

The Impact of Value Perception on Luxury Brand Consumption

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Abstract

The purpose of this paper is to explore the impact of consumers' perceived value on luxury brand consumption by discussing each variable and the relationship between them through a comprehensive analysis of the previous literature and collecting primary data through the use of self-administered surveys, comprising of questions related to consumption, value perception, personal attitudes and demographics in order to determine whether the relationship between both variables is a positive or negative one. The findings suggested that there is indeed a positive, although not significant relationship between both variables, partially due to the study's limitations, which included a small sample size, ultimately making it difficult to generalize results on the population.

Keywords

Luxury Brand, Perceived Value, Customer Behavior

1. Introduction

Luxury varies from country, culture, and individual as it is complex and differs in context; so its definitions vary (Ghosh & Varshney, 2013). Luxury goods add prestige to their consumers, who are mostly the wealthy few of society that lead a refined lifestyle. Exclusivity, expensiveness, and premium quality are the basic dimensions of luxury, but are debatable due to the recent advance of mass-luxury. Recently, successful luxury brands compete on customer loyalty and satisfaction through the great psychological benefits that they provide (Ghosh & Varshney, 2013, Husic & Cicic, 2009, Wiedmann, Hennigs, & Siebels, 2009). Branding, exclusivity, and aesthetic beauty constitute and elevate consumers' status (Husic & Cicic, 2009). Due to its complexity, luxury brands try to segment consumers based on their luxury value perception; however, there is lack of evidence on the

impact of perceived value on luxury brand consumption. Therefore, studies on the impact of perceived value on consumption of luxury brands should be conducted in order to identify those most likely to consume the largest quantities of luxury.

This study will be exploring perceived value's influence on luxury brand consumption, specifically regarding the fashion and accessories industry by inspecting the complex concept of luxury including its three prime dimensions and the evolution of luxury consumers' behaviour as well as the reasons for the adoption of luxury consumption.

2. Literature Review

2.1. Luxury Brand Consumption

This section will give a brief overview of the concept of luxury along with its different definitions despite the concept's subjectiveness along with an overview about luxury consumption, followed by the reasons why people consume luxury and lastly, the different dimensions of luxury will also be discussed.

2.2. The Definition of Luxury

The concept of luxury is a highly complicated one that is highly subjective and thus, people have not agreed to one definition as people's perception of luxury differs among different countries, cultures and individuals (Ghosh & Varshney, 2013).

Before the rising popularity of consuming luxury products, luxury was known to be consumed by those who were considered the elites of society and lived a more sophisticated/luxurious life, as they were the ones who could afford it. The luxury products consumed are known to add to the consumer's prestige and perception in society.

In economics, when people's income rises, their demand for luxury goods increases. However, only a small portion of society is able to consume luxury goods due to their high price points, therefore it is mostly only those with higher income levels who consume more luxury goods as their income increases.

Several researches have previously tried to assess the difference between luxury brands and products, where Ghosh and Varshney (2013), came to the realization that luxury is an industry regardless of the products that are being sold under that name as some brands are simply in the business of luxury, rather than a certain market. However, this is not limited to the fact that some products, for example, villas are considered luxury regardless of the brand (Ghosh & Varshney, 2013). From a marketing perspective, luxury brands tend to have high awareness levels and perceived quality, loyal customers, and memorable brand identities (Ghosh & Varshney, 2013; Husic & Cicic, 2009; Wiedmann, Hennigs, & Siebels, 2009).

Ownership/purchase of luxury products/goods of well-known brands have a

huge psychological impact on consumers as it boosts their self esteem, self image and morale, as it is the consumers' perception that the mere thought of owning or purchasing luxury brands elevates their social standing. The ambiance and the in-store service of luxury brands stores, in addition to the most sought after merchandise and non-parallel exquisite service, giving consumers the feeling of an elevated status (Husic & Cicic, 2009).

Luxury brands retail their products at top dollar prices, in addition to selective distribution in order to hold their exclusivity in the retail market which is integral to brand marketing as it helps them differentiate those considered luxury consumers to those who aren't. Furthermore, for producers to maintain their exclusivity and their market edge on consumer products, they ensure the aesthetic enhancement and unique features of their products. These are considered the guidelines that producers follow to ensure the authenticity and ranking of their products within this era of luxury democratization (Hennigs et al., 2015; Kastanakis & Balabanis, 2012; Radon, 2012).

2.3. Why People Purchase Luxury Brands

There are two reasons why people engage in luxury brand consumption. The first is known as materialism, which is known as the value consumers add on to their belongings whereas the greater the level of significance, the more materialistic the consumer is. Materialism is described as the pleasure experienced by consumers as a result of owning and purchasing material goods, that can be described as the heart of materialism (Wiedmann, Hennigs, & Siebels, 2007, Hudders & Pandelaera, 2011).

Consumers that are identified as materialistic tend to regularly purchase new goods, which in turn, increases their belongings as they tend to find that it is of greater importance, to increase the amount of belongings they have, rather than the functionality of purchasing these products (Fitzmaurice & Comegys, 2006). This is why materialistic people believe their belongings are how they can best communicate their social class within society as they believe that their consumption is a pure indication of their status. In addition to that, it is perceived that owning luxury products indicates a person's wealth and success, aiding in enhancing their image based on Hudders and Pandelaera (2011). Therefore, as more people seek to enhance their status through the goods they own and purchase, luxury consumption has increased, making it one of the main reasons people purchase luxury brands and products (Wiedmann, Hennigs, & Siebels, 2007).

The second reason is the media, which has played an integral role in why people are partaking in luxury brand consumption. Luxury brands have found that the most successful method for creating brand identity and image, appealing to consumers' is through the use of advertising media (Fionda & Moore, 2009). Baskaran and Pragadeeswaran (2012) had divided advertising media into two categories which firstly, refers to the media seen by an active audience (those

who have control over the content they see) meaning mainly online media such as the ads displayed on social media platforms that consumers' choose to see or skip which has greatly influenced luxury consumption.

The second refers to the media in which consumers are forced to consume the content, which largely refers to TV ads where advertisements are played between programs or during break times (Baskaran & Pragadeeswaran, 2012). In addition to the fact that TV ads are highly influential in shaping perceived reality, they also motivate the audience to consume more through different TV shows for example by displaying lavish lifestyles through different shows, ultimately motivating consumers' to purchase luxury brands (Varman & Belk, 2008) in order to be able to look and feel like their favourite celebrities and increasing consumption levels by showing viewers the products they can have too, leading them to a better life (Dixon, 2007).

2.4. Dimensions of Luxury

2.4.1. Premium Quality

It is widely agreed upon that premium quality is a key feature of luxury, entailing that high-end luxury products and brands have outstanding quality, thus luxury consumers use them to display their social standing and prestige, since such esteemed products are normally associated with having premium quality (Sjostrom, Corsi, & Lockshin, 2016).

Based on Hudders, Pandelaera, & Vyncke (2013), Mortelmans (2005), a brand is said to achieve premium quality through one of two ways. Firstly, the use of the finest materials in order to deliver the outstanding quality consumers expects to get or secondly, through uniquely crafting the product with utmost attention to details in order to represent the level of unmatched quality. The quality also refers to the durability of the product, which is why it has been found that many would rather have a single product of premium quality rather than several inferior ones, according to Yeoman (2010) and Husic and Cicic (2009).

2.4.2. Expensiveness

It is a given in most research, that high prices are correlated with luxury products as it is often perceived that the more luxurious a product is, the higher the quality is. This ideology is a leeway for producers to price their products. To consumers, the justification of high prices is based on their perception that the higher the quality, the higher the price must be. This is known as the positive "price-quality" relationship, which is a primary driver for luxury consumption (Sjostrom, Corsi, & Lockshin, 2016; Fionda & Moore, 2009; Maden, Göztaş, & Topsümer, 2015).

Previous researches have found that manufacturers often mark their products at exorbitant prices, justifying that the psychological effect on the consumer (Kapferer & Valette-Florence, 2016; Sjostrom, Corsi, & Lockshin, 2016) and the uniqueness of the product, can outweigh the assumption that high prices are only a result of higher quality and craftsmanship.

Kapferer and Valette-Florence (2016) noted that consumers considered themselves as part of a socialite and elite class, based on these prized possessions i.e. premium priced luxury brands. In addition, Husic and Cicic (2009) claimed that the possession of luxury brands was a means for consumers to flaunt their wealth.

2.4.3. Exclusivity

Exclusivity of luxury brands falls under the premise of targeting the upper class and elite socialites who will pay high prices to maintain their social standing, which deems them to possess rare, one of a kind products. Producers of luxury brands manage the exclusivity of their products by marking up their prices and by exclusive selective distribution thus, guaranteeing that their brands maintain their high-end status that can only be affordable to the selective elite (Radon, 2012; Kapferer & Valette-Florence, 2016).

3. Perceived Value

According to Schultz and Zelezny (1999), values are known as the morals and ideals that people find most important which in turn governs their actions. Through Lapierre's research (2000), he described the customer perceived value as the benefits gained by consumers in return for the costs they incurred and the level of importance of this difference for consumers.

The category of "value-conscious" in consumerism is when a consumer would normally not pay a higher price for a product, as they normally tend to purchase cost-effective products that meet their criteria. But, under certain circumstances, when a product surpasses the expected utility, the consumer can be convinced into purchasing the product.

Perceived value has been defined as a complicated construct as a result of the absence of agreement on its definition among scholars (Lapierre, 2000). According to scholars and past literature, there are two main standpoints of perceived value known as the uni-dimensional construct and the multidimensional construct (Fernandez & Bonillo, 2007). The uni-dimensional construct considers that perceived value is a one-dimensional construct, implying that it is a general particular concept measured by a list of factors, evaluating the consumer's value perception. However, the multi-dimensional construct perceives the concept of perceived value as a number of interrelated "dimensions", forming "a holistic representation of a complex phenomenon" (Fernandez & Bonillo, 2007).

As seen in the **Figure 1** below, the uni-dimensional construct consists of two different approaches where the first is known as "price-based studies" where a prolific research stream was carried out with its origins in the study of price with the main focus of analysing the quality-price relationship. Accordingly, the external dimensions that influence perceptions of a product's value and quality were identified as money, brand name and store name (Fernandez & Bonillo, 2007).

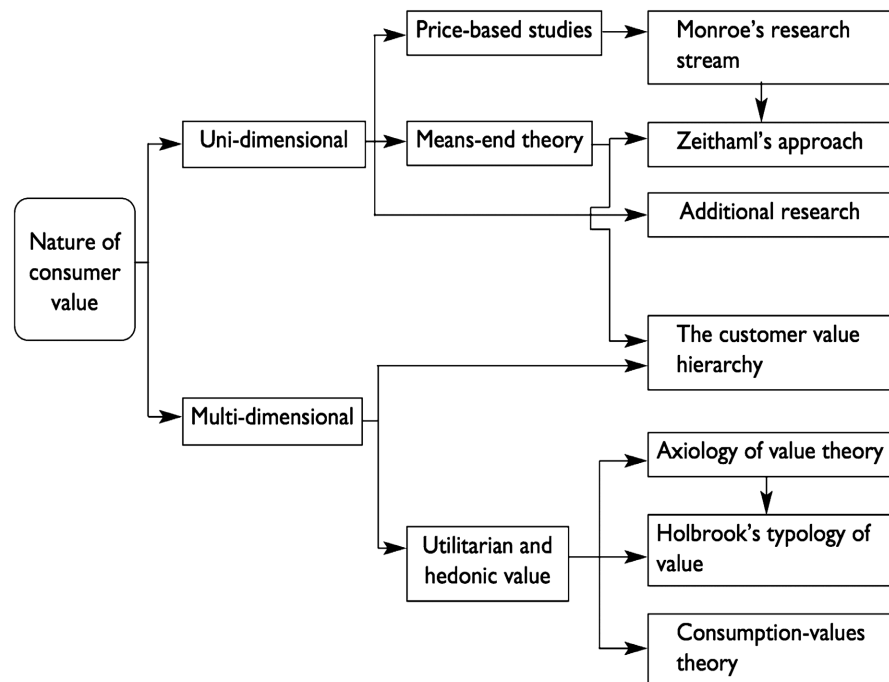


Figure 1. Standpoints of perceived value (Fernandez & Bonillo, 2007).

The second approach is known as the “means-end theory” which has connected consumers’ values with their behaviour presuming that decisions regarding consumption are influenced by different aspects which are “linkages among product attributes, the perceived consequences of consumption and the personal values of consumers” (Fernandez & Bonillo, 2007). Furthermore, there have also been other approaches that have been seen as uni-dimensional such as studies carried out to explain value through variables, to analyse the relationship between value and satisfaction or to develop value maps.

As for the multi-dimensional construct, the first approach is known as the customer value hierarchy, which Woodruff and Gardial created through adapting the means-end model previously mentioned, to “propose” a customer value hierarchy (Fernandez & Bonillo, 2007). This framework was created to help managers organize their thoughts towards customer value by focusing on experiences rather than just product attributes, identifying 3 hierarchical levels of value, which are “attributes, consequences and desired end states” (Fernandez & Bonillo, 2007). The second approach focuses on the utilitarian and hedonic dimensions of value as part of the consumption experience, (Fernandez & Bonillo, 2007) which was the basis for further research. First, is the “axiology of value theory” where an axiological model was used to describe the value realm in terms of extrinsic (reflecting “the utilitarian or instrumental use of a particular service as a means to a specific end”), intrinsic (“the emotional appreciation of the consumption”) and systemic value (“the rational or logical aspects of the inherent relationships among concepts in their systemic interaction”) (Fernandez & Bonillo, 2007).

Second is “Holbrook’s typology of Perceived Value” where a typology of consumer value was proposed “based on three dichotomies: extrinsic versus intrinsic (a product viewed instrumentally as a means to some end versus a consumption experience prized for its own sake as an end in itself), self-oriented versus other-oriented (something valued by virtue of the effect it has on oneself or for one’s own sake versus an aspect of consumption positively evaluated because of how others respond or for the sake of someone else) and active versus reactive (involving the manipulation of some product by its user versus the appreciation of some consumption experience wherein an object affects oneself rather than vice versa)” (Fernandez & Bonillo, 2007). According to the theory, the three distinctions mentioned above produce eight types of value. Lastly, is the “consumption value theory” which states that consumer choices such as “to buy or not to buy, to choose one type of product or service over another, and to choose one brand over another” entails a variety of forms of value which can be categorized as functional, social, emotional, epistemic, and conditional (Fernandez & Bonillo, 2007).

3.1. Dimensions of Consumers’ Luxury Value Perception

There are four dimensions of consumers’ value perception of luxury which work both independently and also together to impact consumers’ perceptions as presented in **Figure 2** below.

3.1.1. Financial Dimension

The financial dimension refers to the monetary value a consumer is willing to pay for a luxury brand good or service based on consumers’ perception of the value of the luxury brand (Wiedmann, Hennigs, & Siebels, 2009; Wiedmann, Hennigs, & Siebels, 2007; Hennigs et al., 2012).

In many instances, luxury brands base their prices on consumer perception, which mainly revolves around, the higher the price, the higher the value, and the higher the prestige. This correlation between luxury brands and consumers’ perception of them is referred to as the “price value” (Hennigs et al., 2013).

3.1.2. Functional Dimension

A product’s primary benefits and basic functionality are what define the functional dimension. The functional dimension is determined by three different criteria falling under usability, quality and uniqueness of the product. Consumers pay top dollar prices for luxury brands based on their perceived notion that the higher the price, the higher the quality thus, their purchase may solely be built on the idea that higher price equates better quality and durability (Wiedmann, Hennigs, & Siebels, 2009; Wiedmann, Hennigs, & Siebels, 2007; Hennigs et al., 2012; Hennigs et al., 2015, Hennigs et al., 2013).

In conclusion, researches have determined that the functional dimension can be categorized into the three following different values to the consumer. Firstly, the usability value referring to the tangible utility, performance and durability of

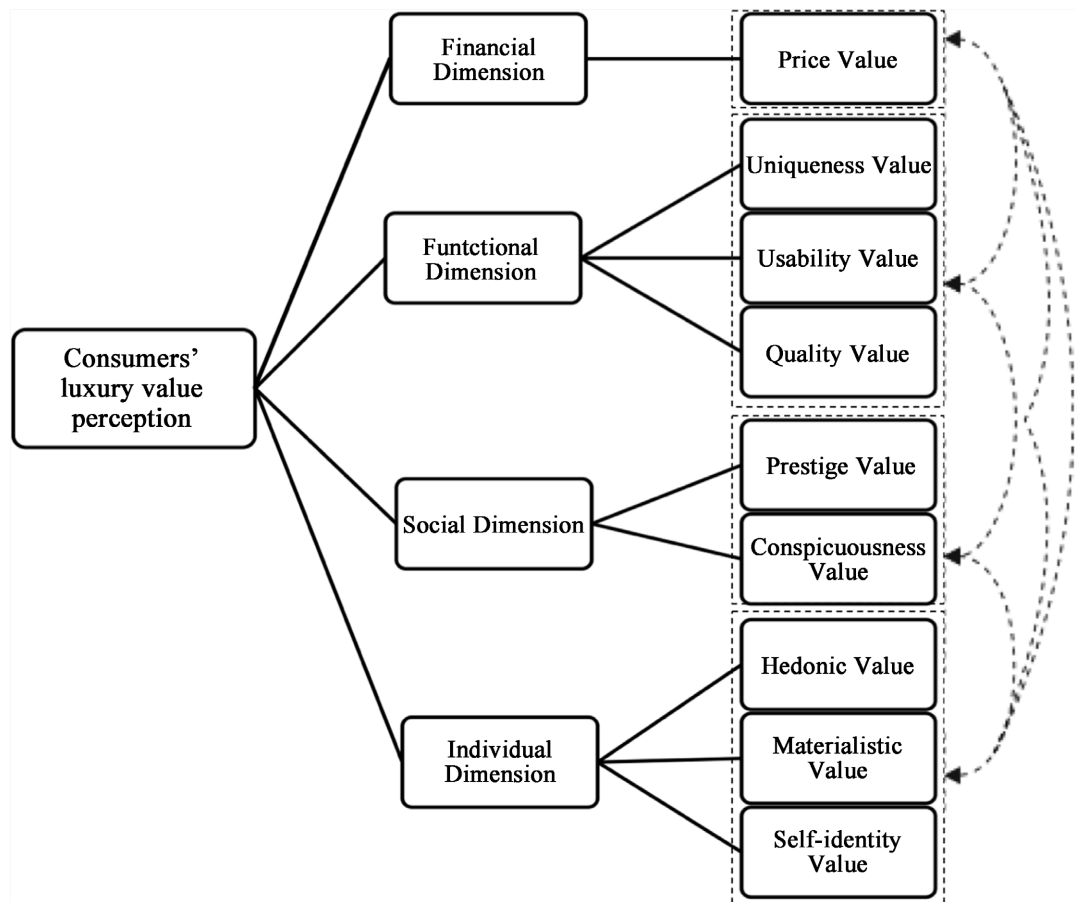


Figure 2. The conceptual model adapted from Hennigs et al. (2012).

the product meeting the customers' expectations as to performance and needs. Secondly, the value of uniqueness thus referring to the exclusivity and elitist status of the luxury brand, which plays an imperative role in the creation of brand image to consumers who will have greater inclination to purchase such products, as a means of inclusion to elite society community (Wiedmann, Hennigs, & Siebels, 2007). Lastly, the value of the quality of the product to the consumer, which is, comprised of the perceived luxury indicators. These indicators are usually comprised of outstanding quality over other elements (Hanzaee, Teimourpour, & Teimourpour, 2012).

3.1.3. Social Dimension

The social dimension can be summarized into the consumers' perception that the purchase or consumption of luxury brand goods, products and services will influence and highly impact their social standing.

The consumers' psychological need for inclusion within a certain society, is identified as the perceived social benefits from acquisition of luxury and socially "deemed higher end products" (Wiedmann, Hennigs, & Siebels, 2009; Hennigs et al., 2013; Hennigs et al., 2012; Hanzaee, Teimourpour, & Teimourpour, 2012). In conclusion, the social dimension is comprised of two factors; prestige value

and conspicuousness value. The conspicuousness value in essence refers to peer-pressure or psychological urge of an individual on their consumption choice such as, the recognition of a peer group a certain product, to be luxurious, which causes an inclination to purchase the product to fit in (Hanzaee, Teimourpour, & Teimourpour, 2012). Whereas the prestige value, is the recognition of social status of an individual as consumers tend to classify people's social status and position based on the affordability of their purchases of luxury brands (Wiedmann, Hennigs, & Siebels, 2009; Wiedmann, Hennigs, & Siebels, 2007).

3.1.4. Individual Dimension

A person's personal "preferences" towards luxury consumption is known as the individual dimension. A consumers' purchase intentions tends to provide stronger insights regarding consumer preferences and expectations than their consumption patterns, aiding brands in focusing on how to best target their consumers and meeting their needs and wants.

Researches have determined that the individual dimension can be categorized into the three following different values to the consumer (Wiedmann, Hennigs, & Siebels, 2009; Hennigs et al., 2012, Hennigs et al., 2015; Hanzaee, Teimourpour, & Teimourpour, 2012). Firstly, the hedonic value which is defined as the emotional benefit consumer expect to receive after consumption, i.e. excitement over the purchase which may play a part in motivating consumers' to purchase luxury products in order to attain the emotional benefits associated (Hanzaee, Teimourpour, & Teimourpour, 2012; Wiedmann, Hennigs, & Siebels, 2009).

Secondly, the materialistic value, in which materialistic consumers are more likely to consume luxury goods when the product's materialistic value is greater relative to other goods (Wiedmann, Hennigs, & Siebels, 2007). Lastly, the value of consumers' own self-perception in which consumers are more likely to purchase a product if they believed it would enhance how consumers view themselves however, this is hard to measure as self-perception is highly subjective.

For the purpose of this study, the consumers' luxury value perception model will be applied as each one of the "values" listed above and their factors are perceived differently by consumers and have a major part in their consumption decisions. The financial value (price) will help determine the role of price in perceiving a product as high quality as it is one of the main factors that consumers judge quality by. Moreover, the functional value (quality and uniqueness) as a products quality is one of the determining factors when it comes to luxury brand consumption, as it is believed that such luxurious brands offer the highest quality. As for the uniqueness aspect, this will help determine how much perceived "rareness" of the piece may influence the consumers' desires to purchase it. Furthermore, the individual value (hedonic and materialistic) as products can provide a sense of enjoyment and benefits therefore the concept of hedonism in this study can help identify the perceived prosperities related to the consumption of

such a luxury product/brand and the materialistic aspect can be measured/applied in relation to luxury brand consumption as highly materialistic consumers tend to consume more. Lastly, for the social value where the first factor is the conspicuousness value as the consumption of luxury brands is important to those looking to make a statement in their society and status therefore influencing the consumption and the prestige value as the level of prestige associated with a certain product or brand affects the consumers' likeliness to consume such luxury brands to fit in with their reference group(s).

4. Perceived Value and Luxury Brand Consumption

According to [Vigneron and Johnson \(1999\)](#), prestige consumers fall under five different categories.

4.1. The Veblen Effect

The Veblen effect defines the consumer to exhibit conspicuous behaviour through the consumption of unique and sought after luxury brands. Veblenian consumers are those who seek approval of their peers and identify themselves through the purchase of socially accepted luxury consumption. Research has found that the more a luxury product holds conspicuous value, the more consumers categorized under the Veblen effect, will be influenced in their purchases. We draw from that, that conspicuous consumers use price as a prime indicator for luxury brands as they assume that this will entitle them to more prestige and gain approval and acceptance of their peers ([Husic & Cicic, 2009](#); [Ghosh & Varshney, 2013](#); [Vigneron & Johnson, 1999](#)).

4.2. The Snob Effect

The snob effect defines consumers as those who value uniqueness of a product over any other perceived value. These consumers purchasing patterns are influenced by their personal needs as well as social indications. They tend to purchase luxury brands that provide elite status for the selective few of high society in an effort to enhance their self-esteem and portray their elite status. As with the Veblen effect, these consumers view price as a prime indication for luxury's uniqueness.

Snob consumers are likely to be associated with "desired circles of society" due to their capability of affording luxuries, thus enabling them the attainment of unique stature from their purchases ([Husic & Cicic, 2009](#); [Ghosh & Varshney, 2013](#); [Uzgoren & Guney, 2012](#)). [Vigneron and Johnson \(1999\)](#) cited that most snob consumers would engage in purchase of these products during their launch, exclusive events, and limited quantities.

4.3. The Bandwagon Effect

The bandwagon effect is defined by consumers' perception of their self-image. This perception is impacted by the validation they gained from their peers and

desired society. Contrary to snob consumers, bandwagon consumers seek to be part of an elite community rather than be a novelty.

This category of consumers prioritizes prestige, status and social value as indicators of their purchases. These consumers use their desired circle's consumption patterns as a guidance and social cue for their luxury purchase decisions in an effort to become part of the elite inner circle. In other words, contrary to the snob effect, the bandwagon effect is characterized with a "go with the flow" trait. These consumers tend to purchase trending products, regardless of their price, if they view that everyone else has them (Husic & Cicic, 2009; Ghosh & Varshney, 2013; Vigneron & Johnson, 1999; Kastanakis & Balabanis, 2012).

4.4. The Hedonic Effect

The hedonic effect is defined as consumers whose motivation for purchases relies on the emotional value gained rather than the perceived luxury value. These consumers put emphasis on the personal, emotional and pleasure gained from their luxury consumption (Ghosh & Varshney, 2013). As previously discussed, the hedonic value is based on the emotional utility of luxury products, varying from appreciation of the luxury product, thrill of purchase, aesthetic beauty and exceptional performance. Hedonic consumers indulge in luxury purchases for their own personal pleasure and individual preferences and are seldom influenced by the price.

4.5. The Perfectionism Effect

We conclude with the perfectionism effect, which is defined by the relevance and perception of quality value of luxury products to consumers. Perfectionist consumers seek utmost quality in their purchases. They will accept none other than top-tier quality products. These consumers rely on luxury brands to deliver highest performance quality and reassurance that goes hand in hand with their high price tags. They base their purchases on their own evaluation rather than that of any other group (Husic & Cicic, 2009; Vigneron & Johnson, 1999).

Thus the main Hypothesis of the research is *H1: Value perception has a positive impact on luxury brand consumption.*

5. Methodology

To satisfy the research question "What is The Impact of Value Perception on Luxury Brand Consumption?" as stated in the research gap, a quantitative method using surveys will be utilized, as it is commonly used to measure consumer behaviour in business research.

A quantitative research is a type of research where researchers intend to gather accurate mathematical data through the precise measurement of the variables being investigated. The quantitative method will help explain and predict the research results, and surveys are apparently found to be the most prominent of this method (Cooper & Schindler, 2014). Accordingly, the study will be conducted

through the use of self-administered surveys in order to be able to collect comparable data for further statistical analysis of the sample chosen for the research, which will aid in identifying groups within the sample based on the similarities and differences that may be found.

In addition to the versatility of surveys, self-administered surveys are considered to be the least costly, less time consuming, yields to faster collection of data, and allows for broader reach of the participants. However, these surveys are also susceptible to response errors and do not allow for probing or further explanation of participants' responses (Cooper & Schindler, 2014).

Measuring the effect of value perception on luxury brand consumption in Egypt, the survey is divided into three sections adapted from several researchers. The screening questions, questions 4 and 5 in the survey, that will be used to filter luxury consumers from non-luxury consumers were adapted from Dubois and Duquesne (1993), however for the purpose of this research the dollar values used were converted to the Egyptian currency. Additionally, considering the common consumption patterns in Egypt, the criteria was changed to fit the consumption habits and general standard of living as luxury consumption levels tend to increase as standard of living increases.

As for the "Consumer Perceived Value", the scale from Hennigs et al. (2012) research titled "What is the Value of Luxury? A Cross-Cultural Consumer Perspective" was adapted for questions 5 - 25 to evaluate the perceived value of luxury. However, to evaluate participants' luxury consumption through consumers' personal attitude towards luxury consumption, questions 26 - 30 were adapted from Sun's (2010) research titled "Consumption of luxury fashion brands: The Motives of Generation Y Consumers in China".

The objective of the survey has been clearly stated at the beginning while ensuring confidentiality for the target sample of this survey. First two administrative questions are stated at the beginning of the survey identifying the participant's name and gender (dichotomous question). To categorize the demographic and socio-graphic information of candidates as a part of engaging the element of household income with investigations regarding the assessment of both variables, classification questions, in the form of multiple choice questions, start from question number 31 until question number 33.

Furthermore, the target questions are designed to answer the research question. At the beginning of the survey, questions are made to be targeting luxury consumers in general. This is done throughout questions 4 and 5 where the question type is known as contingency questions. The purpose of the introductory phase questions in the survey is to categorize participants as either luxury consumers or non-luxury consumers for screening purposes. The proceeding set of questions from 5 till 25 are that of Hennigs et al. (2012) research, which evaluate "Consumer Perceived Value". The questions from 26 till 30 are that of Sun's (2010) research, which test participants' attitude towards luxury consumption. Lastly, all questions from 5 until 30 are Likert-Scale types of questions where

participants get to strongly agree, agree, remain neutral, disagree or strongly disagree.

Likert scales produce interval data, which aids in the use of statistical testing in order to obtain quantitative data and test the research question. Moreover, the Likert scale was chosen for this research as it has many advantages such as its ability to be easily and quickly constructed (Cooper & Schindler, 2014). The Likert scale was also chosen because of its accuracy of results, as they are known to be more reliable and provide a greater volume of data compared to many other scales that can be utilised (Cooper & Schindler, 2014).

Considering the scope within the research question, the target population will be individuals with a high household income in Egypt while the sample will be those that indulge in luxury consumption, more precisely the sample will consist of only those considered to be luxury consumers as per Dubois and Duquesne's (1993) definition.

The target sample has been chosen, as those with higher household incomes are more likely to consume luxury products considering their ability to afford products of high value. That being said, they can afford luxuries and are more likely to fit Dubois and Duquesne's (1993) definition of luxury consumers, hence would match the focus of the research paper on luxury consumption.

The total sample will be comprised of 172 participants. The survey will be distributed among different channels (for example, Whatsapp) in order to be able to reach more people. Random probability sampling will be employed as all the people who fit Dubois and Duquesne's (1993) criteria for luxury consumers have the equal chance of being selected. Probability samples ensure that each population element (age, gender, and marital status) have nonzero probability of selection; hence allow for generalization to the population. Particularly, random probability sampling gives each element an equal chance of inclusion (Cooper & Schindler, 2014).

The standardized factor loadings (SFLs) and Cronbach's alpha (α) estimates. All SFLs are above the cut-off of 0.50 suggesting adequate item reliability (Hair et al., 2010). The Cronbach's alpha scores ranged between 0.85 and 0.973, indicating adequate convergence (Hair et al., 2010). The SFLs were all above 0.65 and this reliability evidence in conjunction with higher scores of construct reliability (>0.70) indicates convergent validity (Hair et al., 2010). Further, discriminant validity was assessed based on the average variance extracted (AVE) measures as recommended by Fornell and Larcker (1981).

6. Procedure

Implementation of the methodology will be divided into phases where the initial phase will be executed by distributing the survey on a sample of people. Subsequently, the surveys will be collected and any necessary filtering of received surveys will be done to filter out participants that do not meet the criteria for luxury consumers. Then, data for analysis will be collected from the remaining partici-

pants' surveys then statistical analysis will be used to allow for a conclusion to be drawn regarding this research gap.

Variables' Table

In summary, the survey questionnaire was designed based on the questions from [Dubois and Duquesne \(1993\)](#) to filter consumers, the scale from [Hennigs's et al. \(2012\)](#) and questions from [Sun's \(2011\)](#) survey. There were 200 invitations to participate in the research sent using "WhatsApp" and it total, out of the 172 returned questionnaires, only 55 of them were usable. All the data was analysed through SPSS and the details will be explained in the coming chapters ([Table 1](#)).

7. Results

Correlations examine the strength of a relationship between two variables in order to determine the direction of the relationship between the variables being measured.

As [Table 2](#) illustrates, the correlation between consumption and consumption is 1, which defines a perfect positive correlation. However, the correlation between both consumption and the financial value is 0.043, which indicates a positive relationship between both variables. As for the correlation between consumption and the functional value, the results show a positive relationship of 0.043 highlighting that the level of consumption increases as the functional value increases. The relationship between the individual value and consumption is an inverse relationship of -0.78 indicating that the consumption levels decrease as the individual value increases. As for the social value, the results revealed a positive relationship with no significance and lastly, the personal attitude and consumption have a negative relationship at -1.08 .

As for [Table 3](#), it indicates that there is a positive relationship between both consumption levels and income as the luxury consumption increases as the income increases.

As for [Table 4](#), it illustrates statistics consumer demographics and as [Table 5](#) illustrates, 55 usable questionnaires were received with the number of respondents' age ranging from a minimum of 7 between the age of 31 - 40 and a maximum of 17 being over the age of 50. As can be seen in the table, the majority of the respondents who filled out the questionnaires were over the age of 50 that

Table 1. Variables table.

Variable	Sub-Variables	Questions
Value Perception	Financial Value	5 - 8
Value Perception	Functional Value	9 - 12
Value Perception	Individual Value	13 - 18
Value Perception	Social Value	19 - 25
Value Perception	Personal Attitude	26 - 30

Table 2. The correlations between consumption & VP sub variables.

		CP	FV	FUN-V	IV	SV	P
CP	Person correlations	1	0.043	0.043	-0.078	0.138	-0.108
	Sig. (2-tailed)		0.757	0.754	0.753	0.315	0.434
	N	55	55	55	55	55	55
FV	Person correlations	0.043	1	0.448**	0.439**	0.498**	0.364**
	Sig. (2-tailed)	0.757		<0.001	<0.001	<0.001	0.006
	N	55	55	55	55	55	55
FUN_V	Person correlations	0.043	0.448**	1	0.293*	0.079	0.427**
	Sig. (2-tailed)	0.754	<0.001		0.030	0.566	0.001
	N	55	55	55	55	55	55
IV	Person correlations	-0.078	0.439**	0.293*	1	0.512**	0.411**
	Sig. (2-tailed)	0.573	<0.001	0.030		<0.001	0.002
	N	55	55	55	55	55	55
SV	Person correlations	0.138	0.498**	0.079	0.512**	1	0.375**
	Sig. (2-tailed)	0.315	<0.001	0.566	<0.001		0.005
	N	55	55	55	55	55	55
P	Person correlations	-0.108	0.364**	0.427**	0.411**	0.375**	1
	Sig. (2-tailed)	0.434	0.006	0.001	0.002	0.005	
	N	55	55	55	55	55	55

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

Table 3. The correlations between consumption and consumer income.

CP	Person correlations	1	0.155
	Sig. (2-tailed)		0.264
	N	55	54
Income	Person correlations	0.155	
	Sig. (2-tailed)	0.264	
	N	54	54

Table 4. The statistics of the consumers' demographics.

		Age	status	income	gender
N	Valid	55	55	54	55
	Missing	117	117	118	117

was followed by those between the ages of 21 - 30.

Table 6 demonstrates the respondents' who filled out the surveys marital statuses with the majority of respondents being married. There was a minimum of 1 being engaged and a maximum of 31 people married. These results may be related to the age factor, which was discussed above.

Table 7 shows that out of the 55 respondents, the majority of 51 were females while the remaining 4 were males (only 2.3%).

Table 8 illustrates the household income levels of respondents. A total of

Table 5. Frequency table of age.

		frequency	percent	Valid percent	Cumulative percent
	21 - 30	16	9.3	29.1	29.1
	31 - 40	7	4.1	12.7	41.8
Valid	41 - 50	15	8.7	27.3	69.1
	Over 50	17	9.9	30.9	100.0
	total	55	32.0	100.0	
Missing	System	117	68.0		
Total		172	100.0		

Table 6. Frequency table of respondents' marital status.

		Frequency	percent	Valid percent	Cumulative percent
	Single	14	8.1	25.5	25.5
	Married	31	18.0	56.4	81.8
Valid	Divorced	9	5.2	16.4	98.2
	Engaged	1	0.6	1.8	100.0
	total	55	32.0	100.0	
Missing	system	117	68.0		
Total		172	100		

Table 7. Frequency table of respondents' gender.

		Frequency	Percent	Valid percent	Cumulative percent
	Male	4	2.3	7.3	7.3
Valid	Female	51	29.7	92.7	100.0
	Total	55	32.0	100.0	
Missing	System	117	68.0		
Total		172	100.0		

Table 8. Frequency table of respondents' income.

		Frequency	Percent	Valid percent	Cumulative percent
	Below 30 K	21	12.2	38.9	38.9
	30 - 50 K	11	6.4	20.4	59.3
Valid	50 - 80 K	20	11.6	37.0	96.3
	Above 80 K	2	1.2	3.7	100.0
	total	54	31.4	100.0	
Missing	system	118	68.6		
Total		172	100.0		

12.2% of the respondents in the final sample are at a self-reported below middle-income level (below 30,000). The minimum reported was 2 above 80,000 and the maximum reported based on the sample was 21 choosing below 30,000 as their household income.

8. Discussion

8.1. Sample Definition

A total of 172 respondents filled out the survey, of which only 55 respondents fit [Dubois and Duquesne's \(1993\)](#) criteria for luxury consumers that was adapted for this study. The gender distribution is shown in [Table 6](#), 92.7% of the respondents is females while the remaining 7.3% are males. Some might consider this a limitation, however, given the natural consumption habits in Egypt, this in fact indicates and supports that Egyptian women are consuming more luxury products than men and that women's purchasing habits are more frequent.

As for the distribution of age groups, 12.7% are in the range of 31 - 40 years old, just over 30% of participants fall under the age of over 50, 29.1% are between the age of 21 - 30 and the remaining 27.3% of respondents claim they are between the age of 41 - 50. Out of the 55 participants, 56.4% are married, the remaining are split between single (25.5%), divorced (16.4%) and engaged at only 1.8%. In terms of household income level, 38.9% claim they make less than 30,000 Egyptian pounds a month, though the rest claim to be making more monthly.

8.2. Correlations Findings

8.2.1. Income

The current study has a sufficient sample that is fair for the most part, as it comprises of different household income brackets considering those below the range of 30,000 pounds monthly and up to those with a monthly income of over 80,000 pounds. The correlation analysis suggests that there is a positive relationship between both these variables, clearly demonstrating that luxury brand

consumption levels increase as the income increases.

8.2.2. Sub Variables of Value Perception

The correlation matrix does not suggest a strong relationship between the dependent variable (consumption) and the independent variable's (perceived value) sub variables. However, it does suggest the nature of the relationship between those variables.

- *Financial Value*: Based on the correlation matrix, it is evident that there is a positive relationship between consumption and the financial value which indicates that the results of the survey are in line with the literature as consumers' purchasing habits increase with the perceived notion of a premium priced brand will equal high quality and exclusivity, thus prestige.
- *Functional Value*: Consumer luxury value perception is regarded as the functional value dimension, on which we can base our data regarding consumers' purchasing patterns based on either functionality, quality and durability of the product as it is a consumers perception, that luxury products simultaneously equal higher durability, greater functional utility and longer durability. Therefore, luxury brands price their products at premium charge knowing that the consumer will purchase it regardless, due to the preconceived notion of higher price equates to higher performance and quality. The positive relationship between consumption and the functional value in turn, aligns with the literature, proving that customers are willing to pay top dollar prices for luxury brands.
- *Individual Value*: The individual value suggests a weak negative correlation, which highly contradicts with the previously reviewed literature of the individual value dimension as it is considered to have a highly positive impact on consumers' purchasing patterns. Previous studies of consumers' consumption patterns have mostly indicated a positive correlation based on the three main factors that fall under the individual dimension, known as the hedonic value, the materialistic value and self-identity value. Initially, consumers would base their purchases on the emotional value (e.g. excitement) of a product to them, known as the hedonic value, which is the perceived additional intangible utility of a luxury product, which motivates consumers to partake in luxury consumption. In addition, consumers' buying behaviour is influenced by the materialistic value, which revolves around the importance of owning products of high value. Furthermore, consumers' internal self-perception known as the self identity value which influences the consumer to purchase a product that they perceive to enhance their own self image.
- *Social Value*: Based on the correlation matrix, it is evident that there is a positive relationship between consumer behaviour and social dimension in the form of an individual's perception of peer acceptance and societal approval based on the consumption of luxury brands and products. The social dimension is purely based on the psychological urge of the consumers to ful-

fill a need to either fit in or display that they are affiliated within a certain socio-economic class.

- *Personal Attitude*: Lastly, it is suggested that there is an inverse relationship between consumers' personal attitude and consumption which demonstrates that the four previously discussed dimensions are of greater importance in value to luxury consumers than their own personal thoughts and opinions regarding luxury consumption.

Based on the study's findings, I believe that the findings were able to meet the aim of the study, which was to examine the impact of value perception on luxury brand consumption in Egypt, which based on the findings, has become evident that there is indeed a positive relationship between both variables and that consumers' value perceptions impacts their consumption habits. Each of the five components impact on consumption was measured, acquiring positive results as presented in the correlation matrix which means that in total, adding up all sub-variables, we are led to the fact that there is a positive relationship, although not significant between consumers' value perception and their consumption patterns, which is consistent with the hypothesis H1; Value perception has a positive impact on luxury brand consumption.

9. Limitations

Through this research, some limitations were faced. For instance, the results may not be accurately generalized to explain the relationship between consumption and value perception, due to the limited number of respondents, consisting of only 51 females and 4 males. Naturally, this study's results also may not be able to generalize males' luxury brand consumption habits and how it is influenced through perceived value. Furthermore, this study is limited to a single sector (the fashion & accessories sector) thus, this research may not be able to represent the impact of value perception on consumption levels for other industry sectors.

10. Conclusion

The growing luxury fever that has taken over the world, especially countries such as Egypt, has sparked interest for researchers in order to understand the reason behind luxury brand consumption and how the consumers' perceived value impacts their buying behaviour. As discussed throughout the literature review, the reasons for adoption of luxury consumption differ between consumers, with their perceived values playing an integral role in their consumption patterns; therefore it is important to identify and examine the determinants and dimensions that influence consumers' value perception and thus, their consumption (Hennigs et al., 2012). Researches explored throughout the literature review have identified several dimensions of consumers' luxury value perception: financial, functional, social and individual. However, the reviewed literature had failed to comprehensively examine value perceptions' role in luxury

brand consumption in Egypt. Accordingly, this paper investigates that effect of perceived value, measured by the four dimensions of luxury perception and consumers' personal attitude towards luxury on consumption, measured by Dubois and Duquesne's (1993) criteria to evaluate participants' luxury consumption levels.

The results of the correlation models showed that the relationship between value perception and luxury brand consumption is positive, thus effectively supporting the hypothesis H1. The results, for the most part, are also consistent with the reviewed literature, that the financial, functional and social dimensions are primary drivers to luxury brand consumption. Among these, the financial and social values are viewed as the most important for Egyptians. The need to display "success" and social status is a popular reason for consumption and the results have also proven that through the positive correlation between consumers' consumption and income levels. Moreover, although the significance of the functional value is expected, there is a gap in the hedonistic behaviour of Egyptian consumers as according to the survey, they are buying luxury products out of desire, rather than just impressing others.

The study's limitations were discussed, highlighting the point that results may not be generalized as a result of the limited sample and that the study is limited to a single company. Moving forward, suggestions for future research include addressing the gap in the hedonistic behaviour mentioned above, looking deeper into the motives behind consumption in order to identify patterns among consumers and lastly, to carry out further research as consumer tastes are ever-changing, needs and wants are dynamic and therefore the results of this study may only represent consumers' current and near future perception.

11. Recommendations

Due to the limitations previously discussed, further research should be conducted and it is recommended that the researchers conducting related studies in the future select a larger sample, to be able to generalize the results on the entire population accurately. Future researches carried out may also test the variables relation across different luxury segments in order to gain a deeper understanding of luxury consumption behaviours as a whole and, generalize the results on the targeted segment (luxury consumers).

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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