

# Prada for Proletariats: How Socioeconomic Status Affects the Purchase of Luxury Products

by  
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## Abstract

The luxury goods industry draws in billions of dollars each year and is expanding into new customer segments and markets, especially younger and less affluent consumers. These changes make it increasingly important that luxury brands understand their consumers. In this research, we ask the question: How does a consumer's socioeconomic status (SES) affect their motivations for purchasing luxury products, and how do these motivations affect preferences for luxury products that are loud (large logos) versus quiet (small or no logos)? Prior research has studied the individual effects of SES, consumer luxury preferences, and motivations for purchasing luxury products. However, there is no one study that incorporates all of these factors and fully explains their connection with one another. This study uses a survey to investigate the relationship between SES, motivations for purchasing luxury products, and preferences for loud versus quiet luxury products. I find that individuals who experience an increase in socioeconomic status over their lifetime are more motivated by social acceptance as a reason to purchase luxury products, and in turn, this motivation results in a preference for louder and more conspicuous luxury products.

Key words: Luxury products, socioeconomic status, conspicuous consumption

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## Section 1: Introduction

The luxury goods category includes a wide variety of products, ranging from designer handbags and diamond necklaces to top-of-the-line grills and sports cars. And the industry is booming. In fact, the industry surpassed \$1 trillion in 2015 and continues to grow at a healthy rate of 5 percent each year (D'Arpizio et al., 2015). Further, the luxury industry is rapidly expanding to sell to younger, less affluent, and emerging market customers. People in emerging markets and those of lower socioeconomic status are displaying an increasing appetite for luxury, evidenced by the rise of the off-price luxury market, which makes up over 30 percent of total luxury sales (Bain & Company, 2015). Additionally, the “accessible” luxury market is expected to reach \$747 billion by 2021, a \$164 billion increase from 2014 (Chitrakorn, 2015).

With the continual growth in luxury goods spending and the expanding customer base, luxury companies need to better understand how social class affects luxury spending, especially the differences in preferences between consumers of different classes. This research explores whether variation exists between the luxury preferences amongst different social classes. Additionally, I hope to explain these potential differences by examining the underlying motivations for purchasing luxury products that affect members of different social classes (i.e., self-expressive motivations or social acceptance motivations).

Overall, I examine the following question: *How does a consumer's socioeconomic status (SES) affect their motivations for purchasing luxury products, and how do these motivations affect preferences for luxury products that are loud (large logos) versus quiet (small or no logos)?* To address this question, I use an online survey through Amazon's Mechanical Turk to measure socioeconomic status, preference for loud versus quiet luxury products, and motivations for purchasing luxury products. My findings will aid luxury companies in understanding the

motivations and preferences of consumers from different SES backgrounds, and specifically, to reach different SES consumers with varying types of luxury products.

In the following sections, I present a review of literature relating to luxury products and social class. I then describe my hypotheses and study methodology. Finally, I present the analysis of the data collected, summarize my results, and discuss limitations and future research directions.

## **Section 2: Literature Review**

The following literature review aims to synthesize past research and orient my research within the existing academic literature. First, I review background research relating to luxury products. Next, I explore literature specifically related to consumers' motivations to purchase luxury products and the differences in their preferences for these products. Finally, I address socioeconomic status and how it affects consumption behavior.

### *2.1 Background on Luxury Products*

Past research explores the varied reasons consumers have for purchasing luxury products. Veblen (1899), who coined the term “conspicuous consumption,” noted that consumers purchase luxurious goods to signal social status rather than for their implicit value. Beyond social value, consumers use luxury products as a sort of self-protection. Sivanathan and Pettit (2010) found that status goods could be used to affirm or enhance one's self image. Consumers with lower self-esteem were more likely to purchase products of high status, and willing to spend more on them. Additionally, the study found that high-status products were used by consumers to protect themselves from self-threats. For example, consumers were less affected by negative comments after writing about owning a luxury car.

## *2.2 Motivations to Purchase Luxury Products*

Further luxury research focuses more specifically on consumers' motivations for purchasing these products. Luxury products have been found to fulfill certain needs and provide both social and psychological benefits to the owner. They are used by women and men alike to aid in mate selection and romantic relationships. Men use conspicuous consumption when engaging in a "low-investment" mating strategy (seeking a short-term relationship) to attract women and signal their desirability as a short-term mate (Sundie et al., 2011). In contrast, women use luxury products not to attract a mate, but to guard their mate. That is, luxury is used by females to signal to other women that their partner is devoted to them and to deter others from stealing their mate (Wang & Griskevicius, 2014). This suggests that men and women purchase and use luxury products differently, which may have implications for my study, which uses only female participants.

Luxury can be used as a signal not only in the context of romantic relationships, but also in many other social situations. Wilcox et al. (2009) explores the reasons why consumers purchase counterfeit luxury products, and identifies two motives for desiring luxury goods. One, luxury products can serve a value-expressive function, which aids in self-expression and helps consumers to communicate their beliefs, attitudes, and values. Two, luxury products can serve a social-adjustive function, aiding consumers in gaining social approval and status. Although this research was done on counterfeit luxury products, it is reasonable to assume it would be transferrable to genuine luxury products as well. This has not yet been investigated, however.

## *2.3 Luxury Preferences*

Beyond the psychological and social reasons to buy luxury, there are certain characteristics and qualities of the goods themselves that draw consumers to them. This notion

was explored by Ciornea (2013), who attempted to define the major drivers that influence consumers' satisfaction with luxury products. The author found that "quality, comfort, resistance, prestige, and visibility of the product" had a significant impact on overall satisfaction (p. 62).

Though there are certain drivers that are generally associated with customer satisfaction, there is of course variance in customers' individual preferences for luxury products. Existing research begins to identify whether these differences in preference can be associated with certain characteristics of the consumer. One of the most interesting aspects of luxury preferences is described by the concept of "brand prominence," introduced by Han et al. (2010). Brand prominence is defined as "the conspicuousness of a brand's mark or logo on a product," (p. 15). Han et al. (2010) found that products that are more conspicuously branded (e.g., large conspicuous logos) are considered to be "loud" and are preferred by those wishing to associate with upper class individuals and dissociate with the lower class individuals. "Quiet" products, on the other hand, are less conspicuously branded, and are more attractive to upper-class individuals striving to associate with other members of the upper class. This article did not explore, however, the deeper motivations behind these preferences, which I address in my research.

#### *2.4 Prior Literature on Socioeconomic Status*

Past research has identified several differences in behaviors and consumption habits across different social classes. Piff (2014) studied the relationship between social class and both narcissism and entitlement. It was found that individuals of higher social class tend to feel more entitled and are also more narcissistic. Though not explored in this work, it may have possible implications on their purchasing preferences as well.

Additionally, Han et al. (2010) focused more on which type of luxury products different social classes found most appealing and how these choices were affected by their desire to

associate with or dissociate from certain social groups. As noted earlier, it was discovered that members of the upper class who desired to associate with other upper-class individuals were more inclined to purchase less conspicuously branded (“quiet”) products that only they could identify. Those of either class who wished to associate with the upper class and also dissociate with the lower were more favorable towards conspicuously branded (“loud”) products.

Similar to the desire to associate with or dissociate from social groups, Stephens et al. (2007) explores the models of agency (or normative guidelines for what it means to be a “good” person) in the working- and middle-classes. In the working class, they found a normative preference to be similar to others, while those in the middle class preferred to be different from others. Not explored in this paper is the possibility that this may affect purchase decisions, as those who wish to be different from others may purchase certain products (such as more unique and discreet luxury goods) to do so.

Related to social class, Rucker and Galinsky (2009) set out to investigate how power affects consumption. They measured participants’ sense of power and their purchase intentions. It was found that higher power leads to a preference for products of higher quality and performance, whereas individuals with lower power focus more on products that visibly display status. The desire for products that convey status among those of lower power has been shown to be caused by an inclination to compensate for lacking power (Rucker & Galinsky, 2008). What this paper does not answer, however, is whether this effect is linked to social status.

## *2.5 Conclusion*

Based on the literature review, it is clear that past research addresses topics of socioeconomic status, consumer motivations to purchase luxury, and product preferences amongst different types of consumers. However, it fails to tie them together in a single

comprehensive piece. I propose to bridge this gap. This thesis connects socioeconomic status to consumers' motivations for purchasing luxury products (self-expression vs. social acceptance), and then connects these consumer motivations to preferences for certain luxury products (brand prominence: loud vs. quiet).

### **Section 3: Methodology**

This section describes my hypotheses and methodology for testing these hypotheses. In the methodology sections, I outline the process of data collection and describe the measures collected for the purpose of testing hypotheses.

#### *3.1 Research Hypotheses*

The first hypothesis relates to consumers of higher socioeconomic status. As described earlier, Han et al. (2010) found that less conspicuous (“quiet”) luxury products were used by upper-class consumers to relate to others of the upper class, as quiet luxury products (less conspicuous) are more difficult to identify and thus more exclusive. Additionally, Wilcox et al. (2009) found that less conspicuous products are preferred by those seeking to express themselves. This could perhaps be related to a desire for uniqueness, and research suggests that members of the upper class preferred to be different from others (Stephens et al., 2007). I propose that people of higher socioeconomic status will prefer quiet luxury products because their motivation for purchasing luxury products is self-expressive (rather than socially driven). Thus, it can be hypothesized that:

**H1: People of higher socioeconomic status will prefer quiet luxury products in order to fulfill self-expressive motivations.**

The second hypothesis relates to consumers of lower socioeconomic status. Prior research has found that more conspicuously branded (“loud”) luxury products were preferred by those looking to associate with the upper class and dissociate with the lower class, as well as gaining social approval and status (Han et al., 2010 & Wilcox et al., 2009). Sivanathan and Pettit (2010) also state that status goods increase self-esteem, and self-esteem may be lower for individuals of lower socioeconomic status. Acquiring “loud” luxury products, which are more likely to be seen and perhaps admired by others, could fulfill the need for social acceptance. Therefore, I hypothesize that:

**H2: People of lower socioeconomic status will prefer louder luxury products in order to fulfill social acceptance motivations.**

### *3.2 Measures and Variables*

Data was collected via a survey created specifically for this study and administered using Amazon Mechanical Turk. To create incentive, “Workers” were paid upon their completion of the survey. My sample included 164 respondents, and was restricted to females aged 24 to 64 who were born in the United States. Women and men display different preferences for luxury products. For this research, it was necessary to use one product category, and thus choose a gender to study. Women generally show a greater purchase intention for luxury products and I chose handbags because they are a widely consumed, relevant category for this audience (Stokburger-Sauer & Teichmann, 2013). In addition, handbags are used publicly, so the role of social motivations is more prevalent.

The survey questions addressed three topics: socioeconomic status, preference for loud versus quiet luxury products, and motivations for purchasing luxury products. To assess *socioeconomic status*, the MacArthur Scale of Subjective SES was used (Piff, 2014). This

method presents respondents with a ten-rung ladder representing where people stand in society, with those who are best off at the top of the ladder and those worst off at the bottom of the ladder. Respondents were asked to indicate which rung best represents where they believe they stand in society (Appendix 1, question 1). Additionally, respondents were asked to use the same ladder measure to indicate where they stood during their childhood years (Appendix 1, question 2) to explore whether there differences between current vs. childhood SES.

In order to assess *preferences for loud versus quiet luxury products*, respondents were presented with pairs of photos of loud and quiet versions of similar luxury products (Appendix 1, questions 3-9). For example, for one pair, respondents were shown a Louis Vuitton handbag with the signature LV logo print covering the entire bag (loud product) versus a the exact same handbag in a slightly textured leather without the LV logo (quiet product). For each pair, respondents were asked to indicate which product they would rather own. To obtain an overall preference measure, responses to these questions were combined by counting the number of times respondents selected the loud product to form an index of luxury preferences (higher score indicates higher preference for loud products).

Lastly, I measured *motivations for purchasing luxury products* using eight Likert scales taken from Wilcox et al.'s 2009 study (Appendix 1, questions 10-17). They are used to determine whether respondents purchase products to fulfill self-expressive motivations (through questions like "Luxury brands help me communicate my self-identity") or social acceptance motivations ("Luxury brands help me fit into important social situations").

### 3.3 Statistical Analysis

To prepare the data for the main analysis, I created an index for each variable: value expressive motivations, social adjustive motivations, and preference for loud luxury products.

Each index combined responses for multiple questions meant to measure the variable. Tests for reliability for these index measures are reported in the Results section.

For the main analyses, which provided a test of my hypotheses, a set of mediation analyses were used. My hypotheses are framed as relationships between three variables (SES, luxury purchase motivations, luxury preferences), with luxury purchase motivations as a mediator of the hypothesized relationship between SES and luxury preferences. Thus, testing my hypotheses involves mediation analysis, which is appropriate for testing if an independent variable (socioeconomic status) influences a mediator variable (luxury purchase motivations), which in turn influences the dependent variable (luxury preferences: loud versus quiet).

### *3.4 Appropriateness of Methodology*

This methodology is appropriate in that it allowed me to reach people of varying socioeconomic status. My sample obtained using MTurk produced a distribution of SES that was normally distributed. I chose to use MTurk for this reason. I also had the option of using a subject pool of marketing students at the university who would complete the survey for course credit. I conducted a pretest for this pool, appending several questions to measure SES to the end of a colleague's survey. The results indicated that SES was not normally distributed. I also believed the sample to be too young to be generalizable to a greater population. Thus, I decided to run my survey through MTurk.

For all variables, my measures include multiple questions/items, which is suggested to increase the reliability of measures. For example, instead of asking respondents to choose between one handbag with a big logo pattern (loud luxury product) versus another handbag with no logo pattern (quiet luxury products), I asked respondents to make choices between multiple pairs of luxury products in order to get the best possible reading on their preferences. When

possible, for the SES and luxury motivation variables, I used measures that had been previously used and tested by other researchers. Finally, I chose to not ask questions about motivations for luxury purchases until the end of the survey, as not to reveal the purpose of the study or bias responses to other questions.

This research is dependent on several assumptions. The first is that the respondent is familiar with the luxury product category. Additionally, it is important that they have an interest in buying or owning these products. This leads to a limitation, in that this research only focuses on one product category (luxury handbags), and one can't be confident that consumers would react in the same way to all types of luxury products. I also only studied women and handbags, which is a conspicuous category of products. There's no guarantee that this could be generalized across genders and product categories. Additionally, there are many ways to measure each variable, but this study was limited to my specific definitions.

## **Section 4: Results**

This section describes the results of my survey and presents the outcomes of mediation analyses used to assess support for my hypotheses. It also includes supplementary findings outside of my primary research question.

### *4.1 Data Set Editing*

After obtaining data, my first step was to examine it for completeness. Because I used a crowdsourcing site that paid subjects upon completion, I wanted to inspect the data for signs of inattention or faking on the survey. I began running correlations and noticed that the results weren't making logical sense. For example, I had included a measure of power in the survey for exploration purposes, and noticed that power was negatively correlated with SES (which is

contrary to past research findings). Upon further examination, I was able to identify the problem. Some subjects had marked the same answer for every question or almost every question. It was clear that they hadn't paid attention and were just clicking through the survey in an effort to obtain their payment more quickly. I kept as much data as possible and looked at how each subject was answering each variable. If no variation in responses was present, I deleted the data. For the variables used in my analysis, approximately 15% of data was deleted.

#### 4.2 Reliability Analyses

Reliability analyses were conducted in order to test for internal consistency with the two indices created to measure motivations for purchasing luxury products: Value Expressive and Social Adjustive. This allowed me to determine whether these scales could be used for further analysis. The results of these tests are presented below in Figure 1. These analyses demonstrate that both scales are reliable, as they both have a high Cronbach's alpha. Thus, they could be used in my statistical analysis.

*Figure 1: Reliability Analyses*

Value Expressive Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.975            | 4          |

Social Adjustive Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.896            | 4          |

#### 4.3 Evaluation of Hypotheses

Both hypotheses were examined using a mediation analysis. Specifically, I expected higher SES individuals to have stronger motivations for self-expression, resulting in preferences for quiet luxury products (Hypothesis 1) and lower SES individuals to have stronger motivations

to be socially accepted, resulting in stronger preferences for loud luxury products (Hypothesis 2). I used Baron and Kenny's 3-step procedure for my mediation analyses.

This analysis required three steps (Baron & Kenny, 1986). First, it is necessary to confirm that the independent variable is a significant predictor of the dependent variable using the following regression analysis. It is necessary that  $c'$  is significantly greater or less than zero and that the p-value is significant.

$$1) \text{ LOUDNESS} = i_2 + c' \text{ SES} + e_1$$

Second, it must be shown that the independent variable is a significant predictor of the mediator variable, using another regression in the same format:

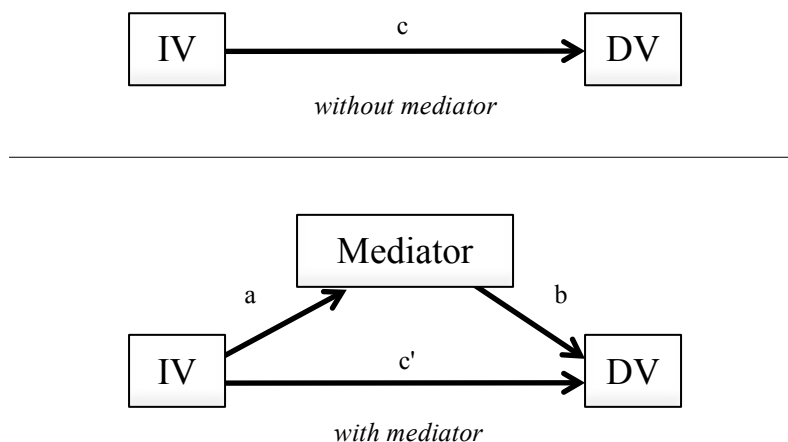
$$2) \text{ MOTIVATION} = i_1 + a \text{ SES} + e_2$$

Finally, it must be confirmed that the mediator variable is a significant predictor of the dependent variable, while controlling for the independent variable, using the following:

$$3) \text{ LOUDNESS} = i_3 + c \text{ SES} + b \text{ MOTIVATION} + e_3$$

In order to prove the mediation effect,  $b$  must be significant and  $c$  should be smaller than original mediation effect found in the first test. These relationships are shown in Figure 2 below.

*Figure 2: Baron & Kenny Mediation Analysis Structure*



I ran the first two regression analyses required for mediation for each of my hypotheses and found no significant relationships between SES and luxury preferences for loudness or between SES and luxury motivations (see Tables 1 & 2). With these results, there is no reason to go further with the analysis per the Baron and Kenny procedure. It is evident that people of higher (lower) SES did not show significantly higher motivations for self-expression (social acceptance), nor did they have greater preference for quieter (louder) products. Thus, there is no support for either of my hypotheses from this mediation analysis.

*Table 1: Mediation Analysis, Hypothesis 1*

| Regression #     | Coefficient | P-Value | Relationship? |
|------------------|-------------|---------|---------------|
| 1 (SES→Loudness) | 0.066       | 0.370   | NO            |
| 2 (SES→VE)       | 0.027       | 0.740   | NO            |

*Table 2: Mediation Analysis, Hypothesis 2*

| Regression #     | Coefficient | P-Value | Relationship? |
|------------------|-------------|---------|---------------|
| 1 (SES→Loudness) | 0.066       | 0.370   | NO            |
| 2 (SES→SA)       | 0.017       | 0.791   | NO            |

#### *4.4 Further Analysis: Childhood SES*

Next, I examined data for Childhood SES, which I included in my survey for exploratory purposes. Although I did not have a formal hypothesis regarding a person’s SES during childhood, there is a large body of research on life course suggesting that one’s childhood experiences might be consequential for adult consumption behavior. Life course research explores the “importance of early life-stage transitions and experiences for understanding behavior later in life” (Moschis, 2007, pg. 296). Research has shown that childhood traumas can

have persisting effects as much as 60 years later (Elder et al., 1996). And, particularly relevant to my research topic, Moschis (2007) proposes that changes in a person's standard of living is related to the strength of his/her materialistic attitudes, and that this relationship is stronger when economic hardship is experienced earlier in childhood and adolescence.

For this analysis, I pursued a similar research question to my original hypotheses, but substituted childhood SES and change in SES (subtracting childhood SES from current SES) for current SES. There is a wealth of literature and reason to believe that a person's childhood experiences affect their self-esteem and social motivations for wanting material goods later in life (Chaplin, Hill, & John 2014). However, there is little research to suggest that a person's childhood experiences would affect their desire for self-expression. Initial correlation analyses confirmed this, yielding virtually no correlation between childhood SES and value-expressive motivations. Therefore, I chose to only explore the social adjustive motivation for purchasing luxury products rather than the value-expressive motivation for this analysis.

In sum, in these analyses, I wanted to test whether differences in luxury preferences (loud vs. quiet) between lower and higher childhood SES individuals were mediated by social acceptance motivations for purchasing luxury products.

*Baron and Kenny Procedure.* I initially ran mediation analyses according to Baron and Kenny's (1986) 3-step method (see Figure 3). For both analyses, using childhood SES and lifetime change in SES, relationships *a* and *b* were significant, but not *c'* (see Tables 3 & 4). Thus, this procedure was unable to provide support due to the fact that the effect to be mediated, the relationship between SES and luxury preference for loud/quiet products, was not significant. However, due to the presence of significant relationships between some of the variables, I decided to pursue further analysis.

Figure 3: Baron & Kenny Mediation Analysis Structure

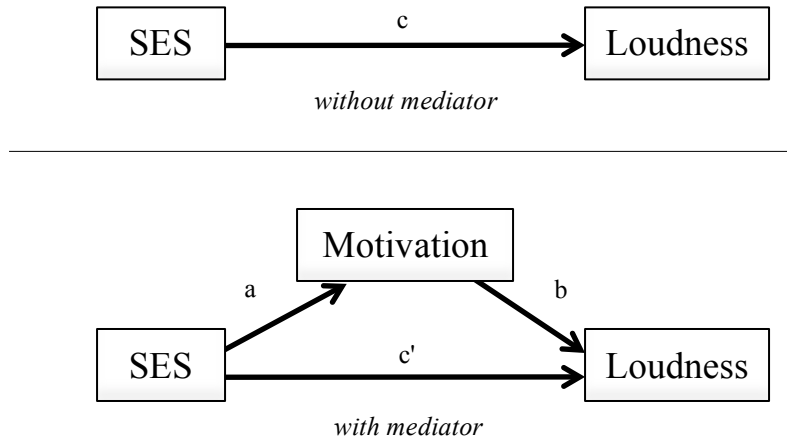


Table 3: Baron & Kenny Mediation Analysis Results for Childhood SES

| Regression # | DV       | IV              | Coefficient    | P-Value         | Relationship? |
|--------------|----------|-----------------|----------------|-----------------|---------------|
| 1            | Loudness | SES Child       | 0.037          | 0.599           | NO            |
| 2            | SA       | SES Child       | -0.099         | 0.099           | MARGINAL      |
| 3            | Loudness | SES Child<br>SA | 0.111<br>0.574 | 0.141<br><0.001 | NO<br>YES     |

Table 4: Baron & Kenny Mediation Analysis Results for Lifetime Change in SES

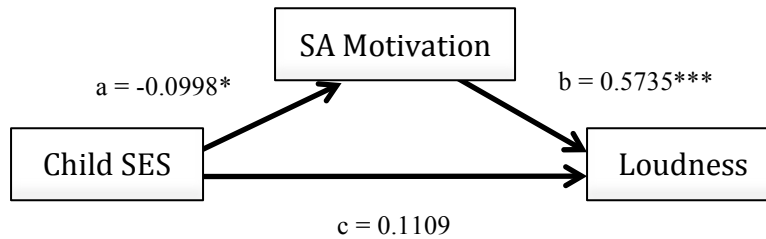
| Regression # | DV       | IV                 | Coefficient    | P-Value         | Relationship? |
|--------------|----------|--------------------|----------------|-----------------|---------------|
| 1            | Loudness | SES $\Delta$       | 0.019          | 0.757           | NO            |
| 2            | SA       | SES $\Delta$       | 0.107          | 0.067           | MARGINAL      |
| 3            | Loudness | SES $\Delta$<br>SA | 0.079<br>0.116 | 0.281<br><0.001 | NO<br>YES     |

*Preacher and Hayes Procedure.* I pursued an alternative procedure for assessing mediation that has become the standard procedure in academic research in marketing. Zhao et al. (2010) argue against Baron and Kenny's requirement that the relationship between the

independent and dependent variable need be significant, and state that mediation can be determined as long as the indirect effect ( $a \times b$ ) is significant. These authors recommend that Baron and Kenny's mediation procedure be replaced with a "bootstrap" test of the indirect effect, established by Preacher & Hayes (2004). This method uses a macro that runs many (in this case, 5,000) successive regressions by taking many samples from the original sample set with replacement. Because of this, the Preacher & Hayes procedure has much higher power and can better detect mediation.

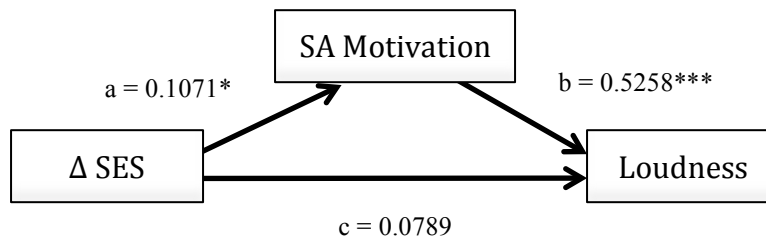
A bootstrap analysis using the INDIRECT SPSS macro (Preacher and Hayes, 2004) did not yield significant results for childhood SES (Figure 4). However, it did confirm a significant mediating pathway from lifetime change in SES to luxury preferences through social acceptance motivations (95% CI: 0.003, 0.127). These results suggest, as expected, that individuals with larger (smaller) increase in SES over their lifetimes have stronger (weaker) motivations to be socially accepted, which results in preferences for louder (quieter) luxury products (Figure 5). This means that consumers whose adult SES is much higher than their childhood SES have motivations to purchase luxury to be socially accepted, and because of this motivation, they prefer products that are louder and more conspicuous. This finding is consistent with themes from prior research discussed earlier that suggested that conspicuous consumption is related to showing status and gaining a sense of power.

Figure 4: Bootstrap Analysis for Childhood SES



Note: \* =  $p < .10$ ; \*\* =  $p < .05$ ; \*\*\* =  $p < .01$

Figure 5: Bootstrap Analysis for Lifetime Change in SES



Note: \* =  $p < .10$ ; \*\* =  $p < .05$ ; \*\*\* =  $p < .01$

## Section 5: Discussion

My initial research question examined whether differences in luxury preferences (loud vs. quiet products) between lower and higher SES individuals were mediated by those individuals' motivations to purchase luxury products. My results did not support either of my hypotheses, yet I did uncover some interesting findings related to SES in my exploratory analyses.

I found that individuals who experience an upward shift in SES during their lifetime are more motivated to gain social acceptance and, in turn, purchase louder luxury products. It makes intrinsic sense that individuals who have lower social status are more prone to lower self-esteem and would have a greater desire to gain social acceptance. Once these individuals achieve higher status, they have the means to purchase products that will help them fit in, and prefer that these

products explicitly communicate their newfound status with large logos and highly recognizable graphics.

This is consistent with prior findings that show how socioeconomic status is related to self-esteem, and that this effect increases substantially during young adulthood (Twenge & Campbell, 2002). Self-esteem is also highly correlated with the degree to which individuals feel excluded socially (Leary et al., 1995). And finally, “individuals with low self-esteem and insecurity are more likely to be materialistic” and will attempt to enhance their self-image through material possessions (Park & John, 2011, pg. 73).

## **Section 6: Conclusion**

The luxury category is continually growing and evolving to include younger and less affluent new markets. Although prior research exists exploring luxury products, motivations, and SES, there is not yet one study that integrates these three variables into one comprehensive piece. Additionally, this is the first work that has examined the relationship between childhood SES and luxury purchasing.

The purpose of this study was to provide greater insight into the preferences of different types of luxury consumers, with a specific focus on preferences for the conspicuousness of products (loud vs. quiet). My findings indicate that those who experience an upward shift in socioeconomic status during their lifetime prefer “louder” luxury products in order to fulfill motivations for social acceptance. This has many implications for marketers of luxury products, who can use this information to better understand the profiles of consumers buying different styles of products. It may even have an effect on brand positioning and advertising. A brand may

find that communications emphasizing that “you’ve made it” will appeal to this group of consumers. A summary of all of my findings can be found in Table 5 below.

*Table 5: Summary of Findings*

| Research Question   | Findings  |
|---|---|
| <b>H1:</b> Will people of higher SES prefer quieter luxury products in order to fulfill self-expressive motivations?  | No, results were not significant.   |
| <b>H2:</b> Will people of lower SES prefer louder luxury products in order to fulfill social acceptance motivations?  | No, results were not significant.   |
| <b>Supplemental Question:</b> Will a person’s lifetime change in SES affect their social acceptance motivations and preference for loudness of luxury products? | Yes, an increase in a person’s SES over their lifetime is correlated with higher motivations for social acceptance, and because of these motivations, they prefer louder luxury products. |

*Limitations and Areas of Future Research*

Though these findings are consistent with existing literature, there are a few necessary points to consider. The data was collected via Amazon Mechanical Turk and yielded a fair amount of unusable data, about 15% of data for variables used in the analysis, which had to be deleted. This is the study’s most significant limitation, and the smaller sample size that resulted from having to delete some data resulted in lower statistical power.

Another possible limitation includes the fact that this research is only based on one product category—luxury handbags—and cannot necessarily be generalized to the industry as a whole. As this study’s key findings relate to conspicuous branding and social motivations, it is likely that these results may not hold true for less conspicuous product categories, like makeup and perfume. Results may be generalizable, however, to more conspicuous products such as clothing or watches.

The participants' gender may also affect the ability of these results to be generalized to a population. Previous literature suggests some gender differences in conspicuous consumption relating to evolutionary and socio-cultural theories. Women tend to have a higher purchase intention for luxury products than men, and these products provide more social value for women than men (Stokburger-Sauer & Teichmann, 2013). This may be due to the fact that women generally are more interdependent and attentive to the opinions of others, while also attaching more importance to physical appearance than men (Meyers-Levy, 1988; Buss, 1989). However, men tend to be more concerned with the visual portrayal of wealth through products. They want others to notice their products as a portrayal of affluence. Thus, social motivations likely influence their purchase decisions as well, and the effect found in this study is expected to be transferable to men as well.

Because of these limitations, there are several ways to expand upon and add to this research. Future researchers could replicate the study using luxury products of a different category such as clothing, watches, or automobiles. It would also be beneficial to run a similar study using male participants to uncover any potential differences in consumption behavior. Additionally, further research might explore how different advertising messages (for instance, "You've made it. Make sure they know.") are received by consumers who have experienced a rise in socioeconomic status. As the luxury market continues to expand and become even more competitive, it will be increasingly important for brands to have a deep understanding of their customers and how to segment and communicate with them.

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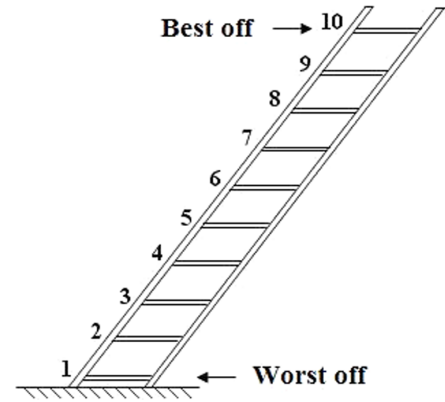
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## Appendices

### Appendix 1: Survey Questions of Interest

Think of this ladder as representing where people stand in our society.

At the **top** of the ladder are the people who are the best off -- those who have the most money, the most education, and most respected jobs. At the **bottom** are the people who are the worst off -- who have the least money, least education, and the least respected jobs or no job. The higher up you are on this ladder, the closer you are to the people at the very top; the lower you are, the closer you are to the people at the very bottom.



1. Where would you place your family on this ladder when you were growing up?

- 10
- 9
- 8
- 7
- 6
- 5
- 4
- 3
- 2
- 1

2. Where would you place yourself on this ladder now?

- 10
- 9
- 8
- 7
- 6
- 5
- 4
- 3
- 2
- 1

3. Which of the following Louis Vuitton bags would you rather own, assuming they are of equal price?

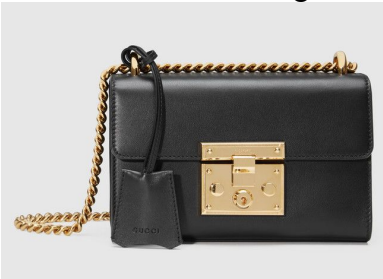


A.

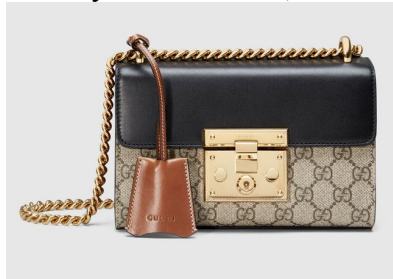


B.

4. Which of the following Gucci bags would you rather own, assuming they are of equal price?



A.



B.

5. Which of the following Chanel bags would you rather own, assuming they are of equal price?



A.



B.

6. Which of the following Fendi bags would you rather own, assuming they are of equal price?



A.



B.

7. Which of the following Gucci bags would you rather own, assuming they are of equal price?



A.



B.

8. Which of the following Burberry bags would you rather own, assuming they are of equal price?



A.



B.

9. Which of the following Coach bags would you rather own, assuming they are of equal price?



**Please indicate the extent to which you agree or disagree with the following statements:**

10. Luxury brands reflect the kind of person I see myself to be.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree

11. Luxury brands help me communicate my self-identity.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree

12. Luxury brands help me express myself.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree

13. Luxury brands help me define myself.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree

14. Luxury brands are a symbol of social status.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree

15. Luxury brands help me fit into important social situations.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree

16. I like to be seen wearing luxury brands.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree

17. I enjoy it when people know I am wearing a luxury brand.

- Completely disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Completely agree