# Exploring Luxury in America:

Can Tocqueville provide new paths to understanding American consumers' motivations and attitudes?

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#### **ABSTRACT**

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While the luxury industry is one where leading brands have truly a global reach, most research agree that the words typically defining luxury for consumers across markets are: quality, status and pleasure. Therefore, it is crucial for researchers and marketers to assess what these words really mean for consumers in different markets, which in turn implies diving into their culture. The American market being the second largest one globally, my research focused on understanding the notions of status and pleasure within the American cultural context, paying particular attention to the young generations who represent the future of this segment.

Tocqueville's "Democracy in America", has been praised ever since its publication in the nineteenth century as a reference for those willing to approach the American culture. His work helps to understand why the quest for status is so important to Americans and also how the luxury offer has structured itself in the United States, whereas inspiring key questions about status and pleasure. Outlining the sources of the American Dream, Tocqueville's analyses make it possible to assess its evolution as well as its relevance to contemporary America, including to younger generations. Moreover, my research highlights the very strong relationship between pleasure derived from luxury and the need for status it fulfills; it also shows that younger generations, especially Millennials are quite motivated by luxury.

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# TABLE OF CONTENT

LIST OF EXHIBITS	•••••	vii
A. Introduction		P.1
B. THEORETICAL FOUNDATIONS		P.5
B.1 Tocqueville and the American Dream	P.5	
B.2 Post-WWII Evolutions of the American Dream	P.11	
B.3 Millennials and Gen Z	P.22	
B.4 Pleasure in America	P.33	
B.5 Research Propositions	P.44	
C. METHODOLOGY AND RESEARCH DESIGN		P.46
C.1 Consumers' Point of View	P.46	
C.2 Manufacturers' Point of View	P.51	
D. RESEARCH RESULTS		P. 52
D.1 Consumers' Point of View	P.52	
D.2 Manufacturers' Point of View	P.75	
E. DISCUSSION, LIMITATIONS AND FUTURE RESEARCH DIRECTI	ONS	P. 90
E.1 Discussion	P.90	
E.2 Theoretical Contributions	P.93	
E.3 Practical Implications	P.97	
E.4 Limitations	P.98	
E.5 Future Research Directions	P.100	
F. CONCLUSION		P.102
RIBI IOGRAPHY		P 103

Appendix 1	P.114
APPENDIX 2	P.116
APPENDIX 3	P.117
Appendix 4	P.123
APPENDIX 5	P 125

# LIST OF EXHIBITS

Exhibit A-1: Global Personal Luxury Goods Market – Bain and Company 2019
Exhibit B. 2.1-1: GDP Growth rate, 1950-1970. US Bureau of Economic Analysis
Exhibit B.2.3-1: Household Income gain, 1950-2018. CBPP
Exhibit B.2.3-2: Household Debt to Income Ratio, 1960-2005. The FRED 2018
Exhibit B.3.2-1: Average Stress Levels by Generation. APA/Harris 2018
Exhibit B.3.3-1: Favorite Social Platforms by Age. Y Pulse 2020
Exhibit B.3.3-2: Most Popular Type of Celeb by Age. Y Pulse 2019
Exhibit B.3.4-1: 12 <sup>th</sup> Graders' Values Regarding Work. Monitoring the Future 1995-2018
Exhibit B.3.4-2: 12 <sup>th</sup> Graders' Material Expectations. Monitoring the Future 1995-2018
Exhibit B.3.4-3: 12 <sup>th</sup> Graders and Material Possessions. Monitoring the Future 1995-2018
Exhibit A.3.4-4: 12 <sup>th</sup> Graders' Attitudes. Monitoring the Future 1995-2018
Exhibit B.4.1-1: Specific Leisure Participation Values. Sperazza and Banerjee. 2010
Exhibit B.4.3-1: Pleasure taxonomy and product attributes. Jordan and McDonald 1998
Exhibit D.1.1.11: Sample distribution by age and gender
Exhibit D.1.1.12: Sample geographical distribution by gender
Exhibit D.1.1.21: Importance of showing status to different groups by age
Exhibit D.1.1.22: Importance of showing status to different groups by gender
Exhibit D.1.1.23: Group 1 – Distribution by age and gender
Exhibit D.1.1.24: Group 2 – Distribution by age and gender
Exhibit D.1.1.25: Group 3 – Distribution by age and gender
Exhibit D.1.2-1: 5 most important criteria to consider one's life a successful one
Exhibit D.1.2-2: Lot of money - % by age category
Exhibit D.1.2-3: Make lots of money fast and quit working early - % by age category
Exhibit D.1.2-4: Made a good use of your physical and intellectual abilities - % by age category
Exhibit D.1.2-5: Own a beautiful home in your dream location - % by age category
Exhibit D.1.2-6: Belief in chance of achieving a successful life by age
Exhibit D.1.2-7: Belief in chance of achieving a successful life by age
Frhihit D 1 3-1: A vacation home

Exhibit D.1.3-2: Luxury apparel	P.64
Exhibit D.1.3-3: Luxury accessories.	P.65
Exhibit D.1.3-4: Luxury jewelry	P.65
Exhibit D.1.3-5: Luxury cosmetics and fragrances	P.66
Exhibit D.1.3-6: The latest high-tech equipment.	P.66
Exhibit D.1.3-7: Wearing a recognizable brand or product	P.67
Exhibit D.1.3-8: Wearing an exceptional product that few others own	P.68
Exhibit D.1.3-9: Sharing your purchase on social networks	P.68
Exhibit D.1.4-1: Pleasure from luxury – Average scores	P.70
Exhibit D.1.4-2: Average pleasure score shopping experience – Group 3 vs Group 1 & Group 2	P.71
Exhibit D.1.4-3: Average pleasure score product—Group 3 vs Group 1 & Group 2	P.72
Exhibit D.1.4-4: The ability to discover all the collections, to see and touch the products	P.73
Exhibit D.1.4-5: Being greeted as a VIP when entering the store	P.73
Exhibit D.1.4-6: The aesthetics/the design of the product	P.73
Exhibit D.1.4-7: Wearing an exceptional product that few others own	P.74
Exhibit D.2.2.2: Comparison of global store networks for major American and European brands	P.80
Exhibit D.2.4-1: How American shoppers see themselves – Status seekers vs others	P.88
Exhibit D.2.4-2: Quality vs quantity - % of those having answered 4.5 or 6	P.88

#### A. Introduction

The objective of this thesis is to study the motivations of American consumers with regards to luxury, as they have been described by various research, using both a historical and cultural prism. This approach will allow me to go beyond words used to characterize luxury in an attempt to grasp their real meaning in consumers' mind, leading to very practical implications in luxury brands' strategies. My intent is to bring another perspective to cross-cultural research, one which, by relying on different disciplines, allows an eye bird's view of my question prior to focusing on some specific issues highlighted by previous research or by current market situation, namely the real meaning of status and pleasure as luxury purchase motivations for Americans and the specific conditions faced by Millennials and Gen Z and their possible impact on their luxury consumption.

#### Why Luxury? Why America?

Luxury has risen as a prominent industry since the 90s, with growth rates largely exceeding those of most industries, indeed, the personal luxury sector grew by 6% a year on average between 1996 and 2019 (de Montgolfier, 2020, P9).

#### Global personal luxury goods market (€ billions) YOY growth, 2018-19E +7% At current exchange rates +4% At constant exchange rate CAGR 262 254 1996-2019E 207 212 219 +6% 186 167 161 159 150 116 122 122 120 128 139 84 1996 97 98 99 2000 01 02 03 04 05 06 07 80 09 11 12 13 17 18 19F 10 14 15 16 "SORTIE DU TEMPLE" DEMOCRATIZATION CRISIS CHINESE REBOOT NEW NORMAL SHOPPING FRENZY

Exhibit A.1

Source: Bain & Co (in de Montgolfier, 2020, p. 9)

This exceptional growth has been made possible by a rapid change in the industry structure and culture in the 90s, when most of today's leading groups (LVMH, Richemont, Kering, Swatch Group...) emerged. Concomitantly, markets such as Russia, India and especially China have started to open up and professionals developed a strong appetite for knowledge on these new markets, whereas the US, which still remains the second largest luxury market according to industry analysts (The Boston Consulting Group, Bain and Co, McKinsey and so on), has less been the focus of their attention in recent years, even though not all the industry players may have a thorough understanding of this market or have optimized their business there.

With the past years marked by erratic policies and increased tariffs on imported goods (among which a number of luxury goods), by a retail crisis that has led quite a few upscale department stores to file for bankruptcy (Barney's, Macy's, Neiman-Marcus,...) and to decreasing traffic in shopping malls, by increased inequalities and younger generations' new aspirations, the US luxury market "still holds growth potential" (Chapuis, 2019), but requires a closer look. Without a doubt, luxury brands need to avoid putting all their eggs in the same basket (China) and divesting from mature markets (Europe, USA) as they serve as a reference to emerging consumers, so doing well there is also needed to perform well in developing markets. Moreover, despite "enormous cultural and ideological influences emanating from Anglo-American socioeconomic centers and reaching many parts of the world" (Alptekin, 1982), it seems to me that the American culture remains much overlooked by European luxury marketers, which in all cases is a problem for corporations wishing to establish themselves in this market and/or dealing with American competition in global markets.

For all these reasons, a project aiming at bringing further insights on the relationship between American consumers and luxury makes a lot of sense from a business standpoint but it is also a valuable one from and academic standpoint. Indeed, luxury is hardly an industry but rather a crossindustry sector as the concept of luxury applies to all consumer goods/services segments from Automotive to Gourmet Food, including Fashion, Jewelry, Cosmetics, Hospitality and more. Together with this sector's growth and increased economic significance, this makes it a good topic for academic research allowing for a great variety of themes and angles. Hence, "research in the luxury field is increasing at a rapid pace" (Gurzki and Woisetschläger, 2017, p.147); mapping out the literature on luxury, Gurzki and Woisetschläger found that 87% of the articles in the corpus they studied have been published after the year 2000. While they do not expand much on the reasons behind this publications' boom, they outline an "increase in publication opportunities due to a larger research community with targeted journals" (idem, p. 148), illustrating the fact that academic research is connected to the business needs arising from some sectors' expansion. This is corroborated by the large number of academic programs specializing in luxury that have emerged since the 90s, first in Europe (HEC - Luxury Chair, ESSEC - Master in Luxury Management, Bocconi University - Master in Luxury Management....), then in the USA (NYU - MBA Luxury Marketing Specialization, University of Virginia - MBA Retail & Luxury Goods...) before further spreading globally. Consequently, the number of scholars specializing on luxury research is rising and if their initial research elaborated on "general marketing publications and their applications to the luxury context", they more recently "shifted towards the luxury brand and the consumer's perception as central elements of luxury perception" (Gurzki and Woisetschläger, 2017, p. 151).

In their work Gurzki and Woisetschläger identified ten clusters in which they group articles according to their central themes (Foundations; Signalling; economic view; Intercultural view, Luxury culture and meaning; Self-concept and brand relationships; Brand equity; Counterfeiting; Evolutionary view; Brand Management), and overall found cultural studies to be underrepresented. Moreover, they stressed that recent development in the research field on "intercultural perspective has been particularly interested in luxury markets in Asia and specifically China" (Gurzki, Woisetschläger, 2017, p.158), which confirms the results of my own research that did not allow me to find extensive work with regards to the concept of luxury in America.

#### Why the need to go beyond words?

There are a number of analyses on luxury in a cross-cultural context (Dubois and Duquesne, 1991; Aaker and Schmitt, 2001; Tsai, 2005; Godey et al., 2013; Kapferer and Michaut, 2016, etc.); often times, they equate luxury with branded goods which de facto reduces the ability to draw some overall conclusions on what luxury as such means to people. This is what Kapferer and Michaut (2016) tried to avoid by identifying five clusters grouping consumers according to the way they mostly perceive luxury: Prestige, For Minority, Pleasure first, Fashion first, Timeless heritage sine qua non (p.16). While the results of their research are somewhat consistent with that of the World Luxury Tracking (WLT - Ipsos/The International Luxury Business Association - 2007/2017), and coming as a complement to Tsai (2005) work showing that "similarities exist in a certain segment of consumers across cultural and social boundaries" (p. 12), they are not immune to shortcomings. Indeed, they find strong similarities between French, American and Japanese consumers with a majority of them defining Luxury as "Prestige First", and the second largest group describing luxury as "Pleasure First", while the three markets are quite dissimilar. As a matter of fact, the words used like "Prestige" (Kapferer and Michaut) "Social Success", "Power" (WLT) or "Pleasure" (both research) can give rise to a variety of interpretations, and it is possible that respondents across countries do not grant them the same meaning; hence there is a need for further investigation with this regard in order to help clarifying American consumers' motivations and possibly open to further study of other consumer groups.

As both research (Kapferer's and the WLT), despite differences in their methodologies, show evidence that the notions of status (encompassing prestige, social success and power) and pleasure are central to defining luxury, I will focus my research on what they mean to Americans. Why does social status remain so important in a society built on the premises of equality? What meaning do Americans give pleasure, in this case is pleasure directly linked to the intrinsic qualities of the product or service purchased, the experience lived or else is pleasure linked to the exclusive nature of luxury which in turn brings back to the notion of status? My research will also examine how younger generations embrace social success in order to pave the way to a reflection on the future of luxury on this market.

I have chosen Alexis de Tocqueville's Democracy in America as a point of departure, "a work whose insights into the American mind and soul have proven to be almost frighteningly prescient,

has been justly acclaimed as the most penetrating single book yet written on American civilization (Pessen, 1971, p. 989), and indeed, Tocqueville's holistic approach allows not only to take into account the historical background of this nation's creation, but also to apprehend the American character as well as the origins of the American luxury industry's model of development. Although Tocqueville's work keeps generating much academic interest, "over the past twenty years, the number of articles published on Tocqueville has risen to several hundreds, and at least one doctoral thesis on his work is defended each year in American universities" (Drescher, 2001, p. 63, ad lib translation), I did not find any academic research bridging Tocqueville's analyses and the consumer goods industry, so my research will contribute to expanding the field of research on Tocqueville's work even though it is not my primary intent. My research is essentially directed at contributing to luxury literature, it will nevertheless add to research on status, pleasure and on Millennials and Gen Z as well as contribute to cross-cultural marketing literature.

In the following sections, I present this research's theoretical foundations that are articulated around the three main topics defined earlier: First, status, examining how Tocqueville described the importance of this notion to Americans, how he anticipated the concept of the "American Dream" coined by James Truslow Adams in the 1930s, prior to considering its evolution in the second part of the 20th century. Second, a research aiming at highlighting the specific characteristics of todays' younger generations, and finally a focus on the notion of pleasure, prior to laying out my research propositions. A second section outlines the dual research methodology matching the choice of approaching my topic from both the consumer's point of view and the manufacturer's point of view following Tocqueville's footsteps as he described both. Results of both quantitative research and qualitative research is then presented prior to discussing their practical implications and outlining possible limitations and paths for further research.

#### B. THEORETICAL FOUNDATIONS

While an in-depth exploration of the American culture would be beyond the scope of this work, understanding such notion as status and pleasure and the relationship American consumers have with them implies researching what makes them specific to their culture. With this respect, Elazar (1999) perfectly summed up how useful Democracy in America is: "First, he [Tocqueville] looked at the *physical configuration of North America* (chap. 1), then at the historical origins of the *Anglo-Americans* (chap. 2), and then at their *social condition* (chap. 3), what commentators would refer to today as *culture*. Tocqueville thus locates the United States and American people in space, in time, and in culture, implicitly suggesting to readers the truth about all human activity, that it must be viewed through its location in these three dimensions. Most important of all, these are not fixed locations. They change by virtue of the fact that time passes and cultural manifestation changes, hence their relationship to one another also changes. Their impact on humans also must be understood as changing" (p. 208). Elazar not only points out how relevant Tocqueville's approach is but also that Tocqueville's observations need to be reassessed with a contemporary reading in order to be used in understanding American society today.

Therefore, I will devote the first part of the theoretical foundations to delineate all the elements and values that Tocqueville singled out and which constitute the basis for what James Truslow Adams would later render popular as the "American Dream", a concept that has become an integral part of the American cultural narrative.

As well over a century and a half has passed since Tocqueville's work was first published, in the second part, I will examine the American Dream's post-WWII evolution in order to understand what this term is referring to today as it is still very much used by Americans themselves in many instances.

In the third part, I will specifically research the American younger generations' values and expectations in order to formulate specific propositions regarding the kind of relationship these generations, namely Millennials and Gen Z, have with status and what it may imply for luxury brands.

The way Americans envision pleasure that has not been much described in Tocqueville's work, requires a specific analysis in order to understand which dimensions of this concept may drive luxury consumption and how it may relate to status; this will be the object of the fourth part of the theoretical foundations.

#### **B.1 Tocqueville and the American Dream**

It seems to me that among all the challenges set out for luxury brands managers by globalization, the American market is probably one of the most overlooked. Indeed, for most European luxury leaders who, up to now still dominate the largest luxury purveyors' management globally,

Americans are distant cousins, and since, in many cases, they speak their language, they feel they understand their culture and thereby their motivations and attitudes. One could not be more mistaken and I believe that Tocqueville's work allows to grasp valuable insights into the main traits of the American character and, in so doing, to better understand American consumers' expectations and behaviors.

Tocqueville started his book using the metaphor of the baby in his cradle who already announces what kind of adult he will be, noting: "Something similar happens among nations, peoples are always shaped by their origin" (Tocqueville, Volume I, Book I, Chapter 2)<sup>1</sup>. Here he points out to a very important trait of American culture and what makes it so specific: the relatively recent history of this country and the way in which it came to existence.

In the first chapters of the first volume of "Democracy in America", Tocqueville described the early days of a nation that was not yet the United States but a patchwork of settlements along the east coast, and even if the first colonies established in America were not in New England, Tocqueville showed that it is the singularity of this settlement which explains the influence New England exerted on the whole country of which it forms the basis of the "social theory" (Tocqueville, Volume I, Book I, Chapter 2). In short, it is the Puritans who have laid the grounds for the American culture. While Tocqueville's objective was clearly to observe the foundations of democratic societies and a fair share of his books is devoted to analyzing American institutions and laws, the much broader scope of his work allows scholars to focus on various aspects of it. Swedberg (2004) chose an economic angle which he summed up as follows: "According to Tocqueville, the Americans (except in the South) are characterized by the following traits, in their economic lives: (1) restiveness, (2) a taste for material well-being, (3) work regarded as honorable; and (4) audacity or boldness in business" (p. 7). Following Swedberg's outline, this section will examine more closely the first three traits he mentions, the last one being a little less relevant within the context of this thesis.

"In the United States, Tocqueville says, restiveness takes the expression that people often want to move, that they are about to move, or that they are in the process of moving" (Swedberg., 2004, p.7). To Handy (2001) this restiveness may be related to Americans' Puritan origin, "The Puritans also invented American newness - the idea of newness as the prime creator of culture" (Hughes in Handy, p. 59). Indeed Tocqueville describes Americans' character as one of people always seeking novelty and progress, "... each movement seems to be progress. The idea of the new is therefore intimately linked in his mind to the idea of the best" (Tocqueville, Volume I, Part II, Chapter 10) and to him: "A democratic society was a society in motion, a society open to change, to the new, to the future. And such a society had profound implications for the American character, for American mores, and for the American psychology" (Schleifer, 2009, p. 168).

<sup>&</sup>lt;sup>1</sup> I have been working with the French edition of "Democracy in America" (Gallimard, Folio histoire, 1986). I translated all citations and, to be easily found, they are referred to in the form (Volume, Book and Chapter).

This sense of motion is, to Schleifer (2009), a central feature of the American society described by Tocqueville and is exemplified by the numerous transformations he witnessed despite the shortness of his travels there: "the move westward, the conquest of the wilderness, the rise of cities, the revolution in transportation and communication" (p. 167). These transformations were undoubtedly allowed by what Tocqueville called the "commercial passions" of the American people (Volume I, Book II, Chapter 9) whom to him at that time formed an "almost exclusively industrial and commercial association" (Volume 2, book 3, Chapter 18).

Thus, a very important characteristic of American society that Tocqueville highlighted early on in his work is that of mobility which is at the basis of this country's dynamism. This trait was still striking to the country's visitors at the turn of the 21st century: "Anyone visiting America from Europe cannot fail to be struck by the energy, enthusiasm, and confidence in their country's future that he or she will meet among ordinary Americans" (Handy, 2001, p. 58).

Mobility is above all fueled by Americans' ambition that Tocqueville did not fail to notice: "The first thing that strikes in the United States is the innumerable multitude of those who seek to emerge from their original condition ... There are no Americans who are not devoured by the desire to rise" (Volume II, Book III, Chapter 19), though he was quite severe with the nature of this ambition that is not directed at great accomplishments, but "in the United States, as soon as a citizen has some knowledge and some resources, he seeks to enrich himself in commerce and industry" (Volume II Book III, Chapter 20) which to a French aristocrat of his time was certainly quite despicable, and even more so since "one hardly sees anyone who seems to nourish very vast hopes, nor to aim at very high goals. All of them constantly want to acquire goods, reputation, power; few contemplate all these things in a big way" and to him the explanation of this is to be found "in Americans' social state and democratic mores" (Volume II, Book III, Chapter 19). He also provided an additional explanation to what he called the passion for riches: "To clear, fertilize, transform this vast uninhabited continent which is his domain, an American needs an energetic passion; this passion can only be the passion for riches" (Volume II, Book III, Chapter 18).

It is clear that early on Americans proved to be very concerned by their status and the desire to improve it in order to gain power and reputation but also acquire more goods. This materialism being the product of what Tocqueville called the American passions and described as follows: "most of their passions end in the love of wealth or come out of it" (Volume II, Book III, Chapter 17). To achieve their goals Americans display a great aptitude to change profession, "One can meet some who have been successively lawyers, farmers, store-owners, evangelical ministers, doctors" (Volume I, Book II, Chapter 10). Hence, Tocqueville made it clear that if Americans can be described as ambitious, they are not so much motivated by the prestige that may be attached to certain professions or positions but rather by the revenues they may provide and by the additional influence generated by an increased wealth. Therefore, they are very open to change course as long as it helps them moving up the social ladder.

To Tocqueville, "what characterizes democratic centuries is the taste that men feel for easy success and present enjoyment" (Volume II, Book I, Chapter 3) and he later summed up his thoughts stating

that one of the characteristics of democracy is to make "predominate, in the human heart, the passion for material enjoyment and the exclusive love of the present; these different instincts mingle with the feeling of ambition and thus tint it, so to speak, of their colors" (Volume II, Book III, Chapter 19). So, Americans' ambition goes along with second trait pointed out by Swedberg (2004) that is "the taste for material well-being which is described [by Tocqueville] as the care of satisfying the least needs of the body and of providing the smallest comforts of life" (p. 9). To Tocqueville democracy promotes well-being because "when the people rule, it is necessary that they be happy so that they do not upset the state" (Volume I, Book II, Chapter 9); he mentioned the taste for well-being and the appetite that Americans display for material possessions quite a few times in his work; he noted that American people are tirelessly striving to reach well-being and that "it is a strange thing to see with what kind of feverish ardor they pursue well-being and how much they seem to be constantly tormented by a vague fear of not having chosen the shortest route that may lead there" (Volume II, Book II, Chapter 13). Tocqueville described this craving for wellbeing as being shared at all levels of society "the desire to acquire well-being presents itself to the imagination of the poor, and the fear of losing it in the mind of the wealthy" but stressed that "the passion for material well-being is essentially a middle-class passion; it grows larger and spreads with this class; it becomes preponderant with it. From there it reaches the higher ranks of society and descends within the people" (Volume II, Book II, Chapter 10), which shows that "he regarded middle-class as central to democratic society" (Swedberg, 2004, p. 11).

Tocqueville believed that in democracies materialism is less excessive than in aristocracies, where it can lead "to lavish depravation or glaring corruption", while in democracies it is not about "building vast palaces... it is just a question of adding a few arpents to one's fields, to plant an orchard, to enlarge a house ... " (Volume II, Book II, Chapter 11). So if Americans are striving to succeed, to climb the social ladder and to become wealthy, their motivation is not one of surrounding themselves with immoderate luxuries (that is a characteristic of aristocracies) but rather accessing a good level of comfort. Martineau (1981) notes that "the desire of riches merges in a regard to opinion. There is more the spirit of competition and of ostentation in it than desire of accumulation" (p. 263). Becoming wealthy is not contradictory with Americans' religious convictions, "Puritans also believed that being well-off through one's own efforts was a sign of God's approval. There was nothing wrong with outward signs of wealth and status so long as the pleasure that they gave was neither profane nor licentious" (Handy, 2001, p. 59). In addition, what makes this disproportionate attachment to material well-being morally acceptable is the third point mentioned by Swedberg (2004) "work considered as honorable" (p. 7). Indeed, according to Tocqueville, a characteristic of democratic societies is to promote work: "Equality not only rehabilitates the idea of work, it raises the idea of work providing a profit" (Volume II, Book II, Chapter 18). As opposed to aristocrats who do not need to be working, "almost all Americans need to have a profession" (Volume I, Book I, Chapter 3), and "when all the prerogatives of birth are destroyed, the professions are open to all and one can reach the top of each of them by oneself, an immense career seems to open before men's ambition" (Volume II, Book II, Chapter 13).

In sum, Tocqueville's work draws our attention to the vast possibilities that American society offers to its people at the time and depicts a largely middle-class society in which people are hardworking, ambitious and eager to surround themselves with the latest comforts.

While he saw in America people who enjoyed freedom and extraordinary happy living conditions Tocqueville could not help but find that they "look grave and almost sad even in their pleasures" (Volume II, Book II, Chapter 13). In other words happiness, enshrined as a human right in the United States Declaration of Independence<sup>2</sup> could not be read on the faces of this young nation's inhabitants who seemed restless and unable to savor whichever state of well-being they had reached. Tocqueville described a typical American attitude as follows: "In the United States, a man carefully builds a dwelling in which to pass his declining years, and he sells it while the roof is being laid; he plants a garden and he rents it out just as he is going to taste its fruits; he clears a field and he leaves to others the care of harvesting its crops. He embraces a profession and abandons it. He settles in a place from which he departs soon after in order to take his shifting desires elsewhere. Should his private affairs give him some respite, he immediately dives into the whirlwind of politics. And when toward the end of a year filled with work some leisure still remains to him, he carries his restive curiosity here and there within the vast limits of the United States" (Volume II, Book II, Chapter 13); what Tocqueville described is a permanent dissatisfaction that grips Americans and always leads them to seek a better option. One can think that this tendency comes from the fact that the very equality Americans enjoy meaning that they have no assigned rank in society, "they readily imagine that they are called to great destinies" (Tocqueville, Volume II, Book II, Chapter 13) and Americans tend to seize any opportunity they catch sight of, those are numerous in the US. So, the inability shown by Americans to fully enjoy the state of well-being they have reached is a result of both equality and their passion for well-being.

Tocqueville describing the wealth of opportunities available to Americans anticipated what will be formulated by James Truslow Adams in 1931 as the American Dream: "That dream of a land in which life should be better and fuller and richer for everyone with opportunity for each according to ability or achievement. It is a difficult dream for the European upper classes to interpret adequately, and too many of ourselves have grown weary and mistrustful of it. It is not a dream of motor cars and high wages merely, but a dream of a social order in which each man and each woman shall be able to attain the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position" (James Truslow Adams cited in Stiuluic, 2011, p. 363-364). His description tempers Americans' purely materialist nature described by Tocqueville. Indeed, Adams, having socialist convictions, instills a more humanistic dimension in what is for him the promise of the United States. It is to be feared, as it will be later developed in this thesis that only the first part of its formulation was memorized and that finally Tocqueville, seeing clearly the pitfalls of equality, has

 $<sup>\</sup>frac{1}{2}$  "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the Pursuit of Happiness" – United States Declaration of Independence,  $2^{nd}$  paragraph. 1776.

been more able than Adams to foresee the direction American society will follow.

Nevertheless, both authors share the same vision of America as a land of opportunity where individual merit is rewarded. Moreover, to Tocqueville democracy suggests "the idea of the indefinite perfectibility of man" and Americans believe in their capacity to better themselves: "The other improves his/her lot and he/she concludes that man in general is endowed with the indefinite faculty of perfecting himself" (Volume II, Book I, Chapter 8), "This emphasis - some might say mania - for self-improvement, cut loose from its original Calvinist moorings, remains a recognizable trait in the American character and is considered an indispensable means for the achievement of any American Dream" (Cullen, 2004, p. 30-31). This trait has been further enhanced by the Transcendentalist school of thought led by Ralph Waldo Emerson, whose essay "Self-Reliance" has been published in 1841 and has retained a great influence on American popular culture up to this day, making self-reliance an important dimension of the American culture.

The key elements from the previous analysis to keep in mind can be summarized as follows: Thanks to its geography and its democratic institutions, America offers its new inhabitants formidable possibilities for success and personal accomplishment. These particular circumstances as much as the Puritan heritage of this nation's first settlers have shaped the character of ambitious citizens who give themselves the means to succeed thanks to both their dedication to work and their unwavering faith in their ability to better themselves in order to live up to the ambitious goals they set for themselves.

Despite these favorable conditions, Americans do not seem to be able to savor the happiness their accomplishments provide them with as they have a tendency to always compare their fate with that of others, a possibly more desirable one. This may be explained by various reasons linked both to American history and to democracy. First, the more equality is developing in a society the more difficult it becomes to climb up the social ladder: "the rules of advancement become more inflexible and advancement slower" (Tocqueville, Volume II, Book III, Chapter 19), so it increases in Americans the fear of not achieving their goals. Second, Tocqueville noted that men will never be satisfied by the level of equality they have reached as "they will always see several close points above them, and one can predict that he will stubbornly turn their eyes to this side. (Volume II, Book II, Chapter 13). And finally Tocqueville highlighted a concern that will be later described in more details by anthropologist Walter Goldschmidt: "a man however opulent he is supposed to be, is almost always dissatisfied with his fortune because he feels less wealthy than his father and he fears his sons will be less rich than he is" (Volume II, Book I, Chapter 19). Prior to describe how Goldschmidt's analysis sheds some light on this assertion, it is needed to detail his view on what status means to Americans. He explains that the mobility of American society "undermines the tendency toward established group identification" and that in America "status is important just because status is not fixed" (Goldschmidt, 1955, p. 1214). People find models of social success in American society (the Carnegies, Fords...) or in American literature, but most important there are more modest models to be found in one's entourage. They are the ones "forcing upon the individual a recognition of both the possibility of social advancement and the personal responsibility for that

advancement", therefore Americans tend to view the family as "a marker to show the starting place" and to measure their own ability "in terms of how far they have moved", "the young hopeful proves himself in terms not of taking over the father's position but of exceeding it" (Goldschmidt, 1955, p. 1214). So over a century after Tocqueville's work was published, Goldschmidt provides a very good summary of his findings relative to status and, underlining the important role of mobility and individual responsibility in improving status, he explains why the status system is "an important element in American culture". Moreover, he insists on "a point of great importance is that status becomes a method for self-evaluation" (Goldschmidt, 1955, p. 1214).

Reading Tocqueville is fundamental in order to understand Americans' relationship to social success, he underlines that to Americans social status is closely related to wealth by saying that "the love of wealth [which] becomes a substitute to ambition" (Volume I, Book II, Chapter 9). As a consequence, there are a large number of individuals who are wealthy enough to be self-sufficient, "these do not owe anything to anyone and do not expect, so to speak, anything from anyone; they get used to always considering themselves in isolation, they readily imagine that their entire destiny is in their hands" (Volume II, Book II, Chapter 2); so, according to Tocqueville "equality tends to isolate men so that each of them cares only for himself" (Volume II, Book I, Chapter 5), promoting individualism.

Thus Tocqueville showed how Americans' ambition and endless pursuit of social success is the result of many factors which presided over the development of American society: the Puritans' Protestant ethic which deeply influenced Americans' mentality and mores; the country's geography and the immense possibilities it offers to newcomers; and finally, from the outset, the American society's democratic character which shaped a vision of society in which merit is measured mainly by the yardstick of material success. If he linked the quest for social status to the egalitarian character of American society, he also suggested an interpretation that can be attributed to the American Dream in the first sense of this term, that of the immigrant seeking a better future for his children. In this sense, he revealed the specificity of this notion in the United States where status is of course a matter of comparison with one's neighbors, but also, and possibly more importantly is an intergenerational issue, that of climbing up the social ladder and doing better than one's parents. The American Dream as formulated by James Truslow Adams gives a fuller and possibly more romantic vision of it than Tocqueville's, the following part of this thesis will examine what has become of this dream in the second half of the 20th century and the dawn of the 21st century.

#### **B.2 Post-WWII Evolutions of the American Dream**

"With the temporal distance, Tocqueville's America sometimes resembles a submerged continent: it presented the traits of a largely agrarian society, more egalitarian, it seems, than any other and where massive industrialization had not yet exerted its unfair outcomes. Tocqueville himself was no doubt already yielding to certain forms of idealization, concealing, for example, the weight of

the money powers in political life and overestimating the social mobility of the time" (Audier, 2006, p. 489-490, ad.lib translation). While it is very possible that Tocqueville has had a somewhat romantic vision of the American society, and may have seen it more egalitarian than it really was, I believe his work was theoretical and that above all he wanted to describe the mechanism of a democratic society at work, so he may have chosen to simplify his relation to some extent. Nevertheless, his observations, taking into account the strong historical and geographic specificities of America, allowed him to capture the spirit of American institutions and people as he observed them at the time and his analyses are all the more relevant that they resonate in the concept of the American Dream described by James Truslow Adams in the 1930s. Thus, the evolution of the American Dream throughout the 20th century up to the present day tests the bearing of Tocqueville's observations in the contemporary context. In this section, I will describe the evolution of the American Dream over four key periods of the second half of the twentieth century: the 50s/60s, the 70s, the80s/90s and the turn of the twenty-first century.

#### B.2.1. The 50s/60s: The Apotheosis of the American Dream

The term American Dream has been coined by James Truslow Adams in 1931, in the midst of the Great Recession that followed Wall Street crash in October 1929. Lallas (2014) states that the "American Dream" remains an "American Secret" and points out the "socialism's centrality to the very definition of the American Dream" (p. 168). Indeed it is surprising that this concept, used today by all American politicians across parties, has been staged by intellectuals, whose ideology, if not a hundred per cent socialist, was at the very least flirting with socialism. Whether it is Lippmann, a Fabian Socialist, whom Lallas credited with being the first to use the term, or Adams who later wrote in "the Epic of America" that "there is no reason why wealth, which is a social product, should not be more equitably controlled and distributed in the interest of society" (Adams in Lallas, 2014, p. 168), both advocate less inequality. The New Deal initiated by Roosevelt in 1931 and 1933 which object was to implement some economic and social remedies to the depression in the US, included some welfare programs (unemployment benefits, social security) as well as economic policies aiming at redistributing wealth, and if Roosevelt was not openly socialist, his policies before WWII as well the ones followed by Truman after the war, were very liberal and much in line with Adams's American Dream, giving the government an important role to play in making it a reality; Kamp (2009) describes the post-WWII period as a form of apotheosis of the American Dream. The Housing Act, another government enacted program, passed by Truman in 1949 in order to solve the problem of post war housing shortage, allowed many Americans to get an easier access to credit and thereby to what became an essential element of the American Dream: home ownership. This combined to some major innovations in the ways houses were built allowed the development of suburbia, the post-war phenomenon in American urban development. Indeed, though Jim Cullen (2004) in "The American Dream", argues that migrations to suburbia had started in the "early decades of the twentieth century" (p. 149) it is only after WWII that they became massive.

Suburbia then represented the ultimate outcome of the social conformism reigning in the large corporations that were attracting a significant part of American universities' young graduates. Prior

to describing life in the post-war suburban developments, William Whyte depicted the evolution of capitalism that was fostering a decline in self-reliance summarized by Nocera in his foreword of the 2013 edition of the "Organization Man" as follows: "Whyte's central thesis, which is that the American organization - and especially the large corporation - was systematically stamping out individuality, that people were foolishly allowing this to happen, and that this loss of individuality would eventually be ruinous to both the individual and the corporation" (Whyte, 2013, viii). In this, Whyte adhered to Riesman's analysis that "the dominant social character of Americans had changed dramatically since the 19th century, in response to declining rates of fertility and the emergence of a service - and consumption - based economy. The change, as Riesman expressed it, was from "inner-directed personality types - self-reliant and purposeful souls who navigated through life relying upon the firm principles implanted in them by parents - to other-directed types, who were brought up to rely upon the cues of others, particularly peer groups, coworkers, and the mass media, in addition to parents, to find their way in the world" (McClay, 1998, p. 2), what both authors describe is an outcome of the two dangers of democracy Tocqueville has underlined, the first one is the tyranny of the majority "faith in public opinion will become a kind of religion, of which the majority will become the prophet" (Volume II, Book I, Chapter 2), and the second one is the rise of a new industrial aristocracy. Indeed, even though Tocqueville did not precisely describe corporations as they developed in the second half of the 20st century, he had foreseen the direction they were going to take and the submission they were going to imply.

Beyond describing how leading large corporations shaped their executives' personality in order to turn them into their policies' zealous agents, what Whyte portrayed in the "Organization Man" was what seemed to be the desirable lifestyle in post-WWII America, that of suburbia, also popularized by TV shows such as the *Adventures of Ozzie and Harriet* or *Father Knows Best*. In this supposedly classless setting, the role of middle-class college-educated organization people was key, they were the ones who "give the communities their dominant tone" (Whyte, 2013, p. 299). Moving to suburbia was for many a sign of social success, and "though the couple who moves to suburbia may do so with a feeling of we made it, their satisfaction is quite temporary. The longer they stay the more they recognize subtle gradations that at first were not apparent" (p. 307). There was actually much socialization occurring in these communities and, though it might have taken some time to make acquaintances, "in one small subdivision outside Hartford, Connecticut, it was not until ten months after everyone had moved in that they got to know one another" (p. 302), home commercial parties (Stanley, Tupperware, Avon and the likes) were a good way to ignite contact and allow friendship to develop among the wives who were, for a majority of them, not working outside the home and could further develop social life for the family as it was important to blend in.

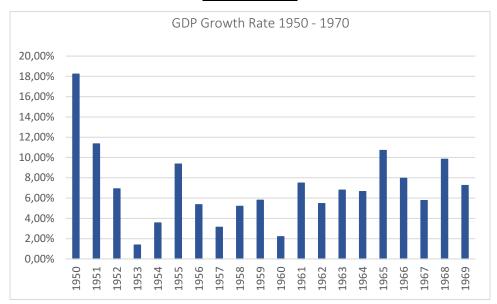
Nevertheless, there was a rapid turnover in these communities as the young managers' salary were increasing at a much faster rate than those of their white-collar neighbors, "after they reach a certain income level, there is a strong pressure on them to move, for they cannot otherwise live up to their incomes without flouting the sensibilities of the others" (Whyte, 2013, p. 317). So, successful people left their neighborhood either because they were seeking a better place to live in or because they were relocated by the employer; "On the one hand, suburbanites have a strong impulse toward

egalitarianism; on the other, however, they have an equally strong impulse to upgrade themselves. Somewhere in the middle lies the good life but... it vanishes as quickly as one finds it." (p. 312). Notwithstanding this grim observation which brings back to Tocqueville emphasizing the inability of the Americans to be happy with their success, there was considerable optimism in the post-WWII society, especially for the young couples who were experiencing a continuous momentum and this is what powered the upgrading movement. Because of their confidence in the future, young suburbanites saved very little, they relied on the company plans and overestimated by far their capacity to borrow money in case of emergency. Moreover, Whyte described a breed of young capitalists who had very little sense of money and tended to contract loans of all kinds, after a while they optimized their credits management by consolidating them so as to have no more than one monthly payment. This type of behaviors fostered the development of revolving credit, which has been growing considerably in the 50s/60s with most stores offering this option to their customers. "The value of consumers' credit increased 1100% from 1945 to 1960 and has continued to expand ever since" (Busch, 2008, p. 73).

Despite his description of the widespread use of credit allowing people to purchase the latest home equipment, Whyte downplayed the early 1950s' consumerism a little bit, he nevertheless gave some indications of its importance as he described how the new goods purchased (car, appliances, furniture, etc.) were scrutinized by neighbors and how the necessity to blend in the community played a significant role in these purchase decisions. The role of consumption is described by Whyte (2013) as follows: "The job, then, is not to keep up with the Joneses. It's to keep down with them" (p. 313), and he explained that couples were dependent upon the community's opinion to decide on their purchase as their aim was to avoid being excluded by the group, "for just as the group punishes its members for buying prematurely, so it punishes them for not buying" (p. 313). "Even in a single neighborhood, what, in one block would be an item eminently acceptable, might in another be regarded as flagrant showing-off. It is the group that determines when a luxury becomes a necessity" (p. 314). If suburbia was depicted as being classless by Whyte, in fact, one understands that it was not as clear cut as that, there were indeed signs of some kind of stratification occurring. The way the author depicted it, it seems clear that suburbia tended to segregate people by income level: they first settled in a certain area fitting their income level; as soon as their income had increased enough, they changed for a more desirable location. So, in fact where people lived was the primary indicator of status.

The 50s and 60s were probably the decades when the American Dream was the closest to James Truslow Adams' vision. The Great Depression and the war were over, the economic boom (the two decades between 50 and 70 benefitted from very high average GDP growth rate- see exhibit B.2.1-1) and government policies allowed upward mobility.

Exhibit B.2.1 -1



Source: Statistics from US bureau of Economic Analysis (retrieved from https://www.multpl.com/)

Suburbia, then, was the symbol of the American Dream allowing middle classes to access one of its key components: home ownership. Moving to suburbia was a sign of social success, the area people settled in was the first indication of the level of status reached and consumption was a way to blend in and to build a sense of belonging, "still the American Dream was far from degenerating into the consumerist nightmare it would later become" (Kamp, 2009, p. 6). "From that period on, the hero of American society, the good citizen, the economy's power engine is not the manufacturer, it is the consumer" (Domenach, 1960, p. 1367, ad.lib. translation). "Furthermore, the Cold War strengthened the American Dream's tie to consumerism. "While American democracy provided a strong contrast to Soviet totalitarianism, American politicians and the elite emphasized mass consumption as another way Americans were different from the Soviets" (Busch, 2008, p. 69). Consumption in the 1950s and 1960s was not merely a question of catching up after a long period of crisis, but also a result of the American government domestic and international policies and while Kamp highlights the reasonable and controlled aspect of consumerism at that time, it seems to me that political leaders have made Americans' consumerism identified by Tocqueville a weapon in the service of the country without much prior reflection on possible consequences.

#### B.2.2. The 70s: a pivotal period

"What unfolded over the next generation was the greatest standard-of-living upgrade that this country had ever experienced: an economic sea change powered by the middle class's newly sophisticated engagement in personal finance via credit cards, mutual funds, and discount brokerage houses—and its willingness to take on debt" (Kamp, 2009, p. 6). Meanwhile, as early as the 1950s, psychoanalytic practitioners began to notice a possible change in Americans' personality, it showed "the state of decay of the self, arising when the pursuit of private happiness

and that of public happiness take different paths, thereby betraying the ideals of America" (Ehrenberg, 2011, p. 130, ad.lib. translation). Ehrenberg, relying on Putnam's "Bowling Alone" data, describes the changes that occurred in the American society, in which, up to the 60s, citizens were quite engaged in their communities while in the 70s there has been a split between the pursuit of individual happiness and that of public one which can be explained by a new context: first, the end of the Roosevelt era aiming at lowering inequalities and boosting opportunities; second, the changes brought about by the 1960s movements (sexual liberation, emancipation of minorities, promotion of one's authenticity and self-esteem, etc.). It seems that what Tocqueville advocated as a remedy against the evils of individualism, namely participation in civic life tended to vanish, allowing a new type of individualism to develop thanks to public policies. The American paradox is that a new individualism has developed through the protection of the government. The 1960s social movements tie the demand for individual recognition to those for greater justice and equal civil rights. Ehrenberg evokes the debates among intellectuals sparked by these claims showing that the end of the 1960s were marked by the transformation of the social man into the psychological man. What is hinted by this developments is that Roosevelt's policies and post-WWII era promoting the welfare state, for all the positive economic developments they allowed, were working against the American character that of autonomy and self-reliance. This, among other things, led to the 60s protests, and from these questionings emerged "a new artificial individualism of emotion, body, affects, impulses" (Ehrenberg, 2011, p. 135, ad. lib. translation). To Ehrenberg it develops at the end of the cycle of big government and with the advent of neoliberalism, which he situates in 1976 with Jimmy Carter's election. This needs to be put in relation with what Riesman had detected earlier, which is that Americans had become increasingly dependent on others' opinion in order to determine the path they wished to follow, and this evolution led them to be more and more preoccupied by their own image.

Concomitantly, while the 50s / 60s were a time when women's role was that of the housewife taking care of family and social life, the 70s represent a pivotal period when their emancipation increased and they gained autonomy by entering the work force more massively. This had an impact on consumption and to economist Juliet Schor the 70s saw the advent of what she calls "new consumerism": with a rising proportion of women taking up a job, traditional social relationships based on neighborhood socialization changed, comparisons were no longer made with neighbors but in the professional environment, with people whose income and wealth could be extremely different; moreover, TV viewership increased massively and with shows heavily skewed toward the lifestyles of the rich and upper middle class, it contributed to change the reference points to which people compared themselves and as a result they began aspiring to status socially far above themselves. This led to new consumption behaviors "the new trend was to consume in a personal style with products that signal your individuality, your personal sense of taste and distinction" (Schor, 1998, p. 10), which echoes Ehrenberg analysis regarding the rise of a new form of individualism, a more narcissistic one. While the previous period was that of homogenous lifestyles, in the 70s emerged more idealized groups to which people compared themselves, "they share values, orientation and more important lifestyles" (Schor, 1998, p. 11). This allowed marketers to conduct ad hoc research in order to identify consumers' subgroups such as yuppies,

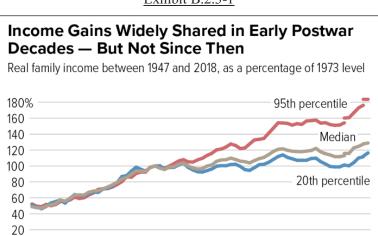
senior sun-seekers, etc. and to target products and communication to people aspiring to those groups; as they were smaller groups, the need for individuality was better addressed this way.

Even though marketing became more sophisticated and accelerated consumption's development, the 70s can be considered as a transition period when to Schor (1998) "consumerism was manageable. The real problem started in the 1980s as economic shift sent seismic shocks through the nation's consumer mentality" (p. 11).

#### B.2.3. The 80s/90s: Greed and Excess

"It was in the 80s that the American Dream began to take on hyperbolic connotations, to be conflated with extreme success: wealth, basically" (Kamp, 2009, p. 7). Schor's "new consumerism" development was indeed accelerated by increased inequality. Statistics by the Center on Budget and Policies Priorities show that if real family income roughly doubled between the late 1940s and the early 1970s, then the revenues of the top 5% started growing at a much faster pace, and those of the lower 20% at the slowest rate (see Exhibit B.2.3-1).

Exhibit B.2.3-1



Note: Breaks indicate implementation of a redesigned questionnaire (2013) and an updated data processing system (2017).

1980

Source: CBPP calculations based on U.S. Census Bureau Data

1970

1960

1950

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

2000

1990

"The rich and the super-rich took conspicuous consumption to new levels". The upper-middle class (roughly 20% of the households, with the exception of the top few percent) begins "conspicuously acquiring the luxury symbols of the 1980s" (Schor, 1998, p. 12) and it is "this group that defines material success, luxury, and comfort for nearly every category below it" (p. 13). These lifestyles are amply depicted in the popular culture of the 80s and early 90s by novels like *The Bonfire of Vanities*, *American Psycho*, *Money* and movies like *Wall Street*, *Working Girl*, etc.

"The concept of wealth as a symbol of worth is another way the Puritan tradition has continued into the present day" (Handy, 2009, p. 59), probably never before the beginning of the 80s this seems so true. The 80s and 90s decades were a time when the spending spree peaked to the point of developing a pathology of over-consumption, one that seemed to be the ultimate result of the excesses described by Tocqueville, and which spread a term born in the 50s in California: Affluenza. "The disease of Affluenza is a social disease that causes people to want more money and things and will do whatever to get what they want... Affluenza causes more pollution; people's lives become revolved around maintaining things; people are forced to work more to get what they want and remain under constant pressure to have the *right stuff*" (Pelletier, 2009, p. 174-175). Television bore an important role in spreading the disease: "Television illustrates a thousand times each hour how branded objects are dovetailed together to form a coherent pattern of selfhood, a lifestyle. If you are successful and happy you drive a new car, you wear designer clothes, you have a house full of branded appliances, you have an entertainment center, you travel a lot, you have a cell phone or whatever new gadget is making the rounds" (Twitchell cited by Harmon, 2001, p. 406).

As a result, "By 1991, almost everybody was gazing at the top of the pyramid, but keeping up with that top quintile is not easy, because they keep getting richer" (Schor, 1998, p.13), a study by Susan Fournier from Harvard Business School showed that only 15% of the Americans would be satisfied by ending up as middle class. The upscale competitive consumption resulted in an increase in the level of debts since the mid-80s (see Exhibit B.2.3-2), while saving rates have been decreasing. "The largest increases [in debt] have been not among low-income households, but among those earning \$50,000 to \$100,000 (63% of these household are now in credit card debt)" (Schor, J., 1998, p. 19).

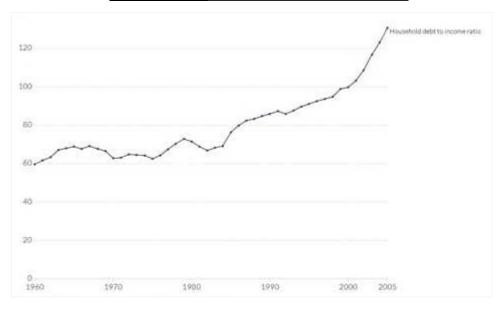


Exhibit B.2.3 -2 Household Debt to Income Ratio

Source: The FRED - US Bureau of Economic Analysis - Federal Reserve (https://ourworldindata.org)

Schor (1998) mentions a research that revealed that "consumer buying patterns within social class is based on geographic or residential clustering" (p. 31). She further describes a "lifestyle cluster system" based on the fact that residential patterns were very much segregated by socioeconomic categories, allowing to further classify households according to their profile that defines the type of consumption they engage in. If, in the 80s and 90s, the area people live in was still the primary indicator of their status, what differed in these decades was that people were no longer satisfied with moving in a suburb where all houses looked alike, they were seeking to make a statement through the kind of house they bought, "at the end of the day, gaining status by being different from Mr. Jones has become the attest twist in a continuing social ritual" (Schor, 1998, p. 59). Schor narrated the story of a woman she interviewed in Bellevue, a suburb close to Seattle. She reported the following regarding her choice of suburb and lifestyle: "I thought of Bellevue as being kind of a nice address; you know, you could tell people you live in Bellevue", she added that the real estate agent had told her "this a real executive home" and that was a decisive argument as it made it sound like a prestigious home, something different from other houses. In the same way she chose a car and a wardrobe in order to impress others, "so everybody assumed I was doing extremely well" (p. 60).

It emerges from Riesman and Ehrenberg's analyses that Americans, who for generations drew their motivation from themselves, turned to external models in the course of the twentieth century and became extremely concerned with their own image. The comparison with these models then tended to overshadow that with their parents in the appraisal of their success. While the post-war government encouraged Americans in their atavistic tendency to overconsumption, the advent of neoliberalism in the 80s strengthened it by promoting a system that fed itself on ever more unbridled competition and got carried away in the last two decades of the twentieth century. Even though circumstances have radically changed since the nineteenth century, what Tocqueville had perceived in his times remains extremely relevant: whatever the reasons, intrinsic or extrinsic, it is the quasi-neurotic appetite for always more that drives Americans, and it could not to find an environment more favorable for flourishing than that of economic neoliberalism.

From an economic standpoint "the neoliberal regime produced an economic expansion in the US in the 1990s that was highly unstable, generated growing imbalances in the economy, and mainly benefitted those at the top of the income pyramid, even more so than in the typical capitalist economic expansion" (Kotz, 2003, p. 4). This leads Saint-Victor (2015) to the following question: "By dint of liberalizing energies, has this awakening of inequalities (and of greed, illustrated by Gordon Gekko's expression in the movie Wall Street, "greed is good!") not gone a little too far?" (p. 82, ad.lib. translation).

#### B.2.4. From the turn of the century onward: The Fading American Dream?

"As opposed to the illusions regarding the American Dream maintained by the Americans themselves, since the beginning of the years 2000 the prospects for social success in the US are diminishing to a much greater extent there than in old Europe" (de Saint-Victor, 2015, p. 81, ad.lib.

translation). There is indeed an increasing number of articles and books being published about the alleged decline of the American Dream, nevertheless "America is still the land of opportunity, at least compared to the rest of the world, otherwise the inflow of immigrants would not be so substantial, but the lack of dynamics has made the image of the American Dream less credible" (Begovic, 2017, p. 117).

Cowen (2017) in the "Complacent Class" describes America as a society that it is overall less creative, less mobile and segregates more than before, and in which, for many, living standards are no longer rising, thus defeating the American Dream. While it may be true that it becomes harder for people to achieve the American Dream, the poles do not show a massive decline in Americans' belief in it. In their research compiling a number of polls dealing with the topic of the American Dream, Hanson and Zogby (2010) found that "Most Americans continued to believe that working hard is the most important element for getting ahead in the United States. However, in some surveys, an increasing minority of Americans reported that this hard work and determination does not guarantee success" (p. 570). So one can observe, that in order to achieve the high goals they set for themselves, Americans still rely above all on themselves, and the notion of self-reliance has therefore not totally disappeared from their culture as suggested by Whyte in the 1950s.

While concerns about the sustainability of the American Dream in the twenty-first century are based on the observation of the continuous increase in inequalities in this country in the last decades, what Domenach (1960) observed in the 60s which is that "whether it affects individuals or peoples, poverty there [in the US] is synonymous with failure, or laziness" (p. 1373, ad. lib. translation), remains valid and various research show that "lack of thrift, effort, ability, motivation, and self-control are the most popular explanations for poverty among Americans" (Feagin, Kluegel and Smith in Hanson and Zogby, 2010, p. 570). Thus, in Americans' mind, inequality is justified and the American Dream can stay alive within the context of one of the wealthiest nations with one of the greatest wealth divides. In short, at the turn of the century (the polls the authors refer to were all administered in the late 90s/early 2000s and no later than 2007), and before the 2009 crisis, Americans were still believing in the American Dream. Nevertheless, the above brief analysis shows that the American Dream has considerably evolved over the past 70 years, from the 50s/60s when it appeared to be matching more or less Adams' vision to today, a period in which it does not seem to be defined by the same ideal. Indeed, for young people, owning a house in suburbia and blending in with the local community may no longer be enough to believe that "they have made it". What does give them that feeling today?

#### *B.2.5. Status Seeking and Luxury*

The two first sections of this thesis showed how mobility is at the heart of American society. Tocqueville's work allowing to understand how democracy and equality are fostering the need for status which in turn fuels both ambition and the love of material well-being. Describing this very mobile society enabling its citizens to achieve the coveted standard of living through their work, Tocqueville anticipated the definition of the American Dream by James Truslow Adams.

Even if today individualism has undoubtedly taken a somewhat different form from that which Tocqueville described, the fact remains that the American Dream as it seems to be understood now, resembles more what Tocqueville envisaged than what was described by Adams.

However, and despite the converging descriptions found in the many sources consulted, it is not certain that for Americans to show their success necessarily involves luxury purchases as they may be observed in other countries in the Middle East or Asia. Tocqueville implied (and this will be reviewed in more detail in the chapter devoted to the manufacturers' view on luxury) that it is not so much the quality of the possessions that matters but the fact of being able to afford products that are considered a must when they appear on the market. Furthermore, he explicitly highlighted the taste Americans have for novelty: "The idea of the new is therefore intimately linked in his mind to the idea of the best" (Tocqueville, Volume I, Part II, Chapter 10). Although it seems clear from the theoretical research made that purchasing a nice house in a desirable location is a key indicator of status, overall, Tocqueville's work suggests that for Americans additional elements of status may be related to being able to afford all the latest innovations, even though they may not always be very discerning in their choices.

Thus, in order to better understand what role the need for status plays in the purchase of luxury products in the US, it is necessary to address the following issues:

- What is success to Americans today?
- How important is it to them to show their social success and to whom?
- What are the products and / or services in which they project themselves and those they buy?
- What kind of consumers are they?

The above research, and the focus that will be made on younger generations in the next section of this thesis provide ample elements regarding the way American may evaluate their own success, and how researchers went about questioning this notion. The question of understanding the kind of consumers people are brings back to Tocqueville who seemed to consider that Americans were materialists; Richins and Dawson (1992) rightly pointed out that "while consumer goods do play an important role in American culture, these analyses [among which Tocqueville's] obscure differences among individuals" (p. 92), which is very true but rather inevitable. Marketing research addressed this hurdle by attempting to characterize consumers' types which has been done using different approaches. Tauber (1972) recognized that the field of consumer's behaviors' research is very broad and encompass "three distinct activities: shopping, buying and consuming" (p.46). I found that beyond research on materialism, the most fruitful vein of research in helping me with consumers' typologies was that on shopping and both types of sources will mainly be used in order to design the consumers' side of the research.

As my research will also address the question of the fading American Dream and how this may affect younger generations' attitudes with regards to luxury, it is needed to understand in which context Americans who having been coming of age since 2009 grew up and how it affected their values. Therefore the following section will be devoted to Millennials and Gen Z.

#### B.3 Millennials and Gen Z

Much is written about the Millennials and Gen Z, but there is still little academic research on these two generations. The objective of this part is to highlight their specificities: their importance for the American economy, the political, economic and technological upheavals which marked their youth and how they impacted their values, behaviors and attitudes.

#### B.3.1 Who are they and why is it important to understand them?

Depending on researchers (whether scholars or research firms), the start and/or end year defining each cohort may vary by as much as five years, which is not negligible when one considers that the groups may, for some sources, cover twelve years while for others they comprise up to twenty years. "Generational cutoff points aren't an exact science. They should be viewed primarily as tools" (Dimock, 2019), but given the fact that many researchers agree that there are marked differences between Millennials and Gen Z, it is not anecdotal to question the boundaries of each of the cohorts. It is especially important for my research to define the age segments so that they are close to those used by a majority of researchers as it will allow me to make more relevant interpretations and comparisons using the literature. Therefore I averaged the dates set up by seven different identified sources (Deloitte, EY, Kearney, Mc Kinsey, Pew Research Center, Turner, Twenge). The result sets Millennials as being the generation born between 1980 and 1995, while Gen Z would then be the Generation born in 1996 and onward (about half of the sources do not specify a date for the end of the Gen Z generation).

Millennials and Gen Z now represent a larger share of the American population than the two preceding groups combined. According to Frey, relying on the Census Bureau analysis released in June 2020, Millennials plus Gen Z account for 42.3% of total US population (the former representing 22%, the later 20.3%), while Gen X represent currently 19.9 % of US population and Baby Boomers 21.8% (Frey, 2020, Figure 2). Millennials and Gen Z are more racially and ethnically diverse than previous generations, "Generation Z represents the leading edge of the country's changing racial and ethnic makeup. A bare majority (52%) are non-Hispanic white – significantly smaller than the share of Millennials who were non-Hispanic white in 2002 (61%)" (Parker & Igielnik, 2020). These numbers compare with 84% of the Silents who were non-Hispanic whites. (Fry et al, 2018)

While diversity has increased with younger generations, so has the level of education, Millennials are highly educated and Gen Z are on track to be even more so, as according to the first trends, they are entering college at a higher rate than Millennials were at their age. In2018 57% of Americans between 18-21 (Gen Z) who completed High-School had enrolled college, while in 2003, 52% of Millennials in the same age category had done so and in 1987 only 43% of Gen X followed this path(Parker & Igielnik, 2020).

Millennials are not only the largest population group in the US now but "they are entering the prime spending years of their mid-thirties, when they become the largest discretionary spenders with average annual spending growth of 3–4 per cent. The impact on the US economy will be that Millennial spending will grow from USD 1.2 trillion to USD 2.1 trillion over 15 years" (Johnson, 2018). "These two generations could power higher consumption, but also higher wages and housing demand, all pillars of GDP growth" (Morgan Stanley, 2019). While consumption growth was 1.7% in 2018, Morgan Stanley's analysts predict it could increase steadily to reach 2.5% a year by 2030 thanks to Gen Z coming of age and entering their prime consumption years. While their estimates may differ, financial analysts agree on the fact that these two generations, by their size and behaviors will be boosting consumption in the US in the coming years, it is then crucial for marketers to understand their expectations and attitudes to tap the potential they represent.

### B.3.2 The world they grew up in: 9/11, the 2009 Great Recession and the Covid-19 Crisis

If most Gen Z were not born on September 11, Millennials can still remember it, as the oldest ones were in their early twenties and the youngest ones entering primary school; the "attacks themselves were a defining moment in the collective memory of Millennials. According to a Pew Research Center study, 86% of Millennials rank 9/11 as among the top ten most important events of their lifetime - a higher percentage than any other generation and any other event from the 1980s through today" (Barenberg, 2019). The 2009 Great Recession affected the two cohorts in a different manner: for the oldest Millennials it was the moment they were entering the workforce and, for many, it delayed their entry in the professional life or they have taken a job they didn't want just to pay the bills; in 2011, according to Pew Research Center the latter was the case of half of the 18 to 34-year-old, with 24% saying they took an unpaid job to gain work experience (Anonymous, Pew Research Center, 2012). In 2009, The oldest Gen Z were 13, this generation grew up in an environment that was less favorable than before the crisis and they saw people around them, if not their parents, struggling with the consequences of the crisis. Besides these major events, a number of other significant events brought an overall climate of anxiety in the US since the turn of the century (war in Irak in 2003, hurricane Katrina in 2005, tsunami and nuclear catastrophe in Japan in 2011, IS in Syria and Irak in 2014, not to mention a great number of mass shootings in the US among which Parkland School in Florida in 2018). Environmental concerns are also growing among these groups, "these younger generations are more likely than their older counterparts to say the earth is getting warmer due to human activity: 54% of Gen Z and 56% of Millennials say this, compared with smaller shares of Gen Xers, Boomers and Silents (48%, 45% and 38%, respectively)" (Parker & Igielniek, 2020).

Since the Covid-19 pandemic is far from being over and it is hard to evaluate how fast the American economy might recover from the disruptions it has caused as well as the traces it will leave in people's mind, it is too early to analyze how this crisis will affect both generations. The initial version of 2020 Deloitte Millennials report, for which questionnaires were administered in late 2019, was getting close to publication when the pandemic broke out and it was immediately decided to conduct another survey on a smaller scale that questioned 5,501 millennials and 3,601

Gen Z in 13 large markets and was administered between April 28, 2020, and May 17, 2020. The original survey highlights high levels of stress found in both generations across countries, whereas the 2020 edition shows the levels of stress decreasing. Despite the chaotic management of this crisis in the US, there are 10% less American Millennials and 2% less American Gen Z saying that they feel stressed all or most of the time in spring of 2020 than in late 2019 (Anonymous, Deloitte, 2020, p. 5). One of the explanations offered by Deloitte is that the crisis has forced them to slow down. It is also possible that the stress of daily performance which is the lot of many employees (whether entry level or managers) is less prevalent when individual performance is no longer measurable due to an economy put on stand-by.

As a result of all what has been described above, stress is one of the of the characteristics common to both cohorts confirmed by a study by the American Psychological Association in 2018, with Millennials reporting the highest level of stress (See Exhibit B.3.2-1).

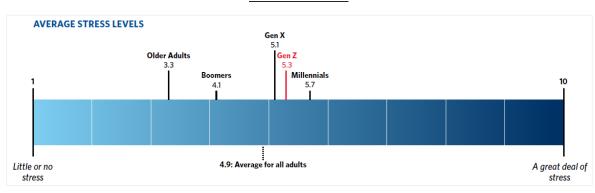


Exhibit B.3.2-1

Source: American Psychological Association / Harris 2018 (Evans et al., 2018, p.7)

Gen Z report many sources of stress: global warming, the situation of immigrants in the US, and the risk of mass shooting in their school. Moreover, "More than eight in ten (81%) of Gen Z between the ages of 18 and 21 report money as a source of significant stress, with nearly as many (77%) saying the same about work" (Evans et al, 2018, p. 5).

More than half of the Millennials (57 %) say that paying for essentials is a somewhat or very significant source of stress (Anderson et al, 2015, p. 5). Raised mostly by Baby-Boomers, Millennials are often times referred to as the "entitled generation". As kids, they were given many options and the idea that they would achieve all what they desired; as adults, technology offers them an infinite variety of choices whether it be consumer products, media, sexual partners, careers, housing... everything is just a click away. But having too many choices is a source of anxiety: "What if I make the wrong decision? Priya Parker, an expert-in-residence at the Harvard Innovation Lab, calls this phenomenon *FOBO*: Fear of Better Options. Millennials, says Parker, suffer from persistent anxiety about our "might-have-been lives" and "the ones that got away." (Beaton, 2015), it echoes what Tocqueville described about American restlessness and their constant "fear of missing the shortest way that must lead them to happiness" (Volume II, Book II, Chapter 13).

To sum up, if the oldest Millennials enjoyed a relatively worry free childhood and adolescence, since their entry into adulthood, they have had to face numerous crises while the youngest among them as well as the Gen Z have been growing up in an environment marked by a succession of local and international crises, this makes these two groups predominantly stressed individuals. Before examining the impact of these particular circumstances on their values, the next part will detail the main aspects of the technological revolution they have experienced at different stages of their life. Indeed, technology by opening a much wider field of possibilities to Americans, conceivably increases the fear inherent to their character described by Tocqueville, that of missing out the best opportunities, thereby adding to the stress of a rather unstable environment.

#### B.3.3 New Technologies and their impact

In 1997, when the oldest Millennials were getting ready to go to college, only 36.6% of American households had a computer at home and 18% had access to internet, whereas in 2013 when Gen Z were at the same life stage, over 80% of the American households were equipped with a computer and around 74% of them had access to internet (Ryan and Lewis, 2017, p. 3). If the first iPhone was launched in 2007, it is not until 2012 that smartphones penetration in the US started exceeding 50% of all mobile phones (Anonymous, Comscore, 2017), at that time the youngest of the Millennials were 17 years old and the oldest 32. So, Millennials, for the majority of them, did not grow up connected, the youngest ones accessing internet well into their teens and the oldest ones when entering the workforce, on the other hand, even the oldest Gen Z can hardly remember a world without internet. Facebook has been made available to anyone over 13 years old in 2006, initiating yet another revolution, that of social networks. Millennials were early adopters: in 2006, 41% of them were using at least one social media site (Anonymous, Pew Research Center, 2019). With a great number of social platforms having developed since, Gen Z (the oldest ones being ten in 2006), will all have been growing up with them. "No other generation has lived in an era in which technology is so readily accessible at such a young age" (Turner, 2015, p. 104).

If the two cohorts did not experience the development of new technologies at the same stages in their lives, the majority of them adopted them quite rapidly. A 2017 survey shows that for a majority of young consumers (18-35), smartphones have become the new wallet: 56.6% of young Americans would not leave their homes without it, compared with 43.4% for the wallet; it is clearly different for the older generations (over 35) with 71.9% who would not leave home without their wallet (Anonymous, LivePerson, 2017, p. 3). The smartphone has truly become an extension of oneself: "70.1% of Gen Z and Millennials around the world sleep with their phones close at hand" (ibid, p. 8).

Both generations spend considerable time on line every day, "Millennials are spending a self-reported five hours a day on social platforms, and Gen Z is spending closer to six" (Anonymous, YPulse, 2020); but there are differences among them in the way they use it. For example, they do not patronize the same social networks. In this regard, it should be highlighted that preferences may vary greatly between teens, young adults and more mature ones (see Exhibit B.3.3-1), making the generational approach less relevant.

Exhibit B.3.3-1

13-18-year-olds	19-25-year-olds	26-37-year-olds
1. Instagram	1. Instagram	1. Facebook
2. YouTube	2. TikTok	2. Instagram
3. Snapchat	3. Snapchat	3. YouTube
4. TikTok	4. Facebook	4. Twitter
5. Twitter	5. YouTube	5. TikTok

They also do not use social platforms for the same purpose, "Millennials are known for using social media to share their life with the world, often an idealized version of their actual life, choosing their real-life experiences based on social share-worthiness". There is a popular millennial catchphrase "Insta or it didn't happen" (Merriman, 2020). On the other hand, EY's research suggests that Gen Z are establishing a new standard for using social networks, 80% of them use social media to connect with friends and family, while only 22% use it to share their opinions or influence broader audiences. "Social media is becoming to Gen Z what email, phones, fax, *snail mail* or even telegrams were to prior generations: the way to stay in touch and build connections" (Merriman, 2020). But 36% of Gen Z also use social media as the main source of for news, ahead of news websites, whereas Millennials give a priority to news websites (42%) and TV (36%) over social networks (Shearer, 2018).

On the celebrities they follow, there are notable differences as well and here again, the generation is too wide an age bracket to determine preferences: teens preferably follow internet celebrities, whereas young adults tend to favor musicians and Millennials are keen on Hollywood celebrities (see Exhibit B.3.3-2).

Exhibit B.3.3-2

13-17-year-olds	18-24-year-olds	25-37-year-olds
1. Online	1, Musician	1, Hollywood
2. Hollywood	2. Hollywood	2. Musician
3. Musician	3. Online	3. Athlete
4. Athlete	4. Athlete	4. Online
5. Politician	5. Politician	5. Politician

Millennials are more and more doing their shopping online, a study from 2019 shows that 60% of them shop online compared to only 47% in 2017 (Mezzacca et al., 2019, p. 6), on the other hand Kearney's survey found that Gen Z "still value the brick-and-mortar experience for all phases of the shopper journey—more so than Millennials and Gen Xers" and 81% of them like to purchase in-store (Portell, 2019).

The previous analysis shows that the generational approach is not the most suitable one when it comes to new technologies, age being quite a determining factor in some of their use, but some broad conclusions can be drawn from it:

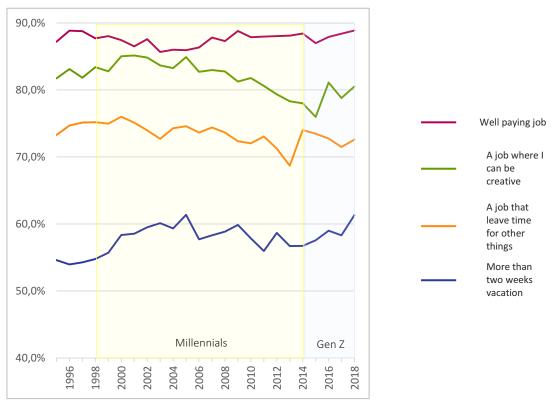
- Both cohorts have widely adopted new technologies but they have different ways of using them.
- Millennials use social networks as a way to display their lives (or what they would want them to look like), promoting an online version of "Keeping up with the Joneses" and confirming Ehrenberg's findings on the narcissistic twist in American individualism. Moreover, technologies, by opening up new ways of expression, reveal more of people's character, and in the meantime impact it by offering a much wider field of possibilities and hence increased sources of stress.
- Paradoxically, Gen Z seem to have a more mature use of new technologies than Millennials, they primarily use social networks for what they were initially intended for, to keep in touch. However, Gen Z also use all the resources new technologies offer and, with social networks becoming their main source of information, the question of their impact on Genz's values is raised.

#### B.3.4 Gen Z and Millennials' Values

A big question with regards to generational studies is whether the answers that are given to any question represent generational values, or whether they are just linked to the age of the respondents, as "differences in value orientation between age groups are larger than the differences found for any other social background variable" (Hellevik cited by Schade et al. 2016, p. 314). In order to get around this problem, Twenge (2018,) used statistics from the survey "Monitoring the Future", administered by the University of Michigan, which scrutinizes 12<sup>th</sup> graders every year since 1976, as comparing answers over time may allow to detect patterns linked to generations. Since 2019 data is not yet available, there exists only five years of data regarding Gen Z eighteen years old and over, so I complemented the data used by Twenge<sup>3</sup> with that from 2016, 2017 and 2018, thereby gaining more insights into Gen Z as compared to the ones she had when writing her book.

Twenge underlines that leisure values are the largest generational difference between Millennials and the preceding generations but the data does not really support this assertion, indeed, it seems that older Millennials (born between 80 and 87) expressed an interest in getting more vacation and free-time, but that this trend shows a tendency to reverse with younger Millennials and it did so before the Great Recession (See Exhibit B.3.4-1), Gen Z, so far, demonstrate rather more motivation for free-time and increased vacation time than the late Millennials.

Exhibit B.3.4-1



Source: Monitoring the Future – 1995 – 2018

Percentage of 12<sup>th</sup> graders agreeing it is quite or extremely important for a job to be

If, at this stage, it is not sure that Gen Z fully share the objective of older Millennials for a more balanced life, they seem more demanding than they were when it comes to compensation. One of their major motivations is Money: indeed many reports on Gen Z highlight the preference they give to financial stability over a job they enjoy, "what's more important to us is compensation and benefits. We are realists and pragmatists who we view work primarily as a way to make a living" (Miller, 2018).

There are two main factors that may explain Gen Z's emphasis on high wages (also a trait of late Millennials): first on average, College education costs have more than doubled (in constant dollars) between 1986 and 2017 (Anonymous, National Center for Education Statistics, n.d.) and most young Americans enter the work force heavily indebted; second, younger Millennials and older Gen Z were in their teens in 2009 and have vivid memories of the consequences of the great recession, and are therefore craving financial security.

<sup>&</sup>lt;sup>3</sup> As I cannot access data prior to 1995, I could not re-edit all the selected charts from 1976 up to 2018, the exhibits shown will only feature data from 1995 onward, and I will make reference to Twenge's book if previous developments need to be mentioned.

While data shows that the number of 12th graders expecting to do better than their parents did steadily increase from the 70s through the 90s, it plateaued between 60% to 65% in the 90s (see Twenge, 2018, p. 196), and it started decreasing from the year 2001 on (see Exhibit B.3.4-2) showing a decline in optimism probably linked to 9/11 and subsequent crises.

Exhibit B.3.4-2 65,0% 55,0% 45.0% Expect to own more than parents 35,0% Content only if own more than parents 25,0% Millennials Gen Z 15,0% 2014 2016 2018 2000 2002 2006 2010 2012 2004 2008

Source: Monitoring the Future - 1995-2018 -  $12^{th}$  graders Material Expectations

Nevertheless, the proportion of young people saying they will not be content unless they do better than their parents has increased since the 70s when it was around 17% (see Twenge, 2018, p. 196) to be at 5 to 10 points above this level since the 90s. In other words, when it comes to status, what Tocqueville had suggested, and Goldsmith (1955) later rephrased: "the young hopeful proves himself in terms not of taking over the father's position but of exceeding it" (p. 1214) still holds true to some extent in today's America with a majority of young Americans expecting to do better than their parents that is to keep climbing the social ladder. Even though this proportion tends to be decreasing slightly, a growing number of young Americans admit that they will not be content unless they achieve greater prosperity than their parents. This shows that they are still very concerned by social status and improving it, but how is it conveyed through what young people dream of having? "Monitoring the Future" has been asking 12<sup>th</sup> graders about the importance of owning different material goods. What is striking about the results is that the dream of owning a single family house has been constantly growing from 50 to 52% in the late 70s to above 65% in the mid-90s and has been fluctuating around 70% ever since then (see Twenge, 2018, p. 198 and Exhibit B.3.4-3).

Exhibit B.3.4-3 75,0% 65,0% Single family home 55,0% Big yard 45,0% Fashionable Clothes 35,0% Recreational vehicle Vacation 25,0% house New car every 2-3 15,0% vear Millennials Gen Z 5,0% 2018 2010 2012 2014 2016 2004

Source: Monitoring the Future – 1995 - 2018

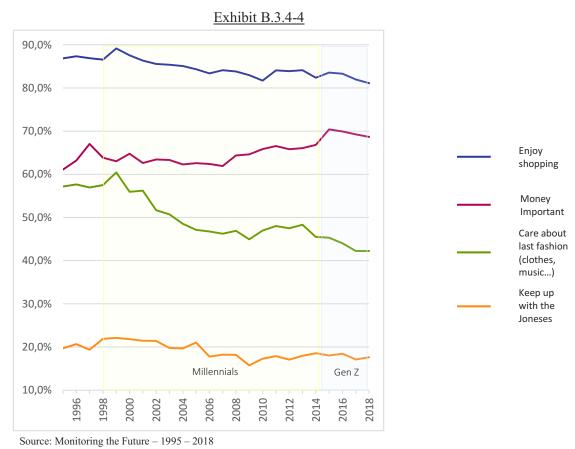
Percentage of 12th graders agreeing it is quite or extremely important to own six specific material goods

For late Millennials and Gen Z, changing car very 2 to 3 years is not as strong as it used to be, be it environmental concerns or increased alternative mobility, the cars may no longer have the same appeal as a status provider.

The most striking change is one regarding fashion: the interest in owning fashionable clothes has been steadily decreasing among 12<sup>th</sup> graders since the late 80s. It seems surprising and may be one explanation can be found in fashion's evolution from a few prominent brands setting seasonal trends in the 70s/80s to now a huge number of brands with infinite styles to choose from but no single dominant trend at any given time, which probably makes the notion of fashion less relevant with younger generations. This is confirmed by another measure of fashion/trends applied to a wider variety of goods. As compared to the late70s they are 20% less 12<sup>th</sup> grader saying that they care about fashion when it comes to choosing clothes, music, leisure activities... There has been a constant decline over time so it is difficult to make it a generational characteristic (see Twenge, 2018, p. 199 and Exhibit B.3.4-3). The decline accelerated slightly after 2000, this may have to do in part with the way younger generations and specifically younger Millennials and Gen Z seek information, trusting internet "experts" and "celebrities" (Almost 40 percent of adult Gen Zers - age 18 to 23 - say their purchasing decisions are most influenced by social media – Bhargava et al, 2020, p. 2). They do not follow trends dictated by mainstream media, but rather pick and choose what they buy following influencers they trust on internet. Probably for comparable reasons the

neighbors and friends are no longer the main reference group young generations compare themselves to.

While the survey confirms that "money is overall still important" for Gen Z (Twenge, 2018, p. 200), they seem to be a little less interested in shopping than previous generations, but again this is not specific to Gen Z, the decline has started with the advent of internet, and when comparing the interest in shopping with that of the late 70s (see Twenge, 2018, p. 199 and Exhibit B.3.4-4), it has dropped from about 5 to 6 points which is not as much as one could have expected given the importance of internet in young people's life. Indeed, "members of Generation Z are always shopping, because they are always connected. They buy on any device and in any format or channel" (Bhargava et al, 2020, p. 2), so it is not at all certain that they turn away from shopping as they may not see the time they spend browsing on internet as shopping while they would probably qualify browsing in brick and mortar stores as shopping.



12th graders attitudes toward shopping, Fashion, Money and "Keeping up with the Joneses"

Meanwhile, Kearney's research finds Gen Z to be more demanding shoppers, "they are far more intolerant of poor service than other generations... Gen Z consumers are more likely to let negative experiences stop them from making purchases—both online and in-store—than respondents in the other three [previous] generations" (Portell, 2019).

# B.3.5 Overall, what is there to keep in mind regarding Millennials and Gen Z?

The difficulty in researching on Millennials and Gen Z lies in the fact that the data, for the most part, comes from management consulting firms and/or advertising agencies who all have an interest in pointing out generational differences since it is likely to attract corporations to their services as consultants, it was therefore important to inject a 'neutral' source such as "Monitoring the Future". This survey, with a lengthier perspective, allows to detect long term trends thereby putting generational analyses in a broader context. For the generations and topics I am concerned with, there are indeed some emerging trends that are common to late Millennials and early Gen Z:

- Both groups are very concerned with money. Possibly as consequence of the different crises they witnessed early in their life and they are stressed by the prospect of not making enough of it.
- Money is all the more a concern that a majority of them expect to own more than their parents and the number of those who will not be content unless they achieve this goal is increasing. It is an indication that comparison with parents, as a standard measure for status, is still existing for young generations while they are experiencing a rough start in life in a context of widening inequalities in the US: more debts than their parents had due to higher education costs and a tougher economic situation that will delay, for a majority of them, the first investment in a home.
- Chances for frustration are therefore high since the dream of home ownership is still extremely vivid with these young generations and it looks like the first step to achieving the American Dream, which is acquiring a house, might take a longer time for them to reach than for their parents.
- Having the latest car is of lesser interest to the group of late Millennials and early Gen Z, which
  does not mean that cars are no longer a symbol of status, but that there may be other alternatives
  to show status.
- Finally, it is interesting to note that new technologies have probably accelerated a pre-existing trend, that of a disinterest in the concept of fashion in all areas of consumption. If in the 1950s suburbanites tried to fit in by buying the latest model of cars and fashionable home appliances owned by their neighbors, today's young Americans find their bearings on the internet and rely on celebrities/influencers to decide what they will acquire. "Almost 40 percent of adult Gen Zers (age 18 to 23) say their purchasing decisions are most influenced by social media" (Bhargava et al, 2020, p. 2) and "twenty-six percent said buying products online influencers endorse makes them feel personally closer and more connected to those influencers (Portell, 2019). Thus, the concept of a reference group is less pregnant with celebrities that come and go on internet and may be this is where fashion lies today: following whoever is *in the know*. This observation reinforces what many studies, like that of McKinsey, put forward regarding Gen Z: they "want to stand out, not fit in, so brands are not as important to them. Rather, they are looking for the next unique product" (Bhargava et al, 2020, P 2), and this may apply to late Millennials as well.

One of the findings of this research confirms what WGSN underlines "in a period of tech-celleration and rapid innovation, 15-year spans may no longer be adequate when it comes down to accurate labelling" (Napoli, 2020); there is a micro-generation, making the link between these two

cohorts, they share some values of both cohorts, and they call it "Zennials". When it comes to what marketers need to know from an operational standpoint, finer grids need to be applied and that of micro-generation is a relevant one. But when it comes to deeply ingrained cultural values like the American Dream, they transcend generations, and what Tocqueville observed, "there are no Americans who are not devoured by the desire to rise" (Volume 2, Book 3, Chapter 19) seems to be still valid in today's America.

While the American Dream seems harder to attain, these two highly stressed groups, feel all the more pressured that they are exposed to all kinds of opportunities and success stories (real or fake) through the web and "shopping therapy" might be one of the remedies they use against anxiety; a surveys shows that "44 percent of Gen Z respondents strongly agree/agree with the statement, "shopping helps me feel more confident and secure about myself". Moreover, "Thirty percent of respondents said they often buy things they can't afford" (Portell, 2019).

This section outlined many aspects of both cohorts that would require further analyses, including looking at sub-groups, but it is beyond the objective of this thesis to address such issues. What is important to keep in mind is that Millennials and Gen Z are consumers who are concerned by status but are said to care less about brands than their elders, so the question then becomes will they still be interested in purchasing personal luxury goods? This is a fundamental question for luxury marketers as well as the one of catering at a very demanding group as the one that seems to be Gen Z.

#### **B.** 4 Pleasure in America

Drawing on Tocqueville's writings to explore Americans' relationship to luxury, implies understanding how they define luxury. Research show that pleasure and luxury are closely intertwined concepts. According to Kapferer and Michaut (2016) in America as well as in France close to one third of consumers describe luxury as being "Prestige First", while a little over one fourth describe it as being "Pleasure First". In both countries, the "prestige-first" and "pleasure-first" groups are significantly larger than the ones having other views on how luxury can be first defined (namely "for a minority", "fashion first", and "heritage sine qua non" – p. 18). Since American and French markets are far from being identical, in order to fully grasp the view Americans have on luxury, the notion of pleasure warrants a deeper, more comprehensive examination within the American cultural context (the notion of status having been reviewed earlier).

The purpose of Tocqueville's "Democracy in America" is not to give an account of how Americans view pleasure, but his work, describing the first settlements and the values on which American society developed has been thoroughly examining many aspects of American life and indirectly puts forward a vision of pleasure shaped by Puritan principles. After reviewing the clues sown by Tocqueville regarding the relationship Americans have with pleasure, and in light of pleasure's

close ties with Americans' endless pursuit of happiness, this section of my thesis will focus on clarifying the notion of pleasure and to distinguish it from that of happiness with which it bears many similarities and is frequently confounded, before discussing research aimed at offering a more systematic decryption of the various dimensions of pleasure and their relevance to my research.

## B.4.1 - Tocqueville on Pleasure

While Tocqueville provides a good basis in order to understand the notion of status in America, his work hints that Americans are not really devoting much time seeking anything that resembles pleasure. Indeed, American society, created by Pilgrims, did not seem to leave much room to pleasure. For instance, Tocqueville describes some of the laws enacted by the Puritans such as rationing the quantity of wine sold in inns, forbidding smoking, even banning the "worldly luxury of long hair" (Volume I, Book I, Chapter 1). He also notes that "religion is naturally not very favorable to the fine arts and only reluctantly allows literary pleasures" (Volume II, Book I, Chapter 9). Moreover, Kaspi (1986) broadly described Puritanism as follows: "Every society must comply with the morals which flow from the commandments of God. They [the Puritans] are hostile to the looseness of mores that paves the way for drunkenness, theft, adultery, and violation of sabbatical rest" (p. 22, ad.lib. translation). The previous descriptions are all indications of a society organized around strict moral principles and laws which have probably not been without consequences on Americans' relationship to pleasure.

Although the notion of pleasure is not central to Tocqueville's depiction of American society, he nonetheless seems to have been struck by the fact that Americans appear to have little time for pleasure in their lives. Hence, he notes that "meddling in and talking about society's government is the biggest business and, so to speak, the only pleasure that an American knows" (Tocqueville, Volume I, Book II, Chapter 6). Contrasting aristocratic (European) societies with the American one, Tocqueville evokes the "noisy and tumultuous gaiety" of the former while Americans "prefer serious and silent recreations which resemble business and do not make it entirely forgotten", he specifies that in order to relax the American man "withdraws by himself in the bosom of his home so as to drink. This man enjoys two pleasures at once, he thinks about his business, and decently gets drunk among his family" (Volume II, Book III, Chapter 15). Moreover, Tocqueville observes that Americans look "serious and almost sad even in their pleasures", which he attributes to "the recall of the brevity of life", as "independently from the goods he possesses, every moment he imagines a thousand other ones that death will prevent him from enjoying if he does not hasten" (Volume II, Book II, Chapter 13). Tocqueville makes a close tie between the pleasure gained by Americans through new possessions and their inability to reach happiness, "he [the average American] grasps them all without holding them close and he soon lets them escape to run after new material enjoyments [...] Death finally befalls, it stops him before he gets tired of this pursuit of complete bliss which always escapes" (Volume II, Book II, Chapter 13). To Peter Lawler (1993), Americans "willfully suppress the fact that their purpose or pursuit, happiness or enjoyment, is given to them by nature" and he adds that "Americans, by instinct or nature, seek happiness, but they make themselves unhappy through their selfish calculation in its pursuit" (p. 39).

Tocqueville makes it clear that for Americans, happiness depends greatly on social success and the wealth associated with it, which provides access to the coveted level of comfort; Lawler emphasizes the paradox that results from Tocqueville's analysis: Americans constantly delay their enjoyment in order to seek further improvement in their situation, thus disregarding present pleasure in favor of hypothetical future happiness thereby making it impossible to find. As we will see later, what Tocqueville describes finds an echo today in research on pleasure with concepts such as the "hedonic treadmill" (Ahuvia, 2008, p. 207). In short, Tocqueville relates happiness to social success and demonstrates how the fear of not achieving the desired level of status prevents Americans to fully enjoy the pleasures gained from their current achievements. His analysis depicts a problematic relationship with pleasure which, nevertheless, one can interpret as playing a role in happiness. This suggests that Americans have a sort of idealized view of happiness, which can only be reached through achieving social success, so their endless pursuit of happiness is a result of their willingness to keep climbing up the social ladder, failing to notice all the pleasures they could enjoy along the way.

The notion of pleasure is in itself complex to understand, as well at its relationships with happiness and the following sections will attempt to clarify both in order to approach the role of pleasure in defining luxury.

# B.4.2 - Happiness vs Pleasure

Tocqueville's work was published not long after happiness has become central to western cultures in the second half of the eighteenth century due to "some measurable advances in human comfort for the middle class and above" (Stearn, 2012, p. 106). During that period "the several shifts driving the happiness surge were powerful enough to propel happiness into politics by century's end, with the American revolutionary commitment to the pursuit of same [happiness]" (idem). The commitment to happiness gradually applies to all aspects of life in America from work to family, to the point that in the 1920s "a vast literature began to emerge that stressed simultaneously the importance of being happy, the personal responsibility to gain happiness, and the methods available" (p. 107). Post-WWII economic growth, much based on the development of private consumption, reinforces the relationship made by Americans between happiness and material wellbeing, relationship which has been highlighted by Tocqueville in his time, and "all sorts of advertisers (a newly distinct profession) discovered that associating products with happiness spurred sales" (p.108). Happiness has become so central to America society that today "being judged by others as an unhappy person carries a certain kind of stigma in this country, as such individuals are generally seen as failures for not taking advantage of their inalienable right to happiness" (Samuel, 2018, p.7); moreover in recent years "social media has immeasurably intensified this pressure" (idem). Indeed, since the 1980s pleasure has become "in an infinite arrays of forms the centerpiece of many Americans' pursuit of happiness" (Samuel, 2018, P 87) which leads Professor Robert Coles to conclude: "Pleasure, then, is for many of us Happiness" (in Samuel, 2018, p. 87). This echoes Davis' earlier position which is that "pleasure and happiness are the same thing" (Davis, 1981, p. 305). More recently Biswas-Diener et al (2015), adopting a perspective

closer to what seems to be Tocqueville's, suggested that the experience of pleasure is "an important aspect of happiness" (p. 1).

The reasons that made Tocqueville mention pleasure and happiness in his work are similar to the ones that brought scholars to research them. Indeed, the need for economists or social scientists to understand societies and develop theories that can nurture public policies leads them to question what determines people's choices in life. The quest for happiness is the first assumption they make as, since Aristotle, it is considered that "eudaemonia (roughly translated as happiness) is the proper ultimate goal for all human action" (Ahuvia, 2008, p. 219). And actually Tocqueville describes Americans' ultimate goal as happiness.

One common belief holds that happiness is related to one's income level. Yet reviewing various studies Ahuvia (2008) finds that "the relationship between income and happiness is consistently present, and consistently weak" (p. 200). If for poor people an increase in revenue leads to a significant increase in happiness, the latter becomes marginal when the increase occurs on a higher level of revenue. Considering the research pursued in order to explain such findings, Ahuvia suggests that people quickly adapt to their new situation and the positive impact of an increase in revenue rapidly fades away due to this adaptation. This question of the durability of happiness has been summarized in what is called the "hedonic treadmill" which can be described as follows: "getting a better car provides a short-term boost in mood, but this quickly fades and your happiness goes back to normal. Now, you would need an even better car to elevate mood again, and the cycle could go on indefinitely. So, like a person on a treadmill, we run and run, yet always stay in the same place" (Layard in Ahuvia, 2008, p. 207); this description closely resembles Tocqueville's description of Americans' behaviors. According to a number of research cited by Ahuvia the hedonic treadmill eliminates anywhere from 60% to 100% of the psychological gain from an increase in income.

Tocqueville's thoughts on happiness thus appear to be corroborated by recent research on the subject: Americans, as most human beings, seek happiness as a major motivation, but for them it is all the more important since it is one of their fundamental rights inscribed in the Declaration of Independence. To Americans happiness is tied to material possessions in as much as they demonstrate their success, "all of them constantly want to acquire goods, reputation, power" (Tocqueville, Volume II, Book III, Chapter 19), acquiring the latest status symbols is therefore crucial to them. Tocqueville in the 19<sup>th</sup> century made in his own way a depiction of the hedonic treadmill.

"The greatest of all conditions for happiness, Tocqueville writes, is tranquil enjoyment of the present good" (Lawler, 1993, p. 39). Tocqueville anticipated contemporary research showing that pursuing ever higher revenues or wealth is not the path to happiness. Nevertheless, it is clear that Americans tend to behave as if it were, working hard to succeed and finding reassurance in the short-lived pleasures they get out of frantic consumption, thereby giving the impression, as highlighted by Samuel, that pleasure is, for them, happiness.

Both notions of happiness and pleasure "have only recently begun to receive serious empirical study" (Alba and Williams, 2013, p. 3). Alba and Williams referenced to Hirschman and Holbrook's 1982 article as the seminal work that ignited broader research on hedonic consumption, suggesting directions in order to study hedonic consumption starting either from the individual (therefore with a psychological or behavioral approach) or from products (starting from product classes or their uses). After having reviewed the literature it helped generating, this article led Alba and Williams (2013) to conclude that "researchers carefully studied what hedonic consumption is (and is not) and what determines enjoyment while often overlooking what it is that truly brings consumers pleasure" (p. 13). This statement by Alba and Williams underlines why research on hedonic consumption is not the most appropriate source when seeking to uncover the source(s) of the pleasure experienced by consumers. Then again, this is my main objective when trying to understand the sense they give to this word as one predominantly defining luxury and it means finding out what, in the luxury purchase, brings pleasure to American consumers. Hence, the following section will attempt to further comprehend the notion of pleasure itself and how it occurs.

# B.4.3 - Pleasure and Sources of Pleasure

According to Bloom (2010) humans share many pleasures with other species such as being wellfed, healthy, comfortable, safe and so on but that leaves out "art, music, stories, sentimental objects and religion" that "are entirely typical to our species" (p. 5-6). These pleasures are the "product of culture" (P 6). But "even those pleasures that we share with other animals, such as food and sex, manifest themselves in different ways across societies. Nations have their own cuisines, their own sexual rituals, their own forms of pornography, and this is surely not because the citizens of these nations are genetically different" (Bloom, 2010, p. 5-6). In other words, there exist basic pleasures common to all species (being well-fed, sex, comfort and so on) and "human-made" pleasures, but in all cases culture plays an important role in the way pleasures are defined and experienced by humans, This is confirmed by Biswas-Diener et al. (2015) whose research reveals "significant relationships between, personality, gender, age and culture – respectively - with pleasure" (p. 313). Bloom, through a variety of examples, shows the complexity of defining and describing pleasure. What makes the study of pleasure complex, is in part the fact that there are several levels in which an experience affects people and these levels cannot be dissociated from one another: the genuine and authentic feeling that one has when experiencing pleasure and the essence of what is providing pleasure to this person, so that the "depth of pleasure is hidden from us. People insist that the pleasure they get from wine is due to its taste and smell, or that music is pleasurable because of it sound, or a movie is worth watching because of what's on the screen. And of course this is true... but only partially true. The pleasure is affected by deeper factors, including what the person thinks about the essence of what he or she is getting the pleasure from" (Bloom, 2010, p. 24). Thus, pleasure is both matter, experience and meaning: it is matter in the sense that it originates from an object or an experience and it is meaning because of the socio-culturally constructed associations and representations that one ascribes to the matter.

It seems to me that the following real story provides a good example of what Bloom describes: "Four Wall Street businessmen ordered a bottle of the restaurant's then most expensive wine: a \$2,000 bottle of Château Mouton Rothschild. At the same time, a young couple ordered a bottle of

the restaurant's cheapest red: a \$18 bottle of Pinot Noir. Both were poured into decanters at the waiter's station, before being taken to the wrong tables. McNally [the restaurant owner] recounted how, amusingly, none of the diners appeared to notice the error. The businessman who ordered the Bordeaux First Growth praised the *purity* of the Pinot Noir, while the young couple were jokingly pretending to be drinking an expensive wine" (French, 2020). In reality, both experienced pleasure that had little to do with the product itself, the businessman because he was convinced to drink a "grand cru" and he was eager to show is connoisseurship, the young couple because they enjoyed dining at a fancy restaurant, the ceremonial of decanting the wine allowing them to pretend they could afford a rare wine (which they were actually drinking without knowing it!), it is the essence of the product for the former, and that of the experience for the latter that counted more in providing them pleasure than the product itself. "The point then isn't that sensation plays no role in experience. It is rather that sensation is always colored by our beliefs, including our beliefs about essences" (Bloom, 2010, p. 49). This example allows not only to capture the complexity of the notion of pleasure but for me to address the contribution my research is aiming at making which is to unravel the complex web of sensations, knowledge, beliefs, social injunctions and so on, which underlies the pleasure experienced when purchasing a luxury product in order to approach its real meaning, in particular with regards to the status dimension of the luxury experience.

Alba and Williams (2013), in their literature review, were critical of the view that opposes hedonic to utilitarian consumption in order to define what is the realm of pleasure, and they concluded that "insofar as hedonic consumption is characterized by "multisensory images, fantasies and emotional arousal in using products" (Hirschman & Holbrook, 1982), consumer research has largely failed to capture it" (p. 4). Rejecting the utilitarian/hedonic dichotomy many researchers embraced a different perspective, investigating instead the different sources of pleasure; Alba and Williams (2013), performed an extensive review of this literature and classified the different approaches used to define and measure pleasure linked to consumption. They showed both the diversity of approaches and their fragmented nature while underlining the many factors that impact the experience of pleasure, among which anticipation, consumer's engagement and memories (p. 6-7).

What is to be kept from the above is that while pleasure is a very complex notion to define, a consensus seems to be emerging around some of its characteristics:

- Pleasure, as a concept and as a lived experience, is socio-culturally constructed as demonstrated by the global diversity of creative expressions that may bring pleasure to people. This is why it is necessary to go beyond words in order to interpret the meaning of pleasure specific to each culture (in my research, the American culture).
- Pleasure is an idiosyncratic experience caused by a sensation, certain elements of which can be described and shared while others belong to each individual (essence or value attributed to the experience / to the product, expertise, level of involvement in the product consumption or the lived experience ...) and my research will aim at distinguishing the former from the latter as the former are the ones on which professionals may have an impact.

Pleasure can arise from a particular circumstance, a moment in life or a consumption experience, but does pleasure aroused by consumption lead to happiness? Tocqueville suggests that excessive

consumerism prevents Americans to find happiness, even if pleasure can be experienced temporarily. According to DeLeire and Kalil (2010), there exists a moderate correlation between leisure consumption and happiness which they attribute to some extent to increased social connectedness, though admitting it might not totally explain it and leaving open the possibility that "it could also be argued that spending a lot on expensive vacations or donning the latest high-cost sporting equipment represents pure conspicuous consumption, designed to increase one's status in the eyes of others" and that "one might simply perceive a stronger sense of belonging or fitting in with the acquisition of status goods" (p. 174 - 175). Is Tocqueville's vision proven erroneous by their findings? The researchers themselves stress that the size and structure of their sample (average age 66) incite them to view their results with caution as in this case conspicuous leisure expense "may be happily viewed as just the reward of a long and productive life" (DeLeire and Kalil, 2010, p. 175). Basically, one is always drawn back to the fundamental motivation underlined by Tocqueville which is that of status. So, at a late stage in life, leisure consumption, possibly underpinned by status-seeking motivations, may provide happiness, which does not call into question Tocqueville's analysis but adds a touch of optimism to it (in Tocqueville's days life expectancy was much shorter, and the concept of retirement had yet to be invented).

Ultimately, because pleasure and happiness are so strongly linked, and because it is difficult to completely exclude the status-seeking motivation of what seems to be initially purely hedonic consumption, it is then possible that the status dimension of luxury plays a role in providing pleasure to American luxury consumers.

The preceding considerations dealt with the notions of pleasure and happiness, highlighted their complexity and the role of consumption in providing either one or both of them, but how can one further study what in luxury consumption may bring pleasure? Alba and Williams (2013) underline that consumers may approach products or experiences in different ways, "Hedonic products like food, art, music, and sports can be consumed at a sensory level, a deeper structural level, or anywhere in between" (p. 9), and this direction seems to me the most relevant one in order to study pleasure that can be derived from luxury.

## B.4.4 A Taxonomic Approach to Pleasure

The above has briefly touched on a number of research undertaken on pleasure, but whether they attempted to define hedonic consumption along the utilitarian/hedonic dichotomy, or to define the very concept of pleasure, they did not offer a framework allowing me to design a research aiming at answering the question which is at the heart of my research, that of what it means when Americans say that for them luxury is "pleasure-first".

Walking away from the approaches described above, there exist a vein of research that attempts to define a taxonomy of pleasure and this part will briefly review a few of them, as this type of approach to pleasure seems to me the most relevant one for the operationalization of this concept. After reviewing these research, this part will outline how they translated into more specific studies that will allow to reflect on both pleasures linked to luxury shopping and the luxury product.

# B.4.4.1 – Pleasure Categories

Tiger (1992) underlined what is at stake with regards to pleasure for all powers, whether political or religious. Controlling their pleasures amounts to controlling people's life which, although it is often intrusive and even illegitimate, is sometimes justifiable for moral or health reasons (pedophilia, drugs, epidemics such as AIDS and so on showing the negative consequences of unbridled pleasure for society). One therefore understands that, for any society, the issue of pleasure is a critical one, even though there exist no pleasure ministry while there are health ministries in many countries. "However pleasure is an entitlement" (p. 21). Indeed to Tiger, human beings need pleasure, as they need water, food, conviviality and so on; he deplored for it not to be treated seriously whether in political, economic or psychological terms which led him to undertake to systematically define it. He described four broad types of pleasures:

- *Physio-Pleasure*: It includes different kinds of sensory experience (sexual, taste and smell, pleasures from massage, bath, sun bathing and so on)
- Socio-Pleasure: it derives from the fun people enjoy when they are around other people
- Psycho-Pleasure: it derives from activities initiated and carried forward by individual people. It
  may be the satisfaction of having accomplished a very mundane task or having completed a
  more ambitious project.
- *Ideo-Pleasure*: Ideo-pleasure is mental, aesthetic and often intensely private (experiencing or creating movies, plays, music...).

While Tiger's approach was purely theoretical, Dube and LeBel (2003), examining qualitative nuances between different types or categories of pleasure, turned to consumers in order to achieve a classification that is representative of what people experience and express. The result was not radically different from that of Tiger's in the sense that they defined four categories of pleasures as well, but with some nuances,

- *Physical Pleasure*: sex, drugs, food, touch and taste, sports...
- Social Pleasure: shopping, friends, conversation, parties...
- Intellectual pleasure: knowledge, learning, success...
- Emotional Pleasure: music, arts, love...

Moreover, their research allowed to get insights into people's own vision and recollections of lived experiences and to get meaningful insights on how to reflect operationally on what kind of pleasures may be triggered by various situations.

Biswas-Diener et al. (2015) expanded on the taxonomic approach and defined "ten different types of common pleasures that constitute universality (that is, people can experience them regardless of cultural background)" (p. 321). They classified them into categories:

- · Sensual Pleasures: Taste, Olfactory, Touch, Hearing, Sight
- Physiological Pleasures: Arousal and Relaxation,
- · Social Pleasures: Social Group, Social Alone

# · Cognitively based Pleasure: Accomplishment

While the categories they defined are somewhat universal, the kind of pleasures within these categories, their content, the lived experiences... are highly dependent on socio-cultural factors. Nevertheless, their research emphasized the notion of "thrill" which was not explicitly described by previous research, though it may fall in different pleasure categories.

To go further, as one can assume that pleasure is also an outcome of many leisure activities, it seemed relevant explore some of the research on leisure in order to assess how leisure activities may be described and learn more about the way people enjoy their leisure experiences and the type of pleasure or values attached to them. Sperazza and Banerjee for example suggested a classification according to the values attributed to various leisure activities (see Exhibit B.4.4.1).

Exhibit B.4.4.1- Specific Leisure Participation Values

Variable	Description	
Competitive	To compete against others, improve skills or knowledge, for a challenge, excitement, risk, adventure, or to show others I can do it.	
Educational	To be creative, expand intellect, and to learn new skills.	
Social	To help community, be with family or friends, meet new people, and for cultural interaction.	
Physiological	For health or exercise and relaxation of mind, body, and spirit.	
Relaxation	Something different from work, to be alone, and to be away from family	
Aesthetic	Simply for pleasure or to enjoy nature.	

Source - (Sperazza and Banerjee, 2010)

This example shows that the values attributed to leisure activities can be classified into categories that are consistent with pleasure categories defined above, this research bringing further insights on various leisure activities likely to provide people with pleasure.

Overall, the taxonomic approach to pleasure, as briefly described from both fundamental research and more operational ones seems to me the appropriate framework to reflect on the main questions I intend to address in my research with regard to the pleasures drawn from luxury.

However at this point, it is appropriate to come back to the notion of luxury since, as mentioned earlier, luxury is a cross-industry segment that encompasses most consumer goods and services and while there are expectations common to all these segments, their relative importance and the way in which these expectations may be fulfilled vary greatly depending on the products and services involved. This is the reason why this research needs to focus on products having common characteristics that are key to the values researched in this thesis. Namely, branded products, worn by consumers, distributed in both physical and online stores and falling under the category defined by analysts as "personal luxury". I will research both pleasures derived from the luxury shopping experience and the product itself, and this is when the taxonomic approach to pleasure proves to be a valuable framework.

# B. 4.4.2. The Luxury Shopping experience

Shopping in general is often viewed as a leisure activity tinged with hedonism. Some research, explore consumers' motivations and/or pleasure outcomes expected from shopping, and their findings allowed them to organize pleasure motivations of shopping in a way that is somewhat consistent with the pleasure categories explored above. For example, Arnold and Reynolds (2003) and Cox et al. (2005) found some motivations that seem to be shared widely:

- Idea Shopping / Browsing: Consumers enjoy shopping to discover, new products, and new trends, in short to keep up with the latest fashions.
- Social Shopping / Mingling with other shoppers: Consumers enjoy meeting with people in a shopping environment or simply going shopping with friends or family.
- Value Shopping / Bargain Hunting: People enjoy looking for good deals or even the game of bargaining.
- Adventure Shopping / Sensory Stimulation: Arnold and Reynolds mention the feeling that some consumers have that shopping takes them into a different world (in which sensory experience plays an important role), while Cox et al insist solely on the in-store sensory experience.
- Gratification Shopping/ Being Pampered: tough they seem relatively close they are nuances in these categories for Arnold and Reynolds the pleasure comes from stress relief, consumers here see shopping as a way to treat themselves, in this sense it is close to Cox et al. who see the motivation of being pampered more linked to status seeking.

Lastly, both Arnold and Reynolds (2003) and Cox et al. (2005) mention one additional category of pleasure derived from shopping: for Cox et al it is kinesthetic experience (shopping as a way to get some exercise) and for Arnold and Reynolds it is Role Shopping, the pleasure of shopping for someone else.

Manlow and Nobbs (2013), researching luxury flagships form and function, found that their research extended the work of Arnold & Reynolds as "the Paris cultural and touristic experience was most often cited. This category bears some relation to the adventure shopping category identified by Arnold and Reynolds (2003) in their study of shoppers in non-luxury environments" (Manlow & Nobbs, 2013, p. 61). Indeed, what Arnold and Reynolds (2003) referred to as "Adventure Shopping" is of particular significance when it comes to luxury shopping, the idea of entering a very specific universe of "exciting sights, smells, and sounds" (Arnold and Reynolds, 2003, p. 80), the concept of "Being Pampered" (Cox et al., 2005, p. 251) is also a dimension very relevant to luxury shopping. Most other dimensions outlined by both research may apply to some extent to luxury shopping and both research offer an interesting framework to reflect on how to investigate pleasure provided by luxury shopping.

# B. 4.4.3. The Luxury Product experience

My experience as a consultant and the host of over seventy five conferences and workshops on various luxury related issues, is that professionals, to this day, are still debating on what defines

luxury (whether it is price, rarity, quality, tradition, status and so on) without always setting clearly the terms of the debate. While many luxury products do not bear a brand (for example branded jewelry accounts only for 30 to 40% of worldwide sales| McKinsey, n.d.), there is a propensity among professionals or researchers to consider that a luxury product is necessarily a branded one. Hence, researchers tend to look rather at what luxury brands stand for and what consumers expect from them, and not to focus on specific expectations from luxury products themselves, which makes it difficult to find research targeting specifically the pleasure dimension in luxury products.

Expectations from products are described by Jordan and Mc Donald (1998) in a research on pleasure and product semantics showing how manufacturers may anticipate consumers' expectations by considering the different pleasures types the product must satisfy. They give the example on how Tiger's taxonomy may be used to work on the design of a new camera targeting specifically young women of high economic status. They chart the requirements linked to the different kinds of pleasure that need to be found in the product (see Exhibit B.4.4.3-1).

Jordan and Mc Donald (1998) show how creating a luxury camera, may involve reflecting beforehand on the different types of pleasure that will be derived from buying and using he future product. Likewise, most luxury products may provide different types of pleasure, and the taxonomic approaches of pleasure will be helpful in researching the different kinds of pleasure American consumers expect from personal luxury products.

### Exhibit B.4.4.3-1

Physio-Pleasure:	Fits hand well; Material pleasant to touch; Moving part give optimal level of resistance; Fits	
	nicely into a handbag or pocket; Doesn't jab into body when carried; Doesn't jab into face	
	when taking photos; "fingernail friendly" catches.	
Socio-Pleasure: Reflects users' high economic status; Demonstrates users' good taste and suc		
	automated functions; Quiet motor drives.	
Psycho-Pleasure:	Good quality photos; "Point and shoot" operation; Easy to use/guessable; Ergonomically	
	Designed.	
Ideo-Pleasure:	Post-modern organic design language; Feminine styling; Non-patronizing design;	
	Environmentally responsible	

Source: Jordan and McDonald, 1998, p. 268

Highlighting the idiosyncratic nature of pleasure means also recognizing that this observation applies to luxury. The fact remains that research shows that it is possible for consumers to describe what provides them with pleasure and this is what will make it possible to decipher what is behind the expression "pleasure-first" that, for many Americans, defines luxury.

# **B. 5 Research Propositions**

Based on the preceding literature review starting from Tocqueville writings and complemented by contemporary research on both evolutions of the American society and specific issues with regards to younger American generations and the concept of pleasure, this section will outline my research questions.

I highlighted earlier how Tocqueville had, in his writings, announced what was later described by James Truslow Adams as the American Dream and how he had foreseen its contemporary interpretation much focused on social success in the sense of making money and accumulating material possessions at the detriment of the second part of Adams' Dream that laid out a more humanistic view of what it stands for. The literature review showed how post-WWII economic policies have made consumerism a tool for the economic development and political dominance of the United States in the context of the Cold War, it also suggested that the link made by Tocqueville between the craving for social success and the consumerist frenzy has not been disallowed in the second half of the twentieth century, all the contrary. Over the years, consumers' identification models which were originally found in the close circle of family, friends and neighbors have never ceased to upgrade themselves. As a consequence consumption aspirations have raised in all areas from ever larger and more beautiful houses to more dazzling vacation trips, not to mention personal luxuries (fashion accessories, jewelry...) promoted by television fictions and more recently social networks.

With a succession of crises since the beginning of the new century and the increase in inequalities in the United States, there are fears that the American dream will no longer be sustainable. Nevertheless, political discourse in this country, Republican or Democrat, still gives pride of place to this concept, as shown by the 2020 election campaign. If politicians use this argument it is most probably because their research encourages them to do so, promoting the idea that the American Dream remains dear to American citizens. The theoretical analysis suggests two propositions around the notion of the American Dream and its relevance in the contemporary context as it impacts the relationship American have with status:

## Proposition 1.1

The American people, including younger generations, still predominantly project itself in the values highlighted by Adams when he coined the term American Dream: the ability for any American citizen, through hard work, to improve their position on the social ladder and to access material comforts, the leading aspiration with this regards being still that of home ownership.

Younger generations in the US face greater hardship than their parents in their early adulthood, since a majority of them are starting their professional lives heavily indebted due to education rising costs and they have had to face many difficulties since the 2009 crisis that delayed, for many of them, the entry into the workforce or made them accept jobs that did not fit their initial

objectives, not to mention the on-going Covid crisis and its consequences on the American economy. Therefore, as it is unlikely that they will be able to afford a home mortgage as early in life as their parents were, it is very possible that younger generations will choose to signal their success by increasing the purchase of affordable luxuries (fashion, accessories and so on), which suggests the following research proposition:

# Proposition 1.2

What is often qualified as the fading American Dream may foster the purchase of personal luxury brands by younger generations and, given the size of both Millennials and Gen Z groups, this factor may constitute a real growth opportunity for these brands on the American market.

While Tocqueville's work is not about analyzing what happiness or pleasure mean to Americans, one can derive from reading "Democracy in America" that for Americans, improving one's social status is paramount to reaching happiness, one of their fundamental rights. The theory of "hedonic treadmill" exposed by Ahuvia (2008) echoes the way in which Tocqueville depicts the ceaseless quest of the Americans for new acquisitions aimed at showing their success, hence linking the concept of pleasure and that of happiness. Happiness, the ultimate goal, is constantly deferred by new goals to be achieved, preventing Americans from savoring the pleasure of what they have already achieved and the comforts they have acquired. In that sense, I believe Tocqueville's view on both notions is close to that of Biswas-Diener et al. (2015) who much more recently wrote that the experience of pleasure is "an important aspect of happiness" (p. 1). DeLeire and Kalil (2010) exploring the relationship between consumption and found a moderate correlation between leisure consumption and happiness but did not exclude that it could be attributed to the status dimension of the leisure goods/services tested. Following their reasoning, one can assume that all the signs which, even temporarily, strengthen status (the ability to afford a luxury product, the visibility of a logo, a VIP experience and so on) make Americans feel happier for a while, and it may be one of the main explanations of the association of luxury with pleasure, as this moment of happiness is indeed a true pleasure. This leads me to the following research proposition:

## Proposition 2

While other types of pleasures (Emotional, Physical, and Intellectual) exist in the luxury experience, status is a dominant pleasure-inducing dimension of luxury consumption. In other words, one of the chief pleasures that Americans derive from luxury purchase (whether from the shopping experience or the product itself) comes from the fact that it signifies status and achievement.

## C. METHODOLOGY AND RESEARCH DESIGN

The research includes two parts, the consumers' and the manufacturers' point of view. The heart of it rests on the consumers' point of view, the manufacturers' one comes at the end, in order to bring additional and complementary insights to the research and thus to propose a more complete vision of luxury in America in relation with Tocqueville's work. This chapter details first the former's methodology and research design before outlining the latter's.

# C. 1 Consumers' point of view

This first part describes methodology and research design used in order to further the research proposals stated in the previous chapter.

# C.1.1 Methodology

The methodology adopted is that of a quantitative research allowing to address the issues outlined in the research proposition section. It has been administered on-line using a professional panel specialist in order to recruit the appropriate sample.

My research being self-funded, the budget is necessarily limited. My choice has been to focus on a limited number of questions which I believed could allow to address the research propositions. The questionnaire reflects the necessary balance between the objective of gathering precise information and the objective of surveying a sample large enough in order to be able to meaningfully address the main questions. This means being aware of all the factors that can cause participants fatigue and possible drop-out. Therefore some questions will offer fast choices by allowing to pick-up a fixed number of answers out of a list, other requiring finer analyses will use Likert-scales in order to obtain the necessary nuances. In all cases, I am aiming at forcing participants to position themselves on the issues presented, so no median answer will be offered (meaning Likert-scales will be designed using an even number of answers).

The research covers Americans' values from a general standpoint, and although one of my concerns lies in younger generations facing the alleged "fading American Dream", it is necessary to consider a sample spanning older generations as well because it would not be possible to draw conclusions regarding Millennials and Gen Z in isolation and my objective is to put their values and expectations with regards to luxury in the wider context of the American market. The research is therefore administered on a sample of 800 people, evenly distributed among age categories:

- 18 25: Gen Z,
- 26 40: Millennials,

- 41 55: Gen X,
- 56 70: Baby-Boomers.

It cover the four major regions of the United States (Northeast, Midwest, South, West), in order to make sure that there is not one region overrepresented as it may introduce biases. For the same reasons, the sample is also split evenly between men and women even though it is not the main object of this research to assess gender differences.

According the US Census bureau, in 2019, US median income was \$ 68,703 a year (United States Census Bureau, 2020), I chose to select households whose revenues are over \$ 75,000 per year, which represents the top 40 to 45% US households (depending on sources) and allows a sample that may be able to afford occasional or affordable luxury purchases for those with revenues close to or slightly above \$ 75,000, to regular luxury purchases for the ones who are in the wealthiest categories, meaning it is likely that participants are not totally foreign to this topic.

There are two broad notions investigated in the online survey, status and pleasure and the following section will detail the elements taken into consideration to design the questionnaire while the latter is available in Appendix 3.

## C.1.2 Research Design

# C.1.2.1 Status

The first questions aim at investigating how Americans project themselves into success, what allows them to see their life as a successful one and finally how this translates into their material life. Because in both cases the list of items participants are confronted with is quite long, it is risky to present them in the form of Likert-scales as it may quickly generate fatigue and increase drop-out rates. This is the reason why they are given the opportunity to choose the top five items which for them are most important to consider their life as a successful one.

As discussed in the second part of the theoretical foundations, the post-WWII era up to the 1970s was probably the time when the American Dream was experienced at the fullest of its original meaning and buying a house in the suburbs as well as acquiring the latest appliances and/or car allowed many young couples to believe that they had made it. What are today the elements that allow Americans to think their life is a successful one? The answer to this first question will contribute to the objective of this first part which is to assess the relevance the American Dream in contemporary America, and whether the younger generations, who already went through many crises, still believe in it.

## The Successful life

Juliet Schor, debating how Americans have been upgrading their material expectations referred to a survey published by the Roger Center at the University of Connecticut in 1993 describing the items that are part of the "good life". They include the following: vacation home, swimming pool, color

TV, second color TV, travel abroad, really nice clothes, car, second car, home you own, a lot of money, a job that pays more than average, happy marriage, one or more children, interesting job, a job that contributes to the welfare of society (Schor, 1998, p. 16).

This scale has been used as a basis to elaborate the first question and necessarily updated, as for example technology has brought numerous screens in every American home and color TV has become a standard home equipment. The constant upgrading of standards calls for more precise questions (for example, having a car or two in a family is also quite standard, the question now is rather that of the kind of car people desire). "Monitoring the Future", the survey conducted by the University of Michigan on which Twenge's (2018) analyses are based, also provides a few valuable questions with regards to how young Americans project themselves in the future. Echoing Goldschmidt's position regarding what status means for Americans, it introduces the question of "doing better than parents", it also introduces notions around the values attached to work, a value central to achieving the American Dream. They can be summarized in the two following items: "Achieve a good balance between work and leisure", "Make lots of money fast and quit working early".

While fame has probably always been a motivation for many people, in recent years fame seems attainable by anybody, thanks to reality TV shows that have propelled individuals without noticeable talent to the status of icons, ensuring them incomes far exceeding what the average manager can expect, and thanks to social networks that have promoted a new breed of fast money making internet celebrities. As a consequence "recent evidence shows a trend of increased desire for fame among younger individuals" (Rui & Stefanone, 2016, p. 402). Therefore the desire for fame needs to be evaluated as part of what Americans consider key for them to achieve a successful life. Additionally, in order to contrast with what describes mainly material aspects of a successful life (connoting a happy one), it appears needed to incorporate the notion of personal achievement much debated in happiness literature, which suggests such items as: "Build a successful business on your own", "Achieve recognition for your abilities in your profession / among your peers", "Have a nice circle of family and close friends around you". Finally, to elaborate on a notion that was referred to by James Truslow Adams in the formulation of the American Dream "a dream of a social order in which each man and each woman shall be able to attain the fullest stature of which they are innately capable" (James Truslow Adams cited in Stiuluic., 2011, p. 363-364), it seems important to measure whether living up to this promise of the American Dream is a concern for Americans with the following item: "Having the feeling that you have made a good use of your physical and intellectual abilities".

At the end of this part, one question aims at measuring how confident Americans are in their ability to achieve a successful life. Since it is important to bring some nuances to this answer as they may allow comparisons between age groups, Likert-scales will be used.

## **Shopping Behaviors**

Tocqueville insisted much on Americans' consumerism, and prior to investigate their purchase wishes and intentions it seems appropriate to try to measure how Americans see themselves as

consumers. When reading Tocqueville, one gets the impression that he viewed Americans as compulsive buyers rather than discerning consumers and that it was the quest for status that explained such attitudes. If the theoretical foundations lead to believe Tocqueville's observations weathered time, there remain to address how, for Americans, status is best demonstrated, buying a lot or choosing fewer, but very high quality possessions. Research have used different angles to address such questions, either attempting to define the concept of materialism, or defining broad consumers' typologies, or focusing more on shopping. While pursuing various aims, research by Lesser and Hughes (1986), Richins and Dawson (1992), Westbrook and Black (1985) Wiedmann et al. (2009) Cox et al. (2005), Arnold and Reynolds (2003), appear to breakdown consumers' attitudes with regards to consumption along the same type of motivations:

- Frugal consumption: buying only things that are needed
- Image/Status consumption: Being in the know (willingness to get new products as soon as they are launched), impressing people
- · Impulse consumption: ending up buying more things than planned
- Discerning consumption: looking for quality items
- Pleasure consumption: linking consumption/shopping to pleasure and/or happiness
- Value consumption: looking for the best price

Research on value shopping address the question of consumers' attitudes with regards to prices, but I could not find any that would specifically address the question of value for money. It is an important one, as it is key to understand Americans' attitudes with regard to luxury: do they need to buy a lot to feel content, or are they satisfied with less as long as it is high quality?

It is difficult to approach this topic as the appraisal of quality is a complex question which does not belong to the perimeter of my thesis. Therefore, I included the first four notions into my question, as they allow to approach different motivations. I left out pleasure, which is a part in itself in this research, and I integrated into this question one measure which would help understanding broadly how Americans view value for money, without it being linked to price but rather to how they allocate their budget between quantity and quality.

## Status

The last part of the section on status, focuses, on material possessions that show status and it describes a wide range of goods as well as a few high end services that can help one assess status and/or mingle with peers. I relied on my experience and knowledge of the luxury sector to develop this list. The questionnaire aims at uncovering what participants are dreaming of buying and what they may actually buy. This will be done again by having them select the five top items they would spend their money on if they had no budget constraints and what they will buy in the foreseeable future. Indeed having twice the same long list of items to choose from, rating them may become tiring and possibly confusing.

Finally to conclude this part, it is critical to understand whether Americans need to display status to everybody or whether they distinguish between people who are close to them and those who are not, and to this end a somewhat subtle understanding is needed which call for the use of Likert-scales. This question will allow not only to assess the importance of showing status but also how it may determine other attitudes and expectations.

# C.1.2.2. Pleasure

Regarding pleasure, the objective of my research, is ultimately to understand what it means when a good proportion of American luxury consumers associate luxury with pleasure, and to explore the dimensions of luxury that may allow them to qualify it as "pleasure-first" (Kapferer and Michaut, 2016, p. 16).

As mentioned in the introduction to this thesis, luxury is a cross-industry segment that encompasses, most consumer goods and services and if there are expectations common to all of these segments, their relative importance and the way in which these expectations may be fulfilled vary greatly depending on the products and services involved. I therefore need to focus my research on products that have common characteristics and are key to the values researched in this thesis, namely, branded products, worn by consumers, distributed in both physical and online stores and falling under the category defined by analysts as "personal luxury". My research focuses on both pleasures derived from the luxury shopping experience and the product itself, and this is when the taxonomic approach to pleasure proves to be a valuable framework.

## The Luxury Shopping experience

Expanding on the notions developed by both Arnold & Reynolds (2003) and Cox et al. (2005) that were exposed in the previous chapter and keeping in mind the type of pleasures outlined by Dubé and LeBel (2003), I drew also on my experience of this sector to design a questionnaire that offers a fairly detailed description of all the elements that can be found pleasurable by a costumer when shopping in a luxury store. It includes notions of service, story-telling, expert advice and counselling from the sales force, store atmosphere and architecture, assortment and merchandising.

# The Luxury Product experience

Inspired by Jordan and McDonald (1998) approach derived from Tiger's work (2000), and using Alba and Williams research (2013), I also drew from my own experience as a professional, to design a questionnaire that incorporates the notions of expectations, aesthetics, quality, style, branding, rarity, fashion and status.

Both questions need an assessment of the experience lived at the store level and with the product and require the ability to nuance one's judgement, therefore Likert-scales are used (with an even number of answers to make sure respondents position themselves).

On this topic one additional question aims at evaluating the respective role of shopping and product in the overall pleasure derived from a personal luxury purchase. And finally, one questions completes this section allowing to select the type of product people purchased or are likely to purchase.

# C. 2 Manufacturers' point of view

As mentioned earlier, the manufacturer's view is not quite as developed as the consumer's view, and has two purposes: first to refer to Tocqueville's analysis and assess to what extent it can be applied to the American luxury model, second to come as a complement to the quantitative research as it may help to better interpret its results.

So this part is conceived somewhat differently, and includes:

- A short review of the theoretical background relying mainly on Tocqueville's work.
- A desk research on a few existing American brands representing the dominant model, their history, their offer (including price points, their global store networks, a comparison with a few of their European counterparts)
- The research itself includes seven interviews of professionals who are either brands executives or service providers to the American luxury industry (see Appendix 5). They are asked 4 broad questions, specifying that they do not have to answer all of them but can develop whichever one they are most comfortable with. The objective is to understand how American luxury is viewed by professionals in this market, which are to them the iconic brands, how they compare with their European counterparts, which are the emerging brands and/or the ones that specifically target younger generations (questionnaire is in Appendix 6)

The results of both research will be presented separately in the following section of this thesis, the discussion will aim at putting these findings into perspective with the theoretical research and outline how they relate to each other in order to draw some global conclusions and implications, as well as outline directions for further research.

## D. RESEARCH RESULTS

## **D.1 Consumers' Point of View**

This part will present the results of the quantitative survey.

# D.1.1 Sample

# D.1.1.1 Sample Description

808 people answered an online survey conducted between December 9, 2020 and December 16, 2020.

The first criterion for the sample has been that of revenue as it was needed to include people who could afford to buy luxury even if only on a very occasional basis, so only the top 40 - 45% of the American population was targeted (revenue above \$ 75,000 per year). Then, quotas have been imposed on age and gender to insure to have equal distribution within age brackets and gender categories. Loose quotas have been imposed on regions, so each region would have roughly a minimum of 150 participants, this was made in order to avoid strong regional bias, and no quotas have been imposed on ethnicity. The final sample is distributed as follows:

18 - 25 = 198; 26 - 40 = 200; 41 - 55 = 203; 56 - 70 = 207; Women = 402; Men = 400; Other = 6. Gender distribution within age brackets is somewhat uneven. In the first age bracket, which is the one that has been the most difficult to recruit, it is strongly skewed toward women (see Exhibit D.1.1.1 – 1).

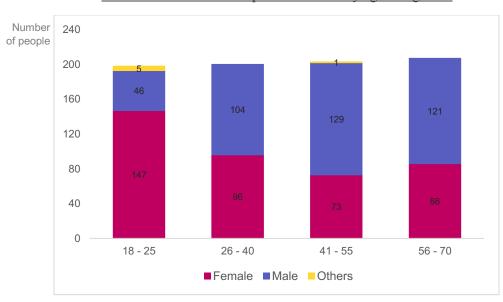


Exhibit D.1.1.1 – 1 - Sample distribution by age and gender

This survey being self-funded, for cost reasons, arbitration was needed on quotas resulting in a sample that includes an overweighting majority of Caucasian Americans and Asian Americans as compared to the American population, but this may also have to do with the screening made on revenues as Latino-Americans and African-Americans are under-represented in the more affluent categories of the American population. Exhibit D.1.1.1 - 2 allows to see the sample geographical distribution at a glance. More details on the sample composition are available in Appendix 2.



Exhibit D.1.1.1 -2 - Sample geographical distribution by gender

# C.1.1.2 Establishment of sub-groups

Status is central in defining luxury and Kapferer and Michaut (2016) find that the largest group of luxury consumers in the USA is one that defines luxury as "Prestige First" (p. 17). The on-line research questionnaire includes a specific question designed in order to identify the participants who consider status and its display as essential: "On a scale of 1 to 6 (1 being totally unimportant and 6 extremely important), how important is it for you to show your social or professional success to (family, friends, neighbors, professional acquaintances, and strangers). It allows a classification the survey's participants according to the importance they grant to showing their status to different groups of people.

As it will be developed later, this classification is key to answer research propositions 1.2 and 2. It is therefore needed to show the results to this question as part of the sample description. Indeed, beyond gender or age, it is one that will allow to sort the sample in a way that is relevant to this research.

For all Americans showing status to family is more important than to showing status to any other group: on average 65.7 % of them think it is somewhat important to extremely important to show status to family as compared to friends (55.7%) and professionals acquaintances (51%). Showing status to neighbors is considered important by only 31.4% of them. There are much differences

across generations, with younger generations being much more concerned by showing their status to family, friends and professional acquaintances than older ones. While Gen Z slightly top Millennials on these categories, Millennials are much more concerned by neighbors and strangers than Gen Z are, they are truly the extreme status seekers.

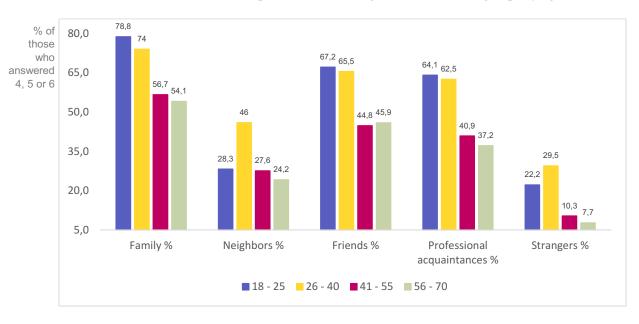


Exhibit D.1.1.2 – 1 - Importance of Showing Status to different groups by age

Gender is much less discriminant than age. Women and men display quite similar attitudes with regards to the importance granted to showing status to various groups, except that men are much more concerned with neighbors than women are and somewhat more concerned with strangers and professional acquaintances while women are slightly more concerned with family.

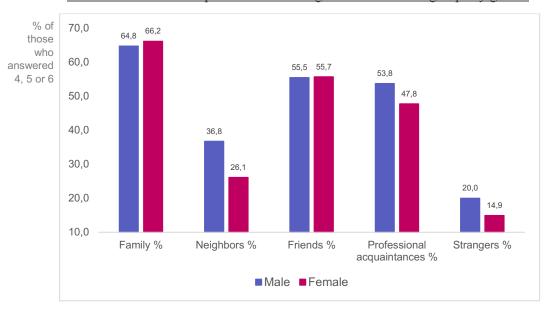


Exhibit D.1.1.2 -2 - Importance of showing status to different groups by gender

In order to be able to further analyze the results of this research I established three sub-samples: Group 1: The status-seekers, people who think it is important to show success to family, friends and professional acquaintances (having rated these 4, 5 or 6), with the exception of those belonging to Group 2 who rated all items 4, 5 and 6. This group includes 225 people (27.85% of total sample) and as shown in Exhibit D.1.1.2 – 4, one third of it are Gen Z and the second larger age group is Millennials. The fact that women dominate in Gen Z reflects the fact that, in the global sample, this age group includes a majority of women.

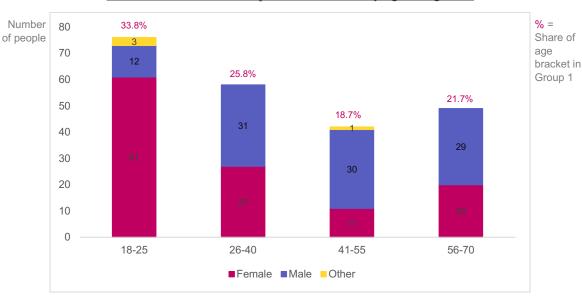


Exhibit D.1.1.2 - 3 - Group 1 – Distribution by age and gender

<u>Group 2</u>: The extreme status-seekers people who think it is important to show success to all categories. This group includes 97 people (12% of total sample). With 47,4% of its members, Millennials dominate it (see Exhibit D.1.1.2 - 3)

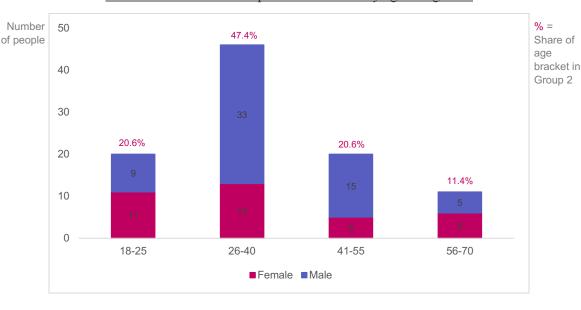


Exhibit D.1.1.2 - 4 - Group 2 - Distribution by age and gender

<u>Group 3:</u> People who are moderately concerned by showing their status, targeting one or two categories for example, or are not concerned at all by showing their status. Basically the total sample less Group 1 and Group 2, which makes 486 people (60.15%) of the total sample - see Exhibit D.1.1.2 – 5)

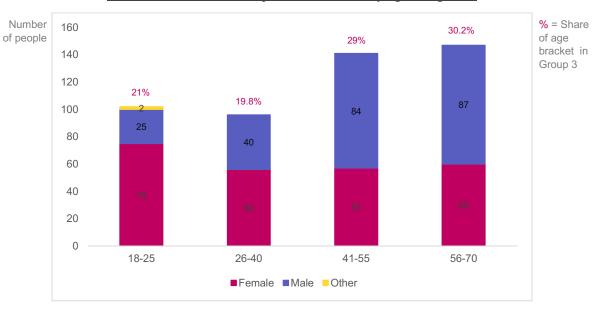


Exhibit D.1.1.2 -5 - Group 3 – Distribution by age and gender

Overall, 38.3% of all women are in the status seeking groups (G1 + G2) as compared to 41 % of all men showing that men are a bit more concerned by status than women, with a greater proportion of them to be found in the extreme status seekers. 50.2% of Millennials and Gen Z belong to these two groups.

The three following sections will focus on the results of the survey that help assessing the research propositions outlined earlier.

## D.1.2 Proposition 1.1

While the theoretical part shed some light on existing doubts with regards to the American Dream's persistence, this proposal aims at showing that it is still vivid in American culture even for the youngest generations despite the crises they have had to weather since the turn of the century.

The first question asked to the participants was: "Please check the criteria most important to you to consider that your life a successful one" (up to 5). It was designed partly using two existing surveys conducted much earlier by University of Connecticut (1975, 1991) and on a yearly basis by University of Michigan with "Monitoring the Future" studying a large sample of 12<sup>th</sup> graders across the US. While some of the items tested have been directly derived from their questions, they do not allow for direct results comparisons as samples are probably quite different but nevertheless allows to highlight possible evolutions.

Overall, Americans give a priority to their personal life. The two questions "happy marriage" and "one or more children", were ranking respectively 2<sup>nd</sup> and 3<sup>rd</sup> in 1975, 2<sup>nd</sup> and 4<sup>th</sup> in 1991 (Schor, 1998, P16), so it is not surprising to see that these values still rank very high today (1<sup>st</sup> and 5<sup>th</sup>). Between 1975 and 1991, both "a job that pays more than average" and a "lot of money" scores increased significantly and improved their ranking showing how money had increased its dominance then. In the current survey they rank behind "a profession that contributes to the welfare of society", which what not the case previously, so even though direct comparison is not possible due to sampling differences, it is possible that the 90s overwhelming emphasis on money is less prevalent. The overall hierarchy of criteria defining a successful life are shown in Exhibit D.1.2 - 1.

Happy marriage Have a nice circle of family and close friends around you 62,9 Achieve a good balance between work and leisure Having the feeling that you have made a good use of your physical and. 46,0 One or more children A job that you enjoy even if it means making less money Own a beautiful house in your dream location A profession that contributes to the welfare of society Achieve recognition for your abilities in your profession or among your peers A lot of money A job that pays much more than average Do better than your parents Make lots of money fast and quit working early Build a successful business on your own % of those who Become famous rated the item in the top 5  $\cap$   $\cap$ 20.0 40.0

Exhibit D.1.2 - 1 - Five most important criteria to consider one's life a successful one (total sample)

Chi square tests of independence were performed, allowing to conclude that the following items are significantly dependent on the age category:

Happy Marriage	chi-square 7.794, p = .05		
	1 '1		
· A lot of Money	chi-square 16.784, p = .001		
· A job that pays much more than average	chi square 7.938, p $< .05$		
· Build a successful business on your own	chi square 23.132, p<.001		
Become Famous	chi square 18.644 p<.001		
· Do better than your parents	chi square 7.795, $p = .05$		
· A beautiful house in your dream location	chi square 20.766, p <.001		
• Make lots of money fast and quit working early	chi square 25.081 p<.001		
· Having the feeling that you have made a good use			
of your physical and intellectual abilities	chi square 34.378 p < .001		

The criteria that are not significantly dependent upon the age bracket are the ones having no or little direct relationship with material success (except for Happy Marriage), for example having one or more children, having a nice circle of friends and family, a profession that contributes to the welfare of society... In order to interpret these results, one needs to try to isolate the life stage from the generational values: they may be an indication of the fact that some values related to family and the good of society remain the same throughout life, while the attitudes towards money and success change as people gain experience and move forward in life, or they may be due specifically to today's younger generations' values as they experienced a rougher start in their life than previous ones.

It is important to note that overall "a job that contributes to the welfare of society is ahead of "a job that pays more than average" in the ranking when it was the other way around in 75 and 9. But what also needs to be highlighted is the fact that the most important characteristic for the job is to be one that Americans enjoy and that overall this criterion ranks very high in the hierarchy of what makes a successful life (6th). Only 11.9% of the sample rank "make a lot of money fast and quit working early" in their five top criteria defining a successful life, which is an indication that work is still a very important value to most of them.

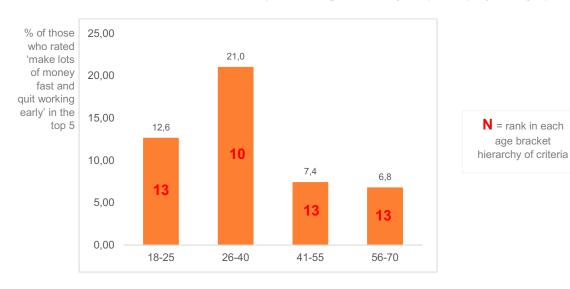
Nevertheless, Millennials tend to stand out with more appetence for fast money making and a little less motivation for an interesting job than other generations (ranking this  $8^{th}$  in their hierarchy as compared to  $6^{th}$  for other age brackets), while their tendency to be more motivated by money than other generations is demonstrated by both the importance they give to "Lots of money" (Exhibit D.1.2 – 2) and "Make lots of money fast and quit working early" (Exhibit D.1.2 – 3)

% of those 25.0 23,5 who rated 22,2 'Lot of money' in 20,0 the top 5 14,8 15,0 9 10.1 10 10,0 11 12 5,0 0,0 18-25 26-40 41-55 56-70

Exhibit D.1.2 - 2 - Lot of money - % by age category

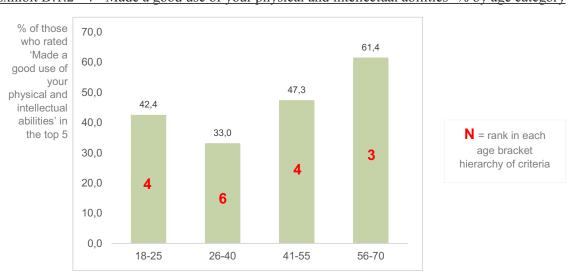
N = rank in each age bracket hierarchy of criteria

Exhibit D.1.2 - 3 - Make lots of money fast and quit working early- % by age category



While it is probably easier for older generations to look back and reflect on how well they did with their own capital ("having the feeling that you have made a good use of your physical and intellectual abilities"), explaining the higher scores given on this question by the oldest in the sample, it is important to highlight that despite the fact that they may be a little less to consider that it is an important criterion to assess a successful life, it still ranks in Gen Z's top five criteria, which shows that a significant number of them subscribe to the idea that their success mostly depends upon themselves. Self-reliance, at the heart of the American culture, remains vivid among Gen Z but it is less the case for Millennials of whom only one third consider that having made good use of their abilities is key to deem their lives as successful. Nevertheless, they rank this item 6 out of 15 criteria, showing that it is still a value that matters to them.

Exhibit D.1.2 - 4 - Made a good use of your physical and intellectual abilities- % by age category



Owning a beautiful house in their dream location is a key element to considering their life as being a successful one for 34% of the Millennials and 29.3% of Gen Z. For Millennial it comes in their top five criteria defining a successful life, while for other generations it remains significant but less

important especially for the Boomers. Moreover, the question regarding the goods and services in which Americans project themselves ("If money was not an issue which are the five goods you would preferably spend your money on?") shows that overall the house is still very much representing the American Dream with "A beautiful house in your dream location" ranking N°1 in three each age brackets out of four, their scores very close to 60% (and quite consistent with the data from the survey Monitoring the Future), Boomers are rating this item a little lower.

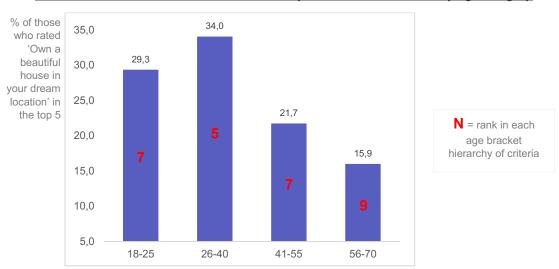


Exhibit D.1.2 - 5 - Own a beautiful house in your dream location- % by age category

So overall, while achieving a satisfying personal life (happy marriage, a nice circle of family and friends, and one or more children) is what mostly define a successful life for Americans, the key elements pertaining to the American Dream are also very important to them for assessing their success. Work is still a central value; living up to Adams' principle that defines the American Dream as fostering equal opportunity based on people's abilities, by making a good use of them is clearly an indicator of success. This is among the five most important criteria defining a successful life for three age brackets out of four; Millennials value this criteria less but still rank it relatively high in criteria defining success. My research also confirms that home ownership is still the number one dream for Americans.

This measure would not be complete without asking the participants their belief about the chance they have to achieve or to have achieved a successful life (using Likert-scales from 1 to 6). Taken as a whole, participants show a good level of optimism about their chances to succeed in life, the most positive generations being the Boomers.

An ANOVA was performed on this question, showing that overall the effect of age is significant to the level of optimism in achieving a good life: F(3,804)=4.319, p < .01.

Nevertheless, Bonferroni multiple comparison procedure revealed significant differences between age groups 1 (4.22) and 4 (4.61) (p<.01), which indicates that the effect of age is very progressive and is very significant only between the two extreme age brackets.

4,65
4,60
4,55
4,50
4,45
4,40
4,35
4,30

Mean Chance to achieve a good life

Exhibit D.1.2 - 6 - Belief in the chance of achieving a successful life by age

On this type of measure a finer way to analyze the results is to look at the proportion of respondents who show moderate to extreme optimism: Gen Z tend to be the least optimistic, with 75.8% of them who think they will be successful in their life as compared to 85% for Boomers, but also with a greater proportion of them who moderately believe in it (35.4% for Gen Z vs. 24.6% for Boomers), while Millennials fall in between and while on average they show less optimism than Gen X it is interesting to notice that there is a higher proportion of them being very optimistic than that of Gen X (see Exhibit D.1.2 – 7).

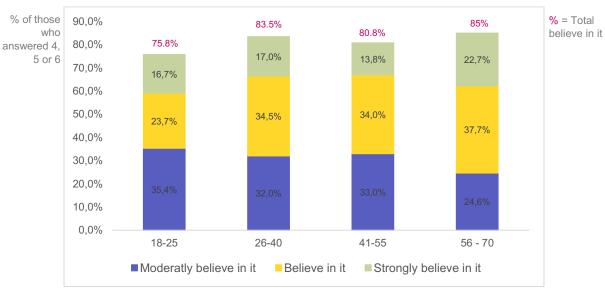


Exhibit D.1.2 - 7 - Belief in the chance of achieving a successful life by age

Rate the extent to which you believe you have a chance to achieve or you have achieved a successful life (1 being you do not believe in it at all, 6 being you strongly believe in it).

Overall, on the question of the successful life, my research demonstrates that the key elements defining the American Dream are also those which, for Americans, define their success in life, thus confirming the relevance of this concept today. Moreover, it shows that all generations are confident in their ability to achieve it or to have achieved it, thereby validating research proposition 1.1.

Nevertheless, it is important to highlight that the Millennials values, without being totally off, set this generation apart from the preceding and following ones: they do not seem to value work as much as other generations, they believe less in the idea that it is key to make good use of one's abilities but they are even more attached to the acquisition of the house of their dreams than the other generations.

The following chapter will examine results allowing to evaluate the validity of research proposition 1.2. It focuses on Millennials and Gen Z, with the aim of assessing how the particular circumstances under which they grew up and started their professional lives may affect their relationship with status and the way to display it.

# D.1.3 Proposition 1.2

Expanding on proposition 1.1, proposition 1.2 deals with at a key element of the American Dream, that of home ownership and its probable delay for a good part of younger generations. Except with Boomers for whom charity spending is coming first, home ownership remains Americans' number one dream; nearly 60% of the sample say that they would prioritize spending on a beautiful house if money was not an issue.

As my research proposition states that for the younger generations the acquisition of the ideal home which will allow them to assert their status may be delayed due to both student loans payments and tougher economic conditions, they will tend to show their success through the acquisition of more affordable luxury products than home or luxury cars. The two questions used to explore this matter are the following:

- If money was not an issue which are the five goods you would preferably spend your money on?
- Now and/or in the foreseeable future, which are the five goods or services on which you are likely to spend your money?

Respondents were offered to choose from twenty one items, products and services, including two alternatives "I would not spend on luxury", or "I would donate to charities or spend on philanthropy". Chi square tests were performed in both cases. For the first question, age is significant only for seven items:

```
· Luxury car
                                               chi-square 8.086, p < .05
· Luxury apparel
                                               chi square 44.41, p<.001
· Luxury accessories
                                               chi square 18.489, p <.001
· Luxury watches
                                               chi square 8.934, p < .05
• Exclusive sports/ Fitness club membership
                                               chi square 14.214, p < .01

    Luxury Cosmetics and Fragrances

                                               chi square 16.895, p = .001
· I would not spend on luxuries
                                               chi square 12.798, p < .01
• I would donate money to charities
                                               chi square 11.342, p = .01
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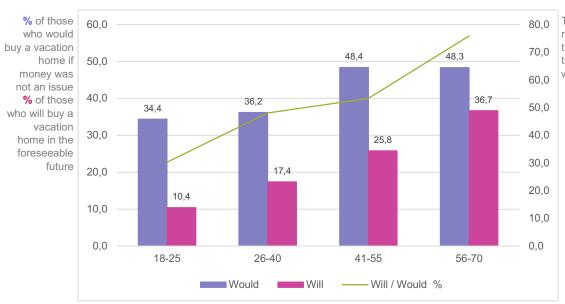
While for the second question age is significant in almost all cases except for Luxury cars, A boat/a yacht, Fine Wines and Spirit, Antiques and Fine Arts:

· Vacation Home	chi square 10.441, p<.05
• Boat/Yacht	chi square 8.053, p<.05
• Luxury travel	chi square 8.090, p <.05
· Luxury apparel	chi square 27.2 p<.001
· Luxury accessories	chi square 15.667, p=.001
<ul> <li>Luxury watches</li> </ul>	chi square 12.069, p < .01
<ul> <li>Frequent Gourmet restaurant dining</li> </ul>	chi square 16.698, p=.001
<ul> <li>Regular upscale spa visits</li> </ul>	chi square 17.077, p=.001
• Exclusive Sports/ Fitness club membership	chi square 13.512, $p < .01$
· Luxury jewelry	chi square 18.103, p < .001
<ul> <li>Luxury/Designer furniture</li> </ul>	chi square 12.310, $p < .01$
The latest hi tech equipment	chi square 13.491, p < .01
· Luxury Cosmetics and Fragrances	chi square, $p = .001$
<ul> <li>A beautiful home in your dream location</li> </ul>	chi square 9.272, p $< .05$
• I would not spend on luxuries	chi square 19.501, p <.001
• I would donate money to charities	chi square 14.989, p <. 01

What may explain such a difference is that, in the first case, the question is an hypothetical one (If money was not an issue...), the most discriminant factor in the way people project themselves in potential fortune is probably not linked to their age but possibly to factors such as education, social environment and character. On the other hand, the second question is much more concrete (now or in the foreseeable future on which products are you likely to spend), then age is necessarily a factor as its plays a major role in both lifestyle and disposable income, and therefore determines priorities.

In order to validate my proposition, I focused my analysis on Groups of those who are most concerned with status (group one plus group two). In this group on average almost 48.4% of those who say they would buy a house if money was not an issue declare that they will actually buy a house in the foreseeable future, Millennials and Gen Z achieving a somewhat higher proportion with respectively 51.6% and 52.5% of those dreaming of a house planning on buying one in the foreseeable future. This slightly above average rate may be explained by the fact that older generations most probably already own their house and are therefore less likely to plan on buying one. What they will do in greater proportion than younger generations is to buy a vacation home, which tends to support the previous explanation. The younger generations, on the other hand, are much less likely to be able to consider this purchase. (see exhibit D.1.3 -1).

Exhibit D.1.3 -1 - A vacation home

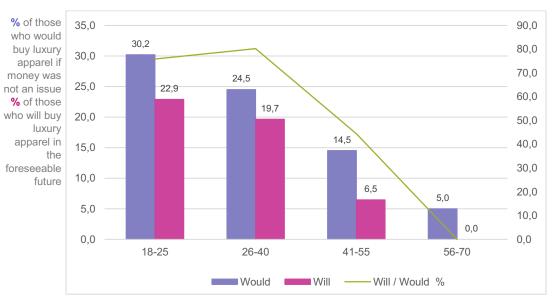


Transformation rate = % of those who will / those who would

So overall, will younger generations who are concerned with their status end up buying more other luxury goods as about half of them will not buy the house they dream of owning?

Gen Z are the ones who are the most interested in luxury apparel. With 24.7% of the total sample who would spend money on this category if money was not an issue, this category is part of the top five ones for Gen Z, while it ranks 8<sup>th</sup> for the Millennials. In the status oriented group an even greater proportion of Gen Z and Millennials are drawn to luxury apparel, and a good proportion of them declare that they are likely to buy some in the near future, while not only the older generations have much less interest in this category, but even among those who had some, a majority will not spend money on such products (see Exhibit D.1.3 -2 below)

Exhibit D.1.3 -2 - Luxury Apparel



Transformation rate = % of those who will / those who would

Although there is a smaller proportion of Gen Z and Millennials originally declaring that they would spend preferably on luxury accessories than on apparel, 100% of Gen Z and 107% of Millennials who expressed their interest in accessories in the first question intend to make such purchase. Even though the reign of the "it-bag" prevailing at the turn of the century seems to be over, this can be explained as accessories are probably more visible (often time bearing logos) and therefore more susceptible to convey the desired status than apparel is.

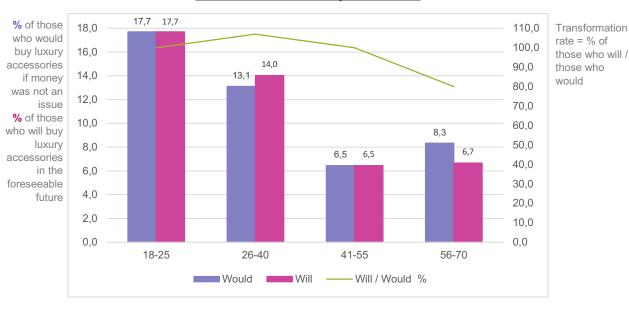


Exhibit D.1.3 -3 - Luxury Accessories

While 100% of the status oriented Millennials for whom a luxury watch is an important purchase intend of buying one, 75% of Gen Z will actually make the purchase, the proportions are far greater for jewelry with 133.3% of Gen Z and 115% of Millennials motivated in spending on luxury jewelry who declare they intend to buy some in the foreseeable future.



Exhibit D.1.3 - 4 - Luxury jewelry

rate = % of those who will / those who would

If in the category of fine wine and spirit (more affordable than previous categories), in all generations the proportion of those who will spend on the category tend to match or exceed that of those who would do it if money was not an issue, Millennials are ahead of all with almost 20% more of them who intend to buy wine and spirits than those who would buy it if money was not an issue. But, it is in the luxury cosmetics and fragrances category that Millennials really stand out far exceeding the importance initially given to this category with almost twice as many of them planning on buying in this category as compared to those who initially declared that they would spend in it.

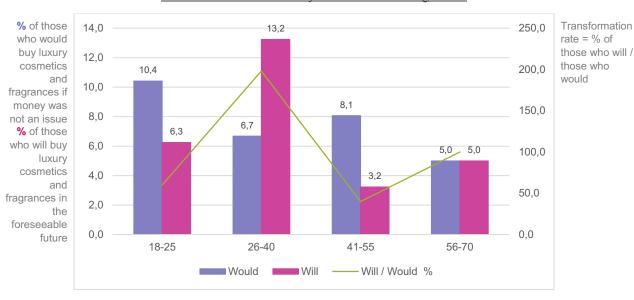


Exhibit D.1.3 - 5 - Luxury cosmetics and fragrances

Gen Z are much less motivated by cosmetics and fragrances and much more by the latest hi- tech equipment than any other generation with 7.7% more of them intending to buy hi-tech equipment than those who put it in their top five.

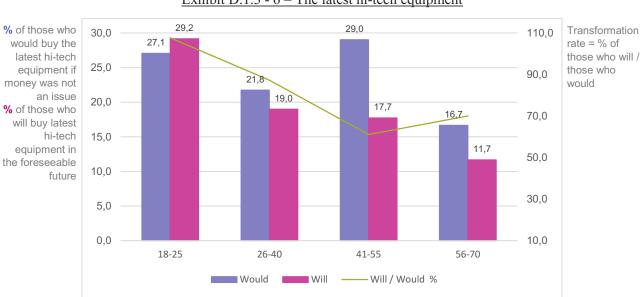


Exhibit D.1.3 - 6 – The latest hi-tech equipment

66

Another question brings additional light to the results above that on pleasure derived from personal luxury products: "Regarding the purchase you recently made or one you intend to make in the near future, rate from 1 to 6 the pleasure / enjoyment you derived or will derive from...". There were nine possible choices among which, "Wearing a recognizable product or brand", "Wearing an exceptional product that few others own", and "Sharing your purchase on social networks".

A MANOVA test was performed on this question confirming that age has an effect on the pleasure derived from the different characteristics of luxury products. Roy's Root = .163, F (14, 798) = 14.437, p < .001.

While 40% and 60% of the participants deriving some kind of pleasure from wearing a recognizable product or brand, it is clear that Millennials and to a lesser extent Gen Z are deriving far more pleasure than older generations from wearing a recognizable brand.

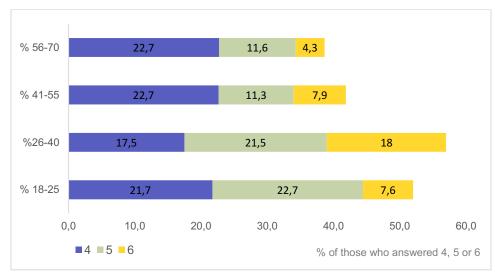


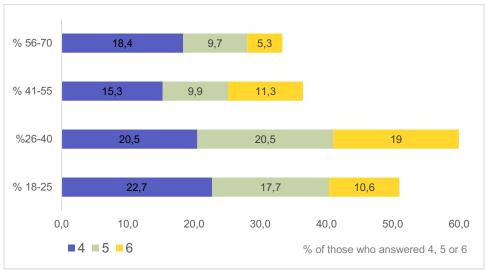
Exhibit D.1.3 – 7 – wearing a recognizable brand or product

Total sample - 4 to 6 from average pleasure to a lot of pleasure

Bonferroni multiple comparisons revealed significant differences for all age categories, except between the two oldest ones and the two youngest ones (1 is the youngest age category, 4 the oldest one). In other words, with regards to wearing a recognizable brand, there are really two groups which have very different attitudes Millennials and Gen Z on one side and Gen X and Baby Boomers on the other.

Not only the brand or the product are important to younger generations (Millennials Gen Z), the rarity of the product that will set them apart from others provides pleasure to a far greater proportion of them than that of older generations. (see Exhibit C.1.3 - 8).

Exhibit D.1.3 – 8 – wearing an exceptional product that few others own



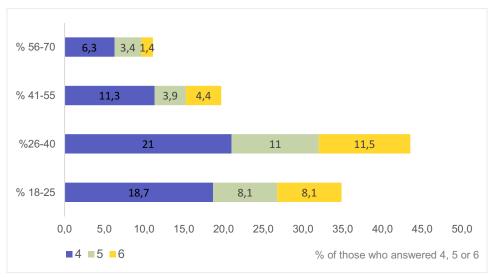
Total sample - 4 to 6 from average pleasure to a lot of pleasure

Bonferroni multiple comparisons revealed significant differences for all age categories, except between the two oldest ones.

- d. 1 vs 2 p < .05
- e. 1 vs 4 p < .001
- f. 2 vs 3 p < .001
- g. 2 vs 4 p < .001

Finally, a much greater proportion of Millennials and Gen Z than Gen X and Baby Boomers enjoy displaying their purchase on social networks (Exhibit D.1.3-9)

Exhibit D.1.3 - 9 – sharing your purchase on social networks



Total sample - 4 to 6 from average pleasure to a lot of pleasure

Bonferroni multiple comparisons revealed significant differences for all age categories, except between the two oldest ones.

These results show that younger generations are experiencing much pleasure from buying recognizable brands or products and rare ones, and that a good proportion of them also enjoy displaying their purchase on social networks thereby showing their status, which possibly increases their motivation to buy personal luxury products.

The above results show that those Millennials and Gen Z who are concerned with showing their status (a little over 50% of them) will probably be spending proportionately more on personal luxury than they would have if money was not an issue. This is particularly true for Millennials who are proportionately more to intend to spend on most categories of personal luxury goods. Gen Z will focus their purchases on a more limited number of categories like luxury accessories, jewelry and the latest high tech equipment and to a lesser extent apparel. Moreover, both generations overall derive much more pleasure than older generations from recognizable brands and from rare products and more of them enjoy sharing their purchase on social networks which is an additional reason to believe that proposition 1.2 holds true.

### D.1.4 - Proposition 2

Previous research have found that pleasure after prestige and quality was one of the words defining luxury for Americans. In 2016, Kapferer and Michaut's research found that 25.5% of American luxury consumers defined luxury as "Pleasure First" (p. 17).

Research proposition 2 states that the fact that a good proportion of American luxury consumers define luxury as being "Pleasure-First" reflects the fact that status is very important to them, therefore the purpose of this section is to explore the possible relationship between the pleasure derived from the status dimension of luxury.

In order to investigate the notion of pleasure linked to luxury, I limited the scope of this research to that of personal luxury purchase (as different personal luxury purchases allow for similar and consistent experiences on both shopping and products dimensions) and focused on the following questions:

- Think about a personal luxury product you recently purchased for yourself, or just think about going shopping for luxury in a physical store. Please describe the enjoyment / pleasure you derived or will derive from the following
- Regarding the purchase you recently made or one you intend to make in the near future, rate from 1 to 6 the pleasure / enjoyment you derived or will derive from the following

For each of them there were a number of items to evaluate in an attempt to cover thoroughly the shopping experience and products' characteristics.

Prior to exploring the relationship between pleasure and status it is first interesting to look at scores on pleasure derived from the shopping experience and the product. Establishing an "overall pleasure score" by averaging the scores given to all items in both instances, though not very meaningful in itself, allows to have a first feel of the results which can be summarized as follows: Americans, across all age categories derive more pleasure from personal luxury products than from luxury shopping, but the average pleasure scores are not very high (see Exhibit D.1.4 - 4).

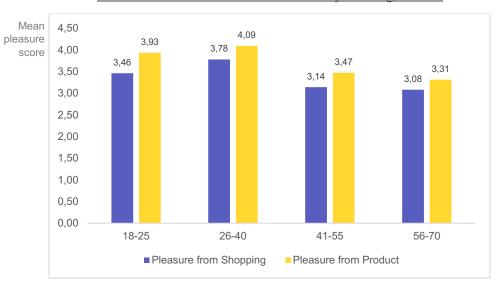


Exhibit D.1.4 – 1 – Pleasure from Luxury- Average Scores

This exhibit shows that pleasure scores reported by Millennials and Gen Z are higher than those reported by the older generations. Results exhibited earlier showed than Millennials and Gen Z are far more concerned with showing their status than older generations, so the first results on pleasure seem to indicate that people who have a greater need for status are the ones deriving the most pleasure from personal luxury, thereby being consistent with the research proposal.

In order to further investigate the tendency detected above, I compared the global pleasure scores of two groups that were defined earlier Group 1, the status seekers (27.85 % of the total sample), Group 2 the extreme status seekers (12 %) to Group 3 (those who are moderately or not at all concerned by showing their status pleasure scores.

Results for shopping Experience are shown in Exhibit D.1.4 -2

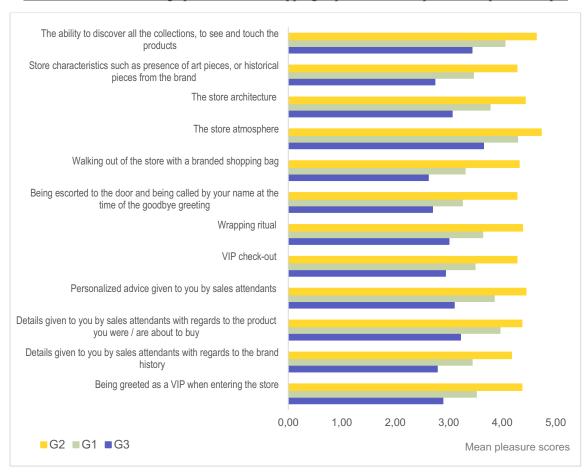


Exhibit D.1.4 – 2 - Average pleasure score shopping experience - Group 3 vs Group 2

A MANOVA test was performed that confirmed that group belonging has an effect on pleasure derived from shopping experience: Roy's root = .225, F (12, 795) = 14.930, p < .001 Furthermore, Bonferroni multiple post-hoc comparisons revealed significant differences for all groups at p < .001 on all variables.

As a result it is safe to say that pleasure derived from the shopping experience, regardless the aspects, is much higher for the group that is the most concerned by showing their success. It is clear that for Group 2 (the extreme status seekers) the aspects of the luxury shopping experience that are in themselves enhancing status ("VIP greeting when entering the store", "personalized advice from sales attendant", "VIP check-out", "wrapping ritual", "VIP goodbye greeting", "branded shopping bag") show an even greater average increase. For Group 1, it's the case only for "personalized advice" and for "branded shopping bag".

The same comparison was made regarding pleasure derived from product shows similar results, with a wider gap between Group 3 and Group 1 than that between Group 1 and Group 2 (see Exhibit D.1.4-3).

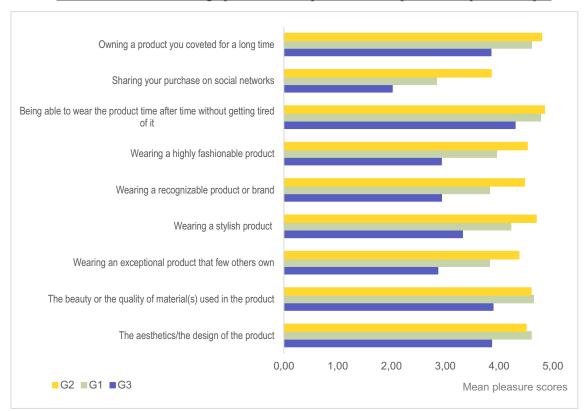


Exhibit D.1.4 – 3 - Average pleasure score product – Group 3 vs Group 2

A MANOVA test was performed that confirmed that group belonging has an effect on pleasure derived from the product: Roy's root = .281, p (9, 798) = 24.942, p < .001

Furthermore, Bonferroni multiple post-hoc comparisons revealed significant differences for respectively Group 1/ Group 2 vs Group 3 at p<.001 for all items except for "Wearing an exceptional product that few others own", "Wearing a highly fashionable product" at p<.01, and "Being able to wear the product time after time without getting tired of it" at p<.01 for Group 2 vs Group 3.

Here again such items as "wearing an exceptional product that few others have", "wearing a highly fashionable product" and "sharing my purchase on social networks", describing status related aspects of the product purchase are providing even greater pleasure to the group highly concerned with displaying their status, while the differences between group scores are smaller on such items as "wearing the product time after time without getting tire of it" and "owning a product you coveted for a long time", and "the aesthetics, the design of the product".

To further this analysis I looked at some of the specific scores regarding the shopping experience or the product experience, from the perspective of the percentage of people who gave this items scores above 3, looking respectively at the lowest and largest gaps between scores. These results show that on average there are 45% to 70% more people in Group 1+2 who give a score from 4 to 6 to the pleasure derived from shopping experience than there are in the group that are less concerned by status (G3) (see exhibit D.1.4-4 and D.1.4-5)

Exhibit D.1.4 - 4 - The ability to discover all the collections, to see and touch the products

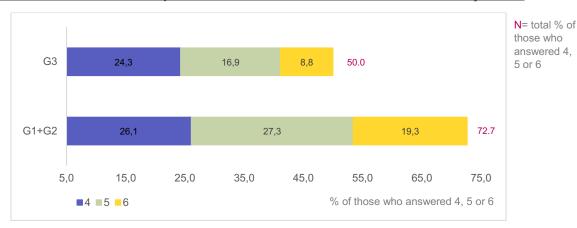
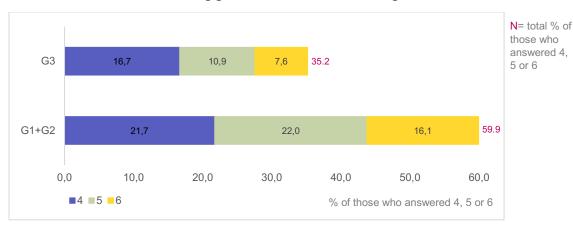


Exhibit D.1.4 -5 – Being greeted as a VIP when entering the store

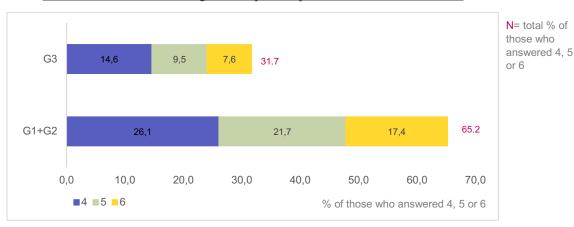


On product experience, there is a much wider gap between the group of status seekers (G1 + G2) and the one that are less concerned by status depending upon the criteria with on average 30 to 100% more people in Group 1+2 who give a score from 4 to 6 to the pleasure derived from product experience than there are in G3. The highest scores are to be found on criteria that enhance status (see examples in Exhibit D.1.4 – 6 and Exhibit D.1.4 – 7).

Exhibit D.1.4 -6 – The aesthetics/the design of the product



Exhibit D.1.4 -7 - Wearing an exceptional product that few others own



The results above show that people are all the more likely to derive pleasure from luxury that they are concerned by showing their status. Moreover, the gap between the proportion of those in the status seekers group (G1 + G2) vs people much less concerned with status (G3) who give a score from 4 to 6 to an item is greater when it is an item that strengthens status (rarity, visibility of the brand, displaying purchase on social networks), than when it is an item such as aesthetics or quality.

These results demonstrate a strong relationship between the pleasure derived from personal luxury shopping and personal luxury products and the attitude with regards to status, with the proportion of status seekers who derive pleasure from luxury being far greater than that of other people. Moreover, the experience and product characteristics that enhance status tend to bring pleasure to an even greater proportion of status seekers. So when luxury is defined as "Pleasure-First", it is safe to say that it may mostly be due to the status it provides and that proposition 2 is verified.

The quantitative research has allowed to demonstrate that the American Dream is still very vivid for Americans and that home ownership remains the number one possession Americans dream of. Contrary to many articles questioning the relevance of this concept to younger generations, they nonetheless believe in it and remain optimistic with regards to their future. If they may not be able to afford a beautiful house in their dream location in the immediate future, Millennials and to a lesser extent Gen Z, will most probably spend more on personal luxury goods than they would have otherwise.

Finally, the research shows that pleasure derived from luxury is very much linked to status. Since the status-seekers are mostly younger people, 62.1% of them being Millennials or Gen Z, the soon to be dominant demographic groups in the US, the quantitative research highlights a positive future for luxury in this country, but there remain the need to clarify how they envision luxury.

#### D.2 Manufacturers' Point of View

The exploration of luxury in America through the prism of Tocqueville's analysis would not be complete if it did not refer to the pages devoted to what he called the culture of the arts and, by this, one understands that he meant the word art broadly defined from "arts and crafts" to "fine arts", which in the context of the early 19th century is not surprising. Indeed, the industrial revolution was at its early stage in Europe when Tocqueville's work was completed, and it had not yet completely transformed production of consumer products such as furniture or clothing. Aristocrats ordered their furniture from the best cabinet makers, their clothes from the best tailors or milliners (and so on) and these craftsmen/women were considered as true artists. This part will first briefly outline Tocqueville's depiction of how democratic societies shape a production system that is radically different from that of aristocratic societies. Then, relying on both a desk research and the results of the interviews conducted since the beginning of 2021 (see list of interviewees in Appendix 5), it will outline how Americans, moving away from the European influence, created their own luxury industry in order to meet the domestic demand. It will then describe different ways in which American luxury developed. Finally, by injecting results of the quantitative surveys it will show that current consumers' attitudes, though probably quite different from that of the 19th century Americans, retain some of their characteristics, thereby confirming the relevance of Tocqueville's analyses with regards to consumers' behaviors and showing that the way the industry structured itself fits consumers' demand.

# D.2.1 Theoretical Background

The first chapter of this thesis emphasized the way Tocqueville described Americans and their endless quest for well-being through material possessions. To him the consequence of such behaviors was that "the universal desire for well-being and the constant effort deployed by all to reach it, result in the predominance in man's heart of a taste for the useful over that for the beautiful" (Tocqueville, Volume II, Book I, Chapter 11), so to him democracies give a priority to arts that make life easier over those that make it more beautiful, and ultimately people want the beautiful to be useful.

In aristocratic societies, working in what Tocqueville calls "arts" was a privilege; there were lineages of artists and artisans and they end up constituting professional bodies with their own rules and more important their own pride. So in Aristocratic societies, the objective of arts and crafts was to manufacture the best possible products and not to produce them quickly at the lowest possible price. On the other hand, wealth and power being concentrated, only relatively few people had access to any goods beyond necessities. Aristocrats always displayed the same needs in the same way and developed a taste for well manufactured and durable goods. As a consequence craftsmen worked "for a limited number of buyers who are difficult to please. The profit they expect from their work mainly depends on its perfection" (Volume II, Book I, Chapter 11). In these societies one could often see peasants who would rather not buy anything than acquire imperfect objects. So what Tocqueville outlined is that the aristocratic heritage is one of beauty and quality (in the sense of the attention paid to the way products are designed and manufactured). Here he

very acutely described the European culture of luxury which comes from the aristocratic legacy, a society that promoted values of excellence on the manufacturing side. Moreover, this culture penetrated the lower social classes with people developing a taste for high quality goods.

To this Tocqueville opposed the situation of democratic societies in which every profession was open to anybody and every worker depended upon himself, seeking to make as much money as possible, being limited only by consumers' demand. On the other hand, in these societies people's fortunes went away as fast as they were built and as a consequence there existed a great number of citizens whose aspirations were way above their financial resources and "who would willingly consent to be incompletely satisfied rather than completely renounce the coveted object" (Tocqueville, Volume II, Book I, Chapter 11). As artisans shared their clients' behaviors they understood them perfectly and while in aristocracies they were striving to sell very expensive objects to few people, in democracies the best way to thrive was to sell affordable goods to all.

Tocqueville, reasoning as an economist, explained the implications of the above, namely that in order to reach the lowest possible price there are two possible approaches: to improve production techniques, or to opt for mass production of standardized products. As a consequence in democratic societies, workers strived to invent ways to work faster and to reduce costs, and if they did not succeed in doing so, they undertook to manufacture lower quality objects still meeting the use people intend to make of them. Taking the example of watches, he noted that in the past they were reserved for the elite and were of excellent quality; in his time already many people could acquire them and therefore one could only find mediocre quality watches. He concluded: "so democracy not only tends to direct the human mind towards the useful arts, it leads craftsmen to produce many imperfect things quickly, and the consumer to be content with these things". And finally, "the craftsmen who live in democratic centuries do not only seek to make their useful products available to all, they also strive to give them brilliant qualities that they do not have" (Tocqueville, Volume II, Book I, Chapter 11). What Tocqueville outlined in this chapter is key to understand the way in which American luxury developed.

It would be beyond the scope of this thesis to thoroughly research the history of American retail and/or consumer products manufacturing but it is needed to take a quick glance back at it. Even though department stores started to operate in the US in the second half on the 19th century and at the turn of the 20th century: Macy's – 1858; Bloomingdale's – 1861; Neiman-Marcus – 1907 (sources: corporations' Wikipedia pages), back then the wealthiest Americans would still travel to Europe and buy most of their wardrobe there, as recounted by Edith Wharton's work depicting the American upper-class (*The Age of Innocence*, *The House of Mirth*). Indeed, department stores and their catalogs in which people ordered products testified to "a more quantitative than qualitative taste, [they display] an accumulation of products described as luxurious which are essentially copies of style, like European products of the same period" (Remaury, 2002, p. 54, ad. lib translation).

Remaury's analysis confirms Tocqueville's one: the consumer's culture that has developed in the United States, unlike the one inherited from the aristocratic tradition, was not that of saving money

in order to later acquire a high-quality product, but rather that of acquiring without delay the object corresponding to one's desire at the price one is ready to pay for it. Furthermore, Americans were willing to accumulate all the possessions which seemed essential to their well-being even if it meant buying objects with questionable qualities and Remaury's depiction of the early retail development in the US testify of the retailers' efforts to match consumers' expectations.

The question is whether what was valid in the 19th century and at the turn of the 20th century remains valid today and how it impacted the development of American luxury.

# D.2.2 The American Luxury Industry

### D.2.2.1 From European Luxury to American Luxury

As mentioned earlier, department stores and catalogs started to be develop in the US as early as the second half of the 19<sup>th</sup> century. This emerging retail system did not then cater at the expectations of the upper well-educated classes who kept turning to Europe when looking for what to wear or how to decorate their homes. These attitudes raised critics about the "the subjection of American society to imported cultural models", while those who did buy from local stores were mocked for "the inveterate taste for forgery and copy, a nouveau riche taste based on simulacrum and theatrical accumulation" (Remaury, 2002, p. 55, ad.lib. translation).

Indeed, it took a long time for Americans to break the ties with Europe, become autonomous and develop their own American taste. This taste claims a specific aesthetic based on an original style inspired from the first settlers' simplicity or the bare beauty of engineers' work and is therefore based both on values of modernity as well as the nostalgia of a golden age when America was still in infancy. Remaury stresses that this veneration of the archaic is still very present in American luxury and, as an example, he mentions the Ralph Lauren brand which set up a trapper's room on the top floor of his Madison Avenue's building. With regards to status, Remaury's analyses confirm what has been exposed in the theoretical part of this thesis which is that it is because America is classless that to signal one's rank is crucial. To go further he points out the two main ways Americans choose to display status, that of the self-made man exemplified by the Great Gatsby, showing his success through abundance (a huge house, extravagant parties with an abundance of food served and so on). Other such examples can be found in popular culture with series such as Dynastie or Dallas. To this attitude can be opposed the Old Money's way, more discreet, with Jackie Kennedy as "an emblematic figure of the WASP chic" (Remaury, 2002, p. 57, ad.lib translation), but whichever way success is displayed, "it is always luxury that is at the heart of the rhetoric of class distinction [in the US]" (ibid, p. 58).

Despite the size of the American market, the existence of a few historic high awareness brands (Tiffany, Estée Lauder, Coach, Cadillac, Ralph Lauren, etc.), a great number of less known brands (Oscar de la Renta, Proenza Schouler, The Row, David Webb, and so on) more recent successes of affordable luxury brands (Michael Kors, Tory Burch, Kate Spade, and so on), and the growing interest in the luxury sector from the media and academics, it appears that there is still little research

around the development of this segment of the American industry. Indeed, "even the most perfunctory review of the literature on luxury fashion business soon identifies that the majorities of the studies and brand cases that have been written are focused upon French companies" (Doyle & Moore, 2018, p. 66). Both researchers found that American luxury brands appear in only four academic publications as compared to twenty-six for French brands and fourteen for Italian ones (ibid, p. 72), only British Brands being behind them and this confirms my own research. So in this part, I will elaborate on a research I had made for an article written in 2014, following information on the growing success of both Coach and Michael Kors with young Asian and European consumers. Despite European brands' tendency to brush off such competition as not fully legitimate, it is clear that there is a need for a closer analysis of American brands' strategies, as not only are they considered as luxury brands by many Americans, but they are being successful on international markets and increasingly competing with European brands.

Top of mind luxury brands' awareness in the US has seen some noticeable evolutions in the past ten to fifteen years, and what is remarkable is that "Americans put Coach ahead of Chanel and Louis Vuitton" and that in the same ranking in 2013 Michael Kors "is not far from Hermès" (Jubin, 2014). It would be too short an explanation to consider national pride as the sole reason behind this performance and not to look into the reasons which allow these brands to be so strongly associated with luxury in Americans' minds.

Looking at brand awareness (therefore the consumer's point of view) allows to see only one side of the story, looking at the manufacturer's point of view, topping desk research with interviews of different luxury professionals, shows that in reality different models cohabit in the US. One model is reflected in the brands' awareness mentioned above (which I will refer to as the Tocquevillian model), a few sizable corporations with an international footprint and selling high awareness brands, and another one, harder to circumscribe, includes niche brands if not purely regional brands, some of them having fairly long standing history. The following sections will briefly present the Tocquevillian model making a parallel with European structures, then attempt to describe the alternative models.

### D.2.2.2 The Tocquevillian Model

As early as the 19th century, and though this vocabulary did not yet exist, Tocqueville described American craftsmen as marketers: they were considering consumers as a group of potential customers and were aiming at providing them with the products they were expecting at prices they would be willing to pay. So, it is clear that one of the fundamental traits of American luxury corporations is that, unlike European luxury companies (which started to incorporate marketing departments to their structures in the 1990s), they had put consumers at the heart of their strategies early on, while creation was at the heart of European houses' strategies. Moreover, if the European brands, which for many of them, have a very long standing history, build their story telling on heritage, since inception most American brands have adopted a story telling that appeal to their audiences. For example, Ralph Lauren "sells Americanity, but it is a very particular Americanity, that of the east coast of the United States, New England and Massachusetts" (Hetzel, 2002, p. 63,

ad. lib translation). The Michael Kors brand's story telling is that of jet-set, Michael Kors is known for dressing celebrities as diverse as Nicole Kidman, Michelle Obama, Angelina Jolie or Jennifer Lopez to name just a few (source: Michael Kors' Wikipedia page). So these two brands, cater at the two groups mentioned earlier, those whose fortune is, in many instances, recent who project themselves in the jet-set lifestyle and those who'd rather embrace the WASP's one. Both Ralph Lauren and Michael Kors also sell their own personal stories that of self-made men who built fashion empires without having been trained in fashion schools, the type of story that appeal to most Americans. In the middle stands Tiffany which is "the only true luxury brand (in the European sense) that exists in the US" (I.7). As it is part of the small group of luxury brands which originated prior to the 20st century it shares the notion of heritage with European brands and, as such, stands apart from most other American luxury brands. Nevertheless, in the past twenty-five years the brand has put less emphasis on high-jewelry and adopted strategies similar to that of other American brands, in the sense that it developed more accessible lines offering an increasingly wider range of silver jewelry and affordable gifting products (I.7).

The three brands mentioned above represent a good example of the Tocquevillian model, making luxury affordable to a wide public, to that aim they have chosen to "manufacture in large quantities objects that are roughly the same but of lesser value" (Tocqueville, Volume II, Book I, Chapter 11). While this has been a fairly recent strategy for Tiffany, a great number of younger brands have adopted a model that is based on accessibility. Accessibility does not only mean offering affordable products, but also making them accessible in the physical sense, therefore developing a wide distribution network. So the main characteristic of this model is to base brand development on retail development. This has been a very effective model for brands such as Ralph Lauren, Coach, Michael Kors, Kate Spade, Tiffany...

The oldest representative of this segment, Tiffany, started as a retailer in 1837, "however, it was not until 1878 that the link between Tiffany jewelry and the world's finest diamonds was firmly etched into the history books" (Anderson, 2016) a period when it started focusing on selling its own creations, but its initial culture is that of retail. Among the oldest brands, Coach (launched in 1941) did not become a retailer until the late 1970s when it launched its mail order business and opened its first store in Manhattan (Anonymous, Coach, Inc. - Company Profile, Information, Business Description, History, Background Information on Coach, Inc., n.d.). Among this group as well, Ralph Lauren launched in 1968, opened its first store in Beverly Hills in 1971, while adopting also a franchising strategy (Anonymous, 2004, History of Polo/Ralph Lauren Corporation) as it allowed for a quick development of store network for the brand. At the time this retail strategy was not welcome by the traditional department stores network from which it was taking business, but it proved to be a good one and has served as a model to a number of more recent brands (Michael Kors, Kate Spade, Tory Burch...). This model has become so prominent that "most smaller existing brands are obsessed with trying to convince a private equity firm to finance their expansion through retail development and the measure of success is the number of stores opened in record time" (I.2), this statement echoes another participant's remarks "in the US everything has to go fast, businesses have to expand quickly" (I.7). Most interviewees, unlike consumers, feel uncomfortable to qualify this group's brands as luxury brands, while recognizing

that their marketing approach has, in many cases, allowed them to develop strong images, but "it is marketing, not luxury" (I.1). Tiffany remains an exception as it stays extremely strict on its strategy "No discount, no wholesale, no factory outlet" (I.7) and, as a consequence, although being accessible, manages to keep a luxury image.

While retail has been an intrinsic part of the development of American brands, it was not until relatively recently that European luxury brands embarked on retail development at a global level, Henri Racamier (Odile Vuitton's husband) was the one paving the way for this new strategy, in the late 80s, when he took over the family business. Later developments along this model were made possible by the industry concentration occurring from that period on. If retail is now a crucial dimension for most personal luxury brands the way it plays out is not quite the same depending on the corporations' capital structure and managerial approach, with European houses following a much more selective approach than American brands. This reflects in the fact that the latters' stores networks are much larger than those of the former (see Exhibit D.2.2.2).

Exhibit D.2.2.2- Comparison of global store networks for major American and European brands

	Chanel	Ralph Lauren	Hermès	Coach	Louis Vuitton	Michael Kors	Cartier	Tiffany
Asia	94	132	127				138	175
Europe	70	94	111				53	49
North America	128	230	41				30	106
Rest of the World	18	74	32				52	67
	310	530	311	960	460	839	273	397
Sources	Wikipedia	Ralph Lauren Annual Report 2020	Hermes.com	tapestry.com	Wikipedia	Capri Holdings Annual Report	cartier.com	Tiffany.com

Because the US is the "cradle of new technologies and expertise was readily available there, and also because most American brands were already running some more or less developed mail order business, they quickly developed on-line stores" (I.7). So American luxury brands in this group sell through multiple channels: their own stores, online and through wholesale channel (mainly department stores). Tiffany stands apart again, selling only through their own stores and online. On the other hand it took a much longer time to European brands to embark on e-commerce. While Chanel hardly sells anything on-line (only fragrances, cosmetics, glasses), Louis Vuitton, Cartier, Hermès sell a selection of their collections and the Kering Group brands such as Gucci, Bottega Venetta or Saint-Laurent are selling all their collections online.

To fuel these very large retail networks and make them profitable, American brands need to put forward a product offer that appeal to broader consumer targets. Having very strong marketing approaches since inception, these brands develop collections aimed at very distinct consumer targets and therefore offer differentiated styles and price levels.

For example, Ralph Lauren has created a variety of different brands, reflecting each specific positioning and featuring different styles and price points,

- Luxury: Ralph Lauren Collection (women very high end ready to wear), Ralph Lauren Purple Label (High-end men's suit and sophisticated sportswear), Double RL (A tribute to American pioneering spirit), Ralph Lauren Home, Ralph Lauren Watches and Fine Jewelry.
- Polo Ralph Lauren, (the Ivy League style for both men and women), Polo Ralph Lauren Children.
- · Lauren, Ralph Lauren for men and women a very affordable line.

As a consequence, on the Ralph Lauren web site, can be found, for example, a dress (Lauren) costing \$100.00 and one (Ralph Lauren Collection) costing \$12,000.00.

Michael Kors launched in 1984 remained a somewhat confidential and very upscale brand for a long time, but "since Michael Kors has gone public [in 1991], the positioning of a lowered, Michael by Michael Kors tiered line, into a global lifestyle brand seems a distinctly different brand proposition" (Singer, 2013). Later, yet another brand, Kors by Michael Kors, was introduced bringing Michael Kors' strategy closer to that of Ralph Lauren. Unlike Ralph Lauren the brand does not sell its most sophisticated and expensive designs on-line which does not allow for price comparisons.

While it did not create different brands, Coach sells, under the same brand, handbags ranging from \$257.00 to \$7,000.00. Similarly, at Tiffany it is possible to purchase a charm for less than \$100.00 and a silver ring for less than \$500.00 as well as the most expensive pieces of jewelry.

Participants to the survey were asked about possible European counterparts of these American brands; for Tiffany, Cartier seems to be the closest, though clearly perceived "more upscale" (I.3), and "with a better approach to collections" (I.7), while another participant made a strong relation between Ralph Lauren's strategy and Armani's pointing out all the different areas in which Armani expanded mentioning "the loss of focus of the brand" (I.6) that resulted from this strategy. Indeed, Armani is one of the only European brands that followed the American path and elaborated a wide offer spanning both different segments and price points (Armani, Emporio Armani, E A7, Armani Casa, Emporio Kids...), others such as Burberry or Hugo Boss have dropped this approach recently. Brands such as Chanel, Hermès, and Louis Vuitton never developed second lines and younger or less wealthy consumers gain access to them through their perfume or cosmetic lines (Hermès recently launched lipsticks) but not through more affordable versions of their core lines which remain true to their luxury positioning.

So if American personal luxury brands which followed the "Tocquevillian model" have achieved high awareness in the US in recent years and many consumers associate them with luxury, their models are quite different from that of their European counterparts, and it shows that for a majority of American consumers luxury may not have exactly the same meaning as for Europeans, "they are above all sensitive to the relevance of the stories they are told and look at the best value for their money" (I.3).

One participant first argued that American brands in this group were not true luxury brands, but quickly added "or if you will they are luxury for the wannabees" (I.5). To him luxury in the US is not so much about brands but "first and foremost about your ZIP code" (I.5), which does not mean that there is no room for brands, but that many American luxury brands remain unknown to a wide audience.

# C.2.2.3 Alternative Models

It is hard to describe all the alternatives to the "Tocquevillian model" as there possibly many different ones. Indeed the "size of the American market allows for small local initiatives to burgeon and thrive while remaining regional" (I.5), and if "most small players, would like to convince a private equity firm to finance their development" (I.2), there are a significant number of rather long-standing brands in several segments of the industry which never embarked on the "Tocquevillian model". In this section, I will highlight a few examples of these alternative models prior to examining, in the following section, other ways to look at luxury that were mentioned by the sample I interviewed and that seem to be fitting more the younger generations of consumers.

In the fashion industry a brand like Oscar de la Renta has been launched in 1965 and is still a family-owned business. Up to in 2004, when the designer appointed his son in law as CEO "the company was a "\$ 650-million business with no stores and quite a number of licenses" (Indvik, 2016); revenues were 96% domestic and "100% wholesale" (idem). It is clear that since the founder died in 2014 the company has been shifting towards a model that aims at developing retail, introducing accessories, and so on. "The plan is to increase revenues exponentially in the next few years. Building up handbags and shoes is a big focus" (Iredale, 2019). So while, until the designer's death, the company retained a model that was very much one inherited from the 60s based on licensing to grow revenues, it is undergoing profound transformations and it will be interesting to follow how its strategy further unfolds. Will it be crossing the line to embark on the "Tocquevillian model"?

There are a number of other small to mid-size corporations in the American high-end fashion business (Rodarte, Proenza Schouler, The Row, Zac Posen, Rick Owens, Marchesa...), with revenues ranging from the tens of millions of dollars to less than two-hundred million dollars, and if, for some of them remaining niche may be a deliberate strategy, others are probably among those who are seeking financial partners in order to further develop. Indeed, in a situation in which, distribution networks such as department stores are not performing well, and on a segment in which retail sales still represent more than 60% of the sales (Anonymous, digitalcommerce360, 2020), among smaller brands, only those who possess strong digital communication skills and are able to run flawless on-line boutiques may build a viable business, while on other segments the option of going fully on-line can prove to be the best one.

It is the case for RGM, a totally independent brand that creates and manufactures high quality watches in Pennsylvania and that is possibly the only luxury watch brand made in the USA. Launched in 1992, the company endeavored to sell its products in the watches traditional

distribution network, just to find that it was not a good strategy; it withdrew from the stores that represented it in the United States and now sells directly on-line. "In the end, we reduced production and increased our margins. With the advent of the internet, we have really grown, especially thanks to the impact of social networks and the support of specialized blogs" (Maillard, 2019). So this clearly shows a model that has been made possible by new technologies and applies well to such a segment in which there are quite a few connoisseurs to be found, many of whom do not need to see and touch the product prior to buying it.

There are a number of jewelers that operate in a similar fashion, with no or very few stores. For example, Verdura is a high jewelry brand which history traces back to the 1930s and gained its reputations from by being the Hollywood stars' jeweler. Ward Landrigan acquired it in the early 80s and it is now run by his son. It sells on-line but offers appointments to its studio in NYC for the most expensive purchases. The brand is distributed in six jewelry stores in the US, one in Toronto and one in London. So its strategy is clearly to remain very exclusive. There are other heritage brands, such as are David Webb and Oscar Heyman which are still family-owned and display similar positioning and strategies. More recently other brands appeared such as Martin Katz who settled in Beverly Hills in 1988, and Lauren Schwartz in New York in 2000. "These brands are not looking to grow very much, but they build a healthy business by selling unique pieces to a private clientele made of stars and jet-setters" (I.3).

On another segment, that of beauty, there exist a myriad of small cosmetic and fragrance brands that sell exclusively on-line and/or in selected concept stores, it is hard to assess both their strategies and success, though it is clear that some are short-lived (a couple of them disappeared from the web in the few months since I started this thesis). It has been my experience that in many cases the owners' hope is to significantly stand out from other brands so that one of the main industry players might become interested in acquiring the brand.

If the brief description above does not pretend to be an exhaustive analysis of all the alternative luxury models existing in the US it shows that there exist quite a number of corporations on different segments that, for some, have long standing history and are able to develop and maintain a very high end positioning, the size of the market allowing them to thrive, "the time of big is beautiful is over, for these brands their local markets is all they need" (I.5). On top of market size, one element of the American lifestyle is also a factor that allows small luxury players to prosper locally, that of associations' activities. Tocqueville highlighted why democratic societies fostered the creation of associations in order to compensate for the individuals' weakness inherent in the democratic system, "these are the associations that among democratic peoples, must replace the powerful individuals that the equality has led to vanish" (Volume II, Book II Chapter 5). "Wherever at the head of a new enterprise you see the government in France and a prominent Lord in England, expect that you will see an association in the United States" (idem). What Tocqueville described still holds true and associations are key to the development of local social and cultural actions in the US. Private funding is crucial to these institutions as well as it is to political parties; therefore the need for fundraising leads to the organization of numerous social events such as cocktail parties, dinners, balls and so on, which adds to the great number of red carpet events generated by the entertainment industry, all these representing a sizable market and an outlet for many small highend local designers of luxury apparel, accessories, jewelry...

While I just depicted the American luxury offer by looking strictly at personal luxury goods brands, a good proportion of the interviewees evoked other brands and/or segments that, to them, seem to be possibly more significant to what luxury means to Americans today and how it may evolve in the future.

### D.2.3 Toward New Luxuries?

Below are a few verbatim remarks extracted from the survey I conducted:

"Regarding luxury, I think the most important element is the quality of the experience the brand is creating with the purchase and the delivery, then comes the quality of the product. The brand that comes immediately to my mind as a symbol of excellence in all these aspects is Apple with its strong user centric approach" (I.6)

"The definition of luxury is changing, people pay less attention to their image and more to their well-being. Wealthy people are ready to spend money only if it buys them happiness, which includes anything that saves time and makes life easier" (I.5)

Several interviewees mentioned also the "desire for comfort" (I.1, I.5) and the "concern for sustainability" (I.1, I.5 and I.6) especially coming from Gen Z. All the different comments gathered describe a broader luxury landscape including many segments and/or brands which are already or may become the new luxuries.

The "desire for comfort" that is mentioned finds some expression in fashion with street-wear fashion brands elevated to the rank of luxury brands as exemplified by brands like Off-White or Supreme, although they have slightly different propositions. If one is critical of Ralph Lauren or Michael Kors for their marketing approach (marketing being here meant as a dirty word), what about these brands? Supreme, adopting a Hermès-style strategy, is organizing rarity and although more affordable than Hermès, displays price tags that very high for the type of products it offers (much the same products as other street-wear brands). Those who mentioned Supreme declined making further comments on the brand and it is hard to understand what sets it apart from other like brands by just looking at the products. It would probably take a much deeper analysis, specifically with regards to its on-line communication strategy, to assess the reasons behind its current success and whether it may last or not. Off-White, on the other hand, is surfing on its designer's aura (Virgil Abloh, also designing for Louis Vuitton) and completely extravagant prices; interestingly it mixes a street-wear approach with a more sophisticated one (which seems to remain marginal in its catalog though). With a few differences these two brands have in common to offer comfortable products (bearing logos in many cases). In the same vein, different participants mentioned the sneakers' craze (I.1, I.2, I.5) and Nike is the first brand cited in this category thanks to its collaborations and high-end approach that allows the brand to sell some limited editions at sky-rocketing prices, "sneakers are considered prestigious nowadays in part because people today want to be more comfortable" (Cain, 2019). If one adds the environmental consciousness to this increased demand for comfort, then there are "some brands such as Patagonia or the North-Face which, given their strong and rigorous strategies, may be considered as luxury brands by Gen Z" (I.6). In fact, what various participants noticed is a trend that has possibly been accelerated by the Covid pandemic (and widespread remote working), which is that Americans are dressing increasingly casual and this may have an impact on the entire personal luxury goods segment. Indeed, being dressed casually does not call for the same kind of accessories and jewelry than formal dressing.

A possible extension of the need for comfort, is that for "well-being or happiness" (I.5), in the sense of making life easier and simpler. There are a wide arrays of premium services and products that may answer this need, below are just a few examples:

- Fresh and healthy meals delivered at the door with menus to choose from (freshly.com), or the best fruits and vegetables ready to use (daily-harvest.com), and many others. These services are costly but they save the trips to the grocery store, cooking time, etc. and seem to be acclaimed by wealthy Millennials.
- Private trainers are increasingly preferred to a membership in a gym club for better and more personalized training and time saving.
- Uber has expanded its car service to offer helicopter service and there exist a few other corporations offering exclusive air-transportation services, whether by helicopter or small planes (Blade, Heli NY...) for business or leisure purposes.

In short, there is an "increasing development of all offers related to time optimization, with highly personalized services (door to door delivery, concierge, pick-up, etc.)" (I.5).

The environmental concern is best represented by Tesla's tremendous success, a brand spontaneously cited by different interviewees as one embodying American luxury (I.2, I.5, I.6), "typically it appeals to young managers in the silicon valley where most young successful Asian-Americans own one" (I.6). The environmental concern also favors the development of the sharing economy at the high-end of the business offering consumers to rent rather than purchase products (villageluxe.com, rentherunway.com, beekmannyc.com...), or a blooming offer of second hand web sites (therealreal.com, fashionphile.com...).

Finally, there is a growing demand for the "made in USA" (I.5) and luxury might just become for many people the ability to buy original and unique designs sold by artisans, so the 21st century could well be marked by a revival of craftsmanship, but with all the standards created by new technologies which means that "clients will be very demanding with regards to the way these businesses operate (well-designed websites that can be surfed on all devices, top level services, short delivery times, and so on)" (I.5). This demand regarding the "made in America" has inspired an entrepreneur like Tom Kartsotis who "after growing Fossil into a \$2 billion accessories behemoth, Kartsotis hatched Shinola, a high-end watch brand famous, mostly, for being manufactured in Detroit" (Perman, 2016). "As we look at luxury lifestyle, Shinola has come to shine as a brand reborn for new audiences and new generations, claiming a real sense of not just

American provenance, but of the meaning of *made in Detroit*" (I.4), though to me it looks more like a mid-market brand, it has been mentioned by another of the participant for being "a bit clunky, but affordable luxury appealing to younger audiences" (I.6). After further research, I believe that this brand launched in 2011, with already 23 stores deployed in the US, may be on track to define a new version of the "Tocquevillian model", asserting its luxury positioning by craftsmanship and the *made in Detroit* rather than by adding different layers to its catalog, from the most expensive to the more affordable.

What the qualitative research allowed is to point out that what seems to be a dominant model that of the high awareness brands (the Tocquevillian model), is indeed overshadowing a much more diverse approach to luxury in the US, an indication that in this country as everywhere else there is no single way to define luxury. But when looking at the different new luxury concepts that are currently emerging, one can see that the American fast growth business model applies to them as well, as shown by Shinola's example and that of freshly.com launched in 2015 and acquired by Nestle on October 2020 "in \$950 Million Deal" (Riley Moffat, 2020).

What is also clear from the comments made by the participants to the qualitative survey is that regardless of the category they buy from and the price level at which they buy "Americans are obsessed with value for money" (I.2) or like another one said, for them choosing a product is a "matter of finding the best show-off value for the money spent" (I.3) and "although they would never admit it, what guides their choice [of product] is in most cases the status it will bring them" (I.5). While pointing out the tendency for mass production inherent to democracies, Tocqueville did not pass a negative judgment on the quality of American craftsmen; to him they were capable of making wonders if need be "when there are buyers who are willing to pay the time and the trouble" (Volume II, Book I, Chapter 11), there he was hinting that there were very few people in the US able to grasp the value of high-quality craftsmanship which seems to be still relevant as "there is very little luxury culture, and no real knowledge of the products" (I.3), and this probably one of the factors that explain why Americans are so much concerned by getting the most value for their money, but what does it really mean to them?

#### D.2.4 Testing Tocqueville's analysis in a contemporary setting

Any European citizen eating at a gourmet restaurant in the US cannot help but being surprised by the size of the portions served, as typically they are much more generous than in Europe. This fits the local demand as, no matter how exceptional the food is, if served tiny portions, Americans would feel that they are not getting their money worth. This simple observation shows that American luxury purveyors adapt to consumers' demand.

While Tocqueville did not really describe this concept as such, he appears to have captured much of the attitudes that were involved in looking for "value for money". Indeed, he considered that Americans' need for status did not necessary lead them to extravagant luxury purchases but rather into an abundance of purchase and possessions and, as many of them "have desires that grow faster than their fortune [...] they would willingly consent to be incompletely satisfied rather than completely renounce the coveted object" (Tocqueville, Volume II, Book I, Chapter 11). So, not

only Americans bought a lot and were not very discerning, but they did not seem to be able to understand the value of high quality craftsmanship which is key to luxury as it justifies the high prices of luxury goods. So, even though, this notion is not part of my research proposals, it seemed impossible to research luxury in America without investigating the notion of "value for money" as it will allow to further interpret luxury manufacturers' strategy. On that matter, my approach is rather an exploratory one.

Elaborating on the type of behaviors described by previous research, I asked the participants what attitudes best described them. To this end they were proposed six items describing the frugal consumer, the innovator, the discerning consumer, the impulse buyer, and what "value for money" may represent to them (quality vs quantity).

Overall, participants tend to see themselves as expert consumers who do not buy unless necessary and who give a priority to quality. Nevertheless, the concept of 'value for money' as tested, while showing a preference given to quality vs quantity, does not discard quantity. 44.2% of the sample describe themselves as both putting an emphasis on quality and quantity in order to get the most value for their money. 47% of the Millennial describing themselves this way, ahead of other age brackets. Moreover, half of the Millennials are willing to be the first ones to get a new product t when it comes out. They, along with Gen Z, are also impulse buyers, 60% of them say they often buy things they had not planned of buying (62.1% for Gen Z). So a good proportion of Americans in the top 40 to 45% income categories are not frugal consumers.

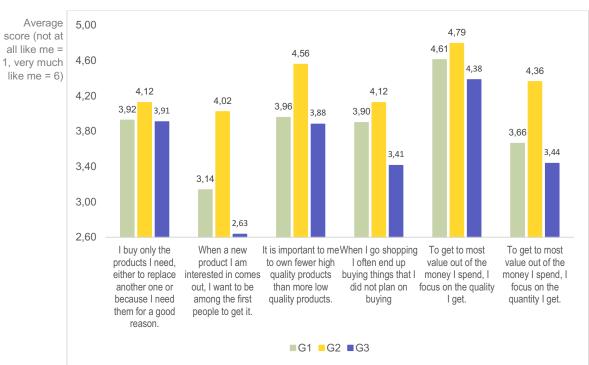
The analysis was meant to find out in what sense the attitude to status would influence purchase behaviors, therefore the sample was sorted along the three groups defined earlier, the status-seekers (G1), the extreme status seekers (G2) and he groups much less concerned with status.

A MANOVA test was performed and shows that status has indeed an effect on shopping behaviors: Roy's Root = .162, F (6,801) =21.589, p < .001

Bonferroni multiple post hoc comparisons revealed that only for the frugal consumers (those who buy a product because they have a good reason to do so) there is no difference due to the group people belong to, otherwise, the test confirms that results for Group 1 and Group 2 are significantly different from those of Group 3.

This analysis shows that Tocqueville's findings may well have weathered time. Even though participants describe themselves as having a preference for quality items over quantity, the more "showing status" is important to them and the more likely they are to be impulse buyers, early adopters of new products. Moreover, status-seekers tend, on average, to grant a greater importance to quantity in the appreciation of the value for money, thus reducing the gap between these two criteria (quality vs quantity) in favor of quantity (Exhibit D.2.2-1).

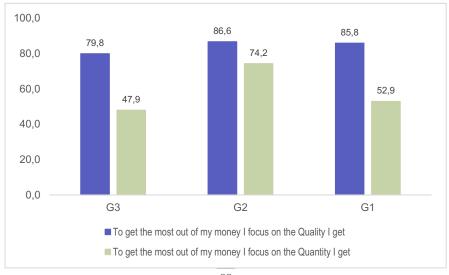
Exhibit D.2.4 – 1 - How Americans shoppers see themselves – Status seekers vs others



- G1- Status Seekers: Those for whom it is important to show status to family, friends and professionals acquaintances
- G2- Extreme status seekers: Those for whom it is important to show status to family, friends, professional acquaintances, neighbors and strangers
- G3: Those who are not very motivated or not motivated at all by displaying their status

In order to perform a finer analysis, it is interesting to look at the proportion of those who answered 4, 5 and 6 to the question on "value for money". Exhibit D.2.2-2 clearly shows that the more people are concerned with showing their status the more they focus on quantity to get the most out of their money. So, even if they are still more to declare that quality is what determines "value for money", that gap is really narrowing down as the concern with showing status increases. This means that, for extreme status-seekers (Group 2) showing success is not so much about buying a few very exclusive luxury goods, but being able to display all the goods that are signaling status and this necessarily has an impact on the luxury offer.

Exhibit D.2.4 – 2 – Quality vs quantity - % of those having answered 4, 5 and 6



While it would have been useful to find such measures made earlier in order to evaluate their evolutions, the above results are an indication that showing status has to do with buying a lot, and within the context of this part, not only it does not contradict Tocqueville's analysis but brings an additional element explaining the way American luxury has developed. Indeed, as Tocqueville mentioned it, manufacturers "are limited only by consumers' will" (Volume II, Book I, Chapter 11), making clear that consumers' demand was what led them, therefore they learned how to manufacture affordable products and then tried to give them "brilliant qualities which they do not have" (idem). This corresponds to the "Tocquevillian model" described above which is certainly very well suited to the demand of extreme-status seekers who are hardly more to associate value for money to quality than to quantity. Thus, the quantitative research shows that, despite a few comments I gathered from some interviewees, there is still room in the US for this model.

Overall, looking at the manufacturer's point of view allows to depict a multifaceted market in which manufacturers cater at different ways of conceiving luxury, which correspond to three broad types of consumers (this being of course an oversimplification of a more diverse consumer landscape):

- A population concerned with status that does not have much luxury culture, is well-off but not very wealthy and in which the Tocquevillian model's clients can typically be found.
- A smaller group of wealthier people who go for "true" luxury. They do not have necessarily more luxury culture than the previous one, so they go for "established brands they trust, whether American or foreign" (I.3).
- Finally a group of rather young and wealthy individuals, who are less interested in personal luxury and more in anything that makes their life easier, they are the clients of all kinds of upscale services, niche brands, hand-crafted products, the "more niche, the better" (I.5).

In order to write the Manufacturer's view section, the following web sites have been consulted:

https://www.armani.com/	https://www.freshly.com/	https://www.shinola.com/		
https://beekmannyc.com/	https://www.gucci.com/	https://www.therealreal.com/		
https://blade.flyblade.com/	https://heliny.com/	https://www.tiffany.com/		
https://www.bottegaveneta.com/	https://www.hermes.com/	https://www.uber.com/blog/new-york-city/uber-copter/		
https://www.cartier.com/	https://lorraineschwartz.com/	https://verdura.com/ https://villageluxe.com/ https://www.ysl.com/		
https://www.chanel.com/	https://www.martinkatz.com/			
https://www.coach.com/	https://www.michaelkors.com/			
https://www.daily-harvest.com/	https://www.oscarheyman.com/			
https://www.davidwebb.com/	https://www.ralphlauren.com/			
https://eu.louisvuitton.com/	https://www.renttherunway.com/			
https://www.fashionphile.com/	https://www.rgmwatches.com/			

### E. DISCUSSION, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

#### E.1 Discussion

The objective of this thesis was to examine specifically two dominant motivations underlying luxury purchases: status and pleasure. Tocqueville's work was used to assess their respective significance in the American culture and explore their meaning in contemporary America with a special focus on younger generations. In order to further understand the findings of both the theoretical foundations and quantitative research and to put them into perspective, the way in which American manufacturers address the demand for luxury was investigated through a desk research and a few luxury professionals' interviews, providing additional elements and examples that help delineate a more accurate picture of luxury in America.

The American Dream is still alive and most Americans believe in their ability to live up to it.

There is a convergence between Tocqueville's writings and much of what was later written on American society: it is because America is, at the outset, a democratic society, hence classless, that rank is so important to Americans. The American Dream that promises this country's citizens the opportunity to achieve a better and fuller life according to their ability, has been mostly interpreted in its purely material dimension, matching Americans' constant preoccupation described by Tocqueville, that of improving their situation and displaying their success through the acquisition of material goods. The quantitative research results indicate that 73.3% of the sample think it is moderately to very important to show social success to at least one group of people among family, friends, professional acquaintances, neighbors or strangers. Although the sample used is not representative of the total American population, this figure is an indication that social status remains somewhat important for many Americans.

While my research showed that Tocqueville's work was consistent with the way in which the American Dream was later coined by James Truslow Adams. The predominance of home ownership as a core component of the Dream has developed after WWII, thanks the tremendous development of suburbia, allowing many Americans to access home ownership and establishing *de facto* a hierarchy between neighborhoods. This still very much holds true today with desirable locations, whether neighborhoods or cities like Los Angeles, Austin, Dallas, Washington DC, Raleigh or San Francisco, "these are the cities that receive breathless write-ups in airline magazines as the fun places to work and visit, and they are where people want to move, at least if they can afford it" (Cowen, 2017, p. 55). Since the 1930s, the America Dream has constantly been reshaped by the economic and political environment, the research I conducted found that it remains very vivid in contemporary America. Both the literature, quantitative and qualitative research confirmed

that not only home ownership is a central element of the American Dream but that in the US, status is first and foremost conveyed by the area in which people live. The quantitative research indicated that home ownership, is still Americans' number one dream and it also allowed to measure that the values promoted by the American Dream remain widely shared by Americans. Specifically, it confirmed that work remains a core value to them and that they consider that "having made a good use of their physical and intellectual abilities" is among the top criteria determining a successful life while overall being rather optimistic regarding their chances to achieve it.

## Younger Americans are even more status oriented than their elders

Despite the many crises that broke out since the turn of the century, younger generations still believe in the American Dream and remain fairly optimistic with regard to their own success in life. Gen Z are the least optimistic with 75.8% of them believing moderately to very much in their chances to achieve a successful life, which remains a fairly high rate. They thus demonstrate great resilience in the face of the various crises that have hit the United States recently (the 2009 great recession and the Covid crisis) and which have a direct impact on their professional and personal prospects as they are about to enter adulthood. Younger Millennials are undoubtedly facing the same kind of challenges, and with rising higher education costs, both groups start their professional life heavily indebted while having to face tougher job market conditions. Overall, it is likely that they will not have access to the essential component of the American Dream, home ownership, at an early stage in their life. This must be all the more a problem for them that they are much more status oriented than the older groups with about 64% more Millennials and Gen Z in the status seekers and extreme status seekers groups (Group one and Group two respectively) than there are Boomers and Gen X in those groups. Although the fact that these categories are mostly voting democrats may seem contradictory with their appetite for showing status (60% of Americans between 18-29 and 52% of Americans between 30 and 44 voted for Biden - Anonymous, New York Times, 2020), Cowen (2017) observes that "Democrats cluster themselves more tightly than do Republicans" (p. 57), explaining that the classes living in urban areas (the wealthy, well educated, the creative class), the ones voting mostly Democrat, are complaining the most about inequality while segregating the most. It seems to me that the explanation for it is to be found in the fact that what they advocate is more equal opportunity than strict equality, in other words the ability to live the American Dream. Therefore, to them it is legitimate to show social success if everybody is given a fair chance to achieve it.

My research confirms much of the literature on Millennials that sets this generation apart from others. Millennials constitute almost 50% of Group two, the extreme status-seekers, which is also corroborated by their answers to the questions regarding the successful life showing that they are more motivated by money than other generations including Gen Z (who however are said to be very motivated by money) and they are the only ones ranking the prime indicator of status (a beautiful house in your dream location) in their top five criteria defining a successful life. The analysis made on their luxury consumption behavior in the foreseeable future indicates that they are the least likely to donate to charities. Moreover, they are the ones who show the lowest result by far on the item "I will not spend on luxuries", 16% vs 26.8% for Gen Z, 32.5% for Gen X and

33.3% for Baby-Boomers, this indicates that a large majority of them are motivated by luxury. When looking specifically at what young Americans concerned with status will buy in the foreseeable future, personal luxury goods, while not representing what they most dream of, may well represent what they will mostly purchase in the near future to signal their success, especially Millennials who will top Gen Z, spending on most personal luxury categories. Part of this difference in spending behaviors is certainly due to the fact that Gen Z, for a good proportion of them, are very young, possibly still in school or just barely starting their career, so they probably need to be more selective than Millennials in the way they allocate their spending. While confirming that deferred home ownership may benefit to personal luxury goods, the research cannot specify the price levels at which consumers will be buying, so it may well be that many of them (especially Gen Z) will be purchasing from the affordable high awareness luxury brands belonging to the "Tocquevillian model" highlighted in the section devoted to the manufacturers' view. This section also points to "new luxuries" that seem to attract these younger clients: a wide range of upscale services (such as at home fitness training with a personal coach, chef-cooked home delivered meals, and so on) that would be favored mostly by millennials; very strong eco-friendly and/or made in America positioning for apparel and accessories brands perceived as luxury brands, mostly by Gen Z, which may have been the ones they thought about when they expressed their purchase intentions for the foreseeable future.

# Pleasure derived from luxury is closely linked to status

The third major focus of the research was that on the notion of pleasure, as it is one of the words that defines luxury. The research that I carried out on the basis of Tocqueville's writings to deepen the notion of the American Dream, as well as the importance of the literature on happiness in the United States, led me to think that when Americans qualify luxury as being above all pleasure, it is largely due to the boost in status they experience with a luxury purchase. The quantitative research has confirmed this proposition by showing a very strong link between consumers' attitude towards status and the pleasure derived from both the shopping experience and the product, the status-seekers' groups deriving more pleasure from luxury than the group who is little concerned or not concerned at all by status. When looking at the results, they seem to imply that the fact that their need for status is being satisfied allows consumers to feel that they enjoy more all the pleasures they may derive from the luxury experience or the luxury product. For example, with regard to intellectual pleasure, one that can be derived both from the details given on the products (material, ways of taking care of it,...) 68.9% of the status seekers (G1 + G2) declare experiencing moderate pleasure to a lot of pleasure vs 42.4% of the other group saying the same. For the physical and/or emotional pleasure that can be derived from the store atmosphere (music, light, smell...), 80.4% of the status seekers declare experiencing moderate pleasure to a lot of pleasure vs 55.3% of the other group saying so. Similar findings apply to the physical and/or emotional pleasure experienced with products with 82.3% of the status seekers experiencing moderate pleasure to a lot of pleasure from the beauty or the quality of material(s) used in the product vs 55.3% for the other group. From the measures made, it would be difficult to quantify the pleasure derived from a particular dimension of the luxury experience (whether shopping or product) and allocate it between what is attributable to the status and what is attributable to the other categories of pleasure, but it is very

clear that for Americans defining luxury as being "pleasure-first" is perhaps a way, consciously or not, to avoid mentioning status because as one of the participants in the qualitative study said, "they will never admit it" (I.6).

Overall, the quantitative research shows that with almost 50% the status-seekers group being Millennials, right now Millennials seem to be representing the largest potential for personal luxury goods in the US, not only because of their values and attitudes but also given the fact that they have become the largest demographic group in this country. Gen Z are definitely a generation to follow closely, they show similar dispositions to that of Millennials in terms of status, but outnumbering them in group one, they are much less numerous in group two, so on the whole they are more moderate in their attitude towards status, which would tend to make them perhaps a little less enthusiastic with regards to luxury than Millennials are.

The qualitative research brings further insights into the American luxury landscape. Indeed, if the status motivation is strong it is not equally shared and may translate into a variety of expectations that are matched by a great diversity in the luxury offer in the US. As a matter of fact what Tocqueville had detected in his time, still seems to hold true to some extent, wealth in the US is often quickly acquired (as well as it is promptly lost); as a consequence there is a rapid renewal of luxury clients in this country, with a constant influx of new customers. So, if there exist some "mature luxury consumers", there is a continuous emergence of new potential luxury clients, "nouveaux riches", with little luxury culture but high spending power. On the other hand, with a large middle-class and younger generations getting a higher education in record numbers, there is a widespread aspiration for status improvement.

Thus, the different aspects of my research depict an American luxury market which cannot be easily summarized, and if the status aspiration, common to most, is first and foremost satisfied by home ownership in the most desirable locations, the diversity of the luxury offer in the US attests to both sustained and varied consumers' demand, some of which may not be led by status enhancement motives, as indicated by some of the "new luxuries" described in the section devoted to the "manufacturer's view". These are typically products and services preferred by young well-off Americans who are not very interested in the existing personal luxury goods offer and for whom luxury may be mostly about making their life easier and/or owning less standardized products (with various underlying motivations ranging from pure hedonism, environmental concerns to a real interest for unique hand-made pieces, and possibly a few other ones).

## E.2 Theoretical Contributions

Reading Tocqueville enables one to grasp the different factors that have forged the American character: the Puritans' Protestant ethic, the tremendous possibilities the size and wealth of this land offered to immigrants, and the democratic institutions that shaped a society in which people's worth is mainly measured by their fortune. Tocqueville's work, not only allows understand why equality

between citizens promotes ambition but that the latter leads to an unbridled desire for material possessions.

James Truslow Adams' American dream summed up Tocqueville's vision and gave it a more humanistic dimension, but my research shows that it is Tocqueville's vision that prevailed as demonstrated by the evolutions of the American dream during the 20th century which were outlined in the theoretical foundations. Fostered by the formidable expansion of suburbs after WWII, the acquisition of a house has become one of the central dimensions of the American Dream today, the location being paramount as an indication of status, and this was confirmed by the quantitative research, showing that "a beautiful house in a dream location" is the number one possession Americans dream of.

The house, as a possible luxury possession, is absent from most luxury research. Moreover, many of the academic research investigating consumers' motivations are surveying samples of existing luxury consumers on the basis of their personal luxury purchases (For example: Kapferer and Michaut, 2016; Tsai, 2005; Godey et al., 2013) and therefore exclude those people who may consider that status is best conveyed by where they live and are not very interested in other types of luxury. The first contribution of my research to luxury research is therefore a methodological one, which broadens the approach and considers luxury consumption as one element among many others in people's life. It allows to outline the hierarchy of consumer's dreams, thereby highlighting the luxury categories in which Americans project themselves.

Indeed, observing rich Americans' behavior intuitively suggests that personal luxury may not be the category in which they splurge and it is clear that spending on luxury clothes or accessories is probably not the priority of such iconic billionaires as Mark Zuckerberg, Bill Gates or Warren Buffet. One of my interviewees for the qualitative study, who is very well-off, told me about his experience in Paris when he was almost thrown out of a luxury store, as he was dressed extremely casually (wearing Bermuda shorts and flip-flops) while looking for a gift for his wife's birthday; it was not until sales attendants found out he was American that they finally took care of him properly. For him, buying occasionally a luxury gift for his wife is important as a symbol of his love, but being dressed elegantly is by no means one of his concerns.

The previous anecdote of course does not mean that once Americans can afford a beautiful house in their dream location, a majority of them, having fulfilled their need for status, are not interested in any other status goods such as cars, fashion, accessories and so on. In the literature research chapter, I highlighted the example of a woman who having chosen to buy the house in the most desirable area of Seattle, was also spending a lot on her car and wardrobe "so everybody assumed I was doing extremely well" (Schor, 1998, p. 60). The interviews I conducted confirmed that there is still much "competitive consumption" going on in the US. Hence, jewelers often see their clients coming back to trade their ring up "in order not to own a smaller diamond than their best friend" (I.3). While owning property in the neighborhood of their choice can completely satisfy some people's need for status, the neighborhood can also influence luxury consumption through the

lifestyle that comes with it and also because competitive consumption still exists for many Americans.

With status being so crucial to Americans, entering competitive consumption by buying personal luxury products can also be a way for someone to show his/her success even when he/she has not yet been able to acquire the property of his/her dreams. This was one of my propositions with regards to Millennials and Gen Z that was validated by the quantitative research. With this proposition being validated my research contributes to generational/age related marketing research, which is not very developed in an academic sense (the bulk of it being done by management consulting firms). Moreover it contributes to luxury research outlining a motivation that is that of personal luxury goods as a possible substitute for other purchases.

Tocqueville insisted on Americans' ambition, "There are no Americans who are not devoured by the desire to rise" (Tocqueville, Volume II, Book III, Chapter 19), linking the equality of the American democratic society, the generalized ambition it arouses and the taste for wealth which results from it, with the consequences that "those who possess it [fortune] enjoy enough material pleasures to grasp a taste for these pleasures and not enough to be satisfied with them" (Volume II, Book II, Chapter 10). This explains what stands out of his work as the unquenchable thirst for material possessions that characterizes Americans. As the literature research shows, this trait which almost seems to be part of Americans' genes, was encouraged by public policies at the end of the Second World War and after the excesses of the 80s / 90s, it seemed legitimate to reflect on the type of consumption that prevails today in the US. With regards to luxury it is indeed important to understand whether for Americans showing their status is mostly done by displaying many possessions or by buying fewer, very expensive, high status items. The way in which Tocqueville described American manufacturing which led me to refer to the high awareness American luxury brands as defining the "Tocquevillian model" of American luxury provides one answer to this question, which is that if these brands build extremely large offers at affordable prices it is certainly because this is the strategy that best meets the demand. The quantitative research has demonstrated that the more Americans are concerned with showing their status, the more they tend to link the value they get for their money to the quantity they get for it, possibly implying, that to them status is linked to owning many material things. These results are confirmed by the fact that a greater proportion of status oriented Americans (those in G1+G2) tend to be impulse buyers and earlyadopters of new products than those in G3. In most cases luxury research when describing consumer types, circumscribe them according to the way consumers define luxury (Wiedmann et al - 2009; Kapferer and Michaut - 2016), the third contribution my research makes to luxury literature is that it allows to demonstrate that Americans' purchasing behaviors are dependent upon their relationship to status. This contribution is to me an important one, although is certainly calls for further investigation as discussed in the section devoted to research opportunities.

Finally, by researching specifically the American luxury market using Tocqueville's work as a point of departure, my research contributes to cross-cultural marketing research on status, identifying the special relationship Americans have with social status and outlining the historical and cultural background that explains it.

Tocqueville when describing Americans' restlessness and lifestyle, in a few instances, pointed out what looks like an inability to indulge in pleasure saying that Americans "prefer serious and silent recreations which resemble business and do not make it entirely forgotten" (Volume II, Book III, Chapter 15), in another instance underlining that they "look grave and almost sad even in their pleasures" (Tocqueville, Volume II, Book II, Chapter 13). Moreover, Tocqueville suggests that for Americans happiness was achieved by reaching the desired level of success, which they were never satisfied with. Thus, being endlessly looking for more prevented them from enjoying the pleasures they could draw from their current achievements. So in an indirect way, Tocqueville makes a link between status and pleasure. His analyses supplemented by the literature research, led me to question this link especially since I did not find any specific research dealing with it. The closest descriptions found were that of Wiedmann et al. (2009) and Kapferer and Michaut (2016).

The former described one typology of consumers they called the "Introvert Hedonists", a very small group for whom "luxury brands are sources of pleasure; such consumption enhances their quality of life. Their definition of luxury refers to exclusivity and products that are not for mass consumption" (p. 643-644). Even though this implies that this group also defines luxury as being for an elite, it does not relate the pleasure they draw from it to this fact but rather to the reward they allow to themselves. The latter found that 25.5% of American luxury consumers define it "pleasure-first" (p. 18) describing their vision of luxury as follows: "price, prestige, minority, and rarity are not issues" (p. 16). Moreover, they seem to suggest that these consumers have purely hedonic motivations, even though they attribute those specifically to Germans and Brazilians. My proposition has been inspired by Tocqueville's observations and subsequent literature research on American society, as well as my own knowledge of the market, while the luxury literature found on the topic of pleasure did not specifically explore the relationship between status and pleasure in the US. The quantitative research I performed shows that the more people are concerned with status the more pleasure they derive from luxury. The research concerned two aspects: the luxury shopping experience and the luxury product experience.

Regarding luxury shopping experience, the items on which the pleasure differences between groups concerned with status (G1+ G2) and those who are less concerned or not concerned at all with status (G3) are the lowest, are items such as the store atmosphere (music, smell, light, feeling of space...); the ability to discover all the collections, to see and touch the products (respectively 4.42 vs 3.65 and 4.23 and 3.44); but they are also the ones getting the highest pleasure scores overall. On the other hand, while being granted lower scores, items that are linked to status such as, Being escorted to the door and being called by your name at the time of the goodbye greeting, Being greeted as a VIP when entering the store, show greater score differences between groups (respectively 3.57 vs 2.70 and 3.77 vs 2.89).

The results of my research are consistent with research on hedonic shopping motivations indicating that overall, "Adventure Shopping" (Arnold and Reynolds, 2003, p. 80) / "Sensory Stimulation" (Cox et al.,2005, p. 251) together with "Idea shopping" (Arnold and Reynolds, 2003, p. 80) / "Browsing" (Cox et al.,2005, p. 251) are the items that best describes luxury shopping. While showing consistency between shopping motivations whether for luxury or not, my research adds a

new dimension to theirs, that of consumers' need for status, and thereby contributes to research on shopping motivations.

Concerning the product experience, the results of the quantitative survey show a pattern similar to the one concerning the shopping experience. That is, the more people are concerned with status the more pleasure they will derive from the product and the difference between the pleasure derived by the ones concerned and extremely concerned with status versus the group that is not much or not at all concerned with status is much greater when the items are related to status than when they are not. For example, pleasure scores for Wearing an exceptional product that few others own, Wearing a recognizable product or brand are respectively 3.99 vs 2.86, and 4.02 vs 2.93, while for Being able to wear the product time after time without getting tired of it, scores are 4.80 vs 4.30. As in the case of the shopping experience, the overall pleasure derived from non status items is greater than the one derived from status items.

Establishing that the pleasure derived from both the luxury shopping experience and the luxury product is greater for the people who are concerned by status than for other people, my research makes a link between these two important notions defining luxury, thereby significantly contributing to the research on luxury.

# E. 3 Practical Implications

From what was previously exposed there is a very obvious practical implication which is the importance of understanding the question of pleasure within the retail experience context. Indeed, there have been so many reports on the importance of experience and pleasure that many brands have undertook to develop stores that are very much geared at bringing extraordinary experiences to the clients, with sometimes losing sight of their main purpose which is selling the brand's products. So while there have been many experiments with cafes, bookstores (and so on) supposed to enhance the shopping experience's pleasure, it seems that such a strategy might not be the best to cater at American clients for whom the store atmosphere is key, as well as the ability to discover all the collections, to see and touch the products. The survey's findings also go against another tendency that is very frequent in luxury stores, that of having large spaces and displaying only very few products. Luxury stores being typically located in the most expensive retail areas, all the store space that is not devoted to sales comes with a very high cost and bearing in mind what brings most satisfaction to clients is really crucial to optimize the investments they represent. As expert advice is also highly rated in terms of the pleasure provided to clients, much emphasis should be put on sales attendants' training and performance. These are elements that are key to insure brick and mortar sales a lead over internet sales, then all the status elements of the shopping experience will be imperative to reassure status seekers and possibly further enhance their product experience.

The manufacturer's view part of this research highlighted the diversity of luxury in the US, thereby, the diversity of targets and with regards to status, both the quantitative and qualitative research

confirmed the key determinant for status is Zip Code, this suggests that in the US consumers targets for luxury brands can be determined along geographical segmentation which means that specific research may be designed to further understand particular subgroups according to where they live and in turn better target promotional /communication campaigns. This may sound like old-fashioned marketing but it is certainly well suited to very upscale luxury brands.

While both the literature review and the qualitative survey showed that a good proportion of the new generations are very concerned with sustainability issues, this may create new opportunities. Beyond what all brands are already doing in terms of lowering their environmental impact (and most major luxury brands have strong programs with regard to sustainability), there are probably new concepts to be developed in order to address this demand. For example, many jewelers allow their clients to trade up their diamond for a bigger one, similar practices applied to other products could be a virtuous way to increase clients' loyalty. Brands should really look into such possibilities, not only because it could be beneficial to their image and possibly increase brand loyalty, but also because it could be a way to cut down on competition coming from the second hand luxury websites that are flourishing as highlighted by the manufacturer's view's chapter.

### E. 4 Limitations

More than a country the US represent a continent populated over centuries by successive waves of immigration from very diverse origins. While my research shows that the American Dream remains very vivid, it does not allow to address the impact of ethnicity on this question as well as on others. The theoretical foundations showed that new generations are much more diverse than previous ones with barely over 50% of Gen Z being non-Hispanic white and the issue of ethnicity is therefore particularly relevant to proposition 1.2. As the youngest age bracket is the most difficult one to recruit, imposing quotas on origin would have made it even tougher and would have increased deadlines and raised budget issues, which is why I had to discard this option. As a result, the number of African-Americans and Hispanic-Americans is quite small for each age bracket (as low as four African American in the Millennials age bracket) and does not allow any significant comparison. Therefore, one of the limits of this research is that my sample is predominantly made of Caucasian-Americans.

The theoretical foundations chapter devoted to Millennials and Gen Z indicated that the generational approach is not the best suited to the study of young generations due to the accelerated changes brought up by new technologies, I initially intended to break down the sample further with regards to age brackets and to include five sub-groups for Millennials and Gen Z (15-20; 20-25; 25-30; 30-35; 35-40) in order to allow for a finer analysis on these generations. Because ethics requirements with regard to surveying people under eighteen made it too difficult to organize the recruitment of such a sample within my time frame, I have not been able not pursue this path. Therefore, I could not address this question and particularly check whether such subgroups as for example the "Zennials" (Napoli, 2020) really exist as suggested by some researchers and if so to

assess the extent to which they show differences with the generation they belong to. It represents a real limitation as it would be useful to both academics and practitioners to get more insights into the validity of the generational approach.

The questions relative to what defines a successful life and the goods Americans were dreaming/planning on buying have been asked proposing a ranking rather than an evaluation through Likert-scales. This was done deliberately as these three questions were displaying many items to choose from and these would have had to all be rated if Likert-scales had been used. I was concerned with participants fatigue and possible high dropout rates which could have resulted from rating three long lists, not to mention possible confusion that could arise from rating twice the same list of items (goods they would or will purchase). Overall, the decision made was a safe one as the average questionnaire completion time reached the limits assigned to meet budget constraints, but this probably prevents getting finer results especially regarding the first question on successful life.

While the research shows that overall Americans dream mostly of spending their money on a house, a luxury car, luxury travels, a vacation home and frequent gourmet restaurant dining, I looked at pleasure strictly from the perspective of personal luxury goods. Indeed, this was a way to elaborate a more manageable research by surveying products that share common characteristics and similar distribution networks therefore allowing respondents to project themselves into the same kind of experience. Nevertheless, this leaves out a significant share of the luxury industry, that of experiential luxury in which pleasure may be a more predominant motivation. It also leaves out such segments as automobile, or fines arts. This choice was deliberate as each segment would have required a separate set of questions and given the time constraints it was needed to focus on a workable set of data. The choice of personal luxury goods reflected not only the size of this segment, but also the fact that it allows to reflect on shopping experience as well as product experience, but it nevertheless limits the scope of the results.

When relying on Tocqueville's works, and even more when seeing how consumerism developed in the United States in the 20th century, one is led to think that for Americans displaying status is more about the abundance rather than the quality of the objects owned. It therefore seemed important to me to tackle this question but it was a difficult question to pin down. However, with no research specifically dealing with this topic, I approached it using various sources dealing with materialism, consumers' typologies and shopping behaviors. In the end my question included notions that are close to one another but not necessarily of exactly the same kind. On the one hand, the way in which participants perceive themselves as consumers (frugal shoppers, discerning shoppers, early adopters, impulse buyers), on the other, their conception of 'value for money'. It seems to me that this question is not optimal and potentially limits the interpretation that can be made of its results with regard to luxury as a whole.

Finally, my research purpose was to study the American market and the historical and cultural approach proved to be a valuable one. Nevertheless, luxury being a truly global industry, focusing strictly on one market can be considered as a limitation.

### **E.5 Future Research Directions**

The first limitation of my research is the lack of diversity in the sample, which is a problem specifically with regard to younger generations. My sample does not include enough African-Americans and Latino-Americans to meaningfully compare young Americans' values and attitudes along ethnicity. With hindsight and thanks to the discussions of the qualitative study, it appeared to me that the group of Asian-Americans must be more finely identified. Indeed, it is very likely that Chinese Americans would stand-out from other Asian-Americans with regard to luxury, as they are WeChat users. WeChat is one of the predominant social networks in China on which Western luxury brands are extremely active, interacting directly with consumers. This means that Chinese Americans must have gained greater exposure to western luxury brands and products, and possibly a different experience of luxury than that of other Asian Americans. In short, in order to fully measure Millennials and Gen Z expectations and behaviors with regards to luxury and how they may impact the industry in the US, further research taking into account this generations' diversity is needed. In order to properly address the question of ethnicity, sub-groups of Asian consumers should be included in order to distinguish Chinese-Americans from other Asian-Americans. Furthermore, sub-groups by age should be added which makes research on younger generations a topic in itself for research on luxury in America.

On the relationship between status and pleasure, the scope of my research is limited to personal luxury. DeLeire and Kalil (2010) discussed the possible link between the pleasure (or happiness) derived from conspicuous leisure expense and the fact that "it could be designed to increase one's status in the eyes of others" (p.174-175), but this was only an assumption from their part and there is a need to further investigate experiential luxury regarding the possible link between status and pleasure derived from purchasing/living these experiences (Luxury Travel, Gourmet Dining, Spas and so on). By the same token, on this issue, other segments such as automotive, fine arts and so on, should be explored. I also believe that considering luxury real-estate as part of the luxury segment and including it in luxury research should be taken into consideration by researchers.

My research results showed a link between the relation to status and the pleasure derived from both luxury shopping and products. For example the average pleasure score of: "Walking out of the store with a branded shopping bag" is 38% higher for the group concerned with status (G1+G2) than for the one little or not concerned with status (G3). Similarly, "Wearing an exceptional product that few others own" gets an average score that is 39% greater for G1+ G2 than for G3. Does this mean that the share of the pleasure that can be attributed to status on these items is around 28% of the total score? Certainly not. But it would be interesting to investigate whether it is possible to quantify the pleasure attributable strictly to the hedonic nature of the luxury experience vs that linked to the strengthening of the status it provides. One possible avenue would be to look at the relationship with status in a finer way establishing more groups, from those who are totally unconcerned with showing status to the ones that are extremely concerned with it; this would in turn allow to grasp whether there is a stable pattern in the incremental pleasure derived from luxury depending on the relationship to status.

On pleasure still, one of the participants to the qualitative research recounted their experiment with costumers coming to their winery. They found out that when given the full VIP tour of the estate prior to tasting the wine, their clients had a much better appreciation of the wine than if they had not been taking this tour. By taking the tour of the estate, seeing the cellars, being given all the explanations with regards to the brand history, the care given to the wine making, and so on, they truly had an experience that supported the very high-end image of the brand, on the top of having been treated as a VIP. The tour prior to tasting having reinforced the brand positioning, they were tasting a wine that they considered as being truly exceptional thus verifying Bloom's (2010) observation, namely that the 'essence' of the wine they tasted impacted the pleasure they experienced. The above anecdote is to me a very interesting one as it bridges the shopping experience with the product experience. My research shows that overall the average of all product pleasure scores is higher than the average of all the scores granted to the shopping experience (3.70) vs 3.36) but it is possible that a good shopping experience, reinforcing the brand luxury image, is leading to even higher pleasure scores on the product especially for the status seekers. It would therefore be valuable to test the impact of the pleasure from the shopping experience on subsequent pleasure derived from the product. One avenue to quickly get answers on whether the shopping experience impacts the pleasure derived from a product, could be to measure, for the same product, the pleasure derived when bought on line vs when bought in a luxury store.

I included one question that aimed at providing some insights on the way Americans perceive themselves as consumers and how they define 'value for money'. While being rather exploratory, this question raises an interesting point by allowing to see that value for money is not strictly a matter of quality, but also of quantity. As stated earlier, I feel my question covered notions of different nature and should be broken down further in order to provide a better understanding of Americans attitudes. One question should cover their shopping behaviors. Another one should be addressing the notion of 'value for money' and in turn this will mean researching the question of quality that is a crucial one for luxury as well and represents a valuable direction for luxury research.

Having linked this research to Tocqueville from the outset, and Tocqueville making a systematic comparison between democratic societies and aristocratic ones (European ones), it would be of much interest to apply the same analysis to such markets as France or UK in order to fully evaluate the relevance of Tocqueville's work to contemporary luxury (at least for Western markets).

To conclude this section, I believe my thesis has shown the validity of an approach aiming at integrating a historical and cultural perspective into a research whose end goal is business. It would become more valuable if other similar approaches were to complement it, particularly with regard to a market as strategic as the Chinese market is.

#### F. CONCLUSION

The main question my research raised was: Can Tocqueville provide new paths to understanding American consumers' motivations and attitudes? As a conclusion I think I can safely say that the answer is a positive one.

Luxury research has, so far, put much emphasis on defining luxury and the values attached to this concept but seems to assume that such words as status or pleasure, which together with quality are those defining luxury for most consumers, are granted the same meaning globally. However, the need for a real understanding of consumers' expectations and behaviors calls for questioning the meaning they give to these words.

It appears to me that Tocqueville's work offers all the elements that many marketers lack when they approach a new market, the depth of his approach allows him to weave a story blending historical, geographic, spiritual, political and economic factors enabling the reader to apprehend the main components of American culture.

What is remarkable is that, although far removed from contemporary luxury issues, his analyses can offer an interpretation of both consumer behaviors and the way in which the industry has developed and thus constitutes an excellent basis for approaching and structuring a reflection about luxury in America.

By studying how the American Dream was later theorized and its evolutions over the recent decades, one recognizes, underlying, all that Tocqueville had outlined to decode and understand the American society. So if, of course, many changes occurred since "Democracy in America" has been published, every year America continues to attract streams of immigrants who all share the same dream of a country where everyone can succeed to the best of their ability. It is this promise of equality that paradoxically makes all American citizens obsessed with their status and shapes both the lifestyles and expectations of increasingly diverse consumers.

Following the path drawn by Tocqueville has allowed me to address a few questions with regards to luxury in America and opened the way to quite a few others, thus proving to be as valuable as it has been stimulating.

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## CONSENT FORM ONLINE SURVEY

Study Title: Exploring Luxury in America

Researcher: Catherine Jubin

Researcher's Contact Information: catherine.jubin@mail.concordia.ca - Ph: +1 514 995 3776

Faculty Supervisor: Dr. Jordan LeBel

**Faculty Supervisor's Contact Information:** *jordan.lebel@concordia.ca - Ph: +1 514 848-2424* 

ext. 2907

Source of funding for the study: Self-funded

You are being invited to participate in the research study mentioned above. This form provides information about what participating would mean. Please read it carefully before deciding if you want to participate or not. If there is anything you do not understand, or if you want more information, please ask the researcher.

#### A. PURPOSE

The purpose of the research is to gain further insights on some dimensions that influence American consumers' expectations, behaviors and attitudes with regards to luxury.

## **B. PROCEDURES**

If you participate in this research you will be asked to complete a questionnaire that includes 11 questions directly related to the research topic and 8 classification questions meant to allow the researcher to perform the necessary statistical analysis.

In total, participating in this study will take approximately 10 minutes.

#### C. RISKS AND BENEFITS

There are no specific risks attached to this research. This research is not intended to benefit you personally.

## D. CONFIDENTIALITY

We will gather the following information as part of this research: your vision of a good life and success, the products and services you are most interested in buying, the ones that you feel are more pleasurable, what you enjoy the most in luxury, and how Covid might affect your spending in the months to come.

We will not allow anyone to access the information, except people directly involved in conducting the research. We will only use the information for the purposes of the research described in this form.

The information gathered will remain anonymous. That means that it will not be possible to make a link between you and the information you provide.

We intend to publish the results of the research. However, it will not be possible to identify you in the published results.

We will destroy the information five years after the end of the study.

### E. CONDITIONS OF PARTICIPATION

You do not have to participate in this research. It is purely your decision. If you do participate, you can stop at any time.

As your information is anonymous, once you will have fully completed the survey, it will not be possible to go back, to change and/or withdraw your answers from it. Incomplete data will be withdrawn from the survey and incomplete surveys will not be incentivized

You have received an invitation to this survey based upon our profile. If you qualify and complete the survey in full, you will receive the outlined incentive for your participation. Incomplete responses will not be awarded with compensation. There are no other consequences for not participating in this research or stopping before completion. Please, direct all compensation questions to your Panel Management Team.

## F. PARTICIPANT'S DECLARATION

I have read and understood this form. I have had the chance to ask questions and any questions have been answered. I agree to participate in this research under the conditions described.

I understand that by clicking on the link to the survey and completing the questionnaire I am consenting to participate in the research.

If at any time you have questions about the proposed research, please contact the study's Principal Investigator Catherine Jubin – <u>catherine.jubin@mail.concordia.ca</u> - +1 514 995 3776 6 or Jordan LeBel – <u>jordan.lebel@concordia.ca</u> – Ph: +1 514 848-2424 ext. 2907.

If at any time you have questions about your rights as a research participant, please contact the Manager, Research Ethics, Concordia University, 514.848.2424 ex. 7481 <a href="mailto:oor.ethics@concordia.ca">oor.ethics@concordia.ca</a>

# SAMPLE COMPOSITION

# Total 808 People

Gender	%
Women	49.8
Men	49.5
Others	0.7

Age	%
18-25	24.5
26 - 40	24.8
41 - 55	25.1
55 - 70	25.6

Revenues	%
75,000 - 99,999	37.5
100,000 - 149,999	42.6
> 150,000	19.9

Occupation	%
Artist	1.0
Entrepreneur / Self-employed	9.0
Retired	8.9
Salaried	59.0
Student	12.7
Unemployed	9.3

Region	%
Midwest	20.7
North-East	28.3
South	31,1
West	19.9

Ethnicity	%
African-American	4.7
Asian American	9.0
Caucasian Americans	80.6
First-Nation	0.9
Latino-Americans	4.8

Education	%
College Education	50.4
Graduate School	24.8
High-School	20.5
Other	4.3

## ONLINE QUESTIONNAIRE

## 1 – The Successful life

1.1 Please check (up to 5) the criteria MOST important to you in considering your life a successful one

Criteria will rotate

- Happy Marriage
- · One or more Children
- A lot of Money
- A job that pays much more than average
- A job that you enjoy even if it means making less money
- Build a successful business on your own
- A profession (salaried or entrepreneurial) that contributes to the welfare of society
- · Achieve a good balance between work and leisure
- Become famous
- Do better than your parents
- A Beautiful House in your dream location
- Achieve recognition for your abilities in your profession / among your peers
- Make lots of money fast and quit working early
- · Have a nice circle of family and close friends around you
- Having the feeling that you have made a good use of your physical and intellectual abilities
- <u>1.2</u>— Depending on which life-stage you are in, rate the extent to which you believe you have a chance to achieve or you have achieved a successful life (1 being you do not believe in it at all, 6 being you strongly believe in it).

## 2– Spending Money

- 2.1. As a consumer, how would you describe yourself on a scale of 1 to 6 (with 1 being not at all like me and 6 being very much like me) Criteria will rotate
- I buy only the products I need, either to replace another one or because I need them for a good reason.
- · When a new product I am interested in comes out, I want to be among the first people to get
- It is important to me to own fewer high quality products than more low quality products.
- When I go shopping I often end up buying things that I did not plan on buying

- To get to most value out of the money I spend, I focus on the quality I get.
- To get to most value out of the money I spend, I focus on the quantity I get.
- 2.2. If money was not an issue which are the 5 goods/services you would preferably spend money on?

Criteria will rotate

- A vacation Home
- Luxury cars
- A boat / A yacht
- A private jet
- Luxury Travels
- Luxury Apparel
- Luxury Accessories (Handbags, shoes, sunglasses, pens,...)
- Luxury Watches
- Frequent Gourmet restaurants dining
- Regular Upscale Spa visits
- Fine Wines & Spirits
- Exclusive Sports/ Fitness Club membership
- Luxury Jewelry
- Luxury / Designer furniture
- The latest hi-tech equipment
- Luxury Cosmetics and Fragrances
- Antiques
- Art (Painting, sculptures,
- A beautiful home in your dream location
- I would not spend on luxuries
- I would donate money to charities or spend on philanthropy
- 2.3 Now and or in a foreseeable future which are the 5 goods/services you are likely to spend money on?

Criteria will rotate

- A vacation Home
- Luxury cars
- A boat / A yacht
- A private jet
- Luxury Travels
- Luxury Apparel
- Luxury Accessories (Handbags, shoes, sunglasses, pens,...)
- Luxury Watches
- Frequent Gourmet restaurants dining

- Regular Upscale Spa visits
- Fine Wines & Spirits
- Exclusive Sports/ Fitness Club membership
- Luxury Jewelry
- Luxury / Designer furniture
- The latest hi-tech equipment
- Luxury Cosmetics and Fragrances
- Antiques
- Art (Painting, sculptures,
- A beautiful home in your dream location
- I would not spend on luxuries
- I would donate money to charities or spend on philanthropy

## 3. Showing success

On a scale of 1 to 6 (one being totally unimportant and 6 extremely important), how important is it for you to show your social or professional success to:

- Family
- Neighbors
- Friends
- Professional Acquaintances
- Strangers

## 4. Shopping for Luxury

The four following questions will refer to a significant "personal luxury good" purchase you recently made or you intend to make in the near future.

Personal luxury goods are products you can wear such as apparel, watches, jewels and accessories. The accessories category includes such items as: handbags, shoes, small leather goods (cards holders, belts, key chains,...), scarves, ties, gloves, sun glasses, reading glasses, and so on.

## 4.1 The Shopping experience

Think about a personal luxury product you recently purchased for yourself, or just think about going shopping for luxury in a physical store. Please describe the enjoyment / pleasure you derived or will derive from the following (with 1 meaning no pleasure and 6 meaning a lot of pleasure):

- Being greeted as a VIP when entering the store.
- Details given to you by sales attendants with regards to the brand history.

- Details given to you by sales attendants with regards to the product you were about to buy (designer, craftsmanship, material, ways to take care of it...)
- Personal advice given to you by sales attendants (style, ways of wearing the product, how to match it with other products, alternative products that you may like and/or that may fit you...)
- VIP check-out (being seated, offered a drink, the payment terminal brought to you, the receipt and invoice tucked in a branded envelope...)
- Wrapping ritual (product being nicely wrapped, tucked a in pouch or a beautiful box before being handed-out to you in the brand shopping bag)
- Being escorted to the door and being called by your name at the time of the goodbye greeting.
- Walking out of the store with a branded shopping bag.
- The store atmosphere (music, smell, light, feeling of space...)
- The store architecture (design, the quality of material used,...)
- Other characteristics of the store such as presence of art pieces, or historical pieces from the brand.
- The ability to discover all the collections, to see and touch the products.

## 4.2. Owning a Luxury Product

About the purchase you recently made or one you intend to make in the future, rate from 1 to 6 the enjoyment/pleasure you derive / will derive from the following (with 1 meaning no pleasure and 6 meaning a lot of pleasure)

- The aesthetics/ the design of the product.
- The beauty or the quality of material(s) used in the product.
- Wearing an exceptional product that few others own.
- · Wearing a stylish product.
- Wearing a recognizable product/brand.
- Wearing a highly fashionable product.
- · Being able to wear the product time after time without getting tired of it
- Sharing your purchase on social networks.
- Owning a product you coveted for a long time.

## 4.3 Pleasure split

If granted 100 points to rate the overall luxury experience of buying a personal luxury product in physical store, how would you split them between:

- The shopping experience
- Owning the product

# 4.4 Purchase category

4.4 Furchase calegory	
To which category did the product you purchased belong or in which category do you intend to make a future purchase?	
<ul> <li>Clothes</li> <li>Jewels</li> <li>Watches</li> <li>Handbag</li> <li>Shoes</li> <li>Small leather good</li> <li>Glasses</li> <li>Scarve /Tie</li> <li>Others</li> </ul>	
4. Classification questions	
• What is your gender?	
Male $\square$ Female $\square$ refuse to answer $\square$ other $\square$	
What is your age?	
$18 - 25 \square$ (26 - 30 $\square$ 30- 40) $41-55 \square$ $56-70 \square$	
What is your occupation?	
Salaried □ Entrepreneur/ Self-employed □ Artist □ Retired □ Student □	]
Unemployed □	
• What is the total estimated revenue (before tax) of your household?	
< \$ 75 000 □ \$75,000 − \$100,000 □ \$100,000 − \$150,000 □ over \$150,000 □	
■ How many people in your household? Just me □ 2□ 3□ 4□ 5□ more than 5	_

• What is the highest education level you have completed?

Hign-School □	College Education $\square$	Graduate School
Other, specify:		
<ul> <li>Would you describe y</li> </ul>	ourself as:	
African-American □	Caucasian-American	Latino-American □
Asian-American □	First Nation □	
Region you live in:		
North-East □ Midwe	est □ South □	West □

#### CONSENT FORM INTERVIEW

Study Title: Exploring Luxury in America

**Researcher:** Catherine Jubin

You are being invited to participate in the research study mentioned above. This form provides information about what participating would mean. Please read it carefully before deciding if you want to participate or not. If there is anything you do not understand, or if you want more information, please ask the researcher.

#### A. PURPOSE

The purpose of the research is to gain further insights on the specificities of Luxury within the American cultural context.

#### **B. PROCEDURES**

If you participate in this research you will be asked to answer four broad questions regarding American Luxury brands, how they compare to European luxury brands, and the specificities of their strategies. You will also asked to point out the American brands that best cater at younger clients.

The survey will be taking the form of a phone interview or a Zoom meeting. In total participating to this survey should take you about half an hour.

#### C. RISKS AND BENEFITS

There are no specific risk attached to this research.

When the global project will be finished (no later than mid 2021), you will be receiving a short summary of the key findings.

### **D. CONFIDENTIALITY**

We will gather the following information as part of this research: The Brands you feel exemplify best American Luxury and why. How these brands compare to their European counterparts. The brands you feel that cater best at Millennials and Gen Z and why.

We will not allow anyone to access the information, except people directly involved in conducting the research. We will only use the information for the purposes of the research described in this form.

The information gathered will be identifiable, the researcher being the interviewer, she will be the only one to have access to your answers. Any recording and/or notes will not be kept after the completion of the project (recording will be erased and notes destroyed)

We intend to publish the results of the research. However, it will not be possible to identify you in the published results.

#### E. CONDITIONS OF PARTICIPATION

You do not have to participate in this research. It is purely your decision. If you do participate, you can stop at any time. You can also ask that the information you provided not be used, and your choice will be respected. If you decide that you don't want us to use your information, you must tell the researcher before the end of January 2021.

There are no negative consequences for not participating, stopping in the middle, or asking us not to use your information.

#### G. PARTICIPANT'S DECLARATION

I have read and understood this form. I have had the chance to ask questions and any questions have been answered. I agree to participate in this research under the conditions described.

Name: (please print)	
Signature:	
Date:	

If at any time you have questions about the proposed research, please contact the study's Principal Investigator or Supervisor: Catherine Jubin – <u>catherine.jubin@mail.concordia.ca</u> - +1 514 995 3776 - or Jordan LeBel – <u>jordan.lebel@concordia.ca</u> – Ph: +1 514 848-2424 ext. 2907

If at any time you have questions about your rights as a research participant, please contact the Manager, Research Ethics, Concordia University, 514.848.2424 ex. 7481 <a href="mailto:oor.ethics@concordia.ca">oor.ethics@concordia.ca</a>

# **INTERVIEWEES**

Code	Corporation	Name	Function
I.1	Beekman New York	Sharon Novak	President and Co-Founder
I.2	Birks	Jean-Christophe Bedos	President and CEO
I.3	Chanel USA	Olivier Stip	Head of Fine Jewelry and Watches Development
I.4	Interbrand	Rebecca Robins	Head of Luxury Practice
I.5	ISP Network	Damon Crepin Burr	Global Chief Strategy Officer
I.6	Opus One Winery	Christopher Barefoot	SVP Communications
I.7	Printemps	Jean-Marc Bellaïche	CEO (Former Head of Strategy at Tiffany NYC)