Chapter 1
Understanding the Luxury Brand Consumer:
A Proposed Conceptual Framework

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ABSTRACT

The definition of luxury brands has been long debated among marketing scholars; however, understanding how consumers perceive luxury is important too. This research presents a new framework that includes antecedents reflecting external and internal points of reference, luxury accessibility levels that ultimately impact consumer behavior toward luxury brands. It is understood that consumers have different lived experiences and may also have access to different goods in the marketplace. Hence, the proposed framework contributes to the luxury marketing literature by highlighting these important antecedents which induce various perceptions of luxury. Three propositions are presented to summarize the framework, which also supports future research aims.

INTRODUCTION

Increasingly, the luxury goods market continues to grow (Kim, 2019; Interbrand, 2013; Christodoulides et al., 2009). Luxury brand managers are challenged to understand the changes of the luxury industry and consumer needs and wants (Fionda & Moore, 2009). Since the 1990's, the luxury market has experienced an annual growth rate of 10-15 percent and has exceeded the growth rates in other consumer goods categories (Matthiesen & Phau, 2005). Its rapid global success has propelled the luxury market to be one of the fastest-growing industries in the world (Fionda & Moore, 2009). Continued spikes in luxury consumption in the marketplace influences consumer culture and consumers' experience throughout their lives (Fazeli, Shukla, & Perks, 2020). For example, consumers are bombarded by 3,000 adver-

tised messages or brand contact points daily, some of which may also include luxury brands (Henke & Fontenot, 2011). Regardless of costs or status, each brand contact, whether casual or direct, serves as a brand introduction or reminder to possibly consider luxury brands.

During one's socialization process, consumers are exposed to various points of reference that reflect their upbringings at home. Points of reference may represent family, social class, race, gender and family, among other demographic factors. Accessibility to goods also varies based on the aforementioned points of reference. Privileged consumers raised in trendy global cities, such as New York, with families who may actively engage in luxury consumption, undoubtedly will have access to luxury goods. This may be based on their family's income and luxury awareness, in addition to the accessibility to luxury retailers in Manhattan, and the overall consumer culture in the Northeast region. Further, identity formation occurs during childhood and continues through adulthood (Moschis, 1987). Consumers develop identities based on both gender and racial status. Hence, racial and gender identities will also influence their position in the marketplace, their perceptions of brands, in addition to their access to such brands. During the formative years, points of references leave lasting impressions on consumers' values, beliefs, and purchase intentions.

Many brands, including luxury, are shifting to a more consumer-focused business model. Consumers' changing preferences and access to luxury and media consumption suggest that more theorizing is needed to understand the ultimate luxury market. Luxury marketers are challenged to better understand luxury consumers in order to better target consumers and increase marketplace presence. To do so, marketers need more in-depth knowledge about consumer behavior within the luxury market. The aim of this research is to further develop a conceptualization of luxury consumers, which includes antecedents that serve as their points of reference in the luxury marketplace. Specifically, the conceptual framework highlights the role of advertising on luxury consumer perception. It is important for marketers to holistically consider the consumer, including their life experiences, rather than just the motivational drivers of luxury consumption. Focusing on the consumer perspective is important because consumers have individual needs (Wiedmann et al., 2007; Kapferer & Bastien, 2012). Further, researchers have suggested more examination is needed to understand the concept of luxury from the consumer perspective (Berthon et al., 2009; Chandon, Laurent, & Vallette-Florence, 2016). To date, one research team developed a luxury consumer buying behavior model theorizing luxury consumption in India (Jain et al., 2015). While it included external stimuli that influence consumers and consumer behavior, a more nuanced framework is needed to address other key points of reference not previously identified.

A myriad of factors likely influence consumer perception of luxury. Such factors reflect varying degrees of consumer socialization and luxury accessibility. Not all consumers share the same body of knowledge, attraction, and accessibility to luxury brands. It is understood that luxury may be desired by most consumers, but that may not always be true. Luxury consumption in some cases can be associated with materialism, which is the preoccupation of consumption for hedonic pleasures only and not for utility (Belk, 2001). While materialism is criticized for eroding consumer morality, some consumers may strongly oppose luxury brands and not desire them at all. Therefore, more insight about luxury consumers provides a deeper understanding.

The proposed conceptual framework departs from previous typologies and frameworks that strictly focused on defining luxury based on macro-level conditions. Instead, this framework suggests a closer exploration of the micro-level, personal factors central to understanding luxury consumers. For example, consumers' personal interpretation of advertised messages and how they potentially find meaning of luxury goods. Further, this research also underscores the value of consumer perspectives of luxury, since

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