We Are What We Buy

An exploratory study of how young Swedish consumers construct their identities through luxury consumption

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Abstract

Problem: Previously, only few wealthy individuals had the opportunity to engage luxury consumption. Today, money and time is a lot more dispersed and thus give the regular citizen a chance to purchase luxury goods. Productivity and quality management has led to a growing production of luxury goods and has been spread to the mass population. Previous studies have proven that there is a relationship between possessions and identities, but lack research on younger consumers and their agendas for luxury consumption.

Purpose: The purpose of this research is to explore how young consumers are using luxury consumption when constructing their identities and if this new group of luxury consumers consume luxury goods in a new way.

Method: In order to fulfill the purpose of this thesis, an epistemological relativistic assumption has been made, and includes a qualitative exploratory research design with an inductive approach. The primary data was collected through semi-structured interviews, where participants had an interest in luxury consumption.

Conclusion: Our findings suggests that there is a new group of young consumers who construct their identity through luxury consumption, based on the symbolic meanings and the perceived personal reward. This social group uses luxury consumption to conform with their preferred social references, but also to differentiate themselves. Certain possessions, interests and the environment an individual live in were all found to be important tools for young consumer when they construct their identity. “We are what we buy” has been proven to be a central concept in young consumers identity creation of this study.
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1. Introduction

The aim of this chapter is to introduce the reader to the background of this study, explain the research question and illustrate a clear research purpose. A brief overview of identities, luxury consumption and The Elite and Nouveaux Riches are presented in this chapter, to give the reader further understanding of the purpose. In order to make the study easy to follow and comprehensive, the delimitation, our target reader and definitions are presented.

One of the most central concepts within consumer research is identity. At a basic level, the identity of oneself or the identity of others is established by region or nationality (Donnelly 2015). Other examples that play key roles in terms of identity construction include language, gender, political and sexual preference (ibid). In relation to consumption, the ownership of material objects has been brought forward as central to a person's identity, as these material objects are used continuously when interacting with others (Perez, Castaño & Quintanilla, 2010). Consumer identity is in this sense how an individual use social distinguishing features to form their personality by the means of consumption that often is defined by membership rules or expected behavior by a social group (Fearon, 1999). Today, possessions and material objects define us as individuals in several ways, and Belk (1988) even has argued that “we are what we have”.

The idea of “we are what we have” can be explained by self-symbolic consumption (Rosenbaum-Elliott, Percy & Pervan, 2015). Ownership and consumption of products can bring symbolic meaning to its owner, which can be consciously, subconsciously or even unconsciously. Self-symbolic consumption is most often a part of social differentiation, where individuals aim to distinguish their social status and maintain a social prestige. (ibid). It was earlier forbidden for people from the lower classes to wear a clothing item that were above a certain price, in order to distinguish them from the upper classes (Han, Nunes & Dréze, 2010). It has been noted that a higher cost for a product is associated with a higher income of the owner, which reflects the symbolic meaning of consumption (ibid). Numerous individuals own certain brands to
differentiate themselves between social groups within a culture, which can explain why some choose to engage in luxury consumption (Rosenbaum-Elliott et al., 2015).

Previous researchers have described luxury consumption as a consumer behavior, where an individual choose to purchase luxury goods based on social references, e.g. with the aim to impress others (Wiedmann, Hennings & Siebels, 2007). Luxury goods has from an historical point of view been associated with the embrace of rulers, i.e. kings and queens, as well as older wealthy individuals (Giovannini, Xu & Thomas, 2015). These individuals used luxury consumption as a means to legitimize a commercial society, construct social identities and display political action (Carnino, 2013). It has been noted that different social classes have been related to social status for more than 100 years, as social scientists believe that social class is a dimension of social life (Kraus, Pidd, Mendoza-Denton, Rheinschmidt & Keltner, 2012). Consumers thus compare themselves with the social group they belong to, and attempt to stay within the norms when they make purchasing decisions (Correia, Kozak & Reis, 2014).

The Elite and Nouveaux Riches are two previously researched groups that belong to the upper classes that demonstrates wealth (Mason, 1984; Sampson, 1994). The Elite were recognized by their titles, landholdings, family reputations and extravagant lifestyle (Pinches, 2005). These individuals were also known to have the greatest purchasing power in previous history (Belk, 1988). In addition, Sampson (1994) and Mason (1984) defined the Nouveaux Riches as another social stratum that was under construction during 1990s, belonging to the lower-upper classes. This type of individuals displayed a strong need to validate their new status and thus engaged in conspicuous consumption (Sampson, 1994). Conspicuous consumption can be described as “a mode of consumption that reveals individuals’ identity, increases their self-affirmation and attracts attention” (Liang, Chang & Wang, 2017, p.323). This type of individual used conspicuous consumption with the aim of receiving validation from the Elite (Mason, 1984). Sampson (1994) further stated that the differences between these two classes mainly concern culture and lifestyles i.e. the “symbolic struggles”, where most conflicts arose in the differences of these individuals’ taste and vulgarity. The Nouveaux Riches class were often called individuals that had wealth - but no taste. Taste, in this context was not seen as something unique, rather a social phenomenon that needed to be confirmed by the authorities. The Nouveaux Riches wished to become a member of the
category in “those who can spend tastefully”. Therefore, the Nouveaux Riches did not seek to replace the Elites taste and cultural behaviors, they were copying it from them (ibid).

Today, the dispersion of time and money available to the general population has provided the opportunity for a larger number of individuals to engage in luxury consumption (Belk, 1988). According to Kravets and Sandikci (2014), luxury goods are now available to a much younger and wealthier middle-class in western countries in addition of the two typologies of the Elite and Nouveaux Riches. Kravets and Sandikci (2014) stated that these people “are educated, financially comfortable and well-traveled; they possess sophisticated knowledge of fashion and brands and are reflexive about the market” (p. 136). In addition, it is evident that luxury brands have had a change in their target groups, as they are offering a large variety of products to a broader set of consumers with the opportunity to purchase luxury goods (Kastanakis & Balabanis, 2011). Just like the Elite and Nouveaux Riches, this type of consumer use luxury consumption in their identity creation to distinguish themselves from others in their surroundings and express a higher social status (Eastman & Liu, 2012).

1.1. The problem

The luxury good market has been rising at a powerful speed since the early 1990s (Truong, Simmons, McColl & Kitchen, 2008). The underlying reasons for this upswing can be explained by a growing aspirational affluence i.e., an increasing number of individuals who have a higher income together with an ageing wealthier population (Vigneron & Johnson, 2004). In addition, unemployment rates and lower production cost have given more individuals the opportunity to engage in purchasing luxury goods (Truong, McColl & Kitchen, 2008). This development indicates that currently, not only the two classes of The Elite and Nouveaux Riches are engaging in luxury consumption (1. Truong et. al., 2008). It is now a larger group of consumers that has a quicker access to financial means and thus have a greater opportunity to engage in luxury consumption (ibid).
Luxury brands has increased the amount of goods provided to consumers by productivity and quality management (Silverstein & Fiske, 2003), which has resulted in that many brands are offering their products to a broader and younger group of consumers (Truong et al., 2008). Luxury consumption has thus spread to the mass population (ibid). Some researchers believe that this is due to the decreasing gaps between the different social classes (Dogan.V, Ozkara & Dogan. M, 2018). Meaning that the existing society is less divided into classes and thus encouraging more individuals to engage in luxury consumption, which is no longer exclusively available to The Elite and Nouveaux Riches (ibid). There is a large amount of research one can find regarding the decline in segregation between the old social classes (Savage et al., 2013; Clark & Lipset, 1991). There is however, a gap regarding younger contemporary consumers, a group who has recently received access to more money than ever. This gap regards their behavior and relation to luxury consumption. Is this a new group of consumers engaged in a new way of luxury consumption? Or are these new luxury consumers consuming in the same way as the previous social classes?

Belk (1988) explained a relationship between possessions and the extended self, and how ownership of certain products can provide clues about who an individual is. Wang, Zhu and Shiv (2012) stated that socially isolated individuals, or those excluded by others, often prefer products that are endorsed by the majority of other consumers. This preference often arises from the aim of obtaining social acceptance from a social group, who regularly perform luxury consumption (ibid). Individuals often feel a desire to be a part of a preferred social group, and thus purchases luxury goods to obtain the same consumption pattern to gain social advantages (Dogan et al., 2018). This form of behavior can be explained by The Bandwagon Effect (Leibenstein, 1950). This effect can be described by a demand increase for a commodity, as others are consuming the same commodity (ibid). Yeoman and McMahon- Beattie (2006) stated that the younger generation in 2006 displayed a tendency towards putting more emphasis on the material comfort, experience and authenticity that a luxury brand brought to the individual, unlike the monetary value that previously was prioritized. The question remains if this value perception has changed again, and it is still questionable what agenda young consumers have in their luxury consumption.
1.2. The Purpose

The purpose of this research is to explore how young consumers are using luxury consumption when constructing their identities. The authors of this study aim to discover what agenda this new group of consumers have when consuming luxury goods. To fulfill this purpose, a qualitative study with semi-structured interviews will explore the subject. The interviews conducted focuses on individuals with an interest in luxury consumption in order to receive credible and fair insights.

1.3. The Research Question

“How are young consumers using luxury consumption when constructing their identity?” was the research question that would fulfill the purpose of this study. In order to explore young consumption behavior and its relation to identity, it was of importance to understand if this type of consumer also had a new form of consumption behavior and how it may have differentiated from the Elite and Nouveaux Riches. Therefore, it was beneficial to use two additional questions to create a valid final result: “Is this a new form of consumption behavior?” and “if this is a new behavior, how does it differentiate from the Elite and the Nouveaux Riches?” guided the creation of the research question, as it enabled the authors to reach a conclusion regarding the relationship between luxury consumption and identity creation for young consumers.

1.4. The Perspective

The problem of this exploratory study is studied from a consumer perspective. The primary and secondary data is collected and analyzed from the perspective of luxury consumers.
1.5. Delimitation

The primary data for this research is delimited to the Swedish population, in particular the city of Jönköping, due to the interest of the authors to explore their own environment. The study is also delimited to an age segment of individuals between the ages of 17 and 29 years old, as the authors also belong within that age range. The age difference may lead to different answers, as the participants are in different stages in life and therefore have gained different life experiences and may have different points of views. However, this can be seen as a benefit, as the authors will gain a broad insight on each individual's agenda for consuming luxury goods. Another delimitation of this study is the overwhelming majority of women as participants in contrast to male participants. Male and females may give different answers and have different opinions regarding identity construction through luxury consumption. This study is focused on how individuals use luxury consumption to construct their identity, which thus mean that the result cannot be generalized for other consumption patterns. It is also beneficial to consider that consumer patterns may vary depending on where the consumers are living geographically, what religion they belong to and their occupation.

1.6. The Target Reader of This Study

This study aims to provide insights to other individuals that are or have been marketing and business students. It is favorable for the audience to have sufficient knowledge of brand management and consequently the terms used in this research. The authors of this thesis have made an assumption that this knowledge exists, which will facilitate the reader's journey. In addition, the language was also adapted to this target audience.

1.7. Description of Key Terms

Identity

According to Cambridge Dictionary (n.d.), an identity can be defined as who a person is, and the qualities of this person or a group that differentiates them from others. Fearon (1999) explained that an identity is either a feature that an individual takes
special pride in or a social category, defined by membership rules and characteristic attributes and expected behaviors.

**Social status**

Social status is described as a ranking that every individual obtains (Encyclopædia Britannica, 2015). The ranking in the society an individual live in, is connected with the lifestyle, duties and rights of attendance and is based on prestige and honor. The status may be assigned at birth of an individual or achieved from specific competitive actions during life. (ibid).

**Luxury Consumption**

According to Wiedmann, Hennings and Siebels (2007), luxury consumption is a form of consumer behavior in which the consumer purchases a luxury good based on social motives, e.g. to impress others.

**Prestige**

To attain social status in certain reference groups, many individuals seek a path of prestige (Halevy, Cohen, Chou & Livingston, 2012). Generally, prestige be described as an individual who obtain socially desirable skills or expertise (ibid).

**The Elite**

The greatest purchasing power in history has belonged to the elite (Belk, 1998), also known as “old money” (Mason, 1984). These individuals are famous for their extravagant lifestyles and possessions (Pinches, 2005)

**Nouveaux Riches**

According to Sampson (1994), the Nouveaux Riches, also known as the “new rich” are people that have received money and most often are very likely to spend it in a vulgar manner. They are often laughed at by the old elite, as they are acting like “copycats” and thus trying to impress others by spending the money they just acquired (ibid).
2. Frame of References

This chapter will present the academic literature that serves as a foundation for the exploratory research. The three topics illustrated are; The construction of an identity, Social identity and Luxury consumption. In addition, two theoretical frameworks are presented as they are of particular importance in the upcoming analysis, namely the Prestige-seeking consumer behavior and the Dimensions of Luxury value perceptions.

2.1. Constructing Identity Through Consumption

From the moment an individual is born, the self is under constant construction (Grubb & Hupp, 1968). Attitudes, feelings, evaluations and perceptions are all parts in the creation of ‘oneself’ (ibid). The self is defined as “a developmental formation in the psychological make-up of the individual consisting of interrelated attitudes which are acquired in relation to body, objects, family, persons, groups, social values and institutions” (O’Cass & Frost, 2002, p. 70).

Postmodern consumption theories suggest that individuals no longer consume products for the main purpose of its function, but rather the symbolic meaning it portrays (Elliott, 1997). Individuals are using symbolic goods to both decode messages from others and to encode messages to others via those visible attributes (Piacentini & Mailer, 2004). Hogg and Michell (1996) explained the concept of one's “individual-society interface”, where one's identity and self is located. Not only is identity and self-located in this interface, but consumption too. This proves on a relationship between an identity, self and consumption where all three variables are linked (ibid).

O’Cass and Frost (2002) further determined that consumption and the core self is linked, and that a consumer's purchase decision and behavioral patterns are both navigated by one's self-concept. Displaying a visible brand symbol automatically creates a symbolic meaning for individuals that they wish to implement into their self-concept (Elliott, 1997). An individual's’ core-self can be preserved by continuously
purchasing those symbolic products. By using symbolic brands, individuals are communicating statements about their core self, or the self they wish to convey to other reference groups, i.e. family, friends, colleagues and peers. (ibid). If the reference group’s reaction is positive, it will further enhance the individual’s self (Grubb & Hupp, 1968). These forms of groups are often the kind of persons the individual believe is using that specific product (O’Cass & Frost, 2002). Individuals are thus creating a specially designed identity suitable for the products they wear and/or own. Yet, a brands symbolism is not the only variable in the creation of an identity. Currently, brands also communicating a sense of achievement, distinctiveness, positive feelings, benefits of recognition, aids self-expression and gives the individual a sense of having a ‘’good taste’’ in their brand selection. (ibid).

It has been researched that the current young consumer illustrate a weak sense of their identity, and as a consequence, they strive towards being accepted in their preference group (Schade, Hegner, Horseman & Brinkmann, 2016). Shade et al (2016), further stated that those young consumers are avoiding possible alienation by conforming behaviors and opinions existing in this preferred group, rather than exposing a different identity that is not in line with the members. This different identity is instead hidden (ibid).

All previous research has shown that there is a link between identity and consumption. Young consumers are striving to be accepted by their preferred reference group and it is of importance to understand what tools they are using to achieve their goal. It is also of importance to understand how they choose to engage in luxury consumption, in particular in their identity construction.

2.1.1. Social Identity

Social identity refers to individuals belonging to different social categories, such as race, age, gender and membership (Roberts & Creary, 2011). For individuals to find their belonging in social categories, they engage in classifying, segmentation and self-categorizing (ibid). Social identity can further be described as the existence of an
individual's knowledge and feeling associated with the membership to this social category or group (Tajfel & Turner, 1979).

Tajfel and Turner (1979) stated that this kind of social category represents a social identity that involves how one should feel, behave and think to be a part of a desirable group. One selects the desirable group by searching for cues that determines similarities between oneself and the group (ibid). Nelissen, Elshout and Van Beest (2013) further stated that consumption is a determinant in what influences one's social identity. Consequently, consumption creates both judgements about social groups and, if one owns a preferred good, a greater tendency to be accepted by that specific social group (ibid).

As previous research has shown that individuals aim to be accepted by different social categories, it is of importance for this study to understand if that is correct for the current young consumers. Social identity is a vital aspect to explore, as it may have an impact on how consumers construct their identities through luxury consumption. Based on social identity, another aspect that may impact identity construction is social status.

2.2. Social Status

The individual’s personal interests of shaping their identity do not only depend on the characteristics of the person itself, but also upon the social interactions with others within a society (Chang, 2012). The personal income is a part of the individual’s well-being, but one should also emphasize the social comparison with others, such as other employees at the workplace, in the neighborhood, in a region or someone of the same age, with the same education, or work experience etc. (ibid).

In the area of luxury consumption, an age-based comparison seems to be the most moderating part of creating an identity to fit in within a social group (Schade et al., 2016). The changes in the social environment during one’s lifespan contributes to different social adjustments (ibid). Social status is closely related to social acceptance and popularity, where individuals may be liked by one peer, but not by another (Badaly, Schwartz & Gorman, 2012). Individuals’ seem to engage in a more socially competent
behavior to fit in when they believe they are liked by another individual or group of individuals. The age in this case does not matter, this behavior can be seen by both children and adults. (ibid). The desire to gain status or social prestige is a motivating factor for how individuals make their purchase decisions, where ownership of a specific brand or product may support their social status, thus leading consumption behaviors based on the perceived increase in their social status (O’Cass & Frost, 2002). This study will give the author's a wider insight in how young consumers make their purchasing decisions based on social status and prestige.

The longing for social status and superiority by the human being often leads individuals to compare themselves and their relative income with others in social interactions (Chang, 2012). Social comparison of individuals depends on the context of social structure together with the perceived norms and value judgements to evaluate individual’s performance (ibid). Kapferer and Bastien (2017) describes luxury as “luxury converts the raw material that is money into a culturally sophisticated product that is social stratification” (p. 314), which can be drawn to the evaluation of an individual’s performance, shown in monetary terms, as a ground for the arrangement of social classifications.

Luxury consumption can be based on either the purpose of inflating the ego or by gaining social status (O’Cass & Frost, 2002). Differences in social structure and economic systems across different societies often results in differences in the individual’s overall satisfaction and well-being, which often depends on what social society they belong to (Chang, 2012). The positional identity is a set of variables related to the social category assigned to the individual. An example of a variable can be the impact of an individual’s family background. Individuals with better family backgrounds as well as individuals from the upper class may match the social norms of receiving a higher education and thus have preferences for a relatively higher income than the general population. (ibid). The authors of this study will gain further knowledge of how social norms challenges individuals’ behavior, especially when it comes to luxury consumption.
2.3. Luxury Consumption

Previous theory suggests that consumers often purchase products to reflect individual self-image as a symbolic meaning, in contrast to their material utilities (Elliott, 1997; Piacentini & Mailer, 2004). Researchers have previously referred the activity of luxury consumption as “democratization of luxury” or “mass affluence” (Kastanakis & Balabanis, 2011). History has also shown that consumers with a high hierarchical scale or income has satisfied themselves with luxury goods for centuries (Husic & Cicic, 2009). This type of consumption represents purchases of luxury goods that often aims to display some kind of prestige to the owner (ibid).

Belk (1988) stated that "people seek, express, confirm, and ascertain a sense of belonging through what they have" (p.146), which can explain why luxury consumption often serves as a symbolic sign of membership within groups (Husic & Cicic, 2009). This demonstrates that people purchase products that are value-added to both the individual and their reference group (Wiedmann et al., 2007). Luxury consumption can also be encouraged by the nature of the individual, functional, financial utilities of the brand (Wiedmann, Hennigs & Siebels, 2009). Currently, the mass population has the ability to engage in luxury consumption (Truong et al., 2008), which highlights the importance of this aspect to study. The authors of this study had the ability to explore how the young Swedish consumer use luxury consumption when constructing their identity by discovering the complexity of the subject matter.

2.3.1. Prestige-seeking Consumer Behavior

Studies have shown that the distinction of a luxury good differ among people, as it is individual preferences and experiences that initiate a purchase decision (Kemp, 1998). The same consumer may even find a specific product as a necessity, but later on in life refer it as a luxury (ibid). The term "luxury" is often used in individuals' everyday life without any distinct definition, as it takes on various forms based on the individuals’ own preferences (Wiedmann et al., 2007). It has become evident that a larger dispersion of money and time available to individual consumer has triggered the regular citizen to engage in the collection of products (Belk, 1998). In the case of luxury consumption, "the privileged feeling of buying luxury is no longer reserved for the privileged"
(Kapferer & Laurent, 2016, p.338). Vigneron and Johnson (1999) evaluated this phenomenon and categorized it into five distinct reasons to why individuals want to engage in luxury consumption. These reasons included the Veblen effect, the Snob Effect, the Bandwagon effect, the Hedonic effect and the Perfectionism effect (ibid). In table 1, an overview of the five forms of prestige-seeking consumer behavior is provided. The authors of this study aim to understand how individuals construct their identity through luxury consumption. In order to explore this subject, the authors must first understand the underlying motivations of why they choose to engage in it, and based on the reasons, later explore how they use it in their identity construction.

*Table 1, Summary of prestige-seeking consumer behavior*

<table>
<thead>
<tr>
<th>Prestige-seeking consumer behavior</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>The Veblen Effect</td>
<td>The <em>Veblen effect</em> describes the perceived conspicuous value attached to the purchase (Vigneron &amp; Johnson, 1999).</td>
</tr>
<tr>
<td>The Snob Effect</td>
<td>The <em>snob effect</em> describes how the perceived unique value attached to the product is affecting an individual's purchase intention (Vigneron &amp; Johnson, 1999).</td>
</tr>
<tr>
<td>The Bandwagon Effect</td>
<td>The <em>bandwagon effect</em> describes the perceived social value attached to a product and thus emphasizes the effect on others (Vigneron &amp; Johnson, 1999).</td>
</tr>
<tr>
<td>The Hedonic Effect</td>
<td>The <em>hedonic effect</em> explains the emotional value tied to a purchase to the consumer (Vigneron &amp; Johnson, 1999).</td>
</tr>
<tr>
<td>The Perfectionism Effect</td>
<td>The <em>perfectionism effect</em> explains that individuals engage in luxury consumption due to the perceived quality value associated with a purchase (Husic &amp; Cicic, 2009; Vigneron &amp; Johnson, 1999).</td>
</tr>
</tbody>
</table>

**The Veblen Effect**

The first reason for engaging in luxury consumption is explained by the *Veblen effect*, i.e. the perceived conspicuous value attached to the purchase (Vigneron & Johnson, 1999). This type of consumer more than often engages in luxury consumption with the ambition to receive the social status that he or she believes is related to a higher price of a good and the associated brand (Vigneron & Johnson, 2004). According to Leibenstein (1950), the price can be divided into two separate sections, where the first being the actual price, specifically the price that a customer paid in monetary aspects. Secondly,
that there is a conspicuous price, which can be explained by the price others assume that the customer paid for a specific good (ibid). The Veblen effect can be concluded that consumers seek social status within their reference group by a high price which indicates luxury (Vigneron & Johnson, 2004).

**The Snob Effect**

The *snob effect* explains the second reason to why people engage in luxury consumption, in which the perceived unique value attached to the product is affecting an individual's purchase intention (Vigneron & Johnson, 1999). Consumers aim to distinguish themselves from the lower classes by purchasing a unique and expensive good that most other consumers cannot afford (Hudders, 2011). The rarity and exclusivity of a product has proven to be enhancing people’s desire of uniqueness, in which individuals seek to improve self-image and social-image (Vigneron & Johnson, 2004). This type of individual aim to be different from the rest and not being a part of the mainstream type of consumers (Leibenstein, 1950).

**The Bandwagon Effect**

The third reason includes the *bandwagon effect*, meaning the perceived social value attached to a product and thus emphasizes the effect on others (Vigneron & Johnson, 1999). The underlying intention of a purchase can be explained by the association individuals seek, as they purchase products that they want to be associated with (Roux, Tafani & Vigneron, 2015). A purchase has a symbolic meaning to bandwagon consumers, i.e. that they purchase a certain product to fit in within their preference group and thus desire to use a brand or product to become socially accepted (Yim, Sauer, Williams, Lee & Macrury, 2011). It has become evident that this type of consumers compares themselves with others, and if they do such with successful others, they are also more prone to desire luxury brands (Hudders, 2011).

**The Hedonic Effect**

On the contrary from the bandwagon effect, the *hedonic effect* explains the emotional value tied to the consumer from a purchase i.e. the individual’s own thoughts and feelings (Vigneron & Johnson, 1999). According to Wiedmann et al. (2009), researchers
often use the term *hedonic value*, to describe the intangible benefits the hedonic consumer aim to acquire. The benefits can be referred to as “the sensory pleasure, aesthetic beauty, or the excitement that luxury goods and experiences provide to a consumer” (Wiedmann et al. 2009, p. 637). The hedonic value can also be described by the feelings, the effect, the pleasure and the emotional benefits a brand convey to its consumer (Albrecht, Backhaus, Gürzki & Woisetschläger, 2013). The hedonic consumer thus solely relies on their own personal opinion when making a purchase decision and focuses on personal rewards (Vigneron & Johnson, 2004).

**The Perfectionism Effect**

Lastly, the *perfectionism effect* explains that individuals engage in luxury consumption due to the perceived quality value associated with a purchase (Husic & Cicic, 2009; Vigneron & Johnson, 1999). In relation to the hedonic effect, the perfectionism effect is also focusing on personal aspects of a purchase intention (Wiedmann, Hennigs & Klarmann, 2011). To attain perfection, this type of individual aim to receive high quality of a product or service through a purchase, i.e. a personal motive for purchase intention (Roux et al., 2015). The perceived quality value can be associated with certain characteristics, such as “technology, engineering, design, sophistication and craftsmanship” (Vigneron & Johnson, 2004, p. 491). In addition, Vigneron and Johnson (2004) also argued that a higher price may indicate greater quality for some consumers, as luxury brands are expected to have superior qualities and performance.

### 2.4. Dimension of Luxury Value Perception

Based on existing research literature, including Vigneron and Johnson (1999), other theories has been developed in relation to luxury consumption. Wiedmann et al. (2007), developed a framework for luxury consumption and its value perception. In order to determine what adds luxury value in consumer's perception, they suggest the four dimensions of the financial, functional, individual and social value perception (ibid). The dimensions of luxury value perception have great relevance in this study, as it explores what consumers’ value, i.e. the underlying motivation to why they choose to engage in luxury consumption. Based on the value a consumer emphasizes, the authors
have the ability to understand how they use it in their identity construction as well. In Table 2, an overview of the four dimensions of value perceptions is provided.

*Table 2, Summary of Dimensions of Value Perception*

<table>
<thead>
<tr>
<th>Dimensions of Value Perception</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Financial Dimension</strong></td>
</tr>
<tr>
<td>Focuses purely on the monetary value added with a purchase (Wiedmann et al., 2007).</td>
</tr>
<tr>
<td><strong>The Functional Dimension</strong></td>
</tr>
<tr>
<td>Focuses on essential benefits, e.g. quality, uniqueness and usability (Wiedmann et al., 2007)</td>
</tr>
<tr>
<td><strong>The Individual Dimension</strong></td>
</tr>
<tr>
<td>Influences the consumer on a personal level, e.g. Materialism, hedonism and self-identity (Wiedmann et al., 2007)</td>
</tr>
<tr>
<td><strong>The Social Dimension</strong></td>
</tr>
<tr>
<td>Focuses on the individual's status and how one is perceived by their reference group (Wiedmann et al., 2007)</td>
</tr>
</tbody>
</table>

**The Financial Dimension of Luxury Value Perception**

The *Financial Dimension of Luxury Value Perception* focuses purely on the monetary value added with a purchase, i.e. price, discount, investment etc. (Wiedmann et al., 2007). This type of value can be expressed in any specific currency, i.e. dollars, and anything that a consumer sacrifices to acquire a specific product or service (Wiedmann et al., 2011). It is stated that consumers who desire social status, most often recognize a higher price for a product or service as an indicator of prestige and thus make their purchasing decisions accordingly (Wiedmann et al., 2009). Wiedmann et al. (2011) also suggest that in terms of luxury consumption, people who in particular seek prestige and social status may have a tendency to engage in purchasing counterfeits, due to financial aspects.
The Functional Dimension of Luxury Value Perception

By focusing on the essential benefits instead, the *Functional Dimension of Luxury Value Perception* emphasizes the quality, uniqueness and usability given by a product or service (Wiedmann et al., 2007). When purchasing a product from a luxury brand, Wiedmann et al. (2009) suggests that consumers relate luxury products with superior quality. In addition, the most significant characteristic of luxury brands is the quality cues it provides to its consumers (Stokburger-Sauer & Teichmann, 2013). Aside from the basic quality functions, the value of uniqueness from a product is of importance, as it “refers to excellence and unique functional features that might only be recognized and appreciated by a perfectionist connoisseur consumer who possess the necessary knowledge to value and use these features” (Albrecht et al., 2013, p. 650). A consumer who wish to differentiate themselves from their surroundings, may thus engage in luxury consumption as he or she value the uniqueness associated with that specific purchase (Wiedmann et al., 2009). Moreover, every specific product has a functional utility, which emphasizes the usability value given with a purchase (Wiedmann et al., 2011). According to Wiedmann et al. (2009), the functional value is given by the core benefits of a product, but also its function to fulfill a consumer’s need, i.e. a subjective and an objective usability.

The Individual Dimension of Luxury Value Perception

Another key dimension is the *Individual Dimension of Luxury Value Perception*, whereas a purchase would have an influence on a consumer on a more personal level and includes the value of materialism, hedonism and self-identity (Wiedmann et al., 2007). Consumers who highly emphasizes possessions in their lives often value materialism and are more positive to engage in luxury consumption, as they tend to devote more time and energy in their purchasing decisions (Wiedmann et al., 2009). According to Albrecht et al. (2013), an individual who emphasizes the emotional benefits aim to receive the hedonic value of a brand, as it considers feelings, the effect and the pleasure given by a product or service to the owner. It is also suggested by the authors that it this is the main driver of luxury brands (ibid). Lastly, the value of self-identity can be described as the symbolism a luxury good has on an individual’s identity.
or the construction of an identity, which emphasizes the internal aspects of one’s self (Wiedmann et al., 2009).

The Social Dimension of Luxury Value Perception

Lastly, Wiedmann et al. (2007), suggest that the *Social Dimension of Luxury Value Perception* highlights an individual’s status and how he or she is perceived by their reference group. This dimension has great impact on luxury consumption, as it stresses the conspicuousness and prestige value added by a purchase (ibid). The dimensions of luxury value were influenced by the prestige seeking consumer behavior introduced by Vigneron and Johnson (1999), which is highly visible in the social dimension. For example, a consumer may want to differentiate themselves from others (the snob effect), some may want to conform with others (the bandwagon effect) and others may want to show off the conspicuous value attached to the product (the Veblen effect) in this dimension (Choo, Moon, Kim & Yoon, 2012).
3. Method

This chapter will first present the philosophical assumptions and research philosophy of the thesis. Later is the scientific approach, data collection and sampling process. Lastly, the methodology chapter discusses questions of quality and ethics, the study limitations, and the research trustworthiness and transferability.

3.1. Philosophical Assumptions

A qualitative research should consider all philosophical assumptions that are brought into the study, which emphasizes the importance of understanding the differences of how an individual decide to view their reality. According to Saunders, Lewis and Thornhill (2009), there are three main philosophical assumptions of ontology, epistemology and axiology that serves as a foundation for studies.

**Ontology** can be defined as the way individuals make assumptions regarding the world and how it works according to them (Saunders et al., 2009). It includes the two aspects of **objectivism** and **subjectivism**, which both concerns the nature of reality. According to the aspect of objectivism, social entities are independent from social actors, i.e. that there is only one reality. On the contrary, subjectivism sees the reality as a social construct and thus is subjective. (ibid). By using a subjectivist ontology, the authors decisions in this study will be justified by contextualizing and describing the phenomena and provide a comprehensive study. “We are what we buy” can thus be seen as a social construct, and therefore a subjectivist ontology assumption can be made.

The **epistemology** assumption illustrates the acceptable knowledge within a field, i.e. the subjective meanings and social phenomena (Saunders et al., 2009). Subjective evidence and biases of viewpoints of individuals and their experience, provide the foundation to epistemological assumptions (Guba & Lincoln, 1988). This study focuses on the circumstances behind a situation and the motivating actions, which implies that the subjective meaning and social phenomena are taken into account.
The judgement of values in the decisions of research constitutes the axiology assumption (Saunders et al., 2009). This assumption implies that the researcher is a part of the research, i.e. that an individual demonstrates his or her own values at all stages of the research process, which can have an impact on credibility. (ibid). The authors of this study are also young consumers and have an interest in luxury consumption, which may lead to subconscious opinions and viewpoints. As the researchers have made a subjectivist assumption, they may also belong in this social construct. Therefore, it is of high importance for the authors of this study to isolate their own judgment of values in the decisions of this research. This will provide transparency and limit possible biases.

3.2. Research Philosophy

In order to build a strong in-depth analysis, it is beneficial to recognize the research philosophy used (Crossan, 2003). The establishment of knowledge and the nature of it can be explained by the research philosophy, i.e. how we decide to view the world (Saunders, et al., 2009). The authors of this thesis decided to select relativism as their philosophical commitment. As the purpose of this study is to explore how consumers use luxury consumption in their identity construction, the authors decided to use epistemological relativism as a viewpoint, as it “encourages reflection upon the formation of, and relation between, categories in accounts of social situations” (Al-Amoudi & Willmott, p.35, 2011). Epistemological relativism allows exploration from several viewpoints and can facilitate the process of exploring identities and its relationship to luxury consumption as a social construct (Al-Amoudi & Willmott, 2011).

In addition, Lawson (2003) stated that in the viewpoint of relativism, our lives “are affected by our life paths and socio-cultural situations, and thereby make a difference in how we can and do ‘see’ or know or approach things” (p. 162). When researching how consumers construct an identity, it is beneficial to take situational differences in consideration, which emphasizes this study. The researchers of this study made a great effort to consider different perspectives of different participants in the collected interviews. The participants may come from different cultural, geographical and
financial backgrounds, which highlights the opportunity epistemological relativism provided to the study.

3.3. Research Approach

This study was conducted by collecting data in the form of a qualitative approach. This data was later analyzed by an inductive research approach, which was highly appropriate as the authors were in particular interested in the context of the problem and did not make a hypothesis.

3.3.1. Qualitative Research Approach

A qualitative research approach focuses on knowledge given from research strategies mainly expressed in words and no numbers (Saunders et al., 2009). One can thus argue that all qualitative data is information explicitly given without numerical form (Thorne, 2000). This type of data also provides the ability to categorize the results and thus create a new understanding (Saunders et al., 2009). There are various methods to how qualitative data can be gathered, e.g. semi-constructed interviews, focus groups, surveys, recorded observations, policy documents etc. (Thorne, 2000; Saunders et al., 2009). The authors of this exploratory study decided to use semi-structured interviews, as researchers within this field seek “knowledge about how people think and feel about circumstances in which they find themselves than they are in making judgements about whether those thoughts and feelings are valid” (p.68). This study explores how consumers construct their identity through luxury consumption, and a qualitative research approach with semi-structured interviews has the ability to bring deeper insights, as the questions can be altered based on the situational circumstances.
3.3.2. Inductive Research Approach

This study had a collection of primary and secondary data and then as a result of data analysis, more knowledge could be generated. This illustrates a form of an inductive research approach. Saunders et al. (2009) stated that an inductive research approach emphasizes the context of events, i.e. the understanding of the significance it has to people in a certain time and place. This type of research approach often begins with observations, thus creating an understanding of the collected data and later identifies patterns for the development of themes, theories and frameworks. (ibid).

According to Thomas (2006), the vital focus of a using an inductive approach is to “allow research findings to emerge from the frequent, dominant, or significant themes inherent in raw data, without the restraints imposed by structured methodologies” (p. 238). While there have been arguments that an inductive approach may not be as strong as other analytical strategies (Thomas, 2006), the authors of this study find it appropriate for the specific purpose of exploring how young consumers construct their identities through luxury consumption. An inductive research approach provides a straightforward option to conduct and analyze the data collected (Saunders, et al., 2009). A rather small number of interviews were conducted for this study, yet they were highly detailed and provided space for elaboration in all questions asked. The inductive research approach provided understanding of the contexts of the interviews, as well as facilitated the identification of themes within the collected data. By using an inductive approach, this study had the ability to generate new findings inspired by previous research that has been executed.

3.4. Exploratory Research Design

The research design used in this study was the exploratory approach (Saunders et al., 2009). The exploratory research design is described as the initial research done to gain knowledge about a topic in order to create a hypothetical or theoretical idea. This type of research method is particularly useful for when trying to clarify and define the underlying factors and the nature of a problem. When conducting an exploratory
research, flexibility is a great advantage. The willingness to change direction is a must, as new insights of the data will occur as the research moves forward. (ibid).

According to Saunders et al. (2009), an exploratory research design can be executed in three principal ways. It can be done by conducting data through research of literature, by interviewing experts in the subject, or by conducting interviews in form of focus groups or with individual people (ibid). This study consists of exploratory research conducted by literature search and through interviewing people from the chosen target group. The exploratory research consists of information gathering that is flexible and unstructured but narrows down to a more structured research as the time passes and the topic gets clear. Through secondary data, the authors explored the aspects of identities, social status and luxury consumption.

The exploratory research of how young consumers use luxury consumption in their identity construction used semi-structured interviews, which allowed flexibility. As the authors of this study also are young consumers, they had an idea of how this form of consumer use luxury consumption in their identity creation. Therefore, it was of interest to further investigate the subject and use an exploratory research design to gain more understanding of the identity construction and create a new viewpoint from their perspective.

3.5. Data Collection

3.5.1. Secondary Data

It was highly appropriate to conduct secondary data for this study that explores how young consumers construct their identity through luxury consumption. It provided the ability to understand how individuals behave in a social context. It also enabled the ability to structure the research framework. Secondary data is defined as data that has already been conducted, and thus is available to others to read and analyze (Huff, n.d.). Secondary data serves as an aid for primary data, as it makes the primary data collection more specific. Furthermore, secondary data visualize where the gaps are, and what type of data that needs to be added. (ibid). It is necessary to consider that secondary data
might not fit within the attempted research framework, and therefore it was of importance for the authors of this study to use secondary data to complement the primary data collected. The secondary data was used as a tool to understand the answers given from the participants during the primary data collection.

The secondary data found regarding luxury consumption and identity creation had no direct ties to this study, as they were conducted for other purposes. For example, they were conducted with the purpose to study other age segments and geographical areas than the chosen purpose in this study. Other authors also conducted their studies based other reasons, including marketing and management purposes, and the relationship between luxury goods and counterfeit goods. However, the secondary data provided useful information that the authors of this study could implement in this thesis as a solid foundation.

3.5.2. Literature Review Process

Previous research regarding identity creation and luxury consumption was found by using the JU-library database Primo, as well as Google Scholar. The two databases provided relevant peer reviewed articles from established journals. The relevant journals were found by using keywords such as “identity”, “identity shaping”, “social status” and “luxury consumption” as well as using other works’ citations. For example, by using the keyword “luxury consumption” in Google Scholar, one can find the two articles “Luxury consumption factors”, written by Husic, M and Cicic, M (2009) and “Possessions and the extended self”, written by Belk, R. W (1988) that have been proven to be vital sources of information that was implemented in this study. By exclusively considering articles and journals based on the keywords and its citations, there is a possibility that additional relevant data was not found.

3.5.3. Primary Data

Interviews were conducted to serve as the main source of primary data for this study. As this research is a qualitative research, semi-structured interviews were found to be
appropriate. As the aim of this study is to explore how young consumers use luxury consumption when constructing their identity, the semi-structured interviews allowed the interviewers to develop deep and informal discussion, that would allow the participants to feel comfortable and share their own thoughts. Semi-structured interviews allowed discussions and further thoughts on a specific chosen topic (Saunders et al., 2009). This type of detailed interview is ideal when authors seek to collect data based on individual’s experiences and perspectives (Additional Qualitative Data Collection Methods, n.d.). Students from Jönköping University, Sanda High School, and employees with various occupations provided detailed data from young consumers. The participants were chosen due to their own interest of fashion and luxury consumption.

3.5.4. Interviews

An interview is defined as an interaction between two or more people to gather relevant data to the research questions and the objectives of the study (Saunders et al., 2009). The interview may be formalized, standardized and highly structured, or it may be informal and unstructured, or somewhere in between. There are three main types of interviews, i.e. structured, semi-structured and unstructured, or in-depth interviews. Each typology aims to gain an overall understanding of the chosen topic for the interviewees but may provide different answers depending on the aim. (ibid). For this study, semi-structured interviews were chosen as the authors aimed to develop a discussion and detailed thoughts from the participants about the topic during the interviews. The discussions enabled the participants to provide in-depth answers, as they had the opportunity to elaborate and develop their own thinking.

3.5.4.1. Semi-Structured Interviews

The authors of this study decided to use semi-structured interviews as a primary source to uncover the rich descriptive data and gain personal experience from the participants of the interviews (Saunders et al., 2009). Semi-structured interviews consist of a list of
themes and questions that will be covered, based on the research question of the research. The order of the questions and the context of the interviews may vary depending on the nature of the event. The purpose of using this form of interview is to ensure that the participants develop a discussion that leads to further insights on a chosen aspect. To analyze the data conducted, the discussions can be audio-recorded and/or by taking notes. (ibid). The three authors of this study decided to divide the tasks, where one of them recorded and asked questions, while the other two were secretaries and added follow-up questions during discussion if necessary. The information gained from the interviews served as a foundation to explain the relationship between the participants perceived reality and the data gathered from previous research.

The interviews serve as a foundation for other researchers to investigate the identity creation through luxury consumption further. Table 3 illustrates a summary of all of the eleven interview participants. The table includes information about their gender, age and occupation. The duration of the interviews is also included in this table. As previously agreed between the authors and participants, their real names were not disclosed. The names seen in the table are all therefore pseudonyms.

Table 3, Summary of the Interviews

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Gender</th>
<th>Age</th>
<th>Occupation</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarah</td>
<td>Female</td>
<td>17</td>
<td>Student</td>
<td>54:47:00</td>
</tr>
<tr>
<td>Philip</td>
<td>Male</td>
<td>22</td>
<td>Student</td>
<td>46:46:00</td>
</tr>
<tr>
<td>Emma</td>
<td>Female</td>
<td>23</td>
<td>Sales Representative</td>
<td>54:56:00</td>
</tr>
<tr>
<td>Rebecca</td>
<td>Female</td>
<td>22</td>
<td>Student</td>
<td>46:30:00</td>
</tr>
<tr>
<td>Sophia</td>
<td>Female</td>
<td>23</td>
<td>Student</td>
<td>48:17:00</td>
</tr>
<tr>
<td>Alice</td>
<td>Female</td>
<td>23</td>
<td>Student</td>
<td>44:59:00</td>
</tr>
<tr>
<td>Heidi</td>
<td>Female</td>
<td>21</td>
<td>Student</td>
<td>38:33:00</td>
</tr>
<tr>
<td>Lisa</td>
<td>Female</td>
<td>22</td>
<td>Student</td>
<td>54:10:00</td>
</tr>
<tr>
<td>Mathias</td>
<td>Male</td>
<td>24</td>
<td>Carpenter</td>
<td>55:13:00</td>
</tr>
<tr>
<td>Linnea</td>
<td>Female</td>
<td>29</td>
<td>Account Manager</td>
<td>47:38:00</td>
</tr>
<tr>
<td>Lucas</td>
<td>Male</td>
<td>28</td>
<td>Account Manager</td>
<td>48:05:00</td>
</tr>
</tbody>
</table>
3.5.4.2. Interview Structure

When developing open-ended questions, it is important to consider the structure and style of the questions in order to keep them in the right frame, adapting the language to the respondent, and keeping the questions concise (McCammon, n.d). The questions have to be asked in an order that is relevant to the topic, and that the respondent easily can follow the interview (ibid).

Before the interviews, all participants had to sign an interview agreement (See appendix 1). This agreement included a description of why the interviews were conducted, as well as information about how the personal information was going to be handled by the authors. Focusing on the structure of the interviews of this research, the authors started by introducing themselves and the topic, and followed by re-stating that an audio recording was used during the interviews. The interviews begun with early events and continued with more recent events, leading the participants through the topic. It was initiated with simple questions and moved further to the ones that were more complex and needed more reflection. This was a strategy for the authors to receive a more well-thought answer. The least sensitive questions were asked first and then it led to the more sensitive type of questions. This was due to the probability that the participants themselves felt more relaxed and comfortable, as time went on and that they had gotten to know the interviewers.

The questions asked during the interviews were open-ended, which enabled lengthy and descriptive answers, i.e. not leading to only “yes” or “no” answers. The aim was to develop discussion and facilitate the upbringing of new thoughts as the interviews went on. Even though the authors wanted to keep the questions open-ended, they were kept as short and specific as possible to avoid misunderstandings. The language used during the interviews were adapted to the age, knowledge, language skills, cultural background etc. of the participants. Strong negative or positive associations were avoided, as these types of mistakes can have an effect on the participants answers (McCammon, n.d).
3.6. Quality and Ethics of Research

Saunders et al., (2009) stated that there are several ethical considerations that should be taken into account when conducting interviews. First, the participants were asked to engage in this voluntary research and were informed about the procedure of the interviews. It was stated that the information they would share with the authors would be kept confidential, and that they would remain private. Their names would not be displayed, and the interviews would only be recorded if the participants agreed on that matter. The questions asked were specially adapted to the specific segment, to ensure that the authors of this study would avoid giving any stress, discomfort, pain, harm or embarrassment to the participants. Lastly, the authors also agreed upon transparency and that the participants rights would be respected.

Historically, qualitative research has been seen as a “subsidiary” to quantitative data (Cassell & Symon, 2012). It has also been stated that the relationship between the subject and the authors may be affected, as it can be difficult for them to separate their own experiences from the data collected (Carr, 1994). “The reliability of qualitative is weakened by fact the process is under-standardized and relies on the insights and the abilities of the observer, thus making an assessment of reliability difficulty” (Carr, 1994, p.719), which emphasizes the relationship with the subject. In regard to validity, qualitative research has proven a great strength, as there are less threats to external validity due to the natural setting. In the case of relationships, qualitative research may also provide greater quality, due to an interactive and more honest encounter, thus providing more trustworthy answers. (ibid). To gain trustworthiness and ensure quality, Lincoln and Guba (1985) established five criteria that all researchers should prove with their studies. These criteria included credibility, dependability, confirmability, transferability, and authenticity (ibid).

3.7. Limitation of Method

This study of how young consumers construct their identities through luxury consumption and its authors had limitations. Firstly, the study mainly had female participants in the interviews. This may have had an impact on the outcome, as female
and male values, beliefs and actions can differ. There was also an age gap of 12 years between the youngest and oldest participant, which also could have had an impact on the study.

Secondly, the authors have a shortage of experience in the area of gathering primary data through interviews. There was also a weakness by the absence of experience in conducting and performing interviews. As the authors were of the age of 22 and 23, their opinions and ideas may have been subconsciously biased, as they also were young consumers engaged in luxury consumption. It may have been challenging to act neutral and not getting involved in the discussions during the interviews. This may thus have had influence on the outcome of the collected data.

3.8. Trustworthiness and Transferability

The authors of this study aimed to show transparency to the participants by providing the necessary information prior to their interviews. The authors also clearly stated that there was going to be open ended questions (See appendix 1 and 2), in order to reduce the possibility of biases. As the participants answered the open-ended questions under anonymity, they were given the opportunity to speak freely about their experiences and thoughts about their identity construction, which also aimed to limit biases. As the interviewers ensured that no answers were right or wrong, the atmosphere was relaxed, and the participants felt comfortable answering all questions. It is necessary to consider that that majority of the participants were females, which consequently can make the research insufficient regarding how young male consumers are constructing their identity.

However, Bowen (2008), stated that data is not sufficient until no relevant or new findings emerge, this state is called theoretical saturation. Once the theoretical saturation is achieved, one has a sufficient amount of primary data that allows the results and conclusions to be trustworthy (ibid.). As the overall result from the eleven interviews conducted were similar, it can be concluded that the trustworthiness of this research was high, and therefore no additional interviews were conducted.
Transferability can be defined as “the extent to which the findings can be transferred to other settings or groups” (Polit and Hungler, 1999, p. 717). One accomplishes transferability by giving a clear description of selection and characteristics of participants, data collection, culture and context, and the process of the analysis (Graneheim and Lundman, 2004). In addition, Ganeheim and Lundman (2004) believed that is no universal application to gain transferability. As the authors of this research collected primary data from detailed semi-structured interviews accompanying secondary data, it is likely that if another researcher, who is in a similar situation as the one illustrated in this study, will be able to use and apply the findings.

All interviews conducted were in a familiar environment for the participants and the interviewers, which intended to provide a comfortable and open environment for thorough and honest discussion. The location can have an impact of the data collection, which was aimed to be avoided.

3.9. Summary of Method

The process of the method in this study is illustrated in figure 1. This thesis applied a relativistic research philosophy, based on an epistemological assumption. The research approach was identified as qualitative and exploratory study. An inductive approach for a research strategy was also applied. In order to collect relevant data related to the topic of how consumers create their identity through luxury consumption, secondary data from previous research was gathered through scientific articles and academic publishes. In addition, primary data was gathered from semi-structured interviews to provide empirical input. Lastly, quality and trustworthiness of the collected data was discovered based on credibility, transferability, dependability, and confirmability.

*Figure 1, Summary of Method*
4. Empirical Findings and Analysis

This chapter will present the findings of the primary data collection and an analysis based on the theoretical lens found in chapter 2. Through the empirical findings, the authors of this study discovered four major themes. The four themes included the financial, functional, individual and social dimensions. The interview agreement and questions can be found in appendix 1 and 2 for further clarification.

Financial Dimension of Luxury Value Perception

The level and amount of resources consumers sacrifices in order to purchase luxury goods can be explained by the financial dimension (Kim & Joung, 2016). The sacrifices consumers give into obtaining luxury goods include time, money and effort (Kim & Joung 2016; Wiedmann et al, 2011). During the interviews of this study, all participants agreed that cost had great influence on their purchasing decisions. It was a recurring subject that all of them had in mind along with the interview questions.

The majority of the participants stated that if they perceived an item as a luxury, they were more willing to pay a higher price, in comparison to a regular consumer product. According to Walley, Custance, Copley and Perry (2013), the middle-class consumer emphasizes the time spent on their decision-making when they aim to purchase luxury goods. This decision-making process was discussed during Mathias interview, as he stated that “when you purchase luxury goods, you often wait a longer time due to its higher cost”. He added that it was worth both the wait and the cost as he believed that “it feels greater to wait and buy luxury goods compared to the satisfaction that any other consumer product would ever have given me”. Mathias argued that the time spent on decision-making was a longer process in comparison to regular consumer products, and that the cost itself did not matter too much at time of purchase, as it had been thought of for a long period of time. The greater dispersion of money and time to individual consumers (Belk, 1998) can thus explain why many young consumers choose to engage in luxury consumption no matter the sacrifices they make during the process. Related to the sacrifices, Sophia said that:

“If I do an impulse purchase with little research, I often buy a product no matter the cost, as I have made up my mind and have develop an interest for that product, especially when it comes to luxury products”
It was discovered that the maximum amount of money the participants would spend on an item depended upon the individual consumer and his or her perception of a luxury product, compared to a regular consumer product that has a lower cost. The majority of the participants said that they had a cost ceiling for regular consumer products and fast-moving consumer goods (FMCG) that were in the low and/or middle price class, but in luxury consumption however, the cost was perceived as more floating and did not have as much impact on their purchase decisions. But what makes a product a luxury product? Previous studies have shown that what constitutes a luxury product differs among all individuals, based on their individual preferences and experiences (Kemp, 1998). This was evident in all interviews, as Mathias valued a certain car brand as a luxury product, and that Heidi valued a purse from a certain brand. It was discovered that there was a limit to the cost of a luxury product based on their individual preference, but also to which product category they believed it belonged to. Mathias argued that luxury only becomes “luxurious” if the price is perceived as high and stated that he “tends to believe that high quality clothing can only have a high price, which automatically then is seen a luxury product”.

Previous research suggest that individuals aim to acquire higher quality based on certain characteristics of products (Wiedmann et al., 2011). Among these characteristics, price has been seen as an indicator of greater quality and performance, which thus are expected from luxury brands (Vigneron and Johnson, 2004). This can also be drawn to the perfectionism effect, as it explains that individuals engage in luxury consumption due to the perceived quality it delivers to the owner (Husic & Cicic, 2009; Vigneron & Johnson, 1999). Philip agreed upon this statement and said that “it feels like you get better quality if you spend more money on an item and that you get what you paid for”.

Based on the discussion during the interviews, it was discovered that the majority of the participants perceived that luxury goods were linked to a higher cost and were expected to have a superior quality and performance. In Sarah’s interview, she mentioned that “luxury goods always have a higher cost. Subconsciously, I associate the cost with a superior quality, and therefore consider a product as a luxury based on the price tag”.
In addition to superior quality, it was established that there was a relationship between the cost of luxury goods and symbolic meanings. Elliott (1997) earlier stated that luxury consumption has a symbolic meaning, rather than the material utility. When Alice were asked if she thought that feelings were enhanced when she buys a more exclusive brand, she said that:

“If I were to spend more money on a product, I would feel more happiness and pleasure from a specific purchase, as I associate it with a greater experience and that I will remember it, and in some ways a kind of prestige that comes with that purchase”.

Her response referred to the personal meaning to her as an individual, and that it would give her a great personal reward. One could thus argue that her identity could be shaped through luxury consumption, as she sought these personal rewards.

A reason to why individuals engage in luxury consumption can be explained by the Veblen effect, where consumers aim to acquire social status within a preferred reference group by purchasing goods for a high price that indicates luxury and brand association (Vigneron & Johnson, 2004). This symbolic meaning can thus mean that individuals can purchase luxury goods for the purpose of receiving acceptance and/ or likeability from others (ibid). The price of goods can be divided into two sections i.e. the actual price and conspicuous price (Leibenstein, 1950). Where the latter refers to the price that others assume that an individual has paid for a certain good (ibid). Alice discussed the two different types of prices and said that:

“It is not fun if I were to pay 10 000 SEK for a bag, if others believe it is from H&M”.

Kapferer and Bastien (2017) earlier stated that money can be transferred into a product, which thus become a luxury product when the individual and others are aware that he or she has spent a certain amount of money to purchase it. In the case of Alice, she argued that others in the society should see the price for a certain good she had purchased due to her sacrifice, i.e. the money she had spent.

As all of the participants of this study were young consumers, there was a constraint to their monetary access. However, it was discovered that they still engaged in luxury consumption for the reason of the symbolic meaning, and with the mindset of rewarding
themselves. In his interview, Philip demonstrated happiness when he gladly said that “you need to treat yourself. Even if the cost is high, you will get an exclusive product and you will feel better about it. That is a way to feel better about yourself”.

It was discovered from the interviews that all participants could make their identity visible through luxury consumption which took on various forms. However, they all agreed that it was a form of a social construct, as it only was what others in their surroundings could see, and that an identity is a lot more than what we own and/ or wear. A luxury product can serve as a reward for oneself but does in reality not change or enhance an individual’s identity. Alice means that “a purse from Gucci can be as nice as a top from Gina Tricot, but you can however feel ‘better’ or more satisfied when you have the ability to purchase a Gucci purse”. She stated that an individual can make a favorable view of their identity to others by the clothes that he or she chooses to wear, but it is important to know that it is not their complete identity.

This study has discovered aspects from a financial dimension of luxury value perception. It was realized that all participants associated a great sacrifice, i.e. a high price, with luxury goods. The decision-making was seen as a longer process, as it was a high involvement purchase with higher risks and rewards. The limitation of the cost itself had little to no meaning to the participants if they considered an item as a luxury. There was however a price ceiling for regular consumer goods and FMCG. It was also discovered that the participants had different budgets to different product categories. Greater quality and performance was expected from luxury goods, as well as a higher personal reward. A relationship between cost and symbolic meaning was also noticed, as it for some meant that they would feel better, receive acceptance and likeability from others, or even make others aware what they had sacrificed to receive a luxury good. Lastly, the participants had all realized that the financial dimension of luxury value perception was indeed a social construct. That individuals attempt to show others who they are through their possessions, but that in reality their identities are a lot more than the visible aspects.
Functional Dimension of Luxury Value Perception

The functional dimension of luxury value perception emphasizes the quality, uniqueness and usability of a product or service (Wiedmann et al., 2007). Wiedmann et al. (2007) further states that when purchasing specifically luxury products, consumers relate those products with a superior quality. In addition to the expectation of a superior quality of a luxury product, individuals tend to emphasize the uniqueness and functionality the product brings (Albrecht et al., 2013; Wiedmann et al., 2009).

From the interviews gathered, it was evident that individuals’ put emphasis on how the product feels e.g. texture and material, and its quality. The majority of the participants claimed that quality is an expected attribute when purchasing a luxury product. However, all participants agreed upon the notion that high-end luxury brands charge more due to their brand status. Mathias believed that one gets what one pays for regarding luxury brands, and that luxury products are most often of a higher quality compared to regular consumer goods. Further, Emma stated that:

“I feel more satisfied and comfortable when wearing a high-quality clothing compared to a budget clothing, but I do not care if others can see the logo on it or not, it is exclusively for me to like and no one else”

Yeoman and McMahon-Beattie (2006) assessed that the younger generation in the early 21st century was more focused on the material comfort of the clothing’s rather than the monetary value; the participants answers implies that this is an accurate statement. However, previous studies have shown that what constitutes a luxury product differs among individuals and are based on their own preference and experience (Kemp, 1998). Unlike the answers given from the majority of the participants, that quality automatically becomes evident when the price is high, Rebecca claimed that her perception of luxury is based solely on the quality, durability and the material comfort rather than the monetary value the clothing may have. She implied that it practically made the price unessential. She stated that her perception of luxury is “only about the quality of the material and the durability of it, and that I will be able to wear it for many years to come without it being worn out”. On the contrary, Heidi argued that “I do not
expect the clothing to have a better quality just because they are expensive, I believe that one often times pays a certain price solely for the brand itself”.

In addition to the emphasis of the quality on a luxury product, the attribute uniqueness was proven to be a determinant for luxury products. Alice asserted that she buys luxury products for the main purpose of distinguishing herself from others, and many times avoid products that are popular due to that reason. In her interview, she said that “I buy certain brands or products to differentiate myself from others in my surroundings, and I often buy clothes that are considered to be extravagant for the main purpose of being unique”.

Alice did not refer uniqueness or extravagance to trends, rather different color schemes or her own individual preferences. Alice behavior illustrates the Snob Effect. The Snob Effect explains a reason to why individuals engage in luxury consumption, in which the perceived unique value attached to a specific product is affecting individuals decisions (Vigneron & Johnson, 1999). Vigneron and Johnson (1999) further describe that one aims to distinguish themself from the lower class by purchasing some unique and expensive good others cannot afford (Hudders, 2011). The exclusivity and rarity of products has shown to enhance individuals desire of uniqueness, in which they seek to improve social image and self-image (Vigneron & Johnson, 2004).

However, the majority of the participants argued that luxury consumption purchases are based on the usability of the specific product. The participants stated that one does not only buy luxury products based on existing trends, but also due the importance of usability and durability. Emma affirmed with this perception, as she purchases luxury products based on the products usability. She stated that “whenever I buy luxury products, I buy accessories or jackets, for the opportunity to wear it often and with many various outfits”. The interest of purchasing luxury accessories was also evident for Lisa. She said that “I only buy luxury product accessories, like jewelry and bags, as those are seen as statement items and that I can wear them with everything”.

The functional dimension has two subcategories, i.e. a subjective and objective usability (Wiedmann et al., 2009). This refers to an individual’s core benefit of a product (subjective) and the products function to fulfill an individual need (objective) (ibid). All
participants agreed upon the fact that they purchase products to highlight their personality, and thus own various clothing items that share the same subjective function. This means that most of the purchases are made based on wants rather than needs. Alice explained it as “I express myself through trends and I like to keep myself updated. As clothes are my biggest interest I tend to buy a lot of clothes - not because I need it, but because I want that specific color or trend”. Sophia, who has a specific bag-account on her bank, where she saves money every month, also stated that “I will not buy this bag because I need it, I already have a bag that size, but I will buy it for myself as a graduation present”.

To conclude, the overall answers suggest that there was a believed relationship between a brands price tag and its quality. The participants believed that a consumer receives what he or she has sacrificed, and thus accept a larger cost when purchasing luxury goods. However, it was evident that this was only correct to a certain extent. High-end luxury product cost was believed to be based on the symbolic meaning that a specific product carry, rather than its quality. Additionally, the participants purchased high-end luxury brands accessories, including jewelry, bags or jackets. These products served as statement goods and could be seen as small things that makes a large difference.

Lastly, it was evident that the participants did not purchase products based on their basic needs, their purchases were rather based on their pure wants.

**Individual Dimension of Luxury Value Perception**

A purchase that has an influence on a personal level for individuals, such as self-identity, materialism and hedonism is considered to be included in the individual dimension (Wiedmann et al. 2007). As the participants answered the questions given, it became visible that these individuals were constructing their social status and identity through two approaches, i.e. via an emotional or a financial approach. The emotional approach referred to kindness, thoughtfulness and generosity and the financial approach regarded the monetary holdings of an individual.

Sophia acknowledged that the possessions an individual owns has a central role in building a high social status. She further stated that she believed in a higher degree of ownership, where it is of importance to be aware of how to use the assets one acquires.
She stated that “I do not believe that one necessary gets a high social status as soon as one is able to acquire luxury products” and further explained that “I think one needs to be aware of how to use and where to purchase those products”.

Sophia's assumption can thus be likened to the theory about the Nouveaux Riches. Those individuals are, according to Sampson (1994) often described as “copycats” who tries to impress others by spending money in an unsophisticated way. In relation to Sophia’s statement, she believes that it doesn't matter what kind of possessions an individual has if he or she do not know how to use it. In addition, the Nouveaux Riches were not seemingly caring about the emotional ties the product carry, in regard to social status, these individuals were completely focusing on the financial aspect (Sampson, 1994). Sophia’s perception can also be associated with The Bandwagon Effect, as Sophia associate possessions with a higher social status. The Bandwagon Effect explains that individuals are basing their purchases on what their preferred social group are purchasing (Leibenstein, 1950).

All participants within the interviews agreed that individuals are creating an identity based on what they wear and own. During the interviews, all participants were asked “would you be able to provide examples on how we, as human beings, could show our identity through our consumption?”. This question provided the authors of this study with the insight that all participants believed that by wearing a colorful clothing item, an individual enhanced their identity. Sophia emphasized the link between ownership and social status, as she believed that “one is automatically considered to be cool and outgoing when wearing clothes that stand out from the mass population, like wearing colorful clothing”. It was evident that the colors of the clothing preferably should belong to a specific brand. The participants stated that the luxury items they purchase are statements products that for example has a bright color or a visible logo. Regarding visible brand logos, Emma thought that it was a favorable attribute as “I am a lot happier and satisfied with myself when I wear my Gucci belt that has a double buckle G (The Gucci symbol) compared to if I would have a budget branded belt”.

Alice shared the same perception as Emma, but she also mentioned that the more luxury products an individual owns, the less satisfied and happy they become with their possessions. Alice and Emma’s thoughts on luxury consumption can thus be linked to
the hedonic effect, which can be explained as the emotional values a product brings to the individual (Vigneron & Johnson, 1999). The hedonic values are also described as the feelings, the pleasure, and emotional benefit that a brand conveys to the consumer (Albrecht, Backhaus, Gurzki & Woisetschlager, 2013). The majority of the participants explained that those purchases often are combined with an increased satisfaction of personal rewards, together with the actual purchase. This satisfaction was based on the waiting time that an individual had gone through, and that they consequently had been more involved with a purchase. For example, Philip stated that:

“I believe that the satisfaction increases as one purchases a luxury item. However, I can get a feeling of anxiety as it costs a great amount of money - but as soon as I look at the product and remember how much I wanted to purchase that specific product, the feeling of anxiety is instantly gone”.

In addition, Emma spoke about the personal rewards, as she explained that “when purchasing a luxury product, I buy it as a reward to myself. When later wearing the product, I remember the time of purchase and remember that special feeling”. In addition to constructing an identity through possessions, the participants said that an additional construction of an identity is through interests. Rebecca stated that she wished to have a personal style that reflects her personality. She aims to convey herself as respectful and ambitious individual who can be trusted, and thus “wear neutral colors and clothes that I consider as classy. I want to be able to match the clothes I buy with as much as possible in my wardrobe” (Rebecca). Additionally, Linnea aims to portray herself as an individual who has confidence and respect from others. She stated that:

“I wish to invest in a luxury bag in the near future, this is due to the fact that a luxury bag would give me an improved self-confidence and help me become more respected, especially at my work as a saleswoman”.

Piacentini and Mailer (2004) explains that symbolic products can be used to both decode and encode from others. Hogg and Michell (1996) further believes that there is a relationship between the identity, self and consumption, where three variables are linked and work together. The majority of the participants felt that they are not affected by
others in the creation of their own identity, i.e. what others think of them. However, most of them admitted to themselves that they most probably were affected, but subconsciously. This can be linked to how consumers, consciously or subconsciously, use symbolic products to decode and encode messages to people around them (Piacentini and Mailer, 2004). To conclude, it was evident from the participants answers that luxury products play a central role in their identity construction. This was visible in terms of their actions of wearing bright colors, symbols and displaying interests through clothing. Another conclusion that can be drawn from the interviews was that an expensive purchase brought more satisfaction to the individual rather than a budget purchase.

**Social Dimension of Luxury Value Perception**

According to Wiedmann et al. (2007), the social dimension of luxury value perception describes an individual's’ status and how others in a reference group perceives a person. This can be connected to the bandwagon effect, which describes that the underlying attention of a purchase for a person is to be associated with this type of product, and to fit into a certain preference group (Roux, Tafani & Vigneron, 2015). During the interviews, questions were asked to explore the subject of luxury product purchases among young consumers. Along with the discussion in the interviews, information regarding social status and how an individual can create a higher social status in the social society at large was discovered.

The answers from the interviews illustrates that the majority of the participants believe in an emotional pattern when it comes to the creation of a social status. The majority of the participants argued that the level of social status among friends, or in the social society depends on the individual’s emotional advantages, or a mix between the emotional and the monetary advantages. When the authors of this study spoke to Lisa, she argued that “individuals buy goods to fit in to a certain group and change their behavior accordingly at the same time”. What Lisa described is in accordance with the bandwagon effect, i.e. that an individual purchase a product to fit into a certain preference group, and to be associated with the values attached to the product (Vigneron & Johnson, 1999). “High status is created through the ability to connect with others and depends more on the emotional advantages than the material or monetary ones”
was said by Rebecca, as she believed that social status only is created on an emotional basis. In addition, Linnea argued that:

“An individual tends to focus on what others think about him or her, and the ability to create a great network of people depends on his or her personality. I also believe that the monetary aspect of creating a higher social status is an approach to create a certain attitude of an individual”.

Interestingly, Lucas had a different perspective of how an individual create their social status and explained that “money can automatically give an individual a ‘high’ social status, but I believe this status is one that will not last forever if the person is shown not to be humble and friendly”. During the discussion with Lucas about his perception on how people around him created their social status, he later came to a conclusion and said with a proud smile on his face that “one should focus on being a friendly person and make sure to choose the right relationships with the people around you. If you do this, I think you will succeed in life”.

Some of the interview participants thought that high social status exclusively depended on the financial advantages of an individual and not on the emotional basis. Emma was one of the participants that believed that great financial means led to high social status and said during her interview that “social status is all about what an individual owns, and that ownership of many precious items can create a higher social status”. Emma’s view of social status can be directly linked to Kapferer and Bastein (2017), who argued that the individual's performance, in monetary terms serves as a ground for the social classification. In addition, the monetary view of social status can be linked to the prestige seeking behavior of a consumer, which is an important part of the social dimension of luxury value perception.

In the creation of a social status, the importance of a visible brand logo was also brought up during the interviews. Of all of the eleven interviews conducted, there were two statements that all participants agreed upon. Firstly, they had all sometime during their lives participated in luxury consumption. Secondly, they had all perceived that the brand logo was of a higher importance during their older teenage years. They all shared the perception that this was due to the mentality that those who wore labels were the
individuals with the highest social status and were among most popular individuals in a social group. Hence, they bought clothes with visible brand logos to fit into a certain reference group of their choice. This further reinforces Schade et al., (2016) study that young individuals are avoiding possible alienation by conforming opinions or behaviors to a preferred reference group, rather than showing a different identity.

All eleven participants stated that this behavior was mostly evident during the ages of 15 to 19, i.e. when they attended the high school, rather than between the ages of 20 and above, which Schade et al (2016) earlier stated. This social group were considered to be preferable as they were the ones that possessed a larger amount of money compared to others. Sophia said that “the ones that were considered to be cool during high school were the ones that had more money, and they showed it to others by wearing visible brand logos”. Lisa described her experience of social status in high school and said that “when I went to high school, it was all about money and branded clothes”. Additionally, she experienced that “If one did not wear what was considered as acceptable - it was hard to be considered likeable for who you were as a person”.

Some of the participants further agreed that the interest of visible brand logos exists to a large extent in today's society, i.e. that an individual receives a higher social status when wearing a visible brand logo. The participants argued that the labels will automatically put an individual in a preferred place in the society, and that a lot of people desire to be a part of it. For instant, Emma argued that:

“High status is about where you perceive yourself in your surroundings, and that earning a lot of money and own a lot of expensive items creates a higher social status in the society. The possession of expensive products can be shown in particularly via labeled luxury goods.”

This means that Nelissen and Meijers (2011) research that states that individuals use luxury brands as a way to convey social status is proven to be accurate to a certain degree with the younger consumers thoughts of what a high social status actually is. However, some of the participants had a negative connotation to this profitable social strategy and explained disappointedly that the social status should in reality not be based on the individual’s possessions. They explained that social status should depend
on the individual’s personal values, instead of the values associated with the products that they buy. Emma gave an example of how an individual’s values and perceptions can be explained by what they buy.

“A person who engage in eco-friendly consumption, such as second-hand, is often associated with being responsible and caring. This means that the individual does not buy products to be associated with the product's core values, they rather buy these types of products to show their own values in the society” (Emma).

When Emma spoke about her use of visible logos, she expressed herself as a bit afraid that wearing visible logos would cause individuals to get a misplaced perception of her. That others would perceive her attitude differently, e.g. that she would believe that she is better than others by showing of this branded product. This behavior means that she cares a lot about what others in her surrounding think about her, and that she aim to feel accepted and not misunderstood by the social group she wants to belong to. Emma’s behavior can be linked to the bandwagon effect, which describes that the individual wants to conform with others and be socially accepted (Yim et al., 2011). Most of the other participants also described their purchasing habits as being affected by their surroundings, and that they would probably not look the same, nor have the same identity if they would have grown up in another social surrounding.

To conclude, most of the participants believed in an emotional, or a mix between the emotional and financial advantages when constructing a social status. They did not believe that only financial advantages play a central role in social status creation, it was rather about who you were as a person and how you use your possessions. The preferred reference group values and beliefs played an important role in creating a high social status, and most of the participants argued that the individual aim to behave in a way that is preferred by the social group they want to belong to. In addition, some of the participants believed that the financial advantages that an individual possesses created the opportunity to purchase expensive items, and thus create a high social status in the society.
5. Discussion

This section will discuss the insights gained from the empirical findings.

In this study, the authors have explored how young consumers construct their identities through luxury consumption. The empirical findings and analysis has brought insights on the topic. Previous researcher has stated that symbolic meanings of consumption can be brought forward with high cost goods, as it reflects a high income of the owner (Han, Nunes & Dréze, 2010). Our findings confirm that cost of luxury had influence on young consumers buying behavior and that they were willing to pay a higher price on luxury goods that had visible logos. It was visible that higher price ceilings were implemented, as the participants expected a higher personal reward from a luxury item. The cost itself of goods could thus have an influence on individuals’ identities.

The ownership of luxury goods has previously been mentioned as a central part of an individual’s identity, as it has been used to communicate with others in their surroundings (Perez et al., 2010). Our findings during the interviews suggest that young consumers construct their identity in their social society in two main approaches, i.e. through financial or emotional advantages. It was discovered that the ownership of material objects was of importance, however it was evident that the majority of the participants believed that the emotional advantages was seen as a key role in the construction of a social status. These emotional advantages were defined as kindness, thoughtfulness and generosity.

By analyzing the data gathered from the interviews, it was evident that the majority of the participants wanted to believe that their consumption behavior was not depending on others in their society. Wiedmann et al (2007) previously stated that the majority of all individuals choose to engage in luxury consumption based on social references. Our findings suggest that the young consumer subconsciously purchase luxury goods to impress or conform with others in the society. During the interviews, the participants discovered and admitted that most of their choices had been based on their social surroundings, whether if it were their friends or from social media. A demand increase for a commodity, as others are consuming the same commodity was explained as the Bandwagon effect by Leibenstein (1950). Our findings suggest that young consumer’s
identities are based on a social construct, where media and preference groups have large influence on what luxury products or services are preferred.

The bandwagon effect was visible during the interviews. The participants believed that they were purchasing luxury items specifically for themselves and due to the item’s perceived superior quality. They further claimed that a visible brand logo was not of importance, as long as they themselves were aware of it. During discussion, it was however evident that a visible brand logo was in fact of importance, and that the participants wished that their surroundings should be able to acknowledge what brand they were wearing. According to the findings, brand logos were of importance as other individuals were either wearing it themselves or had awareness of the luxury items’ meaning. Rosenbaum-Elliott et al (2015) stated that individuals seek to distinguish their social status and construct social prestige by engaging in self-symbolic consumption. The participants of this study used self-symbolic consumption by purchasing luxury goods with visible brand logos. The logos were used as an indicator to others, as the individuals’ aimed to show an identity that they wanted to be perceived as. The subconscious mind was larger than expected, as the participants had not until now thought of their own actions being based on others rather than themselves. By a deeper discussion, the participants became more aware of their own actions and thus realized that they were more influenced by the society than what they earlier had thought.

The findings suggest that young consumers emphasized purchases of socially preferred clothing’s to fit into their preferred social group during high school, which can be associated with the behavior of the Nouveaux Riches. This form of group was described as individuals who engage in conspicuous consumption as they seek acceptance from others in their social society and copied the Elite’s behaviors (Sampson, 1944). However, the findings of this study suggest that young consumers do not copy a form of group like the Elite. The preferred social group today seems to be anyone from anywhere who have had the opportunity to acquire branded clothing. These social groups can include individuals at work, at school, on social media platforms or even strangers passing on the street. It was discovered that individuals often wanted to impress a certain group at one point, and later impress another social group. It was evident that the majority of the participants believed that they had more interest of this type of behavior during their teenage years, as they believed that identity creation was
of larger importance during that period in their life. Belk (1988) mentioned that the
general population now has quicker access to money, which can explain why a larger
number of individuals choose to engage in luxury consumption. The participants of this
study all had the ability and interest to engage in luxury consumption at a young age,
which suggest that the dispersion of time and money has influenced their purchasing
behavior.

The findings suggest that there is a new social group unlike the Elite and Nouveaux
Riches, with a new agenda behind their luxury consumption. It was discovered that
these individuals had little insights of why they behaved in a certain way but realized
during the discussions that they all were a part of a social construct that had an influence
on their identity creation via luxury consumption. This meant that their identities were
shaped based on more external influence than they previously had thought. Belk (1988)
previously said that “we are what we have”, which through our findings can be
justified. An individual could show others what he or she can afford to purchase, and
thus enabling a favorable illustration of themselves. However, the young consumers
explored in this study can be referred to as “we are what we buy”, as the findings imply
that not only is it of importance to own certain goods, but more importantly that the
individual self knows where to buy it and how to use it.

5.1. Implications
In the introduction and problem discussion of this research, the luxury consumption
market was discussed. It was explained as a rising market, due to the economic growth
and changes in social classes (2. Truong et al., 2008). A great amount of research has
been done about the segregation between the old social classes (Savage et al., 2013;
Clark & Lipset, 1991), however there is a gap in the research about whether the young
consumers are behaving in the same manners as the social class of Nouveaux
Riches. This thesis aimed to explore and develop a greater understanding of how young
consumers create their identity through luxury consumption. The dispersion of time and
money has led to a new era of a wealthier middle-class and therefore is of great interest.
The knowledge gained from this study can be used by future researchers as well as
luxury brand corporations to understand the purchasing patterns of the current young luxury consumers.

5.2. Limitations of Research

The purpose of this study was to discover the topic of how individuals are creating their identity based on luxury consumption. Limitations were determined in the initial phase of this research. The time constraint can be seen as a limitation as the authors had five months to conduct this research. It would have been possible to conduct a larger sample in the collection of primary data if the authors had received additional time. For example, the participants of the interviews conducted could have been found outside of the Jönköping region, both in other cities of Sweden and even in foreign countries. As the authors themselves are in the age of 22 to 23, it is critical to acknowledge that their own experiences, opinions and ideas might be subconsciously biased during the process of conducting and completion of the primary and secondary data.

Furthermore, the authors have not previously been engaged in writing this type of research study. This has during the research process led to the feeling of uncertainty, but also hesitations. This has consequently led to some time spent on understanding the outline of this thesis, that could have been spent on further research. This research cannot be considered as a conclusive discovery of the topic. However, it provides a good overview about the crucial parts of how individuals create an identity through luxury consumption and can therefore be used as a base for further research.

5.3. Suggestions for Further Research

The authors of this research have several suggestions for further research, due to the learnings and limitations of this study. Firstly, as the authors had a time constraint, this research is limited. A greater time span would have allowed the researchers to investigate the subject of how individuals are creating their identity based on luxury consumption more in depth. As this research regards individuals between the ages of 17 to 29, it covers a widespread age group with many different experiences and opinions. It
was evident that the participants of this research earlier in life all believed that the appearance of an individual played a major role between the ages of 15-19, it may be of interest for further research to investigate this specific age segments. For further research it may be of interest to cover a smaller age segment to discover more coherent personality traits. Moreover, as the majority of the participants in the primary data collection were females, it could be favorable to engage a larger sample of males to get a trustworthy result of how males behave and think of this subject.

Lastly, this research topic has not been thoroughly discussed or investigated enough to cover the existing literature gap. Therefore, further research could possibly enhance the understanding of how individuals are creating their identity based on luxury consumption by greater sample sizes and a greater focus on gender equalization.
6. Conclusion

At last, this section will reconnect to the research question as well provide a conclusion made from the analysis and discussion.

The aim of this study has been to explore young consumers identity creation through luxury consumption. To explore the topic, it was beneficial to understand if this was a new form of consumption behavior and if it differentiates from the Elite and Nouveaux Riches. Time changes individuals’ lifestyles, and with the dispersion of time and money, more individuals can now engage in luxury consumption (Belk, 1988). Based on our analysis and discussion, it was evident that there is a new form of social group in addition to the Elite and Nouveaux Riches, that also has easy access to luxury good. This type of consumer uses luxury consumption in their identity creation to distinguish themselves from others in the society and thus aim to create a higher social status (Eastman & Liu, 2012). According to Kastanakis and Balabanis (2012) luxury brands are now targeting a larger, but also a younger group of consumers.

In comparison to the Elite and Nouveaux Riches, the participants of this study constitute a new social group with other agendas behind their luxury consumption. Some of the participants agreed that an individual must know how to use a luxury product and not solely own one. All participants pursued conspicuous consumption to enhance their identities. The Nouveaux Riches used conspicuous consumption to impress the Elite (Sampson, 1994), this was however not the reasons for the social group discovered in this study. The agenda were instead to fit in with any individual or group within the society who has a preferable social status. I was proven to be different groups for each individual, as he or she aimed to be a part of various preference groups.

Luxury consumption is based on social references (Wiedmann et al., 2007), which our study has clarified. Previous rulers, kings and queens used luxury consumption to display their identities and political actions (Carnino, 2013), which today can be seen from the younger consumers as well. It has been discovered that this form of behavior has a symbolic meaning and can lead to “we are what we buy”, i.e. that individuals engage in luxury consumption to show others who they are and thus differentiate themselves. It was evident that the young consumer sought the symbolic meaning of a
purchase and that a higher cost led to a higher personal reward. Certain possessions, interests and the environment an individual live in were all found to be important tools for young consumers when they construct their identities. In conclusion, our findings prove that young consumers construct their identity through luxury consumption based on the symbolic meanings and the perceived personal reward.
7. References


Fearon, J.D. (1999) What is identity (As we now use the word)? Department of Political Science, Stanford University


8. Appendix 1

Interview Agreement

This interview will be conducted for educational purposes. The students, Julia Henriksen, Paulina Henriksson and Linn Wadsten are collecting primary data from young consumers in Jönköping, Sweden to use in their bachelor thesis.

Personal information including name, social security number and address will not be shared to third parties and are thus deemed to be confidential. This regard anytime it would be expressed orally, written or through a recording. All communication given during the interview will be recorded by audio and in written format. The interview team take full responsibility of collecting and storing personal data.

The result of this bachelor thesis will be visible to third parties, online and offline. However, all participants answers are to represent anonymously.

________________________________________________________________________

Date, Place & Signature

________________________________________________________________________

Date, Place & Signature
9. Appendix 2

Semi Structured Interviews

Introduction

The purpose of this interview is to conduct primary data of how young consumers construct their identity through luxury consumption. We will go through identity shaping, social status and luxury consumption, as well as general consumption habits. This interview will give the authors of the thesis a broader understanding of identity shaping through luxury consumption, as well as it will give you as an interviewee a understanding of the topic.

- Remember that there are no right or wrong answers for this interview. We want to hear your personal opinions, so make sure you answer honestly.

Målet med denna intervju är att samla primär data om hur unga konsumenter skapar deras identiteter genom lyx konsumtion. Vi kommer att gå igenom identitetsskapande, social status och lyx konsumtion, samt generella konsumtionsvanor. Denna intervju kommer att ge författarna av denna kandidat uppsats en bredare förståelse av identitetsskapande genom lyx konsumtion, samt att det kommer att ge dig som vi intervjuar en förståelse för ämnet.

- Kom ihåg, det finns inga rätta eller fel svar för denna intervju. Vi vill höra dina personliga åsikter, så svara så ärligt du bara kan.
We will start of by getting to know our participants by the following questions:

Vi kommer starta med dessa frågor för att lära känna våra svarande

1. How old are you?
   
   Hur gammal är du?

2. Where were you born, and where did you grow up?
   
   Var föddes du, och var växte du upp?

3. What are your interests (hobbies etc.)?
   
   Vad är dina intressen?

4. What is your occupation?
   
   Vad är din sysselsättning?

5. How would you describe yourself as a person?
   
   Hur skulle du beskriva att du är som person?
Identity Questions

Identicetsfrågor

1. Have you ever thought about your identity and how you come off to others in your surroundings and among your friends? Please elaborate and explain.

Har du någonsin tänkt på din identitet och hur du framställer dig själv, i synnerhet tillsammans med andra? Utveckla gärna och förklara

2. How are you using products and/or brands to express yourself?

Hur använder du produkter och/eller varumärken för att uttrycka dig själv?

3. “We are what we have” is a statement made by Russell Belk in the early 20th century, which explains that humans often have a will to show who they are based on their belongings. What do you think of this statement?

Russell Belk påstod i början av 1900-talet att “We are what we have”, vilket beskriver att vi människor ofta vill visa vilka vi är i ett samhälle baserat på våra ägodelar. Hur ser du på detta påstående? Detta gäller inte endast lyxkonsumtion.

4. Would you be able to provide examples on how we, as human beings, could show our identity through our consumption?

Skulle du kunna ge exempel på hur vi människor skulle kunna visa vår identitet genom vår konsumtion?
Social Status Questions

Frågor om social status

1. How do you see social status, what is your definition and what does it mean for you?

Hur ser du på social status, vad är din definition och vad betyder det för dig?

2. Do you believe in differences in social status? Is there high and low social status?

Anser du att det finns olikheter av social status i samhället? Finns det högre eller lägre social status?

3. If there are differences, how, according to you, do we create high social status among friends and in a social society?

Om du anser att det finns skillnader, hur anser du att man gör för att skapa hög social status bland sina vänner och i samhället?
Luxury Consumption Questions

Frågor om lyxkonsumtion

1. What do you perceive is a luxury product? Is it the brand? Is it the quality?

Vad anser du vara en lyxprodukt? Är det varumärket? Är det kvalitén?

2. What do you perceive that luxury cost?

Vad anser du att lyx kostar?

3. Is luxury consumption something you engage in today? If so, how?

Är lyxkonsumtion något du använder dig av idag? Hur i så fall?

4. The feelings of buying a certain brand, the pleasure, happiness etc. Do you think that these feelings enhanced when you buy a more exclusive luxury brand?

Känslan med att köpa ett visst märke, att man blir nöjd, glädje etc. Tror du att dessa känslor ökar när du köper ett mer exklusivt lyxvarumärke?

5. When you do purchase luxury products, is it specifically one product category that you are purchasing more often than others? E.g. bags or shoes

När du köper lyxprodukter, är det en speciell produktkategori som du köper oftare? Till exempel väskor eller skor
Luxury Consumption Scenarios

A) Which statement matches you the best, why?

_Vilket påstående passar dig bäst och varför?_

1. I value the financial value of a luxury good (financial dimension)

_Jag värderar det finansiella värdet av en lyxprodukt (financial dimension)_

2. I value the functional parts of a product. The quality, uniqueness and its usability (functional dimension)

_Jag värderar de funktionella delarna av en produkt. Kvaliteten, att den är unik och att den är användbar för mig. (functional dimension)_

3. I value the emotional benefits (feelings, pleasure, affect) a luxury good give me and thus construct my identity through luxury consumption (individual dimension)

_Jag värderar de emotionella fördelarna (känslor, nöjdhet, effekter) som en lyxprodukt ger mig som jag då skapar en identitet genom lyxkonsumtionen (individual dimension)_

4. I value the social benefits, prestige and the conspicuousness that luxury consumption give me (social dimension)

_Jag värderar de sociala fördelarna, prestigen, samt synligheten lyxkonsumtion för med sig (social dimension)_
B) Which statement matches you the best, why?

Vilket påstående passar dig bäst och varför?

1. I buy a certain brand because I want to be associated with the monetary value the brand brings. (Veblen)

_Jag köper ett visst varumärke för att bli associerad med detta märkets värde och värderingar._ (Veblen)

2. I buy a certain brand because I want to differentiate from the mass and feel unique. (Snob).

_Jag köper ett visst märke för att skilja mig från den större massan och känna mig unik._ (Snob)

3. I buy a certain brand to be socially accepted and fit in to a certain group of people. (Bandwagon).

_Jag köper ett visst märke för att jag vill passa in och bli socialt accepterad av en viss grupp av människor._ (Bandwagon)

4. I buy a certain brand because I want it, I do not care a lot about what others around me think about it. (Hedonic).

_Jag köper ett visst märke för att jag själv tycker om det, och bryr mig inte särskilt mycket om vad omgivningen tycker._ (Hedonic)
5. I buy a certain brand because I believe that the quality of it is better than the lower prices products. (Perfectionism).

Jag köper ett visst märke för att jag anser att kvaliteten är bättre i jämförelse med de produkter som har en lägre prislapp (Perfectionism)

Regular Consumption Questions

Frågor angående konsumtionsvanor

1. What price class do you usually end up within when you shop? Low, middle, high?

Vilken prisklass brukar du hamna i när du shoppar? Låg/ medel/ hög?

2. Is shopping a part of the other activities you pursue? For example, when hanging out with your friends. If yes, what activity?

Är shoppingen en del av andra aktiviteter? Till exempel umgås med vänner. Om ja, vilken aktivitet?

3. What is your source of inspiration when making a purchase? When and where are you most often inspired? From what type of sources? E.g. Online, friends, window displays, marketing, celebrities etc.

Vad har du för inspirationskällor när du ska göra ett köp? När och var inspireras du? Vilka typ av källor? Till exempel, online, vänner, skyltfönster, marknadsföring, kändisar etc,
4. When are you shopping? How often and where? E.g. online, on vacation or when visiting a shopping center?

*När shoppar du? Hur ofta och var? Till exempel online, på semester, eller när du besöker ett köpcentrum?*

5. How are you reflecting upon the purchases you have made? Are you more likely to purchase the products with the better quality, looks or functionality? What attributes are most important according to you? E.g. fit, color, uniqueness, modernity etc.


6. Are you limiting yourself to certain brands to simplify the purchases you make?

*Håller du dig till vissa varumärken för att underlätta dina köp?*

7. What are your goals with your shopping?

*Vad har du för mål med din shopping?*

8. Who are you shopping with? And if you are shopping with others, are your decisions affected by those?

*Vem shoppar du med? Och om du shoppar med andra, är dina val påverkade av dessa?*
9. Are you influenced by others in your nearest surroundings?

*Influeras du av andra i din närhet?*

10. Does price have an influence in your purchasing behavior?

*Har priset en påverkan på ditt köpbeteende?*