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Faculty of Natural and Agricultural Sciences

Eastern and Western tourists' luxury value perceptions and needs for specific attributes of an online presence for exotic leather goods

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DISSERTATION

M Cons Sc (Clothing Management)

Supervisor: Prof HM de Klerk

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**Oosterse en Westerse toeriste se luuksheid waardepersepsies en behoeftes
vir spesifieke eienskappe van 'n eksotiese leerproduk se aanlyn-
teenwoordigheid**

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VERHANDELING

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by

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Dissertation submitted in fulfilment of the requirements for the degree

M Consumer Science (Clothing Management)

in the

Department of Consumer Science

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DECLARATION

I, Ariëlle Ferreira, hereby declare that the dissertation hereby submitted by me is my own work for a Master's degree in Consumer Science at the University of Pretoria, and has not previously been submitted for a degree at this university or at any other tertiary institution, and that all reference material contained herein has been acknowledged.

.....

Signed: Ariëlle Ferreira

.....

Date

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ABSTRACT

Eastern and Western tourists' luxury value perceptions and needs for specific attributes of an online presence for exotic leather goods

By

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Department: Consumer Science

Degree: Master's in Consumer Science: Clothing Management

The study investigated Eastern and Western tourists' luxury value perceptions regarding exotic leather products, the e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence and the influence this has on their purchasing intent. A survey was conducted that focused on American and Chinese luxury consumers and was facilitated by an international independent company, Qualtrics. Qualtrics assisted with collecting the data by means of a non-probability convenient sampling method. Online questionnaires were distributed to consumers on their data basis and 1043 usable questionnaires were collected, of which 525 were from Chinese respondents (translated to Cantonese and Mandarin) and 518 were from American respondents. The statistical analysis that was conducted consisted of descriptive statistics, factor analysis, Levene's test of equality of variance and Pearson's Correlation Coefficient. The demographic and consumer behaviour findings assisted in better understanding the Eastern and Western tourist. The study's findings showed that almost all of the respondents were aware that South Africa is known for its exotic crocodile and ostrich leather. Most of the respondents fell in the millennial age group. The most common type of purchase made by Americans were accessories for themselves, while the Chinese rather purchased souvenirs on their trips. Chinese respondents mostly used Blogs, while Americans preferred to use Facebook, to gain information.

This study also showed that the luxury value perceptions might be different between cultural groups. Both the groups conceptualised their luxury value perceptions completely different to what previous literature states. Two luxury value perceptions could be identified for the American respondents, namely "Me" value and Financial value, while there were three luxury value perceptions for the Chinese respondents, namely "Pleasure" value, Social value and Financial value. This difference in the luxury value perceptions was also evident in the respondent's e-luxe value perceptions. The self-developed scale based on the values of e-luxe model showed that both groups also conceptualised their e-luxe values differently. The two e-luxe value perceptions identified for the Americans were

“American Experience” e-luxe value and “Perceived Me” e-luxe value. The two e-luxe values that could be identified for the Chinese respondents were “Chinese Experience” and “Price”.

The study also found that both the groups expressed very strong purchasing intentions for exotic leather products with no significant difference between the two groups. The results also showed significantly strong positive correlations between American respondents’ “Me” and Chinese respondents’ “Pleasure” luxury value perceptions, and their purchasing intent. Significantly strong positive correlations were also seen between American respondents’ “American Experience” and Chinese respondents’ “Chinese Experience” luxury value perceptions, and their purchasing intent. This serves as a guide to South African and international retailers and marketers to position their exotic leather products in such a way that it communicates important luxury values to international tourists and thereby influences their purchasing intent in a positive way.

Keywords: exotic leather products, luxury value perceptions, e-luxe value perceptions, purchasing intent, Eastern and Western tourists, South African exotic leather industry

OPSOMMING

Oosterse en Westerse toeriste se luuksheid waardepersepsies en behoeftes vir spesifieke eienskappe van 'n eksotiese leerprodukt se aanlyn-teenwoordigheid

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Graad: Meestersgraad in Verbruikerswetenskappe: Kledingbestuur

Die studie het Oosterse en Westerse toeriste se luuksheid waardepersepsies aangaande eksotiese leerprodukte, die persepsies van e-luukse waarde wat hul voorkeur geniet vir spesifieke eienskappe van 'n eksotiese leerprodukt se sosiale media-teenwoordigheid en die invloed wat dit op hul aankoopvoorneme het, ondersoek. 'n Opname is uitgevoer wat op Amerikaanse en Sjinese luukse verbruikers gefokus het en wat deur 'n internasionale onafhanklike maatskappy, Qualtrics, gefasiliteer is. Qualtrics het die versameling van data gedoen, deur middel van 'n nie-waarskynlikheids-gerieflikheidsteekproefmetode. Aanlyn-vraelyste is aan verbruikers op hul databasis versprei en 1043 bruikbare vraelyste is ingesamel, waarvan 525 van Sjinese respondente (vertaal na Kantonees en Mandaryns) en 518 van Amerikaanse respondente was. Die statistiese analise wat uitgevoer is, het bestaan uit beskrywende statistiek, faktorontleding, Levene se Toets van Gelykwaardigheidsvariansie en Pearson se Korrelasiekoëffisiënt. Die bevindinge van demografiese en verbruikersgedrag het gehelp om die Oosterse en Westerse toeris beter te verstaan. Die studie se bevindinge het getoon dat byna al die respondente bewus was daarvan dat Suid-Afrika bekend is vir sy eksotiese krokodil- en volstruisleer. Die meeste respondente het in die sogenaamde "millennial"-ouderdomsgroep geval. Die mees algemene soort aankoop wat deur Amerikaners gemaak was, was bykomstighede vir hulself/persoonlike gebruik, terwyl die Sjinese eerder aandenkings van hul reise gekoop het. Sjinese respondente het meestal Blogs gebruik, terwyl Amerikaners Facebook verkies het om inligting te bekom.

Hierdie studie het ook getoon dat die luuksheid waardepersepsies verskil tussen kultuurgroepe. Beide die groepe het hul luuksheid waardepersepsies heeltemal anders gekonseptualiseer as wat blyk uit vorige literatuurstudies. Twee luuksheid waardepersepsies kon geïdentifiseer word vir die Amerikaanse respondente, naamlik "Ek"-waarde en Finansiële waarde, terwyl drie luuksheid waardepersepsies vir die Sjinese respondente geïdentifiseer kon word, naamlik "Plesier"-waarde,

Sosiale waarde and Finansiële waarde. Hierdie verskil in die luuksheid waardepersepsies van die twee groepe was ook duidelik in die respondente se e-luukseid waardepersepsies. Die selfontwikkelde skaal wat gebaseer was op die Waardes van die e-luukseidmodel het getoon dat beide groepe hul e-luukse waardes ook anders gekonseptualiseer het. Die twee e-luukseid waardepersepsies wat vir die Amerikaners geïdentifiseer was, was die e-luukse waarde van "Amerikaanse ervaring" en die e-luukse waarde van "Waargenome ek". Die twee e-luukse waardes wat vir die Sjinese respondente geïdentifiseer kon word, was "Sjinese ervaring" en "Prys".

Die studie het ook bevind dat beide die groepe baie sterk koopvoornemens vir eksotiese leerprodukte uitgespreek het, sonder enige betekenisvolle verskil tussen die twee groepe. Die resultate het ook beduidende sterk positiewe korrelasies tussen Amerikaanse respondente se "Ek" en Sjinese respondente se "Plesier" luuksheid waardepersepsies en hul aankoopvoorneme getoon. Daar was ook beduidende sterk positiewe korrelasies tussen Amerikaanse respondente se "Amerikaanse ervaring" en Sjinese respondente se "Sjinese ervaring" luuksheid waardepersepsies en hul aankoopvoorneme. Dit dien as 'n riglyn vir Suid-Afrikaanse en internasionale kleinhandelaars en bemarkers om die belangrike luuksheid waardepersepsies van hul eksotiese leerprodukte op so 'n manier te kommunikeer aan internasionale toeriste en sodoende hul aankoopvoornemens en -gedrag positief te beïnvloed.

Sleutelwoorde: eksotiese leerprodukte, luuksheid waardepersepsies, e-luukseid waardepersepsies, aankoopvoornemens, Westerse en Oosterse toeriste, Suid-Afrikaanse eksotiese leerindustrie

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CHAPTER 1

OVERVIEW OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND

With today's uncertain economic climate, educated consumers and easily accessible products and information, the luxury market is forced to adapt at a rapid pace. There are still a vast number of consumers demanding luxury in its many forms and who are also willing to pay premium prices for these (Bakker, 2005). Defining luxury can be difficult as it can mean something different to each individual. The word *luxury* comes from the Latin word *luxus*, which can be defined as excess, abundance or an extravagant lifestyle (Danziger, 2005). Choi (2003) notes that the term is usually used to designate consumables of excellent quality and high price. O'Cass and Frost (2004) state that luxury goods are used to signal wealth, as they are usually visible and grandiose in nature. One thing that can be agreed upon is that luxury brands have exclusivity, customer loyalty, famous brand identity, high brand awareness and retained sales levels (Phau & Prendergast, 2001). Because of this, competition amongst luxury products and entry from lower sectors (Kim & Ko, 2010) trying to uplift their products, have added to the already competitive and sought-after market. This is understandable. As the global luxury market is expected to grow to approximately 259 billion euros by the end of 2017 (Bain & Company, 2017), everyone wants a piece. The current global luxury market consists of 390 million luxury consumers, a number that is said to grow to 465 million consumers by 2021, while the personal and experiential luxury market grows from 755 billion euros to a 1015 billion euros (Boston Consulting Group, 2015). Although an uncertain political climate is clouding America, it is still the largest market for personal luxury goods (Bain & Company, 2017). A growth of 7,4% in 2014 (the slowest rate since 1990) and an expected growth of only 7% in 2015, put China in second place (Boston Consulting Group, 2015; Deloitte, 2015). Luckily, the Chinese market has recovered because of an increase in luxury purchasing, both at home and overseas (Bain & Company, 2017). The Eurozone economy is improving after a lengthy period of disappointing performances and is in third position. A recent study (KPMG, 2014) shows South Africa ranked third in the Demographic Potential Index, calculated by "considering population growth potential, the pace of urbanisation and the changing landscape of the median African age structure". South Africa also boasts the African continent's most refined economy and the biggest retail market in sub-Saharan Africa.

International travelling is encouraging growth in the demand for luxury goods and boosts the global luxury phenomenon (Yeoman & McMahon-Beattie, 2006; Bain & Company, 2017). Fifty three per cent of luxury consumers spend outside of their home countries, which is part of the journey experience for the mature markets and also shows potential for emerging markets (Boston Consulting Group, 2015). In 2013, 37% of the luxury market could be accounted to travellers who spend on luxury goods (Deloitte, 2015). Travelling contributes to obtaining one-of-a-kind luxury items and a story to share. This assists in gaining a level of status among peers (Deloitte, 2015). Understanding this traveller (or tourist) shopping behaviour is of the utmost importance. Park, Reisinger and Noh (2010) compiled a conceptual framework of luxury tourist shopping behaviour using both the frequency of shopping and the importance of shopping to characterise different shopper tourists. Infrequent shoppers, Sometimes shoppers and Frequent shoppers, fall in the “frequency of shopping” category, while Non-shoppers, Neutral shoppers and Great shoppers fall in the “importance of shopping” category. It is therefore important to segment international tourists with regard to frequency and importance of shopping, but also to where and how they shop, what they shop for and where they obtain their information regarding shopping in South Africa.

Exotic leather products, which go hand in hand with luxury goods, are the type of shopping products that such luxury tourist shoppers will be interested in. Demand for handbags and other accessories made of exotic leather is on the rise as the luxury accessories market stood at 77 billion dollars in 2012 (Mendal, 2014).

International survey companies such as Bain and Company (2014) and Boston Consulting Group (2015) note that four changes in the luxury market are apparent worldwide which marketers and researchers should be prepared for: 1) the changing definition of luxury markets; 2) the role of social media; 3) the importance of emerging and rapidly developing countries; and 4) the ever-changing consumer values. This study specifically concentrated on consumers’ luxury value perceptions, the role of social media in their luxury purchasing behaviour, and particularly their needs for specific online presence attributes with regard to luxury exotic leather accessories, seeing that online commerce, which now accounts for 7% of the global personal-luxury market, will grow further to make up 12% of that market by 2020 (Boston Consulting Group, 2016).

As not much is known regarding the most effective way of marketing luxury products (Vigneron & Johnson, 1999, 2004), identifying the reasons for luxury purchases or consumption is of cardinal importance to luxury marketers, manufacturers and retailers. Consumers that purchase luxury goods do so for different reasons. Luxury consumers, including tourists, have been known to differ from other consumers with regard to the value perceptions that drive their purchasing behaviour of luxury products. Vigneron and Johnson (1999,

2004) and Wiedmann, Hennigs and Siebels (2007, 2009) have compiled a number of different models which can be used to better understand consumers' luxury value perceptions. Previous studies (Wiedmann *et al.*, 2007; Park & Reisinger, 2009; Alegre & Cladera, 2012; Xiang & Gretzel, 2010; Amatulli & Guido, 2011; Bain & Forsythe, 2012; Meng & Xu, 2012; Prayag & Hosany, 2014) showed that consumers from different cultural backgrounds, and even within the same culture from different market segments, differ with regard to the importance of the above-mentioned value perceptions, and therefore also as to the reasons why they buy luxury products as well as their purchasing behaviour (in this case their online purchasing behaviour). It is therefore of the utmost importance for marketers of luxury products to determine their target markets' luxury value perceptions and to align their product offerings and marketing strategies to their target markets' most important value perceptions.

Experiential and social media in this day and age play a vital role with regard to marketing luxury products. More than 50% of global luxury sales are digitally influenced (Boston Consulting Group, 2015). Consumers use social media for research not only on luxury products, but also on travel destinations and, because of the monetary value connected to luxury products, focus must be placed on tourists. According to Okonkwo (2009), the number of consumers accepting the change from in-store to online, is on the rise. Euromonitor International's 2014 survey on hyper-connectivity reports that more and more consumers now first go online to browse for a product and to obtain information on a product or a destination to visit. This makes social media a valuable instrument for promoting, conveying information and communicating with consumers (tourists) regarding luxury offerings (Hennigs, Wiedmann & Klarmann, 2012b; Kamal, Chu & Pedram, 2013; Altarteer, Vassilis, Harrison & Chan, 2016; Beukels & Hudders, 2016;). Social media can be defined as online applications, media and platforms that assist in interaction, collaboration and content sharing (Universal Meccann International, 2008). Examples of social media are social blogs (for example, Facebook), micro-blogs (for example, Twitter), web blogs, podcasts, pictures, wikis, videos, rating and social bookmarking (Kim & Ko, 2010; Kim & Ko, 2012). These platforms are gaining popularity as governmental organisations, businesses and, of course, luxury brands use them to communicate, advertise and market themselves or their products. Studies investigating the effect of social media marketing on customer relationships and purchasing intent found it to have a positive influence on consumers (Kim & Ko, 2010); it is also a form of communication that is cheap, immediate and interactive. As in the case of luxury value perceptions, luxury consumers and consumers from different cultural backgrounds also differ with regard to their purchase behaviour. Wiedmann *et al.* (2007, 2009) and Hennigs, Wiedmann, Klarmann, Strehlau, Godey, Pederzoli, Neulinger, Dave, Aiello, Donvito, Taro, Taborecha-Petrovicova, Santos, Jung, and Oh (2012a) noted that it is therefore of the utmost importance for retailers and marketers not to adopt a one-size-fits-all approach, but, as with

all other marketing strategies, to rather align their online presence with their target markets' most important luxury value perceptions.

1.2 PROBLEM STATEMENT

“South Africa is uniquely positioned to tap into the international luxury exotic leather market and to develop a world-class local exotic leather industry. South Africa produces two types of exotic leathers, namely ostrich and crocodile leather. These leathers are considered scarce and exclusive, and coupled with their high-quality characteristics and uniquely aesthetic appearance, are considered highly sought-after raw materials for the manufacturing of luxury products (specifically accessories) for the international goods industry” (Exotic Leather SA, 2016).

Exotic Leather SA is a non-profit organisation (sub-national cluster) sponsored by the Department of Trade and Industry. They are armed with the task of setting industry standards and benchmarks so as to advance the sustainability of the South African industry (Exotic Leather SA, 2016). The objective is to assist all members in the industry to achieve a standard that can be compared to that of the international luxury leather market and the demand of the luxury consumers, by implementing quality control and systems of approval. There are various challenges that the domestic exotic leather industry faces (crocodile and ostrich), and Exotic Leather SA wants to utilise all possible prospects that the present growth of the international luxury market permits. The mission of Exotic Leather SA is to “position South Africa on the international exotic leather markets as a research-based, ethical and sustainable source for exotic leather and exotic leather accessories with a commitment to delivering international best quality” (Exotic Leather SA, 2016).

Exotic leather products, such as accessories, are very expensive. Therefore the South African exotic leather industry aims its products at international markets and international tourists who visit South Africa. According to the 2016 South African Tourist Index, approximately 236 000 international tourists from overseas visited South Africa during the first three months of 2016. Of these tourists, 152 000 were European, 36 000 were North American, while 25 000 were Asian. In 2015, as in previous years, most of these tourists (62%) travelled for leisure and 25% for business purposes. Of these tourists, 50% indicated shopping as an important activity. It is towards these tourists that the South African Exotic Leather Industry aims its products.

It is vital for the South African Exotic Leather Industry to understand these tourists' (from Eastern and Western countries) shopping and buying behaviour as well as the reasons why they would purchase luxury products such as exotic leather accessories, and then to align their product offerings and marketing strategies (in this case an online presence for their products) with these markets' luxury value perceptions. Against

these background arguments, the purpose of this study was to determine the role of luxury value perceptions in Eastern and Western tourists' needs for specific attributes of an online social media presence for exotic leather accessories.

1.3 JUSTIFICATION

There is currently no information available regarding the needs and luxury value perceptions of the tourists who visit South Africa. There is also no information on what these tourists expect from an online presence of a luxury product. This study will be the first in its field and will also be of importance and value for marketing other luxury products. It is crucial for the South African Luxury Leather Industry to compete with international brands, and for the sake of its survival and profitability, the focus in South Africa should be on international tourists (tourist with luxury consumption and spending capabilities). This study will therefore contribute to the research regarding the exotic leather industry in South Africa and to help identify what tourists would expect of such an online presence (in this case, social media presence). It will also assist local companies and other affiliated institutions on what the luxury consumer (tourist) is looking for, based on the luxury value perception/s they find important, with regard to the actual online presence (social media platform) and the actual luxury leather product. This will contribute, in turn, to creating an internationally competent online presence and image.

The fact that rare exotic leather skins (and not products) are exported from South Africa causes a great loss for the local economy and deprives South Africans of hundreds of job opportunities. If awareness of South Africa's exotic leather products and brands is enhanced, the demand for South African manufactured products and the acceptance of local brands on an international level, will automatically escalate. Having a presence online and using social media are necessary to reach these tourists before they even arrive in South Africa. These tools can be used by luxury consumers to not only shop for luxury leather products, but also for gaining information on their manufacturing and how/where they can be purchased while on tour in South Africa; if the purchase was made online, they could gain information on their purchased product's country of origin and the manufacturing process used to create the product, as well as the traceability of the product.

1.4 THEORETICAL PERSPECTIVE

1.4.1 Luxury value perception

Vigneron and Johnson (2004) created the Brand Luxury Index (BLI) that consists of non-personal-oriented perceptions and personal-oriented perceptions. Wiedmann *et al.* (2007) followed with the luxury value

framework and a scale (Hennings *et al.*, 2012a), which was confirmed as reliable and tested amongst different cultures with regard to various product categories. The extended model consists of four dimensions of luxury value perception, namely financial value, functional value, individual value, and social value. These value perceptions are defined as follows (Wiedmann *et al.*, 2009; Hennings *et al.*, 2012a; Hennings *et al.*, 2013):

- Financial value refers to the monetary value, resale price, discount and investment of a product.
- Functional value refers to attributes such as quality, uniqueness and usability of a product.
- Individual value refers to the personal angles and concerns an individual might have regarding luxury consumption, such as self-identity, materialism and hedonism.
- Social value refers to the perception of status, prestige and conspicuousness that an individual might attain when purchasing luxury goods and how it sets them apart from their peers.

This model contributes to the understanding of the value perception that a consumer allocates to a luxury product. Previous studies showed that these luxury value perceptions play an important role in consumers' purchasing behaviour, amongst others, the specific product attributes that they deem important, their use of information sources, as well as their purchasing intent (Wiedmann *et al.*, 2007, 2009; Shukla, 2012).

1.4.2 Social media

The number of consumers accepting the change in purchasing platforms, from in-store to online, is on the rise (Okonkwo, 2009, Wu, Quyen & Rivas, 2017). Social media's importance is made undeniably clear through the amount of studies done relating to this subject (Xiang & Gretzel, 2010; Kim & Ko, 2010; Kim & Ko, 2012; Hennings *et al.*, 2012a; Liu, Burns & Hou, 2013; Kamal *et al.*, 2013; Luxury Daily, 2013; Sun, Ni, & Wang, 2016; Pappas, I. O., Kourouthanassis, Giannakos & Lekakos, 2017, Wu *et al.*, 2017). Although each of these studies has its unique approach to the subject, they all emphasise the importance of understanding the value of social media marketing. It is also a form of communication that is cheap, immediate and interactive (Miller, Fabian & Lin, 2009) and has a positive influence on consumers with regard to customer relationships and purchasing intent (Kim & Ko, 2010). A previous study showed that 70% of consumers had visited a social media site to obtain information, while 49% of those consumers stated that social media influenced their purchase decision-making. The percentage of consumers who stated that they would share the information they obtained using social media was 60%, and a further 45% of consumers who actively searched for information on social media, shared that information using word of mouth (DEI Worldwide, 2008). Therefore, social media most definitely have to make up part of a company's online marketing strategy.

As millennial luxury consumers are currently more than 2,3 billion strong, and make up approximately 32% of the world's population (Boston Consulting Group, 2016), it is of the utmost importance to understand how

this profitable segment behaves and what shapes their attitude towards luxury consumption. Boston Consulting Group (2017) states that millennials use these platforms to rate products (60%), to upload content about products and services (60%), to compare prices (45%) and to search for promotions (43%). It is not only the millennials that are demanding luxury brands to use omichannels, 75% of baby boomers are eager to start using them. Forty per cent of consumers currently expect some form of two-way communication between them and the brands they purchase (Boston Consulting Group, 2016).

Hennings *et al.* (2012b) noted that in the light of the rise of experiential and multi-sensory marketing, it is of the utmost importance for marketers of luxury products to create a prestigious atmosphere online and to use mass market strategies, while still accentuating exclusivity and meeting the consumer's luxury value perceptions. They proposed a new model where their original luxury value perception model forms the basis of the new values of e-luxe model. In this model the financial value relates to the website's economic attributes/utility, the functional value to the site's basic attributes/utility, the individual value to the site's identification attributes/utility, and the social value to the site's social attributes/utility.

Hennings *et al.* (2012b) reasoned that the price-value relation is crucial when meeting the luxury consumer's financial value perception. There should for a while be a strong "no discount" policy while the emphasis should be on the product, its superb quality and craftsmanship and the impeccable service that is provided. The websites aesthetics and usability as well as the importance of a multi-sensory experience of the product, are crucial for satisfying the consumer's functional needs. For the consumers with strong individual value perceptions the online site should provide emotional attachment and enhance the sense of self-identity while at the same time conveying the message that owning the product would be a dream come true. The ability to interact with other luxury consumers and social groups and an awareness of others who are interested or have already purchased similar products, would be important for the consumer with strong social value perceptions. Hennings *et al.* (2012b) were of the opinion that these four luxury value perceptions form a useful basis for the development of an online presence that would create a true luxury experience and would meet the consumer's own luxury value perceptions while supporting their decision-making and buying behaviour.

1.4.3 Decision-making process

Consumers make decisions every day. A problem is identified and a solution to that problem is pursued. Blackwell, Miniard and Engel (2006) mention that "consumers buy things when they believe a product's ability to solve a problem is worth more than the cost of buying it, thereby making recognition of an unmet need the first in the sale of a product". Different purchasing decisions rank differently in their level of importance, so does the effort invested in making such decisions (Solomon & Rabolt, 2004:353). The steps consumers follow when making a decision are known as the decision-making process (Figure 1.1). For the

purpose of this study, more emphasis will be placed on the fashion decision-making process. Unlike the traditional decision-making process, the fashion decision-making process starts with the said fashion item or object being displayed. The person will then become aware of the product or object and show interest and inspect it. As the product might be an exotic leather handbag, for example, the “need” of the product as in the traditional decision-making process is not applicable and one can rather see this product as a “want”. Although said person might “need” to buy a new handbag, she might opt for a more expensive exotic leather handbag that will last much longer than a faux leather handbag and the “need” is then changed into a “want”. A level of evaluation will then take place where the consumer will compare the exotic leather handbag to other handbags. She might spend a lot of time doing research on different brands and might turn to others for their opinions, such as friends, family or even strangers’ comments or experiences on social media. Once she has decided that she is informed and convinced, the decision is made regarding the purchase, and the purchase is made or not made. When it is made the outcome is that the purchase will be enjoyed or not enjoyed.

1.4.4 Purchasing intent

Purchasing intent is explained by Spears and Singh (2004:56) as “... an individual’s conscious plan to make an effort to purchase a brand”. This term exists mainly because of a consumer’s need that arises and the consumer’s willingness and attempt to satisfy that need (Ajzen, 1991). How strong this intention is, will be influenced by the situation the consumer finds herself in as well as the behaviour of the consumer (Spears & Singh, 2004). Previous research discussed influencers on consumers’ luxury brand purchasing intentions (Vigneron & Johnson, 1999; Vigneron & Johnson, 2004; Tsai, 2005; Wiedmann *et al.*, 2009; Shukla, 2012). Shukla’s (2012) study focused on the luxury value perceptions and the purchasing intent of emerging and developed markets. Although it defines the luxury value perceptions differently to that of Wiedmann *et al.* (2007), Shukla (2012) argued each value perception’s relationship to the purchasing intent with regard to different markets. The study done by Amatulli and Guido (2011:132) attempted to determine purchasing intent with regard to luxury goods. The study found that four main attributes of luxury fashion products were most important and most influential to the purchasing intent:

“... to ‘distinguish themselves’; the ‘duration in time’ of the product; the opportunity of feeling ‘at ease’ and the ‘assurance’ of possessing a good product.”

It is therefore of the utmost importance to determine not only the influence of luxury value perceptions on tourists visiting South Africa and the e-luxe (online presence of a luxury brand) value perceptions that drive their preference for specific attributes of an online presence, but also how the perceptions influence these tourists’ decision-making process and ultimately their intention to purchase an exotic leather product.

1.5 CONCEPTUAL FRAMEWORK

Figure 1.1 illustrates the decision-making process for exotic leather accessories in an online environment, from the first step where the consumer is made aware of the product up to step 5 where the consumer needs to make a decision. During all these steps, the consumer is influenced by various internal and external influences, in this case his/her important luxury value perceptions that play a role in the reasons why he/she wants to buy the product (thus driving his/her purchasing behaviour), but also e-luxe value perceptions that drive the preference for specific attributes that should symbolise the same important luxury value perceptions as the product does. This in turn will then stimulate the purchasing intent.

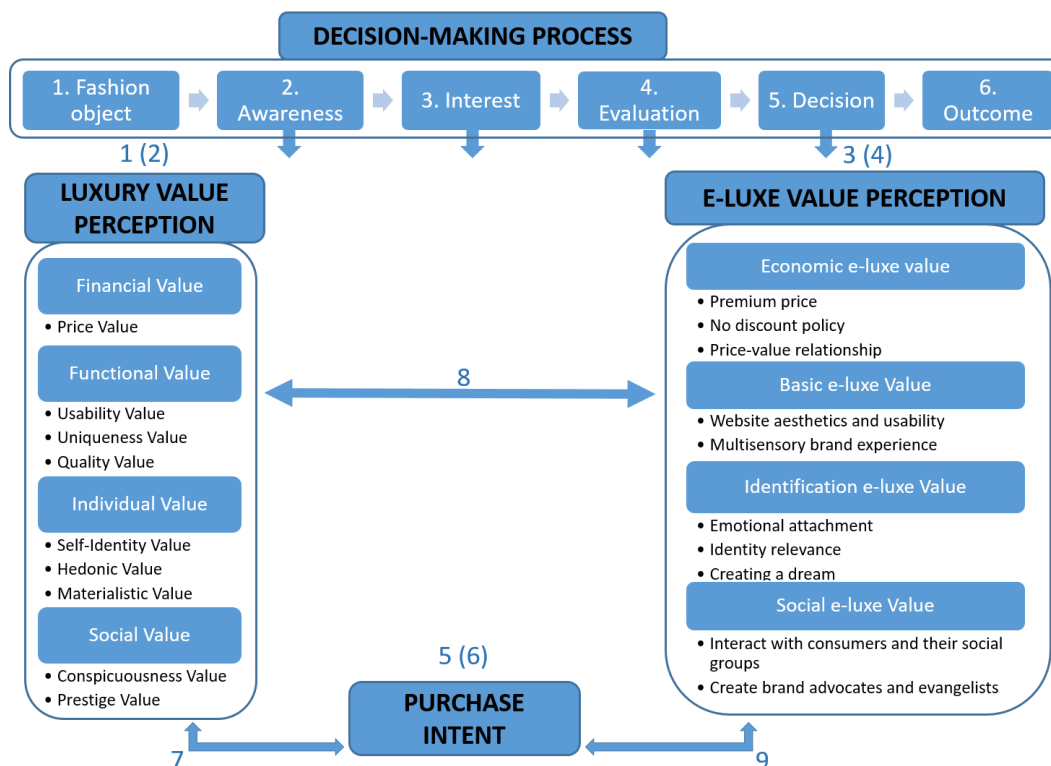


FIGURE 1.1. THE CONCEPTUAL FRAMEWORK

1.6 RESEARCH AIM AND OBJECTIVES

The aim of this research was to determine Eastern and Western tourists' luxury value perceptions and needs for specific attributes of an online presence for exotic leather goods.

For the purpose of this study the following objectives were identified:

Objective 1: To explore and describe Eastern and Western tourists' luxury value perceptions for exotic leather products. This is subdivided into the following sub-objectives:

- To explore and describe Eastern and Western tourists' social value perception for exotic leather products
- To explore and describe Eastern and Western tourists' individual value perception for exotic leather products
- To explore and describe Eastern and Western tourists' functional value perception for exotic leather products
- To explore and describe Eastern and Western tourists' financial value perception for exotic leather products

Objective 2: To determine significant differences between Eastern and Western tourists' value perceptions for exotic leather products.

Objective 3: To determine Eastern and Western tourists' e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence. This is subdivided into the following sub-objectives:

- To determine Eastern and Western tourists' economic e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence
- To determine Eastern and Western tourists' basic e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence
- To determine Eastern and Western tourists' identification e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence
- To determine Eastern and Western tourists' social e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence

Objective 4: To determine significant differences between Eastern and Western tourists' e-luxe value perceptions that drive the preference for specific attributes of an exotic leather product's social media presence.

Objective 5: To determine Eastern and Western tourists' purchasing intent for exotic leather products.

Objective 6: To determine the significant differences between Eastern and Western tourists' purchasing intent for exotic leather products.

Objective 7: To determine correlations between Eastern and Western tourists' luxury value perceptions and their purchasing intent for exotic leather products.

Objective 8: To determine the correlations between Eastern and Western tourists' luxury value perceptions for exotic leather products and their e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence.

Objective 9: To determine correlations between Eastern and Western tourists' e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence and their purchasing intent for exotic leather products.

1.7 RESEARCH METHODOLOGY

1.7.1 Research design

This study made use of a descriptive quantitative approach to collect data via a survey design. This was conducted by using self-administered questionnaires. Quantitative research is defined by Du Plessis and Rousseau (2011:376) as "a systematic and structured research approach aimed at obtaining information from respondents in a direct, open manner". Because of the level of precision and the fact that the data can easily be calculated, a quantitative method was best suited to this study. A quantitative approach is also objective and limits research bias.

1.7.2 Unit of analysis

The unit of analysis that was used for this study was male and female tourists aged 25 or older from Eastern (China) and Western (American) countries who have visited South Africa during the last 5 years or intend to visit South Africa in the next 5 years.

1.7.3 Sampling method

For the purpose of this study, non-probability sampling was used. As mentioned in De Vos, Strydom, Fouché and Delpont (2014:231), non-probability sampling refers to a situation where the researcher is unaware of the size of the population and the members of the population are unknown, thus the chances of selecting a certain individual is also unknown (Gravetter & Forzano, 2003:118). Convenience sampling is the type of non-probability sampling that was used for this study, meaning that respondents of said population who were easily and readily available were used (Berndt & Petzer, 2011:174). The sampling was done by Qualtrics who

also translated the English questionnaire to Mandarin and Cantonese, and managed the online survey. The Chinese sample consisted of 525 respondents, and the American sample consisted of 518 respondents.

1.7.4 Measuring instrument

The measuring instrument used to collect the data was a structured computer-assisted, self-administered questionnaire (see Addendum A) that was translated to Mandarin and Cantonese by Qualtrics. This questionnaire assisted one other study and was therefore broken up into different sections. Sections A, B, E and F (partially) were relevant to this study. These questionnaires measured the following:

- a) Demographics of respondents:
 - Gender
 - Age
 - Nationality
 - Visiting South Africa
 - Awareness of exotic leather products
- b) Luxury value perception using Hennigs *et al.*'s (2012a) tested scale was used. A five-point Likert scale was used to test the following:
 - Financial value
 - Social value
 - Individual value
 - Functional value
- c) E-luxe value perceptions using a self-developed scale based on Hennigs *et al.*'s (2012b) "values of e-luxe" proposed model (see Figure 1.1 for the Conceptual framework).
 - Economic e-luxe value
 - Basic e-luxe value
 - Identification e-luxe value
 - Social e-luxe value
- d) Purchasing intent

1.8 DATA ANALYSIS

Quantitative data was collected and captured by Qualtrics, an independent research company, who then allocated scores to all the items on the questionnaires. The coded data was then assembled electronically on Excel spreadsheets. Frequencies, percentages, means and standard deviations were calculated. Inferential

statistics such as Cronbach's alpha values were calculated and Levene's test for equality of variance was also done.

1.9 PRESENTATION AND STRUCTURE OF THE RESEARCH

This dissertation consists of seven chapters and will follow as:

CHAPTER 2: LITERATURE REVIEW: THE LUXURY MARKET

This chapter focuses on reviewing previous literature regarding the global luxury market, the South African luxury market, the role of tourism in the luxury market, and the South African luxury exotic leather industry.

CHAPTER 3: LITERATURE REVIEW: THE LUXURY CONSUMER

In this chapter a literature review is done regarding the luxury consumer, their luxury value perceptions, their purchasing intent and the cultural market differences. The important role that social media plays in today's luxury market, is also discussed.

CHAPTER 4: THEORETICAL PERSPECTIVE

This chapter discusses the different theories and perspectives that this study is based on. The decision-making process and purchasing intent are explained.

CHAPTER 5: RESEARCH DESIGN AND METHODOLOGY

This chapter discusses the conceptual framework and objectives used in this study. The methodology is discussed under sampling, data collection, measuring instrument, operationalisation and data analysis. Measures to ensure the quality of the data and matters concerning the ethics of this study are also explained.

CHAPTER 6: RESULTS AND DISCUSSION

Chapter 6 presents the results of this study. It concludes with the discussion and interpretation of the findings.

CHAPTER 7: CONCLUSIONS, CONTRIBUTIONS, EVALUATION, LIMITATIONS AND RECOMMENDATIONS

This chapter discusses the conclusions, contributions of the study, and also evaluates the study regarding the quality of the data. The achievement of the objectives of the study is also discussed. Limitations and recommendations for future studies are listed in the conclusion of the chapter.

CHAPTER 2

LITERATURE REVIEW: THE LUXURY MARKET

2.1 INTRODUCTION

With today's uncertain economic climate, educated consumers and easily accessible products and information, the luxury market is forced to adapt at a rapid pace. There are still a vast number of consumers demanding luxury and the number that are willing to pay premium prices for these products, are on the rise (Bakker, 2005). Defining luxury can be difficult as it can mean something different to each individual. The word *luxury* comes from the Latin word *luxus*, which can be defined as excess, abundance or an extravagant lifestyle (Danziger, 2005). Choi (2003) notes that the term is usually used to designate consumables of excellent quality and high price. O'Cass and Frost (2004) state that luxury goods are used to signal wealth, as they are usually visible and grandiose in nature. One thing that can be agreed upon is that luxury brands have exclusivity, customer loyalty, famous brand identity, high brand awareness and sustained sales levels (Phau & Prendergast, 2001). Competition among luxury products and entry from lower sectors trying to gain entrance by uplifting their products (Kim & Ko, 2010) have added to the already competitive and sought-after market. This is understandable as the global luxury market is expected to grow to approximately 259 billion euros by the end of 2017 (Bain & Company, 2017) and everyone wants a piece. Growth has slowed down, but is seen as more sustainable in light of the recovering global economy (Bain & Company, 2014). Increasing demand from China and the US for luxury goods has also translated into shopping tourism. Lower taxes, cheap flight tickets, low currency rates and the allure of destination shopping are currently fuelling the fastest growing segment of the tourism industry (Park *et al.*, 2010). Other trends have also emerged due to the competitiveness of the luxury market. While collaborations with celebrities, other designers and artists are occurring, social media and online presence of luxury brands are strategies that all companies should embrace (Kim & Ko, 2010; Deliotte, 2014). It is therefore, for those who operate in the luxury market, of cardinal importance to not only tap into the tourism market, but also embrace the opportunities of the online environment and social media.

2.2 THE GLOBAL LUXURY MARKET

The current global luxury market consists of 390 million luxury consumers – a figure that is said to grow to 465 million consumers by 2021, while an expected 2% to 4% growth in 2017 will amount to approximately 259 billion euros (Bain & Company, 2017). Although an uncertain political climate is clouding America, it is still the largest market for personal luxury goods (Bain & Company, 2017). The Chinese market has recovered because of an increase in luxury purchasing, both at home and overseas (Bain & Company, 2017), and because emerging markets (such as China) continue to drive luxury market growth (Deloitte, 2017). China is still in second place. The Eurozone economy is improving as an increase in customer confidence can be seen (Bain & Company, 2017) after a lengthy period of disappointing performance and is in third position. Due to the rise in value of the US dollar, American consumers is said to be the top contributors to future growth in the luxury market (Deloitte, 2015). This is evident when one takes into consideration that the luxury market in New York City alone is bigger than the entire Japanese market (Bain & Company, 2014). A growth of 7,4% in 2014 (the slowest rate since 1990) and an expected growth of only 7% in 2015, puts China in second place (Boston Consulting Group, 2015; Deloitte, 2015). As the Chinese government continues to lose momentum, the government is taking steps to boost credit market activity (Deloitte, 2015).

As was mentioned above, the Eurozone economy is improving after a lengthy period of disappointing performance and is in third position. Italy is still the number one preferred manufacturing country and, with 80% of consumers keenly observing where products are made, Europe is at the forefront of providing luxury to the world. This is confirmed by Germany and Switzerland in the leading spots when it comes to manufacturing countries of cars (Germany) and watches (Switzerland). There are some new trends arising as well. The US and the UK are legitimising themselves as manufacturing countries, and while New York is moving up on the fashion ladder, Milan is moving down (Boston Consulting Group, 2015).

As attractive as the luxury market seems, it is difficult to enter. This can be seen by the little movement of the top 100 luxury goods companies, with the top three not moving in rank from the financial years of 2012 to 2015. LVMH Moët Hennessy Louis Vuitton SA (responsible for luxury brands such as Fendi, Marc Jacobs and Louis Vuitton) has been in first position, while Compagnie Financiere Richermont SA (responsible for brands such as Cartier and Montblanc) has kept its second place before Estée Lauder Companies Inc which is ranked in third place (Deloitte, 2015, 2017). The average value of luxury goods sold by these top luxury goods companies is 2,1 billion dollars (Deloitte, 2017). These leading companies have three challenges to consider when engaging with consumers. Technology has proven an undeniable influence on the luxury space and it should be fully utilised. Boston Consulting Group's study (2016) fittingly called "Digital or Die: The Choice for Luxury Brands" shows how necessary a digital mind-set is. Consumers need to be effectively profiled to factor

in all changing desires. For example, focus has been drawn to the important role of the millennial consumers in the luxury market (Bains & Company, 2017; Deloitte, 2017). Lastly, luxury brands need to reiterate their history and should be able to convey this to the consumer (Deloitte, 2015).

Furthermore, findings show that word of mouth is the number one purchasing influence, and the real drive behind it is social media and blogs. This confirms why omnichannels are gaining importance with consumers (Boston Consulting Group, 2017). More than 50% of global luxury sales were digitally influenced (Boston Consulting Group, 2015). Most consumers who do their research online, still purchase in-store. Global segments such as the “Absolute Luxurer”, “Megacitier” and the “Experiencer” account for 50% of the luxury market (Boston Consulting Group, 2015). “Absolute luxurers” represent the United States and European elite who were born into and grew up in luxury, while “Megacitiers” are aged between 25 and 35, and live in well-known cities like London, Paris and Shanghai. They spend about 20 000 euros a year on luxury. “Experiencers” are aged 45 to 50 and spend about 12 000 euros a year on experiencing a moment like an exceptional fine dining experience (Chandon, Laurent & Valette-Florence, 2016).

Because mature luxury goods markets can no longer maintain double-digit growth, luxury brands and products are seeking new emerging markets with abundant possible growth. The rise of the African consumer’s wealth profile in the last few years (PWC, 2012) and the fact that the estimated luxury retail sales are said to reach 5,2 billion dollars by 2019 (Bloomberg, 2015), makes Africa a perfect candidate.

2.3 THE SOUTH AFRICAN LUXURY MARKET

A recent study (KPMG, 2014) shows South Africa ranked third in the Demographic Potential Index, calculated by “considering population growth potential, the pace of urbanisation and the changing landscape of the median African age structure”. South Africa can also boast the African continent’s most refined economy and the largest retail market in sub-Saharan Africa. The Gross Domestic Product growth rate of South Africa might look meek in comparison to other countries, but the per capita incomes are considerably greater than any other country in Africa. In fact, some forecasters estimate the amount of dollar millionaires at about 71 000. (PWC, 2012). All these factors show why so many international luxury products have been flocking to South Africa.

When looking at the South African luxury market, the influence of the Apartheid era is undeniable (Steinfeld, 2015). After 1994’s first democratic election, a number of changes were implemented to reform the economy (Business in South Africa, 2015). The Black Economic Empowerment policy has transformed the South African economic landscape. Consequently, there has been a substantial growth in the black middle class, resulting in access to higher levels of education and better jobs for the previously disadvantaged. This obviously means

a higher amount of disposable income and an increase in aspirational spending. Subsequently the demand for luxury goods has amplified. This has contributed to the tremendous change in demographics in the past 20 years, as traditionally women were cast in the role of housewives, especially in the black society, leaving the men to work and earn an income. Today, female participation in the economy has a substantial influence on the volume of sales in the retail industry (Business in South Africa, 2015).

It is not all good news as the weakening of the South African rand against other currencies creates cause for worry. The current political climate and the increase in cost of living (water, electricity and fuel) play a huge role in the decline of sales in the luxury market. The rising amount of debt in the country is also reason for concern and might be a result of its consumers attempting to maintain an image of luxury living.

A recent study regarding stereotypes and the social tension created by consumption of luxury goods in South Africa shows that not only economic factors affect the luxury market. Steinfield (2015) found that the influence of the Apartheid regime still affects consumers' decisions regarding luxury goods as well as the way they consume these luxury goods, but most importantly, it creates a perception among the luxury consumers. The study found, for example, that previously disadvantaged black consumers are labelled as "ostentatious" and "materialistic consumers", while the long-established white consumers did not receive any such labels (Steinfield, 2015). This could prohibit spending on luxury goods out of fear of being labelled or abandoned by one's peers.

However, this has not stopped development in the retail sector, with ample malls providing international luxury stores like Sandton City in Johannesburg, the V&A Waterfront in Cape Town and the new Mall of Africa in Midrand. This, together with the weak rand, makes South Africa a very attractive destination for tourists. The presence of international brands in South Africa has also attracted luxury consumers from other African countries (Business in South Africa, 2015).

The luxury market remains a challenging conquest for local brands. Innovation through customised, tailored and niche product offerings unique to South Africa might be the only card these local brands can play. (Business in South Africa, 2015). Focusing on aligning themselves with international brands, especially with how they are presenting themselves online on social media, should be their top priority. South African luxury brands are discussed in more detail later on, focusing especially on the exotic leather industry (see 2.5 The South African exotic leather industry).

2.4 THE ROLE OF TOURISM IN THE LUXURY MARKET

International travelling is encouraging growth in the demand for luxury goods and boosts the global luxury phenomenon (Yeoman & McMahon-Beattie, 2006). Over half (53%) of luxury consumers spend outside of

their home countries as part of the journey experience for the mature markets, which also shows potential for emerging markets (Boston Consulting Group, 2015). About 37% of the luxury market can be accounted to travellers who spent on luxury goods in 2013 (Deloitte, 2015). Paris, New York, London, Milan and Hong-Kong have been named the top five fashion hubs by luxury consumers, for buying luxury products (Boston Consulting Group, 2015). In 2014, spending by Chinese tourists visiting Europe alone, grew by 18% and spiked at 50% over December. Travelling contributes to obtaining one-of-a-kind luxury items and a story to share. This contributes to gaining a level of status among peers (Deloitte, 2015).

There is no denying the role the Chinese tourist is playing in the global luxury market. It was estimated that around 170 million Chinese tourists will travel overseas in 2016 and spend more than 160 billion dollars. This level of “explosive buying” by the Chinese is so remarkable that it has been dubbed “bakugai” by the Japanese and will be added to the Japanese language. This shows the importance and influence of the Chinese tourist spending when visiting Japan (Jing Daily, 2015). So too, does the birth of the Shanghai Travellers’ club magazine that published its first issue in 2008 and is aimed at the affluent Chinese, addressing the need for information on luxury travel experiences (in particular the US), hotels and luxury brands, all in Mandarin Chinese (China Elite Focus, 2016). The American department store Bloomingdale’s, has started targeting the Chinese tourist by including Chinese models in their advertising campaigns (Jing Daily, 2015).

Arab tourists are known to purchase luxury items and spend more than others on their travels (Michael, Armstrong, Badran & King, 2011). A study done on young tourists from the United Arab Emirates, found that shopping was the main motivator for visiting Western countries. This should be utilised to raise awareness and attractiveness (Prayag & Hosany, 2014). In 2015, domestic and international travellers spent 947 billion dollars in the US (Travel Industry Association of America, 2005). Alegre and Cladera (2012) state that British tourists spend more than German tourists on shopping.

The ease on visa restrictions and fluctuations in currencies make it easier for consumers to travel and participate in shopping abroad. Globally, many markets now depend on tourists spending on luxury goods, not just depending on local consumers anymore (Bain & Company, 2014). This means that who the buyers are matters more than where they buy. Chinese consumers represent the top and fastest growing nationality for luxury spending abroad; more than three times now what they spend locally. Tourists are also influencing the luxury market in America (Bain & Company, 2014). Between March 2015 and March 2016, roughly 41 000 tourists originating from North and South America visited South Africa. This number has increased to more than 49 000 between March 2016 and March 2017. Asian tourists amounted to 25 000 between March 2015 and March 2016. This number has increased marginally by roughly 400 tourists between March 2016 and March 2017 (Statistics SA, 2017). What is interesting to note is that of the roughly 25 000 Asian tourists

visiting South Africa, more than 23 000 did so for holiday purposes. Of the South and North American tourists more than 48 000 did so for holiday purposes (Statistics SA, 2017).

Because shopping has become an important travelling activity, it is important for countries to create areas where tourists' needs can be met. The response of the shopping centre industry is to develop new properties and strategies to inspire tourist shoppers to buy (Paige & Littrell, 2003). In America, the example of "large-scale tourist oriented shopping malls" include the Mall of America in Minnesota and the West Edmont Mall in Alberta (LeHew & Wesley, 2007). In the popular tourist destination, Suzhou in the Jiangsu Province, an outlet village that provides not only discounted luxury brands, but also entertainment and restaurant options to appeal to the Chinese consumer's desire for luxury shopping, opened in 2014 (Deloitte, 2015).

Understanding the tourist shopping behaviour is of critical importance. Meng and Xu (2012) suggested that tourists' shopping behaviour can be divided into planned behaviour (tourists who plan to shop on their trip), impulse behaviour (tourists who shop unintentionally), and experiential consumption (tourists who are mainly concerned with the shopping experience). Park *et al.* (2010) compiled a conceptual framework of luxury tourist shopper behaviour using both the frequency of shopping and the importance of shopping to characterise different shopper tourists. Infrequent shoppers, Sometimes shoppers and Frequent shoppers, fall under the "frequency of shopping" category, while Non-shoppers, Neutral shoppers and Great shoppers fall under the "importance of shopping" category. Looking at Figure 2.1, one can see the influence these categories have on the luxury tourist shopper's behaviour. Significant differences were found between these types of shoppers. Luxury goods are much more important to Frequent shoppers and those who feel vacation shopping is important, than to those who shop less frequently or for whom shopping is less important. It was also found that tourists feel pleasantness, high quality and price, being beautiful and refined, and different, as the most important features allocated to luxury products (Park *et al.*, 2010).

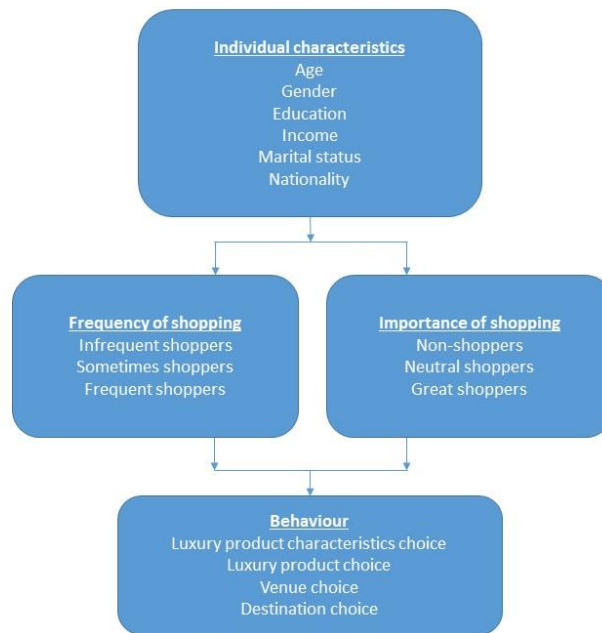


FIGURE 2.1 CONCEPTUAL FRAMEWORK OF LUXURY TOURIST SHOPPER BEHAVIOUR (Park *et al.*, 2010)

2.5 THE SOUTH AFRICAN LUXURY EXOTIC LEATHER INDUSTRY

Exotic leather goes hand in hand with luxury goods. The demand for handbags and other accessories made of exotic leather is on the rise as the luxury accessories market stood at 77 billion dollars in 2012 (Mendal, 2014). Although this is such an attractive market, literature on the South African luxury exotic leather industry is very scarce. Studies on ostrich leather (Cooper, 2001; Engelbrecht, Hoffman, Cloete & Van Schalkwyk, 2009) focus mainly on the breeding, leather quality and factors that influence ostrich leather. This large bird, known as *Struthio camelus* (Cooper, 2001), yield a leather that is very sought after in the fashion industry and is mainly supplied from South Africa (Cooper, 2001). The skin is estimated to account for 40% to 50% of the income produced when slaughtered (Engelbrecht *et al.*, 2009). The industry in South Africa started in the 1860s (Gobbel, 1994) and mainly focused on generating stock for breeders (Dewer, Madison & Christensen, 1994). As a foreign currency producer, orientation shifted to export, with Japan receiving the highest amount of tanned skins (Cooper, 2001). South Cape Ostrich Tanning (SCOT) is the second largest ostrich skin tannery in the world and is based in Mosselbay (SCOT, 2011). They sell ostrich leather to designers and manufacturers and process up to 75 000 ostrich skins annually. SCOT also claims that more than 65% of the world's ostriches and up to 90% of ostrich products in the world originate from South Africa. They argue that South Africa is on the forefront with regard to ostrich leather production because of an historic advantage and ideal natural conditions (SCOT, 2011).

The Crocodile industry in South Africa can boast over a 210 million rand annual turnover from raw and processed skins and meat combined (Mendal, 2012). More than 1,5 million crocodile skins per year have been traded internationally and exported legally from an estimated 30 countries (Crocodile Specialist Group, 2017). A total of 64 700 Nile crocodile skins were traded in 2013, but no estimation regarding the amount that originated from South Africa, is known. Le Croc crocodile breeding farm and tannery close to Brits in the Northwest Province yield around 5 000 Nile crocodile skins per year that are then sent to the European market (Kew & Roberts, 2013).

There are a few manufacturers who keep the manufacturing and designing of exotic leather finished products in South Africa. Companies such as Cape Cobra, Okapi and Via La Moda are just some of the known names in the South African exotic leather industry who are focused on producing exotic luxury products. Cape Cobra was established around 1973 and is a family-run business operating from Cape Town (Cape Cobra, 2016). They clearly state the importance of South African crocodile and ostrich leather to their supply chain, their commitment to enhancing their community and in so doing, becoming more competitive internationally through shaping a world-class industry in South Africa (Premier Magazine, 2016). Cape Cobra already operates internationally, having penetrated the United States market in 1993 (Cape Cobra, 2016). Okapi is also a Cape Town based luxury leather brand and guarantees ethical and sustainable practices as a result of their established ties with Karoo ostrich farmers and the tanneries they use (Okapi, 2013). This brand has grown by opening a store in London and recently opened another one in South Africa, this time in Johannesburg. They currently have stockists in Asia, Europe and America (Okapi, 2013). Via La Moda was established in 1989 and prides themselves on their “responsible sourcing as well as the respectful utilisation of exotic skins” (Via La Moda, 2016). They not only use exotic leathers like crocodile and ostrich, but also python skin, and are proud to share their affiliation with the Convention on International Trade of Endangered Species (CITES) in supporting their initiatives (Via La Moda, 2016). The Trip Advisor South Africa website lists visiting Via La Moda as number 55 on their list of “Things to do” in Johannesburg; apparently these visits are so popular that a link to “hotels near Via La Moda” is also a frequently searched topic on this web page (Trip Advisor SA, 2017).

The luxury goods industry has historically profited from the earth’s rich biodiversity, but without a change in business conduct, it will not last (Responsible Ecosystems Sourcing Platform, 2014). The International Working Group on Reptile Skins (IWG-RS) strives to improve industry practices, animal welfare, legislation and enforcement. Its scope ranges over six main areas, namely: traceability, production, systems, animal welfare, communications and education, and conservation and livelihoods. It hopes to have a traceability system developed soon and has already addressed illegal and unregulated reptile skin trades by way of recommendations. It also facilitated the birth of the Responsible Ecosystems Sourcing Platform (RESP), which

announced the approval and funding of a crucial initiative incorporated to endorse sustainability and transparency in the South African exotic leather industry.

Exotic Leather SA deals with the crocodile and ostrich trade. In collaboration with the Department of Trade and Industry and the University of Pretoria, the main objective is to create an information register for the value chain. This register will also be linked to the domestic permitting system and the records of the Convention on International Trade of Endangered Species (CITES). The global demand for exotic leather is on the rise and poor compliance and regulations are factors that not only cause communities to lose out on the financial benefits of this industry, but also threatens the survival of the animals in this exotic market. This will ultimately lead to a global awareness and influence the luxury goods consumer, forcing brands to be transparent about the supply chain used in their products (RESP, 2014). It is crucial for the South African luxury leather industry to compete with international brands and for the sake of its survival and profitability, the focus in South Africa should be on international tourists. Having a presence online and using social media are necessary to reach these tourists before they even arrive in South Africa. These tools can be used not only in shopping for luxury leather products, but also to gain information on their manufacturing and how/where they can be purchased while on tour in South Africa and, if the purchase was made online, to gain information on their purchased product's country of origin and the manufacturing process used to create the product.

2.6 SUMMARY

Although the growth in the global market has slowed down, it is still a very important and dynamic market worldwide and in South Africa, with the personal luxury goods component as the largest and fastest growing component in this market. Two important trends that drive the luxury market are the increase in shopping tourism and the increasing importance of online marketing and sales as well as social media. The South African Exotic Leather Industry operates within the global luxury market and has to compete with international premium and luxury brands regarding its products, which are expensive. South African marketers and retailers have therefore only limited business opportunities nationally and need to aim these products at the international market as well as at the affluent tourists that visit South Africa. Worldwide travelling has increased and more luxury consumers spend their money outside their home country. This is also the case in South Africa where statistics show an increase of approximately 30 000 overseas tourists from April 2014 to March 2015, and April 2015 to March 2016 (Statistics SA, 2017). Tourists from the Eastern countries amount to roughly 42 000, while the tourists visiting South Africa from Western countries are roughly 193 000 (Statistics SA, 2017). These tourists usually include those that plan their visit and shopping

trips beforehand, but also those that shop because of the need to take something home or for the experience that goes hand in hand with the purchase.

It is therefore of the greatest importance for the South African Exotic Leather Industry to capitalise on international tourism in South Africa and to segment these tourists (from different cultural backgrounds) with regard to the reasons for purchasing luxury products, such as exotic leather products, but also with regard to where and how they shop and where they usually obtain their information regarding the country visited.

The next chapter therefore sheds light on consumers' luxury value perceptions, cultural market differences, as well as the importance of social media and an online presence in the luxury environment.

CHAPTER 3

THE LUXURY CONSUMER

3.1 INTRODUCTION

It became clear from the previous chapter that international tourism should play an important role in the South African Exotic Leather Industry's endeavours to market and sell South African exotic leather products amongst the international luxury community. Unfortunately, to date, no previous studies have focused on the diverse cultural tourism market as a market for South African exotic leather products, thereby leaving manufacturers, marketers and retailers in the dark as to why these markets would buy South African exotic leather products, how and where they will buy these products, as well as what information sources they would use when considering buying these products.

This chapter therefore sheds light on the luxury value perceptions that drive consumers' luxury purchasing, their behaviour, cultural differences within this market, and the influence that an online and social media presence has on consumer's purchasing behaviour.

3.2 LUXURY VALUE PERCEPTIONS

There have been numerous studies pertaining to luxury value perceptions and how value perception can be defined (Vigneron & Johnson, 1999; Vigneron & Johnson 2004; Wiedmann *et al.*, 2007; Wiedmann *et al.*, 2009; Jung Choo, Kim & Yoon, 2012; Hennings *et al.*, 2012a; Hennigs *et al.*, 2012b; Shukla, 2012; Hennings *et al.*, 2013; Loureiro & Araujo, 2014). Seeing as not much is known regarding the most effective way of marketing luxury products (Vigneron & Johnson, 1999, 2004), identifying the reasons for luxury purchases or consumption is of cardinal importance to luxury marketers, manufacturers and retailers. Consumers that purchase luxury goods, do so for different reasons. Wiedmann *et al.* state that:

“... a customer's luxury value perception and motives for luxury brand consumption are not simply tied to a set of social factors that include displaying status, success, distinction and the human desire to impress other people; they also depend on the nature of the financial, functional and individual utilities of the brand” (2009:627).

Vigneron and Johnson (1999) designed a “Prestige-seeking consumer behaviours” model that consisted of five “values of prestige” combined with five relevant motivations:

- Conspicuous (value) and Veblenian (motivation)
- Uniqueness (value) and Snob (motivation)
- Social (value) and Bandwagon (motivation)
- Emotional (value) and Hedonist (motivation)
- Quality (value) and Perfectionist (motivation)

This structure was created to assist marketers in identifying the level of prestige that their brands carried and thus helping with positioning decisions (Vigneron & Johnson, 1999). The Veblenian consumers (perceived conspicuous value) consume luxury products to impress and show status, as price is crucial to them. The Snob consumer (perceived unique value) sees price as an indicator of exclusivity and tries to consume unique products rather than popular products. The Bandwagon consumer (perceived social value) consumes luxury products because of the influence it will have on their peers and the view their peers will have of them while consumption takes place. The Hedonists (perceived emotional value) place emphasis on their own emotions and feelings when consuming luxury products. Perfectionists (perceived quality value) have their own way of measuring the quality of a luxury product, but they may also use price as an indicator of quality. Figure 3.1 illustrates these statements and clearly depicts where each one of these consumer groups rank with regard to self-consciousness and the importance of the perception of price as an indicator of prestige. For example, to a Veblenian, the perception of price is very important in indicating their prestige, while their conspicuous consumption makes their self-consciousness public.

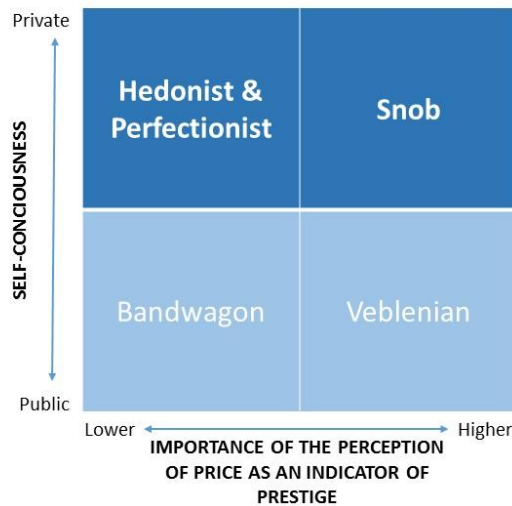


FIGURE 3.1 PRESTIGE-SEEKING CONSUMER BEHAVIOURS (Vigneron & Johnson, 1999)

Further research showed that these five factors can be used to measure a consumer's perception regarding the luxury value of a brand or a product (Vigneron & Johnson, 2004).

Vigneron and Johnson (2004) furthermore created the Brand Luxury Index (BLI) that consists of non-personal-oriented perceptions and personal-oriented perceptions. The non-personal-oriented perceptions relate to how conspicuousness, uniqueness and quality are perceived, while the personal-oriented perceptions relate to how hedonism and the extended self are perceived. They see conspicuousness as a way consumers use luxury brands and products (their perceived price) to create a perception regarding their social status, while uniqueness is seen as the rarity of a product, how exclusive it is and how difficult to come by, and owning it gives a boost to one's image. Vigneron and Johnson (2004) also define the extended self as consumers using a luxury product to rate themselves in relation to their peers, while hedonism is defined as the emotional benefits that consuming a luxury product gives to the consumer subjectively, thus contributing to a fulfilling or rewarding feeling. They also note that consumers feel that luxury brands have a higher level of quality than other products and that perceived quality combined with a high price directly relates to the perception of luxury.

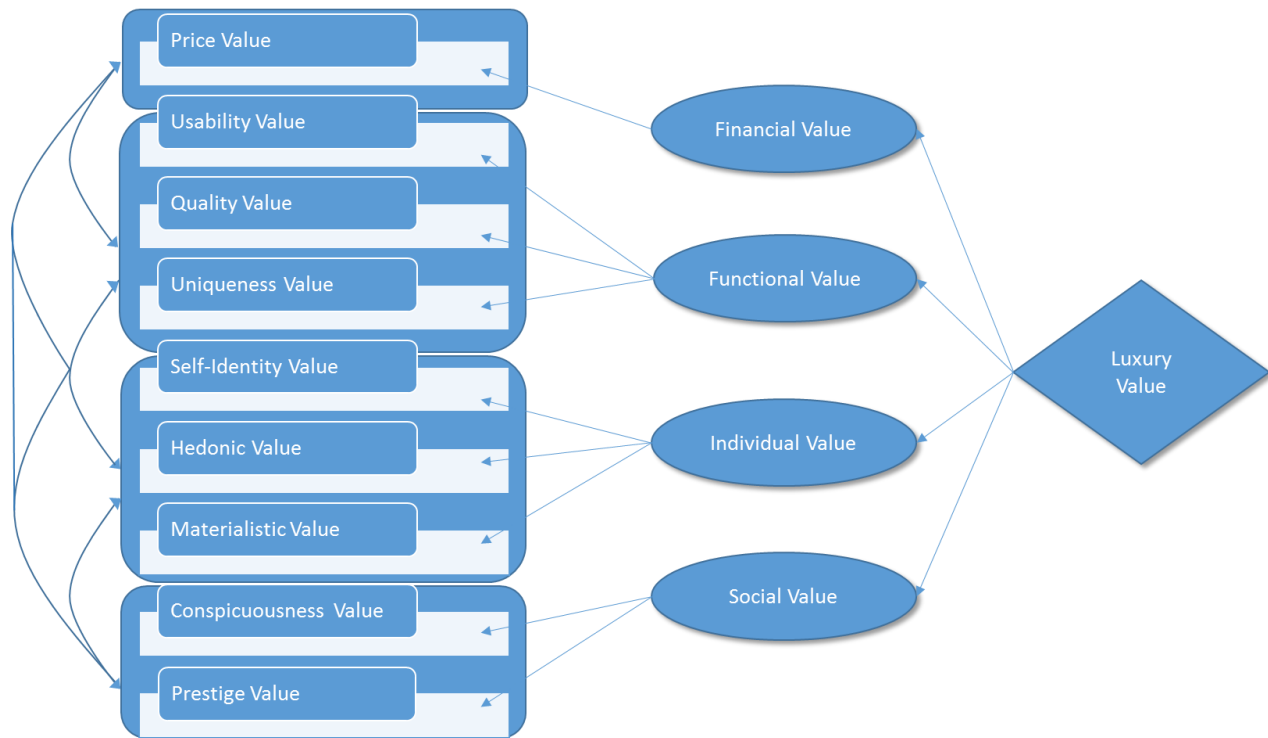


FIGURE 3.2 DIMENSIONS OF LUXURY VALUE PERCEPTIONS (Wiedmann *et al.*, 2007)

Wiedmann *et al.* (2007) followed with their luxury value framework and scale (Hennigs *et al.*, 2012a), which was confirmed as reliable and tested amongst different cultures with regard to various product categories. For the purpose of this study, the extended model (Figure 3.2), which consists of four dimensions of luxury value perception, namely: financial value, functional value, individual value and social value (Wiedmann *et al.*, 2007), will be used as the point of departure to study international tourists' luxury value perception. These value perceptions are defined as follows (Wiedmann *et al.*, 2009; Hennigs *et al.*, 2012a; Hennigs *et al.*, 2013):

- Financial value refers to the monetary value, resale price, discount and investment of a product
- Functional value refers to attributes such as quality, uniqueness and usability of a product
- Individual value refers to the personal angles and concerns an individual might have regarding luxury consumption, such as self-identity, materialism and hedonism
- Social value refers to the perception of status, prestige and conspicuousness that an individual might attain when purchasing luxury goods and how it sets them apart from their peers

This model contributes to the understanding of the value perception that a consumer allocates to a luxury product.

Previous studies showed that these luxury value perceptions play an important role in consumers' purchasing behaviour, amongst others, the specific product attributes that they deem important, their use of information sources, as well as their purchasing intent (Wiedmann *et al.*, 2007, 2009; Hennigs *et al.*, 2012a; Shukla, 2012).

3.3 CULTURAL MARKET DIFFERENCES

Hennigs *et al.* (2012a) argue that there are definite advantages to be gained by studying, not just consumers of a certain country (in the global perspective), but focusing on segmenting consumers on a cross-cultural level, as cultural differences or similarities flow across borders (2012). Generalising a whole country that might be home to various cultures, would also be a mistake and would lead to skewed data, and in turn, luxury consumers who are not satisfied. A number of studies have been done regarding luxury value perceptions on a cross-cultural view (Wiedmann *et al.*, 2007; Husic & Cicic, 2009; Shukla, 2012; Hennigs *et al.*, 2012a; Hennigs *et al.*, 2013). A study done by American, European and Asian researchers found that, globally, there were different reasons for luxury consumptions, though the consumers' values were quite alike (Hennigs *et al.*, 2012a). Four clusters were derived to categorise diverse groups of luxury consumers across diverse countries (see Figure 3.3).



FIGURE 3.3 CLUSTER COMPARISON (Hennigs *et al.*, 2012a)

The first cluster was identified as The Luxury Lovers and consisted of consumers who feel that exclusivity and the uniqueness of the products are very important. These consumers feel the need to use luxury products to satisfy their personal desire to feel unique and believe that this will gain them social approval. The second cluster was identified as The Status-Seeking Hedonists and is compiled of consumers who are not interested in the functionality of a luxury product, but rather the status and pleasure that come from owning such a product. The third cluster is The Satisfied Unpretentious consumers, whose main concerns are exclusivity, uniqueness and the guarantee of a product of quality being purchased, rather than the respect that comes from owning such a product, confirming their need for individuality and their distaste for materialism. The final cluster is The Rational Functionalists. Being the cluster with the highest income, these consumers are mainly interested in the functionality of luxury goods. They have their own individual concept of quality and show more knowledge and interest in the performance of luxury products.

These clusters demonstrate that (country-wide) common ground exists when focusing on consumers' perceptions and their drive to purchase luxury goods. This supports Wiedmann *et al.*'s (2007) opinion that clustering consumers using their way of perceiving luxury, will inevitably bring other characteristics to light and assist in better representing and profiling them.

3.4 SOCIAL MEDIA

The number of consumers accepting the change in purchasing platforms, from in-store to online, are on the rise (Okonkwo, 2009). Liu *et al.*, (2013) compiled the following five internet themes when administering their study of comparing online and in-store consumers: convenience, price, product availability, shopping attitude, and online trust. Convenience was found to be the most important theme for shopping online, with the ability to compare prices ranking second. The study also found that product availability was important for the online shoppers as luxury brands are not widely available (due to their exclusivity). Probably the most interesting theme was that consumers remarked on feeling pressured by in-store staff to make an expensive purchase when they did not want to and thus, online shopping was more enjoyable and relaxing for them. Lastly, online trust was a theme that is attributed to the online retailer's credibility, rating and the online review options that one can participate in. The study found that some respondents felt safer purchasing luxury goods in-store, which is understandable as luxury purchases are usually expensive. This can be seen as a curve ball, but luxury brands have initiated other ways of overcoming this issue – digital authentication.

Luxury products have implemented ways of guaranteeing that products purchased online are originals and not counterfeit (Carr, 2013). Digital serialisation technology (applying digital serial numbers to products) helps consumers to verify the product and track it through the supply chain, while public availability of serial numbers and quick response codes (QR codes) support in combatting the accidental purchase of a counterfeit item (Carr, 2013).

Because of the lack of physical touch in the online environment, luxury products have to focus on building long-term relationships with their customers via customer service (Liu *et al.*, 2013). Live broadcasts from the runway and mobile phone applications (Kim & Ko, 2012) are the way forward. Providing online consumers with entertainment and activities such as interacting with other consumers and obtaining information through the use of social media platforms and an online presence, should be the main focus of every luxury brand. Its importance is made undeniably clear through the amount of studies done relating to this subject (Xiang & Gretzel, 2010; Kim & Ko, 2010; Kim & Ko, 2012; Hennigs *et al.*, 2012b; Liu *et al.*, 2013; Kamal *et al.*, 2013; Luxury Daily, 2013). Although each of these studies has its unique approach to the subject, they all emphasise the importance of understanding the value of social media marketing.

Social media can be defined as online applications, media and platforms who assist in interaction, collaboration and content sharing (Kim & Ko, 2010, Universal Meccann International, 2008). Examples of social media are social blogs (for example Facebook), micro-blogs (for example Twitter), web blogs, podcasts, pictures, wikis, videos, rating and social bookmarking (Kim & Ko, 2010; Kim & Ko, 2012). These platforms are gaining popularity as governmental organisations, businesses and, of course, luxury brands use them to

communicate, advertise and market themselves or their products. Not only did studies investigating the effects of social media marketing on customer relationships and purchasing intent, find it to have a positive influence on consumers (Kim & Ko, 2010), it is also a form of communication that is cheap, immediate and interactive (Miller, Fabian & Lin, 2009). As Richter and Koch (2007) (cited by Kim and Ko 2010:1481) state:

“Social media are the two-way communication platforms that allow users to interact with each other online to share information and opinions. Use of social media sites such as Twitter and Facebook has already expanded to almost every luxury fashion brand and been evaluated as business take-off tools.”

DEI Worldwide (2008) found that 70% of consumers had visited a social media site to obtain information, while 49% of those consumers stated that social media had influenced their purchase decision-making. The percentage of consumers who stated that they would share the information they obtained using social media, was 60%, and a further 45% of consumers who actively searched for information on social media, shared that information using word of mouth. Thus, social media most definitely has to make up part of a company's online marketing strategy. Luxury products cannot rely on their heritage and legacies alone (Kim & Ko, 2012). The internet is the perfect way for luxury brands who want to gain popularity and desirability, to get in touch with global consumers by sharing their heritage, mythology and views (Hennigs *et al.*, 2012a).

The role of social media in luxury products' marketing strategies have been discussed, but for the purpose of this study, one also needs to look at the influence that social media and online platforms have on tourists, how they gain information and what information they seek.

The number of studies discussing the role of social media in tourism reflects on its importance (Amaro, Duarte, & Henriques, 2016; Hudson, Huang, Roth, & Madden, 2016, Harrigan, Evers, Miles, & Daly, 2017; Mkono, & Tribe, 2017). According to Xiang and Gretzel (2010), two trends have arisen. Firstly, social media platforms have gained popularity among travellers as tourists can now share their travels with others via these platforms. Secondly, online searching for information on travelling is made very easy due to the substantial amount of information available online. It was found that 64% of American online travellers make use of search engines when planning their travels (Travel Industry Association of America, 2005). This online usage is not just to plan their next trip, according to Blackshaw and Nazzaro (2006), they also use it to inform one another about previous experiences, products, brands, amenities, and disputes. LonelyPlanet and IGoUGo are two examples of virtual tourist communities, which create a platform where tourists can interact with one another by sharing experiences and discussing mutual interests. These communities make up 40% of all social media usage by travellers. Reviews, blogs and social networking came in as second, third and fourth most used social media platforms (Xiang & Gretzel, 2010). Weibo and WeChat are two social media

platforms that are very popular with Chinese consumers, and luxury brands have started to use them to interact with Chinese tourist before they even leave their home country. These luxury brands schedule visits with the tourists to come and experience an exclusive store visit during their trip (Euromonitor, 2015).

With regard to shopping and its relevance on social media platforms, Xiang and Gretzel (2010) found that there is quite a number of websites that convey information regarding shopping. Figure 3.4 shows where shopping ranks as a keyword when tourists search for information.

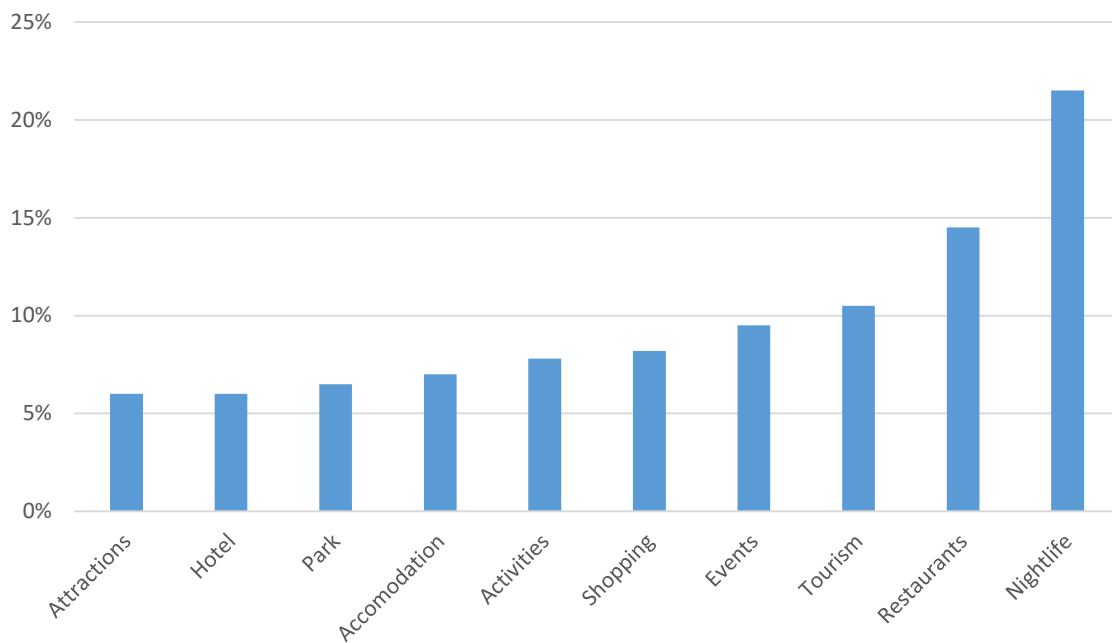


FIGURE 3.4 DISTRIBUTION OF SOCIAL MEDIA BY KEYWORD (Xiang & Gretzel, 2010)

As millennial luxury consumers are currently more than 2,3 billion strong, and make up approximately 32% of the world’s population (Boston Consulting Group, 2016), it is of extreme importance to understand how this profitable segment behaves and what shapes their attitude towards luxury consumption. The Boston Consulting Group (2017) states that millennials use these platforms to rate products (60%), to upload content about products and services (60%), to compare prices (45%), and to search for promotions (43%). It is not only the millennials that are demanding luxury brands to use omnichannels. Seventy five per cent of baby boomers are eager to start using them. Some 40% of consumers currently expect some form of two-way communication between themselves and the brands they purchase (Boston Consulting Group, 2016).

Hennigs *et al.* (2012b) noted that in light of the rise of experiential and multi-sensory marketing, it is of the utmost importance for marketers of luxury products to create a prestigious atmosphere online and to use

mass market strategies while still accentuating exclusivity and meeting the consumer’s luxury value perceptions. They proposed a new model (Figure 3.5) based on their original luxury value perception model, named “values of e-luxe”. In this model the economic e-luxe luxury value perception is derived from the original scale’s financial luxury value perception which relates to the economic attributes/utility of the website. The basic e-luxe value perception is derived from the original scale’s functional luxury value perception and relates to the site’s basic attributes/utility. The identification e-luxe value perception is derived from the original scale’s individual luxury value perceptions and relates to the site’s identification attributes/utility. The social e-luxe value perception is derived from the original scale’s social luxury value perception and relates to the site’s social attributes/utility. These four e-luxe value perceptions then drive the luxury consumer’s needs for specific online attributes in the same way that luxury value perceptions drive their needs for specific product attributes and in the end, their intent to purchase a product or not.

Hennigs *et al.* (2012a) reasoned that the price-value relationship is crucial when meeting the luxury consumer’s financial value perception. In turn, the economic e-luxe value should focus on attributes such as strong “no discount” policies, emphasis on the product, its superb quality and craftsmanship and the impeccable service that is provided.

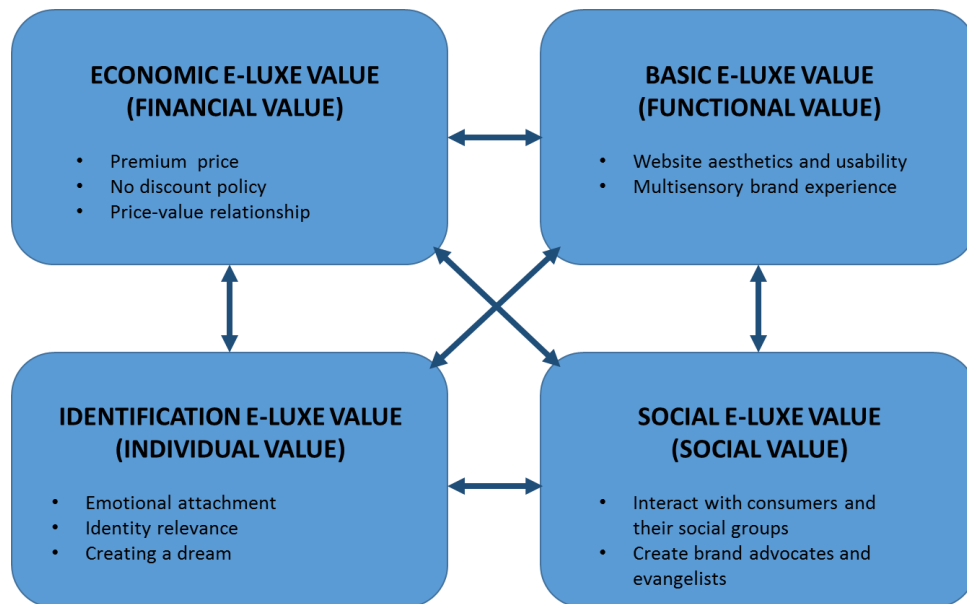


FIGURE 3.5 VALUES OF E-LUXE (Hennigs *et al.*, 2012b)

Attributes such as the website’s aesthetics and usability, as well as the importance of a multi-sensory experience of the product, form part of the website’s basic e-luxe value perception and are crucial for satisfying the consumer’s functional needs. For the consumers with strong individual value perceptions the online site’s identification e-luxe value perception should provide attributes such as emotional attachment

and enhancing the sense of self-identity, while at the same time conveying the message that owning the product would be a dream come true. Social e-luxe value perceptions' attributes such as the ability to interact with other luxury consumers and social groups and an awareness of others who are interested or have already purchased similar products, would be important for the consumer with strong social value perceptions. Hennigs *et al.* (2012b) are of the opinion that these four luxury value perceptions are a useful basis for the development of an online presence that would create a true luxury experience and would meet the consumer's own luxury value perceptions while supporting their decision-making and buying behaviour.

As in the case of luxury value perceptions that drive the consumer's purchasing intent for a luxury product, it is also important for marketers and retailers to determine their target market's specific e-luxe value perceptions that drive their needs for specific attributes of an online social media presence. In this study, the terms *e-luxe values* and *e-luxe value perceptions* will be used interchangeably from this point on.

3.5 SUMMARY

The role that luxury value perceptions play in the purchasing behaviour of luxury consumers, is of the utmost importance. In this digital age, knowledge of the e-luxe value perceptions that drive luxury consumers' needs for specific attributes of an online social media presence is crucial, especially when looking at tourists visiting South Africa with the intention of purchasing luxury products. Understanding which attributes are important to which group of tourists will ensure success, not only in creating awareness and providing information, but also in actual sales of luxury products.

CHAPTER 4

THEORETICAL FRAMEWORK

4.1 INTRODUCTION

This chapter provides the theoretical perspective which serves as point of departure for organising the research and also directs the type of research objectives to state. The decision-making process, buying decision-making behaviour and purchasing intent of consumers are discussed in this chapter.

4.2 THE DECISION-MAKING PROCESS

Consumers make decisions every day when a problem is identified and a solution to that problem is pursued. A consumer will purchase a product when they feel that the product will solve a problem and that this solution is worth more to them than the monetary value of the product (Blackwell *et al.*, 2006). They also mention that this action is the first step in the sale of the product as a need is met. As different purchasing decisions rank differently in their level of importance, so do the effort invested in making such decisions (Solomon & Rabolt, 2004:353). This means that if a high level of involvement occurs, a set of steps are followed, but not necessarily for all decisions. Some decisions are made much easier. The steps consumers followed when making a decision are known as the decision-making process (Figure 4.1).

The traditional decision-making process starts with the consumer recognising that there is a problem (Schiffman & Kanuk, 2010). A person will then search for information from friends, family, social media etc. regarding the intended purchase. One would then evaluate and compare the alternative products with one another, and then a choice is made. The outcome of the process is where the actual purchase happens. For the purpose of this study, more emphasis will be placed on the fashion decision-making process, as a luxury leather product is seen as a fashion item. Unlike the traditional decision-making process, the fashion decision-making process starts with the fashion item or object being displayed, wherever that may be (in a mall, in a boutique, or online). The person will then become aware of the product or object and show interest and inspect it. As the product might be an exotic leather handbag, for example, the “need” of the product as in the traditional decision-making process is not applicable and one can rather see this product as a “want”. Although consumers might “need” to buy a new handbag, she might opt for a more expensive exotic leather

handbag that will last much longer than a faux leather handbag and the “need” is then changed into a “want”. A level of evaluation will then take place where the consumer will compare the exotic leather handbag to other handbags. She might spend a lot of time doing research on different brands and might turn to others for their opinions, such as friends, family or even strangers’ input or experiences on social media. Once she has decided that she is sufficiently informed and feels convinced, the decision is made regarding the purchase, and the purchase is made or not made. When it is made, the outcome is that the purchase will be enjoyed or not enjoyed.



FIGURE 4.1 FASHION DECISION-MAKING PROCESS (Solomon & Rabolt, 2004:353)

4.3 CONTINUUM OF THE BUYING DECISION BEHAVIOUR

Different types of consumer decisions arise as the amounts of effort invested in the decisions differ. The continuum of the buying decision behaviour in Figure 4.2 starts on the one side with habitual decision-making that is a routine response behaviour and does not take a lot of effort to make. Energy can be saved when consumers teach themselves to become more efficient shoppers by repeating a purchase and in the end feeling comfortable with the result. Limited problem solving is found in the middle of the continuum. As these decisions are seen as uncomplicated, consumers do not put a lot of effort into research or evaluation, they rather create cognitive shortcuts that assist with making these decisions (Solomon & Rabolt, 2004:355, Schiffman & Kanuk, 2010). Decisions made with extended problem solving occurs when a product is more expensive and the type of purchase is not made regularly. Consumers will spend a lot of time evaluating and

researching and are very involved in the process (Solomon & Rabolt, 2004:355, Schiffman & Kanuk, 2010). Consumers have strong beliefs that influence their decision, and such purchases are usually high-risk and high-involvement purchases (Solomon, Bamossy & Askegaard, 2002:238). Therefore, extended problem solving is the buying decision behaviour that a consumer who purchases an exotic leather product will show during steps 2 to 5 of the decision-making process. This is also the time when important value perceptions (as seen through the product and online presence) may influence decision-making.

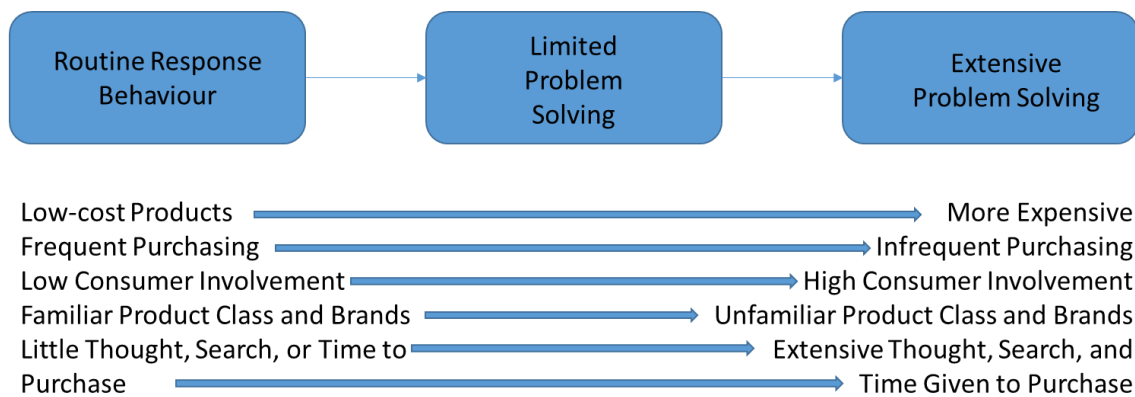


FIGURE 4.2 THE CONTINUUM OF THE BUYING DECISION BEHAVIOUR (SCHIFFMAN & KANUK, 2010)

4.4 PURCHASING INTENT

Purchasing intent is explained by Spears and Singh (2004:56) as “... an individual’s conscious plan to make an effort to purchase a brand”. This term mainly exists because of a consumer’s need that arises and the consumer’s willingness and attempt to satisfy that need (Ajzen, 1991). How strong this intention is, will be influenced by the situation the consumer finds herself in as well as the behaviour of the consumer (Spears & Singh, 2004).

Previous research discussed influences on consumers’ luxury brand purchasing intentions (Vigneron & Johnson, 1999; Vigneron & Johnson, 2004; Tsai, 2005; Wiedmann *et al.*, 2009; Shukla, 2012). Shukla’s (2012) study focused on the luxury value perceptions and the purchasing intent of emerging and developed markets. Although it defines the luxury value perceptions differently to those of Wiedmann *et al.* (2007), the conceptual framework that Shukla (2012) developed showed each value perception’s relationship to the purchasing intent with regard to each market (see Figure 4.3).

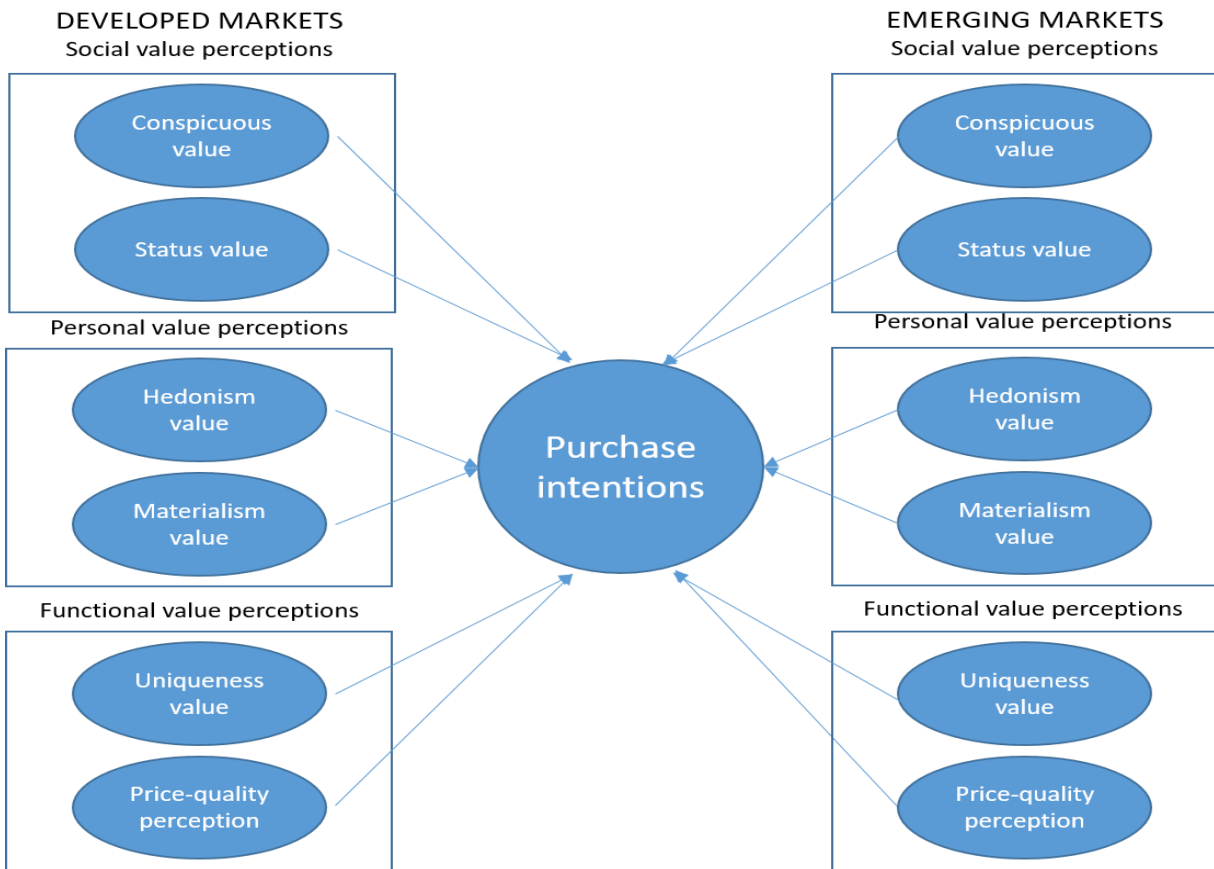


FIGURE 4.3 PURCHASING INTENTION (Shukla, 2012)

The study done by Amatulli and Guido (2011:132) attempted to determine purchasing intent with regard to luxury goods. The study found that four main attributes of luxury fashion products were most important and influential to the purchasing intent:

“... to ‘distinguish themselves’; the ‘duration in time’ of the product: the opportunity of feeling ‘at ease’ and the ‘assurance’ of possessing a good product.”

It is therefore crucial to determine not only the influence of luxury value perceptions on tourists visiting South Africa and the e-luxe value perceptions that drive their preference for specific attributes of an online presence, but also how the perceptions influence these tourists’ decision-making process and ultimately their intention to purchase an exotic leather product.

CHAPTER 5

RESEARCH DESIGN AND METHODOLOGY

5.1 INTRODUCTION

This chapter aims to explain the research design and methodology of this study. The schematic conceptual framework that directed the study is explained and research objectives are discussed. Attention is also given to the research design and methodology. The chapter ends with a discussion on the measures that were taken to ensure validity and reliability.

5.2 CONCEPTUAL FRAMEWORK AND OBJECTIVES

5.2.1 Conceptual framework

Figure 5.1 illustrates the decision-making process for exotic leather accessories in an online environment from the first step where the consumer is made aware of the product up to step 5 where the consumer needs to make a decision. During all these steps, the consumer is influenced by various internal and external influences, in this case her important luxury value perceptions that play a role in the reasons why she wants to buy the product (thus driving her purchasing behaviour), but also her need for certain online presence attributes/utilities that should symbolise the same important luxury value perceptions as the product does.

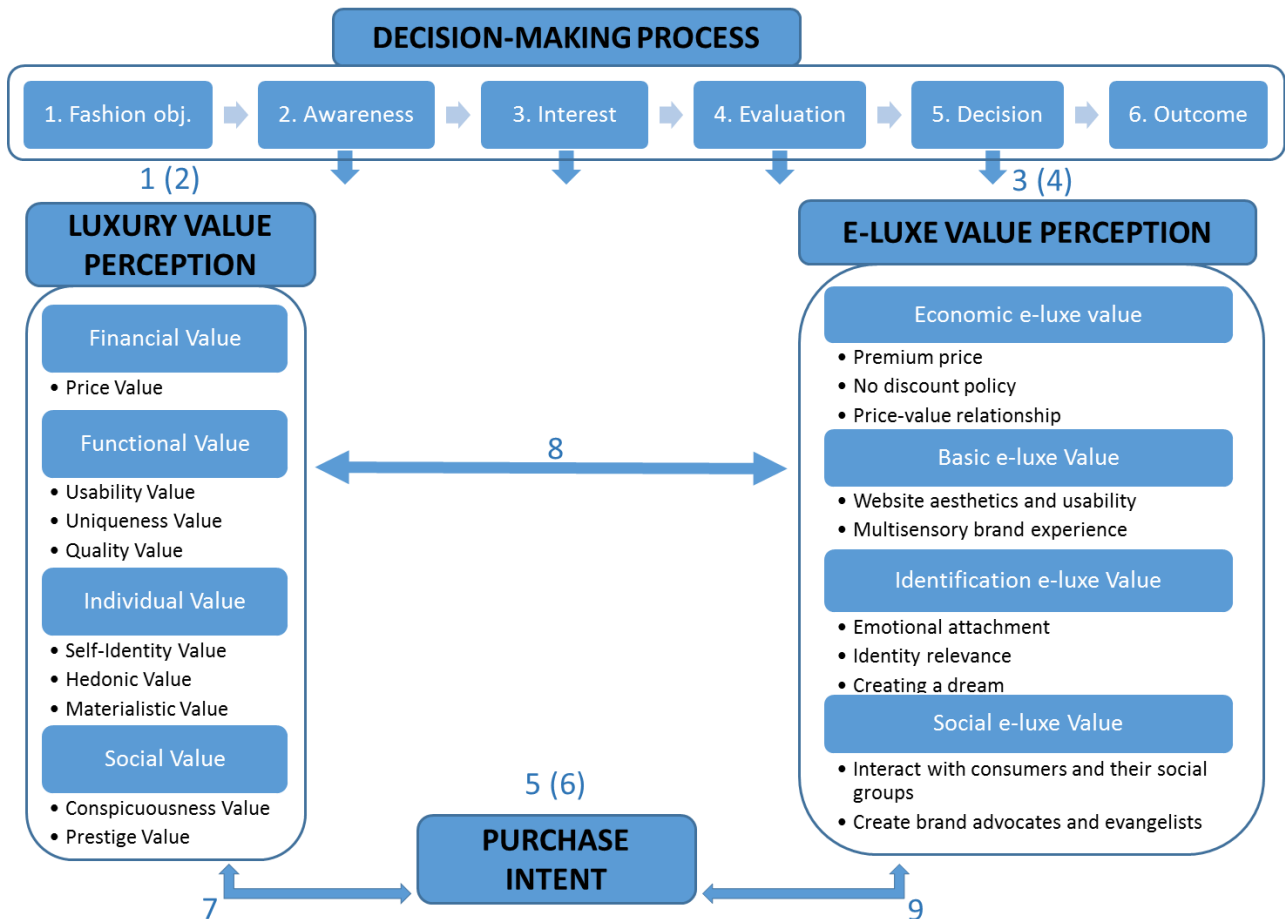


FIGURE 5.1 THE CONCEPTUAL FRAMEWORK

5.2.2 Objectives

The aim of this research is to determine Eastern and Western tourists’ luxury value perceptions and needs for specific attributes of an online presence for exotic leather goods.

For the purpose of this study the following objectives have been identified:

Objective 1: To explore and describe Eastern and Western tourists’ luxury value perceptions for exotic leather products. This is subdivided into the following sub-objectives:

- To explore and describe Eastern and Western tourists’ social value perception for exotic leather products
- To explore and describe Eastern and Western tourists’ individual value perception for exotic leather products
- To explore and describe Eastern and Western tourists’ functional value perception for exotic leather products

- To explore and describe Eastern and Western tourists' financial value perception for exotic leather products

Objective 2: To determine significant differences between Eastern and Western tourists' value perceptions for exotic leather products.

Objective 3: To determine Eastern and Western tourist' e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence. This is subdivided into the following sub-objectives:

- To determine Eastern and Western tourists' economic e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence
- To determine Eastern and Western tourists' basic e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence
- To determine Eastern and Western tourists' identification e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence
- To determine Eastern and Western tourists' social e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence

Objective 4: To determine significant differences between Eastern and Western tourists' e-luxe value perceptions that drive the preference for specific attributes of an exotic leather product's social media presence.

Objective 5: To determine Eastern and Western tourists' purchasing intent for exotic leather products.

Objective 6: To determine the significant differences between Eastern and Western tourists' purchasing intent for exotic leather products.

Objective 7: To determine correlations between Eastern and Western tourists' luxury value perceptions and their purchasing intent for exotic leather products.

Objective 8: To determine the correlations between Eastern and Western tourists' luxury value perceptions for exotic leather products and their e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence.

Objective 9: To determine correlations between Eastern and Western tourists' e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence and their purchasing intent for exotic leather products.

5.3 RESEARCH DESIGN

This study used a descriptive quantitative approach to collect data via a survey design. This was conducted by using self-administered questionnaires. Quantitative research is defined by Du Plessis and Rousseau (2011:376) as "a systematic and structured research approach aimed at obtaining information from respondents in a direct, open manner". Because of the level of precision and the fact that the data can be easily calculated, a quantitative method best suited this study. A quantitative approach is also objective and limits research bias. Numerical measurements and calculations were used to analyse the data. Deductive reasoning was used to build knowledge and compile the literature review (De Vos *et al.*, 2014:48).

5.4 METHODOLOGY

5.4.1 Sampling

5.4.1.1 Unit of analysis

The unit of analysis for this study was Eastern and Western tourists that have travelled to South Africa in the last five years or who have the intention of visiting South Africa in the next five years. Seeing that America and China are currently the top luxury markets (Deloitte, 2015; Boston Consulting Group, 2015) and that a high number of tourists from these countries visit South Africa every year (Statistics SA, 2017), the focus was placed on these two cultural groups. It was also important to be able to compare these two groups as previous research showed differences between them with regard to luxury consumption (Wiedmann *et al.*, 2007; Hennigs *et al.*, 2013).

5.4.1.2 Sampling method

The electronic survey was completed by 1 043 willing respondents (518 American respondents and 525 Chinese respondents) over the course of January to March 2017. Qualtrics managed the entire data collection process and also completed a pilot study to ensure that all questions were clear. Mistakes were then corrected before the data collection started. The advantage of being able to use an international reputable research company meant that the correct population could be reached in China and America by the researchers based in South Africa, and within the allocated time frame of the study. For the purpose of this

study, non-probability sampling was used. As mentioned in De Vos *et al.* (2014:231), non-probability sampling refers to a situation where the researcher is unaware of the size of the population and the members of the population are unknown, thus the chances of selecting a certain individual is also unknown (Gravetter & Forzano, 2003:118). Convenience sampling is the type of non-probability sampling that was used for this study, meaning that respondents of said population who were easily and readily available have been used (Berndt & Petzer, 2011:174). The sampling was done by Qualtrics, who also translated the English questionnaire to Mandarin and Cantonese, and managed the online survey. This sampling method means that the findings of this study might not be relevant to the whole population and therefore generalisations might not be appropriate. On the other hand, the benefit of non-probability convenience sampling is convenience. As the researcher had to rely on an external company and the samples chosen were in different countries, making them hard to reach, this type of sampling suited the study best.

5.4.2 Data collection

Qualtrics, an international research company, was approached to assist with the data collection for this study. They were informed of the study's purpose and assisted in distributing the questionnaires (Addendum A) to qualifying respondents. Qualtrics also assisted in providing a translator to facilitate the translation of English to Mandarin and Cantonese, providing assurance that the Chinese respondents could understand and answer the questionnaire. The data was collected during January to March 2017. All the participants gave their consent and completed their questionnaires online and anonymously.

5.4.3 Measuring instrument

A self-administered structured questionnaire covered two different studies. This questionnaire was therefore broken up into different sections. Sections A, B, E and F (partially) applied to this study. Section A consisted of questions regarding the demographics of the respondents. Questions pertaining to visits to South Africa, purchases made, type of products purchased, interest in exotic leather products, social media platforms used and awareness of South Africa as a producer of exotic leather fell under this section. Section B consisted of questions determining the luxury value perceptions of the respondents (financial, functional, social and individual), and Hennigs *et al.*'s (2012a) scale was used (see Addendum B). This scale has been used numerous times by previous researchers and yielded high Cronbach's alpha (financial value = 0,61, functional value = 0,70, social value = 0,85 and individual value = 0,88). Section E was a self-developed scale which tested the e-luxe value perceptions (economic, basic, identification and social) of an exotic leather product's social media presence based on the Hennigs *et al.* (2012b) model. In Table 5.1 the relationship between each luxury value perception, its relevant e-luxe value and attributes relating to that specific e-luxe value are shown. With

this information the development of the questions testing each of these attributes are clearly seen. Section F tested the purchasing intent of the respondents. All three sections made use of a 5-point Likert scale with “strongly disagree”, “disagree”, “neutral”, “agree” and “strongly agree” as indicators. The questionnaires were distributed electronically for convenience due to the nature of the study and the location of the respondents. This also contributed to the elimination of mistakes as all the data was captured electronically.

TABLE 5.1 SELF-DEVELOPED QUESTIONS TESTING E-LUXE VALUES EXPLAINED

Luxury value perception	E-luxe value	Attributes of online social media presence	Self-developed questions
Financial	Economic	<ul style="list-style-type: none"> • Premium Price • No discount policy • Price-value relationship 	<ul style="list-style-type: none"> • Only limited numbers of premium price exotic leather goods and clothing should be available via social media. • Social media should not promote discount policies on luxury exotic leather goods and clothing. • On a social media web page the value of luxury exotic leather goods and services should be reflected by the price.
Functional	Basic	<ul style="list-style-type: none"> • Website aesthetics and usability • Multisensory brand experience 	<ul style="list-style-type: none"> • A luxury brand’s social media web page should be user-friendly. • A luxury exotic leather brand’s social media web page should reflect the beauty of the product. • It is important to be able to share one’s luxury product’s experience on a brand’s social media web page.
Individual	Identification	<ul style="list-style-type: none"> • Emotional attachment • Identity relevance • Creating a dream 	<ul style="list-style-type: none"> • Luxury exotic leather social media web pages should make me feel alive. • A luxury exotic leather social media’s web page should touch my heart. • Owning the luxury product that is promoted on a social media’s web page should be like a dream come true.
Social	Social	<ul style="list-style-type: none"> • Interact with consumers and their social groups • Create brand advocates and evangelists 	<ul style="list-style-type: none"> • My friends and I should be able to give our opinions on a luxury exotic leather product’s social media web page. • Others should be able to see on a luxury product’s social media web page that I support the product or brand. • A luxury product’s social media web page should reflect who I am.

5.4.4 Operationalisation

TABLE 5.2 OPERATIONALISATION

OBJECTIVE	CONCEPT	DIMENSIONS/INDICATORS	INDICATOR MEASURING	RELATIVE QUESTIONS	STATISTICAL ANALYSIS
Objective 1: To explore and describe Eastern and Western tourists' ... Sub-objective 1: Financial Sub-objective 2: Functional Sub-objective 3: Social Sub-objective 4: Individual ...value perception with regard to South African exotic leather accessories.	Financial	Price	Hennigs <i>et al.</i> (2012a) luxury value perception scale 5-point Likert scale: 1 = strongly disagree, 5 = strongly agree	V9.2+V9.6+V9.10+V9.12	<ul style="list-style-type: none"> • Means • Standard deviations • Cronbach's alpha • Factor analysis
	Functional	Usability Quality Uniqueness		V9.4+V9.5+V9.17+V9.18	
	Social	Conspicuousness Prestige		V9.3+V9.7+V9.11+V9.13+V9.16 +V9.20+V9.22	
	Individual	Self-identity Hedonic Materialistic		V9.1+V9.8+V9.9+V9.14 +V9.15+V9.19+V9.21	
Objective 2: To determine significant differences between Eastern and Western tourists' value perceptions for exotic leather products.	Financial	Price	Hennigs <i>et al.</i> (2012a) luxury value perception scale 5-point Likert scale: 1 = strongly disagree, 5 = strongly agree	V9.2+V9.6+V9.10+V9.12	<ul style="list-style-type: none"> • Levene's test for equality of variance
	Functional	Usability Quality Uniqueness		V9.4+V9.5+V9.17+V9.18	
	Social	Conspicuousness Prestige		V9.3+V9.7+V9.11+V9.13+V9.16 +V9.20+V9.22	
	Individual	Self-identity Hedonic Materialistic		V9.1+V9.8+V9.9+V9.14 +V9.15+V9.19+V9.21	
Objective 3: To determine Eastern and Western tourists' ... Sub-objective 1: Economic Sub-objective 2: basic Sub-objective 3: individual Sub-objective 4: social	Economic	Premium price No discount policy Price-value relationship	Self-developed e-luxe value scale based on Hennings <i>et al.</i> 's (2012b) values of e-luxe model	V12.1+V12.3+V12.12	<ul style="list-style-type: none"> • Means • Standard deviations • Cronbach's alpha • Factor analysis
	Basic	Website aesthetics and usability Multisensory brand experienc		V12.4+V12.5+V12.10	
	Identification	Emotional attachment Identity relevance Creating a dream		V12.2+V12.7+V12.9	

OBJECTIVE	CONCEPT	DIMENSIONS/INDICATORS	INDICATOR MEASURING	RELATIVE QUESTIONS	STATISTICAL ANALYSIS
...e-luxe value perception that drive their preference for specific attributes of an exotic leather product's social media presence.	Social	Interact with consumers and their social groups Create brand advocates and evangelists		V12.6+V12.8+V12.11	
Objective 4: To determine significant differences between Eastern and Western tourists' e-luxe value perceptions that drive the preference for specific attributes of an exotic leather product's social media presence.	Economic	Premium price No discount policy Price-value relationship	Hennings <i>et al.</i> (2012b) values of e-luxe model = 5-point Likert scale: 1 = strongly disagree, 4 = strongly agree	V12.1+V12.3+V12.12	<ul style="list-style-type: none"> Levene's test for equality of variance
	Basic	Website aesthetics and usability Multisensory brand experience		V12.4+V12.5+V12.10	
	Identification	Emotional attachment Identity relevance Creating a dream		V12.2+V12.7+V12.9	
	Social	Interact with consumers and their social groups Create brand advocates and evangelists		V12.6+V12.8+V12.11	
Objective 5: To determine Eastern and Western tourists' purchasing intent for exotic leather products.	Purchasing intent	Purchasing intent	5-point Likert scale: 1= strongly disagree, 5= strongly agree based on Spears and Singh (2004) purchasing intent scale	V13.1+V13.2+V13.3+V13.4+V13.5+V13.6	<ul style="list-style-type: none"> Means Standard deviation
Objective 6: To determine the significant differences between Eastern and Western tourists' purchasing intent for exotic leather products.	Purchasing intent	Purchasing intent	Based on Spears and Singh (2004) purchasing intent scale	V13.1+V13.2+V13.3+V13.4+V13.5+V13.6	<ul style="list-style-type: none"> Levene's test for equality of variance
Objective 7: To determine correlations between Eastern and Western tourists' luxury value perceptions and their purchasing intent for exotic leather products.	Financial, functional, social and individual Versus Purchasing intent	Price, Usability, Quality, Uniqueness, Conspicuousness, Prestige, Self-identity, Hedonic, Materialistic Versus Purchasing intent		V9.2+V9.6+V9.10+V9.12+V9.4+V9.5+V9.17+V9.18+V9.3+V9.7+V9.11+V9.13+V9.16+V9.20+V9.22+ V9.1+V9.8+V9.9+V9.14+V9.15+V9.19+V9.21+V13.1+V13.2+V13.3+V13.4+V13.5+V13.6	Pearson's correlation coefficient

OBJECTIVE	CONCEPT	DIMENSIONS/INDICATORS	INDICATOR MEASURING	RELATIVE QUESTIONS	STATISTICAL ANALYSIS
Objective 8: To determine the correlations between Eastern and Western tourists' luxury value perceptions for exotic leather products and their e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence.	Financial, functional, social and individual Versus Economic, Basic, Identification and Social	Price, Usability, Quality, Uniqueness, Conspicuousness, Prestige, Self-Identity, Hedonic And Materialistic Versus Premium price, No discount policy, Price-value relationship, Website aesthetics and usability, Multisensory brand experience, Emotional attachment, Identity relevance, Creating a dream, Interact with consumers and their social groups, Create brand advocates and evangelists		V9.2+V9.6+V9.10+V9.12+V9.4+V9.5+V9.17+V9.18+V9.3+V9.7+V9.11+V9.13+V9.16+V9.20+V9.22+ V9.1+V9.8+V9.9+V9.14+V9.15+V9.19+V9.21+V12.1+V12.3+V12.12+V12.4+V12.5+V12.10+V12.2+V12.7+V12.9+V12.6+V12.8+V12.11	Pearson's correlation coefficient
Objective 9: To determine correlations between Eastern and Western tourists' e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence and their purchasing intent for exotic leather products.	Economic, Basic, Identification and Social Versus Purchasing intent	Premium price, No discount policy, Price-value relationship, Website aesthetics and usability, Multisensory brand experience, Emotional attachment, Identity relevance, Creating a dream, Interact with consumers and their social groups, Create brand advocates and evangelists Purchasing intent		V12.1+V12.3+V12.12+V12.4+V12.5+V12.10+V12.2+V12.7+V12.9+V12.6+V12.8+V12.11+ V13.1 V13.2+V13.3+V13.4+V13.5+V13.6	Pearson's correlation coefficient

5.4.5 Data analysis

Quantitative data was collected (1 043 completed and usable questionnaires) and coded by Qualtrics. The coded data was then assembled electronically on Excel spreadsheets and checked for entry errors before statistical analysis began.

Analysis of the collected data was done using descriptive statistical analysis which included determining percentages, means and standard deviations, as well as through the use of inferential statistical analysis.

Exploratory factor analysis was done to analyse respondents' value perceptions and Cronbach's alpha coefficients were then calculated. A cut-off point of $\alpha = 0,40$ was considered as practically significant (Trochim, 2005:68-70).

Levene's Test of equality of variance was used to determine statistical significant ($p < 0,01$; $p \leq 0,05$) differences between the two samples' luxury value perceptions, e-luxe perceptions and purchasing intent. An F-statistic as well as a significance value (p-value) is provided by this test, although the significance value is of main concern. If it is greater than 0,05 ($p > 0,05$), the group variances can be treated as equal; if $p < 0,05$, the variances are unequal and the assumption of homogeneity of variances is violated (Laerd Statistics, 2016a).

Pearson's correlation coefficient was done to determine correlations between concepts. It is defined as "a nonparametric measure of the strength and direction of association that exists between two variables measured on at least an ordinal scale". The symbol r or the Greek letter ρ is used to present this measure, which can be positive or negative ($-1, 0, +1$) (Laerd Statistics, 2016b).

5.5 MEASURES TO ENSURE THE QUALITY OF DATA

It is vital to ensure that the study is valid and reliable. Validity can be explained as the way a measure accurately reflects that which is being measured (Babbie, 2004). De Vos *et al.* (2014:173) continue to say that validity has two aspects: "that the instrument actually measures the concept in question, and that the concept is measured accurately".

5.5.1 Validity

There are also different types of validity, namely content, face, criterion and construct validity (De Vos *et al.*, 2014:174). Content validity is concerned with the capability of an instrument (De Vos *et al.*, 2014:173). A researcher needs to make sure that questions show the multi-dimensions of the study. Face validity is

concerned with the appearance of the measuring technique, meaning does it appear to measure the variable it sets out to measure (De Vos *et al.*, 2014:173-174)? Criterion validity is concerned with the behaviour of the measuring instrument, meaning that it should be measured against external criteria known to compare the outcome of an instrument, while construct validity is concerned with the level at which an instrument has measured a theoretical construct to ensure that the theory is valid (De Vos *et al.*, 2014:174).

Before data is collected, one can establish content and face validity (De Vos *et al.*, 2014:173). In the case of this study, the literature review was done effectively and covered all relevant topics and research. The objectives of this study were compiled strategically and clearly set out the purpose of this study. Criterion and construct validity can only be established once the data has been collected already (De Vos *et al.*, 2014:173). In the case of this study, the external independent company (Qualtrics) firstly did a pilot test to correct any unclear questions before it proceeded with collecting the data, and once the information was handed over to the researcher, it was not manipulated in any way. The model being used for the purpose of the luxury value perception part of the study, is a trusted model that has yielded a high Cronbach's alpha. The proposed values of e-luxe model was compiled by the same researchers as the luxury value perception model, but this study is the first attempt at testing the model.

5.5.2 Reliability

Reliability refers to a measurement instrument's ability to give the same information or result every time it is used (De Vos *et al.*, 2014:177). Neuman and Kreuger (2003:179 in De Vos *et al.*, 2014:177) state that there are four ways in which one can increase the level of reliability. Firstly, obtain clearly defined constructs and confirm that each measure shows only a particular concept. Secondly, measure at the most exact level possible. Thirdly, use multiple questions to test the same variable; and fourthly, use pre-tests, pilot studies and replications.

5.6 ETHICS

Ethics can be defined as a set of codes or rules to ensure correct behaviour towards all parties involved in the research process (De Vos, *et al.*, 2014:113). Berndt and Petzer (2011:287) state that the three most important concerns regarding research ethics are integrity, fair treatment and confidentiality. It is important that each study conducted, is done in an ethical manner. Researchers have to be open about

the reason for the research and the factors being researched, together with the respondent's comfort and willingness to participate in the study. Findings and how they are used, should be done in a legitimate and ethical manner (De Vos *et al.*, 2014:114).

With regard to this study, a letter was drawn up to accompany each and every questionnaire, which stated the purpose of the study and confirmed that respondents were asked to participate of their own free will and were not forced to complete the questionnaire. Respondents were reached online and no one was forced to participate. Confidentiality was assured and all responses were treated anonymously. The researcher received only the final data file. The researcher also guaranteed ethical practice by handing in this proposal to the University of Pretoria's Faculty of Natural and Agricultural Science ethics committee for approval. This was done before any research started.

5.7 SUMMARY

This chapter has aimed to explain the methods and procedures used when the research was conducted. This discussion of the research design and methodology created the background for the next chapter, by explaining the research procedures, objectives, data collection and statistical analysis, and the operationalisation of the study. Attention was placed on the scales that were used in this study, specifically the self-developed scale and where it originated from. How the questionnaire was compiled was discussed and the foundation for the objectives were clearly shown. The ethical aspects of this study were also discussed. This assists in understanding the next chapter, which explains the results of this study.

CHAPTER 6

RESULTS AND DISCUSSION

6.1 INTRODUCTION

This chapter presents the results of the study that was conducted. The chapter starts with an overview of the demographics, moving then to the results which are presented according to the study's objectives. The chapter ends with a discussion and interpretation of the results.

6.2 DEMOGRAPHIC AND OTHER DESCRIPTIVE CHARACTERISTICS OF THE SAMPLE

6.2.1 Nationalities

A total of 1 043 respondents participated in the study. Of these, 518 were American and 523 Chinese.

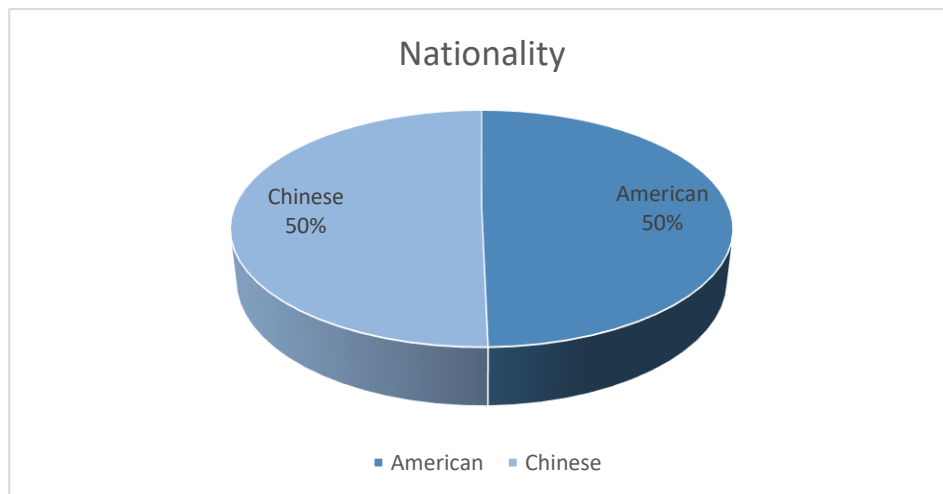


FIGURE 6.1 NATIONALITY OF RESPONDENTS

6.2.2 Familiarity with South Africa's exotic leather products

Slightly more Chinese respondents (92,76%) than American respondents (89,58%) indicated that they were aware that South Africa is known for its exotic ostrich and crocodile leather products.

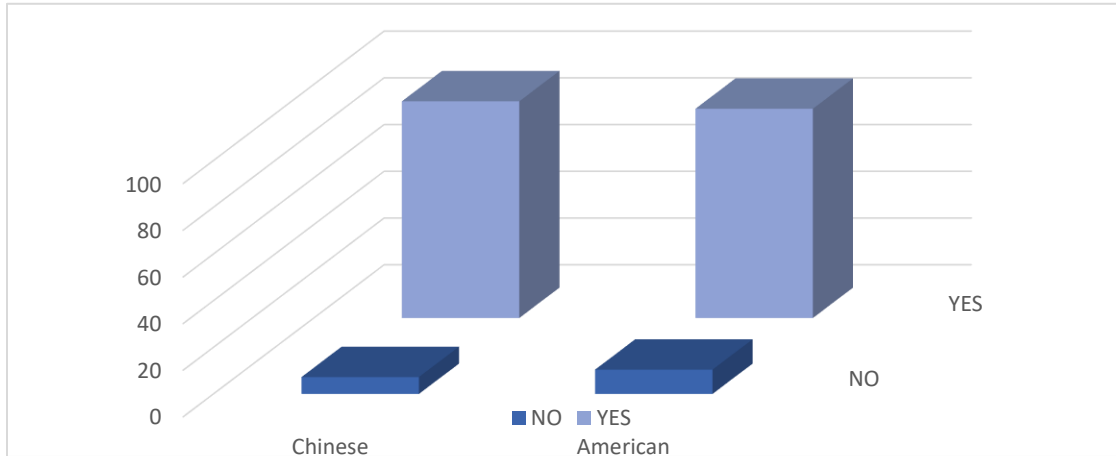


FIGURE 6.2 RESPONDENTS' AWARENESS OF SOUTH AFRICA'S EXOTIC LEATHER PRODUCTS

6.2.3 Gender

The gender distribution of the Americans (51,74% female and 48,26% male) and Chinese (48,95% female and 51,05% male) in the sample is very similar.

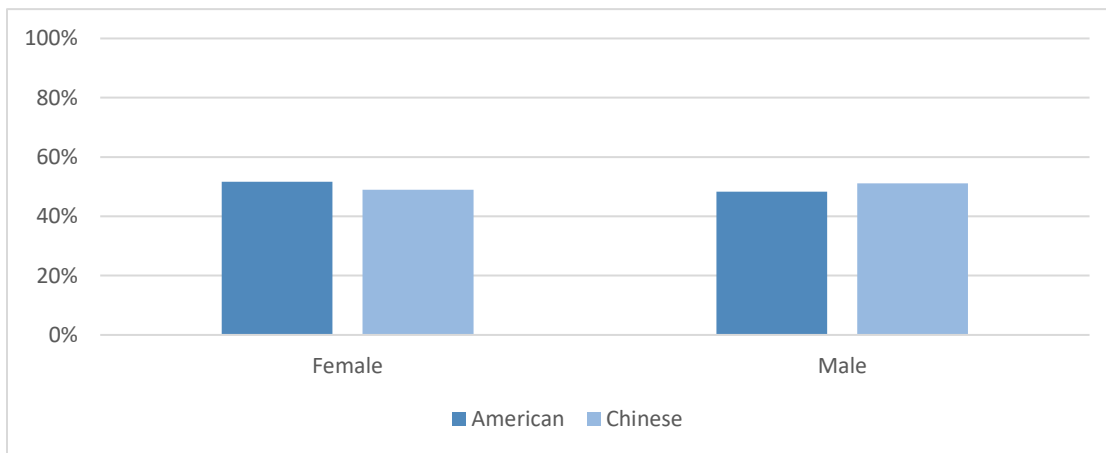


FIGURE 6.3 GENDER OF RESPONDENTS

6.2.4 Age

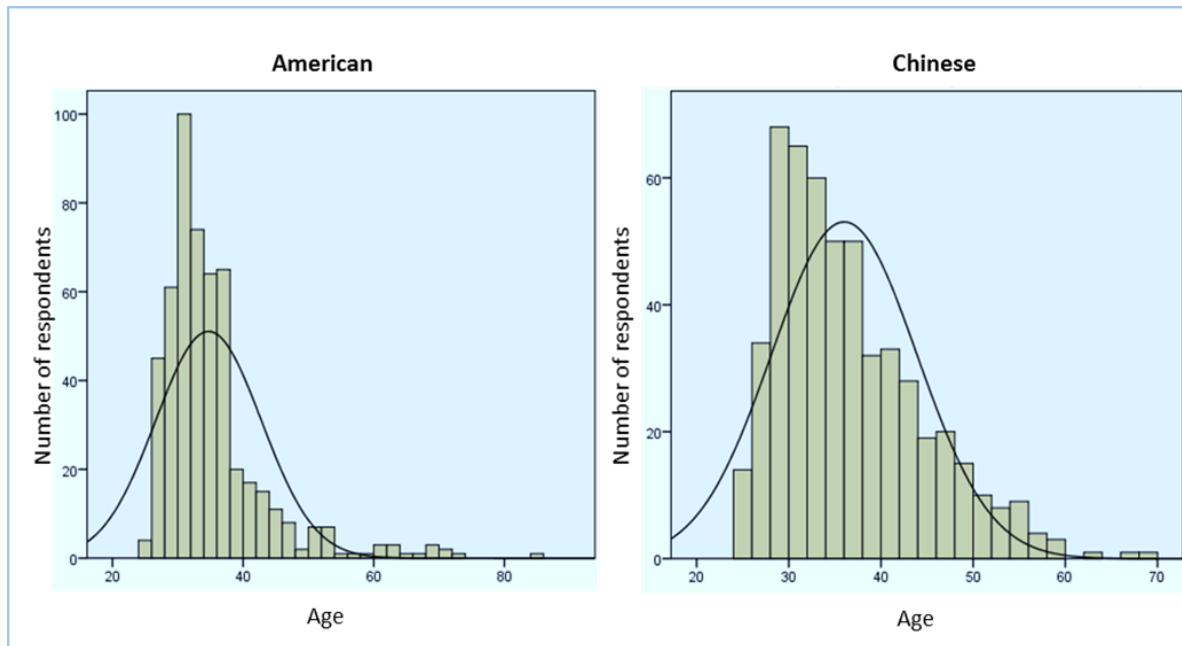


FIGURE 6.4 AGE OF RESPONDENTS

The average age of an American participant was 34,71 years, while the average age of a Chinese participant was 36 years. As indicated in Figure 6.4, most of the respondents fell in the millennial age group.

6.2.5 Visiting South Africa

When asked whether the participant had visited South Africa during the last 5 years or intended to visit in the next 5 years, all the respondents (American and Chinese) answered positively.

6.2.6 Purchasing behaviour

When asked whether they had made any purchases during their visit or intended to make any purchases during their upcoming visit, 96,91% of the Americans answered yes, while 97,52% of the Chinese answered yes. As can be seen in Figure 6.5, the most common type of purchase made by Americans were accessories for themselves (82%), while the Chinese rather purchased souvenirs (89%) on their trips. It is interesting to note that both cultures made 70% of their purchases as gifts. It is important to note that respondents could have selected more than one type of product.

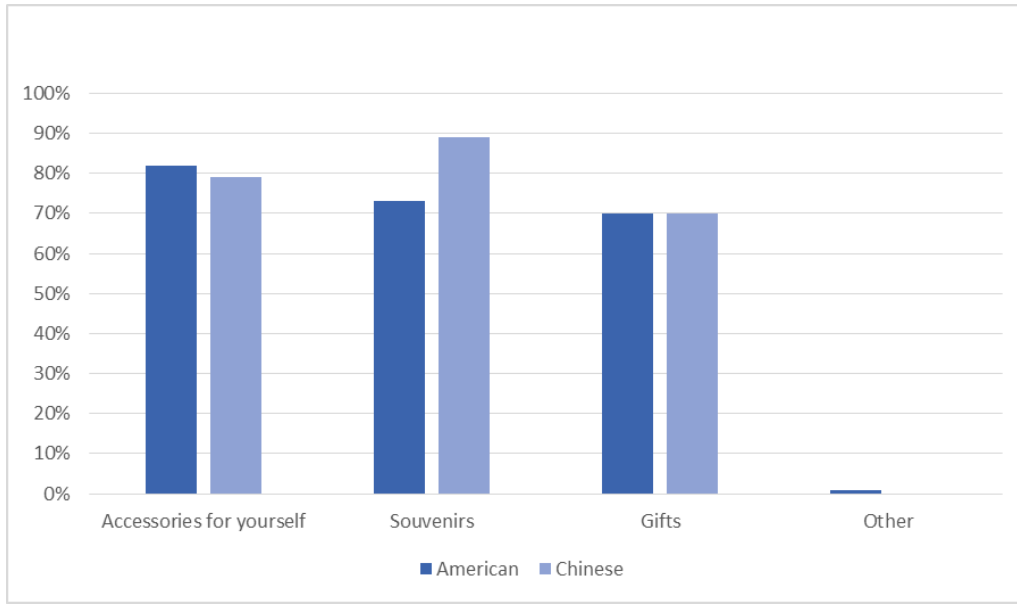


FIGURE 6.5 TYPES OF PURCHASES MADE BY RESPONDENTS

6.2.7 Social media usage

It is clear from Figure 6.6 that both the American and Chinese respondents used a wide variety of social media platforms, with the Chinese mostly using Blogs (80,8%), while Americans mostly used Facebook (67,2%). Instagram (Chinese usage at 37,3% and American usage at 18,1%) and SnapChat (Chinese usage at 23,9% and American usage at 14,9%) were the least popular social media sources of information. What was also interesting was that both culture groups also used YouTube (Chinese 45,9% and Americans 35,0%) as a source of information.

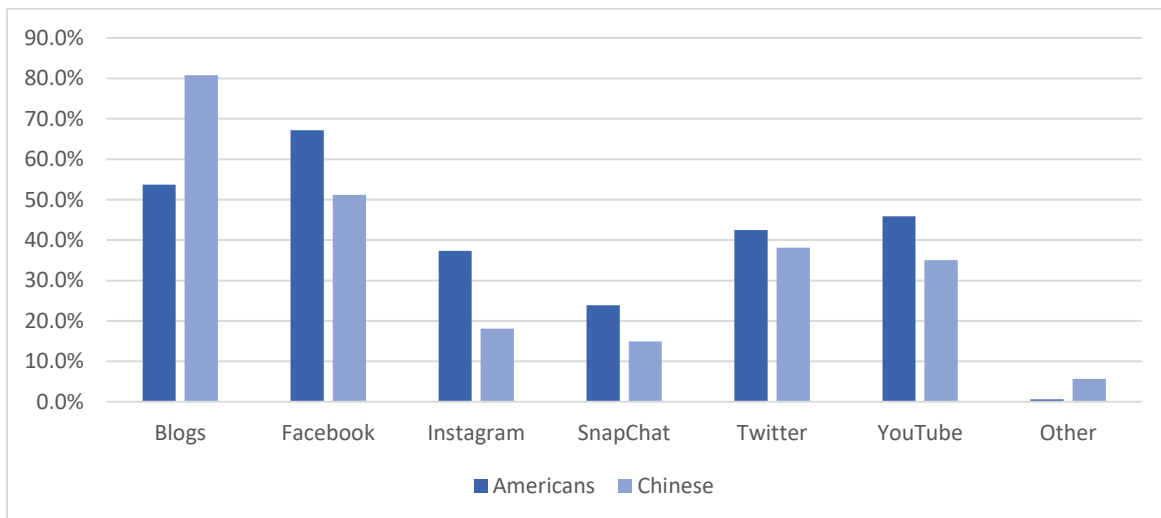


FIGURE 6.6 RESPONDENT'S PREFERRED SOCIAL MEDIA PLATFORM AS SOURCE OF INFORMATION

6.3 RESULTS OF THE OBJECTIVES

6.3.1 Objective 1

To explore and describe Eastern and Western tourists' luxury value perceptions for exotic leather products.

Question 9 of section B in the questionnaire, investigated objective 1. The scale created by Hennigs *et al.* (2012a) was used.

6.3.1.1 American factor analysis

The outcome of the initial factor analysis for the American sample (Table 6.1) identified two factors instead of the four factors of the original scale. All the items in the original scale's individual, social and functional factors (V9.4) assembled as factor 1 in this study and it was named "Me". All the items that tested the original scale's financial values along with one item that tested the functional value (V9.17), loaded on the second factor and was therefore named "financial". Items that loaded on more than one factor were removed for further analysis. Items with loadings lower than 0,4 were considered as practically insignificant (Trochim, 2005:68-70) and were removed for further analysis. Items V9.5 ("I place great emphasis on quality assurance over prestige when considering purchasing luxury leather products or clothing"), V9.9 ("If I were to buy something expensive, I would worry about what others would think of me") and V9.18 ("I am inclined to evaluate the substantive attributes and performance of luxury leather products rather than listening to the opinions of others") were therefore removed for further analysis. The factors were then subjected to further reliability testing, and Cronbach's alpha, eigenvalues and the percentage variance were determined, after which the decision was taken to keep all the remaining items and to accept the two-factor scale. Cronbach's alpha values of 0,923 and 0,745 indicated internal consistency within the factors. The means of the factors were 3,91 and 3,88 with acceptable standard deviations of 0,67 and 0,68. The percentage variance explained was 48,307, which is acceptable.

Three items under the "Me" factor, namely V9.22, V9.16, V9.4 and also V9.6, based on their mean scores, were considered as very strong/important and have therefore been marked.

TABLE 6.1 FACTOR ANALYSIS OF AMERICAN LUXURY VALUE PERCEPTIONS FOR EXOTIC LEATHER PRODUCTS

Statement	Factor		Means
	1 Me	2 Financial	
V9.14 - I like to know what luxury leather items make good impressions on others.	0,802		3,90
V9.19 - I am interested in determining what luxury leather items I should buy to make good impressions on others.	0,798		3,80
V9.15 - It is important to know what others think of people who use luxury leather products.	0,730		3,78
V9.8 - To me, my friends' perceptions of different luxury leather brands or products are important.	0,711		3,84
V9.1 - It is important that others have a high opinion of how I dress and look.	0,705		3,85
V9.21 - I pay attention to what types of people buy certain luxury leather items.	0,661		3,85
V9.7 - Purchasing luxury leather clothing makes me feel good.	0,614		3,94
V9.22 - As a whole, I may regard luxury leather items as gifts that I buy to treat myself.	0,614		4,00
V9.20 - I derive self-satisfaction from buying luxury leather products or items.	0,611		3,94
V9.16 - Wearing luxury leather clothing gives me a lot of pleasure.	0,585		4,01
V9.11 - I view luxury leather purchases as gifts for myself to celebrate an occasion that I believe is significant to me.	0,561		3,95
V9.3 - I view luxury leather purchases as gifts for myself to celebrate something that I do and feel excited about.	0,553		3,97
V9.13 - When I am in a bad mood, I may buy luxury leather products or clothing as gifts to myself to alleviate my emotional burden.	0,547		3,73
V9.4 - The superior product quality is my major reason for buying luxury leather products or clothing.	0,401		4,09
V9.17 - A luxury leather item that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.		0,695	3,92
V9.6 - I know that luxury leather products are inevitably very expensive.		0,695	4,03
V9.12 - I will not buy a luxury leather product or clothing from a supermarket.		0,518	3,80
V9.2 - Only people who can afford it own luxury leather products or clothing.		0,437	3,79
V9.10 - I think that truly luxury products should not be mass-produced.		0,417	3,86
Mean	3,91	3,88	
Std. Deviation	0,67	0,68	
% Variance explained (Total: 48,30%)	41,926	6,382	
Cronbach's alpha	0,923	0,745	
Eigenvalue	9,224	1,404	

The following applied for the interpretation of the means:

$M \geq 1 < 2$ = Not important

$M \geq 2 < 2,5$ = Weak

$M \geq 2,5 < 3$ = Moderate

$M \geq 3 < 4$ = Important/Strong

$M \geq 4$ = Very strong

The following applied for the interpretation of which item tested which value dimension of the original scale:

Red	= Social value
Blue	= Individual value
Green	= Functional value
Yellow	= Financial value

“Me” value perception

It seemed that the American respondents considered everything that an exotic leather item or product can do on a functional, individual and social level, as one concept. Brown and Rice (2014:37) defines quality or functionality as “the totality of characteristics of an entity that bear on its ability to satisfy stated or implied needs” – in other words, what the product should do for the person, which can also include satisfying important individual and social needs. Furthermore, De Klerk and Lubbe (2004) concluded from their qualitative study that specifically the female consumer considers emotional pleasure as an important dimension of the totality of “what the product should do for me”. The “Me” value perception with its 14 items was therefore accepted in this study.

Results show that the “Me” value ($M = 3,91$) was an important luxury value perception for the American respondents ($M \geq 3 < 4$), and slightly more important than the financial value perception.

Financial value perception

The second concept is the “Financial” factor. From the original scale’s financial factor V9.2, V9.6, V9.10 and V9.12 loaded on this factor in this research, while V9.17 of the original scale’s functional value also loaded on the “Financial” factor in this research.

Results show that the “Financial” value ($M = 3,88$) was an important luxury value perception for the American respondents ($M \geq 3 < 4$).

6.3.1.2 Chinese factor analysis

The initial factor analysis of the Chinese respondents identified three factors, as seen in Table 6.2, instead of the four factors of the original scale (Hennigs *et al*, 2012a). All the items in the original scale’s individual and functional factors assembled as factor 1 in this study and it was named “Pleasure”, as all the items relate to the individual’s functional and emotional pleasure. All the items in the original scale’s financial factor assembled as factor 2 and it was named “Financial”. All the items in the original scale’s social factor assembled as factor 3 in this study and it was named “Social”.

Items that loaded on more than one factor were removed from further analysis. Items with loadings lower than 0,40 were considered as practically insignificant and were removed from any further analysis. Items V9.5 (“I place emphasis on quality assurance over prestige when considering purchasing luxury leather products or clothing”), V9.6 (“I know that luxury leather products are inevitably very expensive”) and V9.9 (“If I were to buy something expensive, I would worry about what others would think of me”) were therefore omitted for further analysis. The factors were then subjected to further reliability testing, and Cronbach’s alpha, eigenvalues and the percentage variance were determined, after which the decision was made to keep all the remaining items and to accept the three-factor scale. Cronbach’s alpha values of 0,914 (Pleasure), 0,660 (Financial) and 0,839 (Social) indicated internal consistency within the factors. The means of the factors were 3,93 (Pleasure), 3,83 (Financial) and 3,77 (Social), with acceptable standard deviations of 0,67 (Pleasure), 0,59 (Financial) and 0,67(Social). The percentage variance explained was 52,716%, which is acceptable.

Two items under the “Pleasure” factor, namely V9.22 and V9.4, based on their mean scores, were considered as very strong/important and have therefore been marked.

TABLE 6.2 FACTOR ANALYSIS OF CHINESE LUXURY VALUE PERCEPTIONS FOR EXOTIC LEATHER PRODUCTS

Statement	Factor			Means
	1 Pleasure	2 Financial	3 Social	
V9.7 - Purchasing luxury leather clothing makes me feel good.	0,790			3,92
V9.20 - I derive self-satisfaction from buying luxury leather products or items.	0,729			3,96
V9.22 - As a whole, I may regard luxury leather items as gifts that I buy to treat myself.	0,666			4,04
V9.3 - I view luxury leather purchases as gifts for myself to celebrate something that I do and feel excited about.	0,659			3,94
V9.13 - When I am in a bad mood, I may buy luxury leather products or clothing as gifts to myself to alleviate my emotional burden.	0,654			3,68
V9.16 - Wearing luxury leather clothing gives me a lot of pleasure.	0,645			3,93
V9.11 - I view luxury leather purchases as gifts for myself to celebrate an occasion that I believe is significant to me.	0,626			3,96
V9.4 - The superior product quality is my major reason for buying luxury leather products or clothing.	0,592			4,08
V9.18 - I am inclined to evaluate the substantive attributes and performance of luxury leather products rather than listening to the opinions of others.	0,495			3,83
V9.10 - I think that truly luxury products should not be mass-produced.		0,588		3,94
V9.2 - Only people who can afford it own luxury leather products or clothing.		0,485		3,67
V9.12 - I will not buy a luxury leather product or clothing from a supermarket.		0,465		3,59
V9.17 - A luxury leather item that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.		0,439		3,87
V9.15 - It is important to know what others think of people who use luxury leather products.			-0,694	3,70
V9.1 - It is important that others have a high opinion of how I dress and look.			-0,582	3,76
V9.21 - I pay attention to what types of people buy certain luxury leather items.			-0,515	3,76
V9.8 - To me, my friends' perceptions of different luxury leather brands or products are important.			-0,499	3,65
V9.14 - I like to know what luxury leather items make good impressions on others.			-0,467	3,90
V9.19 - I am interested in determining what luxury leather items I should buy to make good impressions on others.			-0,466	3,86
Mean	3,93	3,83	3,77	
Std. Deviation	0,67	0,59	0,67	
% Variance explained (Total: 52,716%)	32,059	8,646	7,011	
Cronbach's alpha	0,914	0,660	0,839	
Eigenvalue	8,153	1,902	1,542	

The following applied for the purpose of interpreting the means (M):

$M \geq 1 < 2$ = Not important

$M \geq 2 < 2,5$ = Weak

$M \geq 2,5 < 3$ = Moderate

$M \geq 3 < 4$ = Important/Strong

$M \geq 4$ = Very strong

The following applied for the interpretation of which item tested which value dimension of the original scale:

Red	= Social value
Blue	= Individual value
Green	= Functional value
Yellow	= Financial value

“Pleasure” value perception

It seems that the Chinese respondents considered everything that an exotic leather item or product can do on a functional and individual level as one concept, which differs from the American respondents, who considered functional, individual and social levels as one concept. Hennigs *et al.* (2012a) mentioned that purchasing a luxury product will satisfy personal (psychological and functional) needs of a consumer. The “Pleasure” perception, with its 9 items, was therefore accepted in the study.

Results show that the “Pleasure” value ($M = 3,93$) was an important luxury value perception for the Chinese respondents ($M \geq 3 < 4$), and slightly more important than the “Financial” and “Social” value perceptions.

“Financial” value perception

Three financial items of the original scale (V9.10, V9.2 & V9.12) loaded on the Chinese “Financial” factor as well as one item (V9.17), which was a functional item in the original scale. However, it points to “purchase” and was accepted in this factor. The “Financial” ($M = 3,83$) value perception was considered important for the Chinese ($M \geq 3 < 4$).

“Social” value perception

The Chinese respondents were the only group that kept this original “social” factor. This may be due to their need to strengthen social ties with their friends and family (Xu & McGehee, 2012). Results showed that “Social” ($M = 3,77$) was an important or strong value perception for them ($M \geq 3 < 4$).

6.3.2 Objective 2:

To determine significant differences between Eastern and Western tourists’ value perceptions for exotic leather products.

Wiedmann *et al.* (2007) identified in their Luxury Value Perception Model, which was also cross-country and cross-industry tested (Hennigs *et al.*, 2012a, 2013), four global consumer luxury value perceptions, namely functional, financial, social and individual. This scale was used in this research and it was initially anticipated (as stated in the original objectives for this study in Chapter 3) that this research would also identify the four factor value perceptions among the American and the Chinese consumers, and that it would therefore be possible to determine significant differences between the Americans’ and Chinese’s four value perceptions. It became clear that the American group and the Chinese group, in this research, conceptualised specifically the functional, social and individual value perceptions differently. Therefore, it does not make sense to test for statistically significant differences between the two groups’ luxury value perceptions. What can be noted is that all the identified value perceptions in both groups can be classified as important, and that the combined “Me” and “Pleasure” value perceptions were the strongest for both groups, while the “Financial” value perception was the weakest for both groups, although still a strong value perception.

6.3.3 Objective 3:

To determine Eastern and Western tourists’ e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product’s social media presence.

Question 12 measured respondents’ e-luxe value perceptions and the self-developed scale was based on Hennings *et al.*’s (2012b) “e-luxe value” model that proposed that the four luxury value perceptions (Financial, Functional, Individual, Social) translate into consumer’s preference for specific Economic, Basic, Identification and Social attributes of an online presence. Although the questionnaire was compiled to test respondents’ preference for the four value factors (see Operationalisation, Chapter 5 section 5.4.4), only two factors emerged from the factor analysis for both the American and Chinese respondents. Items

with loadings lower than 0,40 were considered as practically insignificant (Trochim, 2005:68-70) and were removed from further analysis. Items that loaded on more than one factor were also removed for further analysis. The factors were then subjected to further reliability testing, and Cronbach's alpha, eigenvalues and the percentage variance were determined, after which the decision was made to keep all the remaining items and to accept a two-factor scale for both the American and the Chinese respondents.

6.3.3.1 American factor analysis

Item V12.3 "On a social media web page the value of exotic leather goods and services should be reflected by the price" had a factor loading lower than 0,40 and was removed from further analysis. Items V12.6 ("My friends and I should be able to give our opinions on an exotic leather product's social media web page"), V12.11 ("Others should be able to see on a luxury product's social media web page that I support the product or brand"), V12.5 ("A luxury brand's social media web page should be user-friendly"), V12.2 ("Luxury exotic leather social media web pages should make me feel alive"), V12.7 ("A luxury exotic leather social media's web page should touch my heart"), V12.10 ("A luxury exotic leather brand's social media web page should reflect the beauty of the product") and V12.4 ("It is important to be able to share one's luxury product's experience on a brand's social media web page") loaded on one factor. These items address the respondent's experience of the online site and was named "American Experience". It is interesting to note the Americans clustered Social (social in original value perception scale), Identification (individual in original value perception scale) and Basic (functional in original value perception scale) together. What is important is that the "Me" value perception therefore translates into what is important for the "American Experience" e-luxe value perception. Items V12.1 ("Only limited numbers of premium price exotic leather goods and clothing should be available via social media"), V12.12 ("Social media should not promote discount policies on luxury exotic leather goods and clothing"), V12.9 ("Owning the luxury product that is promoted on a social media's web page should be like a dream come true") and V12.8 ("A luxury product's social media web page should reflect who I am") loaded on the second factor and address the characteristics that the online presence should have to successfully match the concept of self-perception. Although this factor is made up of two economic statements, the Americans cluster it together with a social and identification item, all of which together directs to what should be reflected by the social media presence so as to match their perceived self. It was therefore named "Perceived Me". Cronbach's alpha values of 0,861 and 0,667 indicated internal consistency within the factors. The means were 3,99 and 3,83, with acceptable standard deviations of 0,64 and 0,74. The percentage variance explained was 55,69%.

Three items under the “American Experience” factor, namely V12.6, V12.5, and V12.10, based on their mean scores, were considered as very strong/important and have therefore been marked.

TABLE 6.3 FACTOR ANALYSIS OF AMERICAN RESPONDENTS’ E-LUXE VALUE PERCEPTIONS

Statement	Factor		Means
	1	2	
	American Experience	Perceived Me	
V12.6 My friends and I should be able to give our opinions on a luxury exotic leather product’s social media web page.	0,758		4,02
V12.5 A luxury brand’s social media web page should be user-friendly.	0,688		4,05
V12.2 Luxury exotic leather social media web pages should make me feel alive.	0,657		3,92
V12.10 A luxury exotic leather brand’s social media web page should reflect the beauty of the product.	0,567		4,05
V12.7 A luxury exotic leather social media’s web page should touch my heart.	0,549		3,95
V12.11 Others should be able to see on a luxury product’s social media web page that I support the product or brand.	0,522		3,95
V12.4 It is important to be able to share one’s luxury product’s experience on a brand’s social media web page.	0,514		3,98
V12.12 Social media should not promote discount policies on luxury exotic leather goods and clothing.		0,634	3,72
V12.1 Only limited numbers of premium price exotic leather goods and clothing should be available via social media.		0,622	3,88
V12.9 Owning the luxury product that is promoted on a social media’s web page should be like a dream come true.		0,496	3,90
V12.8 A luxury product’s social media web page should reflect who I am.		0,448	3,97
Mean	3,99	3,83	
Std. Deviation	0,64	0,74	
% Variance explained (Total: 55,69%)	48,021	7,671	
Cronbach’s alpha	0,861	0,667	
Eigenvalue	5,762	0,921	

The following applied for the interpretation of the means (M):

$M \geq 1 < 2$ = Not important

$M \geq 2 < 2,5$ = Weak

$M \geq 2,5 < 3$ = Moderate

$M \geq 3 < 4$ = Important/Strong

$M \geq 4$ = Very strong

The following applied for the interpretation of which item tested which initial attribute:

Red	= Social value
Blue	= Identification value
Green	= Basic value
Yellow	= Economic value

“American experience” e-luxe value perception

The Hennigs *et al.* (2012b) theoretical “e-luxe value” model was used as point of departure for developing the e-luxe value scale for this research. Hennigs *et al.* (2012b) argued that functional, financial, social and individual value perceptions of their original luxury value perception model can be translated into an e-luxe value model, consisting of a basic, economic, social and identification value respectively. These e-luxe values are then indicative of specific basic, economic, social and identification attributes of an online presence. A strong or important value perception then indicates that specific attributes of an online presence are important for the consumer. The scale for this research was therefore developed to differentiate between consumers’ basic, economic, social and identification e-luxe values.

The American “Me” luxury value in this research consisted of individual social and financial items of the original Hennigs *et al.* (2012a) scale, and translated in this research, as proposed by Hennigs *et al.* (2012b), into an e-luxe value for the American respondents. This e-luxe value perception was named “American Experience” and consisted of this research’s self-developed scale’s identification, social and basic attributes. The “American Experience” value (as in the case with their “Me” luxury value perception) was found to be an important value perception for the American respondents ($M = 3,99$), ($M \geq 3 < 4$).

“Perceived Me” e-luxe value perception

The results showed that American respondents also considered “Perceived Me” ($M = 3,83$) as an important or strong value ($M \geq 3 < 4$), although weaker than the “American Experience” value.

6.3.3.2 Chinese factor analysis

The initial Chinese respondent's factor analysis outcome (Table 6.4) also identified two factors, as was the case with the American items. Though items loaded completely different from the American items. All items in the self-developed scale's basic, identification and social factors assembled as factor 1 and was named "Chinese Experience" as all items relate to what the website should do for them on an experience level. All items in the self-developed scale's Economic factor assembled as factor 2 in this study and was named "Price". None of the items loaded lower than 0,40 and none of the items loaded on both factors.

Three items under the "Chinese Experience" factor, namely V12.5 and V12.2, based on their mean scores, were considered as very strong/important and have therefore been marked.

TABLE 6.4 FACTOR ANALYSIS OF CHINESE RESPONDENTS' E-LUXE VALUE PERCEPTIONS

Statement	Factor		Means
	1	2	
	Chinese Experience	Price	
V12.5 A luxury brand's social media web page should be user-friendly.	0,740		4,09
V12.10 A luxury exotic leather brand's social media web page should reflect the beauty of the product.	0,725		3,95
V12.2 Luxury exotic leather social media web pages should make me feel alive.	0,695		4,02
V12.8 A luxury product's social media web page should reflect who I am.	0,695		3,93
V12.6 My friends and I should be able to give our opinions on a luxury exotic leather product's social media web page.	0,692		3,92
V12.4 It is important to be able to share one's luxury product's experience on a brand's social media web page.	0,686		3,92
V12.9 Owning the luxury product that is promoted on a social media's web page should be like a dream come true.	0,679		3,89
V12.7 A luxury exotic leather social media's web page should touch my heart.	0,655		3,96
V12.11 Others should be able to see on a luxury product's social media web page that I support the product or brand.	0,654		3,86
V12.12 Social media should not promote discount policies on luxury exotic leather goods and clothing.		0,730	3,50
V12.1 Only limited numbers of premium price exotic leather goods and clothing should be available via social media.		0,576	3,57
V12.3 On a social media web page the value of luxury exotic leather goods and services should be reflected by the price.		0,409	3,77
Mean	3,96	3,86	
Std. Deviation	0,61	0,70	
% Variance explained (Total: 57,38%)	47,074	0,464	
Cronbach's alpha	0,869	0,679	
Eigenvalue	5,649	1,256	

The factors were subjected to reliability testing, and Cronbach’s alpha, eigenvalues and the percentage variance were determined, after which the decision was taken to keep all items and to accept the factor 2 scale. Cronbach’s alpha values of 0,869 and 0,679 indicated internal consistency within the factors. The means of the factors were 3,96 and 3,86, with acceptable standard deviations of 0,61 and 0,70. The percentage variance explained is 57,38%, which is acceptable.

The following applied for the interpretation of the means (M):

$M \geq 1 < 2$ = Not important

$M \geq 2 < 2,5$ = Weak

$M \geq 2,5 < 3$ = Moderate

$M \geq 3 < 4$ = Important/Strong

$M \geq 4$ = Very strong

The following applied for the interpretation of which item tested which initial attribute:

Red	= Social value
Blue	= Identification value
Green	= Basic value
Yellow	= Economic value

“Chinese experience” e-luxe value perception

As in the case of the American respondents’ first e-luxe value perception, basic, social and identification items of the self-developed scale loaded on the Chinese respondents’ first e-luxe value perception, although the items that loaded for the Chinese were not all the same as for the American respondents. This e-luxe value perception was therefore named “Chinese Experience”. Results show that “Chinese Experience” (M = 3,96) was an important e-luxe value for the Chinese respondents ($M \geq 3 < 4$), and slightly more important than the “Price” e-luxe value perception.

“Price” e-luxe value perception

All the economic items of the self-developed scale loaded on the second e-luxe value perception for the Chinese, and was therefore named “Price”. The Chinese respondents considered the “Price” e-luxe value as important (M = 3,86) ($M \geq 3 < 4$), although less important than the “Chinese Experience” e-luxe value.

6.3.4 Objective 4:

To determine significant differences between Eastern and Western tourists' e-luxe value perceptions that drive their preference for specific attributes of an exotic leather social media presence.

The self-developed "e-luxe" scale in this research was based on the Hennigs *et al.* (2012b) e-luxe value model and it was therefore anticipated that four e-luxe value perceptions would be identified among the American and Chinese groups, namely Social, Identification, Basic and Economic. Although two e-luxe value perceptions were identified for both groups, the two factors for the two groups do not comprise exactly the same items and it does therefore not make sense to compare the two groups' factors as a whole with each other to determine statistically significant differences. The two groups' preferences for specific attributes of a social media presence for exotic leather products are discussed in the discussion of this study (Section 6.4).

6.3.5 Objective 5:

To determine Eastern and Western tourists' purchasing intent for exotic leather products.

Question 13 in Section B in the questionnaire investigated objective 5. A five-point Likert scale was used to determine the respondent's purchasing intent. Table 6.5 shows the American and Chinese respondents' results. The American respondents likelihood to (at some point) purchase a luxury exotic leather product (M = 4,08), likelihood to (at some point) have the intention to buy a luxury exotic leather product (M = 4,10) and interest in purchasing a luxury exotic leather product (M = 4,10) are all very strong (M ≥ 4 = Very strong) purchasing intents. The Chinese respondents' likelihood to (at some point) purchase a luxury exotic leather product (M = 4,14), likelihood to (at some point) have the intention to buy a luxury exotic leather product (M = 4,15) and interest in purchasing a luxury exotic leather product (M = 4,12) are also very strong (M ≥ 4 = Very strong) purchasing intents, and all slightly stronger than those of the American respondents.

TABLE 6.5 PURCHASING INTENT OF AMERICAN AND CHINESE RESPONDENTS

Statement	Means	
	American	Chinese
V13.4 Likely to buy if at some point buy a luxury exotic leather product.	4,08	4,14
V13.5 Likely to buy if at some point have the intention to buy a luxury exotic leather product	4,10	4,15
V13.6 Likely to buy if at some point have an interest in purchasing a luxury exotic leather product.	4,10	4,12
Average Mean	4,08	4,14
Standard Deviation	0,67	0,67

The Chinese and American sample both show promise with regard to the purchasing of luxury exotic leather products. Results show that the purchasing intent for the Chinese respondents ($M = 4,14$) was very strong ($M \geq 4 =$ Very strong), and slightly stronger than the American respondents' ($M = 4,08$), purchasing intent.

6.3.6 Objective 6:

To determine the significant differences between Eastern and Western tourists' purchasing intent for exotic leather products.

Levene's Test for equality of variance was used to determine the significant difference between Chinese and American tourists' purchasing intent for luxury exotic leather product. Table 6.6 shows that there was no statistically significant difference ($p > 0,05$) with regard to their purchasing intent.

TABLE 6.6. STATISTICALLY SIGNIFICANT DIFFERENCES REGARDING PURCHASING INTENT

	Means		T-test for equality of Means		
	American	Chinese	t	df	Sig. (2-tailed)
Exotic leather purchasing intent	4,09	4,14	-1,081	1041	0,280

6.3.7 Objective 7:

To determine correlations between Eastern and Western tourists' luxury value perceptions and their purchasing intent for exotic leather products.

Pearson’s correlation coefficient was used to determine the above-mentioned correlations. Pearson’s correlation coefficient is generally interpreted as follows:

Correlation Coefficient (r)	Strength
0,0<r<0,19	Very weak
0,20<r<0,39	Weak
0,40<r<0,59	Moderate
0,60<r<0,79	Strong
0,80<r<1,0	Very Strong

$r = 0,55$ indicates a moderate, positive correlation, while $r = -0,55$ indicates a moderate, negative correlation.

Tables 6.7 and 6.8 show the correlations between American and Chinese tourists’ luxury value perceptions and their purchasing intent for exotic leather products.

TABLE 6.7 STATISTICALLY SIGNIFICANT CORRELATIONS BETWEEN AMERICAN RESPONDENTS’ LUXURY VALUE PERCEPTIONS AND THEIR PURCHASING INTENT

		Exotic leather purchasing intent
Me	Pearson Correlation	0,712**
	Sig. (2-tailed)	0,000
	N	518
Financial	Pearson Correlation	0,490**
	Sig. (2-tailed)	0,000
	N	518

The results in Table 6.7 show that there was a statistically highly significant ($p \leq 0,01$) strong positive correlation ($0,60 < r < 0,79$) between the American respondent’s purchasing intent and the “Me” value perception ($r = 0,712$, $N = 518$, $p = 0,000$), while there was only a statistically highly significant ($p \leq 0,01$) moderate positive correlation ($0,40 > r < 0,59$) between the American respondent’s purchasing intent and the “Financial” value perception ($r = 0,490$, $N = 518$, $p = 0,000$).

TABLE 6.8 STATISTICALLY SIGNIFICANT CORRELATIONS OF CHINESE RESPONDENTS' LUXURY VALUE PERCEPTIONS AND THEIR PURCHASING INTENT

		Exotic leather purchasing intent
Pleasure	Pearson Correlation	0,720**
	Sig. (2-tailed)	0,000
	N	525
Financial	Pearson Correlation	0,353**
	Sig. (2-tailed)	0,000
	N	525
Social	Pearson Correlation	0,513**
	Sig. (2-tailed)	0,000
	N	525

The results in Table 6.8 show that there was a statistically highly significant ($p \leq 0,01$) strong positive correlation ($0,60 < r < 0,79$) between Chinese respondent's purchasing intent and the "Pleasure" value perception ($r = 0,720$, $N = 525$, $p = 0,000$), while there was only a statistically highly significant ($p \leq 0,01$) moderate positive correlation ($0,40 > r < 0,59$) between the Chinese respondent's purchasing intent and the Social value perception ($r = 0,513$, $N = 525$, $p = 0,000$). A statistically highly significant ($p \leq 0,01$) weak positive correlation ($0,20 > r < 0,39$) was found between the purchasing intent and the Financial value perception ($r = 0,353$, $N = 525$, $p = 0,000$).

6.3.8 Objective 8:

To determine the correlations between Eastern and Western tourists' luxury value perceptions for exotic leather products and their e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product's social media presence.

TABLE 6.9 STATISTICALLY SIGNIFICANT CORRELATIONS OF AMERICAN RESPONDENTS' LUXURY VALUE PERCEPTIONS AND THEIR E-LUXE VALUE PERCEPTION

		American Experience	Perceived Me
Me	Pearson Correlation	0,757**	0,644**
	Sig. (2-tailed)	0,000	0,000
	N	518	518
Financial	Pearson Correlation	0,571**	0,568**
	Sig. (2-tailed)	0,000	0,000
	N	518	518

The results in Table 6.9 show that there was a statistically highly significant ($p \leq 0,01$) strong positive correlation ($r = 0,757$, $N = 518$, $p = 0,000$) between the “Me” value perception and the “American Experience” e-luxe value perception. There was also a statistically highly significant ($p \leq 0,01$) strong positive correlation ($r = 0,644$, $N = 518$, $p = 0,000$) between the “Me” value perception and the “Perceived Me” e-luxe value perception.

There was a statistically highly significant ($p \leq 0,01$) moderate positive correlation ($r = 0,571$, $N = 518$, $p = 0,000$) between the “Financial” value perception and the “American Experience” e-luxe value perception, and there was a statistically highly significant ($p \leq 0,01$) moderate positive correlation ($r = 0,568$, $N = 518$, $p = 0,000$) between the “Financial” value and the “Perceived Me” e-luxe value perception of the American respondents.

TABLE 6.10 STATISTICALLY SIGNIFICANT CORRELATIONS OF CHINESE RESPONDENTS' LUXURY VALUE PERCEPTIONS AND THEIR E-LUXE VALUE PERCEPTION

		Chinese Experience	Price
Pleasure	Pearson Correlation	0,781**	0,681**
	Sig. (2-tailed)	0,000	0,000
	N	525	525
Financial	Pearson Correlation	0,432**	0,342**
	Sig. (2-tailed)	0,000	0,000
	N	525	525
Social	Pearson Correlation	0,701**	0,710**
	Sig. (2-tailed)	0,000	0,000
	N	525	525

The results in Table 6.10 show that there was a statistically highly significant ($p \leq 0,01$) strong positive correlation ($r = 0,781$, $N = 518$, $p = 0,000$) between the “Pleasure” value perception and the “Chinese Experience” e-luxe value perception, as well as a statistically highly significant ($p \leq 0,01$) strong positive correlation ($r = 0,681$, $N = 518$, $p = 0,000$) between the “Pleasure” value perception and the “Price” e-luxe value perception.

There was a statistically highly significant ($p \leq 0,01$) strong positive correlation ($r = 0,710$, $N = 518$, $p = 0,000$) between the “Social” value perception and the “Price” e-luxe value perception, as well as a statistically highly significant ($p \leq 0,01$) strong positive correlation ($r = 0,701$, $N = 518$, $p = 0,000$) between the “Social” value perception and the “Chinese experience” e-luxe value perception.

All Financial correlations were only weak.

6.3.9 Objective 9:

To determine correlations between Eastern and Western tourists’ e-luxe value perceptions that drive their preference for specific attributes of an exotic leather product’s social media presence and their purchasing intent for exotic leather products.

TABLE 6.11 STATISTICALLY SIGNIFICANT CORRELATIONS OF AMERICAN RESPONDENTS' E-LUXE VALUE PERCEPTIONS AND THEIR PURCHASING INTENT

		Exotic leather purchasing intent
American Experience	Pearson Correlation	0,708**
	Sig. (2-tailed)	0,000
	N	518
Perceived Me	Pearson Correlation	0,558**
	Sig. (2-tailed)	0,000
	N	518

The results in Table 6.11 show that there was a statistically highly significant ($p \leq 0,01$) strong positive correlation ($0,60 < r < 0,79$) between the American respondent's purchasing intent and the "American Experience" e-luxe value perception ($r = 0,708$, $N = 518$, $p = 0,000$), while there was only a statistically highly significant ($p \leq 0,01$) moderate positive correlation ($0,40 > r < 0,59$) between the American respondent's purchasing intent and the "Perceived Me" e-luxe value perception ($r = 0,558$, $N = 518$, $p = 0,000$).

TABLE 6.12 STATISTICALLY SIGNIFICANT CORRELATIONS OF CHINESE RESPONDENTS' E-LUXE VALUE PERCEPTIONS AND THEIR PURCHASING INTENT

		Exotic leather purchasing intent
Chinese Experience	Pearson Correlation	0,698**
	Sig. (2-tailed)	0,000
	N	525
Price	Pearson Correlation	0,565**
	Sig. (2-tailed)	0,000
	N	525

The results in Table 6.12 show that there was a statistically highly significant ($p \leq 0,01$) strong positive correlation ($0,60 < r < 0,79$) between Chinese respondent's purchasing intent and the "Chinese Experience" e-luxe value perception ($r = 0,698$, $N = 525$, $p = 0,000$), while there was only a statistically

highly significant ($p \leq 0,01$) moderate positive correlation ($0,40 > r < 0,59$) between the Chinese respondent's purchasing intent and the Price e-luxe value perception ($r = 0,565$, $N = 525$, $p = 0,000$).

6.4 DISCUSSION AND INTERPRETATION

Luxury value perceptions

It has been found that today's luxury consumers make their purchasing decisions based on certain specific value perceptions which do not include only social aspects, but also individual, functional, and financial aspects which ultimately play an important role in their purchasing behaviour, including their information search and their purchasing intent (Hennigs *et al.*, 2012a; Hennigs *et al.*, 2013; Nwankwo, Hamelin & Khaled, 2014; Shukla, Singh & Banerjee, 2015; Sun, D'Alessandro & Johnson, 2016). This research adopted the luxury value perception model of Wiedmann *et al.* (2007), which was also previously cross-industry and cross-country tested (Hennigs *et al.*, 2012a, 2013). Hennigs *et al.* (2012a) found among 21-23-year-old male and female consumers that, regardless of their country of origin, the basic motivational drivers of luxury consumers are similar among the financial, functional, personal and social dimensions of luxury value perceptions, although the relative importance of these dimensions may vary.

The sample in this research consisted of male and female consumers from America and China who fell into the millennial age bracket, with a mean age of 34,71 years and 36 years respectively. Although Wiedmann *et al.* (2007) identified four separate luxury value perceptions (each with its own antecedents) in their research across countries, American and Chinese respondents from this research conceptualised the Hennigs *et al.* (2012a) value scale differently. Two luxury value perceptions could be identified for the American respondents in this study, while three luxury value perceptions could be identified for the Chinese respondents.

Except for one functional item that was seen as reflecting financial value, the American respondents conceptualised all other social, individual and functional items as one value perception, named "Me". This value perception was identified as important with regard to the purchasing and consumption of luxury exotic leather products. It was also more important than the second value perception. For the American respondents it is therefore important what the product should do for them in totality – with the "me" as the central construct:

"As a whole I may regard luxury leather items as gifts that I buy to treat myself" (M = 4,00).

"Wearing luxury leather clothing gives me a lot of pleasure" (M = 4,01).

“The superior product quality is my major reason for buying luxury leather products or clothing”
(M = 4,09).

For the American respondents it is therefore not about a trade-off between social, functional and individual value perceptions, not about conspicuousness and prestige being, for example, more important than usability, uniqueness and quality, or self-identity, hedonism and materialism being more important than conspicuousness and prestige. All these antecedents are conceptualised together as an entirety and form an important value perception with regard to exotic leather products. This supports the findings and viewpoints of Shukla and Purani (2011) that consumers from more mature and individualistic markets tend to combine self-directed expressive/symbolic values (individual), other-directed expressive/symbolic values (social), utilitarian/functional values and even cost (financial) values for developing an overall luxury value perception.

The second value perception that was identified in this study was named “Financial” and comprised the financial items in the Hennigs *et al.* (2012a) scale as well as one functional item from the original scale (V9.17), that reads “A luxury leather item that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration”. The item was kept part of the Financial value perception as superior quality has price implications, while the words “purchase consideration” could also point to financial implications. As in the case of the “Me” value perception, the Financial value perception was also considered important by the American respondents, although slightly less important than the “Me” value perception. This supports the findings of Hennigs *et al.* (2013), who found that American consumers ranked Financial value of luxury fashion and accessories as important, although less important than Functional value.

The above results clearly support Solomon’s (2017) viewpoint that, for the millennial consumer living in a mature market, the meaning of luxury is different. Consuming luxury products is for these consumers not just a way to say who they are, but a way to define who they are.

For the Chinese respondents three luxury value perceptions were identified. The first value consisted of all the Individual statements of the original scale as well as two functional statements. Brown and Rice (2014:37) define quality or functionality as “the totality of characteristics of an entity that bear on its ability to satisfy stated or implied needs” – in other words, what the product should do for the person, which include functional as well as individual/emotional aspects. De Klerk and Lubbe (2004) concluded from their qualitative study that the female consumer considers emotional pleasure as well as

functionality as an important dimension of the totality of “what the product should do for me”. This value perception was therefore named “Pleasure” and it was considered by Chinese respondents as their most important luxury value perception with regard to exotic leather products. This supports the findings of Liao and Wang (2009) and Park and Reisinger (2009) who found that Asians value the pleasure of buying luxury goods. Two items that stood out as very important are:

“The superior product quality is my major reason for buying luxury leather products or clothing” (M = 4,08)

“As a whole, I may regard luxury leather items as gifts that I buy to treat myself” (M = 4,04).

The second value perception that was identified for the Chinese respondents was named “Financial” and consisted of all the financial statements of the original scale as well as one functional statement (“A luxury leather item that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration”) that was also considered as having financial connotations by the American respondents. The Financial value perception was also considered by the Chinese respondents as an important value perception, although less important than the “Pleasure” value perception.

The Chinese respondents clustered all the social statements of the original scale together. The third value perception was therefore named “Social”. This value perception was also considered by Chinese respondents as important with regard to exotic leather products, although less important than the first two value perceptions. While the American respondents clustered the social statements from the original scale together with individual and functionality statements, the Chinese respondents clearly conceptualised these statements as a value perception on its own. Liao and Wang (2009) noted that Asians value the opinion of others. The concept of “Face”, which can be defined as the need to obtain self-worth among others of the same social group, is therefore important for Asians. Liang, Ghosh and Oe (2017) state that “Face-saving” should be seen as a value on its own and that it heavily contributes to Chinese consumers’ social perception of luxury value.

It is clear from the above that the American and Chinese respondents in this research hold strong value perceptions with regard to exotic leather products. It is also clear that these value perceptions cannot be conceptualised as being the same and having the same meanings for both groups. It therefore does not make sense to compare the value perceptions as well as their importance with each other. It further also does not make sense to compare the importance of individual statements with each other as these statements may have different meanings within each group’s specific luxury value system. Previous

researchers (Shukla *et al.*, 2015; Stepień, Lima, Sagbansua & Hinner, 2016) note that luxury value perception differences between countries cannot be sufficiently explained by reference to cultural traits and specific country settings. One should therefore be careful to ascribe any differences to traditional culture differences only. What can be said is that each group holds very specific strong value perceptions with regard to exotic leather products that, from a theoretical point of view, most probably drive their purchasing behaviour for exotic leather products. The implications of these findings are discussed in the next chapter.

E-luxe values and online attributes valued by respondents

The Hennigs *et al.* (2012b) theoretical “e-luxe value” model was used as a point of departure for developing the e-luxe value scale for this research. Hennigs *et al.* (2012b) argued that functional, financial, social and individual value perceptions of their original luxury value perception model can be translated into an e-luxe value model, consisting of a basic, economic, social and identification value respectively. These e-luxe values are then indicative of specific basic, economic, social and identification attributes of an online presence. A strong or important value perception then indicates that specific attributes of an online presence are important for the consumer. The scale for this research was therefore developed to differentiate between consumers’ basic, economic, social and identification e-luxe values.

In this research two e-luxe value perceptions were identified for the American respondents. The first e-luxe value was named “American Experience” and, as in the case of the Americans’ “Me” luxury value perception, it consisted of a combination of the scale’s basic, social and individual statements, all of which indicate a basic/functional, social or identification/individual experience. This value was perceived as important with regard to a luxury online presence and also as the most important of the two value perceptions. This value perception reflects the importance of basic, social and identification attributes of a luxury online presence, all of which were considered as important with regard to a luxury online presence. Three attributes that stood out as very important were:

“A luxury exotic leather brand’s social media web page should reflect the beauty of the product” (M = 4,05).

“A luxury brand’s social media web page should be user-friendly” (M = 4,05).

“My friends and I should be able to give our opinions on a luxury exotic leather product’s social media web page” (M = 4,02).

The important role of experience in today's luxury consumers' purchasing behaviour, including their online behaviour, are acknowledged by academics, researchers and marketing companies (Meng & Xu, 2012; Hennigs *et al.*, 2013; Park & Reisinger, 2009; Euromonitor, 2015; Atwal & Williams, 2009; Shukla, 2012). It is especially the millennial shoppers that are strongly influenced by the experiential attributes of the shopping experience, whether in-store or online. (Xu, 2007; Noble, Haytko & Phillips, 2008; Sullivan & Heitmeyer, 2008; Deloitte, 2016). The Nielsen group (2016) noted that these young consumers are tech-savvy and they regard social media and the use of technology, in the same way as luxury, as extensions of their personal identity (which, according to this research's results is a combination of individual, social and material qualities). Boykiv (2017) noted that specifically millennial luxury consumers are not passive consumers, but curators and creators who appreciate personalisation and the ability to share their voice. A digital experience must therefore recognise and incorporate these desires.

The second American value perception consisted of two of the scale's economic items, one identification item and one social item. A closer look at what these statements say and why they have been clustered, revealed that they all reflect what a specific attribute can say about the personal self (in this case the "Me"). For example, agreeing that "A luxury product's social media web page should reflect who I am" says that it is important for the person that the website should reflect how she perceives herself. In the same way, agreeing that "Only limited numbers of premium price exotic leather goods and clothes should be available via social media" reflects something of a person for whom her own uniqueness is important. The second value perception was therefore named "Perceived Me". It was considered an important value perception with regard to an online presence for luxury products by the American respondents, although less important than the first value perception. Various studies confirmed the importance of perceived self in consumers' fashion retail (Vigneron & Johnson, 2004; Tsai, 2005; Wiedmann *et al.*, 2009; Hennigs *et al.*, 2012a Hennigs *et al.*, 2013) as well as fashion online patronage (Phau & Lo, 2004; Kang, Hong & Lee, 2009; Beuckels & Hudders, 2016). Hennigs *et al.* (2012a) named consumers for whom it is important that luxury products should reflect individual and social aspect of themselves (as also reflected in the "Me" value perception of American respondents in this research), "Status-seeking Hedonists", and found this trait particularly among young American consumers. One can expect that it would then also be important for them that a luxury online presence should reflect the same aspects.

As in the case of the American respondents, two e-luxe value perceptions were also identified for the Chinese respondents in this research. The first value perception consisted of the same basic, social and identification statements that the American respondents clustered together, plus an additional

Identification statement (“Owning the luxury product that is promoted on a social media’s web page should be like a dream come true”) and an additional Social statement (“A luxury product’s social media web page should reflect who I am”). This e-luxe value perception again clearly points to the importance of an experience and was therefore named “Chinese Experience”. In addition to what the American respondents expected from the attributes of a luxury online presence, the Chinese respondents expected it to reflect who they are and to give them the experience of a dream come true. This value perception was considered as important by Chinese respondents with regard to an online presence for luxury products. It was also considered as the most important e-luxe value perception for the Chinese respondents. As in the case of the American respondents, it reflects the basic, social and identification attributes of a luxury online presence that were considered important for the Chinese respondents. One statement stood out as very important:

“A Luxury brand’s social media web page should be user friendly.”

The Fung Business Intelligence Centre (2015) as well as the combined McKinsey and Company and Business of Fashion’s report on “The State of Fashion” (2017) noted that Chinese consumers, who are digitally well experienced, are now also becoming more confident in buying luxury products online. They therefore also have high expectations with regard to a fashion product’s online presence.

The second e-luxe value that was identified for the Chinese respondents consisted of only economic statements and point towards economic aspects. It was therefore named “Price” and reflects the economic attributes of a luxury online presence that these consumers deemed important. Respondents reported this value perception as important with regard to a luxury product’s online presence, although less important than the “Chinese Experience” value perception. Langlois and Barberio (2013) noted that the so-called “new luxury shopper” in China is most probably the first in the family that can afford luxury goods. Owning luxury products and wearing the real product instead of the fake are important to them and it is viewed as a status symbol. As the internet is also seen as a medium to easily access counterfeit and discount luxury goods (Hennigs *et al.*, 2012b), one can therefore understand why it is important for them that a luxury product’s online site “should not promote discount policies, should limit the number of premium priced products that are available and that the online price should reflect the value of the luxury product”.

As in the case of the luxury value perceptions, American and Chinese respondents conceptualised their e-luxe values differently, and again it therefore does not make sense to compare the importance of these

value perceptions with each other as different meanings are attached to each value perception. The implications for the choice of attributes for a luxury product's online site for each of these groups are discussed in the next chapter. From a theoretical point of view one can, however, expect that these e-luxe value perceptions translated from the respondents' luxury value perceptions and further that these value perceptions would also play a role in the respondents' purchasing intent for luxury fashion products, in this case exotic leather products.

Luxury value perceptions, E-luxe value perceptions and consumers' needs for specific attributes of a luxury product's online presence

Gutman (1982) defines values as desirable end-states that play an important role in guiding consumers' choice patterns. These values lead to consumers' making decisions based on their individual value systems. Consumers choose product/service attributes (in this case a luxury online presence) with specific attributes that they expect will lead to specific consequences and will in the end meet their important value perceptions. Consumer decision-making is therefore entirely based on the anticipated consequences with the final purpose to fulfil the desirable end state (value) (Ter Hofstede, Audenaert, Steenkamp & Wedel, 1998; Reynolds & Olson, 2001). Attributes are the physical, concrete or abstract qualities that are attributed to a product/service. This includes the way in which the product/service is perceived and what is represented by the product/service. With regard to this research, one can therefore expect that Chinese and American respondents' e-luxe values and therefore their needs for specific attributes of a luxury product's online presence are driven by important luxury value perceptions.

The results of this study showed a significant, strong positive correlation between the American respondents' strong "Me" luxury exotic leather value perception and their strong "American Experience" e-luxe value perception, and a significant but only moderate positive correlation between their strong "Me" luxury exotic leather value perception and their less strong "Perceived Me" e-luxe value perception. Only moderate, but still significant and positive correlations were found between the slightly less strong "Financial" value perception and their "American Experience" as well as their "Perceived Me" e-luxe perceptions. Social, Individual and Functional "Me" value aspects, such as "As a whole I may regard luxury leather items as gifts that I buy to treat myself " and "Wearing luxury leather clothing gives me a lot of pleasure" therefore translate into particularly important "American Experience" e-luxe value and the importance that they place on attributes of a luxury online presence, such as "A luxury exotic leather brand's social media web page should reflect the beauty of the product", "My friends and I should be able

to give our opinions on a luxury exotic leather product's social media web page" and "It is important to be able to share one's luxury product's experience on a brand's social media web page".

The results further showed significant strong positive correlations between the most important Chinese value perception "Pleasure", as well as the "Social" luxury exotic leather value perceptions and respondents' important "Chinese Experience" as well as "Price" e-luxe value perceptions. Significant but only moderate positive correlations were found between the Chinese "Financial" luxury value perception and respondents' "Chinese Experience" as well as their "Price" e-luxe value perceptions. Particularly Chinese respondents' important "Pleasure" and "Social" luxury value perceptions therefore translate into their important "Chinese Experience" and "Price" e-luxe value perceptions. The question that arises is: Why does the "Financial" luxury value perception correlate only moderately with the respondents' "Price" e-luxe value perception, while the "Pleasure" and particularly the "Social" luxury value perceptions correlate strongly with the "Price" e-luxe value perception? With Langlois and Barberio's (2013) viewpoint in mind, namely that owning luxury products and wearing the real product instead of the fake are important status symbols for young Chinese consumers, one can speculate that the importance of economic-related attributes such as that a luxury product's online site should not promote discount policies, should limit the number of premium priced products that are available and that the online price should reflect the value of the luxury product, are driven by a "Pleasure" and particularly a "Social" (not to lose "face") luxury value perception, instead of, as one would have anticipated, a "Financial" luxury value perception.

The results of this study therefore confirm the theoretical assumptions of Hennigs *et al.* (2012b) and clearly demonstrate that specific luxury value perceptions translate into specific e-luxe value perceptions and therefore drive consumers' needs for specific attributes of a luxury online presence. Implications of the results are discussed in the next chapter.

Luxury value perceptions and purchasing intent

Consumer values are defined as relatively stable conditions as well as beliefs that have a strong motivational impact on consumers' buying behaviour, including their purchasing intent for specific products (Vriens & Hofstede, 2000). Both the American and the Chinese respondents in this study expressed very strong purchasing intentions for exotic leather products, with no significant differences between the two groups. From a theoretical viewpoint one would expect these strong purchasing intentions to be driven by the respondents' strong luxury value perceptions with regard to exotic leather products. Results showed a significant strong positive correlation between the American respondents'

strong “Me” luxury value perception and their purchasing intent for exotic leather products, and only a moderate positive correlation between their “Financial” luxury value perception and their purchasing intent for exotic leather products. These respondents will therefore only consider buying an exotic leather product if they perceive that it meets their important “Me” value and that it provides, for them, the consequences that they deem important and that reflect what is important to them.

The results further showed a significant strong positive correlation between the Chinese respondents’ important “Pleasure” luxury value perception and their purchasing intent for exotic leather products, only a moderate positive correlation between their “Social” luxury value perception and their purchasing intent, and a weak, but still positive correlation between their “Financial” luxury value perception and their purchasing intent. The importance of the respondents’ “Pleasure” and “Social” luxury value perceptions in their needs for specific attributes of a luxury online presence as well as their purchasing intent for a luxury product (exotic leather products) is clear and demonstrates the motivational impact of important values.

Purchasing intent, e-luxe values and consumers’ needs for specific online attributes

The last question was: Will there be any correlation between American and Chinese consumers’ purchasing intent for exotic leather products and their e-luxe value perceptions, both of which are driven in this research by the two groups’ important luxury value perceptions.

The results showed a significant strong positive correlation between the American respondents’ purchasing intent for exotic leather products and their “American Experience” e-luxe value perception and thus the attributes of a luxury online presence that they deemed important. Only a moderate but still positive correlation was found between American respondents’ purchasing intent for exotic leather products and their “Perceived Me” e-luxe value perception.

As in the case of the American group, the results also showed a significant strong positive correlation between the Chinese respondents’ purchasing intent for exotic leather products and their important “Chinese Experience” e-luxe value perception, and only a moderate but positive correlation between their purchasing intent for exotic leather products and their “Price” e-luxe value perception.

6.5 SUMMARY

The results therefore clearly indicate that the stronger the two groups' purchasing intentions for exotic leather products become, the more important it becomes that the attributes of a luxury online presence should reflect their luxury value perceptions. This study clearly demonstrates the important relationships between these two groups' luxury value perceptions for exotic leather products, their purchasing intent for these products as well as their preferences for specific attributes of a luxury online presence. Implications that these results have for marketers of luxury products, such as personal exotic leather products and clothes, as well as for luxury e-tailors are discussed in the next chapter.

CHAPTER 7

CONCLUSIONS, CONTRIBUTIONS, EVALUATION, LIMITATIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

The purpose of this study was to determine Eastern and Western tourists' luxury value perceptions and their needs for specific attributes of an online presence for exotic leather products. A study of the current literature was done, focusing on the luxury value perceptions, the e-luxe value perceptions and social media, as well as purchasing intent. These subjects were discussed in Chapter 3 and set the foundation for this study. The results and the relevant discussion and interpretations are to be found in Chapter 6.

In this chapter, the conclusions of this study are provided. Theoretical and managerial contributions are stated. The trustworthiness of the study is discussed and the limitations and recommendations for future studies are provided.

7.2 CONCLUSIONS

A total of 525 Chinese and 518 American respondents falling into the millennial group (mean age 36 years and 34,71 years respectively) participated in this study. The two groups had an almost equal number of female and male respondents. Both groups indicated awareness that South Africa is known for its exotic ostrich and crocodile leather products. All of the 1 043 respondents stated that they had visited South Africa in the last five years or intend to visit South Africa in the next five years, and almost all of the respondents made purchases on their trip or intend to make purchases on their upcoming trip. The Americans were mostly interested in purchasing accessories for themselves, while the Chinese rather purchase souvenirs on their trips. Both groups use a wide variety of social media platforms, with the Chinese mostly using Blogs, while the Americans mostly use Facebook.

It can be concluded that the purchasing behaviour of the American and Chinese respondents in this study was driven by strong to very strong luxury value perceptions. Although four latent luxury value

perceptions formed the basis of the American and Chinese respondent's overall luxury value perception for exotic leather products, respondents from these two countries seem to conceptualise their overall luxury value perceptions for exotic leather products differently. For the American respondents it was firstly a very strong combined individual, social and functional luxury value perception (named "Me") that drove their purchasing behaviour for exotic leather products, and secondly a weaker, but still strong financial luxury value perception. For the Chinese respondents it was firstly a very strong combined individual and functional luxury value perception (named Pleasure) that drove their purchasing behaviour for exotic leather products. Secondly a weaker, but still strong financial luxury value perception, and thirdly, the weakest, but still strong social luxury value perception also drove their purchasing behaviour. It can therefore (secondly) be concluded that because Eastern and Western consumers in this study conceptualised the value of exotic leather products differently, their overall reasons for buying the product were also not exactly the same. It can therefore (thirdly) be concluded that Western consumers' needs regarding their luxury products are more focused on servicing them personally (the "Me"), while Eastern consumers are more concerned with the pleasure derived from purchasing an exotic leather product. No significant differences between American and Chinese respondents' value perceptions for exotic leather products could be determined as these value perceptions were conceptualised differently by each group and therefore would have different meanings for each group.

It can also be concluded that American and Chinese respondents in this study conceptualised their e-luxe value perceptions that drove their preferences for specific attributes of an exotic leather product's social media presence differently. For the American respondents it was firstly a very strong combined social, basic and identification e-luxe value (named "American Experience") that drove their preference for specific attributes of a luxury product's online presence. Secondly a weaker, but still strong, identification, social and economic e-luxe value perceptions (named "Perceived Me"). For the Chinese respondents it was firstly a very strong combined basic, identification and social e-luxe value (named "Chinese Experience") that drove their preference for specific attributes of a luxury product's online presence. Secondly a weaker, but still strong economic e-luxe value (named "Price"). It can further be concluded that although Eastern and Western consumers in this study clustered some of the same e-luxe values together, the overall value perceptions were still not exactly the same and therefore show that these two groups still seemed to see their preference for specific attributes of an exotic leather product's social media presence, differently.

No significant differences between American and Chinese respondents' e-luxe value perceptions that drove their preference for specific attributes of an exotic leather product's social media presence could be determined, as these e-luxe values were conceptualised differently by each group and therefore would have different meanings for each group.

It can be concluded that the American and Chinese respondents in this study had very strong purchasing intentions for exotic leather products and that there was no statistically significant difference between Eastern and Western consumers' purchasing intent for exotic leather products.

For the Western consumers, their strong "Me" luxury value perception strongly drove their purchasing intent for exotic leather products, while their "Financial" luxury value perception only moderately drove their purchasing intent for exotic leather products. For the Eastern consumers, their important "Pleasure" luxury value perception strongly drove their purchasing intent for exotic leather products, while their "Social" luxury value perception only moderately drove their purchasing intent.

It can be concluded that in this study the Western consumers' "Me" luxury value perceptions strongly translate to their "American Experience" e-luxe value perception as well as their "Perceived Me" e-luxe value perception. Both the product and the online presence should therefore firstly satisfy them on a social, functional and emotional level and should clearly communicate to them that it fits their perception of who and what they are.

It can further be concluded that in this study Eastern consumers' "Pleasure" and Social luxury value perceptions, strongly translate into their "Chinese Experience and "Price" e-luxe value perceptions. Eastern consumers in this study therefore firstly wanted to experience pleasure from the products and from the online presence, and that should also reflect to others who they are and assist them in not losing face, by for example, not promoting discount policies, offering only limited numbers of premium priced products and reflecting the value of the product.

It can firstly be concluded that Eastern and Western consumers in this study's purchasing intent was, as in the case of their strong luxury value perceptions, strongly driven by strong e-luxe value perceptions. The importance of value perceptions, whether luxury value perceptions or e-luxe value perceptions, in this study's Eastern and Western consumers purchasing behaviour, became very clear. The managerial implications are discussed under section 7.3.2.

7.3 CONTRIBUTIONS OF THE STUDY

7.3.1 Theoretical contributions

At the time of this study's completion, no information was available with regard to the needs and luxury value perceptions of the tourists that visit South Africa or what they expect from an online presence of a luxury brand. Previous studies that were conducted (Wiedmann *et al.*, 2007, 2009; Hennigs *et al.*, 2012a) focused on large national segments or on students, while this study focused more on the millennial age group. This study is the first in its field and will contribute to the lack of research regarding the exotic leather industry in South Africa by understanding which luxury value perceptions are most important to tourists visiting South Africa and which of these luxury value perceptions may influence their decision-making and buyer behaviour. A further contribution of this study is its finding that consumers from different countries do not necessarily think the same. The four luxury value perceptions (Wiedmann *et al.*, 2007) show true, but the combinations of how the value's items are grouped, differ, because the meaning of value differ for culture to culture. The Hennigs *et al.* (2012a) scale that was used in this study, is well-known and reliable, hence contributions are made regarding the way that the luxury value perceptions of tourists from Eastern and Western countries are conceptualised. This study concluded that Eastern and Western tourists did conceptualise these values differently. With regard to the Eastern tourists' value perceptions, "Pleasure" value, Financial value and Social value were the three luxury value perceptions, while Western tourists' luxury value perceptions were "Me" value and Financial value. This study made use of Spears and Singh's (2004) purchasing intent scale and contributes theoretically by confirming the value of the scale. Therefore, the findings of this study also contribute to existing theory. The self-developed scale based on Hennigs *et al.*'s (2012b) model yielded good results and therefore contributes to the theory as a scale that can be used in future research. Similar to the luxury value perceptions, the e-luxe value perceptions were also conceptualised differently by the two groups. Western tourists' e-luxe values were determined as "American Experience" value and "Perceived Me" value, while Eastern tourists' e-luxe values were determined as "Chinese Experience" value and "Price" value. The role of luxury value perceptions in the decision-making process and its influence on the purchasing intent was also proved in this study and contributes to previous theory.

7.3.2 Managerial contributions

With the current lack of research regarding the exotic leather industry in South Africa, this study contributes positively to the knowledge base regarding marketing in this context, by highlighting which

luxury value perceptions are most important to tourists visiting South Africa and which of these luxury value perceptions may influence their decision-making and buyer behaviour.

As online luxury shopping and enquiries are becoming more and more important, promoting an exotic leather product online is a necessity. The e-luxe values which are most important to tourists visiting a South African exotic leather product's online social media presence are also better understood. With this knowledge, retailers and manufacturers will know which luxury value perceptions they should focus on when marketing the exotic leather products abroad and also know which attributes to focus on when creating or altering their online social media presence. In doing so, retailers and manufacturers can positively influence the purchasing intent of these tourists. As the Chinese and American respondents had differed with regard to how they perceived the luxury value of both the product and online social media presence, marketers will have to approach these two countries' consumers differently. For example, when marketing to the Americans, focus needs to be placed on what the product can do for them, assisting them to create a good impression of themselves, positively influencing others' perception of them and assisting them in receiving high opinions regarding the accessories they wear. With regard to the Chinese market, the pleasure that is derived from the item and the actual purchase are the most important aspects to them. How a purchase would make them feel and how it would give them self-satisfaction are important concepts that need to come through in advertising campaigns. They also purchase luxury goods to treat themselves, to celebrate an occasion or to lift their mood, which are all viewpoints or strategies that can be used by South African retailers and manufacturers to successfully market to these consumers.

Retailers and manufacturers should focus on creating an online social media presence which focuses on attributes such as allowing consumers to share their opinions, while granting access to the consumers' peers to view these opinions and see which brands the consumers support are of the utmost importance for Western tourists. Making them feel alive or 'touching their hearts' and reflecting the beauty of the product on the website, is also important, while also remaining user-friendly. The focus should be on not promoting discount policies and on making only a small number of exotic products available online. This will guarantee a positive view on the exotic leather products by the tourists. Eastern tourists first and foremost want an exotic leather product's social media presence to be user-friendly. Retailers and manufacturers should see this as the number one priority when trying to customise a website for these tourists. Reflecting the beauty of the product and connecting with consumers on an emotional level are important when focusing on this tourist group. They should feel that the online social media presence reflects who they are and creates an opportunity for them to give their opinion regarding the product and

to share their opinions with their peers. It is crucial for the South African Luxury Leather Industry to compete with international brands for the sake of its survival and profitability. These findings should therefore be kept in mind by South African exotic leather manufacturers and retailers when creating an online presence that would meet these two target markets' specific luxury value perceptions.

7.4 EVALUATION OF THE STUDY

7.4.1 Quality of the data

The sample that was used for this study consisted of 1 043 respondents, 525 American and 518 Chinese, which were adequate numbers for this study. As the questionnaires were done online, it was done without any bias, and was completely confidential and anonymous. A comprehensive literature review was completed and therefore the researcher could conceptualise and operationalise adequately. This greatly adds to this study's validity and reliability. The English questionnaire was translated into Mandarin and Cantonese. This contributed to the reliability of the findings. The luxury value perception scale that was used in this study, was sourced from previous studies that have greatly benefited this study field and have been acknowledged, which therefore adds to this study's validity. The model used to test the e-luxe value perceptions, although not tested yet, was compiled by reputable researchers in this field (Hennigs *et al.*, 2012b). This trusted model yielded a high Cronbach's alpha for the self-developed scale. The reliability of this study was increased by the international independent research company, Qualtrics, which was used to run the data collection. Once the information was handed over to the researcher, it was not manipulated in any way.

7.4.2 Achievement of the objectives of the study

This study had nine objectives, of which seven were achieved. Objectives 2 and 4 could not be achieved due to the fact that these required determining the significant differences between two cultural groups who reported different luxury value perceptions as well as different e-luxe value perceptions. All the other objectives could be achieved and trustworthy conclusions could be formulated.

7.5 LIMITATIONS OF THE STUDY

As this study used a self-developed scale based on Hennigs *et al.*'s (2012b) values of e-luxe model, the scale was not standardised. The scale, however, yielded good results and suggests reliability and validity supporting the values of e-luxe model. Convenience sampling is the type of non-probability sampling that

was used for this study, meaning that respondents of said population who were easily and readily available were used and one can therefore not generalise to the whole population. This study was mainly done on millennials, meaning that the super-rich and maybe more accomplished luxury consumers were not included in the study.

7.6 RECOMMENDATIONS FOR FUTURE STUDIES

In this study it was interesting to note that the financial value perception dimensions derived from Hennigs *et al.*'s (2012a) luxury value perception scale loaded the lowest on the factor analysis for the Eastern and the Western consumers. This suggests that the study field might benefit from an investigation into the scale and the items that test this particular luxury value perception. Researchers should consider changing some of the financial statements to obtain a more accurate view of consumers' actual insight regarding all economic perceptions. This study sheds light on two very important markets, Eastern and Western, on which Exotic Leather SA targets its offerings, but this study would suggest that other markets such as Europe, should also be looked at as it might create a more complete picture. The self-developed scale used in this study yielded good results and could be refined and standardised for future studies. This scale can also be used to test other countries' e-luxe value perceptions.

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ADDENDUM A: Questionnaire

We are interested in your leather buying behaviour!

Dear Participant,

We are interested in the things you consider as important when shopping for exotic leather items, such as accessories, gifts, and souvenirs. Please give us 10 minutes of your time by completing this online study. Please be assured that all information will be kept confidential.

Consent:

Your completion will be seen as your consent that we may use the information to enhance your next exotic leather shopping experience.

Thank you!

SECTION A

1. What is your nationality?

V1	1	Western	
	2	Asian	

2. What is your gender?

V2	1	Female	
	2	Male	

3. What is your age?

V3	1	21-35	
	2	36-55	
	3	56 and older	

4. Have you visited South Africa during the last 5 years or intend to visit South Africa in the next 5 years?

V4	1	Yes	
	2	No	

5. Did you purchase any products during your visit or do you plan to purchase any products when you visit South Africa?

V5	1	Yes	
	2	No	

6. If you answered **yes** at question 5, what type of products did you buy?

V6	1	Accessories for yourself	
	2	Souvenirs	
	3	Gifts	
	4	Other (<i>please elaborate</i>)	

7. Which social media platforms do you regularly use?

V7	1	Blogs	
	2	Facebook	
	3	Instagram	
	4	SnapChat	
	5	Twitter	
	6	YouTube	
	7	None	

8. Did you know that South Africa is known for its exotic ostrich and crocodile leather products?

V8	1	Yes	
	2	No	

SECTION B

Please answer all the questions by marking **X** in the block of your choice. Please note that there are no right or wrong answers. We are just interested in your honest answer. Please think carefully and indicate with **X** your level of agreement with each of the following statements.

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
V9.1	It is important that others have a high opinion of how I dress and look					
V9.2	Only people who can afford it own luxury leather products or clothing					
V9.3	I view luxury leather purchases as gifts for myself to celebrate something that I do and feel excited about					
V9.4	The superior product quality is my major reason for buying luxury leather products or clothing					
V9.5	I place emphasis on quality assurance over prestige when considering purchasing luxury leather products or clothing					
V9.6	I know that luxury leather products are inevitably very expensive					

V9.7	Purchasing luxury leather clothing makes me feel good					
V9.8	To me, my friends' perceptions of different luxury leather brands or products are important					
V9.9	If I were to buy something expensive, I would worry about what others would think of me					
V9.10	I think that truly luxury products should not be mass-produced					
V9.11	I view luxury leather purchases as gifts for myself to celebrate an occasion that I believe is significant to me					
V9.12	I will not buy a luxury leather product or clothing from a supermarket					
V9.13	When I am in a bad mood, I may buy luxury leather products or clothing as gifts to myself to alleviate my emotional burden					
V9.14	I like to know what luxury leather items make good impressions on others					
V9.15	It is important to know what others think of people who use luxury leather products					
V9.16	Wearing luxury leather clothing gives me a lot of pleasure					

V9.17	A luxury leather item that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration					
V9.18	I am inclined to evaluate the substantive attributes and performance of luxury leather products rather than listening to the opinions of others					
V9.19	I am interested in determining what luxury leather items I should buy to make good impressions on others					
V9.20	I derive self-satisfaction from buying luxury leather products or items					
V9.21	I pay attention to what types of people buy certain luxury leather items					
V9.22	As a whole, I may regard luxury leather items as gifts that I buy to treat myself					

SECTION C

How important would the following information be to you when considering purchasing a luxury exotic leather product? Please answer honestly, even if you do not have any intention to buy an exotic leather product now.

Please mark the appropriate box with an "X".

Information regarding ...		Not important	Somewhat important	Moderately important	Important	Extremely important
		1	2	3	4	5
V10.1	the country the product originates from (country-of-origin)					
V10.2	the ethical practices employed throughout the entire supply chain					
V10.3	the brand's stance on animal cruelty					
V10.4	the farm the skin originates from					
V10.5	the encouragement of local artisanal traditions					
V10.6	the raw materials that enclosures and finishes were manufactured of (e.g. gold, real diamonds, silk)					
V10.7	the environmental policy of the brand					
V10.8	the country where the product was manufactured					
V10.9	the circumstances under which the animal was farmed					
V10.10	the brand's stance on child labour					
V10.11	the country the skin originates from					
V10.12	the conservation policy of the brand					
V10.13	how the animal was killed					
V10.14	the brand's corporate social responsibility initiatives					
V10.15	the chemicals used during the tanning process					
V10.16	the food that the animal was fed					
V10.17	the social development policy of the brand					
V10.18	the brand's stance on the fair treatment of workers					

SECTION D

Please answer all the questions by marking **X** in the block of your choice. Please note that there are no right or wrong answers. We are just interested in your honest answer. Please think carefully and indicate with **X** your level of agreement with each of the following statements.

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
V11.1	It is worth paying more for a sustainably manufactured luxury exotic leather product that will last longer.					
V11.2	It is worth paying more for a luxury exotic leather product that was manufactured without harming the environment.					
V11.3	Just owning an environmentally friendly exotic leather product would make me feel special.					
V11.4	I will only buy a luxury exotic leather brand if others approve of the brand's anti-animal cruelty policy.					
V11.5	Sustainable manufacturing would ensure for me a quality luxury exotic leather product.					
V11.6	An ethically made luxury exotic leather product would make me feel good about myself.					
V11.7	It is worth paying more for a luxury exotic leather product that not everybody can afford.					
V11.8	Buying a handmade exotic leather product from a heritage manufacturer will make me feel good.					
V11.9	Unique luxury exotic leather products should have been manufactured in an eco-friendly manner.					
V11.10	It is important to me that the luxury exotic leather products that I buy should signal a specific prestigious country of manufacturing.					
V11.11	Manufacturers of luxury exotic leather products should ensure durability in the product and the environment.					
V11.12	Others should notice my support of sustainably manufactured and environmentally friendly products.					

SECTION E

Please answer all the questions by marking **X** in the block of your choice. Please note that there are no right or wrong answers. We are just interested in your honest answer. Please think carefully and indicate with **X** your level of agreement with each of the following statements.

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
V12.1	Only limited numbers of premium price exotic leather goods and clothing should be available via social media.					
V12.2	Luxury exotic leather social media web pages should make me feel alive.					
V12.3	On a social media web page the value of luxury exotic leather goods and services should be reflected by the price.					
V12.4	It is important to be able to share one's luxury product's experience on a brand's social media web page.					
V12.5	A luxury brand's social media web page should be user-friendly.					
V12.6	My friends and I should be able to give our opinions on a luxury exotic leather product's social media web page.					
V12.7	A luxury exotic leather social media's web page should touch my heart.					
V12.8	A luxury product's social media web page should reflect who I am.					
V12.9	Owning the luxury product that is promoted on a social media's web page should be like a dream come true.					
V12.10	A luxury exotic leather brand's social media web page should reflect the beauty of the product.					
V12.11	Others should be able to see on a luxury product's social media web page that I support the product or brand.					
V12.12	Social media should not promote discount policies on luxury exotic leather goods and clothing.					

SECTION F

Please answer all the questions by marking **X** in the block of your choice. Please note that there are no right or wrong answers. We are just interested in your honest answer. Please think carefully and indicate with **X** your level of agreement with each of the following statements.

I will be more likely to make a luxury exotic leather purchase if ...		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
V13.1	the product is manufactured through sustainable practices					
V13.2	the product has a transparent supply chain					
V13.3	the product can be traced on social media platforms					
I will...						
V13.4	at some point buy a luxury exotic leather product					
V13.5	at some point have the intention to buy a luxury exotic leather product					
V13.6	at some point have an interest in purchasing a luxury exotic leather product					

ADDENDUM B: The Measurement of Constructs

Table 4. Measurement of Constructs.								
Items							Factor loadings	
Financial value dimension							$\alpha = 0.61$	
Luxury products are inevitably very expensive.							0.66	
Few people own a true luxury product.							0.65	
Truly luxury products cannot be mass-produced.							0.70	
A luxury product cannot be sold in supermarkets.							0.70	
Functional value dimension							$\alpha = 0.70$	
The superior product quality is my major reason for buying a luxury brand.							0.73	
I place emphasis on quality assurance over prestige when considering the purchase of a luxury brand.							0.79	
I am inclined to evaluate the substantive attributes and performance of a luxury brand rather than listening to the opinions of others.							0.69	
A luxury brand that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.							0.69	
Individual value dimension							$\alpha = 0.88$	
I derive self-satisfaction from buying luxury products.							0.65	
Purchasing luxury clothing makes me feel good.							0.78	
Wearing luxury clothing gives me a lot of pleasure.							0.79	
When I am in a bad mood, I may buy luxury brands as gifts for myself to alleviate my emotional burden.							0.73	
I view luxury brand purchases as gifts for myself to celebrate something that I do and feel excited about.							0.80	
I view luxury brand purchases gifts for myself to celebrate an occasion that I believe is significant to me.							0.76	
As a whole, I may regard luxury brands as gifts that I buy to treat myself.							0.81	
Social value dimension							$\alpha = 0.85$	
I like to know what luxury brands and products make good impressions on others.							0.69	
To me, my friends' perceptions of different luxury brands or products are important.							0.75	
I pay attention to what types of people buy certain luxury brands or products.							0.79	
It is important to know what others think of people who use certain luxury brands or products.							0.84	
I am interested in determining what luxury brands I should buy to make good impressions on others.							0.83	
It is important that others have a high opinion of how I dress and look.							0.59	
If I were to buy something expensive, I would worry about what others would think of me.							0.59	

ADDENDUM C: SIGNED DECLARATION OF AUTHENTICITY

UNIVERSITY OF PRETORIA
FACULTY: Agriculture
DEPARTMENT: Consumer Science

The Department of Consumer Science places specific emphasis on integrity and ethical behaviour with regard to the preparation of all written work submitted for academic evaluation.

Although academic personnel will provide you with information regarding reference techniques as well as ways to avoid plagiarism, you also have a responsibility to fulfil in this regard. Should you at any time feel unsure about the requirements, you must consult the lecturer concerned before you submit any written work.

You are guilty of plagiarism when you extract information from a book, article or web page without acknowledging the source and pretend that it is your own work. In truth, you are stealing someone else's property. This does not only apply to cases where you quote verbatim, but also when you present someone else's work in a somewhat amended format (paraphrase), or even when you use someone else's deliberation without the necessary acknowledgement. You are not allowed to use another student's previous work. You are furthermore not allowed to let anyone copy or use your work with the intention of presenting it as his/her own.

Students who are guilty of plagiarism will forfeit all credit for the work concerned. In addition, the matter can also be referred to the Committee for Discipline (Students) for a ruling to be made. Plagiarism is considered a serious violation of the University's regulations and may lead to suspension from the University.

For the period that you are a student at the Department Consumer Science, the declaration below must accompany all written work to be submitted. No written work will be accepted unless the declaration has been completed and attached.

I (full names): Ariëlle Ferreira
Student number: 29504652

Subject of the work: **Eastern and Western Tourists' luxury value perceptions and needs for specific attributes of an online presence for exotic leather goods**

Declaration

1. I understand what plagiarism entails and am aware of the University's policy in this regard.
2. I declare that this dissertation is my own, original work. Where someone else's work was used (whether from a printed source, the internet or any other source) due acknowledgement was given and reference was made according to departmental requirements.
3. I did not make use of another student's previous work and submitted it as my own.
4. I did not allow and will not allow anyone to copy my work with the intention of presenting it as his or her own work.

SIGNATURE

DATE

.....

.....