

What Are the Y-Generation Consumers' Motivations for Consuming and Purchasing Luxury Goods? An Extended Abstract

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Introduction

The importance of the academic literature about luxury follows an exponential curve. Among the topics studied, the luxury consumption is central, but a few works are focused on the Y-Generation (young adults, up to 32 years old) and only from a local perspective (Sun 2011). With the democratization of luxury, all generations are targeted by marketers and there is an academic and a managerial interest to understand the Y-generation consumers' motivations for using and purchasing luxury goods. It is the purpose of this exploratory research.

For Wiedman (2007), the term luxury is routinely used in our everyday life to refer to products, services, or a certain lifestyle, however, often without a clear understanding of the luxury concept, as it takes on many different forms for different people and is dependent on the mood and experience of the consumer, luxury is particularly slippery to define. A strong element of human involvement, very limited supply and the recognition of value by others are key components (Cornell 2002). Luxury goods are usually bought at higher prices than other goods, considered as unique and of high quality. Consumers are looking for exclusivity and differentiation. Examples of luxury brands are Louis Vuitton, Gucci, Rolex, and Mercedes among many others.

And the demand for luxury goods with brand prominence has increased. Many luxury consumers look for a clearly labeled luxury good. They want to prove they can afford it or simply to show off. Nunes et al. (2010) define Brand Prominence as the extent to which a good is visibly marked, such as the Gucci "G" or its signature bold red and green stripes on a handbag.

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But what are the motivations behind the consumption of luxury goods? Do consumers use them as status signals to show the world they are successful and have done well in life or do luxury good consumers buy a 5000€ Hermes Birkin bag for the quality of the product? According to Wiedmann, brands and fashion houses seem to think that consumers mainly buy luxury goods as status signal. “Concerning the motives for consuming luxury brands, it has to be stated that the notion of “buying to impress others” still more or less serves as strategic principle for the marketing management of luxury brands” (Wiedman 2007).

Han et al. (2010) proposed a model of four categories of luxury consumers depending on their need for status and their wealth: patrician, parvenu, proletarian and posers. Parvenu associate with other haves and want to dissociate themselves from have-nots. They use loud signals. Patrician signal to each other. They use quiet signals. Proletarian do not engage in signaling. Poseurs aspire to be haves. They mimic the parvenus.

This research is not focusing on a specific group but is interested to find out if the Y-Generation can be grouped into one of the four categories. Heinemann (2008) proposed a schematic description of the luxury purchase motivation body of literature with five categories of motivations: Basic Human Motivations; Social Group Motivations; International/Global Motivations; Culture Based Motivations. Zernova Salmela (2010) divides motivations in two categories: “to show” motivations and “to feel” motivations. She distinguished the motives for showing off and the motives for the pleasure of oneself when using luxury goods. Our goal was to check if the motivations highlighted in the literature were confirmed concerning the Y generation luxury consumers and if there were other motives specific to this segment.

Methodology

Generation Y is the world’s first global generation. They are the most educated, entertained, materially endowed, and entrepreneurial yet supported and protected generation in history. Y-Generation consumers are described as tech-savvy, family-centric, achievement oriented, team-oriented and attention craving (Kane 2012). The hypothesis is that there is a link between the Y-Generation characteristics and their consumption habits. A person who has a craving for attention can satisfy this need with luxury goods possession. A person very achievement oriented, could like to show others their success. This can be accomplished through the consumption of luxury goods. The pressure on this generation to succeed is much higher than for previous generations.

A group of 52 over 60 bachelor students from the International University of Monaco were surveyed through a face to face questionnaire. A second group of 145 over 400 Facebook friends answered to an online survey created with Survey Monkey software. Two limitations have to be underlined. For the online survey, most of the Facebook friends were Finnish and females.

The motivations extracted from the literature review were tested through the questionnaires. The survey also included an open answer part, which was the source of finding out new motivations for luxury goods consumption.

The first group was chosen because of its socioeconomic status to purchase luxury goods. The second group was a convenient sample. The cultural effect had to be taken into account. Consequently, this study has to be considered as a pilot study. It will be interesting to replicate it in different socioeconomic and cultural contexts. An experiment was conducted to test the brand prominence effect. Respondents had to choose between a Hermes belt with a loud logo or a Hermes belt with a discreet one.

Results and Discussion

The results of the online survey were surprisingly open and insightful. First of all, 82% of the respondents buy their own luxury goods. Their parents do not influence their purchases. 34.5% of the respondents said they own 0–3 luxury goods. 76.4% of the respondents would choose the Hermes belt with the visible logo buckle. This shows that people are not going to spend almost 500€ on a product unless other people can see that it was expensive. A person who filled the online questionnaire later said that there is no way they would spend that much money on a product unless the brand or logo was clearly visible. This proves that the Y-Generation clearly put much importance on what other people think about them and what they are wearing. The Y-Generation might be looking for the respect of friends by showing them that they can afford luxury goods and belong to a certain socioeconomic group.

Half of the respondents replied that people in their family or social environment use luxury goods frequently. This could mean that the respondents are used to having luxury goods around and come from upper middle class where luxury goods are considered as “normal goods”. These respondents might have been raised with luxury goods around them.

Most of the respondents said they own about 0–7 luxury goods. Surprisingly, nearly 25% said that they own more than 11 luxury goods, which clearly says that these people come from a socioeconomic background that enables them to consume many luxury goods.

Motivations Confirmed

The first motivation to purchase luxury goods is the quality of the products. Another popular reply was that respondents want to be seen as a person with unique and rare style. This shows again how much the opinion of other people influences the buying behavior of the Y-Generation. All of the other motivations got votes as well, so we can say that the existing motivations are verified. What was interesting about this research was that the respondents were able to widen their reply by giving their own

answers. Interesting comments were made and one of the most common responses was that luxury goods make the respondents happy. The results of the face-to-face questionnaire confirmed the motivations emphasized in the literature.

Motivations Found

The open answer option revealed some additional motivations. Few students mentioned the effectiveness of the luxury brand after sale-service. One of the open answers was that luxury goods are consumed due to the better design and outlook of the luxury products. This is a motivation that is linked with esthetics and visual pleasure. Another response was that the respondents want to treat themselves well. They might buy luxury goods as a gift for themselves for something they have accomplished. Rewards are high motivations for doing things and some consumers use luxury goods to remember a specific time or simply as an end goal they can purchase after completing something predetermined.

New “to feel” Motivations Found

The open answers revealed additional motives as to why the Y-Generation purchases luxury goods and what they feel by consuming them. One response was that consuming luxury goods simply make the consumer feel good. The person gets a positive feeling out of wearing luxury goods, and that motivates them to purchase and consume them. The roots to this response might be that the goods are something they have wanted for a long time, so when they get them, they receive a sense of good feeling from wearing the goods.

The second response was that the respondent feels more important than other people. This means that the motivation for consuming luxury goods come from the feeling of being after more important than others. This might mean that the person is not confident and with luxury goods, they get a sense of importance which they would not have without these goods. Luxury goods consumption would bring self-valorization and self-esteem.

Third response revealed that consuming luxury goods brings a feeling of self respect. The feeling of self-respect might be from allowing oneself to purchase the goods they want. Since know they are expensive and high quality goods, they feel that they are respecting themselves by consuming only the best products in the market. They feel they deserve only the best and so consume only the best.

The fourth open response stated that “I feel more comfortable with luxury goods”. This is linked with fitting in a certain socioeconomic group. If a person is surrounded by luxury goods most of their life, they will be more comfortable in the world of luxury goods in the future as well. The feeling of comfort and ease is a powerful motivation to consume these goods. Another way to interpret the answer would be to say that the respondent finds luxury goods more comfortable. The motivation of

purchasing luxury goods for the comfort can be interpreted in many ways and people also have a different opinion of what is comfort in general.

The last response revealed that some consumers do not feel any different whether they are wearing luxury goods or normal goods. These consumers do not place high importance on the brands, but consume what they want, despite if it's a cheaper or more expensive products. It is important to note that not all people necessarily even like luxury goods. Some who can afford them; do not consume them because they are thought to be a waste of money or not important enough in their lives.

Conclusion and Implications for Theory and Practice

The luxury industry is growing at a constant pace and younger consumers can access this market at an early age. Nowadays teenagers are carrying luxury designer bags that cost several hundred Euros. The Y-Generation is one of the first generations that have grown in the decade of people owning more and more materialistic goods. This study confirmed the motivations for using and buying luxury goods highlighted in the literature. It also found other motives which can be studied in depth in further research and used for marketing purposes.

Nowadays people are also judged more on their appearance than anything else. The pressure to succeed in life is higher for the Y-Generation than ever before. One way to show this success to others is to purchase visibly labeled luxury goods. The varieties of motivations the luxury consumers can have are almost endless. The study showed that the Y-Generation places great importance on the high quality of the products as well as the after-sale service. They want to be seen as people with unique and rare style and stand out from the mass.

Many student respondents used luxury goods in order to fit in their social environment. The pressure of fitting in seems to be an issue for many and they feel that by using luxury goods that not everyone can purchase, places them within one distinct socioeconomic group.

In the online survey, it was interesting to notice that majority felt more confident while using luxury goods. These goods give their carriers the sense of empowerment.

If these goods make the consumers much more confident, then they are most likely willing to pay big amounts for this feeling.

For marketers it is crucial to understand the driving forces that motivate young adults to purchase and consume luxury goods. Many of the Y generation consumers will be the loyal luxury brand consumers, with a high socioeconomic status, and the will to access to more and more luxury product category. Further replications of this exploratory study could contribute to this understanding.

References Available Upon Request

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