Affluent South African female consumers' value perceptions of luxury exotic leather accessories

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DISSERTATION

M Cons Sc (Clothing Management)

Supervisor: Prof HM de Klerk

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Welgestelde Suid-Afrikaanse vroulike verbruikers se waarde persepsies van luukse eksotiese leer bykomstighede

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VERHANDELING

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Affluent South African female consumers' value perceptions of luxury exotic leather accessories

by

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DECLARATION

I, Melissa Stephenson, 29102970, declare that the dissertation, which I hereby submit in fulfilment of the requirements of the degree M Consumer Science: Clothing Management, at the University of Pretoria, is my own work and has not previously been submitted by me for a degree at this or any other tertiary institution.

_____   _____

Melissa Stephenson   Date

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ABSTRACT

Affluent South African female consumers' value perceptions of luxury exotic leather accessories

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Means-end Chain theory posits that consumers choose certain products or services based on their attributes in an attempt to produce certain outcomes (Gutman, 1997). This results in consumers thinking about products and services in terms of the product's attributes, the consequence resulting from the use of the products and finally in achieving important personal values (Gutman, 1997). The process of utilising Means-end Chain theory involves the researcher asking various "why" probes, usually starting with the attribute of the product, in an attempt to uncover the attribute-consequence-value relationship the consumer has with the product in question (Gutman, 1997; Reynolds & Gutman, 1988), and allows for an in-depth analysis of which attributes consumers find most important in certain products, the consequence the attribute holds and the personal value that is satisfied by purchasing the product. With regard to luxury exotic leather accessories, consumers might prefer certain intrinsic or extrinsic product attributes more than other, that lead to negative or positive consequences, and in turn lead to the consumer fulfilling either a terminal or an instrumental value. Therefore the aim of this study was to explore affluent South African female consumers' luxury value perceptions of exotic leather accessories, by utilising the Means-end Chain theory. Affluent female consumers aged 30 to 60 were used as the unit of analysis for this research study. These affluent South African female consumers resided in Gauteng and the City of Cape Town and formed part of the LSM 7-10 consumer segment. This LSM 7-10 market segment entails that these

consumers are more likely to be working full time, to be qualified and earn R10 255 to R29 512, monthly, a higher than average household income (SAARF Segmentation Tool, 2012:59-62).Convenience, and snowball sampling were used to collect data in the Gauteng and Cape Town areas. The measuring instrument used for this study was a self-administered questionnaire, and a total of 40 usable questionnaires were collected. The findings of this study indicate that the luxury value perceptions these affluent female consumers sought to fulfil were Functional and Individual value, and that these value perceptions were driven by the Usability and Self-identity consequence of use that were based on the Colour and Design attributes of the exotic leather accessory. This indicates that the affluent South African female participants that took part in this study sought aesthetic intrinsic product attributes (design and colour) to fulfil both Usability (functional) and Self-identity (psychological) consequences that are driven by Functional (terminal) and Individual (instrumental) values. This was attributed to the participants valuing exotic leather handbags that are durable, versatile and cleverly designed (Functional Value), while allowing them to express who they are and make them feel good (Individual Value).

Welgestelde Suid-Afrikaanse vroulike verbruikers se waarde persepsies van luukse eksotiese leer bykomstighede

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"Means-end Chain" teorie postuleer dat verbruikers sekere produkte of dienste kies gebaseer op hul eienskappe in 'n poging om sekere uitkomste te produseer (Gutman, 1997). Dit lei tot verbruikers wat dink oor produkte en dienste in terme van die eienskappe van die produk, die gevolg van die gebruik van die produkte wat dan uiteindelik lei tot die bereiking van belangrike persoonlike waardes (Gutman, 1997). Die proses van "Means-end Chain" teorie behels dat die navorser verskeie "hoekom" vrae vra, die proses beign gewoonlik met die kenmerk van die produk, in 'n poging om die kenmerk-gevolg-waarde verhouding wat die verbruiker met die betrokke produk het te ontbloot (Gutman, 1997; Reynolds & Gutman, 1988), en maak voorsiening vir 'n in-diepte analise van die eienskappe wat verbruikers die belangrikste vind in sekere produkte, die gevolg van die eienskap en die persoonlike waarde vervul word met die aankoop van die produk. Met betrekking tot luukse eksotiese leer bykomstighede, kan verbruikers sekere intrinsieke of ekstrinsieke produk eienskappe verkies meer as ander, wat lei tot negatiewe of positiewe gevolge, en op sy beurt lei tot die verbruiker se vervulling van sy/haar terminale of instrumentele waardes. Daarom was die doel van hierdie studie om welgestelde Suid-Afrikaanse vroulike verbruikers se luukse waarde persepsies van eksotiese leer bykomstighede te verken, deur gebruik te maak van die "Means-end Chain" teorie. Welgestelde vroulike verbruikers, tussen die ouderdomme van 30 tot 60 jaar, is gebruik as die eenheid van analise vir hierdie navorsingstudie. Hierdie welgestelde Suid-Afrikaanse vroulike verbruikers woon in Gauteng en die Stad Kaapstad en het vorm deel van die LSM 7-10 verbruiker segment.

Die LSM 7-10 marksegment behels dat hierdie verbruikers is meer geneig om voltyds te werk, gekwalifiseerd is, en verdien R10 255 tot R29 512, maandelikse, 'n hoër as gemiddelde huishoudelike inkomste (SAARF Segmentation Tool, 2012:59-62). Gerief, en sneeubalsteekproeftrekking is gebruik om data in die Gauteng en Kaapstad gebiede in te samel. Die meetinstrument wat gebruik word vir hierdie studie was 'n self-geadministreerde vraelys, en 'n totaal van 40 bruikbare vraelyste is ingesamel. Die bevindinge van hierdie studie dui daarop dat die luukse waarde persepsies wat die welgestelde vroulike verbruikers wat deel maak van die studie probeer vervul was Funksionele en Individuele waardes, en dat hierdie waarde persepsies gedryf word deur die bruikbaarheid en self-identiteit gevolge van die gebruik van die produk, wat gebaseer is op die kleur en ontwerp eienskappe van die eksotiese leer bykomstighede. Dit dui daarop dat die welgestelde Suid-Afrikaanse vroulike deelnemers wat deelgeneem het aan hierdie studie, estetiese intrinsieke produk eienskappe (ontwerp en kleur) gesoek het vir beide Bruikbaarheid (funksionele) en self-identiteit (sielkundige) gevolge wat gedryf word deur die vervulling van funksionele (terminale) en Individuele (instrumenteel) waardes. Dit is toegeskryf aan die deelnemers se waardeering van eksotiese leer handsakke wat duursame, veelsydig en slim ontwerp (Funksionele waarde) is, wat teselfdetyd die deelnemet toelaar om hulle identiteit te vertoon en hul maak goed voel oor hulself (Individuele Waarde).

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

BLI   Brand Luxury Index

GDP   Gross Domestic Product

HVM   Hierarchical Value Map

KPMG   Kleinfeld Peat Marwick Goedeler

MEC   Means-end Chain

Chapter 1

THE STUDY IN PERSPECTIVE

This chapter provides the background to the study and introduces the research problem. It also briefly explains the methodology and conceptual framework, and provides the structure of the study.

"Let me be surrounded by luxury, I can do without the necessities!" – Oscar Wilde

1.1 BACKGROUND AND PROBLEM STATEMENT

1.1.1 Introduction

Globally the reasons behind why consumers are buying luxury, what they believe luxury is, and how their personal perceptions of luxury value impact on their buying behaviour have become of critical importance for luxury researchers and marketers to understand (Wiedmann, Hennigs & Siebels, 2007). Previous research (Vigneron & Johnson, 1999, 2004; Wiedmann *et al.,* 2009; Amatulli & Guido, 2011) indicates that the luxury consumer market is unique in the sense that luxury consumers are driven to purchase luxury products based on certain underlying values, which differ from person to person. For instance, a luxury consumer might purchase a luxury product to display their wealth to others therefore being driven by conspicuous consumption which is linked to the individual's social value (Wiedmann *et al.,* 2007).

Luxury is a growing phenomenon globally, which is led by its steady growth and seems to be here to stay. Luxury goods markets are becoming a significant consumer goods category, not only in terms of market value, but also due to the rate of growth of the luxury goods market (Fionda & Moore, 2009:347). Bain and Company (2015) report that the global luxury goods market was expected to sustain a steady momentum and growth in 2015, with a two to four per cent of real growth expected. This growth is attributed to the increase in the number of high-net-worth individuals that have developed an appetite for luxury goods and are in turn increasing their luxury goods consumption (Fionda & Moore, 2009:347). Binnie (2014) states that "… worldwide sales of personal luxury goods are set to rise four to six per cent this year…". This

1

entails that the luxury goods market is thriving even against the declining world economy, and this is attributed to the increased interest in luxury by emerging markets, with China being at the forefront (M.S., 2014).

New emerging markets are rapidly expanding the luxury market, which until recently was characterised by an exclusive, wealthy consumer 7that not only personified luxury, but was able to afford it (Schrott & Ciganer, 2013). Lekdee (2015) reiterates that emerging markets are becoming key targets for luxury goods because of a significant rise of the middle class, urbanisation, women at work and the increased need for luxury. An emerging market refers to when a country's per capita GDP (Gross Domestic Product) falls below a certain hurdle that changes over time, the definition states that these countries 'emerge' from being less developed to join the group of developed countries (Bekaert & Campbell, 2002). Emerging markets consist of millions of different consumers that have recently gained access to a higher level of disposable income and choose to spend their income on luxury goods such as iconic cars, accessories and leather goods – to name a few – and this all in the pursuit of being able to display their wealth to others (Schrott & Ciganer, 2013). Due to these emerging markets the number of luxury consumers have tripled to 330 million in the last 20 years, with total spending power accumulating to an estimated US$300 billion in 2013 (M.S., 2014). Of these 330 million luxury consumers, 130 million originate from emerging markets with 50 million of these consumers originating from China (M.S., 2014). PricewaterhouseCoopers (2012:2) supports this by stating that at least half of luxury goods purchases are made by consumers in emerging markets, led by China.

Due to this significant shift in the demand for luxury goods, manufactures and companies are rigorously expanding their global footprint by penetrating emerging markets such as China, Singapore, Mumbai and Africa (Schrott & Ciganer, 2013). South Africa, also being an emerging market, has seen an increase in demand for luxury products due to a rising aspirational middle class who purchase luxury goods to signal their wealth and success to others (Louw, 2013:17).

1.1.2 Problem statement

As the worldwide luxury market grows, luxury goods manufacturers and companies are looking to gain exposure into new emerging markets, including the South African market. Over the past decade South Africa has seen an influx of luxury products, including international brand names such as Burberry, Louis Vuitton and Versace, making it evident that luxury, including luxury exotic leather products, is a growing market sector within the South African economy. With exotic leather referring to handbags made from or incorporating leathers such as crocodile, ostrich, zebra and python, to name a few. The South African luxury market is defined as an emerging economy, since luxury is still a relatively new and growing concept in the country. Due to this, not much research has been focused on uncovering which value perceptions motivate South African consumers to purchase luxury goods.

Within a South African context no research has been conducted aimed towards uncovering why affluent female consumers are purchasing luxury exotic leather products, and more specifically handbags for this study and which values underlie these purchasing decisions. This is attributed to previous research on the South African luxury market being more focused on aspects such as purchasing behaviours of certain ethnographic groups rather than focusing on what an affluent female consumer's luxury value perceptions of exotic leather products may be. Previous research involving values and value perceptions of South African consumers focus mainly on values surrounding garment fit, product quality or product performance.

This study aims to explore affluent female South African consumers' luxury value perceptions of exotic leather accessories, more specifically luxury exotic leather handbags. South Africa currently experiences a sudden penetration of companies providing these products, such as Louis Vuitton and Burberry, which has led to a growing need for exotic leather handbags and accessories within the South African market. These international companies set up shop in South Africa's most luxurious shopping malls, including Sandton City, Hyde Park, Cavendish Square and the Victoria and Alfred Waterfront, which are primarily located within the Johannesburg and Cape Town regions.

Aside from international companies penetrating the market, many South African companies have also thrived by selling exotic leather products, including companies such as Okapi, Cape Cobra, Vialamoda and the Safari Club. These companies pride themselves on offering impeccable craftsmanship and unique design in terms of exotic leather handbags and accessories. Brands such as Okapi, founded in 2008, aim to be one of the first true luxury goods manufacturers in Africa that strive to create unique luxurious, artisanal handbags that incorporate a distinctive African look and feel. These handbags range from R6 000 up to R100 000 (limited edition handbags), and the price is justified by the use of their exotic leathers and the incorporation of precious metals and even diamonds (Luxury Brands Directory, 2014; Okapi, 2013).

Therefore it can be deduced that luxury exotic handbag manufacturers and companies are penetrating the emerging South African luxury market and South African luxury manufacturers are also trying to break through within this market. In order for these companies to be successful it is essential to understand which value perceptions the South African consumer, in this case the affluent female consumers attach to luxury exotic leather handbags. This could enable these luxury retailers and other luxury companies to create a well formulated plan as to how to reach their intended target market and how to be able to understand which values perceptions drive consumers when purchasing a luxury leather accessories.

1.2 JUSTIFICATION FOR THIS STUDY

The justification for this study stems from the need to create a better understanding of what an affluent South African female consumer expects a luxury exotic leather handbag to offer. By utilising the Means-end Chain theory, this study aims to uncover the attribute-consequence-value relationship that exists when an affluent South African female consumer purchases an exotic leather handbag, thereby adding to the current body of knowledge of consumer behaviour with regard to luxury value perceptions, as well as which value perceptions are linked to luxury exotic leather goods, and what exotic leather handbags should offer to the affluent South African female consumer in order for the consumer to purchase this product. Gutman (1997) states that marketers and retailers should endeavour to design a message that will

communicate valuable information to their target market about all aspects of the brand, including the product itself, the price, the setting in which the product is sold and the advertisement. This study could therefore enable marketers and luxury retailers to specifically target the affluent South African female consumer, by creating a better understanding of their attribute-consequence-value relationship with these exotic leather products, especially with regard to personal accessories. Retailers and marketers can therefore develop specific marketing strategies aimed specifically at satisfying the fundamental values of this target market.

1.3 LITERATURE REVIEW

Chapter 2 provides a thorough and in-depth literature review which covers all relevant concepts as well as the implications for this study.

1.3.1 Luxury market in South Africa

It has become apparent that the South African luxury market is growing at a steady pace, and that within this emerging economy, South African consumers are readily spending their income on luxury products. Luxury in South Africa has posted a steady growth in 2015 and as the number of millionaires in Africa are growing at a faster pace than in the rest of the world, it means that there are an ever growing number of luxury consumers (Euromonitor International, 2015). In contrast to the economic downturn currently experienced in South Africa, the luxury market is set to post stable growth, and remains a valuable market for luxury retailers looking to enter the African market (Euromonitor International, 2015). Supporting the luxury growth experienced in South Africa, Kleinfeld, Peat, Marwick and Goedeler (KPMG) (2015) also report that among 10 locations in Africa, South Africa boasts two of the top five locations with mature luxury markets in Johannesburg and Cape Town, with a high number of ultra-high-net-worth individuals, indicating that South Africa as an economy is a growing luxury market segment which warrants research on luxury. Chapter 2 provides more insight into the luxury market of South Africa.

1.3.2 Defining luxury

Luxury, a subjective term, is composed of a variety of diverse facets, making it difficult to define. It is perceived differently by each person and is dependent on the mood and experience of the person involved (Phau & Prendergast, 2000; Wiedmann *et al.,* 2009). The concept of luxury differs across cultures and societies, remains fluid and also changes over time, which makes it very difficult to define (Yeoman, 2011). Kapferer and Bastien (2009) suggest that from a marketing perspective luxury products are those that use the most selective distribution channels, are the most image driven, provide the best product quality and add-on services, and are the most expensive. Another definition by Chattalas and Shukla (2015:41) explains that luxury products are "conducive to pleasure and comfort and also, hard to obtain". An in-depth definition of the concept of luxury is provided in Chapter 2.

1.3.3 Evolution of luxury research

Previous research on luxury encompassed various aspects including how consumers perceive luxury differently, which dimensions luxury consists of and purchasing intention of luxury products, to name but a few (Vigneron & Johnson, 1999; Wiedmann *et al.,* 2007; Amatulli & Guido, 2011). Most research on luxury has provided empirical evidence surrounding a consumer's need to consume conspicuously and use luxury as a measurement or indication of their status (Phau & Prendergast, 2000; Husic & Cicic, 2009). From previous research it becomes apparent that various factors and dimensions influence consumers to purchase luxury products, which makes luxury as research topic so interesting. Consumers are driven by various internal and external motivations as well as various luxury value perceptions when purchasing luxury products (Vigneron & Johnson, 1999; Wiedmann *et al.,* 2007). The evolution of luxury research is discussed in detail in Chapter 2.

As luxury is a multidimensional concept which is difficult to define it was necessary to develop a clear understanding of the concept and the different dimensions that luxury value could consist of. The section below provides a brief explanation of two luxury

6

value perception frameworks derived from previous literature that have been compared in order to choose the best framework to lead this study.

1.3.4 Brand Luxury Index (BLI)

Vigneron and Johnson (1999, 2004) developed the Brand Luxury Index (BLI) scale to enable researchers and marketers to measure consumer's luxury value perceptions for products and brands (Doss & Robinson, 2013). The BLI serves as a strategic tool for the luxury brand sector and has been reported as being a reliable and valid instrument to measure consumer luxury value perceptions (Doss & Robinson, 2013). The BLI index was developed after Vigneron and Johnson (1999) developed a framework that outlined consumer's luxury-seeking behaviour which consisted of five perceived values that were said to differentiate luxury from non-luxury products (Christodoulides, Michaelidou & Li, 2009). This led to the development of the conceptual framework that enabled the development of the BLI. Christodoulides *et al.* (2009) explain that the BLI is based on five perceived values, namely perceived conspicuousness, perceived uniqueness and perceived quality (non-personal oriented perceptions), perceived hedonism and perceived extended self (non-personal oriented perceptions), thereby allowing for an in-depth analysis of the luxury value perceptions that consumers strive to fulfil when purchasing luxury products such as exotic leather accessories. All the BLI dimensions are discussed in detail in Chapter 2.

1.3.5 The Luxury Value Model

Wiedmann *et al.* (2007, 2009) developed the luxury value model with the aim of creating a scale that would enable researchers to measure the sub-dimensions of luxury value perceptions. According to this framework, luxury value encompasses a combination of different evaluations of the sub-dimensions that stem from luxury value which include main differentials such as financial, functional, individual and social value (Wiedmann *et al.,* 2007, 2009). This framework also stems from the theory that luxury value perception could be dependent on the cultural context of the individuals being studied, and therefore aids in a better understanding of consumer behaviour

within a cultural context (Wiedmann *et al.,* 2007). The luxury value model is discussed in detail in Chapter 2.

1.4 THEORETICAL PERSPECTIVE

A theoretical perspective shapes and directs research efforts and points towards likely discoveries and empirical observations (Babbie, 2013:57). With the aim of exploring affluent South African female consumers' luxury value perceptions of exotic leather accessories, the Means-end Chain (MEC) theory was utilised as theoretical perspective.

MEC enables the researcher to obtain a greater understanding into consumer decision making by identifying the choice criteria used by the consumer, and provides explanations as to *why* those factors are important in their decision making process (Reynolds & Olson, 2001). It allows the researcher to not only describe the consumers' decision making process, but also to understand it (Reynolds & Olson, 2001). The MEC theory posits that consumers choose products based on their intrinsic or extrinsic product attributes, the positive or negative consequence that will result from the products use, and finally the personal value that will be achieved by purchasing the product (Gutman, 1997). MEC theory has aided this study in uncovering which attributes, consequences and value perceptions are important for affluent South African female consumers when purchasing an exotic leather handbag.

1.5 CONCEPTUAL FRAMEWORK

In order to create an adequate framework to guide this study it was necessary to incorporate both the theoretical perspective and the luxury value perception model chosen to lead this study. The conceptual framework shown below in **Figure 1.1** is a representation of both Gutman's (1982) Means-end Chain theory and Wiedmann *et al.*'s (2007) conceptual model for consumers' luxury value perception.

This framework provides a guideline as to how an affluent female consumer might direct her purchasing decision with regard to purchasing an exotic leather accessory

item and which luxury value perception guides this decision. Like the Means-end Chain model, this framework suggests that when an affluent female consumer decides to purchase a product, certain hierarchical connections will exist between the attributes of the product, the consequence of using the product and the values that stem from the purchasing decision (Ter Hofstede, Audenaert, Steenkamp & Wedel, 1998). These product attributes can either be intrinsic (concrete) or extrinsic (abstract), *intrinsic* referring to the physical characteristics (colour, design etc.) of a product, while *extrinsic* refers to abstract product characteristics that do not have a physical counterpart (Brand, Price etc.) (Gutman, 1997). This framework will therefore lead to the uncovering of which luxury value perceptions lead consumers' purchasing decision when deciding to purchase an exotic leather accessory. An in-depth discussion of the conceptual framework can be found in Chapter 4. The conceptual framework, **figure 1.1**, also guides the objectives of this study.
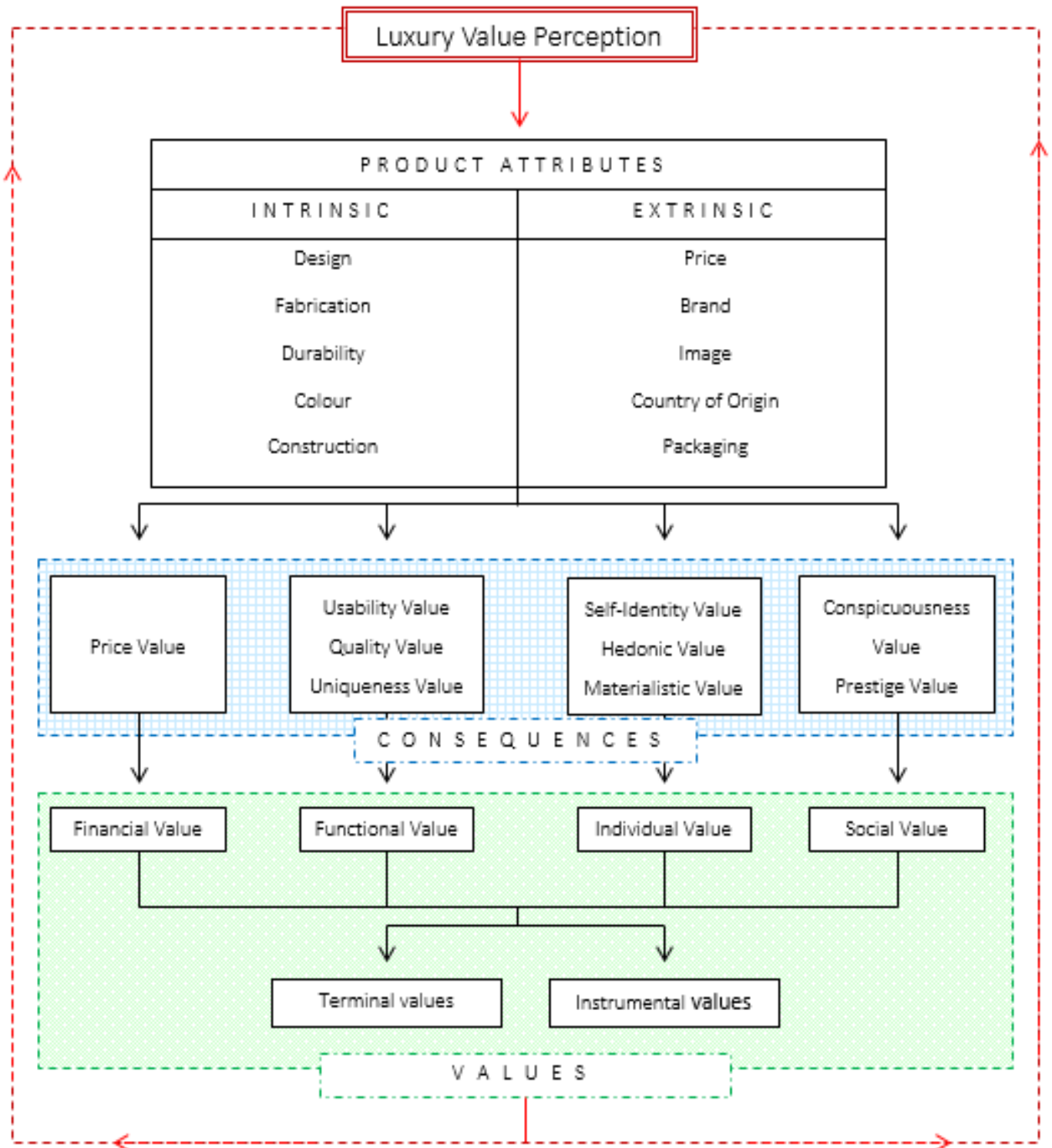
Figure 1.1: Conceptual framework for the study

1.6 RESEARCH AIM AND OBJECTIVES

The aim of this study was to explore affluent South African female consumers' luxury value perceptions of exotic leather accessories. Luxury value perceptions encompass various dimensions, such as: Financial value, Functional value, Individual value and Social value (Wiedmann *et al.,* 2007). The MEC theory also indicates that consumers use certain criteria when purchasing products, including the attribute of the product, the consequence of use and the value that is being satisfied when purchasing the product (Gutman, 1997). The objectives below were developed to include all the constructs of this study.

Objective 1

To explore and describe which intrinsic and extrinsic product attributes are considered important when affluent South African female consumers consider buying an exotic leather handbag

Objective 2

To explore and describe the consequences that affluent South African female consumers expect important intrinsic and extrinsic product attributes to have when using an exotic leather handbag

Objective 3

To explore and describe the value perceptions that drive affluent South African female consumers' choice of important intrinsic and extrinsic product attributes regarding exotic leather handbags

Objective 4

To understand and describe the linkages between affluent South African female consumers' choice of exotic leather handbag attributes, the consequences that it should provide for them and the underlying value perceptions that drive these choices

1.7 RESEARCH METHODOLOGY

1.7.1 Research design

As no research has been done around the topic of exploring affluent South African female consumers' luxury value perceptions when purchasing exotic leather accessories, a qualitative research approach was chosen for this study. Qualitative research allows for the discovery of new insights and true inner meaning, and allows the researcher to develop a greater understanding of consumer motivations (Zikmund & Babin, 2013:97). By using a qualitative research strategy the researcher is able to elicit participants' accounts of meaning, experience or perception (De Vos, Strydom, Fouché & Delport, 2011:65). It is, however not possible to generalise the findings and conclusions to the wider population.

1.7.2 Unit of analysis

The unit of analysis for this research study was the affluent female consumer, aged 30 to 60. These affluent South African female consumers resided in Gauteng and the City of Cape Town and formed part of the LSM 7-10 consumer segment. This LSM 7-10 market segment entails that these female consumers are more likely to be working full time, are qualified and earn an above average household income (SAARF Segmentation Tool, 2012:59-62). This consumer segment was chosen as the unit of analysis as it is more likely that, due to their above average income the female consumers could invest in an exotic leather accessory, which is more expensive than a regular accessory.

1.7.3 Sampling techniques

Two separate non-probability sampling techniques were used for the study, the first being convenience sampling and the second snowball sampling. Convenience sampling refers to the method of obtaining participants that are readily available to the researcher; it is a relatively quick and inexpensive data collection technique (Zikmund & Babin, 2013:323). However, it is important to note that participants that clearly showed an interest in purchasing an exotic leather accessory were targeted using convenience sampling. The second method, snowball sampling was used due to the fact that the sample in question was difficult to approach as this consumer segment is relatively small and private. Therefore snowball sampling, which entails obtaining additional participants through the information provided by the initial participants, proved successful when collecting data from such a consumer segment that is difficult to reach (Zikmund & Babin, 2013:324). Affluent female consumers were then approached/located in the V&A Waterfront area in Cape Town and in the Sandton area in Johannesburg, where various luxury retailers are situated. These participants were then asked whether they knew any other affluent females that could be interested in purchasing an exotic leather accessory or who already owned an exotic leather accessory (snowball sampling), allowing for a more accurate representation of the sample. Both these sampling methods enabled the researcher to locate the specific unit of analysis needed for this study. It was possible to collect 54 questionnaires, after ascertaining whether the participant indeed formed part of the specific unit of analysis grouping, 40 questionnaires were usable.

1.7.4 Measuring instrument

A self-administered questionnaire was used as the method of data collection for this study. This method involves the participant that has been approached taking responsibility for reading and answering the questions themselves (Zikmund & Babin, 2013:171). In order to provide information such as the aim of the study and the importance of the involvement of the participant, a cover letter was attached to the questionnaire that contained all the relevant information. Laddering theory was used

to formulate the way in which the questionnaire was structured, which allowed for valuable ladders or linkages to become visible once all the questions were answered. Hard laddering entails the use of a pencil to paper method such as a questionnaire, and structuring the questionnaire in such a way as to ask direct probes which are typified by a "Why is it important to you?" question (Reynolds & Gutman, 1988). By repeating the "Why" question, it is possible for the researcher to determine sets of linkages between perceptual elements across the range of attributes, consequences and values (Reynolds & Gutman, 1988), thus allowing the researcher to develop an understanding of how consumers distinguish between certain product categories and ultimately how they make their purchasing decisions (Reynolds & Gutman &, 1988).

This technique was found to be appropriate as this study aimed to explore the various luxury value perceptions that are attached to exotic leather accessories. In doing so it was necessary to uncover which attributes were important to the participants and what consequence the use of the product had, and then ultimately which values were fulfilled through the purchase of the product (Ter Hofstede *et al.,* 1998). Chapter 4 provides an in-depth discussion on how this technique was used during the data gathering phase of this study.

1.7.5 Laddering data analysis

Once the questionnaires were collected, content analysis of the questionnaires was employed. Content analysis involves the analysis of all elements obtained from the ladders, which is done by recording all of the participants' ladders on separate coding forms (Reynolds & Gutman, 1988). For the purpose of this study the contents of each participant's questionnaire was entered into an Excel spreadsheet to aid in the analysis of the content, thereby allowing the researcher to inspect each questionnaire's content for completeness. It also aided the researcher in developing an overall sense of which elements were mentioned by participants (Reynolds & Gutman, 1988). Content codes where then developed using the conceptual framework shown in **Figure 1.1**. Once the content codes where assigned, all the information was entered into the MECanalyst V 1.0.15 software programme which was made available by the University of Pretoria. By utilising the basis of the Means-end Chain theory and

the laddering process, the MECanalyst V 1.0.15 software programme allows the researcher to classify all responses, using the assigned content codes according to their different attribute, consequence and value levels. For more information regarding the data analysis procedure used for this study, please see Chapter 4.

1.8   PRESENTATION AND STRUCTURE OF THE DISSERTATION

This section discusses the presentation and structure of the study. It presents the reader with a broad overview of the steps involved in conducting this research study with the aim of reaching the overall conclusion of the research problem. The subsequent chapters are outlined below:

Chapter 2: Literature Review

Chapter 2 is structured in such a way as to provide a short overview of the emerging South African luxury market. This is followed by the relevant literature of how luxury is defined, in order to aid in the understanding around this multifaceted concept. A brief explanation of the evolution in luxury research is provided, as previous research indicates that luxury is an ever changing concept. An in-depth analysis of both Vigneron and Johnson's (2004) Luxury Brand Index and Wiedmann *et al.*'s (2007) Luxury Value Model is provided. The chapter ends with a motivation as to why Wiedmann *et al.*'s (2007) Luxury Value Model was chosen as the framework on which to base this study.

Chapter 3: Theoretical Perspective

Chapter 3 presents the Means-end Chain theory that was used as theoretical approach to this study. This chapter defines the Means-end Chain theory and includes the two fundamental assumptions as well as the two additional general assumptions of this theory. This is followed by an exposition of the elements of the Means-end Chain theory which includes a discussion surrounding intrinsic and extrinsic product attributes, consequence of product use and values derived from the use of the product. The summary of the chapter is drawn from the discussion provided.

15

Chapter 4: Research Methodology

In this chapter, the methodology that was applied to this study is presented. The conceptual framework is discussed briefly, followed by the objectives of this study. Detailed discussions surrounding the research design, the methods applied, the sampling procedure and data instruments is provided to outline the way in which data was collected and then analysed. The trustworthiness of the study and the ethical considerations of the study are also discussed.

Chapter 5: Findings and Discussion

Chapter 5 presents the findings and discussion of this study in relation to the objectives that were set before the commencement of the study. Each objective is discussed separately and follows the structure of the questionnaire and the laddering technique. The discussion starts with the important exotic leather accessory product attributes and concludes with the luxury value perceptions that affluent female consumers attach to the purchase of exotic leather accessories.

Chapter 6: Conclusions, Recommendations and Evaluations

The final chapter of this study provides conclusions which assist in clarifying the contribution of this study. This chapter also includes the limitations of this study and offers suggestions for future research.

1.9   CONCLUSION

Chapter 1 was aimed at providing the reader with a general introduction to the research topic for this study, including background information and the necessary justifications in terms of the research objectives posed for this study. It is important to take note that when referring to affluent female consumers within the context of this study that it only applies to the participants that took part in this study. This is due to the fact that the findings of a qualitative study cannot be generalised to the broader population.

Chapter 2

LITERATURE REVIEW

Chapter 2 aims to cover the relevant constructs in terms of their contribution to and the implications they may hold for the research. This literature review explains the luxury market in the South African context as well as what luxury is. This is followed by an explanation of Vigneron and Johnson's Brand Luxury Index as well as Wiedmann, Hennigs and Siebel's Luxury Value Model.

2.1 LUXURY MARKET IN SOUTH AFRICA

It has become apparent that the African continent has experienced a growing consumer appetite for luxury goods. This underpenetrated market is said to will have expanded by 31,2% by 2019 and already hosts up to 50 global luxury single brand stores (Aitken, Rakic & Baldeira, 2015). Aitken *et al.* (2015) state that Morocco and South Africa are the continent's luxury oases, with 80% of the luxury mono-brands operating from these regions and attracting various luxury spenders. Over the past decade South Africa in particular has seen an influx of various luxury retailers, from Burberry to Porsche. It is evident that luxury is a growing concept within the country and that South African consumers have developed a certain affinity towards luxury goods. Mobaja (2014) states that luxury goods consumption is said to grow as various luxury brand manufacturers are setting their sights on the continent. Williams (2015) further cautions that as Africa's luxury market develops, the luxury society that is looking to penetrate the market must bear in mind that Africa cannot be treated the same way as emerging markets, and it is important to first explore what type of luxuries a continent such as Africa wants.

Stable growth of the luxury market in South Africa was noted during 2014 in strong contradiction to the South African currency experiencing certain difficulties at the time (Euromonitor International, 2015). As the luxury market is classified as an emerging market within the African continent, with an additional Gross Domestic Product (GDP) growth of around 10 per cent, the luxury goods consumption growth within the following 25 years is expected to be immense (Mobaja, 2014). Within Africa, South Africa seems to be the country to watch as 60% of Africa's millionaires are currently residing in South Africa and it is said to have the continent's most developed luxury

retail sector, which plays host to various global luxury brands, including Cartier, Louis Vuitton, Burberry, Fendi and Gucci (Moorad, 2013).

Therefore the growth is not unwarranted as South African consumers are looking to invest in luxury as the rising aspirational middle class increasingly purchase luxury goods with the aim to signal their wealth and success to others (Louw, 2013:17). As the South African luxury goods market is growing, a rising urge has developed to understand what the concept means and how luxury is defined from a South African consumer's perspective.

2.2 DEFINING LUXURY

The word *luxury,* derived from the Latin term "luxus", is a concept that has created much debate and has become an interesting topic to research (Dubois, Czellar & Laurent, 2005). While many have attempted to formulate a clear and concise definition of what luxury encompasses, luxury remains a complex construct to define. This complexity is attributed to the fact that luxury comprises too many diverse facets, including concepts such as price, value, quality, usability, uniqueness and prestige, that need to be taken into account when formulating a definition, which inevitably adds to the difficulty of the task (Phau & Prendergast, 2000; Wiedmann *et al.*, 2007), and results in *luxury* becoming an ambiguous concept to define. This is further supported by the fact that the concept of luxury is subjective, as what constitutes luxury to one person may be considered ordinary by others (Phau & Prendergast, 2000). Yeoman (2011) also states that luxury becomes difficult to define as the concept is fluid and changes dramatically over time and within cultures.

Due to the ambiguity surrounding this concept, various definitions for luxury exist as luxury can be defined according to a list of attributes, by price and even by the exclusivity of distribution (Deloitte, 2014:2). Phau and Prendergast (2000) state that "… luxury goods are competing based on the ability to: (1) evoke exclusivity, (2) a well-known brand identity, (3) increase brand awareness and perceived quality, and (4) retain sales levels and customer loyalty". In addition, Dubois and Duquesne (1993) state that luxury goods can be considered to be expensive in relative and absolute terms.

It is also suggested that a luxury brand entails premium priced goods which are purchased to satisfy the customer's psychological values, which may include the customer's hedonic and symbolic values, and that these luxury goods are not purchased primarily for their functional value (Doss & Robinson, 2013). Furthermore these luxury goods can be referred to as conspicuous goods and the purchase of these conspicuous goods is driven by consumers' social needs for uniqueness or conformism (Amaldoss & Jain, 2005). This means that luxury purchases may also be strongly linked to values, as values influence a consumer's purchasing decision. As luxury is so closely linked to values, it makes the task of defining the concept of luxury even more complex, because just like luxury, the concept of value is also particularly complex to define due to its subjective nature, as what is valued by one individual might be deemed worthless by another (Sŏrhamar, 2015:10).

Therefore it can be said that a consumer's motive to purchase luxury goods is not solely tied to the social aspect of the product, such as displaying status, success or to impress others, but also depends on the nature of the financial, functional and individual utilities luxury goods encapsulate (Wiedmann *et al.,* 2007). Luxury value therefore implies a degree of social and individual, as well as functional and financial aspects, representing both the cognitive and emotional dimensions attached to luxury purchases (Wiedmann *et al.,* 2007).

For the purpose of this study, luxury items are defined as premium priced fashion products (specifically luxury exotic leather handbags), which are purchased in order to satisfy a customer's psychological, hedonic, symbolic as well as functional values (Amatulli & Guido, 2011; Doss & Robinson, 2013). In contrast to the many complex and multifaceted definitions above, Heine (2011:30) states that luxury is simply anything that is desirable and more than necessary and ordinary.

2.3 EVOLUTION OF LUXURY RESEARCH

As luxury products become more readily available to the masses and less reserved for the elite, the idea around what consumers expect from luxury becomes more multi-faceted and vague. Due to the evolutionary and complex nature of luxury, various studies have focused on how luxury is perceived differently by different consumers.

Luxury consumption is now open to various different kinds of consumers, which contributes to defining differentiated identities (Godey, Pederzoli, Aiello, Donvito, Wiedmann & Hennigs, 2013). Consumers are electing to invest in the purchase of one particular special item rather than accumulating multiple goods (Yeoman, 2011).

Previous research on luxury focused mainly on the notion that the central motive behind luxury consumption was 'buying to impress others'. This perspective, originating from sociology and social-psychology, stems from the Theory of Impression Management which refers to the process whereby individuals attempt to control the impressions others form of them (Leary & Kowalski, 1990), leading to the assumption that people purchase luxury good mainly to impress others or to create a favourable image of themselves. Although this still remains as a strategic principle for marketing management, much has changed and research indicates that deeper rooted values underlie the purchase of luxury (Tsai, 2005), including that, due to the concept of luxury being multifaceted, the perception surrounding luxury includes conspicuous as well as status-oriented elements and elements that are oriented towards hedonic and emotional dimensions (Godey *et al.,* 2013).

It has been noted that there are two types of luxury consumption, namely socially orientated and personally oriented consumption behaviour (Tsai, 2005). Where socially oriented behaviour is directed towards the need to impress others, personally oriented consumers will seek to derive either hedonic pleasure, the ability to express their inner self or to fulfil a personal utilitarian benefit from the purchase (Tsai, 2005). Another study indicates that luxury consumption is driven by two main categories of reason, the first being external motivations, social and interpersonal, and the second being internal motivations, subjective and reserved (Amatulli & Guido, 2011). External motivations relate back to the display of wealth to others, while internal motivations relate back to consuming luxury products based on their emotion, state of mind as well as subjective sensation which is related to an individual's self-perception (Amatulli & Guido, 2011). This is supported by the assumption that the consumption of luxury products enables consumers to express their self, ideal self or specific dimensions of the self (Vigneron & Johnson, 2004). In addition, Amatulli and Guido (2011) found that consumers purchase luxury products to maintain or match their lifestyle, which results in consumers satisfying their inner drivers first, thereby indicating that one cannot focus solely on a consumer's need to display their status and success to their peer

20

groups, but that the focus should also be on consumers that are personally oriented (Tsai, 2005).

Research has been conducted which indicate that different luxury value perceptions are deemed more important than others in different countries and within different cultures. This unlocks the debate that luxury value perceptions are perceived differently cross-culturally, creating the assumption that what is important to one society or culture, might not be deemed important by another. Godey *et al.* (2013) found that a strong cross-cultural difference exists when evaluating the different dimensions of luxury, but that these differences are not defined by the maturity of the luxury market in each country researched. Another study, focusing on three major Asian markets, found that although the markets had similar characteristics, such as high growth and being located on the same continent, the findings showed that they differed significantly in terms of their value perceptions of luxury goods (Shukla, Singh & Banerjee, 2015). This makes this study of South African consumers especially interesting, as a greater understanding can be achieved around what these consumers' luxury value perceptions are, specifically with regard to exotic leather accessories.

Although luxury is multi-faceted, some key principles still remain as to what luxury should adhere to. Luxury products described by consumers usually contain key variables such as being of excellent quality, indicating that a luxury product should be of a superior quality when being compared to other products in the marketplace (Hansen & Wänke, 2011). The concept of luxury is also closely related to the price of a product. A premium price usually serves as an indication of the level of luxury contained within a product and also serves as a barrier that makes the product inaccessible to the masses (Hansen & Wänke, 2011). Furthermore, luxury items should maintain their exclusivity. Consumers perceive luxury as scarce and unique, which in turn makes marketing luxury goods to the masses challenging (Yeoman, 2011; Hansen & Wänke, 2011).

As mentioned earlier, much research has been conducted and many frameworks and luxury models have been developed and tested over the years. Two main frameworks were developed that focus on the different dimensions of luxury value perceptions that consumers attach to luxury products. Vigneron and Johnson (2004) developed an

instrument which allows researchers to measure the amount of luxury value contained in a given brand, while Wiedmann *et al.* (2007) proposed a framework on which to measure a consumer's luxury value perception.

2.4 BRAND LUXURY INDEX

With the intention of aiding in the understanding of the different dimensions that constitute luxury, and simplifying the measurement of the level of luxury contained within a specific luxury goods, Vigneron and Johnson (2004) proposed a framework that outlines which dimensions luxury goods can consists of. This framework, referred to as the Brand Luxury Index (BLI), serves as a scale on which to measure the dimensions of perceived luxury (Vigneron & Johnson, 2004).

The BLI bases what separates luxury from non-luxury products on five perceived dimensions that constitute a luxury product (Vigneron & Johnson, 2004). This entails that this framework exhibits three latent luxury dimensions grouped into non-personal-oriented perceptions, including: perceived conspicuousness, perceived uniqueness and perceived quality, as well as two personal-oriented perceptions including: perceived self and perceived hedonism (see **Figure 2.1**) (Vigneron & Johnson, 2004). The BLI is thus a multi-dimensional scale that aggregates five sub-scales which help in forming an overall compensatory index of what luxury entails (Vigneron & Johnson, 2004).
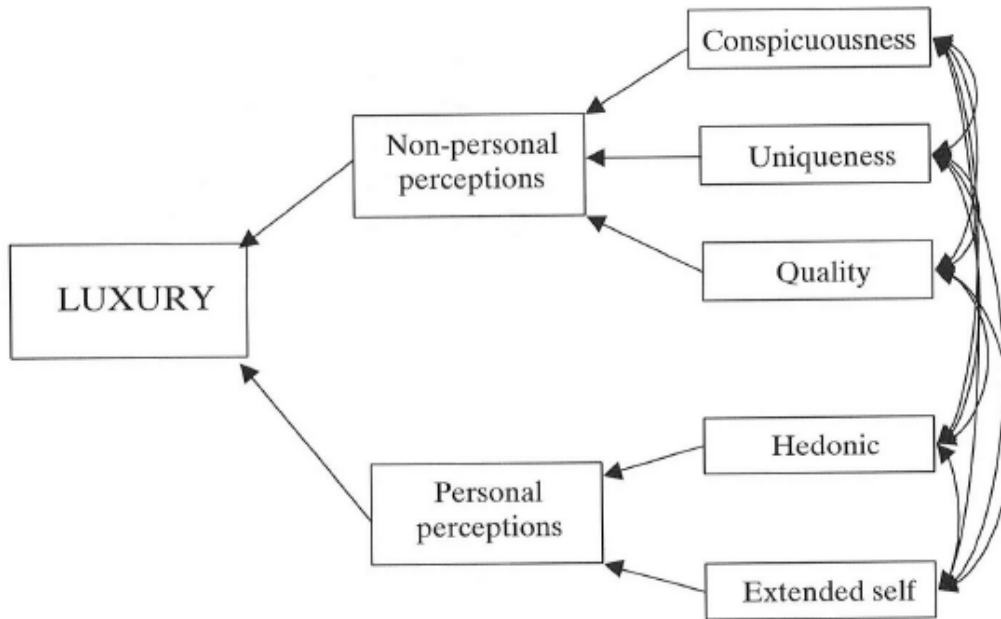
Figure 2.1: Proposed framework of brand luxury index

2.4.1 Non-personal-oriented perceptions

As mentioned above, the BLI consists of three latent luxury dimensions that are classified as non-personal oriented perceptions, including perceived conspicuousness, uniqueness and quality (**Figure 2.1**). These dimensions will be discussed in detail below.
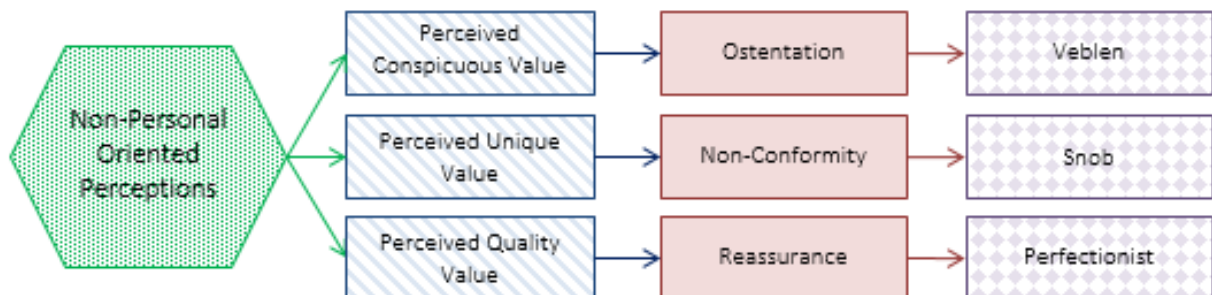
Figure 2.2: Non-personal oriented perceptions (adapted from Vigneron & Johnson, 1999:7)

23

2.4.1.1 Perceived conspicuousness

Conspicuous consumption, resulting from the purchase of luxury goods, is being promoted by a world culture in which overstatement and ostentatious behaviour is becoming more acceptable (Phau & Prendergast, 2000).

Conspicuous consumption according to Souiden, M'Saad and Pons (2011) generally refers to the consumption of luxury goods, while Husic and Cicic (2009) posit that perceived conspicuous value is when consumers attach greater importance to the price of a product as the price of the product is used as an indicator of the level of prestige, because the consumers primary objective is to impress others. Bagwell and Bernheim (1996) state that Veblen posits that consumers consume conspicuously based on two motives, the one being "invidious comparison" which entails an individual of higher status to consume conspicuously to distinguish themselves from individuals with lowered status and "pecuniary emulation" which refers to an individual from a lower status class who consumes conspicuously to distinguish themselves as an individual of a higher class. Vigneron and Johnson (2004) state that perceived conspicuousness is related to social representation, status and social standing; thus consumers who seek to display their wealth and are status-conscious will consume conspicuously. Leibenstein (1950) further states that conspicuous consumption does not only depend on the inherent qualities that a product possesses, but that it also depends on the price the consumer is going to pay for the product and the price that others think the consumer paid for the product. This entails that the social status that the luxury good represents becomes an important factor when considering purchasing a luxury good, as these consumers are looking to satisfy their material as well as social needs (Vigneron & Johnson 2004; Amaldoss & Jain, 2005).

Conspicuous consumption can also be closely related to the Veblen effect as shown in **Figure 2.2**, which results from consumers attaching a greater level of importance to the price of the product, as the price serves as an indicator of the level of prestige of the product (Husic & Cicic, 2009). Therefore the Veblen effect is directly related to the price of a product; the higher the price of the product, the higher the demand for the product will be if the consumer means to display his or her wealth to others (Leibenstein, 1950). Furthermore, status conscious consumers are more likely to associate a higher priced product with a higher level of quality; thus the more

expensive the luxury good, the better the quality and the higher the level of luxury associated with the product (Doss & Robinson, 2013:427).

2.4.1.2   Perceived uniqueness

According to Vigneron and Johnson (2004), individuals who seek uniqueness are searching for products that are difficult to obtain. Luxury products are often perceived to be unique because they are not accessible to the mainstream consumer due to their higher prices, and are therefore considered to be unique because not everyone can afford these luxury products (Doss & Robinson, 2013). Tian, Bearden and Hunter (2001) state that a "Consumers' need for uniqueness is defined as an individual's pursuit of differentness relative to others that is achieved through the acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one's personal and social identity". This necessitates that consumers who seek uniqueness are led by the notion of non-conformity; these consumers are looking for something that is unique, something that is almost unattainable.

Perceived uniqueness entails that a luxury product should be attainable by only the select few who can afford it, and that it should not be owned by everybody (Wiedmann *et al.,* 2007). Thus consumers who are seeking to be unique are avoiding consuming products that are mainstream and available to many (Vigneron & Johnson, 2004). Therefore when consumers are purchasing products in order to satisfy their need for uniqueness, the value of the products would increase as soon as its perceived uniqueness increases (Amaldoss & Jain, 2005). Amatulli and Guido (2011) state that luxury not only enables consumers to distinguish themselves from others when they want to feel different, but also enables consumers to avoid conforming to aesthetic stereotypes.

A consumer's need or urge for uniqueness is also closely related to the Snob effect (**Figure 2.2**). The Snob effect can be defined as the decrease in the demand for the product as a direct result of the increased demand and consumption of a particular commodity, thus it can be further stated that the demand for the product is negatively related to the market demand for the product (Leibenstein, 1950). Consequently a luxury product that is not readily available to consumers and might prove difficult to

25

find due to its uniqueness, and is expensive compared to normal standards, would prove to be more valuable to consumers seeking uniqueness value (Vigneron & Johnson, 2004). Therefore it can be deduced that consumers valuing uniqueness will be willing to pay a higher price for a product that is unique, but as soon as the demand for the product increases, these consumers will value the luxury goods less (Amaldoss & Jain, 2005). Furthermore it is said that Snob consumers perceive the price of a product as an indicator of its exclusivity (Husic & Cicic, 2009).

2.4.1.3 Perceived quality

The perceived quality dimension relates to the fact that consumers buy luxury goods because they offer superior quality, and the fact that these luxury goods have a premium price increases the perceived quality of the product (Wiedmann *et al.,* 2007). Vigneron and Johnson (2004) also state that companies that offer luxury products should be leaders in quality in order to ensure the perception of luxury. As mentioned above consumers tend to reason that a higher priced product should automatically entail a higher level of quality. Yeoman (2011) further states that consumers are looking to invest in quality rather than quantity and that quality is becoming a more important consumer expectation, consumers are taking more time to scrutinise product offerings in an attempt to satisfy both their need for quality and value-for-money.

This dimension relates back to the Perfectionist effect as seen in **Figure 2.2**, which refers to the process whereby consumers rely on their own perception of a product's quality; these consumers also often use price to distinguish a product's level of quality (Husic & Cicic, 2009).

2.4.2   Personal-oriented perceptions

As mentioned above, the personal-oriented perceptions of the BLI consist of the perceived extended self and perceived hedonism. These dimensions of the BLI index will be discussed below.
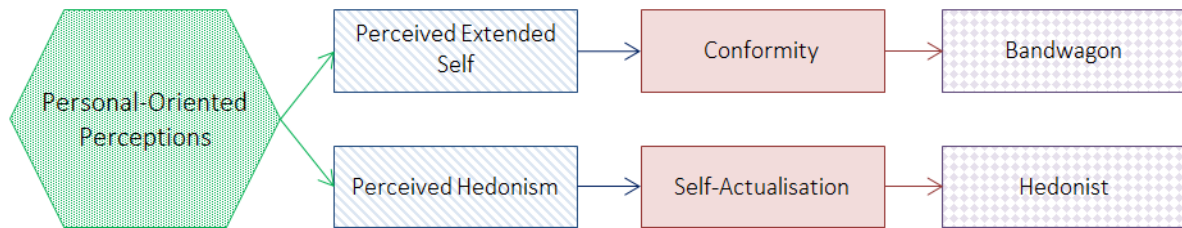
Figure 2.3: Personal-Oriented Perceptions (adapted from: Vigneron & Johnson, 1999)

2.4.2.1   Perceived extended self

The concept of perceived extended self relates to consumers' willingness to use luxury goods in order to construct their own identities (Doss & Robinson, 2013). Consequently these consumers are using luxury goods in order to classify themselves in relation to their significant others and in doing so integrate symbolic meaning into their own identity (Vigneron & Johnson, 2004). This relates to the fact that if a consumer is highly materialistic and susceptible to interpersonal influences she is more likely to possess luxury goods (Vigneron & Johnson, 2004). As shown in **Figure 2.3**, constructing one's identity might lead the consumer to conform to the social standards of his or her reference group, which in turn leads to the Bandwagon effect.

2.4.2.2   Perceived hedonism

Hedonic consumption as defined by Hirschman and Holbrook (1982:92) "… refers to a consumer's multisensory images, fantasies and emotional arousal in using products". This entails consumers purchasing products for the sole purpose of

attaining self-directed pleasure, implying that these consumers purchase luxury to achieve affective gratification for the self only (Tsai, 2005:433).

Luxury consumption is therefore linked to hedonic values (**Figure 2.3**) when the consumption of these luxury products is due to the reward seeking behaviour of the consumer (Vigneron & Johnson, 2004:491). Perceived hedonism refers to the sensory gratification and sensory pleasure that is derived from the consumption of a luxury brand (Doss & Robinson, 2013:428). As sensory gratification and self-directed pleasure are at the forefront of hedonism the functionality of the product will seem less important to the consumer.

2.5 THE LUXURY VALUE MODEL

In an effort to facilitate in researchers being able to understand the luxury concept better, Wiedmann *et al.* (2007) developed a scale that measures the sub-dimensions of luxury value perceptions. This model was developed in order to create a better understanding around luxury consumption behaviour, and to serve as a foundation to successfully create, market and monitor luxury products in a cross-cultural context (Wiedmann *et al.,* 2007). This framework also offers a different approach to studying luxury value perceptions as it proposes that luxury value perceptions could be dependent on the cultural context of the individuals being studied (Wiedmann *et al.,* 2007). This could be vital as the South African culture is so diverse and this framework could therefore aid in a better understanding of consumer behaviour within a multi-cultural context.

Wiedmann *et al.* (2009) proposed that a consumer's luxury value perceptions as well as motives for purchasing luxury goods are tied not only to social factors, such as displaying status and a desire to impress others, but these perceptions also depend on the nature of the financial, functional and individual utilities derived from the purchase of luxury goods. Therefore it aims to provide a multi-dimensional model that incorporates all the relevant cognitive and emotional value dimensions, forming part of the social/individual and functional/financial aspects of luxury value. Wiedmann *et al.* (2009) created the conceptual model which can be used to determine consumers' luxury value perceptions.
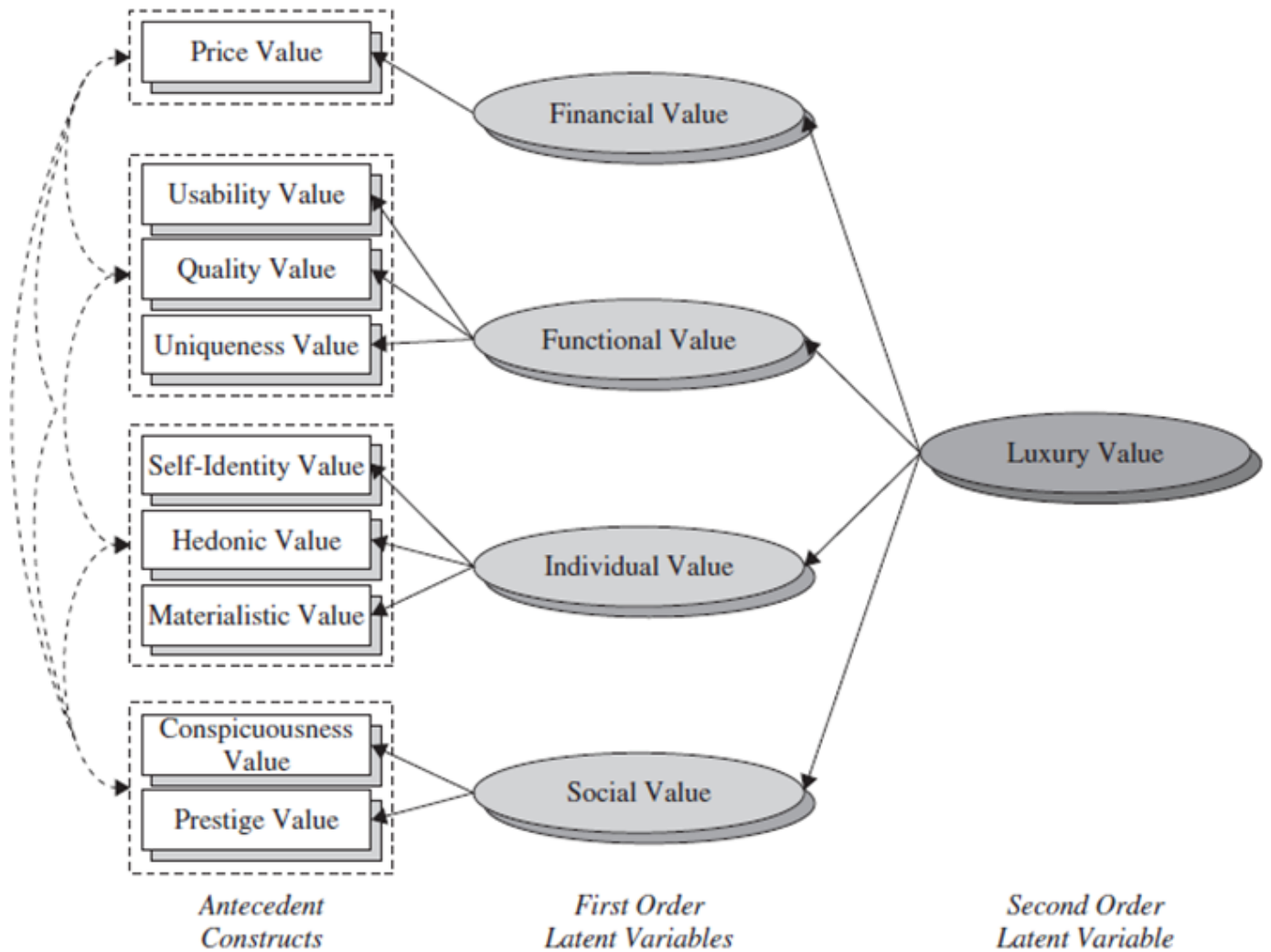
Figure 2.4: Luxury Value Model (Wiedmann *et al.,* 2007)

As seen in **Figure 2.4**, Wiedmann *et al.* (2007) suggested that a consumer's luxury value perception consists of four first-order latent luxury dimensions which include the financial, functional, individual and social dimensions and antecedent constructs of luxury. Antecedent constructs are then linked to each of these first-order latent variables, which indicate the different dimensions of each latent variable. These antecedent constructs will be discussed in detail in relation to their first-order latent variables as discussed in the following section.

2.5.1 Financial value

Financial value is directly related to such aspects like the price, resale price, discounts, investments etc. (Wiedmann *et al.,* 2007). As seen in **Figure 2.4**, the antecedent construct to financial value is price value.

Price value entails the way in which a product is priced. As mentioned above, price is often used as a cue to consumers as a good indication of the quality of the product. Vigneron and Johnson (2004) also state that a consumer who uses perceived price as a proxy to quality often also associates a higher price as an indication of the level of luxury of a product. Therefore luxury brand companies often use prestige pricing in order to signify the luxury of their products, resulting in products that may appear more desirable and unobtainable to consumers (Wiedmann *et al.,* 2007). Price value can thus also be related to Vigneron and Johnson's (2004) perceived conspicuousness as these authors recommend that a prestige pricing strategy be followed when appealing to consumers that are very status conscious.

2.5.2 Functional value

Although luxury products are said to be primarily consumed to fulfil social and personal values, all products are designed to perform a primary function (Chattalas & Shukla, 2015). The functional value of a product refers to the core benefits and basic utilities that a consumer derives from a luxury good; these include the quality, usability, uniqueness, reliability and durability (Wiedmann *et al.,* 2007).

The usability of a product relates to what the product is designed to do; this is the core benefit of a product and will lead to the satisfaction or dissatisfaction of the consumer's need (Wiedmann *et al.,* 2007). Functional value also entails the quality value of the product, as luxury goods are expected to offer superior quality related to other products (Vigneron & Johnson, 2004). Quality is at the forefront of the marketing of luxury goods as this quality is inherent to luxury and the moment a luxury brand falters on quality it can alter the whole perception of the brand. Thus in order to maintain a luxury brand image a long-term commitment to quality is essential (Vigneron &

Johnson, 2004). Uniqueness value also relates to the functional value of a product, according the above-mentioned model of consumers' value perceptions. Within this model uniqueness value relates to the perceived uniqueness of Vigneron and Johnson's BLI, in the sense that the value of a product is said to increase as the perceived uniqueness of the product increases (Amaldoss & Jain, 2005). If one simplifies what functional value entails, it refers to the fact that people will buy luxury products because they are under the impression that they offer superior quality and therefore perform better, that they are more user-friendly or even more unique than non-luxury products (Srinivasan, Srivastava & Bhanot, 2014).

A recent study conducted by Chattalas and Shukla (2015) in the UK and USA suggests that functional value perceptions drive luxury consumption across both nations. Another study conducted by Shukla *et al.* (2015), across three Asian countries, also concluded that functional value had a significant impact on luxury value purchasing behaviour. This could indicate that functional value can be considered as an important value, even across different cultures and societies.

2.5.3 Individual value

The individual dimension of luxury value perception relates to the self-identity, hedonic and materialistic values; see **Figure 2.4** (Wiedmann *et al.,* 2007).

Self-identity value can be defined as the way in which an individual perceives him- or herself (Wiedmann *et al.,* 2007). This also relates strongly to the perceived extended self-proposed by Vigneron and Johnson (2004) which states that consumers use luxury in order to distinguish themselves from others and use luxury goods in order to create symbolic meaning for their individual identity.

The hedonic value antecedent relates to the fact that certain luxury goods may carry certain emotional values for the consumer; thus this dimension distances itself from the functional value of a product and focuses more on the emotional benefit derived from using the product (Wiedmann *et al.,* 2007). Consumers driven by hedonic value seek only to fulfil their internal facets of self, by ensuring self-directed pleasure (Tsai, 2005; Chattalas & Shukla, 2015). Hedonic value and perceived hedonism of both the

31

BLI and Luxury Value Models are the same as they both encapsulate the consumers need to fulfil an emotional need or receive personal reward or gratification from the use of the luxury goods. This in turn leads to hedonist behaviour.

Finally, individual value also consists of materialistic value, which entails that the more materialistic a consumer is, the higher the chances for that consumer to acquire possessions that will in turn signal their status to others (Wiedmann *et al.,* 2007). This means that consumers who are materialistic will place a higher value on luxury goods as they are a signifier for the wealth and status of that consumer, which also relates back to conspicuous consumption.

2.5.4 Social value

Social value as a concept originates from research focusing on a consumer's ability for cooperation and competition (Chattalas & Shukla, 2015). The social dimension of luxury value perception consists of the perceived utility that is derived for a consumer by purchasing products that are recognised within his or her own social or reference group (Wiedmann *et al.,* 2007).

Another aspect to consider when discussing social value, which is linked to luxury consumption, is that it is driven by two primary motives – the first being social salience, where the product is used to serve as a symbol of the consumer's prominence and good taste. The second entails social identification, which features when a product serves as a common icon for certain social groups and in turn helps the consumer strengthen his or her membership within the group (Tsai, 2005).

The antecedents to social value, according to this model, include conspicuousness value and prestige value. As mentioned above, conspicuous consumption or social salience relates to consuming higher priced or status goods in order to convey a message of status and wealth to others (Vigneron & Johnson, 2004).

In terms of prestige value Wiedmann *et al.* (2007) state that prestige value encompasses consumers' needs to use luxury goods or other understated brands in order to conform to their social standards and neighbourhood. Furthermore, it is stated that consumers use luxury brands and products in order to conform to group norms or

to use such products as a symbolic sign of group membership (Wiedmann *et al.,* 2007), indicating that prestige value can be regarded as synonym for social identification.

Prestige value or social identification can thus be said to be closely linked to the Bandwagon effect, which according to Amaldoss and Jain (2005), is also known as the Follower effect, and features due to a consumer's need or desire for conformity. Followers value the product more when more consumers own the product. The Bandwagon effect is said to be the opposite of the Snob effect, where consumers desire uniqueness above conformity.

2.6 IMPLICATIONS FOR THE STUDY
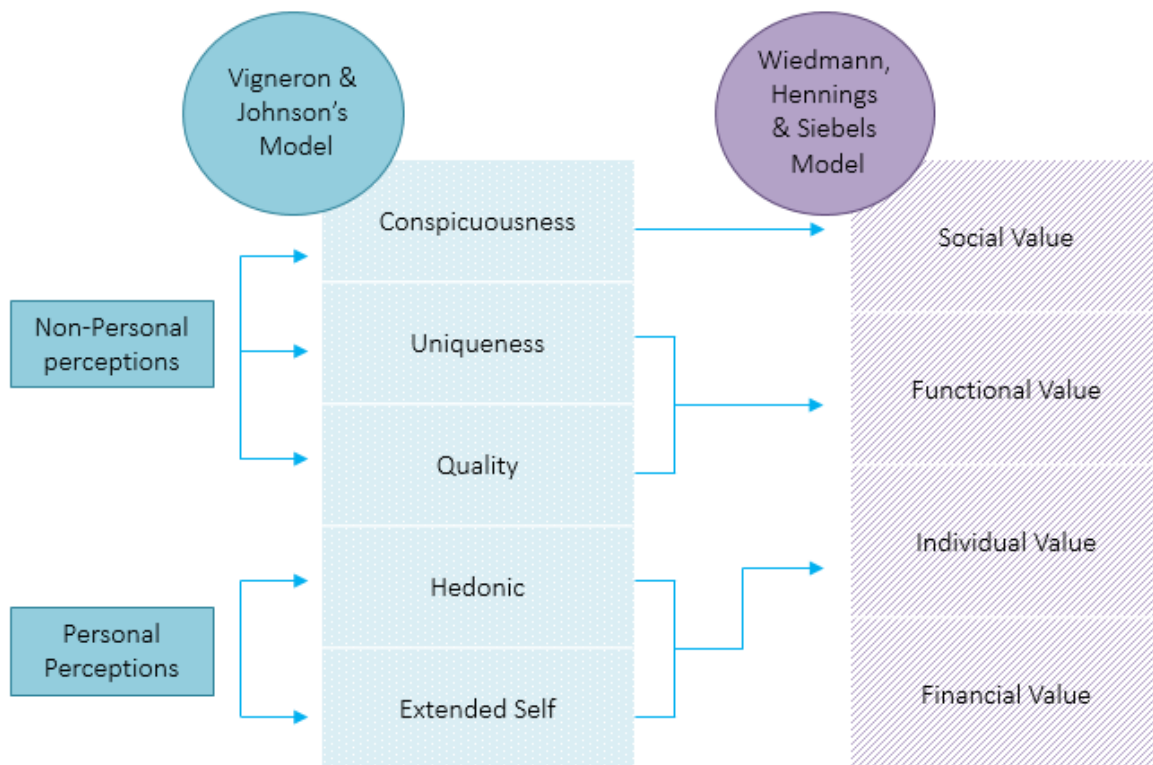
Figure 2.5: Comparison of the models of Vigneron & Johnson's (2004) and Wiedman, Hennigs & Siebels (2007)

As seen from the properties of the BLI and Luxury Value Model, one may deduce that the two frameworks use different approaches to defining luxury and what luxury constitutes. Nevertheless, as seen in **Figure 2.5**, it becomes evident that the two frameworks have concepts that overlap and are based on similar principles; it furthermore becomes apparent in conjunction with previous literature, that luxury is a multi-dimensional concept that has many dimensions and aspects that influence and determine consumers' luxury value perceptions.

As seen in **Figure 2.5**, Wiedmann *et al.*'s (2007) conceptual model offers an additional dimension on which luxury value can be analysed, namely the financial dimension. As we are dealing with exotic leather handbags that range from R6 000 up to R100 000, it seems invaluable to include the financial dimension when conducting research on which luxury value perceptions impact on consumers' decision making when purchasing a exotic luxury leather handbag or accessory.

For the purpose of this study, the Wiedmann *et al.* (2007) conceptual model for luxury value will be utilised as it directly deals with latent variables which can be translated into antecedents that form the basis of various luxury value perceptions. Consequently this model offers a more in-depth analysis of luxury value perceptions and will prove more useful when having to determine which value perceptions underlie exotic luxury leather handbag purchases.

2.7 CONCLUSION

Chapter 2 aimed to provide an overall understanding surrounding luxury and the possible concepts luxury encompasses. This includes a discussion on the luxury market that currently exists in South Africa, being able to define luxury and what the concept of luxury entails and providing context on how luxury as a concept has evolved over time.

An in-depth analysis was provided of two luxury value frameworks. The first being Vigneron & Johnson's (2004) BLI and the concepts that this framework consist of, including the non-personal-oriented perceptions (perceived conspicuousness, uniqueness and quality) and the personal-oriented perceptions (perceived extended self and hedonism). And the second framework encompassing Wiedman *et al*'s (2007, 2009) luxury value model, which consists of financial, functional, individual & social

values. This analysis aimed to create an understanding of both frameworks, how they differ and also how they correspond with one another, and allowed the researcher to choose the best framework to underpin and guide this study. For the purpose of this study, Weidman *et al*'s (2007, 2009) conceptual model for luxury value was chosen.

Chapter 3

THEORETICAL PERSPECTIVE

This chapter explains and justifies the theoretical perspective chosen to guide this study.

3.1 INTRODUCTION

Means-end Chain (MEC) theory is a theoretical perspective that was developed by Jonathan Gutman (1982) in an effort to facilitate marketing planning and consumer research. Reynolds and Olson (2001) define MEC analysis as an 'umbrella term' that encapsulates methods for interviewing consumers to uncover the reasons behind their purchasing decisions, allowing for the interpretation of their responses by uncovering linkages between outcomes, and enabling the researcher to reach a greater understanding around consumer decision making. MEC theory enables researchers to link products to consumers by suggesting hierarchical connections that exist between the attributes of the product, the consequence of using that product and the values that drive the purchase of the consumer in question (Ter Hofstede *et al.,* 1998). Therefore the MEC theory offers a method whereby one can research the content and structure of consumer knowledge (Ter Hofstede *et al.,* 1998). This method of analysis is concerned with not only identifying which selection criteria are salient to the consumer, but also delves deeper by explaining why those factors form the basis of the selection made by the consumer (Reynolds & Olson, 2001). This entails that utilising the MEC theory could facilitate in uncovering the reasons and values attached to the purchasing of exotic leather accessories.

As a theoretical perspective, the MEC theory could prove most useful when exploring affluent female consumers' luxury value perceptions of exotic leather accessories. This is attributed to the fact that the MEC theory seeks to provide a framework that one can use when researching how the product or service selection process facilitates the achievement of certain desired end-states, otherwise referred to as a consumer's values (Gutman, 1982).
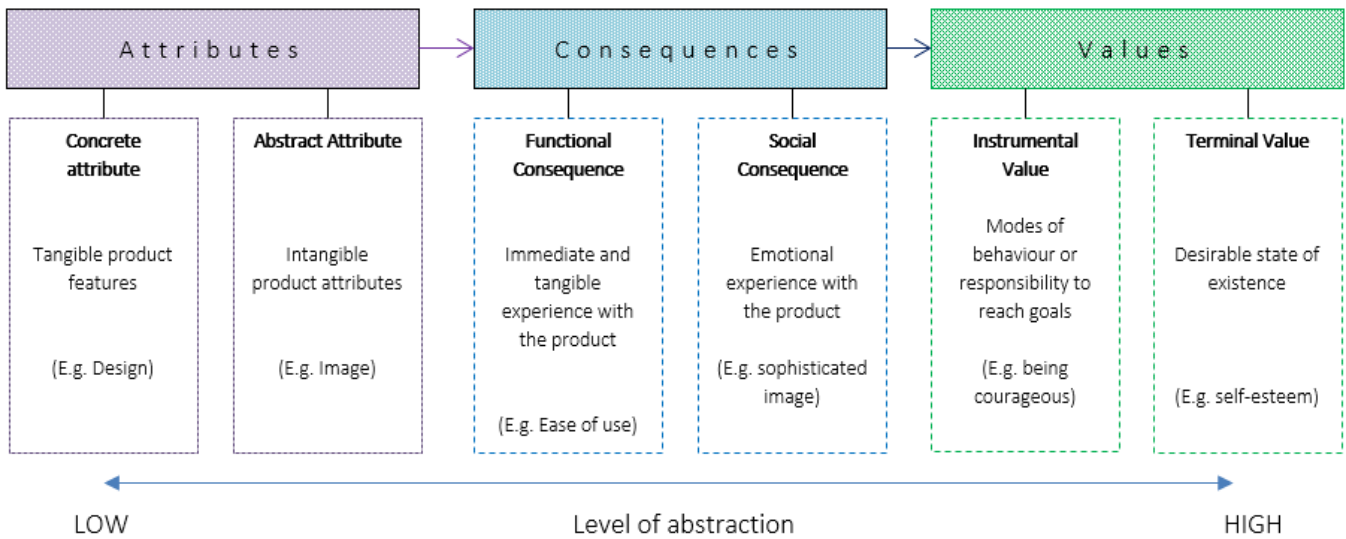
Figure 3.1: Means-end Chain Theory (Thompson & Ling Chen, 1998)

3.2 ASSUMPTIONS OF THE MEANS-END CHAIN THEORY

Underlying the MEC theory are certain assumptions. These assumptions need to be taken into account when using this theory and when conducting research in this context. Firstly, Gutman (1982) states that the MEC theory consists of two fundamental assumptions relating to consumer behaviour. The first assumption is that values, also defined as desirable end-states of existence, play an important role in guiding consumers' choice patterns (Gutman, 1982).

These values lead to consumers making purchasing decisions based on their individual value system; therefore, if a consumer values what his or her reference group thinks, he or she will go out of his or her way to purchase products that will create a favourable image among the reference group. It is therefore important to understand which values drive consumer choices, in order to determine how the Means-end Chain or ladders will be formed within a research environment. This impacts on the research in such a way that it is fundamental that the luxury value perceptions that the research wants to focus on, be clearly demarcated and outlined as to provide a clear direction when researching the problem.

The second assumption underlying the MEC theory states that, as people need to cope with tremendous offerings or variety of products that will potentially satisfy their values, they group these products into sets or classes so as to reduce the complexity of their choices (Gutman, 1982). This entails that consumers readily create product categories or classes based on the products' function. In terms of exotic leather accessories, some consumers may prefer purchasing their exotic leather accessories from an international brand, as they expect internationally sourced products to be of higher quality, while another may prefer locally manufactured exotic leather accessories.

Furthermore, Gutman (1982) identifies two additional general assumptions of the MEC model, the first being that consumers' actions lead to consequences (functional or psycho-social), even though not all consumers will agree that the same actions within the same situation produce the same consequences, while the second entails that consumers learn to associate particular consequences with particular actions. For example, a person who invests in an exotic leather accessory (action) will expect that because the product is highly priced, it is of good quality (consequence). Uncovering the reasons behind why these consumers are investing in exotic leather accessories, will inevitably lead to a greater understanding of which attributes consumers want their exotic leather accessories to have. In summary, it can be said that MEC theory makes the assumption that consumer decision making is entirely based on the anticipated consequence that is associated with each carefully considered alternative (Reynolds & Olson, 2001).

3.3 ELEMENTS OF THE MEANS-END CHAIN THEORY

Gutman (1982) states that in the Means-end Chain theory, the term *means* is defined either as objects (products) or activities which people engage in, while *ends* can be defined as valued states of being, such as happiness, security or accomplishment – to name but a few. Furthermore, MEC theory is conceived as the cognitive linkages that are formed by linking consumers values to their product choices, which are in turn represented as chains that link attributes (means) to the desired consequence and/or personal values (ends) (Manyiwa & Crawford, 2001). These personal values are then

38

related back to stable cognitions as well as beliefs that have a strong motivational impact on individuals and these values are formed by the individuals' culture and society (Vriens & Ter Hofstede, 2000).

A means-end chain can therefore be defined as a hierarchy of goals that represent the actions (or means) that need to be taken in order for a person to reach the desired goal, ends or outcomes (Gutman, 1997). The means-end chain entails that the consumer's choice to buy a particular product will produce a particular negative or positive outcome, resulting in consumers' thinking about products or services in terms of attributes, the consequence of buying the product, and ultimately purchasing the product to achieve certain personal values (Gutman, 1997). For example, a consumer that places a lot of value on maintaining a higher level of status will be more willing to purchase an expensive, branded exotic leather handbag in an attempt to convey his or her status to others. This also entails that consumer outcomes cannot affect product attributes, but consuming a product with specific attributes can affect consumer outcomes (Gutman, 1997). Therefore, as presented in **Figure 3.1,** means-end chains consist of the attributes (of the product), the consequences (of purchasing the product) and the goal or value (that is being achieved through the purchase of the product).

3.3.1 Attributes

Attributes are the physical, concrete or abstract qualities that are attributed to a product. This includes the way in which the product is perceived and what is represented by the product (Gutman, 1997).

3.3.1.1   Intrinsic and extrinsic product attributes

As this study is going to utilise the MEC theory as theoretical perspective, it is important to point out the importance of understanding the intrinsic and extrinsic product attributes that lead to the purchase of luxury exotic leather handbags.

The intrinsic attributes of a product are considered to be the physical attributes that encapsulate a product, whereas extrinsic cues are product-related, but cannot be

considered part of the product itself (Lee & Lou, 2011). **Figure 3.2** provides a visual representation of the possible intrinsic product attributes that a consumer may perceive of an exotic leather handbag. This includes the handbag's physical characteristics that can be directly perceived, including its design, size, colour, construction, finishes etc., while the extrinsic or intangible product attributes of an exotic leather handbag would include aspects such as the country of origin, price, brand, packaging etc. (Retief & De Klerk, 2003; Veludo-de-Oliveira *et al.,* 2006).
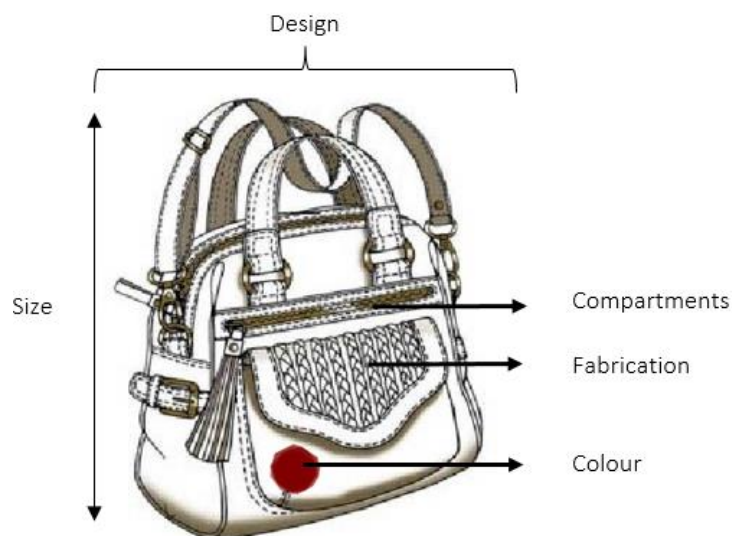
Figure 3.2: Visual representation of an exotic leather handbag's possible intrinsic product attributes

By identifying the reasons why consumers choose certain product attributes and the consequences of choosing these attributes, it will be possible to uncover what the underlying values are when consumers purchase an exotic leather accessory.

3.3.2 Consequences

As defined by Gutman (1982:61), consequences or goals are "… any results (physiological or psychological) that accrue directly or indirectly to the consumer (sooner or later) from his/her behaviour". This leads to the deduction that consequences can either be desirable or undesirable, desirable implying one or more consumer benefits from consuming the product, and undesirable indicating consequences to be avoided (Gutman, 1982). Consequences are also defined as whatever the consumer feels about the product (positive or negative) after the consumption of a product (Lin, 2002).

Consequences can be further categorised into physiological consequences, which would include satisfying physiological needs such as hunger, and psychological consequences that entail satisfying one's self-esteem, or sociological needs such as satisfying a status need (Gutman, 1982). Consequences can also be direct or indirect, direct implying a direct result of using the product, for example buying a good quality product makes the consumer feel at ease, while indirect implies when others react favourably or unfavourably as an indirect result of the consumer's consumption behaviour, for example receiving a compliment when wearing the dress (Gutman, 1982). For the purposes of this research it could be invaluable to pinpoint which consequences are derived from purchasing exotic leather accessories and which desirable consequences lead to fulfilling strong luxury value perceptions.

3.3.3 Values

The third element of the MEC theory encapsulates values and the fact that values drive consumers' consumption behaviour. Vriens and Ter Hofstede (2000) define values as relatively stable cognitions as well as beliefs that have a strong motivational impact on consumers' buying behaviour; these include values such as security, happiness or enjoyment.

There are two types of values, namely terminal and instrumental values. Terminal values entail preferred end-states of a consumer's existence. These include aspects

such as happiness, security and accomplishment, while instrumental values are consumer values that are directly related to consumer behaviour, including aspects such as being honest, courageous or even cautious (Gutman, 1982). These values are embedded in each individual and each consumer will have his or her own set of developed values, which will influence how, when, where and why the consumer buys a specific product. Understanding these consumer values can help establish a basis on which to determine the most important luxury value perceptions for these consumers.

3.4 CONCLUSION

From this Chapter it can be concluded that the MEC theory is based on two fundamental assumptions as well as two general assumptions, which must be taken into account when utilising MEC theory. It also becomes clear that there are three main elements of the MEC theory, the first being the product attributes (intrinsic and extrinsic), consequences (physiological, psychological, direct and indirect) and values (terminal and Instrumental). These elements are then used by consumers to enable them to make product decisions, consumers choose product attributes, that lead to certain consequences (benefit or risk), which are in turn influenced by a consumer's instrumental and terminal values (MECanalyst, n.d.). Gutman's (1982) MEC theory and Wiedmann *et al.*'s (2007) luxury value model served as conceptual background for this qualitative study of which the research design and methodology are discussed in Chapter 4.

This section contains the research design, method, trustworthiness of the study as well as the ethical considerations of the study.

4.1 INTRODUCTION

From the literature review it is clear that consumers that come from different cultures and societies have different luxury value perceptions that drive their purchasing of luxury products. It also becomes apparent that when deciding to purchase a luxury item like an exotic leather handbag, the purchase is motivated by personal values and what we as individuals want to project our identity to be to others. Thompson and Ling Chen (1998:162) add that, "who we are, what we want to be and the life-style we subscribe to, is reinforced and communicated through how we look." Means-end Chain (MEC) theory enables researchers to uncover the attribute-consequence-value relationship that drives consumers to make certain purchasing decisions. Creating a better understanding around what affluent South African female consumers expect from an exotic leather accessory or handbag, and which attribute-consequence-value relationships possibly exist with regard to this purchasing decision, would add to the current body of knowledge surrounding consumer behaviour in respect of purchasing luxury leather products.

Zikmund and Babin (2013:418) state that the research method or methodology which is used in a study explains all relevant technical procedures that are used in order to obtain all the information required in an effort to reach the study's research objectives. This chapter outlines the research design, data collection methods, techniques and procedures that were utilised during the course of this study. It further aims to create a better understanding around the framework that was used to direct this study; furthermore, the conceptual framework will be discussed, followed by the research objectives

4.2 CONCEPTUAL FRAMEWORK FOR THE STUDY

The schematic framework below (**Figure 4.1**) represents an integrated model of Gutman's (1982) Means-end Chain (MEC) theory and Wiedmann *et al.*'s (2007) conceptual model for consumers' luxury value perceptions. This model clearly indicates that products (e.g. exotic leather handbags) have certain intrinsic and extrinsic attributes which lead to certain positive or negative consequences (benefit or risk) for the consumer in terms of her instrumental and terminal value perceptions.

This focus on attribute, consequence and value stems directly from Gutman's (1982) MEC theory. This theory enables the researcher to understand how consumers ultimately decide to purchase a product by suggesting hierarchical connections that exist between the attributes of the product, the consequences of using the product and the values that direct the purchasing decision (Ter Hofstede *et al.,* 1998). As seen in **Figure 4.1,** the attributes are divided into intrinsic and extrinsic product attributes that were derived from a study conducted by Retief and De Klerk (2003). These product attributes then lead to certain consequences based on the utility derived from the product attribute in question, the consequences then lead into the values that had driven the attribute choices, which then ultimately lead to the uncovering of the luxury value perceptions. The consequences and values were taken from Wiedman *et al.*'s (2007) conceptual model for consumers' luxury value perceptions depicted in **Figure 2.4**.

This model acts as a representation of the elements that could form part of a consumer's hierarchical value map when purchasing an exotic leather accessory, which in turn allows the researcher to delve deeper into the luxury value perceptions underlying this purchasing decision.
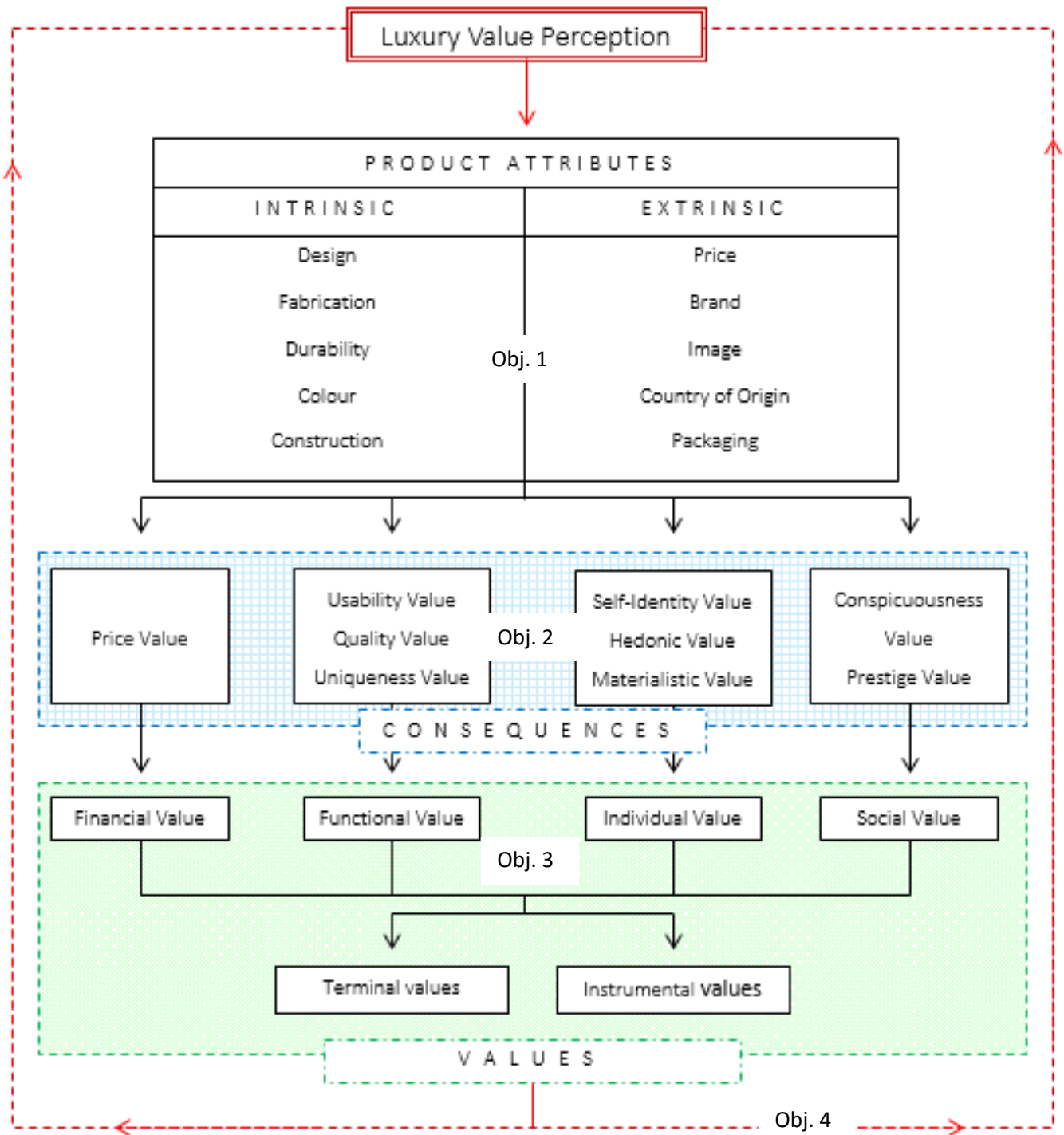
Figure 4.1: Conceptual framework

4.3 AIM OF THIS STUDY AND RESEARCH OBJECTIVES

The aim of this study was formulated as follows:

To explore affluent South African female consumers' luxury value perceptions of exotic leather accessories. Four main objectives were used to lead this study. The main objectives of this study are provided below:

4.3.1 Research objectives

Objective 1

To explore and describe which intrinsic and extrinsic product attributes are considered important when affluent South African female consumers consider buying an exotic leather handbag

Objective 2

To explore and describe the consequences that affluent South African female consumers expect important intrinsic and extrinsic product attributes to have when using an exotic leather handbag

Objective 3

To explore and describe the value perceptions that drive affluent South African female consumers' choice of important intrinsic and extrinsic product attributes regarding exotic leather handbags

Objective 4

To understand and describe the linkages between affluent South African female consumers' choice of exotic leather handbag attributes, the consequences that it should provide for them and the underlying value perceptions that drive these choices

4.4 RESEARCH DESIGN

Babbie (2013:112) states that the research design occurs at the commencement of a project in order to enable the researcher to outline all subsequent steps that will be used during the course of the project, indicating that the research design allows the researcher to focus on the end goal or objective that needs to be achieved and all the steps involved in order to achieve the anticipated objectives (De Vos *et al.,* 2011:142). The research design is therefore said to be the master plan that specifies all methods and procedures for the collection and analysis of the information needed (Zikmund & Babin, 2013:60). This study followed an exploratory research design in order to explore and be able to describe the luxury value perceptions of affluent South African female consumers when purchasing exotic leather accessories. De Vos *et al.* (2011:95) explain that exploratory research stems from the lack of basic information regarding a new area of interest, or the desire to get more acquainted with a situation, aiming towards formulating a problem.

A qualitative research paradigm was used as the best research method for this study. The qualitative research paradigm refers to research that aims to elicit participants' accounts of meaning, experience or perception (De Vos *et al.,* 2011:65). This study aims to elicit the luxury value perceptions of affluent South African female consumers when purchasing exotic leather accessories. Qualitative research allows the focus to be on the discovery of new insights and true inner meanings, therefore would be the most appropriate research paradigm as it would allow the researcher to identify a participant's beliefs and values that underlie a certain phenomenon (De Vos *et al.,* 2011:65; Zikmund & Babin, 2013:97).

The theoretical perspective chosen to lead this study was Gutman's (1982) Means-end Chain theory. As mentioned earlier, an exploratory qualitative research strategy

was followed by using a self-administered questionnaire which incorporated the hard laddering technique for data collection and analysis.

4.5 SAMPLING PLAN

4.5.1 Unit of analysis

A sample represents a subset of a larger population (Zikmund & Babin, 2013:312). The sampling frame consisted of specific consumers that complied with a specific list of elements (Zikmund & Babin, 2007:407).

The unit of analysis for this study consisted of affluent South African female consumers, aged 30 to 60, who resided in Gauteng and the City of Cape Town, South Africa. This specific age group was chosen as these consumers form part of the LSM (living standards measure) 7-10, which entails that these consumers work full time, are qualified and have a higher than average household income (SAARF Segmentation Tool, 2012:59-62). The female consumers forming part of this segment are more likely to earn enough to invest in an exotic leather accessory. At one of South Africa's leading exotic leather accessory retailers, Okapi's, handbags, can range from R6 000 to R100 000 (limited edition handbags). A consumer's income plays an important role in the purchasing decision of an exotic leather handbag. Previous research also indicated that even cross-culturally, income is significantly linked to the intention to purchase luxury products (Nwankwo, Hamelin & Khaled, 2014).

It is also important to focus on a female consumer when conducting research regarding the values that drive luxury exotic leather handbag purchases, as female consumers are the target market for many of the luxury exotic leather handbag companies such as Louis Vuitton, Okapi and Cape Cobra.

4.5.2 Sampling method

Convenience sampling, which forms part of non-probability sampling methods, was used in order to gather the first subset of the sample, then snowball sampling was used to gather additional participants for this study. Convenience sampling entails gathering data from people that are conveniently available (Zikmund & Babin, 2007:411). This method allows for quick and economical gathering of a large number of completed questionnaires and also reduces the costs involved (Zikmund & Babin, 2007:411). As affluent female consumers form part of an elite segment of consumers who are difficult to reach, it poses difficulties when collecting data. To ensure that an acceptable number of participants participate in the study and in order to reach the intended unit of analysis, snowball sampling was used to obtain additional questionnaires. Snowball sampling refers to the process of asking the individuals approached using convenience sampling to provide the details of a participant that will match the required parameters (Goodman, 1961). Snowball sampling proved successful as a rare sample was being targeted and provided information-rich data for this particular study (Terre Blanche, Durrheim & Painter, 2006:139).

The process of collecting the self-administered questionnaires involved the researcher approaching various female consumers in the Victoria & Albert Waterfront Mall situated in Cape Town, as well as the Sandton Mall situated in Gauteng. The participants were identified by whether or not they were carrying an exotic leather handbag or accessory. The participants that were approached were shoppers in the abovementioned Malls, once approached, the participant was asked whether or not they would like to form part of the study and a brief explanation of the study and its objectives were given, the participant could at any stage refuse to participate. Once the participant approved to form part of the study, which only a few participants did not approve, they were asked to fill in the questionnaire which was presented on a clipboard accompanied with a pen and the participant was led to a bench in the mall that would make it more comfortable for the participant to fill in the questionnaire. The questionnaire took between 10-20 minutes to fill in depending on the participant. After obtaining questionnaires from female consumers willing to participate in the study, these participants where then asked whether they could provide the information of someone they knew that would like to own, or already owned an exotic leather

handbag. It is important to note that the majority of the sample consisted of participants that were approached using convenience sampling. The sample comprised of 25% of the participants being situated in Cape Town and 75% situated in Johannesburg, this was due to more participants being willing to participate in the Johannesburg area as well as the fact that most consumers approached in Cape Town where foreign nationals and did not form part of the sample which consisted only of South African participants.

In an effort to keep the data gathered from the sample aligned with the objectives of this study, filter questions were asked in order to ascertain whether the participant was in fact suitable for this study. These questions included whether the participant resided in South Africa and what their average monthly household income was. These questions were both in the first section of the self-administered questionnaire (see Addendum B) which made it easier to filter which participants were suitable for this study.

4.6 DATA COLLECTION

4.6.1 Data collection instrument

For the purpose of collecting data, a structured self-administered questionnaire was used as the preferred data collection method. This questionnaire was accompanied by a cover letter (see **Addendum A**) that briefly outlined the aim of the study and reassured the participant of the confidentiality of the information obtained. The researcher then explained to the participant what the study was about and what the objectives of the study were, the participant was asked to verbally consent to participate in this study and was then assured that their identity would be kept anonymous. By verbally agreeing to participate in this study after the parameters of this study was explained, it was deduced that the participant was giving their informed consent to participate.

The questionnaire consisted of five (5) pages, including the cover page (see **Addendum B**). Three separate sections formed part of the questionnaire. Section 1

was aimed at eliciting the demographic background of the participants, section 2 allowed the researcher to ascertain the likelihood of the participant wanting to purchase an exotic leather accessory, and section 3 was designed to elicit the attributes, consequences and values. Questions pertaining to the attributes, consequences and values of the participants were open-ended response questions, and participants could provide their own answers to the questions being asked. According to Zikmund and Babin (2013:282), using open-ended response questions is particularly beneficial when undertaking an exploratory research study that seeks to provide deep insight into consumer experience.

The self-administered questionnaire was designed by using the hard laddering approach. There are two laddering approaches, namely hard and soft laddering. Hard laddering refers to the utilisation of methods such as a self-administered questionnaire or a computerised data collection device (Grunert, Grunert & Sørensen, 1995). Soft laddering, on the other hand, refers to in-depth, one-on-one interviews that are typified by direct probes, using the "Why is this important to you?" question (Reynolds & Gutman, 1988). While soft laddering requires highly skilled expertise from a researcher because the participant is offered more freedom of expression, hard laddering allows for a more structured data collection method and demands less skill from the researcher during the interview (Veludo-de-Oliveira, Ikeda & Campomar, 2006). Due to the increased degree of freedom for the interviewer using the soft laddering approach, interviewer bias may also be introduced (Grunert, Grunert & Sørensen, 1995). Therefore hard laddering offers the advantage of being a quick and often inexpensive method for data collection that is less prone to interviewer bias, as the interviewer is excluded from the process (Grunert, Grunert & Sørensen, 1995). For the purpose of this study, hard laddering was chosen as the preferred laddering method of data collection by means of a self-administered questionnaire.

By using a self-administered questionnaire, hard laddering was used as a technique whereby a series of direct questions were asked in order to reveal how consumers' link product attributes to their own underlying values (Reynolds & Gutman, 1988). Laddering questions serve the purpose to determine the 'ladder' or linkages between the attributes (A), consequences (C) and values (V) in relation to exotic leather handbags.

Wagner (2007) states that the first step to laddering involves eliciting the relevant attributes considered when making a purchase. These are then used as the starting point for the probing "why" questions. The questionnaire was therefore structured in such a way that participants were firstly asked to write down the three most important attributes or reasons for purchasing an exotic leather handbag, and then they were asked "why" these reasons were important. Therefore the participant had to give reasons with regard to the most important attribute and again with regard to the second most important attribute. Repeated application of these 'why' questions then led to higher-level distinctions until participants could no longer answer the why question (Thompson & Ling Chen, 1998). The questionnaire was piloted among 12 participants who did not form part of the final sample.

4.6.2 Procedure

Due to the rare population that this study's sample forms a part of, data was firstly collected in and around the Johannesburg and Cape Town metropolitan areas. Then snowball sampling was utilised to obtain additional participants within the above-mentioned metropolitan areas. Cape Town and Johannesburg where chosen as appropriate cities to focus this study in. According to Euromonitor International (2015), most of South Africa's luxury retailers are situated in two major shopping malls in South Africa, namely in the V&A Waterfront in Cape Town and in Sandton City in Johannesburg. The sample proved to be difficult to access, therefore the recruitment of participants happened from June to August 2015, Monday to Friday from 9h00 until 21h00.

As mentioned above, a filter question was asked in order to ascertain the suitability of the participants before they started filling in the questionnaires. One of these questions was to ascertain whether the participant did in fact fall into the income bracket of LSM 7-10 discussed above, as well as whether the participant would in fact consider purchasing an exotic leather accessory.

To attain a sufficient amount of information the sample consisted of a total of 54 participants, of which 40 questionnaires were usable. These questionnaires were

collected by the researcher and also the study leader in order to ensure the quality of the participant as well as the quality of the information obtained.

4.6.3 Laddering data analysis procedure

Content analysis, as described by Reynolds & Gutman (1988), was used in order to analyse each participant's answers to the questions in the questionnaire. The first step of this process entails recording each participant's answers onto a separate coding form (Reynolds & Gutman, 1988). An Excel spreadsheet was used to capture each participant's answers electronically. These answers were then inspected for completeness; this allowed the researcher to get an overall idea of the types of elements that were elicited (Reynolds & Gutman, 1988). The second step involved developing a set of summary codes that reflected the information gathered (Reynold & Gutman, 1988). This process allows for all the elements elicited to be ordered according to their level of abstraction, which includes the attributes (A), consequences (C) and values (V). These responses are then further analysed by creating common meanings reflecting the participants' answers (Kasambala, 2013). The content codes that were assigned to the data were derived from the conceptual framework discussed earlier (refer to **Figure 4.1**).

Subsequently, once the content codes were finalised, each participant's codes were entered into the MEC V 1.0.15 software programme made available by the University of Pretoria. Using the MEC V 1.0.15 application procedure, the three-level means-end-chain process was used, which allows the researcher to input the content codes related to the attribute, consequence and value distinguished through the content analysis procedure. Since each participant's answers regarding the first two attributes were used, two separate ladders where created on the MEC V1.0.15 software programme. The first ladder contained the answers pertaining to the first attribute provided, and the second ladder pertained to the answers provided for the second attribute.

Laddering has proved successful in eliciting valuable means-end chains which ultimately lead to understanding the underlying factors in the consumer decision-

making process (Phillips & Reynolds, 2009). For example, a consumer choosing to buy an exotic leather handbag may elicit the following ladder:

Exotic leather handbag ► is fashionable and trendy, ► will make others like me (Bandwagon effect), ► is unique (Snob effect), ► will display wealth and status, (Veblen effect), ► thereby showing which value perception the consumer places more emphasis on.

Laddering is based on the central idea that lower-level attributes lead to higher-level values, meaning that product attributes hold consequences for the consumer that lead to value satisfaction (Thompson & Ling Chen, 1998). Laddering therefore allows the researcher to obtain hierarchical means-end chains or ladders of meaning by starting off with questions about a product's lower-level attributes and ending with questions about the higher-level attributes to uncover the higher-level values (Phillips & Reynolds, 2009). This allows the researcher to uncover the underlying reasons as to why the consumer would purchase a particular product and which attributes and luxury value perceptions are considered more important than others. This method was particularly useful in uncovering which value perceptions were valued higher than others and therefore drove the consumer's decision making when purchasing exotic leather accessories.

Once the data was entered into the MEC V 1.0.15 software programme, an implication matrix could be tabulated indicating the degree of connection between the various attributes, consequences and values (Kasambala, 2013). The software then allows the researcher to create a hierarchical value map (HVM). This HVM visually represents the most important attributes, consequences and values that are connected to one another. Because not all of the chains that are generated by the HVM can be utilised as it would be difficult and complex to interpret, it is important to choose a relevant cut-off level (Kasambala, 2013). This entails that if a cut-off level of for example 3 was chosen, that the HVM will present all links or associations mentioned by at least 3 participants. In order to establish the most appropriate cut-off level, the researcher tested cut-off levels of 1 to 5, and found that cut-off level 3 provided the most valuable information for this study.
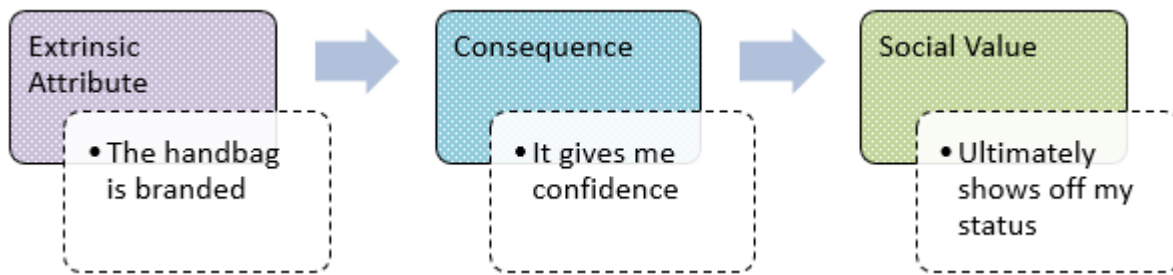
Figure 4.2: Example of operationalisation and laddering according to conceptual framework

4.7 TRUSTWORTHINESS OF THE STUDY

In order to ensure trustworthiness, qualitative research has to adhere to the following four simple criteria: the research has to be credible, transferable, dependable and confirmable (Shenton, 2004).

4.7.1 Credibility

Credibility refers to the internal validity of the research, thus ensuring that the study measures what is actually intended to be measured, and referring to how the findings relate to reality (Shenton, 2004). The credibility of the research is dependent on the degree to which the conclusions made are sound (Terre Blance, Durrheim & Painter, 2006:90). Guba (1981:80) states that a method that can be utilised in testing credibility is referred to as doing 'member checks', which would entail testing the data with members of the relevant human data source groups. Furthermore, specific procedures that have been successfully used in previous comparable projects should be incorporated in the current research study (Shenton, 2004). Credible research, according to Terre Blanche *et al.* (2006:90), is research that produce findings that are convincing as well as believable, and which involves delving deeper into previous research conducted on the topic that is under scrutiny. A comprehensive literature review ensured that all the concepts that were used for the coding were clearly defined. To further ensure the credibility of this study, the questionnaire was pilot-tested, analysed and member checks were performed in order to establish any visible errors

55

or false representations of reality. Another method that was used to ensure credibility is the 'peer review' process, which entailed asking the study leader to examine the data in order to comment on the quality of the emerging findings (Merriam, 1995:55).

4.7.2 Transferability

Shenton (2004) refers to transferability, or external validity, as the extent to which the findings of the study can be applied to other situations or a wider population. Guba (1981:81) states that in order to ensure transferability the researcher should use thick descriptions. Thick descriptions involve providing an in-depth description of the phenomenon being studied in order for the reader to determine how the research relates to other situations and where the findings can be transferred (Merriam, 1995:58). In this study participants' own answers were used verbatim, and their responses on the first and second most important product attribute, in relation to exotic leather handbags, were included.

4.7.3 Dependability

Dependability can be described as testing the issue of reliability, referring to the fact that if the research were repeated and the same methods and participants were utilised, that the research would yield similar findings (Shenton, 2004). This includes the dependability of both the participants' measures as well as the outcome of the study as a whole (Terre Blanche *et al.,* 2006:92). Dependability relies on the researcher's ability to effectively design and implement the research by using the most suitable data collection method and then appraising the findings in order to ensure that they are dependable (Shenton, 2004). In this study the researcher pilot-tested the questionnaire with 12 participants who did not form part of the final study; also, a reliable data analysis software programme was used and the laddering process, as described by Reynolds and Gutman (1988), was employed.

4.7.4 Confirmability

Finally, confirmability has to be ensured. Confirmability, also referred to as neutrality or objectivity, is guaranteed when the methods used are explicated, are open to public scrutiny, are replicable, and the research is removed at least one step from researcher subjectivity (Guba, 1981:81). According to Shenton (2004), steps must be taken to ensure that the findings are the result of the experiences and ideas of the participants, rather than those of the researcher. Here triangulation can be applied in order to reduce the effect of researcher bias (Shenton, 2004). Peer review could also play a role here as the study leader will be able to point out whether the research conducted was without bias and influence of the researcher. To ensure confirmability the supervisor examined the data collected in order to comment on the quality of the findings.

In conclusion, it can be said that the researcher had taken conscious steps to obtain research that is credible, transferable, dependable and confirmable in order to ensure the trustworthiness of the research.

4.8 ETHICS

Ethics in research is underpinned by two perspectives, the one concerning itself with the values of honesty, frankness and personal integrity, while the other is concerned with the ethical responsibilities to the participants, such as voluntary consent, confidentiality and courtesy (Walliman, 2011:240). When citing another author's work, thorough referencing was done and a reference list, with a signed plagiarism form, will also be provided, thereby ensuring the integrity of the research (Walliman, 2011:241).

As this study made use of a questionnaire, it was necessary to find participants to participate. When working with participants it is of the utmost importance that the researcher as well as the research methods be sensitive to the participants' values, cultural traditions as well as practices of the community as a whole (Terre Blanche *et al.,* 2006:69). Therefore, in order to keep the participants fully informed about what the research is about, the questionnaire was equipped with a cover page which stated

what the study is about, and what the intention of the research was. Participants that were approached to take part in this study had the option to not participate, and when they did agree to take part, the identity of the participant was kept confidential (Walliman, 2011:252). Participants could also opt to withdraw from the study once they had started filling in the questionnaire (Adams & Berzonsky, 2004:40). It is further suggested that ethical research should select participants based on whether the research question applies to these participants (Terre Blanche *et al.,* 2006:71). Because of this, the participants that were chosen to participate form part of a very specific sample which was clearly defined before commencing the study.

Before the research commenced, the research proposal and questionnaire were submitted to the University of Pretoria's Faculty of Natural and Agricultural Sciences Ethics Committee, in order for the Ethics Committee to review and approve the research. Only once the research and questionnaire had been approved, the data was gathered.

4.9 CONCLUSION

Chapter 4 outlines the research design, method, trustworthiness as well as the ethical considerations of this study. The conceptual framework as well as aims and objectives that guided this study are outlined, as well as all the steps taken during the information gathering and information processing phase of this study. It is important to note that Gutman's (1988) MEC theory along with Wiedmann *et al*'s (2007, 2009) conceptual model for luxury value guided this study. Conscious steps were taken to ensure that this study's findings were trustworthy and ethics were complied with. The findings and discussions are provided in the next Chapter.

Chapter 5
FINDINGS AND DISCUSSION

This chapter introduces the demographic profile of the participants that partook in this study, followed by the findings in accordance with the objectives for this study. Findings are also interpreted and discussed in accordance with existing literature.

5.1 INTRODUCTION

The previous chapter discussed the research design and methodology used for this study. Chapter 5 presents and discusses the findings in terms of the four research objectives as outlined in Chapter 4. In addition to the discussion of the findings, the chapter starts off with the demographic profile of the participants.

5.2 DEMOGRAPHIC PROFILE OF THE PARTICIPANTS

By using convenience sampling along with the snowball sampling method, a total of 54 female participants were approached to take part in this study, from whom 40 usable questionnaires were obtained. This sample comprised of 32 White, 3 Coloured, 3 Black and 2 Indian participants, entailing that the majority of the participants for this study form part of the White ethnographic group (**Figure 5.1**).
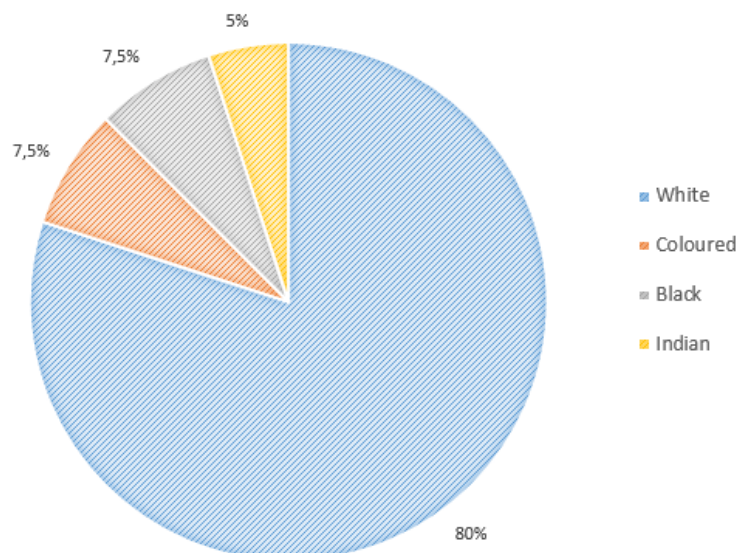
Figure 5.1: Participant ethnicity

As mentioned earlier, the sample was drawn from two major South African cities, namely Cape Town and Johannesburg, with 25% of the participants being situated in Cape Town and 75% situated in Johannesburg. From **Figure 5.2** it is clear that 25% of the participants had a monthly household income of more than R100 000, while another 40% had a monthly income of between R50 000 and R100 000 – indicative of their financial ability to purchase an exotic leather accessory.
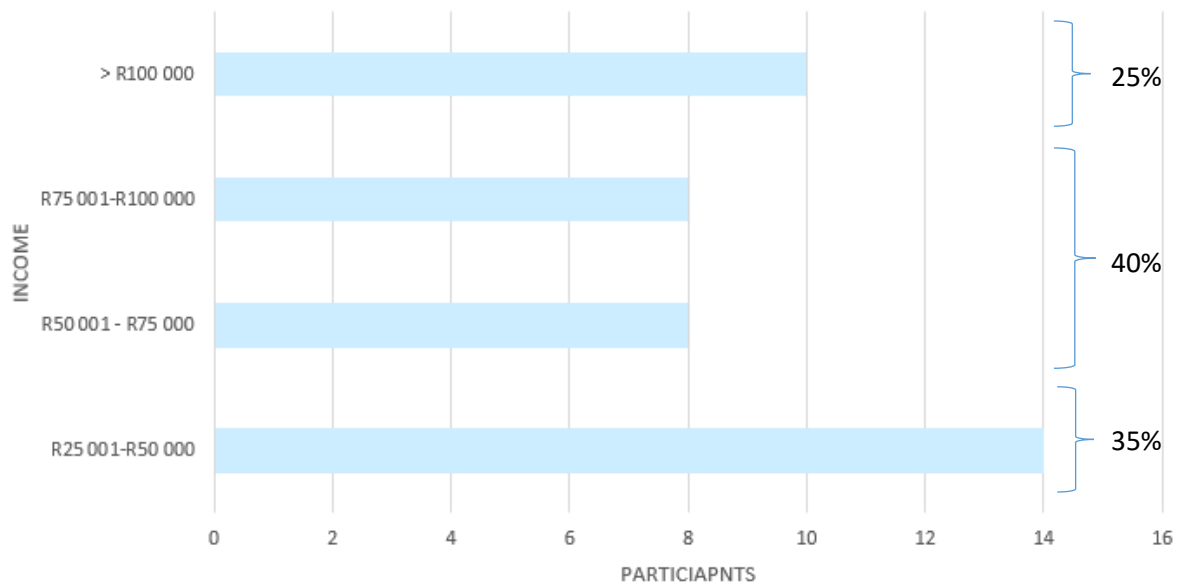
Figure 5.2: Income of participants

As seen in **Figure 5.3**, forty five per cent (45%) of the participants are in the younger age group of 30-45 years, while 55% are in the age group 46-60 years, indicating that they are all in workforce age groups where people usually also have an active social life.

It is important to note that ethnicity was not used as a differentiating demographic in this study, only citizenship and income above R25 000 were used as points of differentiation.
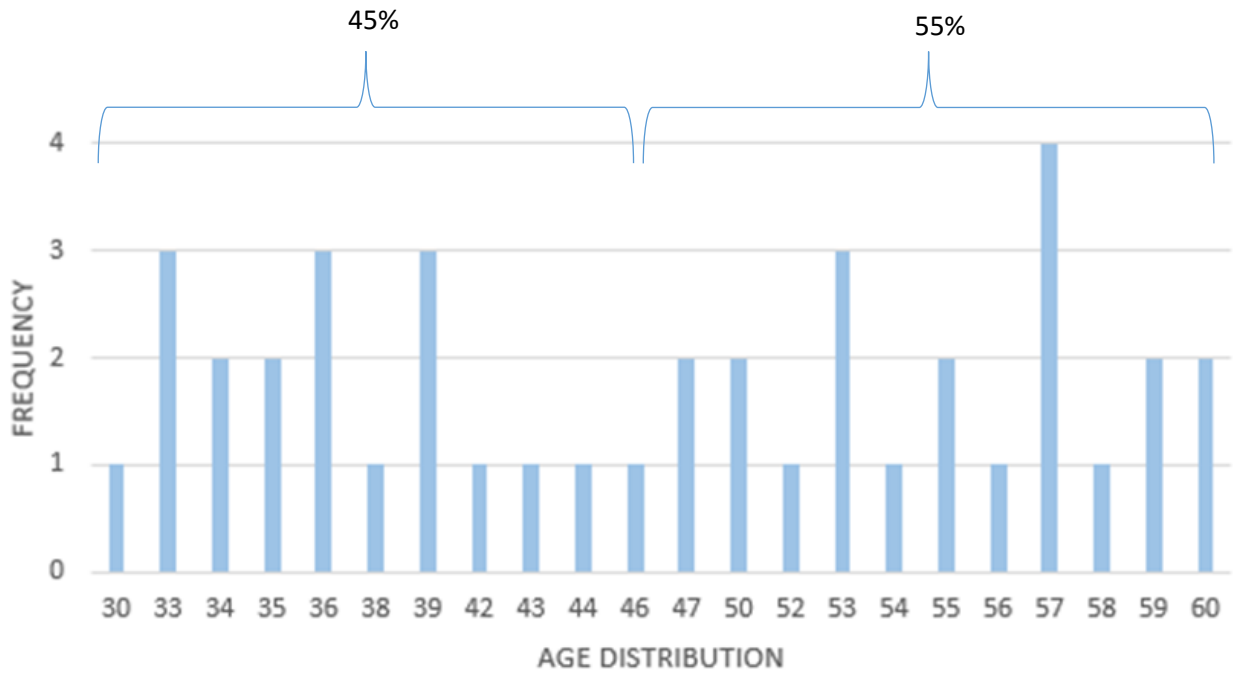
Figure 5.3: Age distribution of participants
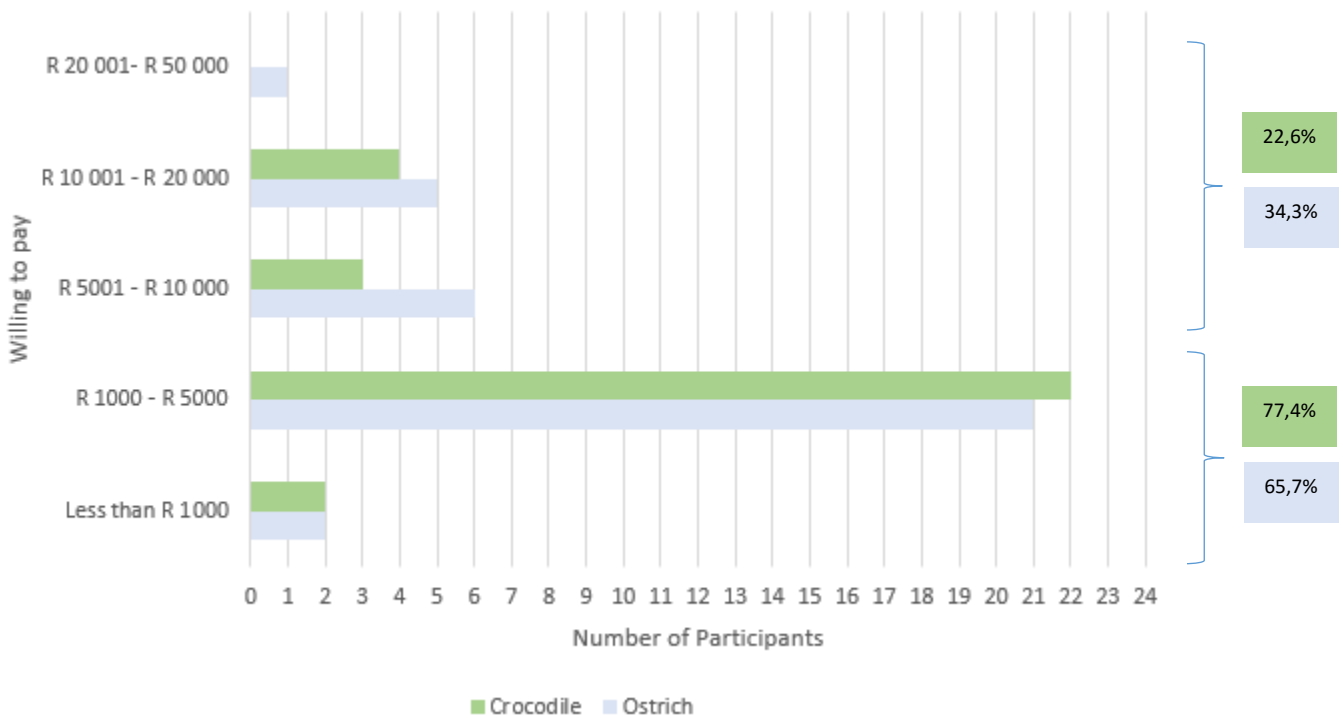
Figure 5.4: Rand value participants' are willing to spend on an ostrich and a crocodile leather handbag

In an effort to uncover how much participants were willing to pay for an exotic leather handbag, participants were asked to indicate what the maximum rand value would be that they were willing to pay for a crocodile and ostrich leather handbag respectively. Thirty-five of the 40 participants indicated how much they were willing to pay for an ostrich leather handbag and 31 of the 40 participants indicated how much they were willing to pay for a crocodile leather handbag. As seen in **Figure 5.4**, 65,7% of the participants that indicated how much they were willing to spend on an ostrich leather handbag and 77,4% of the participants that indicated how much they were willing to spend on a crocodile leather handbag specified that they were not willing to pay more than R5 000. While 34,3% of the participants that indicated how much they were willing to spend on an ostrich leather handbag and 22,6% of the participants that indicated how much they were willing to spend on a crocodile leather handbag, specified that they would pay between R10 001 and R50 000. This shows that affluent South African female consumers are not willing to pay market-related prices for an exotic leather handbag.

5.3 FINDINGS

This study aimed to explore and describe affluent South African female consumers' luxury value perceptions that motivate their purchasing behaviour for exotic leather accessories, handbags in particular.

Means-end Chain theory directed the study. Means-end Chain theory allows researchers to relate a consumer's product purchases into a hierarchical cognitive structure that is based upon the linkages between product attributes, consequences of product use and consumer values (Ter Hofstede *et al.,* 1998). This implies that consumers choose products based on which attributes they believe will result in certain desired end-states (Gutman, 1982). Therefore, understanding which product attributes consumers believe are important to a specific purchasing decision can lead to a better understanding of why these consumers purchase a particular product.

By utilising the hard laddering technique various ladders were elicited from the participants. The raw data obtained from the participants was then analysed by carefully assigning appropriate content codes to each product attribute, consequence

and personal value, as mentioned by the participants. These content codes, derived from the conceptual framework presented in **Figure 4.1** in Chapter 4, and the use of the MECanalyst V1.0.15 software programme provided valuable hierarchical value maps (HVMs).

The HVMs provide a visual representation of the most important product attributes, consequences and personal values as well as how these are all linked to one another with regard to the purchase of an exotic leather handbag. Colour coding was been used in the HVM for the purpose of easier identification of product attributes, consequences and personal values. The orange triangles represent the product attributes, the green rectangles the consequences and the personal values are represented by the red rectangles. Each rectangle represents a content code and provides the percentage and number of participants (n value) that named or mentioned the particular code (MECanalyst-Skymax-DG, not dated:28). As seen in **Figures 5.5** and **5.6**, the product attributes at the bottom of the HVM are linked by arrows to the consumer consequences, and the consumer consequence is then linked by arrows to a personal value associated with the consequence of use. The arrows that link the product attributes, consequences and personal values are different in thickness and represent the frequency of occurrence of the particular link between the two different codes; the thicker lines thus represent links that were mentioned by a larger number of participants.

It is also important to note that the HVM does not represent all the attributes, consequences and personal values mentioned by the participants of this study. The codes that are represented are filtered by the cut-off level that was chosen. Reynolds and Gutman (1988) suggest that different cut-off levels be tested in an attempt to allow the researcher to evaluate several different solutions and then choose the most informative and most stable set of relations or HVM. Therefore the cut-off levels chosen for this study were based on obtaining HVMs that provided the most meaningful information (Reynolds & Gutman, 1988).

Thompson and Ling Chen (1998:167) add that within the HVM two relations exist, namely direct and indirect links. Direct links refer to the relation between adjacent elements, which is indicated by a sequential order within the ladder, for example A – B – C – D (Reynolds & Gutman, 1988). However, a ladder does not provide only direct

links between elements, but also provides the indirect links, such as A – C, A – D, B – D and so forth. Therefore it is important to examine all the links and to determine which links are dominant within the map (Reynolds & Gutman, 1988).

Two separate HVMs, **Figures 5.5** and **5.6**, were drawn from the information obtained from the participants, highlighting the first and the second attribute mentioned when considering to purchase an exotic leather handbag. These HVMs and the information they provide regarding the product attributes, consequences and personal values are discussed separately below.

5.3.1 Objective 1

Objective 1 is to explore and describe which intrinsic and extrinsic product attributes are considered important when affluent South African female consumers consider buying an exotic leather handbag.

When indicating the attributes relative to luxury exotic leather handbags, participants mainly highlighted the concrete attributes (Table 5.1). As most important attribute, Design was mentioned by 30% of the respondents, followed by Perceived Quality (23%), Colour (15%), Size (13%) and Image (10%). Only Image was mentioned as an abstract attribute (although determined by concrete intrinsic attributes such as texture, colour, design, etc.) Twenty eight percent (28%) of the respondents who did not mention Design as the first most important attribute, mentioned it as the second most important attribute, followed by Colour (23%), Image (15%) and Size (13%). It should be noted that, although perceived Quality was mentioned as one of the important attributes, it is in fact a behavioural quality, determined by intrinsic attributes such as the textile (skin) and construction (craftsmanship). The importance of two intrinsic attributes, namely design and colour, should be noted. It is interesting to note that extrinsic attributes such as Brand Name and Country-of-Origin, which are usually important with regard to luxury products, could not be identified as important attributes in this study.

Table 5.1: Representation of the attribute, consequences and values derived from both HVMs

	Attributes		Consequences		Values	
	Concrete	Abstract	Functional	Psychological	Instrumental	Terminal
1st Attribute	Design (30%) Quality (23%) Colour (15%) Size (13%)	Image (10%)	Usability (35%) Price (13%) Quality (10%)	Self-identity (18%) Conspicuousness (8%)	Individual (33%) Social (13)%	Functional (40%) Financial (15%)
2nd Attribute	Design (28%) Colour (23%) Size (13%)	Image (15%)	Usability (40%)	Self-identity (28%) Hedonic (10%) Prestige (10%)	Individual (48%)	Functional (38%) Financial (13%)

5.3.2 Objective 2

Objective 2 was to explore and describe the consequences that affluent South African female consumers expect important intrinsic and extrinsic product attributes to have when using an exotic leather handbag.

Regarding the consequences that the most important attributes had to have for the participants, prevalence for the functional consequences over the psychological consequences was demonstrated (Table 5.1). This seems to makes sense as the participants mostly mentioned concrete attributes as most important. Most participants felt that Usability was the most important consequence for them (35%), followed by the psychological consequence of Self-identity (18%), and then the concrete consequences Price (13%), Quality (10%) and conspicuousness (8%). A slightly higher prevalence for the psychological consequences was demonstrated with regard to the second most important attributes. As in the case of the consequences of the most important attribute, Usability (40%) and Self-identity (28%) were again mentioned as the two most important consequences of the second most important attribute. With

regard to Usability and Self-identity as consequences, participants, for example, responded as follows:

Design: *"I prefer to purchase styles that will not outdate … wear for a few seasons."* (P20)

"I need to be able to get everything in." (P21)

"Design is important because I want to buy a handbag that is eye-catching and interesting." (P29)

"Because it is not just a handbag, but a style accessory that is important to how I feel." (P38)

5.3.3 Objective 3

Objective 3 is to explore and describe the value perceptions that drive affluent South African female consumers' choice of important intrinsic and extrinsic product attributes regarding exotic leather handbags.

Participants in this study considered a luxury exotic leather handbag as something that needs to have both instrumental and terminal values for them. Four luxury value perceptions could be identified with regard to their most important consequences, namely Functional value (40%), Individual value (33%), Financial value (15%) and Social value (13%) (Table 5.1), while only three luxury value perceptions could be identified with regard to the participants' second most important attributes, namely Individual value (48%), Functional value (38%) and Financial value (13%). Two value perceptions came out as important luxury value perceptions for the participants, namely Individual value, which was identified 32 times in total out of a possible 80 times (40%) with regard to the first and second most important attributes that were mentioned, and Functional value, which was identified 31 times out of a possible 80 times (38,7%). This could be deduced because there were 40 participants, each providing two product attributes, which then lead to two consequences, which enabled the researcher to deduce the two values associated with the product attribute and

consequence. With regard to the two most important luxury value perceptions, participants for example responded as follows:

Functional: *"I do not want an exotic bag that will tear after a year(s). I must be able to pass it down as an heirloom item."* (P38)

Individual: *"Because it is part of my personal brand. It makes me feel good."* (P39)

Interestingly, Social value, which is usually associated with consumers' luxury purchases, is apparently not an important luxury value perception during consumers' choice/consideration of an exotic leather handbag.

5.3.4 Objective 4

Objective 4 is to understand and describe the linkages between affluent South African female consumers' choice of exotic leather handbag attributes, the consequences that it should provide for them and the underlying value perceptions that drive these choices.

Two HVMs (**Figures 5.5** and **5.6**) present the findings for Objective 4, namely the links between the most important and second most important attributes mentioned, their consequences and the identified value perceptions. The HVMs present the direct links that form part of the analysis, where a cut-off level of 3 was chosen, meaning that the links or associations presented were mentioned by at least 3 participants.

In terms of the first attribute mentioned, the HVM (**Figure 5.5**) indicates that Design, as the most important attribute, is directly linked to two consequences, namely Self-identity (18%) and Usability (35%), with the link between Design and Usability being the strongest, indicated by the thicker line on the HVM. In the instance where Design is linked to the Usability of the product it refers to what the product is designed to do, implying the core benefit of a product that will lead to the satisfaction or dissatisfaction of the participant. The Self-identity consequence that is also linked to Design entails the way in which a participant perceives herself, indicating that the design of the product could lead to a participant expressing her self-identity by purchasing a particular design that relates back to her individuality.

67
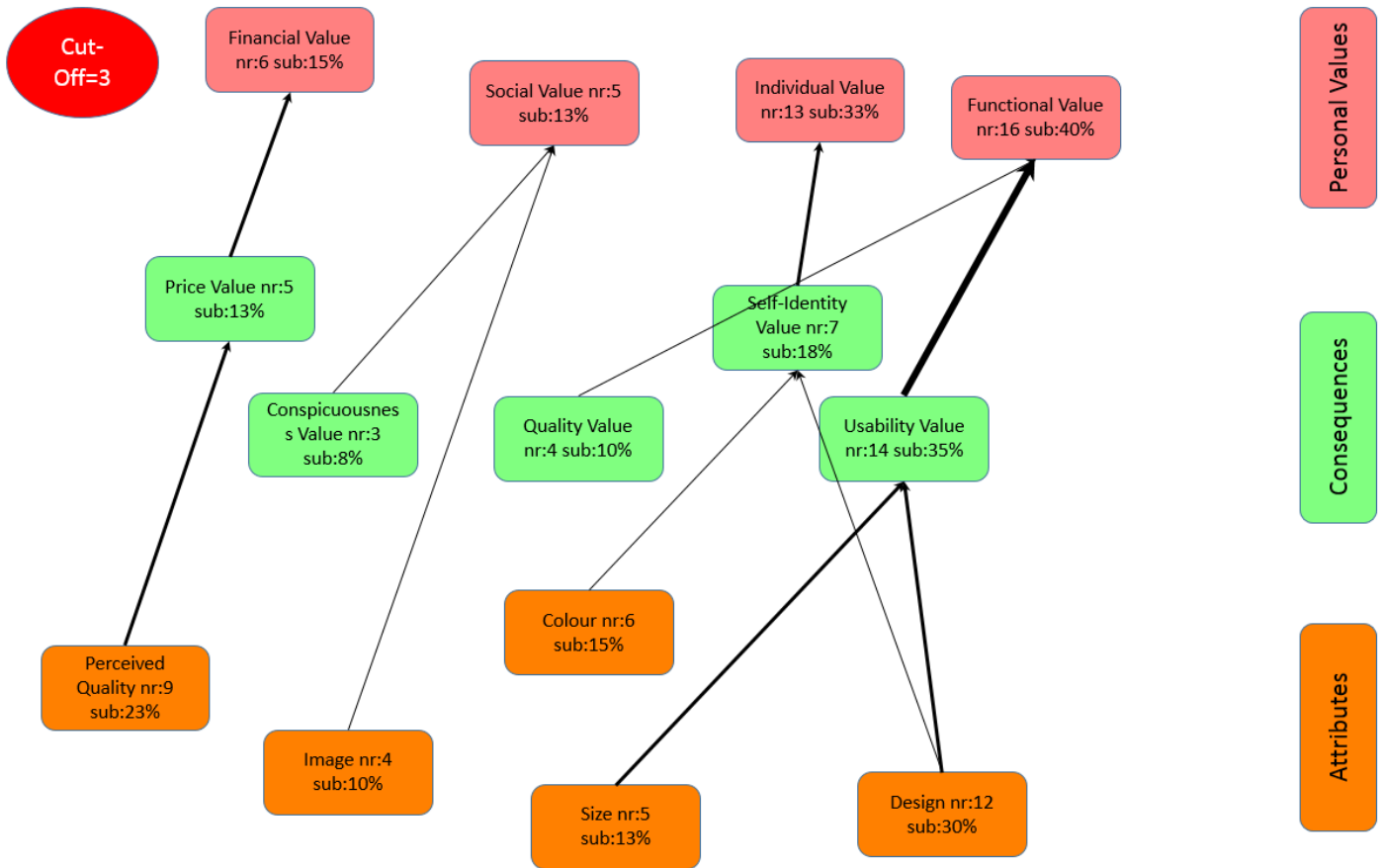
Note: *n* = 40, cut-off = 3. The blocks contain the description of the various decoded constructs and the number and percentage responses that were coded. The size of the arrows that connect the blocks is proportional to the number of connections between the constructs. The thicker the arrow is, the stronger the ladder between one construct and another is.

Figure 5.5: Hierarchical value map representing the first attribute considered when purchasing an exotic leather handbag

Usability as a design consequence is strongly and only linked to Functional value, while the consequence of Self-identity (also linked to the attribute Colour) is less strongly linked to the second most important value perception, namely Individual value (indicated by the thinner arrow). The importance of an exotic leather handbag's design, due to the Usability and Self-identity consequences that it can have for the participants, and driven by functional and individual value perceptions, is therefore clear. This is illustrated by the following responses by participants regarding design:

Usability: *"I need enough space to carry all my items"* ► Functional value: *"I like to keep a lot of things in my handbag as I never know what I might need."* (P6)

Self-Identity: *"Design needs to be flattering and interesting for me to buy. Pattern used or material used needs to be of a certain quality and standard."* ► Individual Value: *"Trends, and fashion at the same time, it needs to be timeless."* (P34)

Although Perceived Quality has been mentioned as an important attribute, it is in fact actually a behavioural quality, although influenced by the handbag's intrinsic concrete attributes. It can, however not be ignored as it was the most important attribute mentioned by almost 25% of the participants and is quite strongly linked to the financial consequences that it has for the participants and also quite strongly driven by the participants' Financial value perceptions (indicated by a thicker arrow).

The third most important attribute that was identified was colour (15%), which was linked to the consequence of Self-Identity and was driven by the participants' Individual value perceptions. It should further be noted that the less important first attribute Size (13%) was, as with design, strongly linked to the Usability consequence and again was driven by the participants' strong Functional value perceptions. Although Colour can be seen as a less important first attribute that was mentioned, it plays, like design, a definite role in the important Self-identity consequence, and is driven by an important value perception, namely the Individual value perception. It is interesting to note that, although Image (10%) could not be linked to any of the most important consequences, it could in the end be linked to the participants' Social value perceptions.
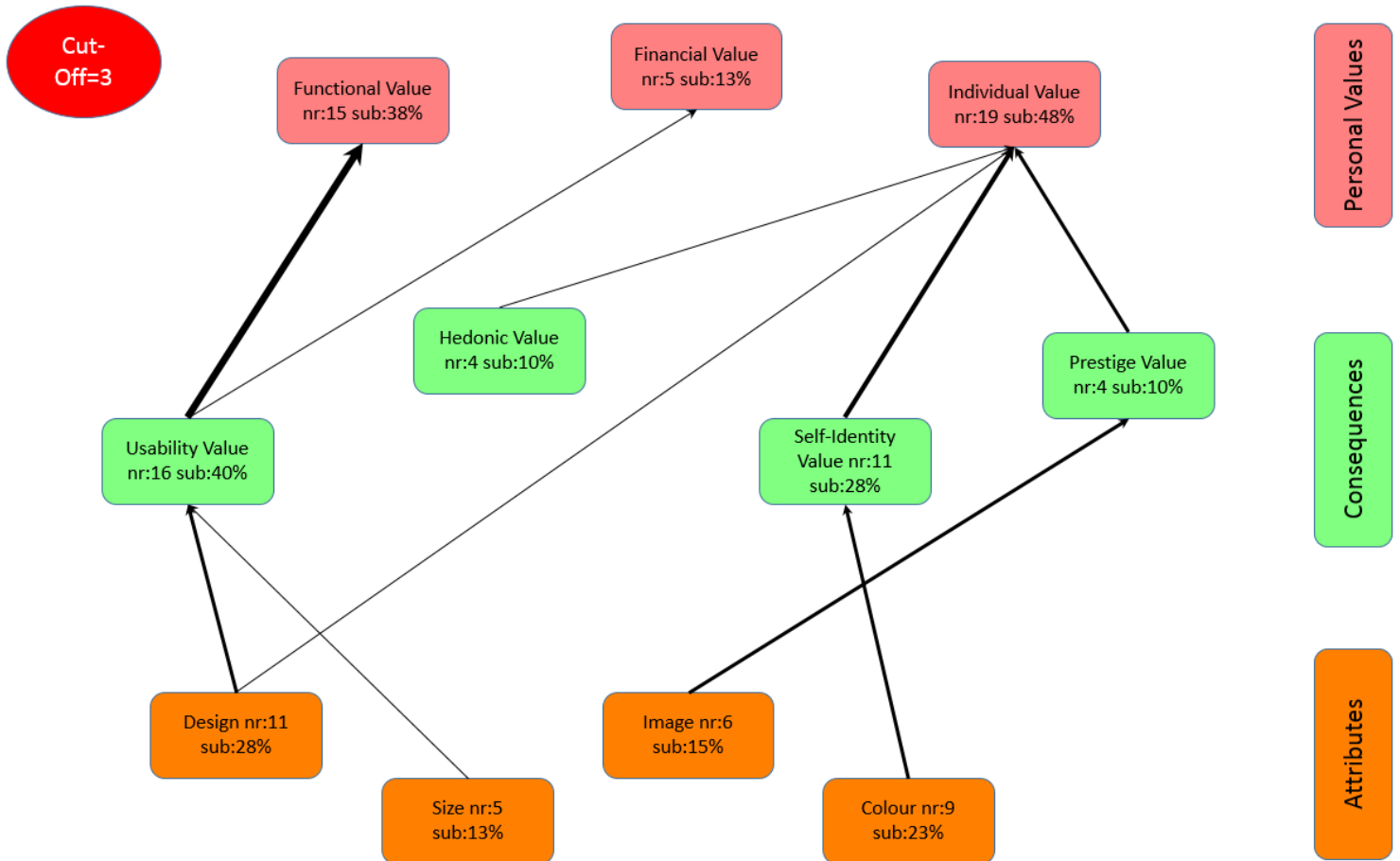
Figure 5.6: Hierarchical value map representing the second attribute considered when purchasing an exotic leather handbag

The HVM in **Figure 5.6** which represents the second attribute mentioned by participants, indicates that Design (28%) is the most important attribute. Design in this instance is directly linked to one consequence, namely Usability (40%), as well as directly linked to the personal value, Individual value (48%). In this instance Design is linked to the consequence Usability because of the functionality of the design. When Design is linked to Usability which leads to the satisfaction of the participants' need for Functional value (the second most important value perception in this instance), a participant values the practicality of the design and how the design simplifies certain everyday tasks. This is illustrated by the following responses by participants:

Usability: *"Design of the bag is important to me because it needs to be comfortable, as well as the size, it needs to be able to take in all the items I require to be in the handbag."* ► Functional value: *"I think the reason above is important to me because I am a mum and there are certain things that I need to fit in the bag as well as being comfortable, like when I need to carry my kids or hold their hand, I would appreciate the bag not sliding down my shoulder."* (P18)

The second most important attribute highlighted by the HVM in **Figure 5.6** was Colour (23%), which links directly to the Self-identity (28%) consequence, which has a strong link (indicated by the thicker line) to Individual value (48%), indicating that Colour in this case is important to the participants when forming their individual identity and the way in which they express themselves or their identity to others. With regard to this link, participants responded as follows:

Self-Identity: *"Colour determines my mood and style for the day or event,"* ► Individual Value: *"The right colour changes my whole day and outfit that I am wearing. You can feel chic, elegant and well-dressed within minutes."* (P13)

Image (15%) was mentioned as the third most important attribute, and is relatively strongly linked to the consequence of Prestige, and is driven by the participants' Individual value perceptions. Finally, Size (13%), the least important attribute, as with the design attribute, is again linked to the consequence of Usability, which is driven by the participants need to satisfy their Functional value perceptions.

5.4 DISCUSSION AND INTERPRETATION

The purpose of this study was to explore the value perceptions that drive affluent South African female consumers' purchasing behaviour for luxury exotic leather handbags, where consumer values are defined as relatively stable conditions as well as beliefs that have a strong motivational impact on consumers' buying behaviour (Vriens & Ter Hofstede, 2000). These values are imbedded in each individual and are strongly influenced by the social and cultural environment that the consumer belongs to (Hitlin, 2003). Gutman (1997) explains that consumers choose particular products because of their attributes that will provide for them certain consequences, which then assist

them in achieving their personal values. O'Shaughnessy and O'Shaughnessy (2004) note that without values, consumers would not be able to make choices. All trade-offs are made against values. Kim (2005) also states that values enable the consumer to generate certain goals and guide consumers' decision-making processes. Various previous researchers (Vigneron & Johnson, 1999; Wiedmann *et al.,* 2009) have studied consumers' luxury value perceptions and have developed theoretical models that explain these value perceptions. None of the previous studies have, however, focused on luxury value perceptions with regard to a specific luxury product, or have involved the South African female consumer.

In this study four luxury value perceptions that drive female participants' buying behaviour of exotic leather handbags could be identified from the findings, namely, Functional value, Individual value, Financial value and Social value. This is in accordance with Wiedman *et al.*'s (2007, 2009*)* work, where it was empirically determined that consumers' luxury value perceptions are based on social, individual, functional and financial aspects. Two value perceptions stood out in this study as important luxury value perceptions, namely Individual and Functional. According to the Means-end Chain theory (Gutman, 1982), Individual values are instrumental values that entail preferred end-states of a consumer's existence (for example, feeling good about the self), while Functional values are terminal values that are directly related to consumer behaviour (for example buying a product that will last longer).

Wiedman *et al. (*2007) define Functional value as a product's core benefits and basic utilities, such as its reliability, durability, usability and uniqueness. Bain and Company (2015) describe luxury consumers for whom Functional value is important, as "luxury mature and detached" consumers, for whom quality, durability and value for money are more important than brand and logo. Some of the participants, expressing the importance of functional values in this study, commented for example as follows:

> *"A handbag is something that you use every day. It must last for a long time."* (P22)

> *"It must be functional and practical for my needs."* (P21)

> *"I would like a bag for everyday use. I don't want the leather to show scratch marks easily."* (P11)

The Individual value dimension focuses on a consumer's personal orientation towards luxury consumption and addresses personal matters such as materialism, hedonism and self-identity (Wiedman, Hennings & Klarmann, 2012). Vigneron and Johnson (2004) refer to the so-called "perceived extended self" and state that these consumers acquire luxury goods in order to distinguish themselves from others and use luxury goods in order to create symbolic meaning for their individual identity. The experience of luxury helps consumers to negotiate and construct their personal self-narrative (Bauer, Von Wallpach & Hemetsberger, 2011), and makes individuals feel unique. Some of the participants, expressing the importance of Individual values in this study, commented for example as follows:

> *"I want to wear stuff that makes me happy."* (P20)

> *"The right colour makes my whole day and outfit that I am wearing. You can feel chic, elegant and well-dressed within minutes."* (P12)

> *"To look good is always important and that's why quality is very important. It is a sign of elegance."* (P30)

Participants in this study therefore wanted an exotic leather handbag firstly to give themselves concrete physical pleasure in the sense that it had to be practical, functional, large enough, etc. Secondly, they wanted the handbag to also give them abstract emotional pleasure in the sense that it had to make them happy, had to make them feel good about themselves and assist them in portraying their personal identity. For the participants in this study an exotic leather handbag therefore needed to give them a positive experience on a physical as well as an emotional level. This study's participants can be compared to those of Wiedman *et al.* (2009), namely Rational Functionalists who perceive individual and personal needs to be more important than their desire to make a good impression and belong to a special group of individuals. Kim, Forsythe, Gu and Jae Moon (2002) and Truong and McColl (2011) found superior quality and functionality, and self-directed pleasure as important motivators in both Western and Asian consumers' luxury consumption behaviour. Many researchers emphasise the importance of "experience" and specifically also product experience in luxury consumers' buying behaviour (Kim *et al.,* 2002; Atwal & Williams, 2009; Jung Choo, Moon, Kim & Yoon, 2012; Uotila, Falin, Aula & Vaaranka, 2005). In this regard, *Grigorian and Petersen* (2014) states that, "we are living in the experience economy.

Experiences engage customers and connect them emotionally to a brand or product. Experiences occur when customers interact [on a physical and emotional level] with one or more elements … and as a result extract sensations, emotions or cognitions." Hemetsberger, Von Wallpach and Bauer (2012) conclude from their research that these luxury experiences are inextricably linked with the consumer's self – a case of 'because I'm worth it'. The participants in this study placed a high premium on Individual value and Functional value, and showed that they would like to have positive experiences due to the fact that the exotic leather handbag does something important for them on a functional and a personal level.

> *"First of all, you want to make a statement, especially when you spent a lot of money. Secondly, a handbag is very personal for a woman, so in a way it expresses her personality. A handbag says a lot about a woman."* (P25)

Seven consequences that directly serve the four identified values could be identified in this study, namely the functional consequences, Usability, Price and Quality, and the psychological consequences, Self-Identity, Hedonic, Prestige and Conspicuousness. Two consequences that serve as antecedents of the value perceptions that were identified by the Wiedman *et al.* (2007, 2009) studies, and that could not be identified in this study, were Uniqueness as an antecedent of Functional Value and Materialism as an antecedent of Individual Value. Two strong consequences/antecedents could be identified, namely Usability and Self-identity. As in the Wiedman *et al.* (2007, 2009) model, Usability was also in this study strongly linked to Functionality Value, but, in this study, also to a lesser extent to Financial value (in the sense that it is worth paying for a functional handbag that you can use for a longer period of time without being dissatisfied with the purchase). Usability of a product involves both the product's properties and the consumer's needs, involving an objective and subjective judgment dependent on individual evaluation as well as the specific purpose of use from the consumer's point of view (Wiedmann *et al.,* 2009). Participants that indicated Usability as being important expressed their needs as follows:

> *"A handbag needs to be practical in that it is the right size and has space for all the odds and ends one needs to store in a handbag."* (P4)

74

"Needs to be practical and be able to hold glasses, purse, make-up, daughter's stuff etc." (P5)

"Quality is important to me because a bag is something that you use every day, it needs to withstand the wear and tear from everyday use." (P18)

"I prefer to purchase styles that will not outdate. Wear for a few seasons ..." (P20)

The above participant statements all reflect the need for ease of use, practicality and longevity of the product, indicating that participants are purchasing exotic leather handbags to provide concrete physical pleasure which are internally motivated.

Self-Identity as an antecedent, as in Wiedman *et al.* (2007, 2009), strongly serves in this study Individual Value, which is also served by the Hedonic consequence/antecedent, but in contrast with the Wiedman *et al.* (2007, 2009) study, was also quite strongly served by the Prestige consequence/antecedent, which is in the Wiedman *et al.* (2007, 2009) model linked to Social value. Self-Identity relates to internal motivations based on a consumer's need to satisfy aesthetic pleasures, cultural or personal sensibility to certain values or choosing products based on personal taste and individual style (Amatulli & Guido, 2011). This concept relates to consumers' willingness to use luxury goods in order to construct their own identities (Doss & Robinson, 2013). In this case participants indicated that they were willing to purchase an exotic leather handbag that would define who they were and would convey their identities or individuality to others (Belk, 1988). Participants expressing the importance of Self-identity in this study, mentioned the points below:

"Appearance/Style allows you to express yourself and look by the style you choose." (P1)

"Because it is not just a handbag but a style accessory that is important to how I feel." (P39)

"… No one wants a handbag that looks ugly. It has to be stunning and elegant." (P26)

The above indicates that these participants express who they are by carrying the exotic leather handbag. This is supported by previous research conducted by Amatulli and Guido (2011), which states that consumers are able to communicate something about themselves, including their personalities and lifestyle by merely purchasing a luxury product. Hudders (2012:610) also reiterates that consumers use their possessions as an extension of their self, which helps them communicate their identity to significant others.

With regard to this study the question arises: Why does Prestige serve quite strongly as an antecedent for Individual Value and not for Social, as generally proposed and also by the Wiedman *et al.* (2007) model? Wiedmann *et al.* (2007) state that prestige value encompasses consumers' needs to use luxury goods or other understated brands in order to conform to their social standards and neighbourhood. Furthermore it is stated that consumers use luxury brands in order to conform to group norms or to use as a symbolic sign of group membership (Wiedmann *et al.,* 2007), indicating that prestige value can be used as synonym for social identification. Prestige Value or social identification can thus be said to be closely linked to the Bandwagon effect, which according to Amaldoss and Jain (2005), is also known as the Follower effect due to a consumer's need or desire to conform. In the current study, Social Value was not identified as a strong value that drives the respondents' exotic leather accessory purchasing behaviour, and was only weakly linked to the weakest antecedent, namely Conspicuousness, and not to Prestige. The overall picture that one gets is of a sample with a strong Individual Value versus a relatively weak Social Value, to the extent that Prestige, as described by Vigneron *et al.* (2004), becomes part of the extended self and serves to communicate a personal lifestyle ("this is me with my own identity") that distinguishes the person from others' lifestyle ("I am not on that bandwagon"), and thus a dimension of Individual Value rather than Social Value. One should, however acknowledges that this was a qualitative study. Any new insights should therefore be empirically investigated.

Means-end Chain theory states that as consumers need to cope with tremendous offerings or variety of products that will potentially satisfy their values, they group these products into sets or classes so as to reduce the complexity of their choices (Gutman, 1982). This entails that consumers readily create product categories or classes based

on the products' function. In terms of exotic leather accessories, two classes of product sets could be chosen by the respondents, namely intrinsic (concrete) and extrinsic (abstract) product classes. Intrinsic product class attributes, such as textile, construction and design, are generally associated with the functional and formal aesthetical behavioural qualities of a product (e.g. usability and quality), while extrinsic product class attributes, such as brand name and country of origin are generally associated with socio-psychological behavioural qualities, such as prestige and conspicuousness etc. (Retief & De Klerk, 2003; De Klerk & Lubbe, 2004). However, when consumers lack the knowledge on intrinsic product qualities (as in the case of exotic products), they often turn to extrinsic product class attributes as indicators of, for example, the functional behavioural qualities such as usability or quality (Ziethaml, 1988).

Of the five attributes highlighted by the participants in this study, four were concrete in nature (Design, Size, Colour and Quality [quality, in fact a behavioural is influenced by the intrinsic concrete attributes]) and one was abstract in nature (Image). This means that for the participants of this study, concrete attributes reflecting the physical characteristics of an exotic leather handbag were of more importance than the abstract product attributes when purchasing an exotic leather handbag. All four concrete attributes were chosen because of the importance of Self Identity and Usability as important consequences for the respondents, and were driven by two strong value perceptions, namely Individual Value and Functional Value. Perceived Quality was in this study regarded as a basic attribute by the respondents, and although it can have usability consequences and thus Functional Value, it was linked only, although quite strongly, to the price consequence, driven by the less important Financial Value Perception. This could further be attributed to the participants of this study being more interested in the pleasure derived from using a luxury product and therefore possibly using price only as proof of the quality of the product (Husic & Cicic, 2009). Image, as an extrinsic (abstract) attribute could be linked directly only to Social Value, which was not identified as a strong driver in these consumers' purchasing behaviour.

In this study, design and colour stood out as the two attributes that had the most important effect on the respondents' most important desired consequences, driven by their strongest value perceptions. Design (in the sense of a product's physical

characteristics such as its style features, form, line and size) and colour play, according to Fiore and Kimle (1997:142), a major role in a product's instrumental (Personal) and terminal (Functional) value. The use of line, along with other elements of design, can, for example, create a specific body image for the wearer, but can also contribute to the dimensions of pleasure, arousal and dominance, all of which are important dimensions of a personal aesthetic experience (Fiore & Kimle, 1997:139), driven by an Individual Value perception. According to Amatulli and Guido (2011), top quality products are characterised by their design and are mainly purchased for their level of elegance and style. Fiore and Kimle (1997:128) further note that colour is frequently rated as the most important aesthetic criterion for preference for many fashion products and that it has rich symbolic and expressive potential to satisfy the wearer on a personal level. It has therefore a great impact on the wearer and others' perceptions and plays an important role in self-identification. Colour and design were in this study chosen as important attributes that contribute to the respondents' need for Self-identity, driven by a strong Individual Value perception.

> *"If I like the style and the design is appealing to me … I'm inclined to be quite impulsive with purchases."* P35

> *"Black, it goes with anything and it is elegant."* P29

The above discussion points to the fact that it is imperative for manufacturers, retailers and marketers, not only to know which attributes are important in the exotic leather female consumer's decision to buy an exotic leather handbag, but also to understand which consumption needs these attributes need to fulfil, as well as which important value perceptions drive their final purchase decision.

5.5 CONCLUSION

Chapter 5 includes all the information obtained from the self-administered questionnaire. This Chapter starts with an analysis of the demographic profile of the participants, including the participants' ethnicity, income and age distribution. This was followed by the information obtained regarding the product attributes the participants found to be important when purchasing an exotic leather handbag (Objective 1), the

consequences linked to the attributes mentioned (Objective 2) and the personal values (Objective 3) linked to purchasing an exotic leather handbag. The Chapter ends with the discussion and interpretation of the findings, starting with the personal values that drive the purchase of exotic leather accessories, the consequences that lead to the personal values being satisfied and end with the product attributes that participants found most important with regards to the decision to buy an exotic leather handbag. The HVMs in **Figures 5.4** and **5.5** illustrate the direct and indirect links as well as the strength of the links mentioned first and second by the participants of this study. This presents an overall view of what the participants of this study value when purchasing an exotic leather handbag.

The next chapter presents the conclusions drawn from the findings presented in Chapter 5 as well as the implications these conclusions may hold for marketers and retailers.

Chapter 6
CONCLUSIONS OF THE STUDY

The final Chapter presents the conclusion of the study in relation to the objectives of the study, the theoretical and managerial contributions that this study made, and evaluation of the trustworthiness and limitations of the study and recommendations for future research.

6.1   INTRODUCTION

This study was aimed at exploring affluent South African female consumers' luxury value perceptions of exotic leather accessories with the intention of adding to the current body of knowledge available on luxury value perception within a South African context. The conceptual framework and objectives were based on an integrated model of Gutman's (1982) Means-end Chain theory and Wiedman *et al.*'s (2007) conceptual model for consumers' luxury value perceptions.

The findings were discussed and interpreted in detail in the previous chapter. This chapter provides the conclusions in respect of the four objectives that directed this study, followed by the theoretical contributions of this study, the evaluation of the study, limitations and recommendations for future research.

6.2   CONCLUSIONS REGARDING THE OBJECTIVES

Forty women who resided in Cape Town and Johannesburg, South Africa, took part in the study, of whom 32 were White, 3 were Coloured, 3 were Black and 2 were Indian. They all had a monthly household income of above R25 000, while 25% of the participants reported a monthly income of above R100 000. Forty five percent of the participants fell in the age bracket of 30-45 years, while the rest reported their ages between 46 and 60 years. The maximum amount that they were willing to pay for an ostrich leather handbag was R50 000, while they were willing to pay a maximum of only R20 000 for a crocodile leather handbag.

6.2.1 Conclusions: Objectives 1

The first objective of this study was to explore which intrinsic and extrinsic product attributes the participants of this study considered important when purchasing an exotic leather handbag; the attributes of a product are its characteristics (concrete or abstract) which are sought by consumers. It can be concluded that of the five product attributes most commonly mentioned by participants (design, colour, quality, size and image) that the colour, design and quality attributes were considered to be the most important for the participants when considering to purchase an exotic leather handbag. Design and Colour are both concrete product attributes that relate to the directly perceivable characteristics of an exotic leather handbag (Gutman & Haley, 1997), therefore indicating that the participants valued these physical characteristics (style features, line, shape, size, colour) highly when choosing an exotic leather handbag.

In terms of the level of importance, the product attribute of Design was considered to be the most important by participants. This included aspects such as the number of compartments, being eye-catching and unique, as well as the practicality of the exotic leather handbag. Colour as product attribute was seen as being the second most important when choosing an exotic leather handbag; here participants indicated that they were looking for an exotic leather handbag that would suit their individual identity as well as being versatile (match all their outfits). Although quality was mentioned by the participants as an important product attribute it is in fact a behavioural attribute, which is influenced by intrinsic product attributes. It can overall be concluded that participants found the intrinsic product attributes of an exotic leather handbag to be more important.

6.2.2 Conclusions: Objective 2

The second objective was aimed at exploring which consequences the participants of this study expected intrinsic and extrinsic product attributes to have when using an exotic leather handbag; consequences refer to the perceived benefit that is associated with a specific product attribute (Gengler, Mulvey & Oglethorpe, 1999). Design and Colour, both intrinsic product attributes, were the most important for the participants

of this study. The product attributes mentioned by participants then produced five consequences that were highlighted, namely Usability, Price, Quality, Self-Identity and Conspicuousness. Usability and Self-identity consequences were the most important for the participants and were caused by the two intrinsic product attributes, Colour and Design.

Usability, a functional consequence accruing from the use of the product was linked to both colour and design. Both these attributes were linked to Usability in the sense that they would provide the participant with the core benefit of the exotic leather handbag being practical, easy to use and comfortable. Self-identity, a psychological consequence (produced by functional consequences), caused by the Design and Colour product attributes, enabled participants to express their individuality by owning an exotic leather handbag. This meant that choosing an exotic leather handbag of a particular design or colour would result in the Self-identity consequence: the participants of this study are using their possessions as an extension of their self as well as a means of communicating their identity to their significant others.

In summary, it can be concluded that the participants in this study expected an exotic leather handbag to provide them with physical (functional) and emotional (self-identity) pleasure.

6.2.3 Conclusions: Objective 3

The third objective was aimed at exploring the value perceptions that drive affluent South African female consumers' choice of important intrinsic and extrinsic product attributes regarding exotic leather handbags. Such value perceptions represent the basic needs and goals consumers use to guide their beliefs about and evaluations of products (Kim, 2005)

Four important values, instrumental and terminal, were mentioned by the participants, namely in order of importance, Functional, Individual, Financial and Social value. It can be concluded that, although four luxury value perceptions where elicited from the participants, that the value perceptions, Functional and Individual values, played a more important role for the participants of this study when purchasing an exotic leather

accessory. Functional value, with the antecedent of Usability, indicates that participants would purchase an exotic leather handbag offering the core benefit of having specific product properties, in this case the design and colour of the handbag that would fulfil their Functional needs. Individual value, an instrumental value, was important to the participants of this study, because by purchasing an exotic leather handbag of a specific design and colour, the participants could integrate a level of symbolic meaning into their identities. Individual value enables the consumer to feel good about themselves and allows them to portray a certain identity to others.

6.2.4 Conclusions: Objective 4

The fourth objective was focused on uncovering the linkages that exist between the choice of the exotic leather handbags' attributes, the consequences that these attributes provide and the underlying value perceptions that drive these choices. The linkages that were significant for this study were those linking the Design and Colour product attributes, to the Usability and Self-Identity consequences in an effort to attain Functional and Individual values by purchasing an exotic leather handbag. These linkages are illustrated below:

1. Design ► Usability ► Functional Value
2. Colour ► Usability ► Functional Value
3. Design ► Self-identity ► Individual Value
4. Colour ► Self-identity ► Individual Value

When considering the overall findings of this study it can be concluded that the affluent South African female participants that took part in this study looked for aesthetic product attributes (design and colour) to fulfil both Usability (functional) and Self-identity (psychological) consequences that were driven by Functional (terminal) and Individual (instrumental) values. Participants' purchasing of exotic leather handbags were motivated by their individual style, Functional and Individual values, as well as their own subjectivity, therefore internalised luxury (Amatulli & Guido, 2011). The first and second link uncovered relates mainly to the functionality of the exotic leather handbag; here the participants were looking for a handbag that was designed in such a way that made it easier to use, that was a comfortable size that could fit in all the

necessities and was durable, leading to the concrete physical pleasure derived from the handbag. The third and fourth important links uncovered mainly indicated that the affluent South African female participants wanted to purchase exotic leather handbags that allowed them to express their individuality, their own personal style and taste, as well as satisfy them hedonistically. Therefore when driven by Individual value these participants purchased luxury to communicate "something about themselves, their personalities and their lifestyle" (Amatulli & Guido, 2011), leading to the fulfilment of the abstract emotional pleasure sought by the participants of this study.

The above concrete product attributes, the consequences of use and the luxury value perceptions show that the participants of this study were more personally oriented and concerned about "luxury for oneself", because they focused more on the luxury product functions indicative of individuality rather than sociality (Tsai, 2005). Due to the nature of the research being exploratory and qualitative, further research should be conducted as the exploratory findings can only be considered as empirical hints to why consumers of a specific demographic background purchase exotic leather handbags.

6.3 CONTRIBUTIONS OF THIS STUDY

6.3.1 Theoretical contributions

This study aimed to contribute towards conceptualising luxury value in the context of the attribute, consequence and luxury value perceptions relationship that drives affluent South African female consumers to purchase exotic leather handbags. It should provide insight into which luxury value perceptions are most important for the affluent South African female consumer when purchasing exotic leather handbags, the consequence of use, and which product attributes are considered first when making the purchasing decision.

All four first-order variables of luxury values, namely Financial, Functional, Individual and Social value, based on Wiedmann *et al.*'s (2007) integrated conceptual framework of consumers' luxury value perceptions, were examined in this study. Wiedmann *et al.* (2007) developed their integrated conceptual framework to enable researchers to

measure the dimensions of individual luxury value perceptions with the aim of improving marketing strategies and being able to improve the value derived from a purchase for different consumer segments. With regard to the findings of this study all four luxury value perceptions, based on Wiedmann *et al.*'s (2007) conceptual model of luxury value perception, were found to play a role (in varying degrees) in the purchasing decision for the participants of this study. Of the four luxury value perceptions, Individual value and Functional value were highlighted by participants as being the most important values that influence them to purchase an exotic leather handbag. It was evident that the participants of this study were not motivated to purchase luxury exotic leather handbags in order to impress others or to conform to a certain reference group (Social Value), but that the purchase was motivated by their individual style (Individual Value) and need for functionality (Functional Value).

The consequences of use identified by the participants, namely Usability and Self-Identity, were also indicative of the participants' need for Functionality and Individual value respectively. Wiedmann *et al.*'s (2007, 2009) integrated model for luxury value also find that the dimension of Functional value is strongly driven by three antecedents namely Usability, Uniqueness and Quality value. In this study, only Usability and Quality value were identified as antecedents to Functional value, with Usability being the most important. It is therefore evident that the participants did not consider uniqueness of the handbag to be an important antecedent. According to Wiedmann *et al.*'s (2007, 2009) conceptual framework, Individual value has three antecedent constructs, Self-identity, Hedonic and Materialistic value. The participants of this study did in fact find Self-identity and Hedonic value to be important antecedents to Individual value, but Materialistic value was not indicated as an important antecedent to Individual value. It was also interesting that in this study Prestige Value was linked to Individual Value, rather than to Social Value, as shown on the integrated conceptual framework by Wiedmann *et al.* (2007, 2009), restating the importance of Individual value, rather than Social value, for the participants of this study. Therefore, as stated by Amatulli and Guido (2011), luxury enables these consumers to communicate something about their personality, individual style and lifestyle, which improves their interpersonal relationships and gratifies them.

Furthermore this study should contribute to existing theory highlighting the value of utilising the Means-end Chain theory and laddering when trying to elicit hierarchical constructs and investigating how a product is connected to a consumer's personal values (Gutman & Hayley, 1997; Veludo-de-Oliveira *et al.,* 2006;). In this study, by utilising the Means-end Chain theory, valuable information regarding the attribute-consequence-value relationship that participants had with exotic leather accessories could be determined and examined.

6.3.2 Managerial contributions

If South African retailers, brand managers and advertisers explore the attribute-consequence-value relationship that exists when consumers purchase exotic leather accessories, it will allow them to develop specific market segments and marketing strategies that will enable them to create a more desirable product offering for the affluent South African female consumer that is driven by what these consumers value. This study could also shed some light on the cognitive dimensions involved in purchasing this product (Wiedmann *et al.,* 2007, 2009).

Seen overall, the findings of this study provide empirical evidence regarding the affluent South African female's pursuit for Individual and Functional value, driven by Usability and Self-identity consequences of use from the Design and Colour attributes, when purchasing an exotic leather handbag. Social value, although mentioned, played a marginal role in this purchasing decision, indicating that rather than focusing on luxury purchases being motivated by "buying to impress others", South African retailers, brand managers and advertisers could use the notion of "luxury for oneself" which shifts the focus to the functionality of the product as well as how the product will enhance a consumer's self-identity.

By taking the findings of this study into consideration, product marketers and brand managers could further enhance the effectiveness of their product offering as well as marketing activities around their exotic leather handbags. It is important that the product's functionality and how it enhances the consumer's self-identity are taken into consideration when designing an exotic leather handbag, as these seem to be the

main values driving the purchasing decision of affluent female consumers. Self-identity could be taken into account by offering the service of personalisation, or customisation to the consumer. For brand managers and advertisers, rather than focusing on social acceptance and reference groups, focus should be placed on a culture of individuality and expressing one's self-identity by purchasing a specific exotic leather handbag.

The findings around what the participants were willing to pay for a crocodile and ostrich leather handbag indicated that the majority of the 65% of participants favouring ostrich leather and 77% of participants favouring crocodile leather were willing to pay between R1 000 to R5 000, which is relatively inexpensive for an exotic leather handbag taking into account the process and procedures it takes to produce these handbags. Therefore, South African retailers, brand managers and advertisers could also develop strategies to educate affluent South African female consumers about the processes and procedures involved in making an exotic leather handbag in order to justify the premium price.

6.4 EVALUATION AND TRUSTWORTHINESS OF THE STUDY

This section aims to evaluate this study in terms of the research approach and strategy that were followed, the unit of analysis, the data collection techniques utilised, including the data analysis procedure, and which methods and subsequent steps were used in order to ensure trustworthiness. For qualitative research it is always important to strive to prove the trustworthiness of the research. Therefore in order to ensure trustworthiness, the researcher tried to adhere to four simple criteria, which were that the research should be credible, transferable, dependable and confirmable (Shenton, 2004).

6.4.1 Research approach and strategy

This study used a qualitative research paradigm in conjunction with the Means-end chain theory in order to achieve the research objective set out at the start of this study (see Chapter 4). A literature review was done at the start of the study, allowing for a

greater understanding of all the constructs and dimensions of luxury value and to ensure that all concepts that were codified were clearly defined, increasing the credibility of the study's findings. The Means-end Chain theory together with hard laddering proved effective in eliciting valuable insights into the luxury value perceptions that affluent South African female consumers deem important when purchasing an exotic leather handbag, and thereby enabling the researcher to explore and describe the relationship that exists between the product attributes, the consequences of use and the values linked to the purchase of exotic leather handbags.

6.4.2 Unit of analysis

The unit of analysis that was chosen to be studied was affluent South African female consumers that reside in Gauteng and Cape Town (see Chapter 4). Convenience and snowball sampling was employed to obtain 54 self-administered questionnaires (excluding the questionnaires that were pilot-tested), of which 40 questionnaires were usable. The sample consisted of South African female participants forming part of the 30-60 year age group. This sample comprised of 32 White, 3 Coloured, 3 Black and 1 Indian participant, which means that the majority of the participants for this study belonged to the White ethnographic group. The income of these participants ranged from R25 000 to R100 000 per month, with 35% of the participants earning between R25 000 to R50 000 per month, which could have influenced their value perceptions as they could not be considered as high income earners. Due to the limited sample size as well as the convenience and snowball sampling method utilised, the findings of this study cannot be generalised to the greater South African population. The findings are also therefore limited to the sample and the locations in which this study was conducted.

6.4.3 Data collection technique

As discussed in Chapter 4, self-administered questionnaires making use of hard laddering were used to collect the data for this study (see Addendum B). In order to

ensure the credibility and dependability of the findings, the questionnaire was pilot-tested among 12 participants (who did not form part of the final sample), was analysed and member checks were performed in order to establish any visible errors or false representations of reality. This method of data collection was deemed appropriate as it enabled the researcher to collect data that provided valuable insights into which luxury value perceptions the affluent female participants deemed important when purchasing exotic leather accessories. Laddering, a method that is used to elicit means-end chains from participants, by the repeated application of a series of "why?" probes that urge participants to provide an answer, made it possible for the researcher to determine sets of linkages between perceptual elements across the range of attributes, consequences and values (Gutman & Haley, 1997; Reynolds & Gutman, 1988).

Using a self-administered questionnaire also facilitated in making the participants feel at ease, as they were ensured of their anonymity and they did not have to provide their name, and when they did were ensured that it would be kept confidential. Hard laddering also eliminates interviewer bias, which may exist when a soft laddering approach is used (Grunert *et al.,* 1995:12).

6.4.4 Data analysis

Data analysis was performed using content analysis as described by Gutman (1982). Each participant's answers were captured electronically, utilising an Excel spreadsheet; these answers where then inspected for completeness by the researcher and the supervisor of this study, thus enhancing the dependability of the research. Once all the answers were captured, content analysis was performed whereby each answer was assigned a content code that correlated with the theoretical framework in Chapter 4. The data-capturing and processing took most of the time as the answers of the participants were read and re-read by both the researcher and the supervisor, so as to ensure that the correct content codes had been assigned to the corresponding questions. Finally, the answers provided by the participants and the relevant content codes were entered into the MECanalyst V 1.0.15 software programme. The MECanalyst V 1.0.15 software programme was crucial to this study and allowed the

researcher to create the HVMs that visually represents the most important attributes, consequences and values as well as their direct and indirect links, which aided in the interpretation of the findings. Furthermore, the study's supervisor checked whether the researcher had interpreted the final findings correctly. 'Peer review' also enhanced the credibility and conformability of this study's findings as the study's supervisor examined the data collected in order to comment on the quality of the findings.

By making use of the participants' own answers and responses (verbatim) on first and second most important product attributes that were provided by the participants in relation to exotic leather handbags, the transferability of this study was ensured.

6.4.5 Ethics

The self-administered questionnaire that was employed as data collection instrument, was accompanied by a cover letter (see Addendum A) that briefly outlined the aim of the study and reassured the participant of the confidentiality of the information obtained. Therefore, in order to remain ethical, once the study and the objectives were explained to the participants, the individuals approached to take part in this study were ensured of their anonymity, participated in this study of their own free will by verbal consent, and were allowed to withdraw if they felt they no longer wanted to take part in this study. The questionnaire also used various open-ended question where participants could provide answers in their own words, thus minimising bias and leading questions.

6.5 LIMITATIONS OF THIS STUDY

This study was conducted using a qualitative approach. The aim was to explore and describe the value perceptions that drive affluent South African female consumers' purchasing behaviour for luxury exotic leather handbags. The findings and conclusions suggest that the aim of this study was achieved since the findings revealed the attribute-consequence-value relationship that exists when an exotic leather handbag is purchased, and led to uncovering the Functional and Individual value perceptions that influenced the purchasing behaviour of the participants of this study when purchasing exotic leather accessories. Although the findings of this study produced

some exploratory evidence regarding which value perceptions drove affluent South African female consumers, due to the time and financial constraints, resulted in the use of convenience sampling. Whereas this sampling method might be appropriate for the sample size and is appropriate for this kind of qualitative research, this sampling method does not allow for the empirical findings to be generalised to a wider population. It could also be stated that it was also not ideal that the participants of this study were representative of two separate cities, but this study was exploratory and provided value in the fact the use of the MECanalyst programme, could enable future research to explore the attribute-consequence-value relationship more in depth. Therefore the findings of this study pertain only to the participants that participated in this study.

Another limitation to this study was that the participants consisted of 32 White, 3 Coloured, 3 Black and 1 Indian participant, which indicated that the majority of the participants formed part of the White ethnographic group.

6.6 RECOMMENDATIONS FOR FUTURE RESEARCH

This study's findings highlight the importance of understanding why consumers purchase certain products, and in the case of this study what attribute-consequence-value relationship exists between the participant and the exotic leather handbag purchasing decision. As convenience sampling and a qualitative research design was used as sampling method, the findings of this study can only be applied to the participants of this study and therefore future research should employ a quantitative research technique in order to obtain findings that are generalisable to a wider population.

Another limitation of this study included that the sample consisted of mainly White participants; future research should strive to include all ethnic groups in order to adequately represent all ethnicities.

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ADDENDUM A: COVER LETTER

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Dear Participant,

This study forms part of retail research at the University of Pretoria in the field of Clothing Retail Management. This research focuses on the **consumers' value perceptions that influence the purchase of exotic leather accessories.**

South African exotic leather can be classified as crocodile and Ostrich leather.

Your opinion is valuable for the research and it would be greatly appreciated if you could find time to complete the questionnaire. It will take approximately 20 minutes to complete. There are no right or wrong answers. You are requested to fill in the questionnaire as freely and honestly as possible. You may withdraw from participating at any given time. **Your responses will be confidential and individual responses will not be reported on.** Findings of this study will be used to provide a better understanding of the luxury value perceptions that motivate the purchase of exotic leather accessories.

Thank you very much for your time and cooperation.

Yours sincerely,
Melissa Stephenson

If you have any questions, please do not hesitate to contact me at 082 320 0423 or email me at mstephenson1@yahoo.co.za

ADDENDUM B: QUESTIONNAIRE

SECTION 1

1. What is your age? _____ yrs.

2. Are you currently residing in South Africa?

Yes	
No	

3. In which City of South Africa do you reside?

_____

4. According to the Employment Equity Act, how would you classify yourself? **Please indicate with an X.**

Black	
White	
Coloured	
Indian	
Other, please specify	

5. Monthly **household** income before deductions

Less than 25 000	
Between R 25 001- R 50 000	
Between R 50 001- R 75 000	
Between R 75 001- R 100 000	
More than R100 00	

*** Please turn the page***

6. Would you like to own an exotic leather handbag or accessory?

Yes	
No	

*** If you have answered NO to the above question you do not need to participate further***

Please **see the below examples** of exotic leather handbags. Please take note that these are only examples of what the exotic leather looks like.

Ostrich

Crocodile

7. When choosing an exotic leather accessory, would you rather own an ostrich or crocodile leather accessory. **Please indicate with an X**

Ostrich		
Crocodile		
Other		Please Specify:

8. What is the maximum you are willing to pay for:
   - A Crocodile leather handbag: _____
   - An Ostrich leather handbag:_____

104

10. When considering buying an exotic leather handbag, what are the three (3) most important attributes/ things/characteristics you will always consider when choosing the handbag.

Attribute 1:

Attribute 2

Attribute 3

11. Now I would like to explore why you have chosen **Attribute 1**. Think carefully about **Attribute 1**. Can you please explain why you have chosen **Attribute 1** by writing the reason in the block below.

Reason for choosing Attribute 1

12. Now please explain why the reason given above is important to you. If you have any particular feeling you would like to express regarding why you chose **Attribute 1** you may write that down as well. In other words why would **Attribute 1** sway you to purchase a specific exotic leather handbag.

Importance of the reason above

*** Please turn the page***

105

13. Now I would like to explore why you have chosen **Attribute 2**. Think carefully about **Attribute 2**. Can you please explain why you have chosen **Attribute 2** by writing the reason in the block below.

Reason for choosing Attribute 2

14. Now please explain why the reason given above is important to you. If you have any particular feeling you would like to express regarding why you chose **Attribute 2** you may write that down as well. In other words why would **Attribute 2** sway you to purchase an exotic leather accessory.

Importance of the reason above

THANK YOU FOR YOUR PARTICIPATION!!