**

The qualitative technique used consisted of an interview conducted amongst Chinese and Indian males between the ages of 20 and 35, with tertiary education, living in New Zealand. This sample would enable the researcher to ethically gather data of a homogenous and culturally accurate nature. The data for each separate culture was analysed separately using thematic analysis. This allowed codes concepts themes and global-themes, specific to the individual cultures, to arise from the data, which could be compared and contrasted later. The following section of the dissertation examines the findings produced from thematic analysis. Specifically, the next section outlines the themes and concepts that emerge, compares themes and concepts between the two cultural groups, and identifies which the body of luxury literature's arguments are supported.

## **4 Analysis of Data**

The Analysis of Data consists of four significant sub-sections. The first discusses the subjects used within the research procedure. The second subsection illustrates the technique used to analyse the data gathered. The third subsection identifies and discusses the results that arose within the data. The fourth and final subsection within this chapter focuses on the relationship between the data and the theory within the luxury body of literature.

Following the collection of data, transcriptions of the interviews were made by the researcher assisted by a professional transcriber. Transcription of the interviews took place between 30 June 2008 and 08 August 2008.

From this, the researcher analysed the themes using thematic analysis, where the data was coded first for codes, then for concepts, then for themes, all of which are aimed to present theory (Glaser & Strauss, 1967).

The following section addresses the findings produced by the data using that methodology.

### **4.1 Subjects**

The subjects for this piece of research were males of either Chinese or Indian descent between the ages of twenty and thirty-five. The respondents considered themselves as being culturally Chinese, or culturally Indian – though they reside in New Zealand. All were born in China or India, and lived there for a considerable part of their lives before moving to New Zealand. This resulted in the respondents having Chinese or Indian culture at their core psychological centre. Also, the respondents all had, or were working towards, achieving a tertiary education. Demographics of the respondents, as well as documentation of the methodology are stated in the following table. For both ethical approval reasons and respondent comfort, no names were recorded with the interview; instead the respondents were given codes.

**Table 1: Respondent and Interview Particulars**

Respondent Code	Ethnicity	Interview appointment details	Occupation
Chinese Pilot	Chinese	12:00noon at Office Location on 19/06/2008	Statistician
Indian Pilot	Indian	6:00pm at Office Location on 21/06/2008	Tertiary Student
C1	Chinese	10:00am at Office Location on 23/06/2008	Tertiary Student
C2	Chinese	11:00am at Office Location on 23/06/2008	Tertiary Student
C3	Chinese	1:00pm at Office Location on 23/06/2008	Tertiary Student
C4	Chinese	2:30pm at Office Location on 23/06/2008	Tertiary Student
I1	Indian	3:00pm at Office Location on 24/06/2008	Manager/ Postgraduate Student
C5	Chinese	1:00pm at Office Location on 25/06/2008	Tertiary Student
C6	Chinese	6:00pm at Office Location on 25/06/2008	Systems Analyst
I2	Indian	11:30am at Office Location on 26/06/2008	Tertiary Student
I3	Indian	1:00 pm at Office Location on 27/06/2008	Tertiary Student
C7	Chinese	11:00am at Office Location on 27/06/2008 (Girlfriend present.)	Accountant
C8	Chinese	12:00noon at AUT University Library on 28/06/2008	Advertising Media Planner
I4	Indian	2.00pm at Office Location on 28/06/2008	Tertiary Student
I5	Indian	5.45pm at Office Location on 29/06/2008	Tertiary Student
C9	Chinese	6.30pm Office Location 29/06/2008	Post-graduate Student
C10	Chinese	5.00pm at Office Location on 30/06/2008	University lecturer
I6	Indian	6.45pm at AUT University Library on 03/07/2008	Marketing and Sales professional
I7	Indian	7.30am at Office Location on 05/07/2008	Architect
I8	Indian	2:00pm at Office Location on 07/07/2008	Small Business Owner
I9	Indian	1:00pm at Office Location on 23/07/2008	Internet technician
I10	Indian	4:00pm at On location at home address on 25/07/2008	Businessman
I11	Indian	3:00pm at Office Location on 26/07/2008	Professional Model
* <u>Office Location:</u> 2/110 Mt Eden Rd, Auckland			

This subject sample was used for three reasons. Narrowing the demographics to men between the ages of twenty and thirty-five reduces heterogeneity in the data “homogeneous in case it is free of contaminations such as changes in instrumentation, measurement techniques or observational practices... when long-term changes are studied inhomogeneities may obscure the real (physical) signals and may lead to misinterpretations” (GKSS Forschungszentrum Geesthacht, 2006). Having respondents born and raised in the two national cultures meant respondents would be able to provide the researcher with raw data that reliably reflects motives that prevail in China and India, and the varying degree of tertiary education leads the researcher to perceive that the respondents would be professionals now or in the future and therefore have the potential to buy luxury in their future.

## **4.2 Technique**

After ten interviews from Chinese respondents and ten interviews from Indian respondents were conducted, the researcher had the tape-recorded interviews transcribed into text, in order that codes could be identified within the text. Transcription led to the data being collated into two separate documents, reflecting the two different cohort groups interviewed. The first document was a collation of Chinese data, of 11,549 words on 15 pages. The second document was a collation of Indian data, of 9,747 words on 14 pages. From this, the researcher used thematic analysis to refine the data. This technique allows common issues to be identified within text in light of different words being used (Owen, 1984), and allows the strength of a theme to emerge from the repetition of words and ideas (Owen, 1984). This allowed clearer and stronger themes to emerge. The separation of the data was an integral part of the data being thematically analysed separately. Data was analysed separately according to cultural cohort group in order for culture-specific luxury purchase motivation themes to emerge, and for later comparison purposes.

In this research, the thematic analysis that took place identified ‘codes’ initially – where fragments of words within the transcripts containing information were isolated and coded. After codes had emerged, the researcher grouped similar codes together to create ‘concepts’. These concepts were tested against the transcripts to ensure fidelity with the data was maintained. Following this, ‘themes’ were created by grouping similar concepts together.

Thematic analysis enabled two data tables to be created for each culture (four in total), aimed at showing luxury purchase motivation themes for each distinct culture. A table showing the data refinement process is created for both Chinese and Indian based data. This table follows the process of creating codes, then concepts, then categories, as well as potential global themes for each culture’s data. These individual tables are followed by a second table focusing on the concepts and themes, as a way of explaining the findings more clearly.

### **4.3 Results**

The findings portray major themes and other themes. Major themes are significant themes created from valid concepts cited by six or more participants. These 'Other themes' compliment major themes and literature, yet are distinct within themselves. Chinese and Indian data both create the same four identical themes relating to luxury purchase motivation. Tables 2 & 3 on the following pages illustrate the processes undertaken in arriving at these themes for both Chinese and Indian responses. The themes themselves are as follows.

The first theme 'Luxury product implications' conveys that there are activities governed by the luxury brand organisation that make luxury products desirable, and motivate consumers to purchase them. The focus here is upon the luxury product itself.

The second theme 'Perceived interpersonal effects' conveys that other consumers are necessary for the value of a luxury product to appear. Other consumers are needed to give a psychological appraisal to the luxury brand, and then give that appraisal to the consumer. The focus here is upon what other people are going to think or how other people are going to react to a luxury branded product.

The third theme 'Perceived personal effects' conveys like the previous theme, that there is a psychological implication to luxury products. Yet this time, luxury consumers are able to create this within themselves, and attribute these perceptions to themselves. The focus here is upon what the consumer will think and how the consumer will feel from owning a luxury product.

The fourth theme 'Societal group implications' conveys that luxury products complement societal grouping, and as such, are able to imply the consumer's group and position within society. The focus here is upon the social hierarchy within Chinese and Indian cultures, and how luxury brands communicate to both the consumer and others, is culturally important hierarchy information.

**Table 2: Thematic Analysis of Chinese Data**

Step 1: Codes		Step 2: Concepts	Step 3: Themes	Step 4: Global Themes
Overall quality Durability, Longevity Quality manufacture inputs Extra features High cost Unique products	Exclusive Advertising media Brand image Heritage Fame Luxury product recognition	1. <u>Quality</u> : Luxury branded products perceived to be of high quality and perfection. 2. <u>Exclusivity</u> : Luxury branded products' cost makes them accessible to only a few consumers. 3. <u>Branding</u> : branding activities, such as advertising and marketing have created a strong brand image for luxury brand organisations, which are recognised in turn.	Luxury Product implications	Functional Value
Implies wealth Implies success Implies good taste Improves face Success symbol Elevate from others	Distances others Alienate lower socio-economic groups Show off Recognised Jealousy/Envy of others	4. <u>Image Enhancement</u> : luxury brands portray to others positive aspects of the consumer, such as wealth, taste, success, and worth. 5. <u>Comparative Superiority</u> : luxury brands allow the consumer to feel superior and distant from others, allows the consumer to have what others can't have 6. <u>Attention</u> : Luxury brands give the consumer attention, recognition, and a response from others	Perceived interpersonal effects	Psychological Effect
Confidence Feelings based on accomplishment Self-reward Positive feelings from ownership Satisfaction Business opportunities	For work/business purposes Professional Management implications Expected business wear	7. <u>Personal Empowerment</u> : ownership of luxury product makes consumer feel successful, a sense of achievement, confidence. 8. <u>Professionalism Implications</u> : luxury purchasing normal to professionals in order to look professional, reliable, and high ranking, which can lead to business opportunities.	Perceived personal effects	Psychological Effect
Signals status Wants to signal status Ascribing to upper societal groups Showing status is normal Implies status	Implies influence Implies power Expresses power Gains respect from others	9. <u>Status enhancement and assertion</u> : luxury brands signify, to consumer and to others, the consumer's achieved position in society. 10. <u>Power implication</u> : luxury brands denote the power and influence of their consumer, which commands respect and admiration from others.	Societal group implications	Status Effect

Other Chinese Themes

Step 1: Codes	Step 2: Concepts	Step 3: Potential Categories	Step 4: Global Themes
Relationship	11. <u>Relationship</u> : Makes others wish to have a form of relationship with the consumer	Perceived interpersonal effects	Psychological Effect
Pride in ownership Superior product	12. <u>Lifestyle Enrichment</u> : A luxury product improves the life of the luxury consumer	Perceived personal effects	Psychological Effect
Gifting	13. <u>Gifting</u> : luxury products make effective gifts	Societal group implications	Status Effect



The last level of thematic analysis involved the creation of ‘Global Themes’. These collapse the themes according to the central concerns. The global themes identified are: ‘Functional Value’, ‘Psychological Effect’, and ‘Social Effect’. The global themes however tend to be overly general in nature, and contribute little further explanatory value to understanding luxury brand motivations specific to China and India.

These tables help to answer to the research questions addressed.

RQ1: The motivations for consumers in China and India to purchase Luxury products can be seen as governed by the themes and global themes. These themes act as fundamental influences that are central to luxury purchase motivations within a consumer. The table indicates that both Chinese and Indian consumers are motivated to purchase luxury products for the themes that were identified earlier, which is to (a) to receive luxury product implications, (b) attain desired interpersonal effects, (c) attain desired personal effects, and (d) imply place within their society. Specific expression of these themes are reflected by the concepts that emerged as a result of coding, evidenced in the previous table.

RQ2: The processed data implies that at a core thematic level, there are no differences between Chinese and Indian luxury consumption motivations. However expression of luxury purchase motivation between the two cultures, at the level of the emergent concepts, differs. This can be evidenced by the codes and concepts of the data identified during analysis. The following tables 4 & 5 on pages 56 and 57 focus specifically on the apparent similarities and differences in concepts, as well as the identical themes emergent between the two cultures.



**Table 4: Focus on Concepts and Themes Related to Luxury Purchase Motivation in China**

Theme	Concept & Definition	Sample Quotes
<b>Luxury Product implications</b>	<p><u>Quality</u>: Luxury branded products perceived to be of high quality and perfection.</p> <p><u>Exclusivity</u>: Luxury branded products' cost makes them accessible to only a few consumers.</p> <p><u>Branding</u>: branding activities, such as advertising and marketing have created a strong brand image for luxury brand organisations, which are recognised in turn.</p>	<p>C9 "Good quality. When people buy this kind of product they want to use it long term and if you spent a lot of money on that, it's difficult just to throw it away."</p> <p>C2 "luxury should be have like the quality, yeah, the quality must be kinda like different to the normal one"</p> <p>C6 "First is price. Second is usually luxury products are limited. Like some only purchased by some people"</p> <p>C9 "The cost is very expensive, so they sell it for a high price"</p> <p>C10 "Advertisement. Promoting is quite important... but the producer made lots of promotion on how good it is, so makes customers feel it is luxury"</p> <p>C2 "But the focus is still the brand name recognised - people will know you use this brand - this means something for them."</p>
<b>Perceived interpersonal effects</b>	<p><u>Image Enhancement</u>: luxury brands portray to others positive aspects of the consumer, such as wealth, taste, success, and worth.</p> <p><u>Comparative Superiority</u>: luxury brands allow the consumer to feel superior and distant from others, allows the consumer to have what others can't have</p> <p><u>Attention</u>: Luxury brands give the consumer attention, recognition, and a response from others</p>	<p>C2 "Make them look rich. Make them look good."</p> <p>C10 "how will the other people look at you if you own these things"</p> <p>C7 "I can afford these things', show them he's better than others and they can have satisfaction from this and say 'I'm better than others' as well"</p> <p>C9 "shows very special to others. 'I'm more successful, more rich than you. Higher taste than you. I know something's good - maybe you don't know that'."</p> <p>C1 "People wouldn't pay attention to him if he didn't wear luxury products"</p> <p>C2 "But the focus is still the brand name recognised - people will know you use this brand - this means something for them."</p>
<b>Perceived personal effects</b>	<p><u>Personal Empowerment</u>: ownership of luxury product makes consumer feel successful, a sense of achievement, confidence.</p> <p><u>Professionalism Implications</u>: luxury purchasing normal to professionals in order to look professional, reliable, and high ranking, which can lead to business opportunities.</p>	<p>C2 "The people feel more confident and more easy to be accepted"</p> <p>C7 "I've got it. I'm so successful and this is a symbol of my success"</p> <p>C4 "for business people they can get business opportunity"</p> <p>C9 "Because it's necessary for their business to make you look wealthy, successful. 'You can trust me and my company with your money'."</p>
<b>Societal group implications</b>	<p><u>Status enhancement and assertion</u>: luxury brands signify, to consumer and to others, the consumer's achieved position in society.</p> <p><u>Power implication</u>: luxury brands denote the power and influence of their consumer, which commands respect and admiration from others.</p>	<p>C7 "And also they do it as well for their social status. They want to make sure they're high class."</p> <p>C3 "want to show they're high level people and along with economic development more and more rich people class each other. So they want to show that difference."</p> <p>C1 "at his company he wear the luxury product show he's the boss, Feels authoritative"</p> <p>C3 "To show his power - he's rich - he's wealthy"</p>
<b>Other concepts</b>	<p><u>Relationship</u>: Makes others wish to have a form of relationship with the consumer</p> <p><u>Lifestyle Enrichment</u>: A luxury product improves the life of the luxury consumer</p> <p><u>Giftng</u>: luxury products make effective gifts</p>	<p>C9 "People want to have a good relationship with you."</p> <p>C2 "they will like to buy it for like a tote to use some relationship"</p> <p>C2 "if the people are not very often show off themselves they would change his lifestyle"</p> <p>C7 "They can have the feeling of difference and in having something that's unique and special."</p> <p>C4 "Sometime they buy luxury products for each other sometimes not for themselves - they just buy for a gift"</p> <p>C8 "sent as gifts"</p>

**Table 4: Focus on Concepts and Themes Related to Luxury Purchase Motivation in India**

Theme	Concept & Definition	Sample Quotes
	<p><b>Luxury Product implications</b></p> <p><u>Superiority</u>: Luxury branded products perceived to be of high quality and have the best style and design</p> <p><u>Branding</u>: branding activities, such as advertising and marketing have created a strong brand image for luxury brand organisations.</p> <p><u>Utility</u>: Preference for luxury brands that perform complex and specialty functions to justify high price.</p> <p><u>Exclusivity</u>: Luxury branded cost, as well as limited quantity makes them accessible to only a few consumers.</p>	<p>12 “that quality people don’t compromise for the price. Most of the people just buy it.”</p> <p>110 “the fake brand not offering durability and quality as opposed to the luxury product which does this job”</p> <p>14 “Yeah, styles stand out, colours and styles and up-to-date fashion.”</p> <p>13 “Appearance, the name and style, appeal.”</p> <p>16 “to justify that kind of pricing you have to have something which is superior in terms of the product itself, though it might not justify the amount of money charged for it.”</p> <p>11 “derive some kind of benefit you’re getting from the luxury brand that you can’t get from a standard brand”</p> <p>16 “That you can do something which others are not able to in terms of affordability.”</p> <p>15 “They should be exclusive”</p>
	<p><b>Perceived interpersonal effects</b></p> <p><u>Attracts attention</u>: Luxury brands are able to be flaunted and thus attract attention from people.</p> <p><u>Public Use</u>: Luxury brands used in public settings, work or socially, to impress others and for optimal self- representation.</p> <p><u>Wealth and Success</u>: luxury brands infer earned or inherited wealth and success.</p>	<p>16 “Those that know it’s real are definitely buying it to flaunt it”</p> <p>17 “he’d like to show himself and for that I suppose he’d need to appear good and wear good clothes”</p> <p>110 “they would choose to wear it at a party or out in the evenings and it’s more visible and items that are more visible are what Indian’s love to flaunt”</p> <p>15 “Social occasions, parties, even business meetings. They’re the two places he can really make a statement”</p> <p>13 “he’s a rich man and he wants people to know he is rich by what he wears as well.”16 “to justify that kind of pricing you have to have something which is superior in terms of the product itself, though it might not justify the amount of money charged for it.”</p> <p>11 “derive some kind of benefit you’re getting from the luxury brand that you can’t get from a standard brand”</p>
	<p><b>Perceived personal effects</b></p> <p><u>Personal Empowerment</u>: ownership of luxury product makes consumer feel success, sense of achievement, and confidence.</p> <p><u>Image creation</u>: luxury brands are able to express personal style and desired image, which leads the consumer to feel unique and fashionable.</p> <p><u>Luxury Lifestyle</u>: Luxury brands imply lavishness that is sensually and emotionally pleasing to consumers.</p> <p><u>Competitiveness</u>: Luxury brands allow the consumer to engage in friendly competition with friends or more serious competition with rivals.</p>	<p>111 “Ok, I’ve got it”, but buying something luxury would be like, “Yeeeah! I got it!!” Unbelievable, but that’s how luxury comes. It’s good.”</p> <p>110 “The feeling of personal satisfaction ‘cause they feel they’ve achieved something, success, and comfort and style”</p> <p>111 “He’s creating a name, a brand for himself when he’s when he’s wearing those brands so I think he’s making a difference.”</p> <p>18 “He’d end up saying to himself, ‘this is my style - this is how I am’.”</p> <p>18 “you mature and start to appreciate these things too. You enjoy the quality and then you can’t go back. It becomes part of his personality”</p> <p>11 “Enjoying the good things in life”</p> <p>16 “I suppose he’d call his best friend and tell him”</p> <p>19 “There’s a race to show-off, competition, it’s all done in a positive way.”</p>
	<p><b>Societal group implications</b></p> <p><u>Status enhancement and assertion</u>: luxury brands signify, to consumer and to others, the consumer’s achieved position in society.</p> <p><u>Categorisation</u>: Luxury brands act as a way for others to categorise the consumer into a socio-economic group</p>	<p>19 “Having a good status, belonging to a rich family”</p> <p>15 “In India especially it will signify a social class, Position in the community.”</p> <p>11 “Depending on the brand they will slot him into income or status”</p> <p>14 “Because he’d just be one of them - part of the group”</p>
	<p><b>Other concepts</b></p> <p><u>Cultural Status</u>: Consumers purchase luxury products to be admired and idolised by others</p> <p><u>Common cultural attributes</u>: Other consumers are familiar with the industry and share similar ideas on price, quality, and necessity, and luxury consumers.</p> <p><u>Comparative Superiority</u>: luxury brands allow the consumer to compare self, and feel superior, to other consumers.</p> <p><u>Invidious Consumption</u></p>	<p>111 “They’d look up to him as being an idol.”</p> <p>17 “Basically you’re going to be noticed, you’re going to look good and look smart. It looks good on you”</p> <p>15 “everybody else should know that it’s luxury”</p> <p>12 “Everybody wants them basically”</p> <p>19 “Yep he does feel superior to others”</p> <p>16 “He’ll feel more superior to him and he’ll try to tell that person he’s wearing a fake”</p> <p>15 “create jealousy with those who can’t afford it”</p> <p>110 “someone else may get jealous of that”</p>

#### **4.4 The Relationship between Data and Literature**

The themes identified in the data reflect and support theory prevalent in the luxury body of literature.

The first theme of 'Luxury product implications' supports Leibenstein's argument that value in luxury products can be functional and non-functional (Leibenstein, 1950), as the data showed that the luxury products' functional attributes can be a theme that motivates consumers to purchase luxury products. In the context of this research, 'function' has been expanded beyond physical function of the luxury good, to encompass other intangible functions performed by luxury brands – represented by codes such as exclusivity and branding. In the eyes of the respondents, these are considered extra functions of the luxury product that the consumer would wish to leverage. Similarly, this supports Wiedmann et al's 'Functional values' in that the data's themes, like Wiedmann et al's incorporate uniqueness and quality as concepts; while the data also supports Wiedmann et al's 'Financial value' as the data's themes incorporate price within the exclusivity concept encompassed by the broader 'luxury product implications' theme (Wiedmann et al., 2007).

The second theme of 'Perceived Interpersonal Effects' generally reflects the argument produced by the core luxury brand theory of conspicuous-consumption, where luxuries are consumed in public to denote wealth and status (Chadha & Husband, 2006; Chaudhuri & Majumdar, 2006; Danziger, 2005; Debnam & Svinos, 2006; Dubois & Duquesne, 1993; Lai & Chu, 2006; Leibenstein, 1950; Mason, 1981, 1995; Thomas, 2007; Veblen, 1899; Vickers & Renand, 2003; Vigneron & Johnson, 1999). The 'perceived interpersonal effects' theme supports this, as it denotes that a public display of ownership or consumption is key in attaining value and validity for the luxury product. Modern variations that have developed this concept, such as Chaudhuri and Majumdar's 'Ostentation and Signaling' variation (Chaudhuri & Majumdar, 2006), support the research's findings, as their definition implies that at a core level, luxury brands' primary objective is to impress people through public display (Chaudhuri & Majumdar, 2006). This is evident in the data by reference to the concepts of 'attracts attention' and 'image enhancement' as examples. The data

produced also supports Wiedmann et al's 'Social value' theme as both of these imply that value is dependent upon the perceptions of others (Wiedmann et al., 2007).

The third theme of 'Perceived Personal Effects' supports elements of the 'Hedonic' literature theme, the 'Image enhancement/personal identity' theme, and the 'Individual value' theme. The 'Hedonic' theory which explains that consumers purchase luxury products for the products' ability to generate a positive feeling (Vigneron & Johnson, 1999) is supported by this themes' personal over interpersonal orientation. The research found that consumer's feelings play an important part in luxury purchase motivation, expressed by concepts such as 'personal empowerment'. Image enhancement/personal identity (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Dubois & Duquesne, 1993; Kripalani, 2007; Lai & Chu, 2006; Thomas, 2007; Vickers & Renand, 2003) is supported by the theme acknowledging the link between luxury brand consumption and consumer self-expression via 'Image enhancement', 'Image Creation', and 'Attracts attention' – which in turn can also lead to emotional responses within the consumer strengthening the 'Hedonic' theory (Vigneron & Johnson, 1999). As such, the hedonic and self-identity influences within the 'percieved personal effects' reflect the antecedent constructs, that Wiedmann et al's argue, are evidence of 'Individual Value' (Wiedmann et al., 2007).

Finally the fourth theme of 'Societal group implications' supported the conspicuous-consumption-ostentation-signaling theme (Chadha & Husband, 2006; Chaudhuri & Majumdar, 2006; Danziger, 2005; De-Mooij, 2005; Debnam & Svinos, 2006; Dubois & Duquesne, 1993; Lai & Chu, 2006; Leibenstein, 1950; Mason, 1981, 1995; Thomas, 2007; Tynan et al., 2008; Veblen, 1899; Vickers & Renand, 2003; Vigneron & Johnson, 1999; Wong & Ahuvia, 1998) – for this research shows that the perception of others validates the luxury consumer's status, or that luxury consumers validate their own status from within by using other consumers as a contrast or measure. This theme also acknowledges status consumption (Lai & Chu, 2006) – the consumption or ownership of luxury products to claim, assert, or ascribe to a higher social echelon, which was reflected clearly in the data. This not only supports the status-consumption theme, but supports the notion of it being a separate entity from conspicuous-consumption, because the data found that luxury consumers can feel

status enhancement within themselves from consuming luxury products— a concept covered by status consumption, but not by conspicuous-consumption (Lai & Chu, 2006). This theme not only covers claiming status through the use of luxury products, but using luxury products as a means of asserting status, as well as getting others attention so the consumer can attract their status judgments (Chadha & Husband, 2006; Chaudhuri & Majumdar, 2006; Danziger, 2005; Dubois & Duquesne, 1993; Lai & Chu, 2006; Thomas, 2007; Vickers & Renand, 2003; Wong & Ahuvia, 1998). This largely reflects the arguments of practitioner based research that suggest status consumption is more than allowing others to denote status, but asserting status to self (Danziger 2005; Thomas 2007).

Not only did themes give support to theory, but individual concepts also supported some arguments within the luxury body of literature. The ‘Snob’ concept (Leibenstein, 1950; Mason, 1981, 1995; Vigneron & Johnson, 1999) was supported by the Chinese concepts of ‘Quality’ and ‘Exclusivity’ and the Indian concepts of ‘Superiority’ and ‘Exclusivity’, which showed that owning something of high quality, and owning something which is unattainable to many, is a strong theme in luxury purchase motivation.

Similarly, the ‘Perfectionist’ concept (Vigneron & Johnson, 1999) was also supported by these same concepts of ‘Quality’ amongst Chinese respondents and ‘Superiority’ amongst Indian respondents. The data implies that owning something of high quality, durability, and longevity is too a strong theme in luxury purchase motivation.

The ‘Hedonist’ theme (Vigneron & Johnson, 1999) was supported by the ‘Personal empowerment’ concept amongst Chinese respondents, and the corresponding ‘Personal empowerment’, as well as ‘Luxury lifestyle’ and ‘Image creation’ concepts amongst Indian respondents, as these themes all convey emotional themes. These concepts support Vigneron and Johnson in that experiencing the feeling obtained from luxury consumption or ownership is a valid aspect to luxury purchase motivation (Vigneron & Johnson, 1999). Furthermore the data expresses that these feelings consumers have can be seen as more emotional feelings, but somewhat psychological feelings in the contexts of China and India as evidenced by the concepts of ‘Comparative superiority’ in China, and ‘Status enhancement and assertion’ for both cultures.

A 'Uniqueness' theory (Chaudhuri & Majumdar, 2006; Dubois & Duquesne, 1993; Lai & Chu, 2006; Wong & Ahuvia, 1998) can be supported by many concepts arising in the data. 'Exclusivity' which is common to both Chinese and Indian cultures automatically makes the consumer more unique by isolating the consumer either psychologically or socially from other consumers. Likewise with concepts such as 'Image enhancement', 'Comparative superiority' and 'Attention' concepts within Chinese data; and 'Attracts attention', 'personal empowerment' and 'Image creation' concepts within Indian data. Though not overly explicit, these concepts touch on a relationship between luxury brands and a distinction from normal consumers being desired.

Following on from this, the empirical Image creation/Identity motivation (Chadha & Husband, 2006; Danziger, 2005; Dubois & Duquesne, 1993; Thomas, 2007; Vickers & Renand, 2003) is strongly supported within both respondent groups. The concepts of 'Image enhancement' in China and 'Image creation' in India are obvious. Other concepts also contribute to supporting this motivation, such as 'power implication' giving the consumer a powerful image to Chinese respondents, and 'categorisation' giving the consumer the image of belonging to a certain societal group for Indian respondents as examples. It is easy to extrapolate many of the concepts to support this literature concept whilst maintaining the integrity of both the Image creation/Identity motivation and the given data concept.

Considering empirical culture-specific themes, the data and tables validate that both 'Face' and 'Gifting' are luxury purchase motivators amongst Chinese respondents. These theories are represented as concepts within tables 2 and 4 (Chadha & Husband, 2006; Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007). Though response was low, they were proven nonetheless to be validly related to luxury purchase motivation in this research. Likewise, the 'show off' theoretical concept was heavily supported, particularly by the Indian 'Attention' concept, conveying that flaunting in itself can be an aspect related to luxury purchase motivation.

A strong general luxury purchase motivation in the literature, expressed by Liebenstein's concept of 'Bandwagon' (Leibenstein, 1950), Wong & Ahuvia's 'Duty and obedience' (Wong & Ahuvia, 1998) and Chaudhuri and Majumdar's 'Social conformity' (Chaudhuri & Majumdar, 2006); which all imply that consumers are

motivated to purchase luxury products as peer pressure makes these products desirable was unfounded within this data. No concepts or themes convincingly related to this topic.

Similarly, no Chinese themes or concepts arose in this data to support China specific luxury purchase motivations of achieving an attainable form of beauty (Danziger, 2005; Debnam & Svinos, 2006; Thomas, 2007).

Also, no Indian themes or concepts emerged within the data to support India specific purchase Indian motivations of 'Bollywood lifestyle' (Kripalani, 2007) and 'aspirations of global lifestyle motivations' (Danziger, 2005; Thomas, 2007; Wiedmann et al., 2007).

Strong motivations that arose within the data that weren't covered extensively by the literature include 'Power distancing' within Chinese respondents, 'Flaunt/Show off' with Indian respondents (covered within the 'Attention' concept), and 'Self reward' for both cultures.

## **4.5 Conclusion**

Concepts arrived at via thematic analysis show both similar and different expressions of luxury purchase motivation between the two cultures - whilst identical Themes for both cultures imply common fundamental cultural mechanisms concerning luxury purchase motivation. These results were stated in tables 2, 3, 4 and 5. The data supports most of the academic literature on luxury purchase motivation. Few motivations in the literature were not supported by the data - likewise some motivations emerged in the data that aren't supported by the body of luxury literature. The next section discusses the findings produced within this section with more depth.

## 5 Conclusions and Implications

In the literature review section, it was found that gaps in the literature existed for research-based luxury purchase motivations amongst consumers in China and India, and there was a gap in the literature for a comparison between two distinct cultures to be validated.

Steps to find information which would cover this gap in the literature were created and these are identified within the methodology section of this report.

With the successful implementation of a qualitative methodological technique, the researcher arrived at themes and concepts that relate to luxury purchase motivation by Chinese and Indian consumers.

The research paper now aims to discuss these findings, comment about their place within the body of luxury literature, outline the limitations of the study, identify how the findings can be useful, and identify further areas of research.

### ***5.1 Conclusions about Research Questions***

The research was able to answer the two research questions hypothesised.

#### **RQ1: What are the motivations for consumers in China and India to respectively purchase Luxury products?**

The research, through a qualitative method, identified four major themes shared by these two cultures for luxury purchase motivations. These themes are as follows.

Luxury product implications: where consumers of Chinese and Indian culture are motivated to purchase luxury products mostly for the tangible and intangible characteristics and features of the product. Consumers from both cultures are motivated to buy luxury products for the unique attributes and features of luxury products.

Perceived interpersonal effects: where consumers of Chinese and Indian culture are motivated to purchase luxury products to influence the way the consumer is perceived by others. Consumers from both cultures are motivated to buy luxury products for the



effect these products have on other people, which in turn provides some perceived benefit to the consumer.

Perceived personal effects: where consumers of Chinese and Indian culture are motivated to purchase luxury products for self-directed means. Consumers from both cultures are motivated to buy luxury products for the effect these products can have with themselves as the consumer, no external audience is needed for this.

Societal group implications: where consumers of Chinese and Indian culture are motivated to purchase luxury products for the products' ability to communicate social group information, thus allowing the consumer to employ cultural hierarchy mechanisms. Consumers from both cultures are motivated to buy luxury products for their ability to signal status and social group within a society.

More specific expressions of luxury purchase motivation were found within the concepts that make up these themes. These themes that were identified help to answer the second research question that follows.

**RQ2: Are there any major similarities or differences in what motivates consumers in China and India to purchase luxury products?**

This research found that there were both similarities and differences between the two cultures when it comes to luxury purchase motivation. The themes mentioned explicitly represent similarities, whilst the concepts that lead to the creation of these themes highlight differences and further similarities between the two cultures. It is interesting to see, that even concepts between the two cultures that are largely similar can entail subtle differences. The similar and different themes are defined and displayed in the following table, and also provide specific and contextual luxury purchase motivations.

**Table 6: Table of Concepts Showing Similarities and Differences between Chinese and Indian Culture with regard to Luxury Purchase Motivation.**

<b>Similar Concepts</b>		
<p><u>Quality (China), Superiority (India):</u> high regard for the superior of the physical attributes of luxury products. In India, this includes style and design in addition to quality/durability.</p> <p><u>Exclusivity:</u> difficulty in obtaining luxury products.</p> <p><u>Branding:</u> Marketing and Branding strategies acknowledged for making these products famous and desirable</p> <p><u>Attention:</u> Luxury brands able to get attention from others. In China, the luxury brands are meant to give the owner recognition and acknowledgement. In India, the luxury product is meant to be flaunted, and give the consumer positive feelings.</p> <p><u>Personal Empowerment:</u> The ownership of luxury brands generates feelings of empowerment, such as success, worth and achievement, within the consumer.</p> <p><u>Image Enhancement (China) Image Creation (India):</u> Both are centred on the creation of a certain image to show to others. For Chinese, it's about improvement of current image. For Indians, it's about stylising oneself to an image society has on a given societal group.</p> <p><u>Status enhancement and assertion:</u> luxury brands signify, to consumer and to others, the consumer's achieved position in society.</p>		
<b>Different Concepts</b>		
Major Concepts	<p><b>China</b></p> <p><u>Comparative Superiority:</u> luxury brands allow the consumer to feel superior and distant from others, allows the consumer to have what others can't have.</p> <p><u>Professionalism Implications:</u> luxury purchasing normal to professionals in order to look professional, reliable, and high ranking, which can lead to business opportunities.</p> <p><u>Power implication:</u> luxury brands denote the power and influence of their consumer, which commands respect and admiration from others.</p>	<p><b>India</b></p> <p><u>Utility:</u> Preference for luxury brands that perform complex and specialty functions to justify high price.</p> <p><u>Luxury Lifestyle:</u> Luxury brands imply lavishness that is sensually and emotionally pleasing to consumers.</p> <p><u>Competitiveness:</u> Luxury brands allow the consumer to engage in friendly competition with friends or more serious competition with rivals.</p> <p><u>Categorisation:</u> Luxury brands act as a way for others to categorise the consumer into a socio-economic group</p>
Other Concepts	<p><u>Relationship:</u> Makes others wish to have a form of relationship with the consumer</p> <p><u>Lifestyle Enrichment:</u> A luxury product improves the life of the luxury consumer</p> <p><u>Gifting:</u> luxury products make effective gifts</p>	<p><u>Cultural Status:</u> Consumers purchase luxury products to be admired and idolised by others</p> <p><u>Common cultural attributes:</u> Other consumers are familiar with the industry and share similar ideas on price, quality, and necessity, and luxury consumers.</p> <p><u>Comparative Superiority:</u> luxury brands allow the consumer to compare self, and feel superior, to other consumers.</p>

Further differences can be identified with regard to the other 'minor' issues raised by respondents, which upon reflecting on table 6 were all unique, with the exception of the 'Comparative Superiority' and 'Lifestyle Enrichment' concepts. The former was reflected as a major theme for Chinese respondents, but only a minor theme for Indian respondents, the latter concept was conversely reflected as a major theme for Indian respondents, but only a minor theme for Chinese respondents.

Overall, when the findings of the research are related to the theory, certain elements of the results support the argument of all the schools of thought identified in the literature review in Chapter 2. Though the results fit the 'China and India specific motivations' school of thought most closely.

The 'Chinese and Indian specific motivations' school of thought best reflects the research's findings, in that the findings produced by this piece of research are high in context to the Chinese and Indian cultures, whilst focusing on a narrow subject group of Chinese and Indian consumers. This occurs at the finer grained level by supporting their basic argument that expression of luxury purchase motivations will vary according to culture. This research confirmed that different concepts arose with respect to the different cultures addressed.

Paradoxically, the 'International/Global Motivations' school of thought, though presenting a global view with a conflicting argument to the schools of thought just covered, i.e. that despite cultural differences luxury purchase motivations will be the same because of parallel lifestyles, was also somewhat supported. While some differences were obtained by this data at the level of concepts, the higher level themes created were identical – which gives some validity to this school of thought's argument.

The 'Societal Group Motivations' school of thought was also supported, as the research proved that luxury purchase motivation can be based on cohort group – where respondents in the same cohort group will have similar luxury purchase motivations, which will differ from those of consumers in other cohort groups. This was proven by this research in that the respondents for each culture belonged to the same cohort group (men between 20 and 35 with some degree of higher education) and gave convincingly homogenous data amongst themselves, but slightly different data when comparing the data from the two separate cultures. Despite culture, similar themes emerged between the two groups, who despite culture could be regarded as coming from the same cohort group, having given responses that resulted in identical higher-order themes being produced – possibly emphasising the effect cohort group can have on luxury purchase motivation.

The final school of thought addressed, the 'basic human motivations' school of thought's fundamental theories were mostly supported by the concepts and themes that arose in the data, as was evident in section 4. The research indicates that these inner psychological motivations are valid, supporting this school of thought, but the research also indicates that motivations are not solely psychological in nature.

## **5.2 Conclusion on Research Problem**

One of the significant insights evident in the data, is the interrelatedness between many of the concepts, and to some degree, the themes that emerged in the data. It was very common for respondents to give hybrid answers – in that a seemingly functional luxury purchase concept, such as ‘quality/superiority’ and ‘status enhancement and assertion’ were often teamed with emotional luxury purchase concepts such as ‘personal empowerment’ and ‘comparative superiority’. This is evident in the following examples of responses that are tandem in nature:

C7 “thing is for them, is they’ve found something unique - can present their social status. So they’re going to be very happy”

C9 “‘I have more ability than everyone else because I can pay that.’ Feels empowered, confident.”

I7 “he’d probably feel special about himself. He’d find himself different from everybody, he would stand out more in front of people - which gives him more confidence.”

I9 “They’ll feel they’re different from the rest of people who are buying normal stuff, they’ve got status and they’re buying stuff that a normal person can’t buy - so satisfaction”

This presents an issue where it’s difficult to determine the true nature of the motivation. It is difficult to tell whether the desired functional outcome is the dominant theme within the motivation, or if the resulting emotional response within the consumer is the dominant theme, or whether they are equally dominant. It’s also unknown whether the two themes can be mutually exclusive, or whether they are interdependent – where a motivation cannot emerge without one of these themes being present. The two cannot be separated easily due to their interrelated nature, so within this research, both were coded as the researcher treated each as a valid motivation.

The research problem also gives rise to Social effects as a potential further addition to Personal and Interpersonal effects as a factor affecting luxury purchase motivations within the literature. The researcher acknowledges Social effects as distinct from Interpersonal effects. In China and India, Social group and status are strong cultural

mechanisms that are commonplace, thus subconsciously conforming to the hierarchy evident in both these countries is implicit and to some degree involuntary and automatic. Social status in these cultures is different to the social status conveyed by Western practitioners such as Veblen, Leibenstein and Mason, who note that consumers consciously consume luxury products to express status in American culture (Leibenstein, 1950; Mason, 1995; Veblen, 1899), which in comparison is less hierarchical and more egalitarian relative to the cultures of China and India (Hofstede, 2008; Trompenaars & Hampden-Turner, 2004). In American culture, where status and society isn't a strong cultural feature (Hofstede, 2008; Trompenaars & Hampden-Turner, 2004), status signalling is somewhat seen as unnecessary – a frill. However in China and India, with a strong hierarchy where an individual's social status is seen as important, showing status is socially important and commonplace. Status signalling is neither wholly personal nor interpersonal – for asserting and showing status is expected and ingrained within the culture. This is evidenced by the following examples of class-asserting quotes from the data:

C4 “People want to show their difference with other people. Like a government official - their family members want to show they're high level people and along with economic development more and more rich people class each other. So they want to show that difference”

C10 “They're in different classes, economic classes, so they don't care”

I6 “to get that social status you have to get those kind of possessions... Indian's are more status conscious than Kiwis.”

I10 “Status - they worry about what people would say in the society, it's the consciousness of wanting to be seen in a particular way - the image, it influences people's images in society”.

Potentially, a given act of a purchase can satisfy several motives. Which motive is satisfied will depend on the context in which it is used or displayed. The consumer who buys luxury products for one reason may find gratification of a quite different kind – and this may be more unexpected and unintended when using or displaying in another context. The effect of this may be to install a new supporting motive after the fact, i.e the audience may install a motive.

Overall, the themes and concepts taken as a whole allude to general cultural differences between China and India's motivations for luxury purchase. Having personally conducted all the interviews, the researcher noticed a difference in the nature of the two cultures with luxury purchase motivation.

Chinese respondents provided more homogenous data that rationally acknowledged very defined purposes for luxury products. Indian respondents provided somewhat more heterogeneous data that communicated a mixture of rational and emotional purposes for luxury products, and acknowledged extraneous effects other than the specific individual given motivation. Indian consumers acknowledged rational and emotional motivations for purchasing luxury products. This leads the researcher to believe that in India, the perception of luxury products is multi-faceted, and that luxury products are multi-purpose, compared to Chinese consumers where luxury products have a distinct specialty function. This is somewhat reflected in the codes – Indian responses provided a greater range and variation of codes than the Chinese data.

## **5.3 Implications**

### **5.3.1 Theoretical Implications**

The research could have the implications which follow for the theory of the immediate discipline of luxury purchase motivations, or of the nature of luxury products in China and India, or of the greater theory of luxury products.

To the immediate discipline, this work presents research-based motivations, specific to China and India – as opposed to general motivations being extrapolated to fit these cultures, or using empirical observations with no research context. Motivations of this nature are not common in the body of luxury literature, so the findings deduced would support Chinese and Indian culture-specific motivations, as well as contribute depth to the body of luxury literature as a whole by providing additional information.

Incidentally, the research can potentially support both sides of a standardization vs. customisation debate present within management and marketing theory. Identical themes arising from both sets of respondent data would encourage a standardization strategy between the cultural markets. More unique culture-specific concepts that make up these themes would encourage a customized strategy to each distinct cultural market.

Within section 4, many of the classical luxury purchase motivation themes were founded to be valid and relevant to this study, as these motivations arose within the data. However, later variants on these classic luxury purchase motivations fit the data more accurately. This is largely because these more modern variants are written with regard to Asian culture. The implication this has for theory is that while classical luxury purchase motivations are valid, their validity can be further improved when the definitions are expanded to take contextual factors into consideration.

To the body of luxury literature as a whole, the research validates both personal and interpersonal effects of luxuries – and that these effects can be central concerns to the consumer. In light of this, it also proposes that Society could be added as a third category for grouping luxury purchase motivation, as societal effects contain both personal and interpersonal elements. Luxury purchasing can be seen as having influences of both, in that a consumer can personally want status, or have status validated through interpersonal perception. Furthermore, a Society influence could reflect a further graduation in subject addressed – from personal, to interpersonal, to societal. As argued earlier, personal and interpersonal effects can be explicit and conscious to the consumer, though social status is an implicit and subconscious force in the context of China and India –motivating the consumer to purchase luxury products in order to conform to the socio-cultural implications of living in a hierarchical society.

At the very least, the research highlights the need to acknowledge the impact that culture can have upon consumer perception, behaviour, and purchase motivation. Even luxury brands, a product category that is characteristically salient across consumers and markets, is subject to variation in perception across these two cultures. This was indicated by the research's findings, in that concepts that emerged for each

country had similarities and differences – these in turn described expression of perceptions of luxury products for their respective cultures.

The research also supports a functional vs. non-functional argument of luxury products. But function also needs to address the intangible functions in the form of product and brand attributes of luxury products. Consumers find these attractive like the tangible functions.

### **5.3.2 Practical Implications**

By uncovering the perceptions consumers of Chinese and Indian culture have of luxury brands, luxury organizations are essentially presented with market information, which can be utilized in an environmental analysis. This can be used as information for strategic planning purposes tailored to the individual markets, enhancing the likelihood of strategic success due to better-informed strategies. In turn, research such as this could encourage a given organization to consider cultural perceptions in future strategic planning. More specifically, the findings illustrate the perceptions of luxury products in two distinct markets. From this, a luxury brand can decide which perceptions to enforce and which perceptions to remedy. Also accurate market information can lead an organisation to form and implement strategic plans competitively, which is important in itself as these luxury in these two markets is becoming increasingly competitive.

The cross-cultural nature of the research presents the luxury industry with similarities and differences between the Chinese and Indian perceptions of luxury. As such, a given luxury organisation can standardise their regional strategy according to the similarities, or customise individual market strategy according to the differences presented.

Furthermore, as the findings are research based there is more academic-validity compared to practitioner-based information, which could potentially make the data more reliable in strategic planning.



## **5.4 Limitations**

Generalisation of the findings of the research is limited to consumers from the cultures of China and India. It is not designed to represent luxury purchase perceptions and motivations of other cultures and markets.

The research was conducted with men with a tertiary education and aged under 35. Naturally this might not reflect all luxury motivations and perceptions within these cultures. Men of the older generation, and both younger and older women would be worthy of study and comparison to understand luxury brand perception in these cultures.

Luxury brands in general were chosen as the subject of this research, rather than an individual luxury product, or luxury brand. While basic motivations would be expected to hold between different types of luxury products, their expression will vary. Both product type and context of use will no doubt qualify how these motives apply.

As the research was conducted within a six-month period, and within a time of rapid change in the two economies, it's possible that the research may only reflect Chinese and Indian consumers for this point of time and for the near future. The research might not reflect the luxury perceptions and luxury purchase motivations that emerge as these two cultures develop their economies and adopt global positions in commercial and social matters.

Finally, the subject of this research focused solely on luxury branded products. The information gathered is therefore not designed to address other types of products, for example fast moving consumer goods.

## **5.5 Further Research**

As this research addressed general luxury products against younger male respondents from two cultures, it opens many avenues for further research.

Firstly, a comparison with a western culture, or western culture in general could be undertaken. Since the same themes were arrived at by Chinese and Indian respondents independently, it would be instructive to see how these themes compared with the end themes of a western culture. Defining the extent of cross cultural generalization that international luxury marketers could make, would be a valuable practical contribution to the luxury sector.

Secondly, an area of further research would be to undertake this same piece of research with other Asian nations. This would allow the body of literature to gain a more accurate account of luxury perception and consumption in a rapidly growing market for luxury organizations. Further research on developing Asian economies could lead to greater understanding of this region.

Thirdly, the research could be extended to include other consumers – such as consumers from other age groups, and women. This would give a broader base on which to create more comprehensive theory that applied to each culture.

Fourthly, particular luxury products, as opposed to luxury products in general, could be researched to see if there are any specific themes relevant to a particular product, or assess the variation in perception and or motivation from product to product.

Fifthly, now that the qualitative technique managed to uncover some concepts issues and themes, these can be explored in more depth, perhaps using a quantitative procedure, to determine their relative weight in population terms.

Finally, these respondents were potential luxury consumers, as opposed to actual Chinese and Indian luxury brand consumers. An area for further research would be to identify whether the motivations of actual luxury consumers were faithfully reflected by those of potential luxury consumers. Such a comparison would be helpful in

validating the underlying premise of the research which used the motives of the latter to understand those of the former.

An approach to research which, like this study, controlled for gender and for age (homogenous cohorts) and which coded its findings in the way followed in this analysis (codes to concepts to higher order abstract motivations) might show that some of the differences between the theories in the literature are the result of looseness in the way information has been gathered and interpreted. The views of the older generation may be confounded with the views of the younger and the views of men with those of women. Similarly, lower level concepts and expressions of luxury motivation are possibly confounded with higher order abstractions. More systematic design and analysis of research may show the different theories fitting into an overall integrated model.

### **5.5.1 Conclusion**

By conducting a literature review, it was evident that a gap existed for luxury brand information relating specifically to Chinese and Indian cultures, particularly data that is research based, especially as it was shown that these cultures are becoming increasingly attractive and competitive to luxury brand organisations. Using a qualitative procedure of interviews, the researcher managed to gather luxury brand perceptions. When analysed using thematic analysis, concepts and themes emerged that directly relate to luxury purchase motivation for these two cultures. Because the research focused on a broad demographic of potential luxury consumers, as well as the research addressing luxury products in general, the research opens up new possibilities to explore particular consumers and particular luxury products. Furthermore, the research lends itself to cross cultural comparison, which opens up the possibility of other cultures being added and compared to create further depth to the body of luxury literature.

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## 6 Appendices

### 6.1 Appendix A



# MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

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To: Mark Glynn  
From: **Madeline Banda** Executive Secretary, AUTEC  
Date: 5 May 2008  
Subject: Ethics Application Number 08/34 **Motivations for buying luxury brands in China and India.**

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Dear Mark

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 7 April 2008 and that I have approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 12 May 2008.

Your ethics application is approved for a period of three years until 5 May 2011.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/about/ethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 5 May 2011;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/about/ethics>. This report is to be submitted either when the approval expires on 5 May 2011 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this. Also, if your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply within that jurisdiction.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at [charles.grinter@aut.ac.nz](mailto:charles.grinter@aut.ac.nz) or by telephone on 921 9999 at extension 8860.

On behalf of the AUTEC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Madeline Banda', is written over a light blue horizontal line.

Madeline Banda  
**Executive Secretary**  
Auckland University of Technology Ethics Committee

## 6.2 Appendix B

### Consent Form

For use when interviews are involved.



*Project title:* **A cross sectional comparison of motivations for Buying Luxury Brands in Developing Asian Economies**

*Project Supervisor:* **Dr. Mark Glynn**

*Researcher:* **George Heinemann**

- I have read and understood the information provided about this research project in the Information Sheet dated 22 February 2008.
- I have had an opportunity to ask questions and to have them answered.
- I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- I agree to take part in this research.
- I wish to receive a copy of the report from the research (please tick one): Yes  No

Participant's signature:

.....

.....

Participant's name:

.....

.....

Participant's Contact Details (if appropriate):

.....

.....

.....

Date:

**Approved by the Auckland University of Technology Ethics Committee on 05/05/2008**



## 6.3 Appendix C

# Participant Information Sheet



### Date Information Sheet Produced:

15 February 2008

### Project Title

Motivation for Buying Luxury Brands in China and India.

### An Invitation

We invite you to participate in this research project, which will help me complete my Master of Business qualification. My name is George Heinemann, and I am a post-graduate student at AUT University. Your participation is voluntary, and you may withdraw at any time if you wish to proceed.

### What is the purpose of this research?

To understand what motivates consumers in China and India to purchase luxury products.

### How was I chosen for this invitation?

You were chosen through the AUT Breakfast club, who recommended I contact you as you have ties with either Chinese or Indian culture.

### What will happen in this research?

The project involves an interview. Once I've done this with all my respondents, I'll collate the information and analyse the data for themes.

### What are the discomforts and risks?

None. I need to record our interview on tape to help with my analysis. But you are free to withdraw at any time.

### What are the benefits?

Better understanding of the cross-cultural differences and similarities when buying luxury brands, this may help academics and organisations better understand luxury brand purchasing in China and India.

## How will my privacy be protected?

Your name will not be recorded in the interview and the specific information that you give will be kept confidential at all times.

## What are the costs of participating in this research?

Nothing, only 30 minutes of your time.

## Will I receive feedback on the results of this research?

No, but you are welcome to read my dissertation in the AUT library.

## What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Dr Mark Glynn*, [mark.glynn@aut.ac.nz](mailto:mark.glynn@aut.ac.nz), *Phone*: +64 9 921 9999 ext: 5813.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Madeline Banda, [madeline.banda@aut.ac.nz](mailto:madeline.banda@aut.ac.nz), 921 9999 ext 8044.

## Whom do I contact for further information about this research?

### **Researcher Contact Details:**

George Heinemann,

Email: [geohei99@aut.ac.nz](mailto:geohei99@aut.ac.nz),

Phone: 0211259997

### **Project Supervisor Contact Details:**

Dr. Mark Glynn

Email: [mark.glynn@aut.ac.nz](mailto:mark.glynn@aut.ac.nz)

Phone: +64 9 921 9999 ext: 5813

Fax: +64 9 921 9940

Approved by the Auckland University of Technology Ethics Committee on *type the date final ethics approval was granted*,  
AUTEK Reference number *08/34*.