

What affects the new generation's luxury purchase intention?
The moderating role of culture and cosmopolitan

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ABSTRACT

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As the new generation is becoming the primary consumer in the luxury market, the purpose of this study is to examine what factors would affect their luxury purchase intention. Specifically, status consumption and hedonistic consumption are selected to represent extrinsic and intrinsic motivation respectively. The moderating effects of cultural variables and cosmopolitan are also investigated. An online questionnaire with a worldwide sample of 222 young adults (aged from 20 to 35) was conducted. Findings show that both status consumption and hedonistic consumption have a positive relationship with young adults' luxury purchase intention. Moreover, the effect of status consumption on luxury purchase intention is stronger in collectivistic, long-term orientated, lower uncertainty avoidance cultures and for cosmopolitan consumers, while the relationship between hedonistic consumption and luxury purchase intention is stronger in lower power distance and short-term oriented cultures.

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1. Introduction

Over the last decades, luxury products are no longer only for those celebrities in the upper classes. Instead, they are open to a wider markets with increasing customers, especially in emerging economies like China, and Thailand. According to the Statista (2019), the global revenue in the luxury goods market is expected to be \$318,797 million in 2019 with the estimated annually grow rate of 3% in the next three years. Such growing luxury consumption brings both business opportunity and competition for luxury companies. Thus, it is essential for them to understand what factors would influence consumers' purchasing intention of luxury products. Traditionally, researchers believe that consumers tend to purchase luxury products to demonstrate wealth, gain social status, and seek uniqueness (Han et al., 2010; Ordabayeva & Chandon, 2011). Nevertheless, recent studies have pointed out that besides these extrinsic motivations, intrinsic motivations such as self-directed pleasure also lead to luxury consumption and explain why some consumers are willing to pay a premium for subtle products which few people can recognize (Eckhardt et al., 2015).

Although many studies have investigated the positive relationship between these motivators and luxury consumption, there is limited attention to how broader contextual factors would affect this relationship. Especially under such globally massive luxury consumption circumstances, the rise of e-commerce makes luxury brands face customers from various cultures. As different cultures lead to different aspirations and senses of value, individual behavior including consumption behavior is expected to be influenced by one's culture (Hennigs et al., 2012). However, previous cross-national studies on luxury consumption did not provide a consistent conclusion for how cultural factors influence luxury consumption. One stream of literature found some significant national differences (Shukla & Purani, 2012; Hennigs et al., 2012), while another group of researchers failed to find any cultural differences (Dubois et al., 2005; Godey et al., 2013). One potential reason for these mixed findings may be that they tried to find direct national differences on people's perception of luxury. Differently, this paper is going to investigate how cultural factors would influence consumers' luxury consumption motivation. Specifically, status consumption and hedonistic consumption are selected to represent extrinsic and intrinsic motivation respectively. In other words, culture is

predicted to play a moderating role in the relationship between status /hedonistic consumption and luxury purchase intention. Moreover, with the increasing globalization and media development, the traditional way of distinction of cultures by countries has been critiqued (De Mooij, 2004; Cleveland & Laroche, 2007). People who adapt and interact with people of different cultures, absorb different cultural values and show openness to multiple cultures are considered to be cosmopolitans (Cannon & Yaprak, 2002; Cleveland & Laroche, 2007). Such characteristic is expected to influence people luxury consumption motivations as well. Thus, the moderating role of culture would be investigated through both cultural differences and personal cosmopolitanism in this paper.

Furthermore, this paper is going to focus on the young adults aged between 20 to 35, since the new generation has become increasingly essential consumers for luxury brands. Generations Y and Z accounted for 47% of luxury consumers and 33% of luxury purchases in 2018, and they are expected to be the primary engine of luxury consumption growth in the coming years (Statista, 2019). Consumer behavior studies have shown that the millennials (born between 1981 and 2000) have very different consumption habits and preferences compared with previous generations. For instance, they are more socially conscious, using consumption to signal their identities and value (Johnson & Chattaraman, 2019). Additionally, the cosmopolitan characteristic is expected to be found more often in younger people (Cleveland et al., 2009). Therefore, it is necessary to examine not only what motivates current young adults to make luxury purchases, but also whether culture can explain the diversity of the motivations.

In summary, this thesis aims to investigate how cultural differences and consumer cosmopolitan impact the effect of status and hedonistic consumption on the new generation's purchase intention of luxury products. The result would provide luxury brand managers and marketers with the guidelines for developing a global strategy with cultural specific adjustments.

2. Literature Review

2.1 Luxury Consumption

Traditionally, luxury is perceived to be related with rarity, uniqueness, elitism, high quality, and expensiveness (Okonkwo, 2009). Due to these characteristics, luxury products are believed to be used to shape the owner's identity. However, in the modern world, luxury products go beyond their basic functional utility, providing consumers subjective intangible benefits like experience and helping them to reflect the 'self' (Vigneron & Johnson, 2004). Besides, luxury goods also allow consumers to symbolize themselves for personal or social goals. There are various definitions of luxury and luxury consumption from different perspectives. The word 'luxury' is derived from Latin, which means "extravagantness, going rampant, dramatizing, profligacy" (Christodoulides et al., 2009). Vigneron and Johnson (1999) defined luxury as the highest level of prestigious brands that includes various physical and psychological values, while Savitha and Sathyanarayan (2014) described luxury products as those products only available to the top five percent of the population. Moreover, Kemp (1998) took the perspective of economics and stated that luxury products are those whose price elasticity of demand is higher than others. Additionally, Vickers and Renand (2003) proposed that luxury products are symbols of personal identity, and luxury consumption depends on personal and social attachments. That is, a product might be defined as luxury or not based on the perceptions of people, which are related to cultural and social factors. For example, Toyota which is considered as a normal-level car in Canada may be perceived as a luxury brand in underdeveloped countries. In line with Vickers and Renand's (2003) view, it is believed that luxury consumption depends on personal and cultural variation. Therefore, there is a need for examining the new generation's luxury consumption motivation and the role of culture plays in such relationship.

2.2 Luxury Consumption Motivation

2.2.1 Self-Determination Theory (Extrinsic V.S. Intrinsic)

When discussing human motivation, self-determination theory (SDT) is one of the most applied theories. As a social psychological theory, SDT concentrates on the influence of social contexts on motivation. In particular, it assumes that human organism is evolved to be

inherently active, intrinsically motivated, and oriented toward developing naturally through integrative processes (Deci & Ryan, 2000). Based on SDT, there are three universal psychological needs: needs for competence, autonomy, and relatedness. Accordingly, motivation can be divided into autonomous motivation (intrinsic) and controlled (extrinsic) motivation (Deci & Ryan, 2012). Specifically, intrinsic motivation refers to the sense of satisfaction and pleasure gained through engaging in one activity for its own sake, which is related to a high degree of self-determination. By contrast, extrinsic motivation reflects behaviors due to more instrumental reasons or external rewards, showing a low level of self-determination (Deci & Ryan, 2000). Additionally, Kasser and Ryan (1996) proposed in more detail that intrinsic goals focus on self-acceptance (e.g. personal psychological growth, self-esteem, autonomy), health (e.g. physical health), subordinates (e.g. family life, friends), and community feeling (e.g. contributions to society), while extrinsic goals put emphasis on money (e.g. wealth, financial success), image (e.g. attractive appearance) and fame (e.g. recognition, external rewards).

2.2.2 Luxury Consumption Motivation

It is essential to study luxury consumption motivation for understanding the real reason behind consumer purchasing behavior. As consumers have the motivation to meet a certain demand, the greater the intensity of this demand, the greater the motivation to meet it (Odabasi & Baris, 2006). Based on self-determination theory, customers' motivation to purchase luxury products can also be divided into intrinsic motivation and extrinsic motivation. Intrinsic motivation is internally driven and reflects self-fulfilling goals. In contrast, extrinsic motivation is caused by external incentives and the action is only a means to a certain goal, implying that the action would not happen without the reward (Deci & Ryan, 2012). Applied in the luxury consumption, rewards can be represented by the desire to impress others, or show one's wealth and status. However, there is limited empirical research investigating both intrinsic and extrinsic motivation of luxury consumption.

Vigneron and Johnson (2004) identified five motivational factors of luxury consumption, which are perceived conspicuous value, perceived unique value, perceived quality value, perceived social value, and perceived hedonism value. The first three reflect non-personal oriented perceptions, and the other two show personal-oriented perceptions. Specifically,

perceived conspicuous value is essential when consumers buy luxury goods as a means of asserting status and prestige. Perceived unique value is related to the individuality and limited supply of products, and perceived quality value focuses on the guarantee in quality and reliability from the brand. Perceived social value is associated with the concept of 'extended self' proposed by Belk (1988) who suggested that the possession of products is served as the reflection of the owner's identity. Thus, luxury products are used to seek recognition from others. Lastly, perceived hedonism value emphasizes the affective and sensory experiences brought by luxury products like pleasure, fantasy, and fun (Vigneron & Johnson, 2004). On the other hand, Wilcox et al. (2009) proposed that consumption of luxury goods is determined by social function attitudes including self-expression attitude and self-presentation attitude. That is, consumers use luxury products to express their individuality and show their social standing, which are also named as need for uniqueness and self-monitoring. As Dittmar (1994) pointed out, luxury goods can indicate group membership by expressing social status and wealth, as well as representing the unique qualities of a person and interpersonal relationships. These are usually considered to be extrinsic motivations. In addition, Batra et al. (2012) stated that consumers also purchase luxury products due to affective attitude, since luxury brands can provide hedonic rewards and sensory fulfilment. Similarly, Kim et al. (2016) argued that luxury consumption provides hedonic value such as sensory pleasure, emotional relationships, and aesthetic enjoyment, which can be viewed as intrinsic motivator. Moreover, Schade et al. (2016) suggested four different dimensions of attitude affecting luxury consumption, which are social-adjustive function of attitude, value-expressive function attitude, hedonic function of attitude, and utilitarian function of attitude. Besides, Horvat and Marinovic (2018) highlighted that pleasure seeking, status seeking, and uniqueness seeking are three important motivations for luxury consumption. This thesis focuses on two specific luxury consumption motivators which are status consumption and hedonistic consumption, representing extrinsic and intrinsic motivation respectively. Specifically, status consumption refers to the motivation process through which individuals strive to improve their social or ego status by purchasing noticeable, status-conferring products (Eastman et al., 1999). Meanwhile, hedonistic consumption is related to those multisensory, fantasy and emotional aspects of consumers' experiences with a certain product (Hirschman & Holbrook, 1982).

2.3 Culture

With the rise of global brands, there is increasing interest in the impact of cultural differences on consumption as culture can affect people's value perceptions and beliefs (Overby et al., 2005). That is, consumers from different cultures purchase products and services for different reasons, even if they buy the same things. Differently from country variation, culture is dynamic and no longer delineated by nation. There is a growing global consumer culture, meanwhile consumers within a country are increasingly culturally diverse (Carpenter et al., 2012). Hofstede (1991, p.5) defined culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another". Culture shapes how a group of people view, think, and react to the world (Bolino & Turnley, 2008). Moreover, culture also cultivates how individuals view the world with a shared system of meaning (Morling & Kitayama, 2008). Thus, culture shapes what people perceive as expected and appropriate, which undoubtedly affects their luxury consumption motivation. In this thesis, not only traditional cultural factors, but also culture-related personality, cosmopolitanism, will be discussed.

2.3.1 Cultural Dimensions Theory

Among the cultural frameworks proposed in the literature, Hofstede's (1980, 2001) cultural dimensions theory is the most famous and generally accepted one. There are six dimensions of culture identified in this framework: individualism versus collectivism, masculinity versus femininity, power distance, uncertainty avoidance, long-term versus short-term orientation and indulgence versus restraint (Hofstede et al., 2010). The first five dimensions are well-known, while the last one was newly added in 2010 based on the analysis of the World Values Survey. These dimensions are proposed to explain systematic differences for many countries over the world. Although there are criticisms towards Hofstede's cultural model such as treating culture as a static phenomenon or using strict quantification to measure soft factors (Walsham, 2002), it is still the foundation of many cultural, theoretical and empirical researches. In consequence, this thesis adopts Hofstede's cultural dimensions theory to measure how culture differences affect the relationships between status /hedonistic consumption and luxury purchase intention of young adults.

In the past few decades, there has been an increasing focus on the impact of culture on

consumption. As different cultures lead to different aspirations and senses of value, culture is expected to play an important role in people's consumption (Hennigs et al., 2012). Mooij and Marieke (2017) believed that people from different cultures should have distinct consumption motivations. However, previous cross-national studies on luxury consumption did not provide a consistent conclusion for how cultural factors influence luxury consumption. One stream of literature failed to find cultural differences across consumers' luxury purchasing intentions (Dubois et al., 2005; Godey et al., 2013), while another group of researchers found some significant national differences but without a clear enough cultural pattern (Shukla & Purani, 2012; Hennigs et al., 2012). Moreover, most studies on the cultural differences in luxury consumption only focus on three or four main dimensions of Hofstede's cultural model. Particularly, there is almost no research on the time orientation and indulgence versus restraint aspects. Recently, Eastman et al. (2018) investigated the role of culture in the relationship between status consumption and luxury consumption, however, culture was supposed to be a mediator. Differently, culture is expected to have the moderating effect in this research.

2.3.2 Cosmopolitanism

Cosmopolitanism comes from the Greek which describes world citizenship. Later, researchers started to link cosmopolitanism with various aspects of consumer behaviors. Hannerz (1992) described that cosmopolitans travel frequently, tend to consume international media, foreign books and films even in their home countries. However, there is a debate on the definition of cosmopolitanism. Some experts believe it as predisposition at birth, another groups of researchers view it as a personality trait, and others discuss it as a learnable skill (Cannon & Yaprak, 2002). Generally, social scientists agree that cosmopolitans refer to people who adapt and interact with people of different cultures, absorb different cultural values, and show openness to multiple cultures (Cannon & Yaprak, 2002; Cleveland & Laroche, 2007). They respect other cultures and are willing to accept these values. Moreover, their lifestyles are influenced by different cultures.

With the development of media and the Internet, people can become cosmopolitans without ever leaving their home country. Cleveland et al. (2009) found that females generally are more cosmopolitan than males. Also, education level is positively related to cosmopolitanism, while age has a negative relationship with cosmopolitanism. However, their findings are not

consistent across all countries. Moreover, Cleveland et al. (2011) suggested the coexistence of global and national cultures. Similarly, Lim and Park (2013) also supported this point by finding that cosmopolitanism has a positive effect on Koreans' adoption of innovation, but not on Americans. Furthermore, cosmopolitanism was found to have no significant relationship with Hofstede's indices (Cleveland et al., 2011). In terms of consumer behavior, as cosmopolitans perceive themselves more international, they tend to respond more quickly to global consumer cultural positioning strategies, and are more likely to purchase products from other cultures (Cleveland et al., 2009). Therefore, cosmopolitanism is also believed to influence the new generation's luxury consumption motivation.

3. Theory Development and Hypotheses

3.1 Status Consumption and Luxury Purchase Intention

Status motivation is commonly considered to be the representative of extrinsic luxury consumption motivations. It is related to individuals' desire to improve their social status by purchasing high-end products. Since people tend to judge others based on their possessions and use possessions to create their social identity, consumption provides people with the access to symbolic objects which can help them build affiliations or enhance distinctions (Goldsmith & Clark, 2012). Especially for luxury products, their symbolic value may exceed their functional one (Dubois et al., 2005).

Status consumption is defined as the motivation process through which individuals strive to improve their social or ego status by purchasing products that are noticeable, status-conferring for them and surrounding others (Eastman et al., 1999). It includes those external motivations like signaling wealth by public display, improving social prestige, and gaining approval from others (O'Cass & Frost, 2002). Compared with functional utility, status consumption is due to the products' symbolic and social values which can be used to signal wealth, success, and exclusivity to others (Hudders, 2012). Eastman and Eastman (2015) proposed three key factors of status consumption which are conspicuous (the Veblen effect), exclusivity (the Snob effect), and socially fitting in (the Bandwagon effect). Luxury products usually meet all these three characteristics.

Young adults are found to be consumption-oriented and sophisticated shoppers with a high level of spending power (Jackson et al., 2011). Goldsmith and Clark (2012) found that young consumers spend more on branded products including status products. Distinctive luxury brands are attractive to young adults since they enable self-expression and social recognition (Valentine & Powers, 2013). Giovannini et al. (2015) stated that social motivation of conspicuous consumption is positively related to luxury fashion brand loyalty and purchase intention of young adults in the United States. Moreover, O’Cass and Choy (2008) found that Chinese young adults have a more positive attitude towards more well-known brands and are willing to pay a premium price for these brands. Later, O’Cass and Siahtiri (2013) further proposed that Chinese young adults prefer Western brands over Asian ones because Western brands can convey identity and wealth better. Therefore, for young adults motivated by status seeking, luxury products can fulfil their needs to fit in peer group and gain social recognition. Thus, it is hypothesized that:

H1: Status consumption has a positive effect on young adults’ luxury purchase intention.

3.2 Hedonistic Consumption and Luxury Purchase Intention

As Hirschman and Holbrook (1982) defined it, hedonistic consumption refers to those multisensory, fantasy and emotional aspects of consumers’ experiences with a certain product. That is, hedonistic consumption is more associated with emotions like pleasure, fun, excitement than rationality. Consumers seeking luxury goods are considered hedonistic consumers when they are looking for personal rewards and achievements by purchasing products which are evaluated for their subjective emotional benefits and inherent pleasing characteristics instead of functional utilities (Vigneron & Johnson, 2004). Although such consumers may not be particularly rich, they are still willing to pay a premium price for products that offer them a unique emotional experience. Kapferer and Bastien (2009) argued that luxury should have a very strong personal and enjoyment component, which is also known as the internalized consumption of luxury. Moreover, Dubois and Laurent (1996) proposed that most luxury consumption is motivated by hedonism, pursuit of emotions, and pleasure. Similarly, Tsai (2005) highlighted the importance of self-directed pleasure which is related to the hedonistic consumption. Furthermore, it is pointed out that such personal pleasure is mainly sought by consumers who have a personal preference for luxury purchases (Vigneron &

Johnson, 1999). Additionally, Schade et al. (2016) found that hedonism has a significant impact on consumers' purchase intention towards luxury fashion goods.

Hedonism tends to be another big incentive for young adults' luxury consumption. The Generation Y is found to be more prone to hedonism, less price conscious, spending more money, and buying more expensive products than prior generations (Colucci & Scarpi, 2013). Ullah et al. (2014) stated that the new millennials have more dominant hedonic values than utilitarian ones, which positively affects their purchase of hedonic products. In addition, the hedonic products used in their study are all from luxury brands. As luxury consumption experiences can serve as the promoter of fun, excitement, and enjoyment in the minds of consumers, hedonistic consumption is believed to have a positive effect on luxury purchase intention of the young adults. Therefore, it is hypothesized that:

H2: Hedonistic consumption has a positive effect on young adults' luxury purchase intention.

3.3 The Moderating Role of Culture (Hofstede's Cultural Dimensions Theory)

3.3.1 Individualism versus Collectivism

Individualism and collectivism refer to the degree of individual integration into groups in a society. Individualistic social relationships are loose where people are considered to be only associated with their immediate families, while in collectivistic societies, people are tied closely into strong, cohesive in-groups (Hofstede, 2001). Accordingly, individualists attach great importance to personal needs and aspirations, and the links between members of society are relatively weak (Bergmuller, 2013). They are mainly motivated by their own needs, goals and self-esteem, paying less attention to group norms and goals (Sun et al., 2004). On the contrary, collectivists pay more attention to the needs and values of their groups than to themselves (Bergmuller, 2013). That is, they care more for relationships and obligations within groups (Schaefer et al., 2004). Moreover, it is found that collectivists tend to base their identity on the strong and cohesive group to which they belong (Sun et al., 2004).

Status is used to demonstrate unique personal identities in individualist culture, while in collectivistic culture, it is valued for its ability to show the social identity of the family or the in-group (Hofstede, 2001). Eastman et al. (2018) suggested that individualists focus more on self-enhancement to show their uniqueness, whereas collectivists are more concerned with

fitting in with others. Similarly, Aune and Aune (1996) argued that people's behavior and consumption in collectivist cultures are more affected by social norms than internal motivation. Due to such collective nature of Eastern societies, consumers there would increasingly need to identify, express and enhance their image with others (Dubois et al., 2005). Moreover, Goldsmith and Clark (2012) proposed that consumers who do not care much about how others view them have less interests in status consumption. Therefore, status seeking motivation tends to be more appealing for collectivists who want to fit in the upper classes; by contrast, individualists would improve themselves by other ways and be less likely to purchase luxury products due to the status reasons.

In terms of the hedonistic motivation, compared with collectivists, individualists are expected to be more motivated by such pleasure and experiential seeking factors to purchase luxury products. As Hofstede (2001) proposed, individualists tend to prioritize their personal goals, focusing on seeking diversity and personal pleasure as social norms. Hedonistic consumption can provide them with such emotional experiences. Furthermore, Campbell (2005) argued that the trend of considering pleasure seeking consumption as the main societal norm was first appeared in the West, which is thought to be dominated by the individualistic culture. Berg (2007) also found that European consumers have been buying luxury goods for personal pleasure since the Middle Ages. In consequence, in contrast to those in collectivistic cultures, young adults in individualistic cultures would more likely to purchase luxury products due to the hedonistic reasons. Therefore, it is hypothesized that:

H3a: The positive relationship between status consumption and young adults' luxury purchase intention would be stronger in collectivistic cultures than in individualistic ones.

H3b: The positive relationship between hedonistic consumption and young adults' luxury purchase intention would be stronger in individualistic cultures than in collectivistic ones.

3.3.2 Masculinity versus Femininity

Masculinity describes a society emphasizing achievement, success, heroism, assertiveness, and material rewards, whereas femininity represents a society focusing on cooperation, sympathy, modesty, and quality of life (Hofstede, 2001). This dimension highlights the value of women. That is, women are viewed quite equally in feminine societies. But in masculine societies, although women are confident and competitive in some areas, they are still

significantly less noticed than men (Hofstede, 2001).

As Hofstede (1980) conceptualized that masculinity cultures focus on success and money, masculinity is expected to strengthen the relationship between status consumption and luxury purchase intention. Masculine characteristics, such as achievement and assertion, are found to be conveyed through luxury consumption (Eng & Bogaert, 2010). Moreover, Eastman et al. (2018) proposed that masculinity positively mediates the relationship between status consumption and luxury consumption. So in masculine cultures, people buy luxury products to show those valued masculine characteristics, rather than enjoying the quality or shopping experience, enhancing the role of status seeking motivation. On the other hand, the valued quality of life in feminine cultures is expected to improve the relationship between hedonistic consumption and luxury purchase intention. Roux et al. (2017) found that in feminine societies, women lay less emphasis on status and power when buying luxury goods. Furthermore, Semaan et al. (2019) stated that people use luxury consumption as a reward for something achieved, or a compensation for themselves in feminine cultures. Therefore, young adults in masculine cultures are expected to purchase luxury products due to the status motivations more, while those in feminine cultures are more likely to buy luxury products for hedonistic reasons. Thus, it is expected that:

H4a: The positive relationship between status consumption and young adults' luxury purchase intention would be stronger in masculine cultures than in feminine ones.

H4b: The positive relationship between hedonistic consumption and young adults' luxury purchase intention would be stronger in feminine cultures than in masculine ones.

3.3.3 Power Distance

Power distance is defined as the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally (Hofstede, 2001). This dimension is related to the fact that inequality in a society is recognized by both leaders and followers. A higher degree of the power distance index reveals that a clear hierarchy has been established and implemented in society. On the other hand, a lower level of power distance index indicates that people question the authority, and try to allocate power (Hofstede, 2001). Moreover, in high power distance cultures, status-based relationships are easier to form (Samaha et al., 2014), while in cultures with low power distance, people with legitimate

decision-making power are more likely to share power with less powerful people (Madlock, 2012).

In terms of luxury consumption motivators, first, consumers with high power distance cultures are expected to be more likely to buy luxury products due to status reasons than those with low power distance cultures. As people in high power distance cultures tend to believe that the power gap within society is normal (Hofstede, 2001), purchases of luxury brands would be a means for them to show or improve their social status. Especially for those people in lower positions in high power distance cultures, they are found to prefer status-associated luxury brands and conspicuous luxury products (Koo & Im, 2019). Kim and Zhang (2014) also stated that consumers from high power distance cultures are more inclined to status brands. By contrast, hedonistic seeking is more likely to be the luxury consumption motivation for those people with low power distance cultures. Since decision making power is shared and everyone is perceived to be equal in low power distance societies, there is no need to acquire status-associated products to compensate the loss of power (Madlock, 2012). Then, it is more possible that luxury goods are purchased for intrinsic reasons, such as hedonistic reasons. Therefore, it is proposed that:

H5a: The positive relationship between status consumption and young adults' luxury purchase intention would be stronger in high power distance cultures than in low ones.

H5b: The positive relationship between hedonistic consumption and young adults' luxury purchase intention would be stronger in low power distance cultures than in high ones.

3.3.4 Uncertainty Avoidance

Uncertainty avoidance explores the society's tolerance for ambiguity (Hofstede, 2001). In other words, it shows the extent to which people avoid events that are unexpected, unknown or from the status quo. Societies with higher uncertainty avoidance usually choose strict codes of behavior, norms, laws, and rely on absolute truth or believe in a solitary truth to decide everything. On the contrary, societies with lower uncertainty avoidance are more open to different ideas or concepts, tend to impose fewer regulations, and allow more freedom (Hofstede, 2001).

First, according to De Mooij and Hofstede (2011), purity is needed when people from high uncertainty avoidance cultures buy something. Then, luxury products which are supposed to

have high quality guarantees can provide them with such purity. Moreover, besides quality, price, service, information, and warranty are found more essential for consumers in high uncertainty avoidance countries than those in low uncertainty avoidance countries (Bezzaouia & Joanta, 2016). As luxury brands are usually perceived to be trustworthy and low risk, people in high uncertainty avoidance societies may choose to purchase luxury products as a means to reduce uncertainty instead of status or hedonistic reasons. In contrary, people from low uncertainty avoidance cultures are more willing to accept risks and open to different ideas (Hofstede, 2001). Instead of quality guarantees, their luxury purchases are more likely to be more motivated by self-enjoyment, pleasure, or social status. For example, Dameyasani and Abraham (2013) proposed that uncertainty avoidance is negatively correlated to impulsive buying. That is, consumers from low uncertainty avoidance cultures are more likely to make impulse purchases. Thus, both impacts of status and hedonistic consumption on luxury consumption are expected to be more effective in low uncertainty avoidance cultures, which is hypothesized as:

H6a: The positive relationship between status consumption and young adults' luxury purchase intention would be stronger in low uncertainty avoidance cultures than in high ones.

H6b: The positive relationship between hedonistic consumption and young adults' luxury purchase intention would be stronger in low uncertainty avoidance cultures than in high ones.

3.3.5 Long-term versus Short-term Orientation

Long-term orientation and short-term orientation focus on the connection of the past with current and future actions or challenges (Hofstede et al., 2010). Societies with a long-term orientation tend to put great emphasis on adaptation and solving environmentally problems, while those short-term oriented societies retain traditions and value steadfastness (Hofstede et al., 2010).

As De Mooij and Hofstede (2011) mentioned, customers with long-term orientation tend to be more price-conscious, and use price as the main criteria when making purchasing decisions. As a result, conspicuous consumption is limited and could happen only after careful consideration. That is, they are less likely to make luxury purchases for hedonistic reasons. However, long-term orientation emphasizes ordering relationships such as perceived status and class of luxury possession in the society (Eng & Bogaert, 2010). Therefore, people with long-

term orientation may consider luxury products as an investment to maintain their social status. On the other hand, people with short-term orientation show less focus on price in making purchase decisions, more interests in spending, market trends as well as conspicuous consumption, having lower saving or investment habits (De Mooij & Hofstede, 2011). Then, they may buy luxury goods more often. In addition, more hedonistic motivations are expected, such as short-term pleasure, rather than meeting needs for status over long-term. Consequently, it is proposed that:

H7a: The positive relationship between status consumption and young adults' luxury purchase intention would be stronger in long-term orientation cultures than in short-term ones.

H7b: The positive relationship between hedonistic consumption and young adults' luxury purchase intention would be stronger in short-term orientation cultures than in long-term ones.

3.3.6 Indulgence versus Restraint

Indulgence and restraint explore the level of freedom that social norms give citizens in fulfilling their human aspirations (Hofstede et al., 2010). Indulgence is defined as a society that can relatively freely satisfy the basic and natural human aspirations related to enjoyment and entertainment; by contrast, restraint refers to a society where demands are controlled and regulated through strict social norms (Hofstede et al., 2010).

Since it is a quite new dimension, the related literature is very limited and most cross-cultural studies omitted this aspect. However, according to Hofstede et al. (2010), people from restraint cultures have fewer desires, show lower interests in spending and purchase, put lower importance on leisure or pleasure in life, and show more pessimism and negativism. Such low emphasis on the pleasure and interest of consumption would lead to a reduced likelihood of hedonism motivated luxury consumption. Conversely, indulgent cultures are generally described as fun-oriented (Minkov, 2007). Moreover, there is less control over desires in decision making, which causes higher importance of pleasure and more freedom in spending (Hofstede et al., 2010). Thus, it is expected that people from indulgent cultures would be more likely to purchase luxury products due to hedonistic reasons than those from restraint cultures. In terms of the status motivated luxury consumption, there may be no large differences between these two. In consequence, it is supposed that:

H8a: Indulgence and restraint would not have a significant moderating effect on the

relationship between status consumption and young adults' luxury purchase intention.

H8b: The positive relationship between hedonistic consumption and young adults' luxury purchase intention would be stronger in indulgent cultures than in restraint ones.

3.4 The Moderating Role of Cosmopolitan

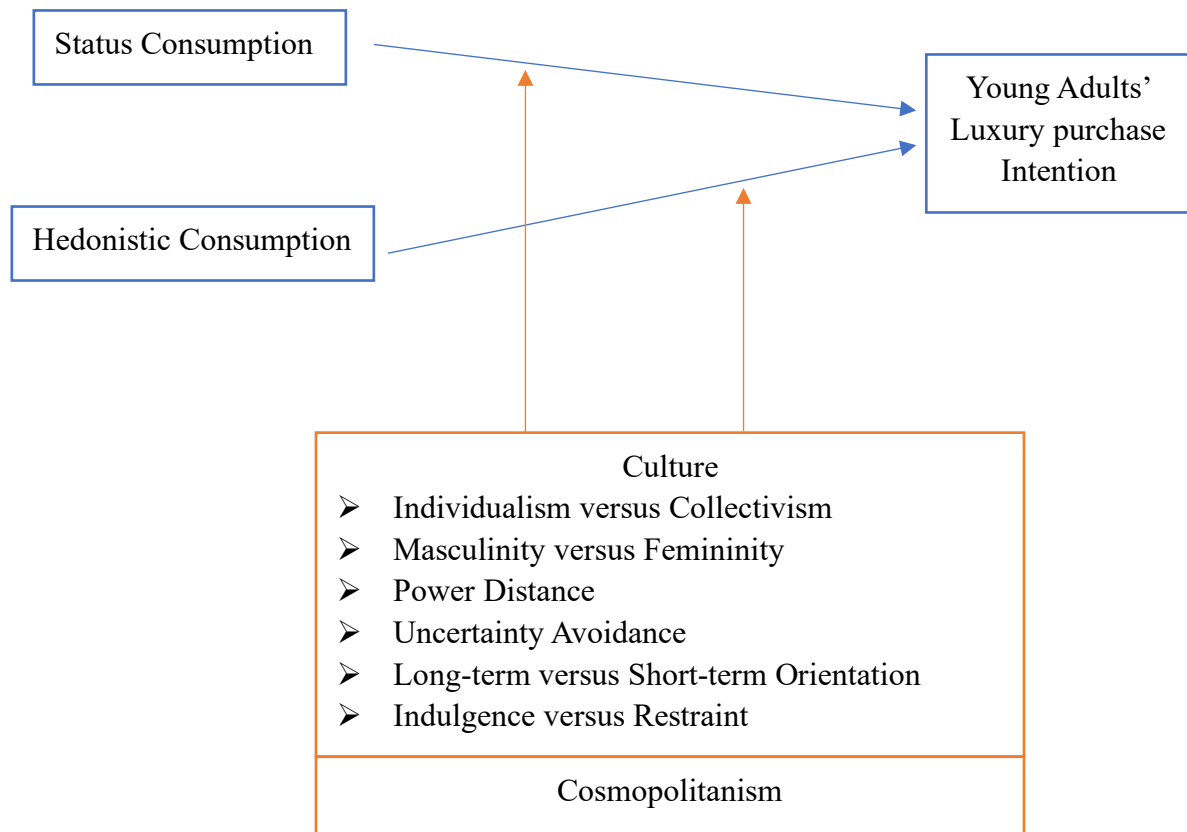
According to Cleveland et al. (2009), cosmopolitan characteristic is expected to be found more in younger people. As a result, besides Hofstede's cultural dimensions, cosmopolitan, perceived as a personality trait here, is expected to be another influencing factor towards young adults' luxury consumption motivations. Since cosmopolitans perceive themselves more international, they tend to respond more quickly to global consumer cultural positioning strategies, and show a preference for products from other cultures (Cleveland et al., 2009). Meanwhile, Dubois and Duquesne (1993) proposed that openness towards culture change is positively related to luxury consumption. Therefore, the open-mindedness and curiosity of cosmopolitan consumers would lead them to make luxury purchases. And such motivation tends to be more self-oriented rather than extrinsic. Moreover, although income is not a necessary antecedent of cosmopolitan, Rossel and Schroedter (2015) found that cosmopolitanism is to some extent class-based, because the significant determining roles of education, highbrow cultural orientation, and linguistic capital. This also gives rise to the possibility of status motivations. Thus, it is expected that:

H9a: The positive relationship between status consumption and young adults' luxury purchase intention would be stronger for cosmopolitan consumers.

H9b: The positive relationship between hedonistic consumption and young adults' luxury purchase intention would be stronger for cosmopolitan consumers.

In summary, the theory model for the relationship between status/hedonistic consumption and young adults' luxury purchase intention with the moderating role of culture and cosmopolitan is as follow:

Figure 3.4.1 Theory Model



Hypotheses

H1: Status consumption has a positive effect on young adults' luxury purchase intention.

H2: Hedonistic consumption has a positive effect on young adults' luxury purchase intention.

H3a: The positive relationship between *status consumption* and young adults' luxury purchase intention would *be stronger in collectivistic cultures* than in individualistic ones.

H3b: The positive relationship between *hedonistic consumption* and young adults' luxury purchase intention would *be stronger in individualistic cultures* than in collectivistic ones.

H4a: The positive relationship between *status consumption* and young adults' luxury purchase intention would *be stronger in masculine cultures* than in feminine ones.

H4b: The positive relationship between *hedonistic consumption* and young adults' luxury purchase intention would *be stronger in feminine cultures* than in masculine ones.

H5a: The positive relationship between *status consumption* and young adults' luxury purchase intention would *be stronger in high power distance cultures* than in low ones.

H5b: The positive relationship between *hedonistic consumption* and young adults' luxury purchase intention would *be stronger in low power distance cultures* than in high ones.

Hypotheses

- H6a: The positive relationship between *status consumption* and young adults' luxury purchase intention would *be stronger in low uncertainty avoidance cultures* than in high ones.
- H6b: The positive relationship between *hedonistic consumption* and young adults' luxury purchase intention would *be stronger in low uncertainty avoidance cultures* than in high ones.
- H7a: The positive relationship between *status consumption* and young adults' luxury purchase intention would *be stronger in long-term orientation cultures* than in short-term ones.
- H7b: The positive relationship between *hedonistic consumption* and young adults' luxury purchase intention would *be stronger in short-term orientation cultures* than in long-term ones.
- H8a: Indulgence and restraint would *not have a significant moderating effect* on the relationship between *status consumption* and young adults' luxury purchase intention.
- H8b: The positive relationship between *hedonistic consumption* and young adults' luxury purchase intention would *be stronger in indulgent cultures* than in restraint ones.
- H9a: The positive relationship between *status consumption* and young adults' luxury purchase intention would *be stronger for cosmopolitan consumers*.
- H9b: The positive relationship between *hedonistic consumption* and young adults' luxury purchase intention would *be stronger for cosmopolitan consumers*.

4. Methodology

4.1 Data Collection and Sample

The purpose of this study is to investigate young adults' luxury consumption motivation and the role of culture. Specifically, the impacts of status consumption and hedonistic consumption on young adults' luxury purchase intention would be tested. In addition, the moderating effects of culture and cosmopolitanism would also be studied.

The data was collected through an online questionnaire targeting the young adults aged from 20 to 35 who have luxury purchase experience. A mix of convenience and random sampling methods was used. The questionnaire was distributed online through popular social network sites in Canada and China, like Facebook, Instagram, and Weibo. Meanwhile, some respondents were approached in the universities and malls in Montreal and Vancouver. Specifically, they were asked whether they would like to participate in a research on luxury consumption motivation first, and then they left their email addresses to receive an email

invitation to the online survey.

The questionnaire was open for answers online for three weeks. Overall, 249 responses were collected. All the responses were complete. Three responses were eliminated as they failed to pass the time filter (the duration should be more than 90 seconds). Moreover, since the targeted subjects are young adults who have luxury purchase experience, another 24 respondents were eliminated because they either are older than 35 or answered “no” to the first question (“Have you ever bought luxury branded products, including fashion, bags, shoes, cars, watches, jewelry, sunglasses, skin care/cosmetics, liquor, electronic products, luxury hotels/resorts, etc.?”). The remaining 222 responses were used to test developed hypotheses. Among them, 57.2% were female, and 41.9% were aged from 30 to 35. In terms of the education background, 56.3% and 27.9% were college/university and master degree respectively, with 10.4% high school level and 5.4% PhD degree. The majority of respondents were full-time employed workers (62.2%) and students (21.2%). Although attempt was made to have an equal representation of the population across Western and Eastern cultures, almost 65% of the sample consisted of subjects from Eastern cultures (including 50.5% from China, 11.7% from India). More detailed demographic information of the sample is shown in the Table 4.1.1.

Table 4.1.1 Demographic Description of the Sample

Variables	Frequency	Percent %
Gender		
Female	127	57.2
Male	95	42.8
Age		
20~24	50	22.5
25~29	79	35.6
30~35	93	41.9
Education		
High school	23	10.4
College/University	125	56.3
Master	62	27.9
PhD	12	5.4
Employment Status		
Full-time	138	62.2
Part-time	11	5
Self-employed	23	10.4

Variables	Frequency	Percent %
Unemployed	1	0.5
Student	47	21.2
Disabled/Retired	2	0.9
Home Country		
Canada	14	6.3
United States	42	18.9
China	112	50.5
India	26	11.7
Australia	10	4.5
France	1	0.5
Other South American countries	2	0.9
Other Asian countries	10	4.5
Other European countries	1	0.5
Others	4	1.8

4.2 Measures and Method

All the scales used in the questionnaire are validated scales adapted from previous studies, as shown in the Table 4.2.1. Specifically, status consumption is measured by the four-item scale developed by Eastman et al. (1999). The measure of hedonistic consumption is based on Schade et al. (2016). In terms of the dependent variable, luxury purchase intention, a scale with four items developed by Esch et al. (2006) is used. Moreover, the first five dimensions of culture are measured by the scale developed by Yoo et al. (2011), while Heydari et al.'s (2019) scale is adopted for the last cultural dimension (indulgence). Lastly, Cleveland and Laroche's (2007) scale is selected to measure cosmopolitanism.

All items were measured with seven-point Likert scales (anchored at 1= "Strongly Disagree" to 7 = "Strongly Agree"). Data was analyzed by SPSS 20.0 statistics software. Descriptive statistics, explanatory factor analysis and linear regression analysis were used.

Table 4.2.1 Constructs and Items Used in the Questionnaire

Constructs	Items	References
Status Consumption	I would buy a product just because it has status. I am interested in new products with status. I would pay more for a product if it had status. A product is more valuable to me if it has some snob appeal.	Eastman et al. (1999)

Constructs	Items	References
Hedonistic Consumption	<p>Luxury products offer the characteristic of fun to me.</p> <p>Luxury products offer the characteristic of exciting to me.</p> <p>Luxury products offer the characteristic of delightful to me.</p> <p>Luxury products offer the characteristic of thrilling to me.</p> <p>Luxury products offer the characteristic of enjoyable to me.</p>	Schade et al. (2016)
Luxury Purchase Intention	<p>I would intend to buy luxury products.</p> <p>My willingness to buy luxury products is high.</p> <p>I am likely to purchase any luxury branded products.</p> <p>I have a high intention to buy luxury products.</p>	Esch et al. (2006)
Culture	<p>a) Collectivism/Individualism</p> <p>Individuals should sacrifice self-interest for the group.</p> <p>Individuals should stick with the group even through difficulties.</p> <p>Group welfare is more important than individual rewards.</p> <p>Group success is more important than individual's success.</p> <p>Individuals should only pursue their goals after considering the welfare of the group.</p> <p>Group loyalty should be encouraged even if individual goals suffer.</p> <p>b) Masculinity/Femininity</p> <p>It is more important for men to have a professional carrier than it is for a woman.</p> <p>Men usually solve problems with logical analysis, woman usually solve problems with Intuition.</p> <p>Solving difficult problems usually requires an active, forcible approach, which is typical of men.</p> <p>There are some jobs that a man can always do better than a woman.</p> <p>c) Power Distance</p> <p>People in higher positions should make most decisions without consulting people in lower positions.</p> <p>People in higher positions should not ask the opinions of people in lower positions too</p>	Yoo et al. (2011)

Constructs	Items	References
	<p>frequently.</p> <p>People in higher positions should avoid social interactions with people in lower positions.</p> <p>People in lower positions should not disagree with decisions made by people in higher positions.</p> <p>People in higher positions should not delegate important task to people in lower positions.</p> <p>d) Uncertainty Avoidance</p> <p>It is important to have instructions spelled out in detail so that I always know what I am expected to do.</p> <p>It is important to closely follow instructions and procedures.</p> <p>Rules and regulations are important because they inform me as to what is expected of me.</p> <p>Standardized work procedures are helpful.</p> <p>Instructions for operations are important.</p> <p>e) Long-term/Short-term Orientation</p> <p>How closely do you associate with the following qualities?</p> <p>Careful management of money (Thrift)</p> <p>Going on resolutely in spite of opposition (Persistence)</p> <p>Personal steadiness and stability</p> <p>Long-term planning</p> <p>Giving up today's fun for success in the future</p> <p>Working hard for success in the future</p>	
	<p>f) Indulgence/Restraint</p> <p>I have the liberty to live my life as I please.</p> <p>I seek every chance I can to have fun.</p> <p>Feeling and desires related to merrymaking with friends should be gratified freely.</p> <p>There should not be any limits on individuals' enjoyment.</p> <p>Societies should value relatively free gratification of desires and feelings.</p> <p>Desires, especially with respect to sensual pleasure should not be suppressed.</p> <p>Gratification of desires should not be delayed.</p> <p>Positive feelings should not be restricted.</p>	Heydari et al. (2019)
Cosmopolitan	<p>I enjoy being with people from other countries to learn about their views and approaches.</p> <p>I like to observe people of other cultures, to see</p>	Cleveland & Laroche (2007)

Constructs	Items	References
	what I can learn from them. I find people from other cultures stimulating. I enjoy exchanging ideas with people from other cultures or countries. I am interested in learning more about people who live in other countries. I like to learn about other ways of life. Coming into contact with people of other cultures has greatly benefited me.	

5. Findings

5.1 Reliability and Validity Test

First, SPSS 20.0 was used to test the reliability of the data. Since human behavior may fluctuate due to various reasons, occasional errors would occur at any time. Especially for data gained through questionnaire, reliability test is necessary. Cronbach's α was chosen as the standard. Generally, when the score is higher than 0.7, the measure is considered to be internally consistent. As shown in the Table 5.1.1, all the scales' Cronbach's α were higher than 0.8. That is, the measures have sufficient reliability and are ready for further regression tests.

Table 5.1.1 Reliability and Validity Test

Measure	N of items	Cronbach's α	AVE
Status Consumption (SC)	4	0.883	0.741
Hedonistic Consumption (HC)	5	0.942	0.813
Purchase Intention (PI)	4	0.914	0.798
Collectivism (COL)	6	0.917	0.708
Masculinity (MAS)	4	0.901	0.774
Power Distance (PD)	5	0.880	0.683
Uncertainty Avoidance (UA)	5	0.830	0.620
Long-term Orientation (LTO)	6	0.841	0.564
Indulgence (IND)	8	0.883	0.554
COS	7	0.932	0.712

Second, factor analysis was conducted to test the construct validity of the questionnaire. As shown in the Table 5.1.2, the KMO score was 0.854 above the common standard of 0.5. The Bartlett's test was significant ($p=.000$), which also proved that the questionnaire has good

structural validity. Besides, according to the result of explanatory factor analysis, the ten factors explained 71.4% of the total variance. Moreover, all the factors' AVE were higher than recommended 0.5 standard (seen in the Table 5.1.1). And compared with the correlation estimates in the Table 5.2.1, each variable's AVE exceeds the squared correlation estimates between the constructs, showing good discriminant validity. Therefore, based on these results, the measures also have sufficient validity for further analysis.

Table 5.1.2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.854
Bartlett's Test of Sphericity	Approx. Chi-Square	9139.175
	df	1431
	Sig.	.000

5.2 Correlation Analysis

Before the regression analysis, Pearson correlation coefficients were used to analyze the variables involved in the study. Table 5.1 presents descriptive statistics and Pearson correlations among the study variables. In the correlations among independent and dependent variables, both status consumption and hedonistic consumption were significantly correlated with young adults' purchase intention ($r=0.69$, $p<0.01$), which supported H1 and H2. Additionally, purchase intention was positively related to masculinity ($r=0.30$, $p<0.01$), power distance ($r=0.29$, $p<0.01$), and indulgence ($r=0.33$, $p<0.01$). Meanwhile, both status consumption and hedonistic consumption were positively correlated with masculinity, power distance, and indulgence. Moreover, status consumption also had positive correlation with collectivism, long-term orientation, and cosmopolitanism. Thus, the choice of study variables and assumptions was initially supported, and the regression analysis can be carried out at the next step.

Table 5.2.1 Descriptive Statistics and Correlations

Measure	SC	HC	PI	COL	MAS	PD	UA	LTO	IND	COS
Status Consumption (SC)	1									
Hedonistic Consumption (HC)	.61**	1								
Purchase Intention (PI)	.69**	.69**	1							
Collectivism (COL)	.14*	0.03	0.08	1						
Masculinity (MAS)	.39**	.29**	.30**	.24**	1					
Power Distance (PD)	.36**	.26**	.29**	.27**	.64**	1				
Uncertainty Avoidance (UA)	0.08	-0.01	0.01	.25**	.28**	.15*	1			
Long-term Orientation (LTO)	.13*	0.06	0.13	.20**	0.08	0.10	.31**	1		
Indulgence (IND)	.29**	.28**	.33**	-0.07	0.08	0.08	.15*	-0.02	1	
COS	.18**	0.04	0.11	0.07	-0.08	-.17*	.24**	.29**	.20**	1
Mean	4.05	4.32	4.08	4.37	3.82	2.96	5.43	5.2	4.73	5.39
Standard Deviation	1.53	1.46	1.58	1.37	1.80	1.41	0.97	1.01	1.18	1.07
Variance	2.33	2.14	2.50	1.86	3.25	1.99	0.93	1.01	1.40	1.15

Note: ** $p < 0.01$; * $p < 0.05$

5.3 Regression Analysis

Based on the theory model introduced earlier, linear regression analysis was conducted to test the relationship between status consumption/hedonistic consumption and young adults' luxury purchase intention, as well as the moderating effects of six cultural factors and cosmopolitanism on these relationships. In order to ensure there is not any collinearity among variables in the model, collinearity diagnostic test was run as well. All the VIF values were

below 10, so collinearity was not a concern for regression analysis.

First, the impacts of status consumption and hedonistic consumption on the young adults' luxury purchase intention were tested using ANOVA regression separately. The regression results were shown in Table 5.3.1. Both status consumption and hedonistic consumption are significantly positively related to young adults' luxury purchase intention ($\beta=0.71, p=0.00, R^2=0.469$; $\beta=0.74, p=0.00, R^2=0.47$). Thus, H1 and H2 are supported.

Table 5.3.1 ANOVA Regression Result

Variable	Purchase Intention	
	Regression 1	Regression 2
(Constant)	1.21**	0.88**
SC	0.71**	
HC		0.74**
R^2	0.469	0.47
F	194.15**	195.27**

Note: ** $p<0.01$; * $p<0.05$

Second, hierarchical regression analysis was run to test the moderating effects of six cultural factors and cosmopolitanism on the relationship between status /hedonistic consumption and luxury purchase intention of young adults (H3~H9). Fourteen models were revealed for each dependent variable, presenting in Table 5.3.2 and Table 5.3.3 respectively. Based on the analysis, all the models passed the F test, showing good overall significance. For status consumption, collectivism, uncertainty avoidance, long-term orientation and cosmopolitanism were found to have significant moderating effects. Specifically, the interaction term of collectivism and status orientation was significantly positive ($\beta=0.07, p<0.05$), revealing that the relationship between status consumption and young adults' luxury purchase intention is stronger in collectivistic cultures than in individualistic ones. That is, H3a is supported. Similarly, the interaction terms of long-term orientation and status consumption as well as cosmopolitanism and status consumption were also significantly positive ($\beta=0.01, p<0.01$; $\beta=0.12, p<0.05$), supporting H7a and H9a that the positive relationship between status consumption and luxury purchase intention of young adults is stronger in long-term orientation cultures and for cosmopolitan consumers. Furthermore, the interaction term of uncertainty avoidance and status consumption was significantly negative ($\beta=-0.20, p<0.01$), matching the

proposition that the effect of status consumption on young adults' luxury purchase intention would be stronger in low uncertainty avoidance cultures than in high ones (H6a). Masculinity, power distance, and indulgence were found to have no significant moderating impacts on the relationship between status consumption and young adults' luxury purchase intention. Therefore, H8a is supported while H4a and H5a are not supported.

In terms of the hedonistic consumption, only power distance and long-term orientation were found to have significant moderating effects. In particular, the interaction term of power distance and hedonistic consumption was significantly negative ($\beta=-0.09$, $p<0.05$), indicating that the relationship between hedonistic consumption and young adults' luxury purchase intention is stronger in low power distance cultures than in high ones (H5b). Meanwhile, the interaction term of long-term orientation and hedonistic consumption was also significantly negative ($\beta=-0.12$, $p<0.01$), confirming the expectation that the influence of hedonistic consumption on luxury purchase intention of young adults would be stronger in short-term orientation cultures than in long-term ones (H7b). However, the moderating impacts of other five variables (collectivism, masculinity, uncertainty avoidance, indulgence and cosmopolitanism) have not been verified.

Table 5.3.2 Hierarchical Regression Analysis for Status Consumption

Variable	Purchase Intention													
	H3a		H4a		H5a		H6a		H7a		H8a		H9a	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
(Constant)	1.27*	2.65*	1.15*	1.51*	1.11*	1.21*	1.53*	5.90*	0.91	4.11*	0.48	1.25	1.28*	3.98**
SC	0.71**	0.39*	0.65**	0.60**	0.69**	0.67**	0.71**	0.44	0.70**	-0.12	0.67**	0.48*	0.71**	0.04
COL	-0.02	-0.33*												
MAS			0.03	-0.07										
PD					0.06	0.02								
UA							-0.06	-0.84**						
LTO									0.06	-0.54**				
IND											0.19**	0.03		
COS													-0.02	-0.5*
SC x COL		0.07*												
SC x MAS				0.02										
SC x PD						0.01								
SC x UA								-0.20**						
SC x LTO										0.01**				
SC x IND												0.04		
SC x COS														0.12*
R^2	0.469	0.479	0.47	0.472	0.471	0.472	0.47	0.503	0.47	0.495	0.487	0.489	0.469	0.483
ΔR^2		0.01		0.002		0		0.033		0.025		0.002		0.014
F	96.72**	66.86**	97.03**	64.88**	97.66**	64.84**	97.20**	73.47**	97.20**	71.31**	104.06**	69.68**	96.68**	67.78**

Note: ** $p < 0.01$; * $p < 0.05$

Table 5.3.3 Hierarchical Regression Analysis for Hedonistic Consumption

Variable	Purchase Intention													
	H3b		H4b		H5b		H6b		H7b		H8b		H9b	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
(Constant)	0.57	1.45	0.67*	0.80	0.63*	1.76**	0.70	1.40	0.19	2.93*	0.14	-0.37	0.23	0.04
HC	0.74**	0.55**	0.71**	0.68**	0.71**	0.46**	0.74**	0.58*	0.73**	0.08	0.69**	0.81**	0.74**	0.78*
COL	0.07	-0.13												
MAS			0.10*	0.06										
PD					0.13*	-0.29								
UA							0.03	-0.09						
LTO									0.14	-0.37				
IND											0.2**	0.30		
COS													0.12	0.16
HCxCOL		0.04												
HCxMAS				0.01										
HC x PD						-0.09*								
HCxUA								0.03						
HCxLTO										-0.12**				
HCxIND												-0.02		
HCxCOS														-0.01
R^2	0.474	0.478	0.481	0.481	0.484	0.497	0.471	0.471	0.478	0.494	0.491	0.491	0.477	0.477
ΔR^2		0.003		0		0.013		0.001		0.016		0.001		0
F	98.74*	66.42*	101.41*	67.36*	102.55*	71.82*	97.36*	64.82*	100.26*	70.84*	105.50*	70.20*	100.00*	66.37*
	*	*	*	*	*	*	*	*	*	*	*	*	*	*

Note: ** $p < 0.01$; * $p < 0.05$

6. General Discussion

In this section, a more general discussion based on the analysis results will be conducted. Meanwhile, potential reasons for those rejected hypotheses will also be mentioned.

First, this study examined whether the luxury purchase intention of the new generation is still affected by status and hedonistic motivators (represented by status consumption and hedonistic consumption) through hypotheses 1 and 2. According to the result of 222 samples from more than ten countries, both status consumption and hedonistic consumption are positively related to young adults' luxury purchase intention, supporting H1 and H2. These findings are consistent with previous research that social motivation of conspicuous consumption has a positive correlation with luxury brand loyalty and purchase intention of young adults in the United States (Giovannini et al., 2015). Such relationship is demonstrated to be the same among young adults from other countries in this research. Similarly, previous study suggested that the dominant hedonic value of the new generation positively affects their purchase of hedonic products and the hedonic products used in their study are all from luxury brands (Ullah et al., 2014). This study directly confirmed the positive effect of hedonistic consumption on luxury purchase intention of young adults.

Second, hypotheses 3a through 9b explored if cultural factors and cosmopolitan characteristics could impact the relationship between status consumption/hedonistic consumption and young adults' luxury purchase intention. Specifically, collectivism positively moderates the relationship between status consumption and luxury purchase intention which supported H3a. It is in line with previous view that collectivists are more concerned with fitting in with others and thus their consumption behaviors are more affected by social norms (Eastman et al., 2018; Goldsmith & Clark, 2012). However, the moderating effect of collectivism on the relationship between status consumption and luxury purchase intention (H3b) was not confirmed. This may due to the fact that the new generation is generally more prone to hedonism (Colucci & Scarpi, 2013), no matter if they are from individualistic or collectivistic cultures. There is also support for H5b, where the impact of hedonistic consumption on luxury purchase intention of young adults is negatively moderated by power distance. Equally shared decision making power in these low power distance societies makes

it unnecessary for people to acquire status-related products to compensate the loss of power (Madlock, 2012), which leads to more possibility of buying luxury products for hedonism. But such moderating effect was failed to be supported for status consumption (H5a). Although Koo and Im (2019) suggested that especially people in lower positions in high power distance cultures prefer status-associated luxury brands and conspicuous luxury products more, these people may be more likely to buy counterfeit products because they cannot afford the price of real luxury goods. Moreover, the expected moderating role of uncertainty avoidance was also found in the relationship between status consumption and purchase intention (H6a). Since quality guarantee is the most important motivator for luxury purchases of people from high uncertainty avoidance cultures (De Mooij & Hofstede, 2011), status seeking purchases are more likely to happen in lower uncertainty avoidance cultures. Meanwhile, the influence of hedonistic consumption on luxury purchase intention is found to have no large differences between high uncertainty avoidance cultures and low ones. Furthermore, there is also support for Hypothesis 9a, suggesting that the relationship between status consumption and luxury purchase intention is stronger for cosmopolitan consumers. But there is no large difference in hedonism motivated luxury purchases between cosmopolitan consumers and others. This is in line with Rossel and Schroedter's (2015) view that cosmopolitanism is to some extent class-based due to the determining roles of education, highbrow cultural orientation, and linguistic capital.

Among all the moderators tested in this study, long-term orientation is the only one which can influence both effects of status consumption and hedonistic consumption on young adults' luxury purchase intention, supporting both Hypotheses 7a and 7b. The price-consciousness of people from long-term orientation cultures and their emphasis on ordering relationship contribute to luxury purchases for status reasons, while the interests in spending and lower saving habits of those people from short-term orientation cultures lead them to buy luxury products more for hedonism. On the contrary, masculinity and indulgence were found to have no moderating effects on neither status consumption nor hedonistic consumption. Although indulgence does not moderate the relationship, based on the regression result, it was significantly positively related to the luxury purchase intention of young adults in both models ($\beta=0.19, p<0.01$; $\beta=0.2, p<0.01$). In other words, indulgence is still an essential cultural

contributor for the new generation's luxury purchases, which needs more recognition in future research.

7. Conclusion

As the new generation is accounting more and more for the global luxury purchases, it is essential to explore what factors would affect their luxury consumption. This thesis chose two typical luxury consumption motivators (status consumption and hedonistic consumption) and examined whether young adults are still motivated by them. Moreover, the rise of e-commerce and globally massive luxury consumption circumstance lead to the important role of culture. However, previous cross-national studies on luxury consumption did not provide a consistent conclusion for how cultural factors influence luxury consumption (Shukla & Purani, 2012; Dubois et al., 2005). Not only Hofstede's six cultural factors but also the culture related personality trait -- cosmopolitanism -- are included in the model to test their moderating role in the relationship between status consumption/hedonistic consumption and young adults' luxury purchase intention. Based on the results of a worldwide sample of 222 subjects aged from 20 to 35, status consumption and hedonistic consumption are found to be positively related to luxury purchase intention of young adults. In particular, the relationship between status consumption and luxury purchase intention is stronger in collectivistic, long-term oriented, lower uncertainty avoidance cultures and for cosmopolitan consumers. On the other hand, the effect of hedonistic consumption on luxury purchase is stronger in lower power distance and short-term oriented cultures.

7.1 Theoretical Implications

The main contribution of this study to the literature is to explore the role of culture in affecting young adults' luxury consumption motivations. Previous research mainly aimed to find direct national differences on luxury perceptions. And most studies only focused on three or four main dimensions of Hofstede's cultural model. Particularly, there is almost no research on the latest two dimensions which are time orientation and indulgence versus restraint. All the six dimensions are included in this study to test their moderating effects. Besides collectivism and power distance which have been often examined in the literature, uncertainty avoidance

and long-term orientation also showed significant moderating effects in this study. Especially, long-term orientation impacts the effects of both status consumption and hedonistic consumption on luxury purchase intention of young adults. Therefore, more studies on the long-term orientation aspect are needed since it may be the most important cultural factor in luxury consumption of the new generation according to this study.

Moreover, since the traditional way of distinction of cultures by countries has been critiqued under the circumstance of globalization and media development, this thesis also discusses the role of culture in luxury consumption from the perspective of a culture related personality trait, cosmopolitanism. Cosmopolitanism is quite a new area, and its antecedents and impacts on consumer behavior have recently become the main topic in the related literature. According to the findings, young adults are generally cosmopolitan, which is in line with previous studies. In addition, the effect of status consumption on luxury purchase intention is stronger for cosmopolitan consumers than for others. This finding supports Rossel and Schroedter's (2015) view that cosmopolitanism is to some extent class-based. Therefore, this paper also contributes to the literature of cosmopolitanism.

7.2 Managerial Implications

Since Generations Y and Z are expected to be the primary engines of luxury consumption growth in the next 10 years (Statista, 2019), it is crucial for luxury marketers to reach young adults effectively. The result of this study showed that status consumption and hedonistic consumption are still big motivators of luxury consumption among young adults. And culture plays an important role in deciding the strength of them not only through traditional cultural dimensions but also from the personality perspective. Therefore, developing a global strategy with cultural specific adjustments is essential for luxury brands. In order to understand the local cultural distribution, it is necessary to conduct enough market research on targeted countries or consumer groups. Particularly, long-term orientation affects both status consumption and hedonistic consumption. Therefore, luxury marketers should be careful with this cultural dimension. It would be better if they could make some changes in promotional activities (e.g. advertising) between these long-term oriented and short-term oriented cultures. For example, the expression of status can be highlighted in long-term oriented cultures, while enjoyment, pleasure and self-reward can be the main concepts of marketing in short-term oriented ones. In

addition, compared with hedonistic consumption, the effect of status consumption on young adults' luxury purchase intention is moderated by more factors. So using hedonism related concepts in promotion is more suitable and effective for global marketing. Similarly, this also applies to those multicultural countries. Lastly, young adults are found to be generally cosmopolitan, to some degree supporting the feasibility of global consumer cultural positioning strategy.

7.3 Limitations and Future Research

There are also some limitations in this study. First, 65% of the participants in this study are from Eastern cultures. As a cross-cultural study, it would be better to have an equal representation of population across Western and Eastern cultures. Future research can investigate whether those unsupported variables in this study (e.g. masculinity and indulgence) would show a moderating role in a more equally distributed sample. Second, this research focused on the six cultural dimensions suggested by Hofstede (2011). Although this framework is famous and highly influential, it has been critiqued by some researchers over these years. For example, Walsham (2002) claimed that soft factors like culture should not be measured by strict quantification. Future studies could apply other cultural theories to explore the role of culture in the new generation's luxury purchase motivation, such as Schwartz's (1994) cultural value orientation model. Also, qualitative research methods can be integrated. Moreover, as mentioned before, although the moderating effect of indulgence did not gain support, it was positively related to young adults' luxury purchase intention. As a newly added aspect in Hofstede's cultural dimensions theory, there is very little consumer behavior literature on it and more studies are needed. Furthermore, cosmopolitanism is found to enhance status motivated luxury purchases, but not hedonistic one, giving rise to the question about the relationship between cosmopolitanism and social class. Also, since most young adults are cosmopolitan, the influence of cosmopolitanism on their other consumption behavior can be explored in future studies. Finally, except culture, how other broader contextual factors (e.g. peer pressure) affect the new generation's luxury consumption motivation can be investigated. From a further broader perspective, some contextual factors external to consumers' desire may also change their notion of luxury consumption. For instance, after the worldwide massive outbreak of COVID-19, what kind of changes would happen in the new generation's luxury consumption

may be an interesting topic for future research.

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Appendix A:

Questionnaire

1. Have you ever bought luxury branded products (including fashion, bags, shoes, cars, watches, jewelry, sunglasses, skin care/cosmetics, liquor, electronic products, luxury hotels/resorts, etc.)?

Yes

No

For the following questions, all items were 7 point Likert-type scales, anchored by (1) “strongly disagree” and (7) “strongly agree”.

2. I would buy a product just because it has status.
3. I am interested in new products with status.
4. I would pay more for a product if it had status.
5. A product is more valuable to me if it has some snob appeal.
6. Luxury products offer the characteristic of fun to me.
7. Luxury products offer the characteristic of exciting to me.
8. Luxury products offer the characteristic of delightful to me.
9. Luxury products offer the characteristic of thrilling to me.
10. Luxury products offer the characteristic of enjoyable to me.
11. I would intend to buy luxury products.
12. My willingness to buy luxury products is high.
13. I am likely to purchase any luxury branded products.
14. I have a high intention to buy luxury products.
15. Individuals should sacrifice self-interest for the group.
16. Individuals should stick with the group even through difficulties.
17. Group welfare is more important than individual rewards.
18. Group success is more important than individual’s success.
19. Individuals should only pursue their goals after considering the welfare of the group.
20. Group loyalty should be encouraged even if individual goals suffer.
21. It is more important for men to have a professional carrier than it is for a woman.

22. Men usually solve problems with logical analysis, woman usually solve problems with intuition.
23. Solving difficult problems usually requires an active, forcible approach, which is typical of men.
24. There are some jobs that a man can always do better than a woman.
25. People in higher positions should make most decisions without consulting people in lower positions.
26. People in higher positions should not ask the opinions of people in lower positions too frequently.
27. People in higher positions should avoid social interactions with people in lower positions.
28. People in lower positions should not disagree with decisions made by people in higher positions.
29. People in higher positions should not delegate important task to people in lower positions.
30. It is important to have instructions spelled out in detail so that I always know what I am expected to do.
31. It is important to closely follow instructions and procedures.
32. Rules and regulations are important because they inform me as to what is expected of me.
33. Standardized work procedures are helpful.
34. Instructions for operations are important.
35. How closely do you associate with the following qualities?
 - a) Careful management of money (Thrift)
 - b) Going on resolutely in spite of opposition (Persistence)
 - c) Personal steadiness and stability
 - d) Long-term planning
 - e) Giving up today's fun for success in the future
 - f) Working hard for success in the future
36. I have the liberty to live my life as I please
37. I seek every chance I can to have fun
38. Feeling and desires related to merrymaking with friends should be gratified freely
39. There should not be any limits on individuals' enjoyment

40. Societies should value relatively free gratification of desires and feelings
41. Desires, especially with respect to sensual pleasure should not be suppressed
42. Gratification of desires should not be delayed
43. Positive feelings should not be restricted
44. I enjoy being with people from other countries to learn about their views and approaches.
45. I like to observe people of other cultures, to see what I can learn from them.
46. I find people from other cultures stimulating.
47. I enjoy exchanging ideas with people from other cultures or countries.
48. I am interested in learning more about people who live in other countries.
49. I like to learn about other ways of life.
50. Coming into contact with people of other cultures has greatly benefited me.
51. What's your gender?
 - Male
 - Female
52. What's your age?
 - Under 20
 - 20~24
 - 25~29
 - 30~35
 - Above 35
51. What's your highest education?
 - High school
 - College/University
 - Master
 - PhD
52. Which country do you come from (home country)?
 - Canada
 - France
 - China
 - India

United States

Australia

Other South America countries

Other Asian countries

Other European countries

Others

53. What's your employment status?

Employed (Full-time)

Employed (Part-time)

Self-employed

Unemployed

Student

Disabled/Retired