Gordon Institute of Business Science
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Antecedents to the luxury purchase intentions of South African Millennials

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ABSTRACT

This study seeks to explicate the antecedents to the luxury purchase intentions of the influential South African Millennial consumer. Specifically, the purpose of this study is to firstly verify the cross-cultural stability of Shukla's (2012) conceptual value perceptions model (comprising social, personal and functional value perceptions) as it relates to luxury brands in the South African context, and, secondly, to synthesise an extension of this model by incorporating the constructs of self-congruity, brand consciousness, and social media marketing, each of which has been found to be a predictor of luxury consumption in other markets.

To this end, a descriptive, quantitative research study was conducted among South African Millennials. Primary data was collected through the use of an online questionnaire. Snowball sampling (through the use of Facebook) rendered a satisfactory sample of 388 valid responses. Structural equation modelling was employed to establish the validity and reliability of the proposed model and respective constructs, and to test the related hypotheses.

The findings revealed that each of the constructs is positively correlated with the luxury purchase intentions of South African Millennials, with materialism being the most significant antecedent to luxury consumption. The results validated Shukla's (2012) model in the South African context as it relates to Millennial consumers. The findings further demonstrate that, while similarities exist between the value perceptions of South African Millennials and those of consumers in western developed and eastern emerging markets, the differences in this regard should also be considered before generalised assumptions are formed regarding the factors that inform the decisions of luxury brand consumers. This study advances the existing theoretical understanding of luxury consumption by exploring and developing a deeper understanding of the luxury purchase intentions of Millennials by testing the relevant theory in the South African context, which, in turn, may inform the marketing strategies of global luxury companies looking to South Africa for growth opportunities.

Keywords: luxury purchase intentions; Millennials; value perceptions; self-congruity; brand consciousness; social media marketing

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Nastasja Botha

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Date

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TERMINOLOGY

For ease of reading, the list below sets out the abbreviated terms used in this report.

AMOS	Analysis of Moment Structures
AVE	Average Variance Extracted
BC	Brand Consciousness
CFA	Confirmatory Factor Analysis
CR	Composite Reliability
CV	Conspicuous Value
GDP	Gross Domestic Product
HNWI	High-Net-Worth-Individuals
n	Sample Size
PI	Purchase Intentions
PQP	Price-quality Perceptions
SC	Self-congruity
SEM	Structural Equation Modelling
SMM	Social Media Marketing
SV	Status Value
UK	United Kingdom
US	United States of America

CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1 Introduction

Chapter 1 provides an introduction to the research problem, including the contextual background to the research problem as well as the motivation for and aim of this study. This chapter further sets out the research objectives and the related research questions, defines the research scope, and concludes with an outline of the study.

1.2 Background to the research problem

This study seeks to explicate the antecedents to the luxury purchase intentions of South African Millennials. Luxury goods constitute a significant share of consumer product sales globally (Bian & Forsythe, 2012), with personal luxury goods, being "the 'core of the core' of luxury" (D'Arpizio, Levato, Zito, & De Montgolfier, 2014, pg. 3), leading this market. According to D'Arpizio et al. (2014), the global personal luxury goods market has tripled in size over the past two decades, reaching €223 billion in 2014 (**Figure 1.1**).

Figure 1.1: Value of the global personal luxury goods market from 1995 to 2014
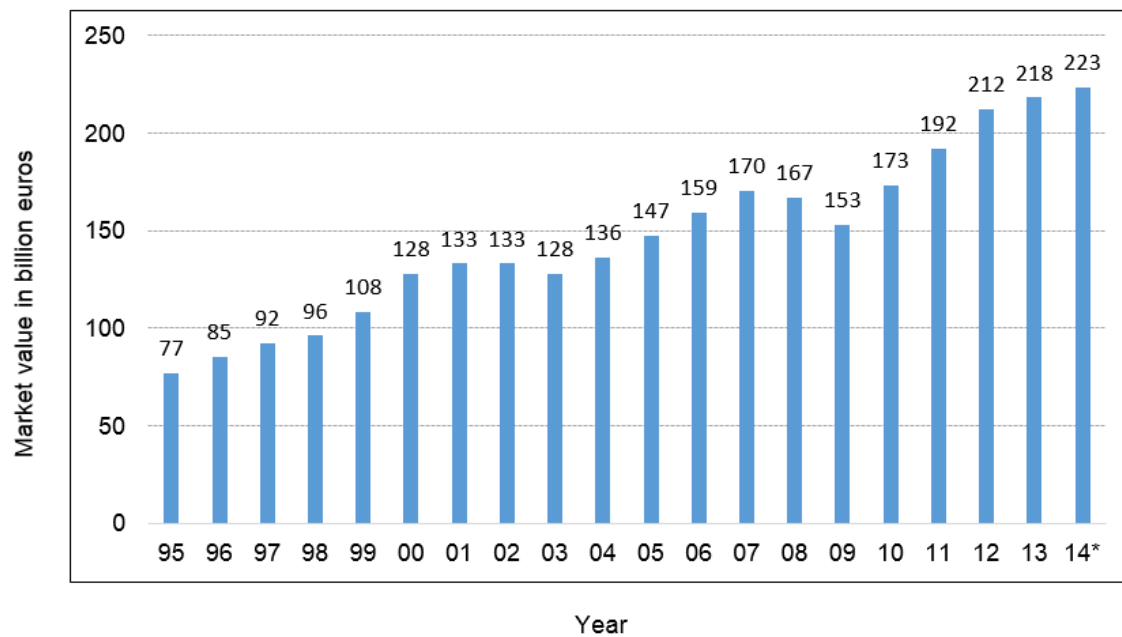
Source: D'Arpizio et al. (2014)

It is expected that revenues generated from the global luxury goods market will grow up to 50% faster than global GDP, with an annual average growth rate of between 5% and 6% projected through 2015, by which time revenue sales are projected to be in excess of €250 billion (D'Arpizio, 2013). The global number of luxury brand consumers has increased more than threefold from 90 million in 1995 to 330 million in 2013, and is projected to increase to 400 million by 2020 and 500 million by 2030 (D'Arpizio & Levato, 2014).

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It is estimated that the size of the luxury industry in emerging markets, including Latin America, Asia Pacific, the Middle East and Africa, which accounted for approximately 19% of the global luxury goods market in 2013, will grow to 25% in 2025 (Deloitte, 2014). The sales of luxury goods in the Sub-Saharan region (which are mostly attributed to South Africa and Nigeria) grew by 35% between 2008 and 2013 and are projected to increase by an additional 33% over the next five years (Deloitte, 2014). Sub-Saharan Africa is second only to Asia Pacific in terms of the size of consumer market growth, and, as such, has been identified as a longer-term growth frontier for luxury brands as a result of the economic development, increased affluence, and urbanisation among a growing middle class in this region (Deloitte, 2014).

The luxury market in South Africa ranked among the top 20 growth markets for the luxury industry between 2007 and 2012 (Boumphrey & Bevis, 2013). South Africa has the largest number of High Net Worth Individuals (HNWIs) in Africa, with approximately 46 800 HNWIs living in the country and representing a combined wealth of US$184 billion, as reported at the end of 2014 (New World Wealth, 2015). The number of South African HNWIs is estimated to grow by 19% and to reach approximately 55 500 by 2017 (New World Wealth, 2015). In addition, South Africa remains a prime shopping destination in Africa, with consumers from other African countries regularly visiting South Africa to shop the wide selection of luxury brands available in this country (in comparison to other African countries), including Cartier, Burberry, Prada, Louis Vuitton, Fendi, Gucci, and Salvatore Ferragamo, at luxury retail locations such as Sandton City and Hyde Park Corner in Johannesburg, and the V&A Waterfront in Cape Town (Atwal & Bryson, 2014).

Marketers are shifting their focus to Millennial consumers who have been found to not only be purchasing luxury goods at a younger age than previous generational cohorts (Tsai, 2005), but whose buying power is estimated to range between US$170 billion and US$200 billion and is projected to eclipse that of Baby Boomers by 2017 (Fromm & Garton, 2013; Miller & Washington, 2013).

The online luxury market, which reported the merger of the London-based web fashion company Net-a-Porter and the Italian online retailer Yoox Group in March 2015 (Revill & Mesco, 2015), has shown rapid growth in recent years. Global digital sales for ladies' luxury fashion are projected to grow from a current 3% of the total luxury goods market to 17% in 2018, accounting for a total market size of US$12 billion (Schmidt, Dörner, Berg, Schumacher, & Bockholdt, 2015). This growth has largely been attributed to the increasing number of affluent online shoppers between the ages of 18 and 35 years (Chu, Kamal, & Kim, 2013). The ability to identify effective paths to purchase and addressing the differences in benefits between shopping in-store versus the rapidly growing online retail channels will

be a key focus for luxury brands going forward (Deloitte, 2015). The results of a survey of 1 000 high income earners (with reported annual earnings of £/€100 000 or greater) conducted across Europe by Deloitte in 2014 showed that, while conventional marketing channels, including magazines and store browsing, remain important sources of information on luxury brands, 45% of the respondents indicated that they search for such information online (Deloitte, 2015). These findings illustrate the increasing importance of a digital presence for luxury brands.

1.3   Research motivation

Globalisation, and the resultant multicultural influences thereof on societies, have significantly impacted the luxury industry (Seo & Gao, 2014), which has expanded into developing markets in particular (Kapferer, 2012). This trend has resulted in the customer base for luxury goods becoming more culturally diverse (Seo & Buchanan-Oliver, 2015). While consumers from different cultural and social segments have been found to exhibit different perceptions of, and motivations for, purchasing luxury brands (Giovannini, Xu, & Thomas, 2015; Bian & Forsythe, 2012), various technological and social aspects have contributed to the development of certain cultural commonalities among countries across the globe (Yim et al., 2014). This phenomenon could also be described as acculturation, which refers to "the process in which individuals learn and adopt the norms and values of a culture different than the one in which they grew up" (Cleveland & Laroche, 2007, pg. 250). Consequently, the domestic cultural distinctiveness of countries with open markets has been reduced (Zhang, 2010) and grounding market segmentation in national culture has become challenging (Yim et al., 2014).

Doss and Robinson (2013) suggest that the convergence of global and local culture has influenced consumption behaviour on a global scale, resulting in the comparability between cross-cultural value perceptions, which, in turn, influence consumers' purchase decisions. According to Chattalas and Shukla (2015), the value that consumers derive from a product or service is the essential driver of purchase decisions. Zeithaml (1988) asserts that, while perceived value is highly idiosyncratic, it generally refers to the consumer's assessment of the worth of a product based on his or her perception of the trade-off between what is acquired and what is paid. While there is a debate among researchers regarding the values on which luxury is based, due to the subjective nature of the luxury concept (Chattalas & Shukla, 2015; Wiedmann, Hennigs, & Siebels, 2009), three central fundamental dimensions have been identified, namely social, personal, and functional value perceptions (Shukla & Purani, 2012; Wiedmann, Hennigs, & Siebels, 2007). Social value refers to the desire to present a certain image to others (Kapferer, 1997; Shukla, 2012), personal value refers to symbolic and experiential benefits gained (Wong & Ahuvia, 1998), and functional value refers to utilitarian factors (Wiedmann et al., 2007).

Drawing from the theory of impression management, Shukla (2012) found that, on a pooled basis, the value perceptions of consumers in western developed markets (including the US and the UK) have a different influence on their luxury purchase intentions compared to those in the eastern emerging markets (including India and Malaysia). In conducting that study, Shukla (2012) developed a conceptual value perceptions model, as derived from the earlier work of Wiedmann et al. (2007), which incorporates social, personal, and functional value perceptions within the luxury goods context.

In a subsequent comparative study conducted by Chattalas and Shukla (2015), which measured the influence of value perceptions on the luxury purchase intentions of consumers in the US and the UK, the findings suggested that, while the US and the UK largely share macro cultural characteristics, the consumer value perceptions among these nations differ significantly. While functional value perceptions appeared to drive the luxury purchase intentions in both the US and the UK, social value perceptions were found to be a significant driver only in the US, and personal value perceptions were found to be a significant driver only in the UK.

The aforementioned findings of Shukla (2012) support the argument that, while globalisation has resulted in certain cultural commonalities among countries, as discussed above, factors that explicate the social behaviour of consumers in one culture are not necessarily applicable to another culture, as value systems and the psychological factors which drive consumption may differ among cultures (Belk, 1999; Sheth, Newman, & Gross, 1991). As Cleveland and Laroche (2007) state, acculturation does not necessarily result in the abandoning of original cultural values and behaviours, and individuals are, therefore, able to identify with multiple cultures, depending on the social context.

The economic influence of Millennials (Giovannini et al., 2015; Fromm & Garton, 2013; Miller & Washington, 2013) and their predisposition for investing in higher quality luxury goods (Grotts & Johnson, 2013) signal the significance of these consumers. Accordingly, a study of the luxury consumption behaviour of this generational cohort is pertinent, as Millennials, who have been socialised in a materialistic society (Bakewell & Mitchell, 2003), do not necessarily share the consumption behaviour of previous generational cohorts (GurĂu, 2012).

In addition to the influence of value perceptions, it has been found that the following three factors also impact luxury purchase decisions. Firstly, following their study conducted among university students in Australia, Roy and Rabbanee (2015) found that self-congruity is positively correlated with luxury consumption behaviour. Self-congruity, which refers to the similarity between the self-concept of a consumer and the user image of a brand (Sirgy

et al., 1997), has been found to have a significant influence on the luxury purchase decisions of Millennials in the US (Giovannini et al., 2015). This positive correlation could be attributed to the fact that brand consumption has the potential to fulfil certain of consumers' psychological needs, including building, expressing, and strengthening self-identity and individuality, while also addressing the need for uniqueness (Sirgy, 1982). Accordingly, luxury brand consumers prefer brands that best reflect their ideal or actual self (Sirgy, 1982). Tsai (2005) does however postulate that consumers in an individualistic society may show higher levels of such congruity compared to consumers in a collectivistic society.

Secondly, Giovannini et al. (2015) found that high levels of brand consciousness are positively correlated with the luxury purchase intentions of consumers in the US. Studies have also shown that Millennial consumers are more brand conscious than previous generational cohorts, which could largely be attributed to their consciousness of public self-image and self-esteem, as well as the fact that they have more disposable funds than any other group of young consumers recorded in history (Giovannini et al., 2015; Noble, Haytko, & Phillips, 2009).

Thirdly, as social media has formed the core of the culture in which Millennials have grown up, communicate, and create communities (Leung, 2013), luxury retailers are increasingly using social media websites to connect with technologically entrenched Millennials who employ social media to engage with brands and communicate their personal identities to others (Hunt, Atkin, & Krishnan, 2012). In this regard, social media marketing by luxury retailers has been found to be positively correlated with the purchase intentions of luxury brand consumers in Seoul (Kim & Ko, 2010).

This study is justifiable from both a theoretical and practical perspective. It is expected that this study will advance the existing theoretical understanding of luxury consumption by exploring and developing a deeper understanding of the luxury purchase intentions of an under-researched but highly influential generational cohort of consumers (Giovannini et al., 2015). In particular, this study will contribute to the extant literature by, firstly, verifying the cross-cultural stability of Shukla's (2012) conceptual value perceptions model, and, secondly, by examining the influence of self-congruity, brand consciousness, and social media marketing on luxury purchase intentions of Millennials, specifically in the South African context.

From a practical perspective, the changing trends in the behaviour of consumers in emerging markets, and Sub-Saharan Africa in particular, implore luxury goods retailers to develop a sophisticated yet uniquely African approach to reach and satisfy the growing demand for luxury goods in this market (Deloitte, 2014). An understanding of the

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antecedents to the luxury purchase intentions of South African Millennials will inform marketing strategies of global luxury companies looking to South Africa for growth opportunities, and will enable marketers to optimally target consumers and segment this market more distinctively by assessing the attitude of Millennial consumers toward luxury brands in this market (Yim et al., 2014).

1.4   Research problem

As a result of the high global adoption rate of luxury brands (D'Arpizio et al., 2014), an increasing number of cross-cultural studies pertaining to luxury market trends and consumer behaviour toward luxury brands have been conducted (Bian & Forsythe, 2012). Conversely, there appears to be a lacuna in the body of research to understand consumer behaviour toward luxury brands within a specific nation's ethnic and cultural dimensions (Bennett, Hill, & Oleksiuk, 2013). Atwal and Bryson (2014) assert that it is essential for international luxury brands to acknowledge that luxury brand consumers in emerging markets are not homogenous and that it is more probable that various segments exist within these markets.

While impression management could be deemed a common cross-cultural trait (Shukla, 2012), the influence of the micro sub-components of this theory's instrumental and expressive dimensions on the conceptual model developed by Shukla (2012) may differ between countries and cultures (Shukla, 2012). Chattalas and Shukla (2015) echo Hofstede and Hofstede's (2004) caution against making generalised assumptions regarding the factors that inform the decisions of luxury brand consumers when using national-level cultural indicators. Hofstede and Hofstede (2004) further emphasise the importance of the significant role that contextual differences play in consumer behavioural patterns. Furthermore, each generation is influenced by a broad spectrum of forces, including economic and social events that create common value systems that distinguish them from those who grew up in different times (Twenge, Campbell, Hoffman, & Lance, 2010). Therefore, different generational cohorts have different sets of values and attitudes based, in part, on the historical, social, and chronological context of the critical life experiences of each cohort (Loroz & Helgeson, 2013). It therefore follows that consumers of different generational cohorts will not necessarily share similar consumption behavioural patterns. Additionally, Eastman and Liu (2012) assert that segmentation of the luxury brand consumer by generational cohort is more efficient than alternative demographic variables.

The research problem presented below is of particular importance, as international luxury brands are looking toward Sub-Saharan Africa for longer-term growth opportunities (Deloitte, 2014) and in light of the significant economic influence of Millennials (Giovannini et al., 2015). Furthermore, these consumers have been characterised by their predisposition for investing in higher quality luxury goods (Grotts & Johnson, 2013). In addition, the rapid

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growth of online retail channels could essentially be attributed to the emergence of Millennial consumers during the technological boom, and, therefore, demonstrates different behavioural patterns to their luxury predecessors. This is illustrated by the results of a survey conducted by Deloitte in 2014, which found that 58% of respondents under the age of 34 searches for information online, while 31% of respondents in this age group uses social media to gather information about product promotions, compared to only 10% of older luxury brand consumers (Deloitte, 2015).

Therefore, Shukla's (2012) findings regarding the value perceptions of consumers in western developed and eastern emerging markets, and the influence thereof on their luxury purchase intentions, are not necessarily valid for South Africa, or for South African Millennials in particular. This is due to the impact of South Africa's more diverse cultural dimensions, Millennials' shifting value perceptions and their resultant differing consumption behavioural patterns (Duh & Struwig, 2015), as compared to previous generational cohorts.

The overview provided above identifies aspects of consumer behaviour toward luxury brands that require further examination. In particular, a better understanding of such behaviour with a specific focus on the influential Millennial cohort is required. Accordingly, this study investigates the following research problem:

What are the antecedents to the luxury purchase intentions of South African Millennials?

The terms "Millennials" and "Generation Y" will be used interchangeably throughout this study.

1.5 Research aim

The central aim of this study is to explicate the antecedents to the luxury purchase intentions of South African Millennials. Furthermore, this study will set out to contribute to the existing theoretical understanding of luxury consumption by examining the behaviour of a highly influential, yet under-researched, generational cohort, namely Millennials (Giovannini et al., 2015) and testing the relevant theory in the South African context.

This study further aims to contribute to a deeper understanding of the potential use of cross-cultural characteristics that inform luxury purchase decisions. If the findings show homogeneity in the predictors (as far as value perceptions are concerned) of luxury consumption of South African Millennial consumers and consumers in the western

developed and eastern emerging markets, this would confirm the cross-cultural stability of Shukla's (2012) model. Consequently, international luxury brands looking to expand their South African footprint could standardise their marketing campaigns. Contrary findings could inform the manner in which such campaigns should be customised by building upon the unique culture and values of South African Millennials to create culturally infused and distinctive brand identities. Leveraging the interaction between brands and consumer co-creation of culture, as suggested by Schroeder, Borgerson, and Wu (2014), will enable luxury retailers to effectively connect with the influential Millennial consumer and foster customer lifetime value.

1.6   Research objectives and research questions

In order to achieve the research aim, the author will synthesise an extension of Shukla's (2012) conceptual value perceptions model by incorporating the constructs of self-congruity, brand consciousness, and social media marketing (each of which has been found to be a predictor of luxury consumption in other markets) for the purposes of reaching the following research objectives:

- **Research objective 1**

  To conduct an empirical verification of the cross-cultural stability of Shukla's (2012) conceptual value perceptions model in the South African context, with a specific focus on Millennials.

- **Research objective 2**

  To compare the value perceptions of South African Millennials with consumers in the western developed and eastern emerging markets observed in Shukla's (2012) study.

- **Research objective 3**

  To measure the influence of each additional construct comprising the proposed extended conceptual model on the luxury purchase intentions of South African Millennials, with a view to present a validated cohesive model which offers a deeper understanding of the predictors of luxury consumption.

Accordingly, the following underlying research questions are defined to address the objectives outlined above.

Social value perceptions

Research question 1	What is the relationship between conspicuous value and the luxury purchase intentions of South African Millennials?
Research question 2	What is the relationship between status value and the luxury purchase intentions of South African Millennials?

Personal value perceptions

Research question 3	What is the relationship between hedonism and the luxury purchase intentions of South African Millennials?
Research question 4	What is the relationship between materialism and the luxury purchase intentions of South African Millennials?

Functional value perceptions

Research question 5	What is the relationship between the need for uniqueness and the luxury purchase intentions of South African Millennials?
Research question 6	What is the relationship between price-quality perceptions and the luxury purchase intentions of South African Millennials?

Self-congruity

Research question 7	What is the relationship between self-congruity and the luxury purchase intentions of South African Millennials?

Brand consciousness

Research question 8	What is the relationship between brand consciousness and the luxury purchase intentions of South African Millennials?

Social media marketing

Research question 9	What is the relationship between social media marketing and the luxury purchase intentions of South African Millennials?

Research questions 1 to 6 relate to the constructs that comprise Shukla's (2012) model, while research questions 7 to 9 relate to the author's proposed extension of Shukla's (2012) model for purposes of presenting a validated cohesive model.

1.7   Research scope

The research findings should be considered relative to the following delimitations that establish the scope of the research:

- While this research focuses on the luxury purchase intentions of South African Millennials, the examination of the sub-cultures within this population and their potential differing approaches to decision making fall outside the scope of this study.

- As discussed below, there is a dearth of consensus among researchers as to the definition of luxury goods. The scope of this study has been limited to four broad categories of luxury goods, namely designer apparel (ready-to-wear), handbags and accessories, fine jewellery and watches, and cosmetics and fragrances. The luxury categories of automobiles, travel and leisure services, boating and yachts, fine art and collectables, and fine wines and spirits were excluded for purposes of this study.

- In order to provide context to this study, respondents were referred to the names of 32 well-known international luxury brands, as identified by the author through desktop research and various electronic resources, which were to be considered in completing the questionnaire. Accordingly, domestic luxury brands and the influence of consumer ethnocentrism on the luxury purchase intentions of South African Millennials are excluded from the scope of this study. In addition, these consumers' motives to purchase counterfeit luxury brands were not examined for the purposes of this study.

- This research extends the extant literature by examining the influence of self-congruity, brand consciousness, and social media marketing on the luxury purchase intentions of South African Millennials. Other brand factors including, among others, brand attitude, brand loyalty (Liu, Li, Mizerski, & Soh, 2012), brand equity (Kim & Ko, 2012), and country of origin (Yu et al., 2013) do not form part of the scope of this study.

Consideration was given to the fact that not all Millennial consumers were necessarily able to afford luxury brands at the time of this study. According to Kim and Ko (2012), purchase intention refers to a combination of a consumer's interest in and ability to purchase a product. However, the authors further assert that purchase intention can also be regarded as an "attitudinal variable" (Kim & Ko, 2012, pg. 1481) for measuring a customer's future support of a brand, as opposed to customer equity, which refers to a behavioural variable that measures a customer's actual purchasing record.

1.8 Chapter summary and layout of study

This chapter provided the foundation of this research by introducing the contextual background to the research problem. The motivation for this research was discussed along with the relationship between the research aim, the research objectives and the related research questions. The research scope was also clearly defined.

This chapter is followed by Chapter 2, which sets out a review of the extant academic literature pertaining to the salient drivers of luxury consumption, in order to provide contextual background and perspective into the theoretical constructs in which this study is grounded. In addition, Chapter 2 will define the precise hypotheses pertinent to the research questions presented in this chapter. Chapter 3 will discuss the research methodology employed, including the research design, the definition of the population and the unit of analysis, the sampling method and the sample size, the research instrument, as well as the manner in which the primary data was collected and analyses. The limitations to the research methodology will also be specified in Chapter 3.

A description of the sample obtained and the statistical results of the research (which will be linked to the hypotheses outlined in Chapter 2) will be presented in Chapter 4. Chapter 5 will include a comprehensive discussion of the results in terms of the research questions and hypotheses examined, together with the literature review on which the same is based. In addition, in-depth insight into the research findings will be provided as they relate to the context of this study as well as the theoretical framework, and the findings will be reconciled with the extended conceptual model proposed in this study. Chapter 6 will conclude the research presented herein by summarising the principal findings of the research, discussing the theoretical and managerial implications thereof, specifying the limitations to this research and offering recommendations for future research.

CHAPTER 2: LITERATURE REVIEW

2.1   Introduction

Chapter 1 outlined the problem that this research aims to address, which is to gain a deeper understanding of the antecedents to the luxury purchase intentions of South African Millennials. As stated, such an understanding is of particular relevance, as luxury brands look toward Sub-Saharan Africa for longer-term growth opportunities (Deloitte, 2014) and in light of the significant economic influence of Millennials (Giovannini et al., 2015).

This chapter sets out a review of the extant academic literature in order to provide a contextual background and perspective into the theoretical constructs in which this study is grounded. This chapter first reviews the conceptualisation of luxury, followed by a review of Shukla's (2012) conceptual model in terms of which the influence of value perceptions on luxury purchase intentions can be determined. An overview of the Millennial cohort, which includes a specific focus on the South African market, will be followed by a review of the constructs with which Shukla's (2012) model is proposed to be extended, namely self-congruity, brand consciousness, and social media marketing. In keeping with the research problem and research questions presented in Chapter 1, specific research hypotheses relating to the luxury purchase intentions of South African Millennials are defined. This chapter concludes with a proposed extended conceptual model which will set out to offer a deeper understanding of the predictors of luxury consumption.

2.2   Conceptualisation of luxury

It appears from extant literature that there is a dearth of consensus among researchers as to what constitutes luxury (Brun & Castelli, 2013). This view supports that of Vigneron and Johnson (2004), having published seminal works in this regard, who asserted that the concept of luxury is idiosyncratic and multifaceted, and is influenced by various personal and interpersonal factors that vary according to motivations and values leading to the purchase of luxury brands. Seo and Buchanan-Oliver (2015, pg. 88) posited that luxury brands "communicate the prestige, status, and role position of their users". According to Nwankwo et al. (2014), the concept of luxury is time and space dependent and the perception and the definition thereof is contextually and socio-demographically distinct. Roper, Caruana, Medway, and Murphy (2013) shared this view, and suggested that luxury is a "negotiated order of discourse, a contested domain meaning, a cultural work in progress" (Roper et al., 2013, pg. 376), adding that luxury is largely a subjective experience.

While luxury has long been associated with conspicuous consumption (Eckhardt, Belk, & Wilson, 2015), inconspicuous consumption has become increasingly prevalent for a number of reasons, including the signalling ability of traditional luxury goods becoming diluted as a result of the rise in counterfeits and the democratising of luxury (as discussed below), a preference for modesty in light of the current economic climate, and a greater desire for subtlety and sophistication in design (Eckhardt et al., 2015). Berger and Ward (2010, pg. 556) defined inconspicuous consumption as "the use of subtle signals that are only observable to people with the requisite knowledge to decode their meaning". Accordingly, only a few observers from an elite social group would be able to decipher these signals with low visual prominence, as opposed to society at large (Eckhardt et al., 2015). While conspicuous brands utilise overt brand logos and aesthetics, inconspicuous brands are subtle and sophisticated in design (Eckhardt et al., 2015), and elicit a premium over conspicuous brands (Han, Nunes, & Drèze, 2010). Eckhardt et al. (2015, pg. 811) asserted that consumers with "high cultural capital" want to be distinguished from the overt conspicuous consumption displayed by the newly wealthy and aspirational, lower status consumers who purchase mass-market versions of luxury goods, which result in the dilution of a brand's image (Eckhardt et al., 2015). Roper et al. (2013) argued that the concept of luxury should be reconsidered in light of contemporary markets and the democratising of luxury. Eckhardt et al. (2015) shared this view and postulated that, due to the rise of inconspicuousness resulting from social and economic trends, the concept of luxury should be redefined by separating it from conspicuousness.

As this study focuses on Millennial consumers who are yet to enter their prime earning years, and due to the fact that the level of local availability of premium global luxury brands in South Africa is limited as compared to developed markets and certain other emerging markets, inconspicuousness, as a proposed construct of luxury, falls outside the scope of this study.

2.2.1 Democratisation of luxury

As a result of the increased affluence of the middle classes in many countries, the luxury concept has expanded to include elements of "masstige" or availability to the masses (Walley, Custance, Copley, & Perry, 2013, pg. 826), which has resulted in the distinction between absolute luxury and accessible luxury (Walley et al., 2013). While the former still relates to social stratification, the latter alludes to social distinction based on status (Walley et al., 2013). The concept of accessible luxury is discussed below.

Walley et al. (2013) proposed two forms of the luxury market: (a) the original luxury market that targets the wealthy and which could be described as absolute luxury, and (b) a new market that targets the middle classes and which could be described as accessible luxury. The emergence of the latter type of market could be attributed to the fact that the concept of luxury is subjective and that the middle classes in many countries are rising (Roper et al., 2013; Walley et al., 2013). According to Roper et al. (2013), cultural and structural shifts in the marketing systems of western developed markets have resulted in a democratisation of luxury, making a traditionally elite category accessible to the masses.

Dubois and Duquesne (1993) identified the following fourteen categories of luxury goods: jewellery, watches, cars, leather goods, haute couture, prêt-à-porter, shoes, perfume, spirits, champagne, wine, crystal, tableware and porcelain. However, Trocchia, Saine, and Luckett (2014) suggested that technology be included in the luxury brand typology as an emerging category, since their study showed that Apple was cited more frequently as a luxury brand than other traditional luxury brands such as Armani, Prada and Tiffany & Co. Chidley (2015, pg. 2) referred to this phenomenon as the new "introverted" premium that represents the luxury of potential, rather than scarcity or splendour. According to Chidley (2015), the motivation to purchase an Apple device relates to qualities that the consumer values personally and does not necessarily broadcast socially, the salient features of which include simplicity and consumer experience. As shown in **Figure 2.1**, Rambourg (2014) created a brand pyramid to illustrate how major brands range in accessibility from everyday luxuries, such as the American coffee company, Starbucks, to ultra-high-end luxury goods such as Graff diamonds.

The democratisation of luxury, which has enabled Millennial consumers to enter into the luxury market, can be illustrated by Giovannini et al.'s (2015) example of Tiffany & Co., Louis Vuitton, and Coach, who all added lower priced items to their merchandise mix, such as a silver jewellery range, sunglasses, perfume and small leather goods. Giovannini et al. (2015) suggested that this pricing strategy, which allows for brand interaction by younger consumers, could serve as a gateway to brand loyalty. Customer lifetime value is, therefore, fostered through this pricing strategy, and, notwithstanding the fact that not all Millennial consumers can necessarily afford luxury brands, they may be potential brand advocates.

Figure 2.1: Brand pyramid
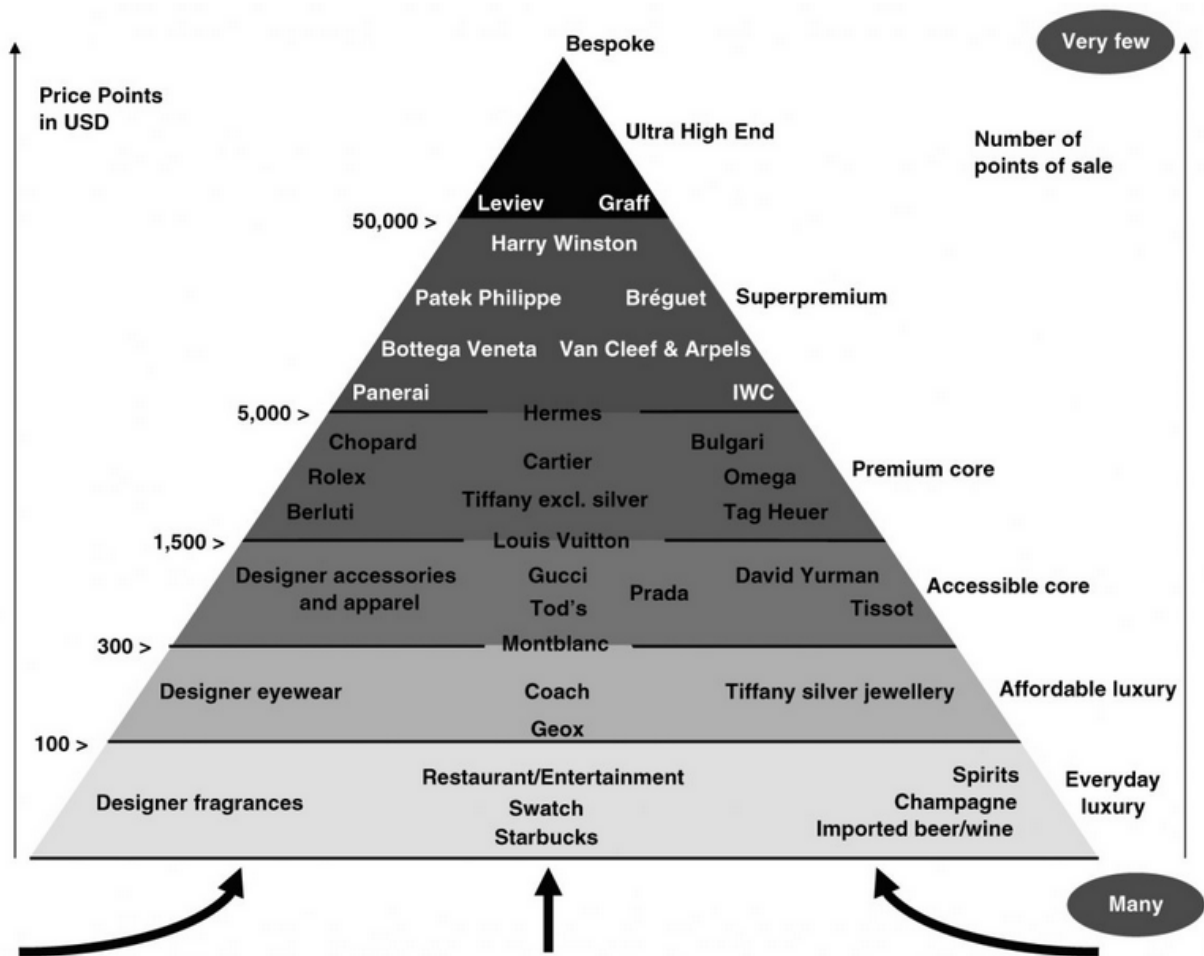
Source: Rambourg (2014)

2.3   Cross-cultural value perceptions

Guo (2013) found that consumers who demonstrated high levels of global orientation, and, therefore, identified themselves as global citizens, preferred global brands and may be regarded as being assimilated with global culture. Despite the fact that various technological and social aspects have contributed to the development of certain cultural commonalities among countries across the globe (Yim et al., 2014), Giovannini et al. (2015) found that consumers from different cultural and social segments appear to exhibit different perceptions of and motivations for purchasing luxury brands. Bian and Forsythe (2012) shared this view and stated that the underlying motivation for purchasing luxury goods may differ across cultures, as perceptions of luxury may depend on each individual's perception of indulgent value.

Shukla (2012) asserted that, while impression management could be deemed a common cross-cultural trait, the influence of the micro sub-components of this theory's instrumental and expressive dimensions on the conceptual model developed by this author, as discussed below, may differ between countries and cultures. Therefore, Shukla's (2012) findings

regarding the value perceptions of consumers in western developed and eastern emerging markets, and the influence thereof on their luxury purchase intentions, are not necessarily valid for South Africa, or for South African Millennials in particular. This is due to the impact of South Africa's more diverse cultural dimensions and Millennials' shifting value perceptions and their resultant differing consumption behavioural patterns (Duh & Struwig, 2015), as compared to previous generational cohorts. Accordingly, this study aims to verify the cross-cultural stability of Shukla's (2012) model as it relates to luxury brands in the South African context, with a particular focus on the influential generational cohort that is Millennials.

2.3.1 A review of Shukla's (2012) conceptual value perceptions model

The following sections provide a detailed discussion of, firstly, the importance of value systems as drivers of purchase decisions, and, secondly, Shukla's (2012) conceptual value perceptions model.

2.3.1.1 Value systems as drivers of purchase decisions

The influence that value systems have on consumers' purchase decisions is well-recognised in the literature (Nwankwo et al., 2014). While consensus is yet to be reached among researchers as to the values on which luxury is based (Chattalas & Shukla, 2015; Wiedmann et al., 2009), three central fundamental dimensions have been identified, namely social, personal, and functional value perceptions (Shukla & Purani, 2012; Wiedmann et al. 2007).

Different sets of consumer values must be considered when exploring luxury consumption predictors (Nwankwo et al., 2014). Bian and Forsythe (2012) suggested that the main drivers of luxury consumption include self-representation and self-expressive values, while Lim, Ting, Khoo, and Wong (2012) cited emotional and social values as main motivational factors.

In response to the rising luxury consumption in emerging markets, Shukla (2012) conducted a cross-cultural examination of the differences in value perceptions, as they relate to luxury brands, between consumers in western developed and eastern emerging markets by applying a conceptual model that is based on the three fundamental dimensions of the values on which luxury can be based, as discussed above. Shukla's (2012) research draws upon the theory of impression management, which posits that an internal motivation to create a favourable social image has a significant effect on a consumer's purchasing behaviour (Goffmann, 1959; Tsai, 2005). Shukla (2012) posited that there are two fundamental dimensions to this theory, namely instrumental self-presentation and expressive self-presentation: The instrumental dimension entails consumption that is aimed at influencing others and attaining rewards, while the expressive dimension involves creating

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an image that is reflective of one's own personality. Shukla (2012, pg. 575) referred to the aforementioned aspects as "social and personal value perceptions", respectively.

Shukla (2012) postulated that the influence of social, personal, and functional value perceptions on consumers' luxury purchase intentions should be measured simultaneously. Such exploration of the simultaneous influence of multiple constructs can be justified by congruity theory, which posits that consumers seldom make purchase decisions in respect of high-involvement products, such as luxury goods, in isolation, but rather consider multiple factors (Chattalas & Shukla, 2015; Shukla, 2012).

2.3.1.2 Value perceptions

The constructs in Shukla's (2012) conceptual model, namely social, personal, and functional value perceptions, are discussed below.

<u>Social value perceptions</u>

Loroz and Helgeson (2013) referred to social values, as they relate to luxury brands, as the desire to own such brands for the purpose of asserting professional standing or displaying social status, or to differentiate from others. It follows that social value perceptions relate to external-related consumption preferences and address the instrumental aspect of impression management, as discussed above (Shukla, 2012). The pressure to adhere to social norms, including the need to gain social prestige from possessions, is a significant driver of luxury purchase behaviour (Shukla, 2011).

Social value perceptions comprise two sub-dimensions, namely conspicuous value and status value (Shukla, 2012). According to Vigneron and Johnson (2004), conspicuousness and status are two of the most essential elements of brand luxury. Conspicuous value refers to the purchase of luxury goods as a means to evidently display status and prestige (Giovannini et al., 2015; Seo & Buchanan-Oliver, 2015), while status value refers to the "personal nature" of owning luxury goods which are not necessarily displayed publicly (O'Cass & McEwen, 2004, pg. 27). Eckhardt et al. (2015) asserted that status signifies luxury, superior quality, and potentially class, while conspicuousness relates more to appearance, image, and recognisability.

Roy-Chaudhuri, Mazumdar, and Ghoshal (2011) found that consumers' characteristics, such as materialism, individualism, self-esteem, desire for uniqueness, and social visibility, influence their behaviours related to conspicuous consumption. The brand consciousness of Millennial consumers in the US were found to motivate both their conspicuous consumption and brand self-congruity consumption of luxury goods, which could be attributed to the symbolic value associated with luxury goods (Giovannini et al., 2015).

Truong, Simmons, McColl, and Kitchen (2008) and O'Cass and McEwen (2004) argued that the conspicuous and status dimensions of luxury should be distinguished from each other and not be regarded as a single construct. Eckhardt et al. (2015) concurred with this view and assert that a direct correlation does not necessarily exist between conspicuousness and status. It could be argued that the classification of conspicuous value and status value, as two separate but related constructs, stem from the fact that luxury goods have assumed new functions as a result of the democratisation of luxury, as discussed above.

Personal value perceptions

Tsai (2005) described personal value perceptions as the factors that drive the consumption of luxury goods for the purpose of satisfying the self (as opposed to pleasing others' expectations) and to gain symbolic benefits and a self-directed hedonic experience. Personal value perceptions, therefore, relate to the expressive aspect of impression management (Shukla, 2012). According to Shukla (2012), personal value perceptions are the salient factors influencing luxury purchase intentions. Shukla (2012) further incorporated hedonism and materialism, as posited by Vigneron & Johnson (2004), as the two sub-dimensions of personal value perceptions. Hedonism refers to the internal facet of the self, while materialism refers to the external facet of the self (Holbrook & Hirschman, 1982). These two concepts are discussed further below.

Hedonic consumption relates to several sensory aspects of product utility and focuses on emotional fulfilment (Holbrook & Hirschman, 1982), which correlates to the symbolic characteristics of luxury goods referred to by Vigneron & Johnson (2004). Belk (1984, pg. 291) defined materialism as "the importance a consumer attaches to worldly possessions", while Sun, D'Alessandro, and Johnson (2014) suggested that materialism is based on the concept that one's extended self is derived from the goods one owns. The materialism construct includes three key dimensions, namely the use of possessions to measure success, the centrality of possessions in the user's life, and the acquisition of possessions in the pursuit of happiness (Richins & Dawson, 1992).

Zhang and Kim (2013) asserted that materialism can significantly influence consumers' attitudes toward purchasing global luxury goods. However, Shukla (2012) highlighted the fact that the extent of such influence across cultures is subject to the socio-economic and cultural environment of different countries. Chu et al. (2013) suggested that frequent exposure to consumption-related messages, especially for users of social media, may contribute toward a higher level of materialism.

Functional value perceptions

Functional value refers to the ability of a product "to perform its functional, utilitarian, or physical purpose" (Smith & Colgate, 2007, pg. 8), which indicates that even luxury goods are expected to be usable yet unique enough to be differentiating. The two sub-dimensions of functional value perceptions, as described by Tynan, McKechnie, and Chhuon (2010), namely uniqueness and price-quality, are discussed below.

Tian, Bearden, and Hunter (2001, pg. 50) proposed that luxury consumption is essentially driven by an individual's need for uniqueness, which the authors define as "an individual's pursuit of differentness relative to others that is achieved through the acquisition, utilisation, and disposition of consumer goods for the purpose of developing and enhancing one's personal and social identity". According to Vigneron and Johnson (2004), a luxury brand's distinctive image, together with its scarcity value, can meet a consumer's need for uniqueness. Seo and Buchanan-Oliver (2015) shared this view, and stated that uniqueness involves the enhancement of a consumer's preference for a particular luxury brand due to the limited supply thereof, which, in turn, results in the brand being perceived to be more exclusive and valued. Shukla (2012) noted that luxury goods have consistently and predominantly targeted the characteristic of uniqueness among consumers. The example of Christian Louboutin's red soled shoes and the unique silk scarves that are the hallmark of the House of Hermes are cited as examples to illustrate the application of this concept (Shukla, 2012).

Roy and Rabbanee (2015) argued that, while the need for social conformity may be a driver of luxury consumption, which, in turn, develops and enhances the consumer's personal and social identity, social interactions may encourage nonconformity or individualisation from time to time. Roy and Rabbanee (2015) suggested that luxury brand consumers are motivated by the need to avoid similarity with others in an effort to achieve social distinctiveness.

According to Bian and Forsythe (2012), the identity of individualists is grounded in the desire for uniqueness. As stated, Bian and Forsythe (2012) asserted that the underlying motivation for purchasing luxury goods may differ across cultures, as perceptions of luxury may depend on each individual's perception of indulgent value. Individuals in collective societies share common values and may, therefore, perceive the 'self' in a depersonalised way in terms of which individual personalities are not distinctive (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). Conversely, individual initiative, emotional intelligence, and the 'I' consciousness are important to individuals in individualist societies (Hofstede, 1980), which may increase their desire for uniqueness. Roy and Rabbanee (2015) argued that the opposing needs for social

integration and uniqueness can be reconciled by self-congruity (as discussed below), as the latter is largely built upon the notion of self-expression.

As stated by Shukla (2012), consumers equate luxury goods to premium quality and reassurance from which more value is derived. According to Brucks, Zeithaml, and Naylor (2000), the inherent characteristics of luxury brands allow consumers to perceive price and quality as indivisible. This view is supported by Han et al. (2010), who found that consumers often build and communicate their image by the use of price and quality-related indicators. Accordingly, the study conducted by Shukla (2012) measured price-quality perceptions as an indivisible dimension. Han et al. (2010) found that consumers are willing to pay a higher price for luxury brands, as such brands symbolise their social distinctiveness (which in turn aligns with consumers' need for uniqueness). A consumer's willingness to pay a premium price for a functionally equivalent product, merely due to the product being perceived as being more prestigious, is referred to by Bagwell and Bernheim (1996) as the "Veblen Effect". This phenomenon could be attributed to the fact that consumers perceive luxury purchases as status indicators rather than usefulness due to the product's direct utility (Mason, 1984). Therefore, premium price may be positively correlated with a consumer's decision to purchase luxury goods (Truong & McColl, 2011).

Shukla's (2012) conceptual value perceptions model was empirically tested on a sample size of 1 004, which comprised luxury goods consumers in two western developed markets (including the US and the UK) and two significant eastern emerging markets (including India and Malaysia). The results from this study are shown in **Figure 2.2**.

The principal findings from Shukla's (2012) study can be summarised as follows:
- Consumers in western developed markets showed a significantly stronger preference for status value, as compared to consumers in eastern emerging markets.
- Hedonism is more prevalent in western developed markets than in eastern emerging markets.
- Materialism is a significant antecedent of luxury purchase intentions in both western developing and eastern emerging markets.
- The prevalence of functional value perceptions is significantly high in western developed markets. However, at the individual country level, uniqueness is more important to consumers in the UK than those in the US. Both markets reflect strong price-quality perceptions.

Figure 2.2: Shukla's (2012) conceptual value perceptions model
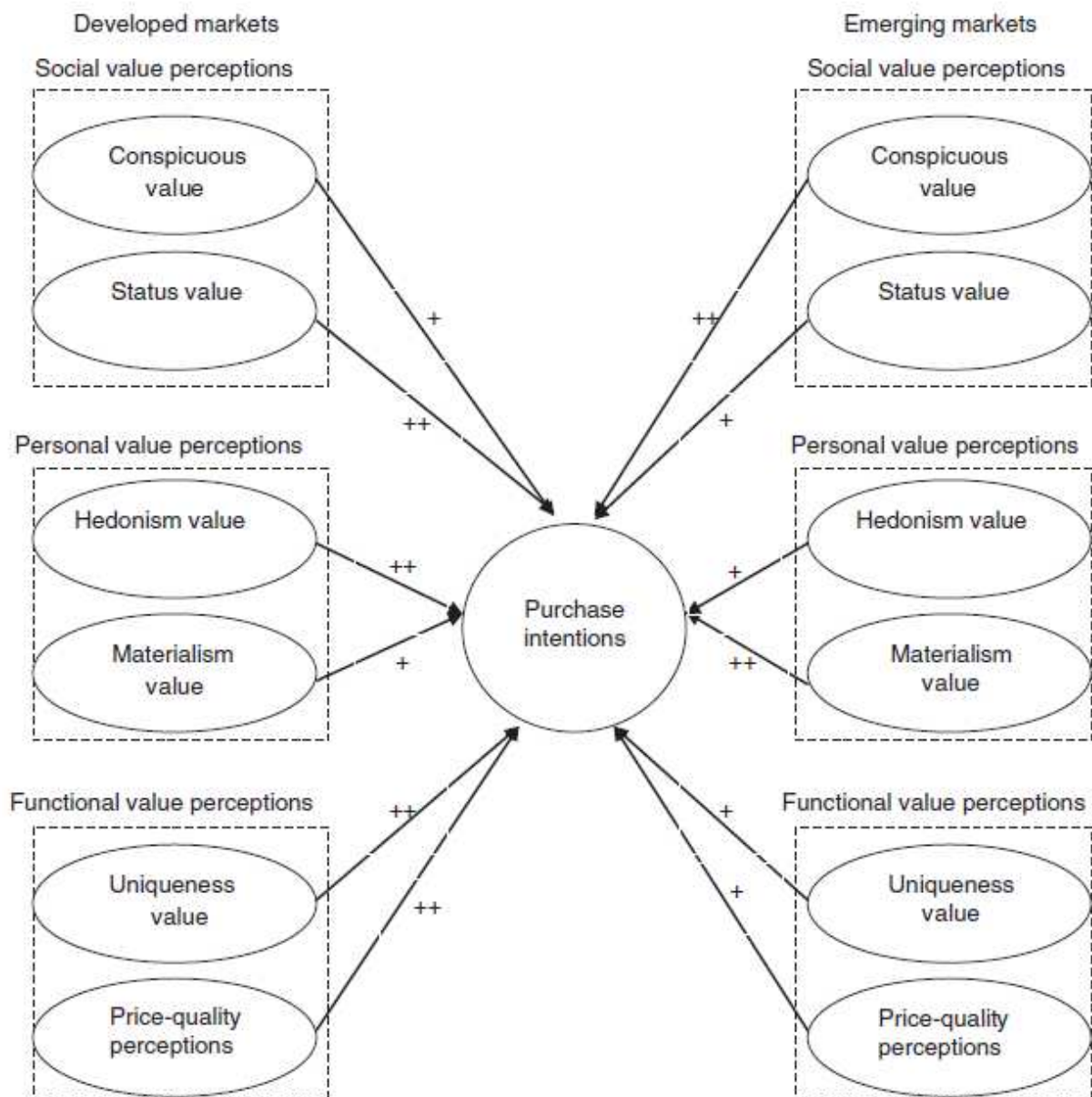
Notes: +, strength of relationship; ++, stronger relationship than +

In light of the differences in the influence of social, personal, and functional value perceptions on luxury consumption behaviour among cultures, as indicated above, the following research questions and hypotheses are presented:

Research question 1

What is the relationship between conspicuous value and the luxury purchase intentions of South African Millennials?

Hypothesis 1: Conspicuous value is positively correlated with the luxury purchase intentions of South African Millennials.

Research question 2

What is the relationship between status value and the luxury purchase intentions of South African Millennials?

Hypothesis 2:   Status value is positively correlated with the luxury purchase intentions of South African Millennials.

Research question 3

What is the relationship between hedonism and the luxury purchase intentions of South African Millennials?

Hypothesis 3:   Hedonism is positively correlated with the luxury purchase intentions of South African Millennials.

Research question 4

What is the relationship between materialism and the luxury purchase intentions of South African Millennials?

Hypothesis 4:   Materialism is positively correlated with the luxury purchase intentions of South African Millennials.

Research question 5

What is the relationship between the need for uniqueness and the luxury purchase intentions of South African Millennials?

Hypothesis 5:   The need for uniqueness is positively correlated with the luxury purchase intentions of South African Millennials.

Research question 6

What is the relationship between price-quality perceptions and the luxury purchase intentions of South African Millennials?

Hypothesis 6:   Price-quality perceptions are positively correlated with the luxury purchase intentions of South African Millennials.

2.4   Millennials

2.4.1   Defining Millennials

There appears to be inconsistent use of birth dates that are accorded to Millennials (also referred to as Generation Y) (Eastman & Liu, 2012). Most western records have recorded 1977 to 1994 as the birth dates of Millennials (Duh & Struwig, 2015), while Eastman and Liu (2012) suggested that the Millennial cohort constitutes individuals born between 1986 and 2014. This ambiguity could be attributed to the debate as to what constitutes a cohort and a generation (Synodinos & Bevan-Dye, 2014), as these terms are used interchangeably in the literature. However, this distinction falls outside the scope of this study. The range of birth

dates accorded to Millennials for the purposes of this study is 1977 to 1994 (Duh & Struwig, 2015). Accordingly, at the date of this study, Millennials ranged between 21 and 38 years of age.

At the 2015 mid-year, people between the ages of 20 and 39 accounted for approximately 33.88% of South Africa's population (Statistics South Africa, 2015), offering lucrative opportunities for marketers due to the magnitude of this market. **Figure 2.3** shows the demographic analysis of this age group.

Figure 2.3: Demographic analysis of the South African population between 20 and 39 years of age
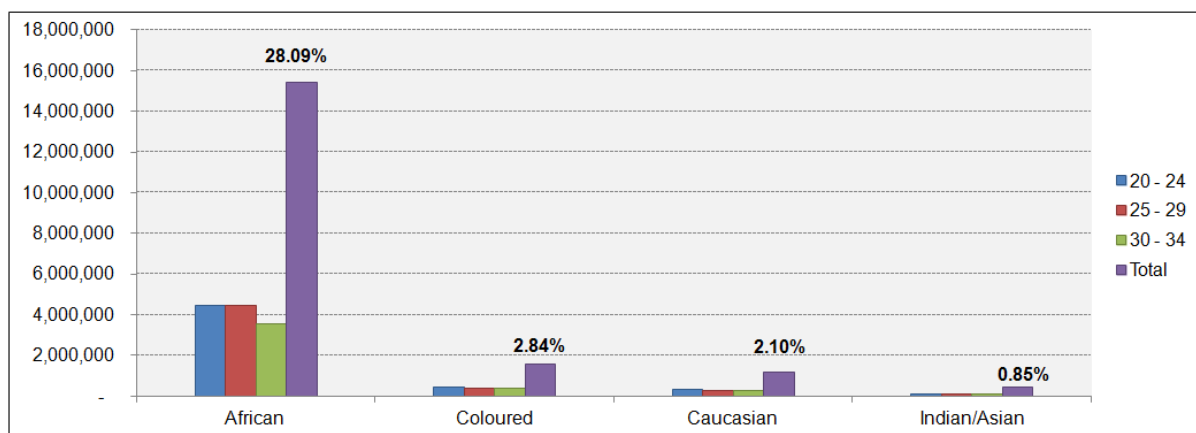
According to Duh and Struwig (2015), generational cohort segmentation is only applicable to countries whose defining moments meet certain qualifying criteria. Differences in the values, beliefs, attitudes, and preferences between generational cohorts can be attributed to external events (such as wars and social upheavals, political, cultural, economic, and technological changes), which individuals experience together during their formative years (Schewe & Noble, 2000).   Viswanathan and Jain (2013) argued that certain defining moments influence lifelong values, attitudes, beliefs, preferences, and purchase behaviour of people. Duh and Struwig (2015) asserted that consumers in South Africa can be segmented in terms of generational cohorts due to the fact that the historic and political events that have defined the country (with apartheid suggested as the country-specific defining event) fulfil the criteria for cohort formation. Where Generation X could be labelled "the apartheid, socio-economic instability cohort", Generation Y could be labelled "the post-apartheid socio-economically liberated cohort" (Duh & Struwig, 2015, pg. 89). According to Duh and Struwig (2015), Millennials constitute the majority of the growing middle class of South Africa.

2.4.2 Characteristics of Millennials

Hyllegard, Yan, Ogle, and Attmann (2010) suggested that the distinguishing factor between Millennials and previous generations relates to the differences in their value system. Millennials display high levels of materialism (Giovannini et al., 2015), status consumption (Eastman & Liu, 2012), and brand-signalling importance, which could be attributed to the fact that they became of age in a modern consumer culture (Loroz & Helgeson, 2013; Valentine & Powers, 2013). Loroz and Helgeson (2013) also found that Millennial consumers have high levels of self-monitoring. In addition, Millennials have been described as self-absorbed and as having a strong sense of autonomy, independence and a greater need for peer acceptance than previous generational cohorts (Williams, Page, Petrosky, & Hernandez, 2010). According to Grotts and Johnson (2013), Millennials are also characterised by their predisposition for investing in higher quality luxury goods and desire for distinguishing brands that mirror their own traits, and regard such brands as a form of self-expression. In addition, Taken-Smith (2012) found that Millennials prefer to support organisations that are environment-friendly.

Millennials are the first technologically advanced generation whose birth years coincide with the advent of the internet (Duh & Struwig, 2015), making them the most digitally connected generation among all adult generations. They have instant access to global news, markets, and products, as well as virtual social networks with which to share this information. While research has found Millennials to be highly materialistic and to place high importance on brand-signalling, as stated above (Giovannini et al., 2015; Loroz & Helgeson, 2013), Palmer (2010) cautioned that the impact of the 2009 global financial crisis should be considered before conclusions are made about the consumption orientations of Millennials, such as materialism. The financial crisis has, according to Palmer (2010), encouraged these consumers to become more educated on the mechanics of the economy, which could create a shift from the perception that Millennials are liberal spenders to these consumers becoming more frugal and value oriented (Palmer, 2010).

2.4.3 Significance of Millennials

Eastman and Liu (2012) found that generational cohorts display significant differences in the level of their status consumption. Giovannini et al. (2015) reported similar findings and confirmed that Millennials display the highest average level of status consumption, as compared to previous generations. The authors also suggest that, as Millennials enter their prime earning years, the marketing strategies of luxury retailers be revised to provide for the needs and behaviour patterns of this emerging and significant consumer group. To this end, marketers are shifting their focus to Millennial consumers, whose buying power is estimated to range between US$170 billion and US$200 billion and is projected to eclipse that of Baby Boomers by 2017 (Fromm & Garton, 2013; Miller & Washington, 2013).

2.4.4   Millennials in South Africa

Duh and Struwig (2015) found that the profile of the most influential South African consumer has changed as a result of changing socio-economic factors. As noted above, Millennials are the first to come of age in the post-apartheid era in South Africa. The post-apartheid South African Millennials are not only larger in number as compared to previous generations, but they are more educated, earn higher incomes, are optimistic, confident, and are growing in spending power (Duh & Struwig, 2015). In addition, the black Millennial cohort has been exposed to increasingly westernised mass media, which contributes to these individuals having to balance western and traditional ideologies (Bevan-Dye, Garnett, & De Klerk, 2012). According to Duh and Struwig (2015), the fast-changing social, technological, and economic landscape in South Africa contributes to the pressure that South African Millennials experience to be accepted in higher circles. As a result, these consumers prioritise the purchase of status and conspicuous products, such as premium branded cars, television sets, cellular phones, branded clothing, and footwear (Duh & Struwig, 2015).

2.5   The proposed extended conceptual value perceptions model

Following the foregoing review of Shukla's (2012) conceptual value perceptions model and discussion of the importance of understanding the shifting consumer behaviour of Millennials and the significance of this generational cohort, this study posits that Shukla's (2012) model be extended by incorporating the constructs of self-congruity, brand consciousness, and social media marketing (each of which has been found to be a predictor of luxury consumption in other markets), as discussed below. This proposed extended model, if validated, could offer a cohesive framework which could support the prediction of luxury consumption behaviour.

2.5.1   Self-congruity theory

Park, Jaworski, and MacInnis (1986) asserted that, in addition to functional and experiential benefits, a brand also provides symbolic benefits that are abstract and intangible in nature and are portrayed through brand images (McCracken, 1986). Luxury fashion goods are associated with exclusivity, high quality, and premium price, and epitomises symbolic consumption (Giovannini et al., 2015). Another symbolic attribute to brands is self-congruity. Self-congruity theory posits that consumer behaviour is partially determined by the similarity between the consumer's self-concept and the product-user image (Sirgy, 1982; Sirgy, 1986). Sirgy et al. (1997, pg. 230) referred to self-congruity as the phenomenon that occurs when a consumer forms a "holistic, gestalt-like perception" in his or her mind when conjuring up an archetypal product-user image and then perceives psychological congruity between his or her self-image and that product-user image. Accordingly, consumers are inclined to purchase brands with images that are consistent with their self-concepts (Liu et al., 2012; Yu, Lin, & Chen, 2013), which refers to the "totality of the individual's thoughts and feelings

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having reference to himself as an object" (Rosenberg, 1979 pg. 7). Therefore, the higher the level of similarity between consumers' perception of themselves and brands, the higher the preference for those brands, as their symbolic characteristics support and validate their self-perceptions (Das, 2014).

Self-concept comprises four dimensions, namely the actual-self, the ideal-self, the social-self and the ideal-social self (Johar & Sirgy, 1989; Sirgy, 1982). Self-congruity can, according to Hosany and Martin (2012), be achieved across all four self-dimensions, and achieving congruence between the aforementioned self-dimensions and brand image can serve certain psychological needs, including self-consistency, self-esteem, social consistency, and social approval, respectively (Aguirre-Rodriguez, Bosnjak, & Sirgy, 2012). Therefore, aligning the product-user image with a consumer's self-concept offers a "self-congruity route to persuasion", which is positively correlated with product and brand attitudes (Johar & Sirgy, 1991; pg. 26). These findings are supported by those of Yu et al. (2013), who established that self-congruity is positively correlated with the purchase intentions of consumers in Taiwan, and that purchase intention increases according to the level of consistency between brand personality and self-concept.

Sirgy (1982) asserted that, due to the fact that self-concept is an important psychological need, consumers' behaviour will be steered toward the enhancement and protection of their self-concepts by, among others, purchasing and displaying goods which communicate symbolic meaning (Sirgy, 1982).

Sirgy (1985) postulated that, similar to consumers, brands have personality traits, which could explain the fact that consumers favour brands with personalities that mirror their own. The intentions of Millennial consumers to purchase branded goods are not solely dependent on external qualities of the goods, but also on their internal motivations (Yu et al., 2013), such as the expression of their perception of an ideal, successful self-image through the possession of branded goods (Chen, 2006). According to Noble et al. (2009), Millennials are striving for independence from how the world perceives them or wants them to be. As a result, these consumers will support retailers whose products, services, and attributes align with the person they are or aspire to be (Duh & Struwig, 2015). Loroz and Helgeson (2013) found that younger consumers display higher levels of brand-signalling importance than previous generational cohorts and suggest that this could be attributed to the fact that these consumers are more likely to still be developing and actively communicating their self-concepts to themselves and others.

In light of the above, the following research question and hypothesis are presented:

Research question 7

What is the relationship between self-congruity and the luxury purchase intentions of South African Millennials?

Hypothesis 7:   Self-congruity is positively correlated with the luxury purchase intentions of South African Millennials.

2.5.2   Brand consciousness

Chu et al. (2013) called for the construct of brand consciousness to be examined due to its likely effect on luxury purchase decisions. Chu and Kamal (2011) asserted that brand consciousness, which refers to the extent to which a consumer is prone to purchasing well-known brands (Sproles & Kendall, 1986), is an individual personality trait that is likely to influence purchase intentions and product evaluation. Studies show that the level of one's brand consciousness is positively correlated with the extent to which one is susceptible to normative interpersonal influence (Yim et al., 2014). According to Keller (2013), where product quality is difficult to determine, the concept of brand consciousness may be based on the belief that a premium priced brand signifies better quality. Brands are, therefore, often used as quality indicators.

Giovannini et al. (2015) found that consumers in the US with high levels of brand consciousness are inclined to purchase distinguished, premium priced brands. According to Liao and Wang (2009), brand conscious consumers, who are likely to believe that brands symbolise status and prestige, display their fashion consciousness through well-known brands that reflect their own personality traits, while Giovannini et al. (2015) suggested that consumers with high levels of brand consciousness tend to purchase brands with which they feel associated. Teimourpour and Hanzaee (2011) found that Millennial consumers in Iran with higher levels of brand consciousness tend to favour international, expensive products in an effort to assert wealth or status. Giovannini et al. (2015) held the view that, irrespective of the factors that drive a consumer's purchase intentions (for example conspicuous or self-congruity), consumers with high levels of brand consciousness have a predisposition for purchasing luxury brands.

Millennials have been found to display high levels of brand consciousness and public self-consciousness, which could be attributed to the fact that their self-identities are not yet fully developed (Eastman & Liu, 2012; GurĂu, 2012). Giovannini et al. (2015) shared this view and asserted that, as a result, Millennial consumers have strong luxury purchase intentions and high levels of conspicuous consumption motivations.

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Accordingly, the following research question and hypothesis are presented:

Research question 8
What is the relationship between brand consciousness and the luxury purchase intentions of South African Millennials?

Hypothesis 8:   Brand consciousness is positively correlated with the luxury purchase intentions of South African Millennials.

2.5.3   Social media marketing

Kamal et al. (2013) defined social media marketing as any marketer-generated and brand-related dissemination of information through social media, including brand profile pages, sponsored news feeds, display advertisements, and search advertisements. Taylor, Lewin, & Strutton (2011, pg. 260) referred to social media marketing as "a general term capturing all forms of advertising, whether explicit (for example banner advertising and commercial videos) or implicit (for example fan pages or firm-related 'tweets'), that are delivered through social networking sites".

Pollay and Mittal's (1993) model of beliefs and attitudes has been widely adopted to evaluate consumers' attitude toward advertising. This model posits that consumers' attitudes and beliefs toward advertising are positively correlated. Chu and Kamal (2011) applied this model to social media marketing, in particular, to explore the relationship between social media usage, on the one hand, and brand consciousness and luxury purchase intentions of Millennials on the other. Chu and Kamal (2011) found that usage of social media was a significant antecedent to US consumers' brand consciousness and purchase intention toward luxury goods, whereas brand consciousness was found to impact consumer attitudes toward social media marketing and consumers' subsequent luxury purchase intentions (Chu et al., 2013). Accordingly, luxury brands have started to look toward social media for growth opportunities (Kim & Ko, 2012).

However, luxury brands are faced with the paradox of harnessing the power of social media while maintaining brand integrity (Jin, 2012). Chu et al. (2013) referred to the fact that the mass availability of the internet is regarded by some as contradictory to the inimitability of luxury brands, since luxury brands are expected to signal uniqueness and exclusivity through premium quality and pricing, and limited availability (Jin, 2012). Conversely, as stated by Ortved (2011), marketing through social media promotes consumer engagement with luxury brands. Furthermore, a decrease in luxury sales, as a consequence of the 2009 global financial crisis, has prompted luxury businesses to change their traditional approach of leveraging their brand symbol by rather emphasising their brand legacy, aesthetic value, quality, and trustworthy customer relationships (Kim & Ko, 2012). Reyneke (2011)

suggested that, as online purchases are at record high levels, luxury brands are implored to establish an online presence.

In designing its offering and image, an organisation would employ several marketing strategies to position its brand in the minds of its target market (Kotler & Keller, 2012; Reyneke, 2011). According to Kim and Ko (2012), social media marketing is a two-way communication geared toward younger users, which, as described by Kaplan and Haenlein (2010), provides these users with the opportunity to create and exchange content through active participation. Luxury brands have started to operationalise social media marketing by creating brand profile pages on social media (such as Facebook, Twitter and YouTube) that allow users to search and share information while providing them with insight into the history of the brand and reinforce the exclusivity of the brand (Chu et al., 2013).

The rising interest from luxury retailers to use social media as an advertising medium (Kim & Ko, 2012), which could be regarded as a positioning strategy, is further evident from the fact that several luxury brands, including, among others, Arpel, Chanel, Giorgio Armani, Gucci, and Van Cleef, have all embraced social media technologies such as Facebook, Twitter, and iPhone applications in an effort to target Millennial consumers by creating a visually captivating online content, including Chanel's short film 'Behind the Scenes' by Karl Lagerfeld, Gucci's 'Making Of' films for certain iconic products and Louis Vuitton's 'Spirit of Travel' campaign launched on social media in February 2015 (Deloitte, 2015). Kim and Ko (2012) also cited the example of Burberry's social network site launch, 'Artofthetrench.com', in November 2009, with the intention to evoke adoration for the design of its trench coats, and, thereby, creating Burberry brand ambassadors and communicating its ethos to customers. According to Chu et al. (2013), users who opt to follow a luxury brand on a social media platform indirectly show interest in receiving information, react to calls for action, and, ultimately, purchase the product.

Social media facilitates the democratisation of information, which enables individuals to be transformed from content consumers into content producers (Reyneke, 2011). Kim and Ko (2012) found that consumers' interest in owning luxury goods could be stimulated by the positive attention generated as a result of luxury retailers' interaction with consumers through social media sites. According to Dellarocas, Zang, and Awad (2007), when considering the purchase of hedonic goods, consumers value other consumers' recommendations more than those of professional critics. Duh and Struwig (2015) asserted that Millennial consumers are, as a result of social networks, perpetually connected to each other, and that the opinion of peers regarding decision-making is important to these consumers. Social media grants consumers access to such opinions from other consumers in a virtual community.

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Notwithstanding the fact that not all Millennial consumers are necessarily able to afford luxury brands, 'fan pages' on social media platforms thrive on and cultivate aspiration, which is the core of any luxury brand's appeal (Reyneke, 2011). Given the prevalence of social media today, Chu and Kamal (2011) suggested that luxury brands will be required to incorporate social media marketing in their brand strategies in order to remain relevant to Millennials. Jin (2012) found that consumers who were impressed with a prominent luxury brand's Facebook page displayed favourable attitudes toward that luxury brand, which, in turn, was found to be a predictor of consumers' intention to utilise Facebook for online shopping and to explore this platform before making an offline purchase.

Kim and Ko (2010) stated that the internet is the primary media used by Millennials and found that social media marketing by luxury brands is positively correlated with customer relationships and the purchase intentions of luxury brand consumers in Seoul. Accordingly, many retailers use social media websites to connect to these consumers in order to gain feedback and insight from this market (Valentine & Powers, 2013). Luxury brands are engaging with Millennials through increasingly sophisticated technology, as discussed above, as the technologically entrenched Millennial consumers employ social media to engage with brands, including luxury brands, and communicate their personal identities (Haferkamp & Krämer, 2011; Hunt et al., 2012). It is, therefore, not surprising that the online luxury market has rapidly expanded as a result of the rising number of affluent online Millennial users (Chu et al., 2013). In light of the above, the following research question and hypothesis are presented:

Research question 9

What is the relationship between social media marketing and the luxury purchase intentions of South African Millennials?

Hypothesis 9: Social media marketing is positively correlated with the luxury purchase intentions of South African Millennials.

To explicate the hypothesised relationships among the variables, as discussed above, a proposed extended conceptual model is presented in **Figure 2.4**.

Figure 2.4: Proposed extended conceptual model
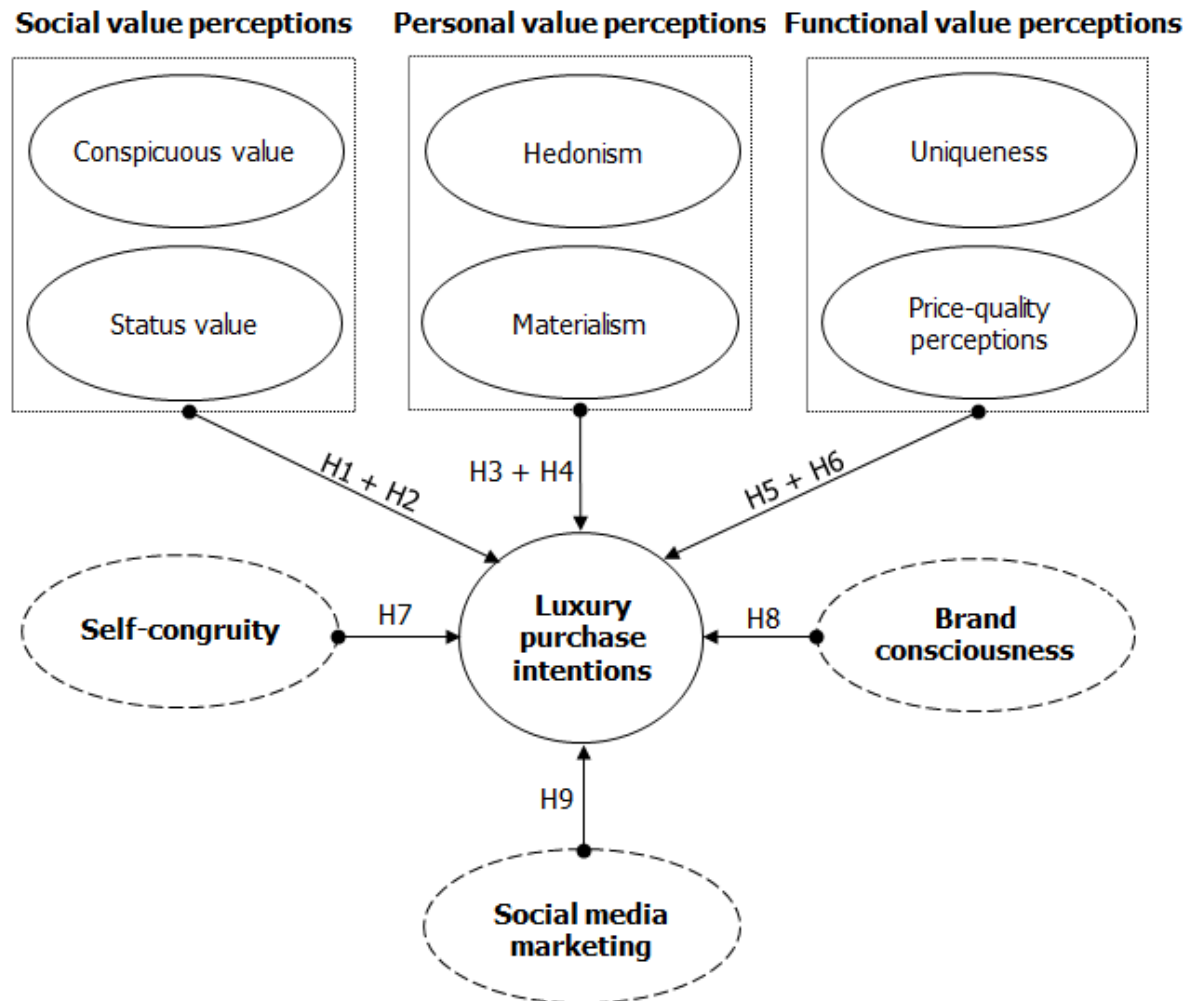
2.6   Chapter summary

This chapter provided an extensive overview of the extant academic literature pertaining to the salient drivers of luxury consumption, which offered contextual background and perspective into the theoretical constructs in which this study is grounded. The significance of each construct was discussed, highlighting the need for this study:

Firstly, while globalisation as well as various technological and social aspects have contributed to the development of certain cultural commonalities among countries (Yim et al., 2014), factors that explicate the social behaviour of consumers in one culture and social segment are not necessarily applicable to another, as value systems and the psychological factors which drive consumption may differ among cultures and social segments (Giovannini et al., 2015; Bian & Forsythe, 2012; Belk, 1999; Sheth et al., 1991).

Secondly, as a result of the democratisation of luxury, which has enabled Millennials to enter into the luxury market, as well as the significant economic influence of these consumers

(Giovannini et al., 2015; Duh & Struwig, 2015; Fromm & Garton, 2013; Miller & Washington, 2013), a study of the antecedents to the luxury consumption behaviour of this generational cohort is pertinent. The distinguishing factor between Millennials and previous generations relates to the differences in their value system (Hyllegard et al., 2010), which could explain the significant differences in the level of their status consumption (Eastman & Liu, 2012). Therefore, Shukla's (2012) findings regarding the value perceptions of consumers in western developed and eastern emerging markets, and the influence thereof on their luxury purchase intentions, are not necessarily valid for South Africa, or for South African Millennials in particular. This is due to the impact of South Africa's more diverse cultural dimensions and Millennials' shifting value perceptions and their resultant differing consumption behavioural patterns (Duh & Struwig, 2015), as compared to previous generational cohorts. A deeper understanding of the luxury consumer behaviour of the influential South African Millennial cohort is important in light of the fact that luxury brands are looking toward Sub-Saharan Africa for longer-term growth opportunities (Deloitte, 2014).

Thirdly, as the constructs of self-congruity, brand consciousness, and social media marketing have been found to be predictors of luxury consumption in other markets, extending Shukla's (2012) model by incorporating the aforementioned constructs will make an important theoretical contribution by presenting a validated cohesive model which offers a deeper understanding of the predictors of luxury consumption.

The subsequent research questions and hypotheses were formulated in respect of each construct, the results of which are included in Chapter 4 and discussed comprehensively in Chapter 5. The next chapter discusses the research methodology employed for this study, including a detailed justification of the selected methodology.

CHAPTER 3: RESEARCH METHODOLOGY

3.1   Introduction

Chapter 2 provided an extensive overview of the extant academic literature pertaining to the salient drivers of luxury consumption, which offered contextual background and perspective into the theoretical constructs in which this study is grounded. This chapter sets out the research methodology employed for this study. The research design, and justification for the use thereof, are then presented, followed by a description of the population, the unit of analysis, the sampling method, and sample size. The nature of the research instrument, namely a questionnaire, as well as the data collection and data analysis process are reported in detail. The chapter concludes with a discussion of the limitations of the research design.

3.2   Research design

Research design, which refers to the intended procedures of inquiry (Creswell, 2014), is used as a guide for examining the research problem and to answer the research questions (DeForge, 2010).   The research design and methodology used for a study must be appropriately connected to the research questions and collected data (Grix, 2010).

The research design is quantitative in nature and has a descriptive design, which seeks to describe the characteristics of a population (Zikmund, 2003). Qualitative and quantitative research approaches differ in that a qualitative approach sets out to explore and understand the meaning that participants attribute to a social problem, whereas a quantitative approach tests objective theories by examining the relationship among variables (Creswell, 2014). Furthermore, the use of a questionnaire as a data collection instrument lends itself to a quantitative research design (Saunders & Lewis, 2012). The rationale for the research design employed for this study is explained using Saunders and Lewis' (2012) research onion, as depicted in **Figure 3.1**.

According to Crotty (2009) and Easterby-Smith, Thorpe, and Jackson (2012), research design is informed by a particular research philosophy. This study is grounded in a positivist research philosophy.   This approach was chosen as positivism seeks to predict and understand behaviour by employing certain objective measurements and quantitative analysis (Hudson & Ozanne, 1988). The central aim of this study was to firstly verify the cross-cultural stability of Shukla's (2012) conceptual value perceptions model as it relates to luxury brands in the South African context, and, secondly, to synthesise an extension of this model by incorporating the constructs of self-congruity, brand consciousness, and social media marketing, and to hypothesise the correlation between all these variables and the luxury purchase intentions of South African Millennials. Accordingly, positivism, as opposed to pragmatism, realism, or interpretivism, was deemed the most appropriate research

philosophy for the purposes of this study, as it corresponded closely with the research problem.

Figure 3.1: The research onon
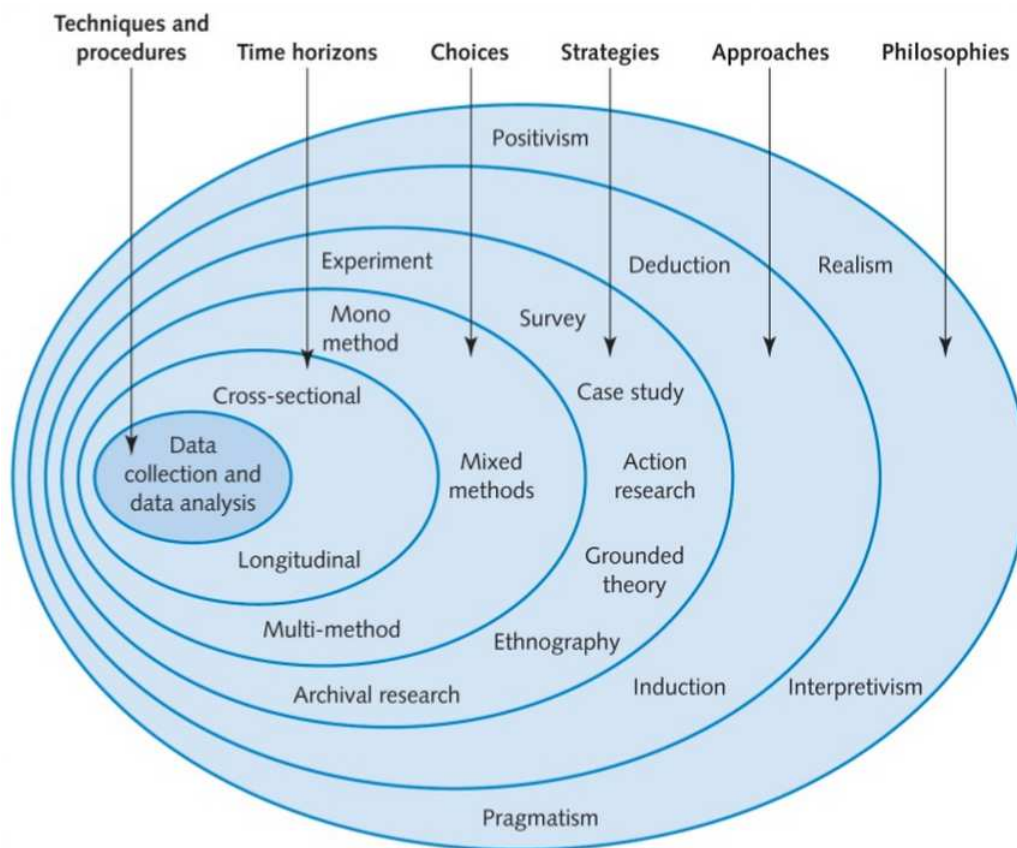
However, as the results of this study are based on subjective responses to questions relating to behavioural intent, and not necessarily on actual behaviour, certain elements of interpretivism are also present in this study. An interpretivist research philosophy holds that research is value-based and the outcome of the research is socially constructed (Saunders & Lewis, 2012).

With regards to the next layer of the research onion, namely the research approach, a deductive approach was followed. Saunders et al. (2009) describe the deductive approach as one in which a theory and hypotheses are developed and an appropriate research strategy is designed to test the hypotheses. In light of the central aim of this research, as discussed above, the deductive approach was deemed the most appropriate.

In terms of the next layer of the research onion, the appropriate research strategy must be selected. According to Kotler and Armstrong (2010), collection of marketing related data should involve a primary data collection method, as this method is most appropriate for the

identification of current consumer trends. In addition, a deductive research approach, as is followed in this study, often lends itself to the use of surveys (Saunders et al., 2009). To this end, the study made use of a survey research strategy to compile a structured questionnaire in English, which was used to collect quantitative primary data (Saunders & Lewis, 2012) for purposes of testing the hypotheses defined in Chapter 2.

As stated, the research design was quantitative in nature. The use of a questionnaire as instrument to collect data justified a quantitative analysis technique due to the fact that the variables are described as numbers (Saunders & Lewis, 2012) through the use of a Likert scale, as discussed below. As this study used quantitative analysis and did not include any qualitative measures, the mono-method was selected.

The fifth layer of the research onion relates to the time horizon of the research. As the data was gathered at one specific point in time, a cross-sectional study was conducted, as opposed to a longitudinal study in which data is gathered over an extended period of time (Saunders et al., 2009). The reason for employing a cross-sectional study was due to time constraints. The core of the research onion comprises data collection and data analysis, both of which are discussed below.

3.2.1 Target population

According to Saunders and Lewis (2012), a population includes any complete group of members who share certain characteristics. The central aim of this study was to explicate the antecedents to the luxury purchase intentions of the Millennial population in South Africa. The range of birth dates accorded to Millennials, for purposes of this study, was 1977 to 1994 (Duh & Struwig, 2015). Accordingly, at the date of this study, Millennials ranged between 21 and 38 years of age.

An income criteria was specified in order to ensure that the population was financially able to purchase the luxury fashion goods indicated in the questionnaire, as discussed below. For this purpose, the author considered the income criteria included in the definition of 'middle class' formulated by the University of Cape Town's Unilever Institute of Strategic Marketing, which refers to, among others, persons living in a household with an income of between R16 000 and R50 000 a month (UCT Unilever Institute of Strategic Marketing, 2013).

Accordingly, the population for purposes of this study was defined as follows:

At the time of this study, South Africans between the ages of 21 and 38 years and living in a household with an income of R16 000 per month or greater.

3.2.2 Unit of analysis

In this study the unit of analysis was the individual member of the South African Millennial cohort, which was the object that was investigated.

3.2.3 Sampling method

A sample refers to "a subgroup of the whole population" (Saunders & Lewis, 2012, pg. 132). The method employed to select an appropriate sample was dependent on whether or not the total population was known and whether a complete list of all its members, namely the sample frame, was available to the author (Saunders & Lewis, 2012). In the absence of a sampling frame, which, to the author's knowledge, did not exist at the time of this study, the probability of each member of the population being selected could not be determined.

As a result, a non-probability sampling technique was used to obtain the sample for this study. In particular, a multi-stage snowball sampling technique was used (Neuman, 2011) in terms of which, after the first sample member, subsequent members are identified based on information about interrelationships obtained from the first sample member. The process is then continually repeatedly (Saunders & Lewis, 2012). Baltar and Brunet (2012) formulated a virtual snowball sampling technique whereby social networking sites, such as Facebook, are used to reach the target population. According to Bhutta (2012), Facebook is currently the online social networking site that is best suited for constructing a snowball sample due to its reach, intensive and ease of use, features, and continuing growth in the number of users.

Accordingly, the respondents for this study were enlisted through a news posting on Facebook. This news feature allows the link to the survey to be viewed by any person who forms part of a user's social network. A cover note accompanied the survey link, which included a brief description of the study as well as a request to the respondents to share the survey link with others, which would then appear in their respective news feeds.

The use of snowball sampling was deemed appropriate for purposes of this study, particularly in light of the fact that the target population, which includes Millennials, is regarded as the most digitally connected generation among all adult generations (Duh & Struwig, 2015). In addition, this sampling technique has the potential to extend the size of the sample and saves time and costs (Baltar & Brunet, 2012). While the representativeness of non-probability samples cannot be evaluated, Mishler (1999) argues that snowball sampling seeks diversity, differences, and constant comparisons, rather than to ensure representativeness.

3.2.4 Sample size

Due to the fact that the data analysis was performed by employing structural equation modelling (SEM), as discussed below, a large sample was required in order to simultaneously examine the relationships between the multiple variables and to produce reliable results. Hair, Black, Babin, and Anderson (2009) highlight the importance of thorough consideration of the elements of research design that are critical for a successful SEM analysis, the salient consideration being the sample size. According to these authors, a larger sample size contributes to less variability and cross-cultural stability in the results.

The author considered a number of academic views with regards to the minimum sample size. Van Voorhis and Morgan (2007) suggest that, when examining the correlation between independent variables, the general rule of thumb is to obtain a minimum sample size of 50, which should be increased for larger numbers of independent variables. According to Green (1991), the formulae $n > 50 + 8m$ (m being the number of independent variables) and $n > 104 + m$ should be applied when testing multiple correlations and individual predictors, respectively. Kline (2011) states that a typical sample size in studies where SEM is applied should be approximately 200, which corresponds to the median sample size for surveys referred to in 165 previously published articles in personality and social psychology journals, and management science journals in which SEM results are reported. Supported by empirical evidence, Jackson (2003) postulates a rule of thumb, applicable to the relation between sample size and model complexity, namely the '$n:q$ rule', from which the minimum sample size should be determined in terms of the ratio of respondents to the number of independent variables. While an ideal sample size-to-independent variables ratio would be 20:1, an $n:q$ ratio of 10:1 would be sufficient (Kline, 2011).

Based on the number of variables used in this study, namely 30, and applying the $n:q$ ratio of 10:1, as referred to above (in order to obtain the highest sufficient minimum sample size based on the aforementioned guidelines), the intended sample size was 300. A total of 489 responses to the survey were received, of which 151 cases were removed due to disqualification or incompletion. After the necessary filtering was conducted, a total sample size of 338 was established (being 69.12% of the total responses received), which was deemed suitable for subsequent analysis.

3.3 Research instrument

As stated above, a structured, self-completed questionnaire was created using the online survey software and questionnaire tool, Survey Monkey, which focussed on proposed value perceptions, self-congruity, brand consciousness, and social media marketing, and the influence thereof on luxury purchase intentions of South African Millennials. The questionnaire template is included in **Appendix A**.

The survey strategy allowed the exploration of the relationships between these variables and enabled the testing of the hypotheses defined in Chapter 2 (Bryman, 2012). The questionnaire, which included a cover note that contained a brief description of the study and confidentiality assurance, comprised seven sections. The first section focused on demographic information and included, among others, filter questions relating to age group and household income to determine respondent eligibility (in keeping with the defined population). Respondents who were not aged between 21 and 38 years or who reported a total monthly household and/or personal income of less than R16 000 were deemed ineligible for the study and these cases were consequently removed. The remaining sections aimed to test the hypotheses related to value perceptions (including social, personal, and functional value perceptions), self-congruity, brand consciousness, and social media marketing by posing 30 closed-ended questions to be answered using a five point Likert scale, as discussed below. Using desktop research and various electronic sources, 32 well-known international luxury brands were identified and listed as an introduction to the closed-ended questions in order to provide respondents with the context in which these questions were to be answered. As stated, the concept of luxury is subjective and context-specific (Roper et al., 2013; Vigneron & Johnson, 2004). Therefore, in order to provide the respondents with an equal sense of what was meant by luxury goods, a definition of this concept was included in the questionnaire for purposes of this study. The definition limited the scope of the luxury goods categories to be considered by respondents when they evaluated the statements contained in the questionnaire by including only the more affordable luxury goods category, namely fashion brands (as displayed on a variety of clothing, handbags, small leather goods, watches, shoes, sunglasses, and perfumes for both genders). The measurement items for each of the nine constructs, all of which were adapted from established measurement scales for the current research context, are set out below.

3.3.1   Social value perceptions

Measurement items relating to social value perceptions (which included conspicuousness and status value) were derived from a scale developed by Truong et al. (2008). The respective items are shown in **Table 3.1** below.

Table 3.1: Measurement items for the social value perceptions construct

No.	Scale item	Construct	Source
1.	Owning luxury goods indicates a symbol of achievement	Social value perceptions: Conspicuousness	Truong et al. (2008), Shukla (2012)
2.	Owning luxury goods indicates a symbol of wealth		
3.	Owning luxury goods indicates a symbol of prestige		
4.	Owning luxury goods attracts attention		
5.	I buy luxury goods just because it has status	Social value perceptions: Status value	Truong et al. (2008), Shukla (2012)
6.	Luxury goods are important to me because they make me feel that I am acceptable in my work circle		
7.	I purchase luxury goods to gain/increase social status		

3.3.2 Personal value perceptions

Measurement items relating to personal value perceptions (which included hedonism and materialism) were derived from scales developed by Babin, Darden, and Griffin (1994) and Richins and Dawson (1992). The respective items are shown in **Table 3.2** below.

Table 3.2: Measurement items for the personal value perceptions construct

No.	Scale item	Construct	Source
8.	While shopping for luxury goods, I feel the excitement of the hunt	Personal value perceptions: Hedonism	Babin et al. (1994), Richins & Dawson (1992)
9.	When shopping for luxury goods, I am able to forget my problems		
10.	When in a bad mood, shopping for luxury goods enhances my mood		
11.	Purchasing luxury goods increases my happiness	Personal value perceptions: Materialism	Babin et al. (1994), Richins & Dawson (1992)
12.	It is important to me to own really nice luxury goods		
13.	It sometimes bothers me quite a bit that I can't afford to buy all the luxury goods I want		

3.3.3 Functional value perceptions

Measurement items relating to functional value perceptions (which included uniqueness and price-quality perceptions) were derived from scales developed by Ruvio, Shoham, & Brenčič (2008), Tian et al. (2001) and Tsai (2005). The respective items are shown in **Table 3.3** below.

Table 3.3: Measurement items for the functional value perceptions construct

No.	Scale item	Construct	Source
14.	I often buy luxury goods in such a way that I create a personal image that cannot be duplicated		
15.	I like to own new luxury goods before others do	Functional value perceptions: Uniqueness	Ruvio et al. (2008), Tian et al. (2001), Tsai (2005)
16.	When a luxury product becomes popular among others, I avoid buying or using it		
17.	I believe luxury goods are of superior quality		
18.	In my mind, the higher price charged by luxury goods indicate higher quality	Functional value perceptions: Price-quality perceptions	Ruvio et al. (2008), Tian et al. (2001), Tsai (2005)
19.	You always have to pay a bit more for the best		

3.3.4 Self-congruity

Measurement items relating to self-congruity were derived from a scale developed by Sirgy et al. (1997). The respective items are shown in **Table 3.4** below.

Table 3.4: Measurement items for the self-congruity construct

No.	Scale item	Construct	Source
20.	Luxury fashion items are consistent with how I see myself		
21.	Luxury fashion items reflect who I am		
22.	The image of the typical luxury fashion customer is highly consistent with how I see myself	Self-congruity	Sirgy et al. (1997)
23.	Luxury fashion items are the mirror image of me		
24.	People similar to me consume luxury fashion items		

3.3.5 Brand consciousness

Measurement items relating to brand-consciousness were derived from a scale developed by Nan and Heo (2007). The respective items are shown in **Table 3.5** below.

Table 3.5: Measurement items for the brand consciousness construct

No	Scale item	Construct	Source
25.	I pay attention to the brand names of the products I buy		
25.	Sometimes I am willing to pay more money for a product because of its brand name	Brand consciousness	Nan & Heo (2007)
27.	I believe the brands I buy are a reflection of who I am		

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3.3.6 Social media marketing

Measurement items relating to social media marketing were derived from a scale developed by Jin (2012). The respective items are shown in **Table 3.6** below.

Table 3.6: Measurement items for the social media marketing construct

No.	Scale item	Construct	Source
28.	I am interested in utilising social media (such as Facebook, Twitter and YouTube) for shopping luxury brands shopping online		
29.	If I purchase products from a luxury retailer's offline store, I will visit its social media page (such as Facebook and Twitter) before making an offline purchase	Social media marketing	Jin (2012)
30.	I am interested in utilising social media (such as Facebook, Twitter and YouTube) to refer to customer reviews		

3.3.7 Rating scale

All the established scales of the variables were sourced and tested on a five point Likert scale with 1 being "strongly disagree" and 5 being "strongly agree" as anchors. Kline (2011) posits that respondents are able to reasonably distinguish between scale values, which minimises respondent errors when 5 to 10 points on a scale are used. A Likert scale can be considered interval in nature if the measurement items representing each number are clearly indicated on the questionnaire (Churchill & Iacobucci, 2002), which was the case in this study. The scale scores were subsequently calculated and analysed for interpretation.

3.3.8 Pilot test

Prior to disseminating the questionnaire, a pilot test was conducted (n = 23) in order to establish the reliability and validity of the measurement scales (Neuman, 2011), to identify any questions the respondents had found to be ambiguous or difficult to understand, and to remove any repetitive items. The pilot test was conducted by disseminating a web link to the questionnaire to a sample similar to the target population through email in order to control the test and implement adjustments as and when responses were received. Following receipt of the pilot respondents' feedback, the only amendments made to the questionnaire included the removal of a duplicated question and changes that were superficial in nature, after which its full release was launched. The pilot test was cost effective to develop and easy to administer. By conducting a pilot study, the author had the opportunity to evaluate the appropriateness of the research methodology and to effect any necessary amendments ahead of launching the main study (Bryman & Bell, 2011).

3.4   Data collection

Following the pilot test, primary data was collected using the self-completed, web-based questionnaire (as discussed above), the initial set of which was distributed to friends and colleagues over a six-week period commencing at the beginning of June 2015, after which the survey was closed and no further responses were collected. This method allows data about the same things from a large number of respondents to be collected in a cost-effective and speedy manner (Saunders & Lewis, 2012). The use of the online data collection tool, Survey Monkey, enabled the capturing of responses in real time. The use of a self-completed web-based questionnaire, which respondents completed anonymously, eliminated interviewer bias, acquiescence bias, and social desirability bias. In addition, in order to reduce the item non-response rate, the survey was constructed in such a way that respondents were required to answer a question before advancing to the next question. Furthermore, the use of an online survey was deemed appropriate, as it enabled the author to inexpensively reach a wide geographic range, to obtain a large sample over a short period of time, to exercise strong methodological control, and to limit interaction with respondents (Evans & Mathur, 2005). A disadvantage of online surveys is that they tend to render low response rates. In order to mitigate this, potential respondents received regular reminders; however, assurance was given that their participation was voluntary. The data collection process only commenced once formal approval to conduct this study had been obtained from the Research Ethics Committee of the Gordon Institute of Business Science.

3.5   Data analysis

The collected data was analysed using appropriate statistical software programmes, namely IMB Statistical Package for the Social Sciences version 23, and AMOS version 19, which allowed the author to conduct descriptive and inferential analysis for the purposes of identifying the responses to the hypotheses (Creswell, 2009). The data analysis involved employing SEM as a statistical tool. SEM refers to a group of statistical models that are used as a means to simultaneously analyse hypothesised relationships among multiple variables (Hair et al., 2009; Schumacker & Lomax, 2004). In this study, the variables included social value perceptions (including conspicuousness and status value), personal value perceptions (including hedonism and materialism), functional value perceptions (including uniqueness and price-quality perceptions), self-congruity, brand consciousness, and social media marketing. Multivariate analysis enabled the assessment of the prescribed relationship between constructs or latent variables (Hair et al., 2009) as well as to assess and adapt theoretical models (Mackenzie, 2001).

The following steps were followed to analyse the data:

Step 1: Preparation of data

The data was first exported from Survey Monkey into Microsoft Excel format, from where it was prepared for importation into SPSS. The responses were scrutinised to confirm adherence to the sample criteria and to identify any missing data. The occurrence of missing data was limited by the use of the forced ranking feature in the Survey Monkey software, as discussed above. Ineligible and incomplete cases were removed.

Step 2: Demographic statistics

The demographic composition of the sample was then compiled to provide a description of the sample, including age, gender, marital status, race, total monthly household income, and level of education, as presented in Chapter 4.

Step 3: Assessment of measurement model

As a first step in assessing the proposed measurement model, confirmatory factor analysis was employed using the AMOS statistical software in terms of which statistical tests were performed to evaluate the extent to which the variables represent each of the respective latent constructs, as discussed below. Descriptive statistics, including the computing of skewness and kurtosis, were employed to evaluate data normality. The measurement model was assessed to confirm reliability and validity. Validity and reliability are fundamental to the assessment of a measurement instrument (Tavakol & Dennick, 2011). Validity refers to an instrument's ability to measure what it is intended to measure, whereas reliability refers to the consistency of an instrument (Tavakol & Dennick, 2011). The authors further stated that, although reliability is closely associated with validity, and while an instrument can only be valid if it is reliable, reliability is not dependent on validity.

Step 4: Assessment of structural model

The final step in the data analysis process was to assess the proposed structural model by evaluating the correlations between the variables that comprise the proposed measurement model and the extent to which each variable could be regarded as a conjunctive predictor of luxury purchase intentions, as discussed below. This assessment was done by employing structural equation modelling.

3.5.1   Measurement model assessment

To evaluate the accuracy of the proposed model contained in this study in explaining the luxury purchase intentions of Millennial consumers in South Africa, it was pertinent to establish a suitable goodness-of-fit measure for the proposed model to the empirical data (Chen, Curran, Bollen, Kirby, & Paxton, 2008). Various goodness-of-fit measures exist to

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assess the fit of a theoretical model to the observed data (Lei & Wu, 2007), of which RMSEA and CFI are the more commonly used fit indices (Kenny, Kaniskan, & McCoach, 2014). However, Kenny et al. (2014) suggest using multiple fit indices to simultaneously evaluate the overall model fit in order to fully consider the possibility of improper solutions, as some indices work better under certain conditions. When analysing the goodness-of-fit of the proposed model, the measurement model was compared to the recommended cut-off values, as discussed in Chapter 4 and set out in **Table 4.8**.

3.5.2 Structural model assessment

Given that purchase intentions are latent and cannot be measured directly, the study sought to test the significance of the observed variables of conspicuousness, status value, hedonism, materialism, uniqueness, price-quality perceptions, self-congruity, brand consciousness, and social media marketing in explaining the luxury purchase intentions of Millennial consumers in South Africa. To test these hypotheses against the data gathered from the measurement instrument, namely the online questionnaire, structural equation modelling was employed as the primary data analysis method. SEM is an appropriate analysis approach for this study, as it encompasses confirmatory factor analysis models that test the propensity for observed variables to measure latent constructs, which are typically theoretical and abstract concepts that cannot be measured directly (Bowen & Guo, 2011). The SEM analysis was conducted using the AMOS software program, and by diagrammatically constructing the specification model for estimating the significance of the observed variables to explain the luxury purchase intentions of Millennial consumers in South Africa, as illustrated in **Figure 4.2**. As suggested by Hair, Sarstedt, Ringle, and Mena (2012), for the purposes of conducting an assessment of the measurement model, the author investigated the combined reliability of each construct's measured indicators, including, among others, internal consistency reliability and convergent validity. These factors are discussed in Chapter 4. The structural model was compared to the recommended cut-off values, as discussed in Chapter 4 and set out in **Table 4.8**.

3.6 Limitations

There are a number of limitations to the research methodology selected for this study, which primarily relate to the generating of an appropriate sample. This study was conducted among South African Millennials and respondents were enlisted by employing a non-probability sampling technique, namely snowball sampling, through a news posting on Facebook. The representativeness of non-probability samples cannot be evaluated. Therefore, the generalisability of the findings in this study may be limited by the sample that was used. In addition, it is argued that a significant weakness of the snowball sampling technique includes the potential introduction of selection bias into the sample (Baltar & Brunet, 2012), which could result in a homogenous sample due to the fact that respondents

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are likely to identify others who are similar to themselves (Saunders & Lewis, 2012). However, while the representativeness of non-probability samples cannot be evaluated, Mishler (1999) argues that snowball sampling seeks diversity, differences, and constant comparison, rather than to ensure representativeness.

The use of online surveys have certain disadvantages, including the possibility that an email that contains the web link to the questionnaire could be directed to a 'spam' folder, which could result in non-response bias.

The research design employed for this study is descriptive in nature, as it seeks to describe the characteristics of a population. As no variables were manipulated or controlled, no causal relationship among the variables can be inferred (Zikmund, 2003).

With regards to the target population, there is a considerable difference in the extent to which individuals within a heterogeneous society identify with and practice cultural norms (Cleveland & Laroche, 2007). Although this study was conducted among South African Millennials, the existence of sub-cultures within the population, and the fact that they may differ from each other in their approaches to decision-making and luxury purchase intentions, were not taken into account for purpose of this study.

The above and other limitations associated with this study, and which could limit the ability of the findings to be generalised, are discussed further in Chapter 6.

3.7   Chapter summary

This chapter described the research methodology employed for this study. This research, which is grounded in a positivist research philosophy, follows a quantitative approach, has a descriptive research design, and uses a questionnaire as the research instrument. A deductive approach was deemed the most appropriate for this study, as it allows for the testing of hypotheses. The study used a survey research strategy to collect the primary data. Due to time constraints, a cross-sectional study was conducted. In order to define the scope of the research, a set of delimitations were presented, after which the target population and unit of analysis were defined. Snowball sampling (through the use of Facebook), which is a non-probability sampling technique, was used to collect the data, and rendered a suitable sample size of 388 valid responses. Structural equation modelling was used to establish the validity and reliability of the proposed model and the constructs, as well as to test the hypotheses. The chapter concluded with a discussion of potential limitations to the research. The next chapter presents the research results based on the responses to the survey used to collect quantitative primary data for purposes of testing the hypotheses defined in Chapter 2.

CHAPTER 4: RESULTS

4.1   Introduction

Chapter 3 set out the research methodology employed for this study, including a detailed discussion regarding, among others, the research design and justification for the use thereof in this study. This chapter presents the research results based on the responses to the survey used to collect quantitative primary data for purposes of testing the hypotheses defined in Chapter 2. The demographic composition of the sample is analysed, followed by an assessment of the reliability and validity of the proposed model, and an analysis of the descriptive statistics of each variable. The chapter then turns to the testing of each hypothesis defined in Chapter 2 and concludes with the outcome of the hypothesis testing.

4.2   Sample demographic composition

The demographic composition of the sample, including age, gender, marital status, race, total monthly household income, and level of education, is presented in **Tables 4.1** to **4.6**.

Table 4.1: Sample distribution by age

Age	Frequency	Valid percentage
21 to 26 Years	42	12.4%
27 to 38 Years	296	87.6%
Total	**338**	**100%**

The vast majority of respondents were between the ages of 27 and 38 (87.6%), with 42 respondents (12.4%) accounting for the balance of the sample.

Table 4.2: Sample distribution by gender

Gender	Frequency	Valid percentage
Male	148	43.8%
Female	190	56.2%
Total	**338**	**100%**

There was a somewhat larger representation of female respondents, who accounted for 190 of the responses (56.2%).

Table 4.3: Sample distribution by marital status

Marital status	Frequency	Valid percentage
Married	160	47.3%
Widowed	1	0.3%
Divorced	5	1.5%
Separated	3	0.9%
Domestic partnership / civil union	15	4.4%
Single (but cohabiting with a significant other)	34	10.1%
Single, Never Married	120	35.5%
Total	**338**	**100%**

Nearly half (47.3%) of the respondents were married and a further 4.4% were in a domestic partnership or civil union. Respondents who were single and have never married accounted for 35.5% of the sample, while those who were single but cohabiting with a significant other accounted for 10.1%. The balance of the sample was either divorced (1.5%), separated (0.9%), or widowed (0.3%).

Table 4.4: Sample distribution by race

Race	Frequency	Valid percentage
Black	130	38.5%
White	144	42.6%
Indian / Asian	51	15.1%
Coloured	7	2.1%
Other	6	1.8%
Total	**338**	**100%**

A somewhat larger number (42.6%) of respondents were White, while 38.5% identified themselves as Black. Indian/Asian and Coloured respondents accounted for 15.1% and 2.1%, respectively. For convenience of representation, the balance of the sample (1.8%) was grouped together in the category "Other".

Table 4.5: Sample distribution by total monthly household income

Income	Frequency	Valid percentage
R16 000 to R20 000	15	4.4%
R20 001 to R30 000	38	11.2%
R30 001 to R40 000	40	11.8%
R40 001 to R50 000	50	14.8%
More than R50 000	195	57.7%
Total	**338**	**100%**

The majority of the respondents (57.7%) reported a total monthly household income of more than R50 000, while the respondents that reported a total monthly household income of between R16 000 and R50 000 accounted for 42.20%.

Table 4.6: Sample distribution by highest level of education

Highest level of education	Frequency	Valid percentage
Matric	27	8.0%
Diploma	35	10.4%
B.Tech. degree	19	5.6%
Undergraduate degree	52	15.4%
Postgraduate degree (Honours)	144	42.6%
Masters	61	18.0%
Total	**338**	**100%**

Respondents whose highest level of education was a postgraduate or honours degree accounted for the largest part of the sample (42.6%), while 18.0% had obtained Masters' degrees. Respondents with undergraduate degrees accounted for 15.4%, while diplomas (10.4%), matric certification (8.0%), and B.Tech degrees (5.6%) represented the highest level of education obtained by the balance of the sample.

4.3 Descriptive statistics

The normality of the data was assessed by computing the skewness and kurtosis of the distribution. Skewness measures the asymmetry of the distribution of a variable, where the skew value of a normal distribution is equal to zero, which implies symmetric distribution (Field, 2009). According to West, Finch, and Curran (1995), a substantial departure from normality would be indicated by an absolute value of > 2. Kurtosis measures the peakedness of the distribution of a variable, where the kurtosis value of zero indicates a perfectly normal distribution. West et al. (1995) proposed that a substantial departure from normality would be indicated by an absolute value of > 7.1.

The means, standard deviations, skewness and kurtosis for each variable are outlined in **Table 4.7**. As illustrated, skewness values ranged from -0.591 to 0.49, and kurtosis values ranged from -0.82 to 0.22. Accordingly, based on the guidelines proposed by West et al. (1995), the data for each variable displayed normal distributions. In addition, all the constructs rendered relatively small standard deviations from the respective mean scores, which indicates that no outliers existed in terms of how respondents answered the questionnaire. Normality of the data is, therefore, confirmed.

Table 4.7: Descriptive statistics

Variable	N	Mean	Standard deviation	Skewness	Kurtosis
Conspicuous value	338	13.74	3.43	-.451 (.133)	-.258 (.265)
Status value	338	6.79	2.77	.490 (.133)	-.304 (.265)
Hedonism	338	8.25	3.17	-.022 (.133)	-.805 (.265)
Materialism	338	8.24	3.00	-.061 (.133)	-.702 (.265)
Uniqueness	338	7.73	3.04	.292 (.133)	-.679 (.265)
Price-quality perceptions	338	10.64	2.67	-.591 (.133)	.222 (.265)
Self-congruity	338	11.97	4.10	.365 (.133)	-.157 (.265)
Brand consciousness	338	9.53	2.98	-.505 (.133)	-.278 (.265)
Social media marketing	338	7.88	3.19	.133 (.133)	-.822 (.265)

4.4 Confirmatory factor analysis

A confirmatory factor analysis was computed in order to evaluate the proposed model for goodness-of-fit (in other words, to test whether the collected data fit the hypothesised measurement model), by using a number of commonly used model fit assessment indices

(Hair et al., 2009; Kline, 2011). The typically reported cut-off criteria of these fit indices is set out in **Table 4.8**.

Bentler and Bonett (1980) assert that the chi-square test (x^2 p-value) is the conventional overall test of goodness-of-fit in covariance structure analysis, and measures the magnitude of the difference between the sample and expected covariance matrices. However, the x^2 p-value is particularly susceptible to large sample sizes (Bentler & Bonett, 1980; Schumacker & Lomax, 2004). Wheaton et al. (1977) offered a measure to minimize the impact of sample size on the chi-square test, namely the chi-square/degree of freedom ratio (x^2/df). Consequently, due to the total sample size being 338, it was prudent to make use of alternative measures of fit, or fit indices, in addition to the chi-square/degree of freedom ratio, for the purposes of interpreting model fit.

Fit indices offer overall summary statistics that evaluate the extent to which a covariance structure model explains sample data. In other words, they quantify the degree of fit within a certain range as opposed to the dichotomous result offered by the chi-square test (Bentler & Bonett, 1980). RMSEA and CFI were the additional fit indices employed for purposes of this study.

Table 4.8: Fit indices cut-off criteria

Fit Index	Goodness-of-fit indices	Recommended cut-off value	Reference
x^2 p-value	Model Chi-square	> 0.05	Hu & Bentler (1999), Jöreskog (1969)
x^2/df	Chi-square/degree of freedom ratio	< 5	Wheaton, Muthén, Alwin, & Summers (1977), Tabachnick & Fidell (2007)
RMSEA	Root mean square error of approximation	< 0.07	Steiger (2007)
CFI	Comparative fit index	≥ 0.90	Hoe (2008)

The RMSEA indicates the extent to which the model would fit the covariance matrix, given undefined but efficiently selected parameter estimates (Byrne, 1998), and has been described as "one of the most informative fit indices" (Diamantopoulos & Siguaw, 2000, pg.85).

The CFI is based on the assumption that none of the latent variables are correlated (Hooper, Coughlan, & Mullen, 2008). As this index is one of the measures that are least effected by sample size, it is one of the most widely used fit indices (Fan & Thompson, 1999).

The model fit indices in respect of the proposed model are set out in **Table 4.9**.

Table 4.9: Model fit indices

Model	Fit Indices			
	x^2/*df*	x^2 *p*-value	RMSEA	CFI
CFA Model	2.015	< .001*	.06	.93
Proposed structural model	2.427	< .001*	.07	.90
Shukla's (2012) structural model[#]	2.131	< .001*	.06	.94

*Note: *p = not within cut-off value criterion.*
     #Tested on South African Millennial consumers.

As illustrated in **Table 4.9**, save for the x^2 *p*-value, the fit values of each of the fit indices met the requirements for the recommended cut-off criteria set out in **Table 4.8** (x^2/*df* = 2.427; RMSEA = 0.07; CFI = 0.90). The x^2 *p*-value was below the recommended cut-off criterion; however, as stated above, this parameter is particularly susceptible to large sample sizes (Bentler & Bonett, 1980; Schumacker & Lomax, 2004). Therefore, at large sample sizes, the proposed model would likely be rejected based on *p*-value assessment. Conversely, based on the remaining indices, the proposed model evidenced a good fit with all variables appearing to be appropriate conjunctive predictors of South African Millennial consumers' luxury purchase intentions.

It is worth noting that the model fit indices for Shukla's (2012) structural model (in other words, excluding the three additional scales, namely self-congruity, brand consciousness, and social media marketing), appear to represent an only marginally superior fit to the proposed structural model (with the difference in the x^2/*df*, RMSEA and CFI values being 0.296, 0.01 and 0.04, respectively).

The resultant standardised regression weights of the factor loadings in the CFA, all of which are above the recommended value of 0.50 (Hair, Black, Babin, & Anderson, 2010), except for the scale item "Owning luxury goods attracts attention", which rendered a factor loading of 0.24, are set out in **Table 4.10**.

Table 4.10: Confirmatory item-factor loadings

Scale items	Standardised regression weights
Social value perceptions	
Conspicuous Value	
Owning luxury goods indicates a symbol of achievement	0.87
Owning luxury goods indicates a symbol of wealth	0.75
Owning luxury goods indicates a symbol of prestige	0.80
Owning luxury goods attracts attention	0.24
Status Value	
I buy luxury goods just because it has status	0.78
Luxury goods are important to me because they make me feel that I am acceptable in my work circle	0.78
I purchase luxury goods to gain/increase social status	0.82
Personal value perceptions	
Hedonism	
While shopping for luxury goods, I feel the excitement of the hunt	0.71
When shopping for luxury goods, I am able to forget my problems	0.87
When in a bad mood, shopping for luxury goods enhances my mood	0.83
Materialism	
Purchasing luxury goods increases my happiness	0.82
It is important to me to own really nice luxury goods	0.80
It sometimes bothers me quite a bit that I can't afford to buy all the luxury goods I want	0.52
Functional value perceptions	
Uniqueness	
I often buy luxury goods in such a way that I create a personal image that cannot be duplicated	0.83
I like to own new luxury goods before others do	0.81
When a luxury product becomes popular among others, I avoid buying or using it	0.57
Price Quality Perceptions	
I believe luxury goods are of superior quality	0.77
In my mind, the higher price charged by luxury goods indicate higher quality	0.75
You always have to pay a bit more for the best	0.76

Self-Congruity	
Luxury fashion items are consistent with how I see myself	0.81
Luxury fashion items reflect who I am	0.86
The image of the typical luxury fashion customer is highly consistent with how I see myself	0.84
Luxury fashion items are the mirror image of me	0.85
People similar to me consume luxury fashion items	0.54
Brand Consciousness	
I pay attention to the brand names of the products I buy	0.78
Sometimes I am willing to pay more money for a product because of its brand name	0.74
I believe the brands I buy are a reflection of who I am	0.74
Social Media Marketing	
I am interested in utilising social media (such as Facebook, Twitter and YouTube) for shopping luxury brands shopping online	0.72
If I purchase products from a luxury retailer's offline store, I will visit its social media page (such as Facebook and Twitter) before making an offline purchase	0.80
I am interested in utilising social media (such as Facebook, Twitter and YouTube) to refer to customer reviews	0.81

4.5   Reliability

Cronbach's alpha coefficient measures internal consistency of a test or scale. In other words, it assesses the extent to which the variables in a test measure the same construct and which would, consequently, be regarded as inter-related. Cronbach's alpha, which is affected by the number of variables, the inter-relatedness and dimensionality of the variables, is expressed as a number between 0 and 1 (Tavakol & Dennick, 2011). If variables in a test are correlated with each other, the value of alpha is increased, while the value of alpha will decrease if lower levels of correlation are present. According to Pallant (2013), Tavakol and Dennick (2011), and DeVellis (2003), the recommended value of Cronbach's alpha is 0.70 or greater.

Notwithstanding the wide use of Cronbach's alpha as an estimator of reliability, this coefficient has been criticised for being a lower bound test for reliability, and, therefore, potentially underestimating true reliability (Peterson & Kim, 2013). In order to moderate potential inaccurate estimations of internal consistency of each construct, the composite reliability (CR) (in other words, the reliability of each composite) was also determined. According to Dillon and Goldstein (1984), the recommended value of CR is 0.70 or greater.

Cronbach's alpha and the CR coefficient were computed for each of the items constituting the respective constructs as well as for the full scale of constructs proposed to measure luxury purchase intentions. The internal consistency and CR coefficients are shown in **Table 4.11**.

Table 4.11: Cronbach's alpha and CR coefficients

Variable	Number of items	α	CR
Conspicuous value	4	0.77	0.78
Status value	3	0.83	0.84
Hedonism	3	0.84	0.85
Materialism	3	0.75	0.76
Uniqueness	3	0.78	0.78
Price-quality perceptions	3	0.80	0.81
Self-congruity	5	0.87	0.89
Brand consciousness	3	0.80	0.80
Social media marketing	3	0.82	0.82

As illustrated in **Table 4.11**, each of the scales yielded a Cronbach's alpha and CR coefficient, respectively, of above the recommended value of 0.70. It is worth noting that, except for the similar Cronbach's alpha and CR coefficient values of uniqueness, BC and SMM, Cronbach's alpha rendered slightly lower values for all the variables compared to the CR coefficient, as noted by Peterson and Kim (2013). These differences did, however,

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prove to be non-significant and the above results indicated that each of the scales can be considered reliable.

4.6 Validity

The validity of the proposed model was assessed by analysing its convergent validity, which reports the AVE. AVE measures the degree to which a latent variable describes the variance of the indicators (Hair, Ringle, & Sarstedt, 2011). According to Fornell and Larcker (1981), an acceptable AVE value is 0.50 or greater.

AVE values were computed for each of the items constituting the respective constructs as well as for the full scale of constructs proposed to measure luxury purchase intentions, the results of which are shown in **Table 4.12**.

Table 4.12: AVE values per variable

Variable	AVE value
Conspicuous value	0.50
Status value	0.63
Hedonism	0.65
Materialism	0.53
Uniqueness	0.55
Price-quality perceptions	0.58
Self-congruity	0.62
Brand consciousness	0.57
Social media marketing	0.61

As illustrated in **Table 4.12**, each of the scales yielded an AVE value of the recommended value of 0.50 and above. It should be noted that, notwithstanding the lower yet acceptable AVE values of the CV (0.50) and M (0.53) variables, these variables were retained for the purposes of this study due to their acceptable internal consistency ($\alpha = 0.77$, $\alpha = 0.75$; CR = 0.78, CR = 0.76, respectively) and reliability. Based on the aforementioned results, the proposed model was considered to be sufficiently valid and appropriate for statistical interpretation. Further support for the concurrent validity of the subscales was obtained from the Pearson correlations that were computed (**Table 4.14**). That is, each of the variables that were considered conceptually related demonstrated statistically significant positive correlations with one another.

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4.7 Pearson correlations

Having confirmed the goodness-of-fit of the proposed model and the validity and reliability of all the constructs, the next step in the data analysis process was to examine the relationships, or correlations, among the constructs. For this purpose, the Pearson's product movement correlation coefficient (represented by the letter r), was computed to determine whether statistically significant relationships exist between the constructs (Saunders & Lewis, 2012) and the luxury purchase intentions of South African Millennial consumers. A value of zero denotes no linear correlation, whereas positive values and negative values denote positive linear correlation and negative linear correlation, respectively. The closer the value is to 1 or –1, the stronger the linear correlation.

Cohen (1992) provided ranges that could be used as guidelines to measure correlation strength, as set out in **Table 4.13**.

Table 4.13: Correlation strength guidelines

Strength	Range
Small	r = 0.10 to 0.29
Medium	r = 0.30 to 0.49
Large	r = 0.50 to 1.0

The correlations between the constructs were tested on the collected data and rendered the effect sizes as showed in **Table 4.14**.

Table 4.14: Pearson correlations matrix (r)

Variable	CV	SV	H	M	U	PQP	SC	BC	SMM	PI
CV	-	0.48**	0.45**	0.52**	0.37**	0.42**	0.57**	0.49**	0.20**	0.72**
SV	-	-	0.42**	0.59**	0.43**	0.27**	0.53**	0.47**	0.31**	0.71**
H	-	-	-	0.65**	0.48**	0.28**	0.46**	0.35**	0.31**	0.70**
M	-	-	-	-	0.55**	0.39**	0.64**	0.53**	0.33**	0.83**
U	-	-	-	-	-	0.25**	0.49**	0.46**	0.33**	0.69**
PQP	-	-	-	-	-	-	0.42**	0.48**	0.13*	0.56**
SC	-	-	-	-	-	-	-	0.65**	0.29**	0.82**
BC	-	-	-	-	-	-	-	-	0.25**	0.74**
SMM	-	-	-	-	-	-	-	-	-	0.50**
PI	-	-	-	-	-	-	-	-	-	-

Note: CV = Conspicuous Value, SV = Status Value, H = Hedonism, M = Materialism, U = Uniqueness, PQP = Price Quality Perceptions, SC = Self-Congruity, BC = Brand Consciousness, SMM = Social Media Marketing, PI = Purchasing Intentions.
** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.14**, the correlations between PI and each of the constructs are all positive and statistically significant at the 0.01 level, with each r-value large in effect size.

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Materialism and self-congruity showed the strongest correlations with PI, rendering *r*-values of 0.83 and 0.82, respectively. Accordingly, each construct can be regarded as a distinct antecedent to luxury purchase intentions. In addition, the correlations between each of the constructs further support the convergent validity thereof, as they appear to be conceptually linked to the underlying construct of luxury purchase intentions.

4.8   Hypothesis testing

For ease of reference, **Figure 4.1** presents the proposed extended conceptual model which sets out to explicate the hypothesised relationships among the variables. The tables below, which include Cronbach's alpha, CR, Pearson correlation, and AVE values, as discussed above, have also been inserted for ease of reference.

Figure 4.1: Proposed extended conceptual model
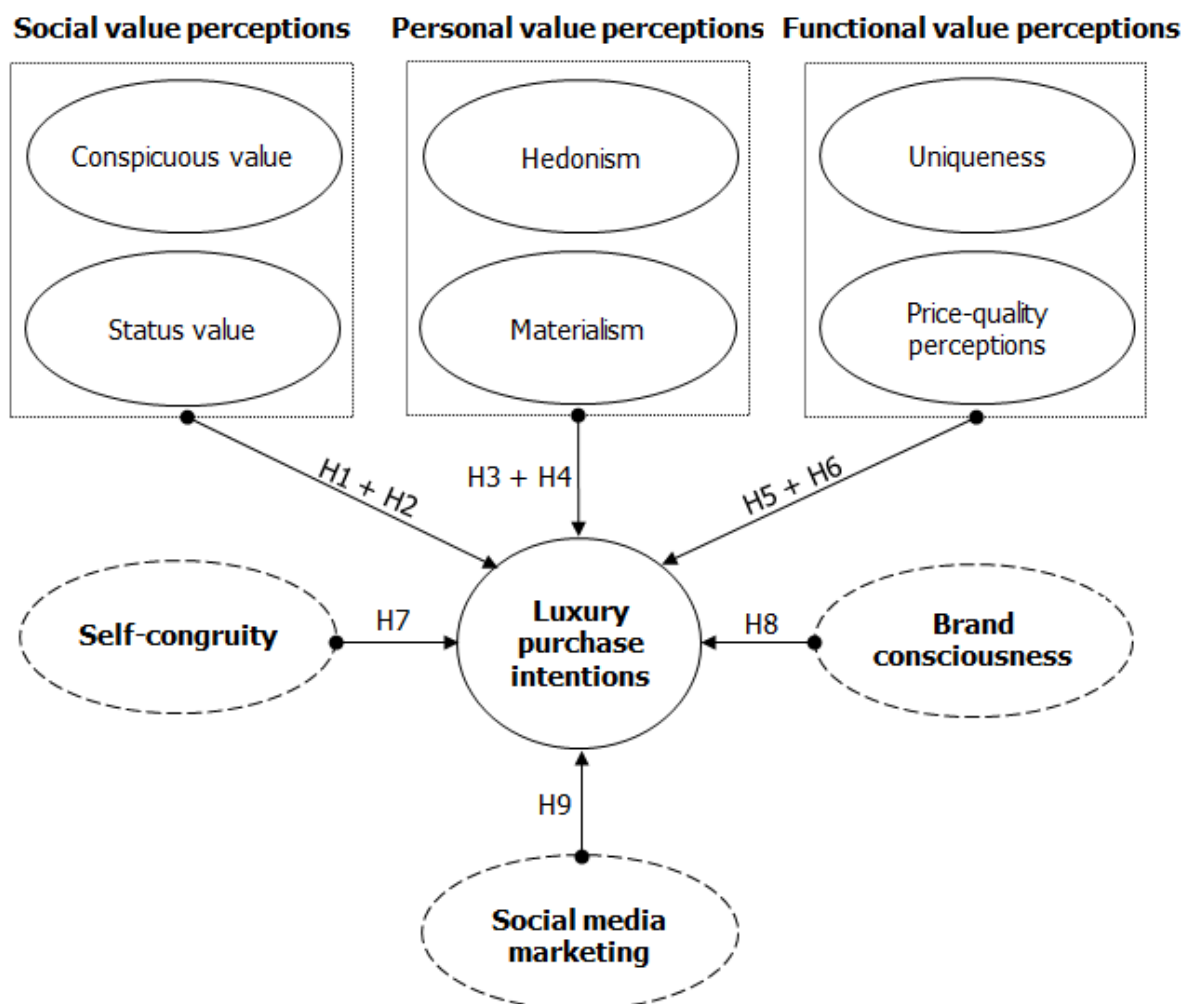
Hypothesis 1: **Conspicuous value is positively correlated with luxury purchase intentions of South African Millennials (H_1).**

The first hypothesis relates to the relationship between conspicuous value and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For conspicuous value to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.15** sets out the Cronbach's alpha and CR coefficients, which measure the internal consistency of the scale, along with the Pearson correlation coefficient in respect of H_1.

Table 4.15: Cronbach's alpha, CR, Pearson correlation and AVE in respect of conspicuous value

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.77
	CR		0.78
Linear correlation with purchase intention	Pearson correlation	4	0.72**
Convergent validity	AVE		0.50

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.15**, the four statements that comprise the CV construct yielded a Cronbach's alpha and CR coefficient of 0.77 and 0.78, respectively, which are both above the recommended value of 0.70. The CV construct is, therefore, considered reliable. In addition, the AVE value of this construct is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between CV and PI ($r = 0.72$) shows a strong and statistically significant positive relationship between the perceptions of CV and the PI of South African Millennials. Accordingly, H_1 is supported.

Hypothesis 2: **Status value is positively correlated with luxury purchase intentions of South African Millennials (H_2).**

The second hypothesis relates to the relationship between status value and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For status value to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.16** sets out the Cronbach's alpha and CR coefficient, which measure the internal consistency of the scale, and the Pearson correlation coefficient in respect of H_2.

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Table 4.16: Cronbach's alpha, CR, Pearson correlation and AVE in respect of status value

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.83
	CR		0.84
Linear correlation with purchase intention	Pearson correlation	3	0.71**
Convergent validity	AVE		0.63

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.16**, the three statements that comprise the SC construct yielded a Cronbach's alpha and CR coefficient of 0.83 and 0.84, respectively, which are both above the recommended value of 0.70. The SV construct is, therefore, considered reliable. In addition, the AVE value of this construct is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between SV and PI ($r = 0.71$) shows a strong and statistically significant positive relationship between the SV and the PI of South African Millennials. Accordingly, H_2 is supported.

Hypothesis 3: Hedonism is positively correlated with luxury purchase intentions of South African Millennials (H_3).

The third hypothesis relates to the relationship between hedonism and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For hedonism to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.17** sets out the Cronbach's alpha and reliability coefficient, which measure the internal consistency of the scale, and the Pearson correlation coefficient in respect of H_3.

Table 4.17: Cronbach's alpha, CR, Pearson correlation and AVE in respect of hedonism

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.84
	CR		0.85
Linear correlation with purchase intention	Pearson correlation	3	0.70**
Convergent validity	AVE		0.65

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.17**, the three statements that comprise the hedonism construct yielded a Cronbach's alpha and CR coefficient of 0.84 and 0.85, respectively, which are both above the recommended value of 0.70. The hedonism construct is, therefore, considered

reliable. In addition, the AVE value of this construct is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between hedonism and PI ($r = 0.70$) shows a strong and statistically significant positive relationship between hedonism and the PI of South African Millennials. Accordingly, H_3 is supported.

Hypothesis 4:   Materialism is positively correlated with luxury purchase intentions of South African Millennials (H_4).

The fourth hypothesis relates to the relationship between materialism and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For materialism to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.18** sets out the Cronbach's alpha and CR coefficient, which measure the internal consistency of the scale, and the Pearson correlation coefficient in respect of H_4.

Table 4.18:   Cronbach's alpha, CR, Pearson correlation and AVE in respect of materialism

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.75
	CR		0.76
Linear correlation with purchase intention	Pearson correlation	3	0.83**
Convergent validity	AVE		0.53

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.18**, the three statements that comprise the materialism construct yielded a Cronbach's alpha and CR coefficient of 0.75 and 0.76, respectively, which are both above the recommended value of 0.70. The materialism construct is, therefore, considered reliable. In addition, the AVE value of this construct is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. Among all the measured constructs, the effect size estimate between materialism and PI ($r = 0.83$) shows the strongest positive and most statistically significant relationship between materialism and the PI of South African Millennials, which implies materialism is a major antecedent to luxury purchase intentions. Accordingly, H_4 is supported.

Hypothesis 5:   Uniqueness is positively correlated with luxury purchase intentions of South African Millennials (H$_5$).

The fifth hypothesis relates to the relationship between uniqueness and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For uniqueness to be regarded as an antecedent to luxury purchase intentions a positive correlation between the two would be sought. **Table 4.19** sets out the Cronbach's alpha and CR coefficient, which measure the internal consistency of the scale, and the Pearson correlation coefficient in respect of H$_5$.

Table 4.19:   Cronbach's alpha, CR, Pearson correlation and AVE in respect of uniqueness

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.78
	CR	3	0.78
Linear correlation with purchase intention	Pearson correlation		0.69**
Convergent validity	AVE		0.55

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.19**, the three statements that comprise the uniqueness construct yielded both a Cronbach's alpha and CR coefficient of 0.78, which is above the recommended value of 0.70. The uniqueness construct is, therefore, considered reliable. In addition, the AVE value of this construct is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between uniqueness and PI (r = 0.69) shows a moderate and statistically significant positive relationship between uniqueness and the PI of South African Millennials. Accordingly, H$_5$ is supported.

Hypothesis 6:   Price-quality perceptions are positively correlated with luxury purchase intentions of South African Millennials (H$_6$).

The sixth hypothesis relates to the relationship between price-quality perceptions and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For price-quality perceptions to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.20** sets out the Cronbach's alpha and CR coefficient, which measure the internal consistency of the scale, and the Pearson correlation coefficient in respect of H$_6$.

Table 4.20: Cronbach's alpha, CR, Pearson correlation and AVE in respect of price-quality perceptions

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.80
	CR	3	0.81
Linear correlation with purchase intention	Pearson correlation		0.56**
Convergent validity	AVE		0.58

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.20**, the three statements that comprise the PQP construct yielded a Cronbach's alpha and CR coefficient of 0.80 and 0.81, respectively, which are above the recommended value of 0.70. The PQP construct is, therefore, considered reliable. In addition, the AVE value of this construct is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between PQP and PI ($r = 0.56$) shows an acceptable and statistically significant positive relationship between the PQP perceptions and the PI of South African Millennials. Accordingly, H_6 is supported.

Hypothesis 7: Self-congruity is positively correlated with luxury purchase intentions of South African Millennials (H_7).

The seventh hypothesis relates to the relationship between self-congruity and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For self-congruity to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.21** sets out the Cronbach's alpha and CR coefficient, which measure the internal consistency of the scale, and the Pearson correlation coefficient in respect of H_7.

Table 4.21: Cronbach's alpha, CR, Pearson correlation and AVE respect of self-congruity

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.87
	CR		0.89
Linear correlation with purchase intention	Pearson correlation	5	0.82**
Convergent validity	AVE		0.62

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.21**, the five statements that comprise the SC construct yielded a Cronbach's alpha and CR coefficient of 0.87 and 0.89, respectively, which are above the

recommended value of 0.70. The SC construct is, therefore, considered reliable. In addition, the AVE value of this variable is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between SC and PI ($r = 0.82$) shows a strong positive and statistically significant relationship between SC and the PI of South African Millennials, which implies SC, similarly to materialism ($r = 0.83$), is a major antecedent to luxury PI. Accordingly, H_7 is supported.

Hypothesis 8: Brand consciousness is positively correlated with luxury purchase intentions of South African Millennials (H_8).

The eighth hypothesis relates to the relationship between brand consciousness and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For brand consciousness to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.22** sets out the Cronbach's alpha and CR coefficient, which measure the internal consistency of the scale, and the Pearson correlation coefficient in respect of H_8.

Table 4.22: Cronbach's alpha, CR, Pearson correlation and AVE in respect of brand consciousness

Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.80
	CR		0.80
Linear correlation with purchase intention	Pearson correlation	3	0.74**
Convergent validity	AVE		0.57

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.22**, the three statements that comprise the BC construct yielded a Cronbach's alpha and CR coefficient of 0.80, which was above the recommended value of 0.70. The BC construct is, therefore, considered reliable. In addition, the AVE value of this variable is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between BC and PI ($r = 0.74$) shows a strong and statistically significant positive relationship between the BC and the PI of South African Millennials. Accordingly, H_8 is supported.

Hypothesis 9:   Social media marketing is positively correlated with luxury purchase intentions of South African Millennials (H₉).

The final hypothesis relates to the relationship between social media marketing and the luxury purchase intentions of South African Millennials and was tested using a Pearson correlation coefficient. For social media marketing to be regarded as an antecedent to luxury purchase intentions, a positive correlation between the two would be sought. **Table 4.23** sets out the Cronbach's alpha and CR coefficient, which measures the internal consistency of the scale, and the Pearson correlation coefficient in respect of H₉.

Table 4.23: Cronbach's alpha, CR, Pearson correlation and AVE in respect of social media marketing

| Criterion	Measure	Number of items	Result
Internal consistency reliability	Cronbach's alpha		0.82
	CR	3	0.82
Linear correlation with purchase intention	Pearson correlation		0.50**
Convergent validity	AVE		0.61

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

As illustrated in **Table 4.23**, the three statements that comprise the SMM construct yielded a Cronbach's alpha and CR coefficient of 0.82, which was above the recommended value of 0.70. The SMM construct is, therefore, considered reliable. In addition, the AVE value of this construct is above the recommended 0.50 threshold. Accordingly, the validity of this construct is confirmed. The effect size estimate between SMM and PI (r = .50) shows an acceptable and statistically significant positive relationship between SMM and the PI of South African Millennials. Accordingly, H₉ is supported. However, it should be noted that the correlation between PI and SMM was the weakest compared to the correlation between PI and all the other measured variables, suggesting that SMM is, comparatively, the least pertinent (yet still significant) antecedent to luxury purchase intentions.

Figure 4.2 presents the validated conceptual model, which summarises the structural model findings and indicates the strength and significance of the respective correlations of the hypothesised constructs with PI. Based on these findings, each construct can be regarded as an antecedent to South African Millennial consumers' luxury purchase intentions.

Figure 4.2: Validated conceptual model
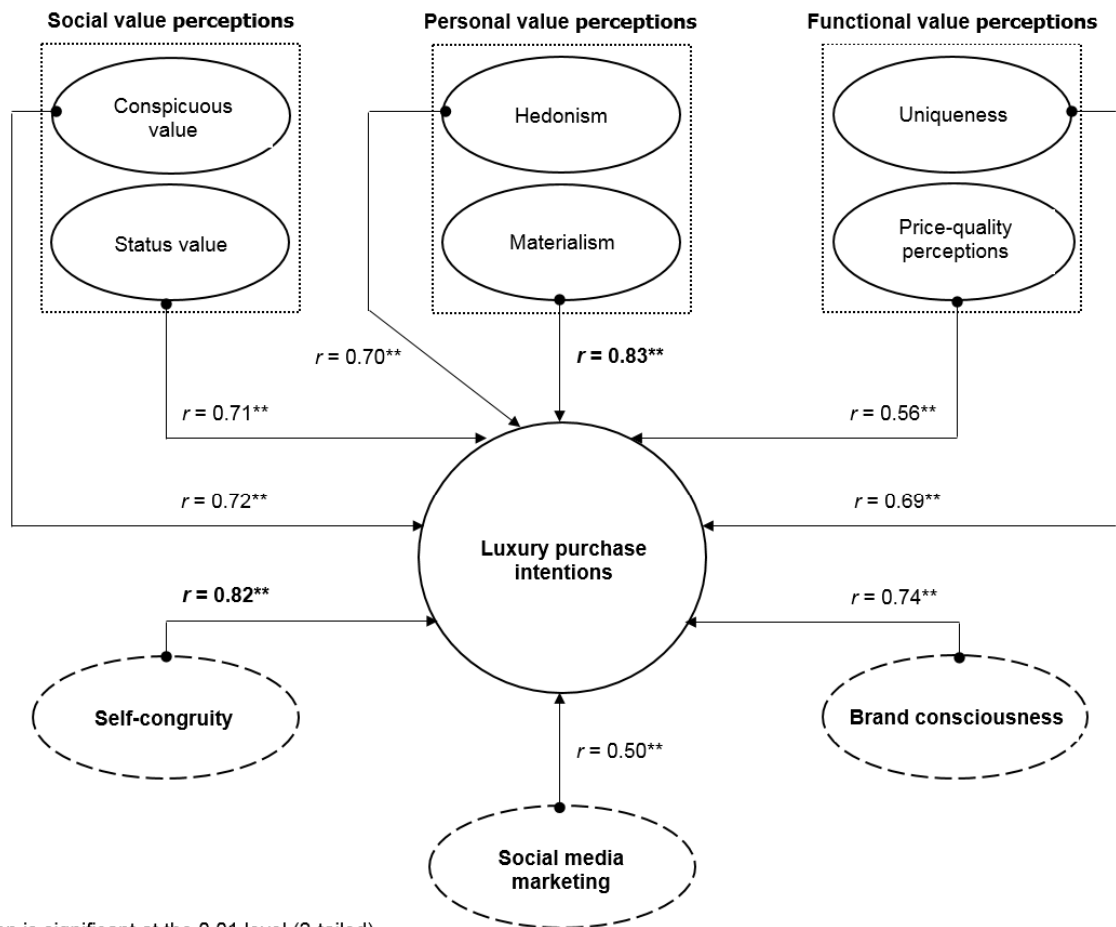
** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

4.9   Chapter summary

This chapter presented the research results based on the responses to the survey used to collect quantitative primary data for purposes of testing the hypotheses defined in Chapter 2. A total number of 338 valid responses, which exceeded the intended number by 38, were obtained. The demographic statistics revealed that most respondents (57.7%) reported a total monthly household income of R50 000 or greater, which suggests that most respondents were able to afford the luxury brands as defined in the questionnaire, and were, therefore, able to complete the survey truthfully. This could be attributed to the fact that 87.6% of respondents were between the ages of 27 to 38 years, and were therefore likely earning above entry-level salaries. In addition, a fairly equitable split between race (black and white) and gender profile was obtained.

The normality of the data was confirmed by the skewness and kurtosis values that were computed. CFA factor loadings, as set out in **Table 4.10**, all of which were above the recommended value of 0.50, established the goodness-of-fit of the model while SEM was

employed to test the measurement and structural model. Cronbach's alpha and CR coefficients ranged between 0.76 and 0.89, and 0.76 and 0.89, respectively, as set out in **Table 4.11** (which are above the recommended value of 0.70), for all the constructs, which confirmed the reliability of each construct. AVE values ranging from 0.50 to 0.65, as shown in **Table 4.12** (which is equal to or above the recommended value of 0.50), for all the constructs provided convergent validity support.

The Pearson's product movement correlation coefficients ranged between 0.50 and 0.83, as shown in **Table 4.14**, which values are large in effect size, based on the correlation strength guidelines set out in **Table 4.13**. Accordingly, the results demonstrated that each construct can be regarded as a distinct antecedent to the luxury purchase intentions of South African Millennials. With regards to the hypothesis testing, the results showed that all the hypotheses were supported. The next chapter discusses the results presented in this chapter in the context of the literature review included in Chapter 2.

CHAPTER 5: DISCUSSION OF RESULTS

5.1 Introduction

Chapter 4 presented the research results based on the responses to the survey used to collect quantitative primary data for purposes of testing the hypotheses defined in Chapter 2. In this chapter, these results are discussed in the context of the literature review included in Chapter 2 with the purpose of addressing the research problem set out in Chapter 1. This chapter is structured to follow the hypotheses defined in Chapter 2.

5.2 Research questions

The research problem defined in Chapter 1 was formulated with the purpose of gaining a deeper understanding of the antecedents to the luxury purchase intentions of South African Millennials. To this end, the following research questions were posed in Chapter 1:

1. What is the relationship between conspicuous value and the luxury purchase intentions of South African Millennials?
2. What is the relationship between status value and the luxury purchase intentions of South African Millennials?
3. What is the relationship between hedonism and the luxury purchase intentions of South African Millennials?
4. What is the relationship between materialism and the luxury purchase intentions of South African Millennials?
5. What is the relationship between the need for uniqueness and the luxury purchase intentions of South African Millennials?
6. What is the relationship between price-quality perceptions and the luxury purchase intentions of South African Millennials?
7. What is the relationship between self-congruity and the luxury purchase intentions of South African Millennials?
8. What is the relationship between brand consciousness and the luxury purchase intentions of South African Millennials?
9. What is the relationship between social media marketing and the luxury purchase intentions of South African Millennials?

Research questions 1 and 2, 3 and 4, and 5 and 6, relate to social value perceptions, personal value perceptions, and functional value perceptions, respectively. These constructs comprise Shukla's (2012) conceptual value perceptions model as it relates to luxury purchase intentions. Research questions 7 to 9 relate to the this study's proposed extension of Shukla's (2012) model.

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The research results confirmed the predictive effect of each of the conspicuous value, status value, hedonism, materialism, uniqueness, price-quality perceptions, self-congruity, brand consciousness, and social media marketing constructs on the luxury purchase intentions of South African Millennials, as theorised by the extended conceptual model proposed herein. These strong and statistically significant positive relationships are illustrated by the Pearson's product movement correlation coefficients which ranged between 0.50 and 0.83, as shown in **Table 4.14**, which values are large in effect size, based on the correlation strength guidelines set out in **Table 4.13**. The related hypotheses, as defined in Chapter 2, are discussed below.

5.3   Hypothesis 1: Conspicuous value is positively correlated with the luxury purchase intentions of South African Millennials (H_1)

The first hypothesis tested the relationship between conspicuous value and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between the perceptions of CV and the PI of South African Millennials ($r = 0.72$). Accordingly, H_1 was supported.

Support for H_1 could be explained by two factors. Firstly, Millennials display distinctive characteristics, including high levels of brand consciousness and public self-consciousness, due to the fact that their self-identities are not yet fully developed (Eastman & Liu, 2012; GurĂu, 2012). As such, Giovannini et al.'s (2015) findings that the consciousness of public self-image and self-esteem of Millennial consumers in the US are drivers of high levels of conspicuous consumption motivations, are supported by the results of this research. Secondly, these findings support Duh and Struwig's (2015) statement that South African Millennials prioritise the purchase of status and conspicuous products due to the fast-changing social, technological, and economic landscape in South Africa, which contributes to the pressure experienced by this generation to be accepted in higher circles.

Notwithstanding the fact that inconspicuous consumption has become increasingly prevalent in recent years for a number of reasons, Han et al. (2010) proposed that only those consumers at the highest socio-economic level will attach value to the signals communicated by inconspicuous brands and will, therefore, pay a premium for inconspicuousness. The fact that conspicuousness was found to be an antecedent to PI in this study could be attributed to the fact that this study focused on Millennial consumers who have yet to enter their prime earning years. This inference is supported by Berger and Ward (2010) who suggest that, unlike consumers in high income brackets, conspicuousness is desired by those consumers who fall within mid-level income brackets.

The conspicuousness dimension tested in Shukla's (2012) study was found to be a non-significant predictor of luxury consumption across western developed and eastern emerging markets. This finding could be regarded as a reflection of the times when the study was conducted (that is, in the wake of the global financial crisis in 2009), when many consumers avoided conspicuous displays of wealth. For this reason, a true comparison between Shukla's (2012) findings and the findings in this study, as they relate to conspicuousness, would not be accurate.

5.4 Hypothesis 2: Status value is positively correlated with luxury purchase intentions of South African Millennials (H_2)

The second hypothesis tested the relationship between status value and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between SV and the PI of South African Millennials ($r = 0.71$). Accordingly, H_2 was supported.

With regards to the construct of SV, Shukla's (2012) study showed that, while this construct was a significant predictor of PI in both the eastern emerging as well as the western developed markets, the strength of the relationship between PI and SV was stronger in the latter markets. It could, therefore, be inferred that South African Millennial consumers share the preference of consumers in eastern emerging as well as western developed markets (which showed an even higher correlation between PI and SV) for SV and their desire to gain prestige by acquiring products that are status-laden.

A distinction between the CV and SV constructs was made in this study, which coincides with Truong et al.'s (2008) and O'Cass and McEwen's (2004) arguments that these two constructs should not be regarded as a single construct. This view is shared by Vigneron and Johnson (2004) as well as Eckhardt et al. (2015), who posit that status and conspicuousness are not necessarily directly correlated. These authors argue that, while the constructs CV and SC are related, luxury goods have assumed new functions as a result of the democratisation of luxury, as discussed in Chapter 2. The aforementioned arguments put forward by Truong et al. (2008) and O'Cass and McEwen's (2004) were supported by the differing results reported in Shukla's (2012) study regarding the effects of CV (which showed not to be a significant predictor of PI in either markets included in the study) and SV (which showed to be a significant predictor of PI in both markets that were the subject of the study).

However, in this study, since the correlation between PI and each of the constructs CV ($r = 0.72$) and SV ($r = 0.71$) was similar and large in effect size, it would appear that the aforementioned distinction between these two constructs did not yield different results, and,

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therefore, did not support the arguments put forward by Truong et al. (2008) and O'Cass and McEwen's (2004). It could, therefore, be inferred that, among South African Millennials, there is a direct correlation between status and conspicuousness.

5.5 Hypothesis 3: Hedonism is positively correlated with the luxury purchase intentions of South African Millennials (H$_3$)

The third hypothesis tested the relationship between hedonism and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between hedonism and the PI of South African Millennials ($r = 0.70$). Accordingly, H$_3$ was supported.

The results in this study suggest that the multi-sensory aspects of product use for the purposes of emotional fulfilment (in other words, hedonic consumption, as defined by Holbrook and Hirschman (1982)), is an antecedent to the luxury purchase intentions of South African Millennials.

Shukla's (2012) study found that hedonism was a significant predictor of luxury consumption in western developed markets, but not in eastern emerging markets. This finding could be interpreted by means of Hofstede's cultural dimensions theory, which explains observed differences between cultures. One of the dimensions proposed by this theory, in terms of which cultural values could be analysed, includes 'indulgence versus restraint', where indulgence refers to a social value in terms of which the fulfilment of basic human desires related to the enjoyment of life are relatively freely permissible. Restraint, on the other hand, involves suppressing the fulfilment of needs that is regulated by strict social norms (Hofstede, Hofstede, & Minkov, 2010).

According to Hofstede's index of national scores (which range from 1 for the lowest to 120 for the highest) (Hofstede et al., 2010), the indulgent dimension measured in the US and the UK show scores of 68 and 69, respectively, indicating that the cultures in these countries can be classified as indulgent (which may explain the statistically significant positive correlation between hedonism and PI in these markets). Conversely, India received a low score of 26 in this dimension, indicating that it has a culture of restraint, and, contrary to indulgent cultures, controls the gratification of their desires as doing so is somewhat wrong. Malaysia, however, did receive a higher score of 57, indicating that its culture is somewhat more indulgent than that of India. South Africa's indulgent dimension received a score of 63, which indicates similarities with the US and the UK with regards to the indulgent nature of its culture. It is important to note, however, that Hofstede's index of national scores for South

Africa are based on the white population, and should, therefore, be viewed only as indicative.

5.6   Hypothesis 4:   Materialism is positively correlated with the luxury purchase intentions of South African Millennials (H_4)

The fourth hypothesis tested the relationship between materialism and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between materialism and the PI of South African Millennials (r = 0.83). Accordingly, H_4 was supported. In fact, materialism was found to be the strongest predictor of PI among all the measured constructs.

This finding corresponds with the conclusions drawn from previous research that Millennials display high levels of materialism (Giovannini et al., 2015; Loroz & Helgeson, 2013), which, in turn, can significantly influence consumers' attitudes toward purchasing global luxury goods (Zhang & Kim, 2013). Such higher levels of materialism could be attributed to this generation's coming of age in a modern consumer culture and its frequent exposure to consumption-related messages, especially through their extensive use of social media (Chu et al., 2013).

Not surprisingly, Shukla's (2012) study found that materialism was a significant and stronger predictor of luxury consumption in the western developed markets compared to the eastern emerging markets. However, Palmer (2010) cautions that the impact of the 2009 global financial crisis should be considered before conclusions are made about the consumption orientations of Millennials, such as materialism. The findings in this study indicate that a shift from the perception that young consumers are liberal spenders to now being more frugal and value oriented, as suggested by Palmer (2010), is not evident among South African Millennials.

5.7   Hypothesis 5:   The need for uniqueness is positively correlated with the luxury purchase intentions of South African Millennials (H_5)

The fifth hypothesis tested the relationship between uniqueness and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between uniqueness and the PI of South African Millennials (r = 0.69). Accordingly, H_5 was supported. This finding supports the view of Tulgan (2009) in that Millennials feel little need to conform, and, in fact, embrace the power of diversity. As they regard uniqueness as central to their identity, they pursue originality and the customisation of the self (Tulgan, 2009) and are motivated by a need to avoid similarity with others in an effort to achieve social distinctiveness (Roy & Rabbanee, 2015).

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According to Sirgy (1982), brand consumption has the potential to fulfil certain psychological needs of consumers, one of which includes the need for uniqueness. Tian et al. (2001) concur with this statement and propose that an individual's consumption of luxury goods is essentially driven by the need for uniqueness, which involves the enhancement of a consumer's preference for a particular luxury brand due to the limited supply thereof, which, in turn, results in the brand being perceived to be more exclusive and valued (Seo & Buchanan-Oliver, 2015).

According to Bian and Forsythe (2012), the identity of individualists is grounded in the desire for uniqueness; however, the authors suggest that the underlying motivation for purchasing luxury goods may differ across cultures. This view was supported by Shukla's (2012) findings in that uniqueness was a significant and stronger predictor of luxury consumption in western developed markets compared to the eastern emerging markets. This could be attributed to the fact that the US and the UK are regarded among the highest individualist societies, as compared to India and Malaysia, which are regarded as more collectivistic societies (Hofstede et al., 2010), resulting in different levels of desire for uniqueness. The fact that the findings in this study suggest that uniqueness could be regarded as an antecedent to the luxury purchase intentions of South African Millennials could be attributed to South Africa, much like the US and the UK, being regarded as an individualistic society (Hofstede et al., 2010).

5.8 Hypothesis 6: Price-quality perceptions are positively correlated with the luxury purchase intentions of South African Millennials (H_6)

The sixth hypothesis tested the relationship between price-quality perceptions and the luxury purchase intentions of South African Millennials. Price-quality perceptions, together with uniqueness, comprise the two sub-dimensions of functional value perceptions, which, according to Tynan et al. (2010), should also be considered as motives for luxury purchases.

The results showed a strong and statistically significant positive relationship between PQP and the PI of South African Millennials ($r = 0.56$). Accordingly, H_6 was supported in that these consumers are, as Han et al. (2010) suggest, willing to pay a premium price for luxury brands, as such brands symbolise their social distinctiveness, which, in turn, aligns with consumers' need for uniqueness. This result also supports Truong and McColl's (2011) findings in that premium price is positively correlated with a consumer's decision to purchase luxury goods. Shukla's (2012) study produced similar results for both the eastern emerging and western developed markets.

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As stated, this phenomenon, being a willingness to pay a premium price for a functionally equivalent product, merely due to the product being perceived as being more prestigious, is known as the "Veblen Effect" (Bagwell & Bernheim, 1996). This may be attributed to the fact that consumers perceive luxury purchases as status indicators rather than useful due to the product's direct utility (Mason, 1984). This is also evident from the fact that the results in this study supported H_2, which is that status value is a significant predictor of PI of South African Millennials ($r = 0.71$).

5.9 Hypothesis 7: Self-congruity is positively correlated with the luxury purchase intentions of South African Millennials (H_7)

The seventh hypothesis tested the relationship between self-congruity (the first of three constructs with which Shukla's (2012) model was extended) and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between SC and the PI of South African Millennials ($r = 0.82$) in that these consumers are inclined to purchase brands with images that are consistent with their self-concept, as suggested by Liu et al. (2012) and Yu et al. (2013). Accordingly, H_7 was supported. SC was, in fact, found to be the second strongest predictor of PI among all the constructs (with materialism ($r = 0.83$) being the strongest).

This study supports Roy and Rabbanee's (2015), Hosany and Martin's (2012), Liu et al.'s. (2012), and O'Cass and Frost's (2002) findings that a match between a consumer's self-concept and the user image of a brand is a driver of brand preferences. In a study conducted among university students in Australia, Roy and Rabbanee (2015) also found that psychological drivers, such as social desirability, the need for uniqueness, and status consumption, are positively related to self-congruity as they relate to luxury brands. The findings in these studies are reinforced by the results in this study, as H_2 (SV as PI driver), H_5 (uniqueness as PI driver), and H_7 (SC as PI driver) were all supported ($r = 0.71$; $r = 0.69$; $r = 0.82$).

These findings could be attributed to the fact that Millennials (as opposed to previous cohorts) are more likely to be developing and actively communicating their self-concepts to others (Loroz & Helgeson, 2013). In addition, South Africa could be regarded as an individualistic society (Hofstede et al., 2010) and individualistic consumers may show higher levels of congruity compared to collectivistic consumers (Tsai, 2005).

5.10 Hypothesis 8: Brand consciousness is positively correlated with luxury purchase intentions of South African Millennials (H8)

The penultimate hypothesis tested the relationship between brand consciousness (the second of three constructs with which Shukla's (2012) model was extended) and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between BC and the PI of South African Millennials ($r = 0.74$). Accordingly, H8 was supported. These findings were similar to those of a study conducted of Millennial consumers in the US, which confirmed that brand consciousness could result in strong luxury purchase intentions and high levels of conspicuous consumption motivations (Giovannini et al., 2015).

According to Noble et al. (2009) and Giovannini et al. (2015), Millennial consumers display higher levels of brand consciousness than previous generational cohorts, which could largely be attributed to their consciousness of public self-image and self-esteem and the fact that they have more disposable funds than any other group of young consumers recorded in history (Giovannini et al., 2015; Noble et al., 2009). This is especially the case for South African Millennials who constitute the majority of the growing middle class, colloquially referred to as "Black Diamonds" or the "Mzansi youth" (Duh & Struwig, 2015).

5.11 Hypothesis 9: Social media marketing is positively correlated with the luxury purchase intentions of South African Millennials (H9)

The final hypothesis tested the relationship between social media marketing of luxury retailers (the third and final construct with which Shukla's (2012) model was extended) and the luxury purchase intentions of South African Millennials. The results showed a strong and statistically significant positive relationship between SMM and the PI of South African Millennials ($r = 0.50$). Accordingly, H9 was supported. This finding, which indicates that digital media is reshaping how individuals think and make decisions, is similar to the results observed in studies conducted among luxury brand consumers in Seoul (Kim & Ko, 2010) and the US (Chu et al., 2013).

This finding is evident of the fact that an increasing number of affluent online shoppers between the ages of 18 and 35 years employ social media to engage with brands and communicate their personal identities (Chu et al., 2013). Duh and Struwig (2015) suggest that one reason for such online engagement could be that Millennials are, as a result of social networks, perpetually connected to each other, and that the opinion of peers regarding decision-making is important to these consumers. Furthermore, the high levels of materialism of South African Millennials, as confirmed by the support of H4 ($r = 0.83$), could, in part, be a result of these consumers' frequent exposure to consumption-related messages through the use of social media.

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5.12   Chapter summary

This chapter provided a comprehensive discussion of the research results presented in Chapter 4, which confirmed the predictive effect of each of the measured constructs on the luxury purchase intentions of South African Millennials, as theorised by the extended conceptual model proposed herein. Each construct demonstrated strong and statistically significant positive relationships with PI, as illustrated by the Pearson's product movement correlation coefficients which ranged between 0.50 and 0.83, shown in **Table 4.14**. Chapter 6 will conclude the research presented herein by summarising the principal findings of the research, discussing the theoretical and managerial implications thereof, specifying the limitations to this research and offering recommendations for future research.

CHAPTER 6: CONCLUSION

6.1 Introduction

This chapter provides a summary of the principal findings of this study by addressing the central research problem and related research objectives, as defined in Chapter 1, which are supported by the empirical results presented in Chapter 4 and which were discussed comprehensively in Chapter 5. Theoretical and managerial implications of the findings are presented, which is followed by the potential limitations to this research. The chapter concludes with recommendations for future research.

6.2 Research problem

The central research problem that this study sought to address was "What are the antecedents to the luxury purchase intentions of South African Millennials?" This was examined by determining the research objectives, which were, in turn, addressed through the underlying research questions presented in Chapter 1. The extent to which the research objectives are answered would determine the extent to which the research problem is addressed. Accordingly, the principal findings in this study are presented in accordance with the research objectives defined as follows:

Research objective 1: To conduct an empirical verification of the cross-cultural stability of Shukla's (2012) conceptual value perceptions model in the South African context, with a specific focus on Millennials.

The first research objective set out to test Shukla's (2012) conceptual value perceptions model (comprising social, personal, and functional value perceptions) in the South African context, with a specific focus on Millennials, in order to verify the cross-cultural stability of the model in explaining the luxury purchase intentions of these consumers.

To this end, CFA was firstly employed in terms of which multiple fit indices were simultaneously assessed and compared to recommended cut-off values in order to evaluate the model for goodness-of-fit (that is, to test whether the observed data fit the model) (Hair et al., 2009; Kenny et al., 2014; Kline, 2011). As illustrated in **Table 4.9**, save for the x^2 p-value (which is particularly susceptible to large sample sizes, as confirmed by Schumacker and Lomax (2004)), the fit values of each of the fit indices met the requirements for the recommended cut-off criteria set out in **Table 4.8** (x^2/df = 2.427; RMSEA = 0.07; CFI = 0.90). Accordingly, Shukla's model evidenced a good fit with all variables appearing to be appropriate conjunctive predictors of South African Millennial consumers' luxury purchase intentions. Subsequently, SEM was employed to test the measurement and structural

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model. Cronbach's alpha and CR coefficients ranged between 0.75 and 0.84, and 0.76 and 0.85, respectively, as set out in **Table 4.11** (which are above the recommended value of 0.70), for all the constructs, which confirmed the reliability of each. AVE values ranged from 0.50 to 0.65, as shown in **Table 4.12** (which is equal to or above the recommended value of 0.50), for all the constructs, which provided convergent validity support.

The Pearson's product movement correlation coefficients ranged between 0.56 and 0.83, as shown in **Table 4.14**, which values are large in effect size, based on the correlation strength guidelines set out in **Table 4.13**. Accordingly, with regards to the relationship between the constructs that constitute Shukla's (2012) model, namely social value perceptions (which include conspicuous value and status value), personal value perceptions (which include hedonism and materialism), and functional value perceptions (which includes uniqueness and price-quality perceptions), and the luxury purchase intentions of South African Millennials, each of the aforementioned variables showed strong, statistically significant, and positive relationships with the luxury purchase intentions of South African Millennials. Therefore, each of these variables were deemed appropriate conjunctive predictors of the luxury purchase intentions South African Millennials.

Based on the aforementioned findings, the cross-cultural stability of Shukla's (2012) model was confirmed, which suggests that the first research objective was achieved.

Research objective 2: To compare the value perceptions of South African Millennials with the consumers in western developed and eastern emerging markets studied by Shukla (2012)

The second research objective attempted to develop a deeper understanding of the cross-cultural similarities and differences in the value perceptions of South African Millennials and the consumers in western developed and eastern emerging markets.

With regards to social value perceptions, which comprise conspicuous value and status value, the results in this study suggest that conspicuous value is a significant predictor of luxury purchase intentions of South African Millennials ($r = 0.72$). In Shukla's (2012) study, however, the variable was found to be a non-significant predictor of luxury consumption across western developed and eastern emerging markets. This finding could be regarded as a reflection of the times when the study was conducted, which followed the global financial crisis in 2009 when many consumers avoided conspicuous displays of wealth. For this reason, a true comparison between Shukla's (2012) findings and the findings in this study, as they relate to conspicuousness, would not be accurate. This research also found

that status value was positively correlated with the luxury purchase intentions of South African Millennials ($r = 0.71$), which is similar to Shukla's (2012) findings among consumers in both the eastern emerging as well as the western developed markets. However, the strength of this relationship was stronger in the latter markets. It could, therefore, be inferred that South African Millennial consumers share the preference of consumers in eastern emerging as well as western developed markets for status value and their desire to gain prestige by acquiring products that are status-laden.

The results pertaining to personal value perceptions, which comprise hedonism and materialism, suggest that hedonism is a significant predictor of luxury purchase intentions of South African Millennials ($r = 0.70$), which is similar to Shukla's (2012) findings with regards to consumers in western developed markets, but dissimilar to his findings with regards to consumers in emerging markets. In emerging markets, hedonism was found to be a non-significant predictor of luxury consumption. South Africa's similarity to western developed markets, in this respect, could be attributed to the shared indulgent nature of these cultures, as opposed to the culture of restraint that is more prevalent in eastern emerging markets (Hofstede et al., 2010). It was found that materialism was also positively correlated with the luxury purchase intentions of South African Millennials ($r = 0.83$), and, in fact, was the strongest predictor of luxury purchase intentions among all the measured constructs. Not surprisingly, Shukla's (2012) results had similar findings with regards to consumers in western developed markets, as opposed to those in eastern emerging markets for whom materialism was a significantly weaker predictor of luxury consumption.

With regards to the final dimension of Shukla's (2012) model, namely functional value perceptions, which comprise uniqueness and price-quality perceptions, the results suggested that uniqueness is a significant predictor of luxury purchase intentions of South African Millennials ($r = 0.69$). This finding is similar to Shukla's (2012) findings with regards to consumers in western developed markets, but dissimilar to his findings with regards to consumers in emerging markets, for whom uniqueness was a significantly weaker predictor of luxury consumption. Again, South Africa's similarity to western developed markets, in this respect, could be attributed to the shared individualistic nature of these cultures, as opposed to the culture of collectivism in eastern emerging markets (Hofstede et al., 2010). The results of this study also showed a strong and statistically significant positive relationship between price-quality perceptions and the luxury purchase intentions of South African Millennials ($r = 0.56$). Shukla's (2012) study produced similar results for both the eastern emerging and western developed markets.

These findings revealed that each of the constructs that comprise Shukla's (2012) model are positively correlated with the luxury purchase intentions of South Africa Millennials, with materialism being the most significant predictor. The findings further demonstrate that, while similarities exist in the value perceptions of South African Millennial consumers and those of consumers in both western developed and eastern emerging markets, such value perceptions are more closely aligned with those of consumers in the western developed markets, including the US and the UK. In addition, the results of this comparative study showed that the luxury purchase intentions of South African Millennials are mostly motivated by personal value perceptions (namely materialism), as opposed to social value perceptions (namely status value), which are prevalent among consumers in both western developed and eastern emerging markets. Therefore, South African Millennials' luxury purchase decisions are mostly driven by the desire to satisfy the self, as opposed to the expectations of others (Tsai, 2005), whereas consumers in western developed and eastern emerging markets are mostly driven to purchase luxury goods in order to assert professional standing, display social status, or to differentiate themselves from others (Loroz & Helgeson, 2013).

Based on the aforementioned findings, the comparability of the value perceptions of South African Millennials with the consumers in western developed and eastern emerging markets studied by Shukla (2012) was demonstrated by determining certain similarities and differences among these consumers. Accordingly, the second research objective was achieved.

Research objective 3: To measure the influence of each additional construct comprising the proposed extended conceptual model on the luxury purchase intentions of South African Millennials, with a view to present a validated cohesive model which offers a deeper understanding of the predictors of luxury consumption.

The final research objective sought to determine the influence of the constructs with which Shukla's (2012) model was extended, namely self-congruity, brand consciousness, and social media marketing, on the luxury purchase intentions of South African Millennials.

The findings revealed that each of the aforementioned additional constructs had a strong and statistically significant positive relationship with the luxury purchase intentions of South African Millennials ($r = 0.82$; $r = 0.74$; $r = 0.50$, respectively), with self-congruity being the second strongest predictor (materialism, a sub-scale of personal value perceptions as discussed above, being the strongest ($r = 0.83$)). These results support the findings of previous research conducted in other markets (Chu et al., 2013; Giovannini et al., 2015;

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Hosany & Martin, 2012; Kim & Ko, 2010; Liu et al., 2012; O'Cass & Frost, 2002; Roy & Rabbanee, 2015). Accordingly, this research has resulted in the development of a validated cohesive model, as derived from the earlier work of Shukla (201), which offers a deeper understanding of the predictors of luxury consumption.

Following the aforementioned findings regarding the influence of the constructs with which Shukla's (2012) model was extended, the final research objective was achieved. Accordingly, this study sufficiently addressed the research problem presented in Chapter 1.

6.3   Theoretical implications

This research contributes to the field of consumer behaviour as well as to the luxury apparel industry. Although the research findings presented in Chapter 4 are consistent with the extant literature, this cross-sectional study contributes to the broader theory in respect of the idiosyncratic and multifaceted aspects of the luxury consumption phenomenon by focusing on the under-researched but highly influential South African Millennial consumer (Giovannini et al. (2015).

Specifically, this study contributes to developing a deeper understanding of the antecedents to the luxury purchase intentions of South African Millennials as well as to the theoretical debate as to the extent to which key constructs may be generalised across cultures, or should be customised to appeal to the unique preferences of a particular market.

This research makes a further important theoretical contribution in that it offers an extension of Shukla's (2012) value perceptions model by incorporating the constructs of self-congruity, brand consciousness, and social media marketing, and thereby deepening the understanding of the antecedents to luxury purchase intentions by presenting a validated cohesive model.

6.4   Managerial implications

The findings of this research provide stakeholders, most notably luxury retail marketers and brand managers, with the knowledge to answer the following key question: 'What marketing strategies can be developed to optimally target Millennial luxury brand consumers in South Africa'. The findings offer luxury brand managers key insights and guidance on adapting brand positioning and differentiation strategies in emerging markets, instead of focusing their attention on surface-based demographic variables only. Due to the fact that the findings suggest that the predictors of luxury consumption of South African Millennial consumers and consumers in western developed markets are mostly homogenous, international luxury brands looking to expand their South African footprint could, to a large extent, standardise

their marketing campaigns for these markets and thereby take advantage of economies of scope. Conversely, as the predictors of the luxury consumption of South African Millennial consumers and consumers in eastern emerging markets were found to be somewhat heterogeneous, marketing campaigns that were originally developed for eastern emerging markets should be customised in order to effectively connect with South African Millennials. The findings presented herein could provide valuable insight and guidance in this regard.

In considering whether to standardise or customise marketing campaigns, consideration should also be given to the fact that a firm can achieve a longer-term competitive advantage and generate higher profit margins by employing a strategy of differentiation, which refers to a firm's competitive positioning based on strong branding, advertising, design, quality, and product development (Porter, 1998). For example, in an effort to encourage buyer preferences for its brand over the brands of competitors, a differentiator will incorporate one or several features that buyers deem important and valuable into its product or service offering. A differentiation strategy also creates barriers to entry in the form of uniqueness and brand loyalty.

While these considerations are pertinent to international luxury brands which have identified South Africa as a longer-term growth frontier, the same could also be useful to domestic luxury brands looking to leverage the diversity of the South African market.

The findings revealed that each of the constructs with regards to the value perceptions of South African Millennials showed significant positive correlations with luxury purchase intentions, with materialism (a personal values perception) being the strongest driver ($r = 0.83$). Accordingly, luxury brands could strategically communicate this particular luxury value dimension in their marketing campaigns developed for this market in order to more optimally position and differentiate their product from competitors. Similarly, as self-congruity was the construct that measured the second strongest correlation with luxury purchase intentions of South African Millennials ($r = 0.82$), luxury brands could develop a congruence model specifically targeted at this market. This could be achieved by emphasising a specific product image attribute valued by the target consumer in marketing campaigns (for example, by using celebrity endorsements with distinct personalities with which the target consumer can identify), thereby ensuring the highest level of congruity which in turn offers a "self-congruity route to persuasion" (Johar & Sirgy, 1991; pg. 26).

Luxury brands could leverage the conspicuous consumption motives of Millennial consumers (as evidenced by the Pearson correlation of $r = 0.72$) by offering products that carry visible logos that communicate the high status and exclusivity associated with luxury goods. In light

of the importance of status value as a predictor of luxury purchase among South African Millennials ($r = 0.71$), marketers could position luxury brands as status symbols that communicate a lifestyle desired by these consumers. Taken-Smith (2012) found that Millennials prefer to support organisations that are environment-friendly. Luxury brands could develop marketing strategies that portray a symbolic meaning that would appeal to Millennial consumers, such as environmental sustainability or support for a particular interest group.

As brand consciousness is also regarded as a predictor of luxury purchases among South African Millennials ($r = 0.74$), marketing strategies that set out to increase brand awareness among this population should be developed. Finally, in light of the social media marketing construct measuring a statistically significant positive correlation with the luxury purchase intentions of Millennials ($r = 0.50$), luxury brands should increase their online presence and social media marketing in order to more effectively connect with these influential consumers. An increased online presence not only provides these consumers with a portal to communicate with peers with whom they consult regarding their purchase decisions, but also encourages brand awareness, which, in turn, develops brand loyalty and resultant repeated purchases (Palumbo & Herbig, 2000). Luxury brands should, therefore, create engaging online brand experiences and link online and offline marketing efforts to cross-market stores and website visits.

6.5   Research limitations

Although this study offers valuable insights into the factors that influence the luxury purchase intentions of South African Millennials, it does present a number of limitations that should be considered when interpreting the findings. These include limitations relating to the sampling method employed and general limiting factors, as discussed below. These limitations could provide insight for future research.

Limitations relating to the sampling method

The first limitation relates to the fact that respondents were enlisted by employing a non-probability sampling technique, namely snowball sampling, through a news posting on Facebook. The representativeness of non-probability samples cannot be evaluated. Therefore, the ability of the findings to be generalised may be limited. In addition, the use of a snowball sampling technique has the potential to introduce selection bias into the sample, which could result in a homogenous sample due to the fact that the respondents are likely to identify others who are similar to themselves (Saunders & Lewis, 2012).

General limiting factors

The second limitation relates to the research design employed in this study, which is descriptive in nature and sought to describe the characteristics of a population. As no variables were manipulated or controlled, no causal relationship among the variables can be inferred (Zikmund, 2003). However, as stated, this is a cross-sectional study aimed at explicating the antecedents to the luxury purchase intentions of South African Millennials. Future research may focus on testing causality, as discussed below.

The third limitation is that, while this research was conducted among South African Millennials, the existence of sub-cultures within the population, and the fact that they may differ from each other in their approaches to decision-making and luxury purchase intentions, were not taken into account for purpose of this study.

The fourth limitation relates to the definition of what constitutes luxury, which, as stated, is subjective and context-specific (Vigneron & Johnson, 2004). Notwithstanding the author's attempt to narrow the broad range of luxury goods categories by providing a list in the questionnaire of the specific fashion brands to be considered for purposes of this study, this concept is idiosyncratic, and, therefore, may result in biased notions regarding the concept of luxury.

Although reference has been made herein to South Africa being an indulgent and individualistic society, based on Hofstede's national-level cultural indicators (Hofstede et al., 2010), the "ecological fallacy" (Bond, 2002, pg. 75) should be guarded against in applying such indicators. These indicators may differ within sub-cultures and among individuals, and these references, which have been included herein as a point of departure, may not be able to be generalised.

Finally, this study is, to an extent, limited in the choice of luxury goods and brands that can be tested in the South African market (for example, small leather goods, rather than luxury luggage), which are more readily affordable in developed markets.

6.6   Directions for future research

This study employed a cross-sectional, descriptive design due to time constraints. An explanatory study could explain the relationship between variables (Saunders & Lewis, 2012), which could permit conclusions regarding causality among the variables examined in this study.

As the survey is temporal in nature, a longitudinal study can track purchasing intentions and the actual purchasing of luxury goods, while comparing real behaviour over an extended period of time (Saunders & Lewis, 2012). Such a longitudinal study will also capture the luxury consumption behaviour of the respondents who were aged 21 to 26 years at the time of this study (which only accounted for 12.4% of the sample) as they move into higher income brackets as a result of career progression. In addition, as Millennials prefer to support organisations that are environment-friendly (Taken-Smith, 2012), the influence of the variables on the increasingly prominent sustainable consumption phenomenon could be explored using a longitudinal study.

The scope of this study was limited to four broad categories of luxury goods, namely designer apparel (ready-to-wear), handbags and accessories, fine jewellery and watches, and cosmetics and fragrances. Future studies could broaden this scope to the luxury categories of automobiles, travel and leisure services, boating and yachts, fine art and collectables, and fine wines and spirits. However, in doing so, consideration should be given to the probability and affordability of these goods for the target sample used in such a study.

Furthermore, in order to provide context to this study, the respondents were referred to the names of 32 well-known international luxury brands, as identified by the author through desktop research and various electronic resources, which were to be considered in completing the questionnaire. Additional value could be gained from research focusing on domestic luxury brands and examining whether differences in purchase intentions exist when comparing international and domestic luxury brands. In the same vein, the influence of consumer ethnocentrism on the luxury purchase intentions of South African Millennials could contribute to an understanding of the luxury consumption behaviour of this generational cohort.

In addition, the projected growth rate of the luxury industry in emerging markets merits further studies aimed at validating Shukla's (2012) extended model, as presented herein, in other emerging markets. Given South Africa's cultural diversity, a study of the potentially differential influence of the constructs discussed herein on the luxury purchase intentions of the various sub-cultures within the Millennial population could yield interesting results.

6.7   Chapter summary

This final chapter addressed the research problem and demonstrated how the research objectives defined in Chapter 1 were achieved. A deeper understanding of the antecedents to the luxury purchase intentions of Millennials was developed by testing the relevant theory in the South African context in particular.

In light of the significant uncertainty as to how different cultures relate to luxury consumption (Nwankwo, Hamelin, & Khaled, 2014;), this study addresses the need to examine the differing consumption influences of social, personal, and functional value perceptions among cultures, as well as the consumer behaviour toward luxury brands within a specific nation's ethnic and cultural dimensions.

Atwal and Bryson (2014) assert that it is imperative for international luxury brands to acknowledge that the luxury brand consumers in emerging markets are not homogenous and that it is more probable that various segments within these markets exist. An understanding of the homogeneity and heterogeneity in luxury purchase intentions will offer managers with insights as to how their strategic decisions should be formulated. The findings further demonstrate that, while similarities exist between the value perceptions of South African Millennials and those of consumers in western developed and eastern emerging markets, the differences in this regard should also be considered before generalised assumptions are formed regarding the factors that inform the decisions of luxury brand consumers. While opportunities exist for international luxury brands to standardise their marketing campaigns, they could also leverage the unique culture and values of South African Millennials by creating culturally infused and distinctive brand identities in this market, and thereby fostering customer lifetime value.

The findings, which were generated from a sizable sample (n = 338), established the cross-cultural stability of Shukla's (2012) model in the South African context, with a particular focus on Millennials. The author's extension of Shukla's (2012) model by incorporating the constructs of self-congruity, brand consciousness, and social media marketing, presents a validated cohesive model which offers a deeper understanding of the predictors of luxury consumption.

Recommendations were made to stakeholders of the global, as well as domestic, luxury industry which could inform their marketing strategies. The theoretical and managerial implications of the research findings were also discussed. In addition, avenues for future research as well as the potential limitations of this study were presented.

This chapter serves as the formal conclusion to the study that was conducted.

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APPENDIX A: QUESTIONNAIRE

ANTECEDENTS TO THE LUXURY PURCHASE INTENTIONS OF SOUTH AFRICAN MILLENNIALS

INTRODUCTION

I am currently studying towards a Master of Business Administration degree at the Gordon Institute of Business Science (GIBS).

I am conducting research on consumer behaviour with a focus on the antecedents to luxury purchase intentions of South African Millennials.

I would like to invite you to participate in this survey. The survey will take you no more than 10 minutes to complete and there are no costs to you. Your participation is voluntary and you can withdraw at any time without penalty. All data will be kept confidential. By completing the survey, you indicate that you voluntarily participate in this research.

If you have any concerns, please contact me or my supervisor. Our details are provided below.

Researcher
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DEMOGRAPHIC INFORMATION

1. Which category below includes your age?
   - o 21 - 26
   - o 27 - 36
   - o Other (please specify)

2. Are you male or female?
   - o Male
   - o Female

3. Which of the following best describes your current relationship status?
   - o Married
   - o Widowed
   - o Divorced
   - o Separated
   - o In a domestic partnership or civil union
   - o Single, but cohabiting with a significant other
   - o Single, never married

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4   Are you Black, Coloured, Indian/Asian, White or another race?

- o   Black
- o   White
- o   Indian/Asian
- o   Coloured
- o   Other (please specify) _____

5.   What are your total monthly HOUSEHOLD earnings before tax?

- o   Less than R16 000
- o   R16 000 – R20 000
- o   R20 001 – R30 000
- o   R30 001 – R40 000
- o   R40 001 – R50 000
- o   More than R50 000

6.   What are your total monthly PERSONAL earnings before tax?

- o   Less than R16 000
- o   R16 000 – R20 000
- o   R20 001 – R30 000
- o   R30 001 – R40 000
- o   R40 001 – R50 000
- o   More than R50 000

7. What is the highest level of school you have completed or the highest degree you have received?
   o Less than Matric
   o Matric
   o Diploma
   o BTech Degree
   o Undergraduate degree
   o Post graduate degree (Honours)
   o Masters
   o PhD

SOCIAL VALUE PERCEPTIONS

Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your response.

IMPORTANT

For the purposes of answering Questions 8 to 16, reference to "luxury goods" means any of the following items: clothing, handbags, watches, shoes, sunglasses and perfumes which display any of the following brands:

Burberry	DKNY	Fendi	Gucci	Lacoste	Miu Miu	Roberto Cavalli	Tom Ford
Bulgari	Dolce & Gabbana	Fossil	Guess	Longchamp	Montblanc	Tag Heuer	Tommy Hilfiger
Calvin Klein	Elie Saab	Giorgio Armani	Hugo Boss	Marc Jacobs	Prada	Ted Baker	Versace
Diesel	Escada	Givenchy	Jimmy Choo	Michael Kors	Ralph Lauren	Tiffany & Co	Yves Saint Laurent

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8.	Conspicuous value	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
8.1	Owning luxury goods indicates a symbol of achievement	○	○	○	○	○
8.2	Owning luxury goods indicates a symbol of wealth	○	○	○	○	○
8.3	Owning luxury goods indicates a symbol of prestige	○	○	○	○	○
8.4	Owning luxury goods attracts attention	○	○	○	○	○

9.	Status value	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
9.1	I buy luxury goods just because it has status	○	○	○	○	○
9.2	Luxury goods are important to me because they make me feel that I am acceptable in my work circle	○	○	○	○	○
9.3	I purchase luxury goods to gain/increase social status	○	○	○	○	○

PERSONAL VALUE PERCEPTIONS

Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your response.

10. Hedonism	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
10.1 While shopping for luxury goods, I feel the excitement of the hunt	○	○	○	○	○
10.2 When shopping for luxury goods, I am able to forget my problems	○	○	○	○	○
10.3 When in a bad mood, shopping for luxury goods enhances my mood	○	○	○	○	○

11. Materialism	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
11.1 Purchasing luxury goods increases my happiness	○	○	○	○	○
11.2 It is important to me to own really nice luxury goods	○	○	○	○	○
11.3 It sometimes bothers me quite a bit that I can't afford to buy all the luxury goods I want	○	○	○	○	○

FUNCTIONAL VALUE PERCEPTIONS

Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your response.

12.	Uniqueness	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
12.1	I often buy luxury goods in such a way that I create a personal image that cannot be duplicated	o	o	o	o	o
12.2	I like to own new luxury goods before others do	o	o	o	o	o
12.3	When a luxury product becomes popular among others, I avoid buying or using it	o	o	o	o	o

13.	Price-quality perceptions	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
13.1	I believe luxury goods are of superior quality	o	o	o	o	o
13.2	In my mind, the higher price charged by luxury goods indicate higher quality	o	o	o	o	o
13.3	You always have to pay a bit more for the best	o	o	o	o	o

SELF-CONGRUITY

14. Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your response.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
14.1 Luxury fashion items are consistent with how I see myself	○	○	○	○	○
14.2 Luxury fashion items reflect who I am	○	○	○	○	○
14.3 The image of the typical luxury fashion customer is highly consistent with how I see myself	○	○	○	○	○
14.4 Luxury fashion items are the mirror image of me	○	○	○	○	○
14.5 People similar to me consume luxury fashion items	○	○	○	○	○

BRAND CONSCIOUSNESS

15.   Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your response.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
15.1 I pay attention to the brand names of the products I buy	○	○	○	○	○
15.2 Sometimes I am willing to pay more money for a product because of its brand name	○	○	○	○	○
15.3 I believe the brands I buy are a reflection of who I am	○	○	○	○	○

SOCIAL MEDIA MARKETING

16. Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your response.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
16.1 I am interested in utilising social media (such as Facebook, Twitter and YouTube) for shopping luxury brands shopping online	o	o	o	o	o
16.2 If I purchase products from a luxury retailer's offline store, I will visit its social media page (such as Facebook and Twitter) before making an offline purchase	o	o	o	o	o
16.3 I am interested in utilising social media (such as Facebook, Twitter and YouTube) to refer to customer reviews	o	o	o	o	o

- END OF QUESTIONNAIRE -

APPENDIX B: GIBS ETHICAL CLEARANCE APPROVAL LETTER

**Gordon Institute
of Business Science**
University of Pretoria

Dear Nastasja Botha

Protocol Number: **Temp2015-00892**

Title: **Antecedents of Luxury Purchase Intentions of South African Millennials**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

GIBS Ethics Administrator