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The perfection of the narcissistic self: A qualitative study on luxury consumption and customer equity

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ABSTRACT

This study explores the buying behaviors of the two types of narcissistic orientations, covert and overt, to see the differences in purchasing behavior and psychology in luxury consumption and their different contributions to customer equity of luxury brands. Covert narcissistic consumptions show counterfeit product consuming behaviors and a fast purchasing cycle, prefer to have trendy items, value quantity more than quality, and choose loud luxury goods. On the other hand, overt narcissistic consumption shows socially responsible consuming behaviors and a comparatively slower purchasing cycle, the preference to have classic and limited symbolic items, prioritizing quality over quantity, and choosing quiet luxury goods. This research confirms that the two types of narcissistic orientations encourage people to have different modalities in luxury consumption and make different contributions to customer equity of luxury brands.

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1. Introduction

Luxury consumption has been pertinent to those in their forties and fifties in the upper class. Recently, the luxury product market expanded into different age segments. Young consumers' luxury consumption has shown rapid growth worldwide. Furthermore, the male consumption rate is increasing globally. Bain & Company's "Luxury goods worldwide market study" states that the global luxury market topped 330 billion US dollars in 2013 and shows continuous growth (<http://www.bain.com>). Despite the global financial crisis, advanced information technology and globalized marketing strategies are vastly accelerating the luxury consumption rate.

Generally, the luxury market has a sensitive relationship with consumers' economic condition and lifestyle. The sales rate changes of the luxury market depend on the global economic situation because of the high price of luxury products and services. However, consumers, who consider the primary goal of their consuming behavior to be improving personal value of self and expressing their identities effectively, carry out luxury consumption despite of economic barriers. From their consumption of luxury products and services, consumers intend to be perceived as luxurious persona. This phenomenon is critically relevant to consumer social psychology. While people have various relationships with others in their own societies, they carry out impression

management for themselves. With the increasing narcissistic consumption, luxury consumption has expanded due to consumers' narcissistic orientation, conspicuous consumption and impression management (Lambert & Desmond, 2013; Park & Kang, 2013; Sedikides, Gregg, Cisek, & Hart, 2007). The Impression Management Theory suggests that people deliberately adjust their behaviors for the expression of positive social images of themselves (Leary, 1995; Tedeschi, 2013). Baumeister and Leary (1995) argue that positive social feedback is a crucial source of one's ego, which is intimately related to narcissism. Thus, the characteristics of narcissistic orientations in relation to luxury consumption need to be explicitly explored because narcissistic consuming behaviors contribute highly to the customer equity of luxury brands.

Consumers try to identify themselves with goods, services, and images of brands or products. More importantly, congruency between their ideal images of themselves and consuming objects has played an important role in luxury consumption in recent years (Mandel, Petrova, & Cialdini, 2006; Park, Rabolt, & Jeon, 2008; Vickers & Renand, 2003)). Thus, what they use or wear, how close the relationship between the individuals and luxury brands is, and what kind of tangible and intangible benefits consumers earn from luxury brand consumption become important issues. These can be extended to the term called 'customer equity.'

To attract more consumers and maximize a firm's potential profitability, customer relationship management emerges as a critical marketing strategy. Thus, customer relationship management is recognized as a part of a firms' assets, which is known as customer equity.

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Table 1
Summary of Research Findings.

	Covert narcissism	Overt narcissism
Common grounds in luxury consumption	<ul style="list-style-type: none"> Express themselves with luxury brand attributes in various ways Use luxury items as their sociopsychological resource Utilize luxury items as essential means for social activities Passionately indulge in luxury brands shopping Crave compliments and admirations from others Choose to purchase luxury brands even with a financial burden 	
Brand equity	<ul style="list-style-type: none"> Consume luxury brands to cover up psychological inferiority Concerned with the visibility of the logos and the public's desirability of luxury brands Desire public recognition and evaluation of luxury brand Believe that luxury brands positive image and popularity make themselves look positive and popular Purchase counterfeits 	<ul style="list-style-type: none"> Consume luxury brands to express psychological superiority Focus on brands' image, reputation, tradition, and distinctiveness Equate luxury brands' overall impressions and meanings with self-image Focus on expressed self-image which affects preferences for luxury items Prefer to buy genuine products rather than counterfeits
Value equity	<ul style="list-style-type: none"> Prefer low price Have no doubt about product quality Consider 'showing off' the biggest benefit from purchasing luxury items Sell out old luxury items to make money for the purchase of new trendy items 	<ul style="list-style-type: none"> Consider expensive prices and low convenience as less important issues in their purchase Believe that luxury items deserve high price Refuse low quality items and counterfeits Prefer socially responsible items or environment-friendly items
Relationship equity	<ul style="list-style-type: none"> Interests move along with trends (no attachment left behind with the brand) Purchase popular items with lowest price possible Feel happy about owning various luxury brand items Do not feel the need to be loyal to luxury brands 	<ul style="list-style-type: none"> Highly loyal to luxury brands which they feel congruent with. Expect special recognition and treatments due to the high price they paid for luxury brands Prefer to have limited edition items Participate in loyalty and affinity programs to express their wealth

Customer equity consists of three parts: brand equity, value equity, and relationship equity (Blattberg & Deighton, 1996). Monitoring and measuring customer equity has become critically essential to survival in a competitive market environment.

The roles of narcissistic consumption have been continuously expanded in the customer equity of luxury brands. Despite the fact that increasing narcissistic consumptions (covert and overt) show different tendencies in peoples' psychology and behavior, previous research has not directly explored consumers with the two types of narcissistic orientations. Therefore, explicit empirical research regarding narcissistic purchasing psychology and behavior of luxury brands is needed and their influence on customer equity should be defined. This study tries to grasp the different luxury consuming behaviors of covert and overt narcissism by qualitative approaches in order to understand their effects on the customer equity of luxury brands. Qualitative research methods are suitable for examining deep psychology and comprehensive behavior in narcissistic luxury consumption.

Hence, this study will examine the following research questions:

1. Is narcissistic consumption an important factor in luxury brands?
2. How does narcissism influence consumer psychology and behavior in luxury consumption?
3. How does narcissistic consumption contribute to the customer equity of luxury brands?

2. Literature review

2.1. Narcissistic consumption in luxury market

The term 'narcissism' is from Greek mythology, and British sexologist Havelock Ellis mentions the term in psychology for the first time in 1898. Since then, Freud (1914/1957) applied narcissism as a psychological variable and, subsequently, narcissism research has been expanding to various disciplines (Campbell, Foster, Sedikides, & Spencer, 2007). Narcissism is defined as a self-loving tendency that people have inside their minds. In modern society, capitalism and materialism incite people to build their self-esteem, elevate themselves, and

survive in a highly competitive environment without feeling of shame or getting behind than others. Such behaviors become prerequisites and crucial values for gratifying their lives (Lasch, 1980).

People with narcissism overly respect and treat themselves in an egotistical way. They desire successful lives, influential social power, compliments from others, goodwill, kindness, and special treatment with high self-expectations in their psychology. To accomplish this, they easily sacrifice their other desires and emotions (Emmons, 1987; Lasch, 1980; Mazlish, 1982; Park & Kang, 2013; Watson, Grisham, Trotter, & Biderman, 1984). Narcissism leads to create their own ideal images and develop a self-concept systematically.

Normal narcissism helps people psychologically well adjust to promoting a positive self-image and encouraging themselves to succeed in self-development contexts. Furthermore, psychologically healthy narcissism claims social ascendancy, takes a positive view about oneself, and has a mindset of flexible self-encouragement and achievement (Ackerman et al., 2010; Pincus & Lukowitsky, 2010).

According to Akhtar and Thomson (1982) and Hendin and Cheek (1997), overt narcissism (Grandiosity-Exhibitionism) permits grandiosity that leads to direct expression of exhibitionism, self-importance, and a preoccupation with attention and admiration from others. The studies also argue that the attributes of overt narcissism are pursuit of social success, lack of depth, ignoring and devaluing others, strong aspiration, and passion for ethics, social politics, and aesthetic issues. They have less feelings of depression, inferiority, and psychological anxiety than covert narcissists (Hendin & Cheek, 1997; Park & Kang, 2013). Akhtar and Thomson (1982) argue that overt narcissists have reinforced self-respect, sense of privilege and invulnerability, ignoring and devaluing others, passion for social success, strong ambitions, high consideration about ethical, sociopolitical, and aesthetic issues, and reality perception from self-centered perspectives.

Belk, Mayer, and Bahn (1982) suggest that consumers disclose their self-concepts by making purchase decisions. The goal of such behavior is to become their ideal images (Das, 2015; Schuhmacher, von Janda, & Woodside, 2014). Sedikides et al. (2007) also state that the narcissists spruce up themselves upon their self-image motives because narcissism dominates consumers' purchase decision-making process which relies

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