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The impact of attitude functions on luxury brand consumption: An age-based group comparison

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ABSTRACT

The main purpose of this study is to understand the consumption of luxury brands in different age groups. Attitude functions (social-adjustive, value-expressive, hedonic, utilitarian) explain luxury brand consumption among three age groups. A total of 297 respondents between the age of 16 and 59 participated in a survey. Using structural equation modeling, this study shows that the hedonic and utilitarian attitude functions are relevant across all age groups, while the impact of the social functions greatly differs among the target groups. Whereas the social-adjustive function strongly enhances luxury brand purchase behavior of late adolescents (16–25 years), value-expressiveness only impacts the luxury consumption of young adults (26–39 years). The social functions do not determine the acquisition of luxury brands by middle-aged adults (40–59 years).

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1. Introduction

Young consumers are the fastest-growing segment of luxury brand purchases. These consumers have increased their spending on luxury goods outpacing any other demographic group (Halpert, 2012). According to a study by Roland Berger Strategy Consultants (2012), young consumers are developing an increasingly positive attitude toward luxury consumption. Still, more mature consumers are currently of the greatest economic relevance in the luxury segment. According to Bain & Co, middle-aged luxury consumers are the highest spenders (each consumer spends an average of 1600 € a year on luxury items), while older luxury consumers make up more than 50% of luxury sales (Roberts, 2014). To sum up, not only the established target groups of middle-aged and older consumers but also young consumers have become a relevant target group for luxury brand managers. Consequently, understanding the motivations of consumers' engagement in luxury consumption in different age groups is crucial for both management and academic research.

According to the "Identity Development Process," age is an important factor that influences personal motivations (Diehl & Hay, 2011;

Erikson, 1963). Following this theory, the increasing sense of one's identity from adolescence to adulthood leads to value changes during lifetime, and consequently, to a modification of the importance of individual needs and motivations (Gutman, 1982; Sheldon & Kasser, 2001). Hellevik (2002) states that "differences in value orientation between age groups are larger than the differences found for any other social background variable" (p. 286). Assuming that identity-based motives are particularly moderated by age (Erikson, 1963) and additionally assuming that those identity-based motives hold a strong reference with luxury consumption (Bian & Forsythe, 2012; Stockburger-Sauer & Teichmann, 2013), we expect that age influences the motivations of luxury brand purchasing in a very meaningful way. So far, research does not provide adequate knowledge about the influence of age on luxury brand consumption.

In order to investigate the motivations for luxury consumption in different age groups, the authors apply the "Functional Theories of Attitudes" as a conceptual framework (Eagly & Chaiken, 1998; Grewal, Mehta, & Kardes, 2004; Katz, 1960; Shavitt, 1990; Smith, Bruner, & White, 1956; Snyder & DeBono, 1989). These theories suggest that individuals possess attitudes due to the psychological benefits they derive from them (Gregory, Much, & Peterson, 2002; Grewal et al., 2004) and that attitudes can serve different functions like expressing one's self (Katz, 1960). The functional view of attitudes suggests that in order for attitudes to change, brands need to appeal to the functions that a particular attitude serves for the individual. Thus, the features of the attitude object and their relationship to need satisfaction act as the motivational underpinnings of attitudes (Lutz, 1978). Therefore, a

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strong link between attitude functions and motivation exists (Sheth, Newman, & Gross, 1991).

The "Functional Theories of Attitudes" are suitable for our study due to the established fact that attitudes are an underlying variable that influences behavior (e.g. consumer behavior) (Katz, 1960; Shavitt, 1989; Smith et al., 1956). Prior studies have shown the relevance of attitude functions (value-expressive, social-adjustive, hedonic, utilitarian) in explaining consumer behavior (Grewal et al., 2004; Shavitt, 1990; Wilcox, Kim, & Sen, 2009). In the context of luxury brand consumption, several authors have proven the applicability of the "Functional Theories of Attitudes" as a conceptual framework (e.g. Bian & Forsythe, 2012; Seung-A, 2012; Wilcox et al., 2009). In order to reflect the complexity of the attitude functions, we adopt the encompassing definition of luxury brands by Hudders (2012, p. 609): "Luxuries are brands with a premium quality and/or an esthetically appealing design. In addition, luxury brands are exclusive, which implies expensiveness and/or rarity."

The objective of the present study is to analyze luxury brand responses (attitude functions and purchase behavior) with a special focus on age groups. Thus, the following question arises: Which attitude functions are particularly relevant for determining luxury brand consumption in different age groups? This research regards both similarities and differences in the influence of attitude functions on luxury brand responses among different age groups. Consequently, this study will provide practical implications for the positioning of luxury brands adapted to specific target groups in order to increase the efficiency of marketing activities.

The next section presents the "Identity Development Process" and the "Functional Theories of Attitudes." Connecting the two conceptual frameworks, hypotheses are derived, followed by a presentation of the research method and the results of the empirical study. The paper concludes with a discussion of the key findings, management implications, as well as limitations and directions for further research.

2. Conceptual framework

2.1. Identity development process

In order to investigate differences between age groups, most researchers draw on life span research (e.g. Lesser & Kunkel, 1991; Simpson & Licata, 2007; Waterman, 1982). The stage theory by Erikson (1963), focusing on the "Identity Development Process," is one of the most accepted frameworks for life span research (Sheldon & Kasser, 2001; Simpson & Licata, 2007; Waterman, 1982). Consequently, the present study uses this theory as conceptual foundation.

Personal identity is defined as "the totality of one's self-construal" (Weinreich, 1986, p. 317). The basic assumption of identity development (Erikson, 1963; Sheldon & Kasser, 2001; Waterman, 1982) is "that the transition from adolescence to adulthood involves a progressive strengthening in the sense of identity." (Waterman, 1982, p. 342). This increasing sense of one's identity leads to value changes during lifetime and to a modification of the relevance of human needs (Gutman, 1982; Sheldon & Kasser, 2001).

Based on the "Identity Development Process" (Erikson, 1963; Sheldon & Kasser, 2001), the following periods of identity development are present in Western societies: childhood (0–11 years), early and middle adolescence (12–15 years), late adolescence (16–25 years), young adulthood (26–39 years), middle-aged adulthood (40–59 years), and older adulthood (60 years and older). These age limits are in line with a study by Lesser and Kunkel (1991) investigating consumer behavior across the life span.

According to Kapes and Strickler (1975) as well as Rokeach (1972), values and human needs tend to change considerably during adolescence and young adulthood; however, they are generally quite stable during middle and older adulthood due to the fact that in most cases, the sense of identity remains stable after the age of 40 (Erikson,

1963; Sheldon & Kasser, 2001). Kapes and Strickler (1975) as well as Rokeach (1972) come to the conclusion that only minor differences regarding the relevance of needs for middle-aged (40–59 years) and older adults (60 years and older) exist. As minor differences between these two age groups might appear, the authors exclude older adults from their sample and focus on the difference between late adolescents, young adults, and middle-aged adults. Consequently, the present study considers individuals with a minimum age of 16, as younger people mostly dispose a considerable low income, and therefore have limited possibilities to acquire luxury brands. Thus, this study investigates the following life span periods: late adolescence, young adulthood, and middle-aged adulthood. The focus is on the most relevant personal differences among the considered three age groups.

In late adolescence (16–25 years), humans search for their identity and show mostly a weak sense of their own identity (Belk, 1988; Erikson, 1963). Thus, individuals in their late adolescence primarily strive for approval of their peer group. They feel pressured to conform to the opinion and behavior of their social group in order to avoid an outsider position (so-called "peer pressure"; Gil, Kwon, Good, & Johnson, 2012; Wooten, 2006). Because of their weak sense of own identity, late adolescents do not have the need to communicate their own identity to others, if this identity is not in line with the peer group.

Contrary to late adolescents, young adults (26–39 years) show a stronger sense of their own identity and their behavior focuses less on peer group acceptance (Erikson, 1963; Waterman, 1982). Due to the increased sense of identity, individuals in the young adulthood feel the need to present their own identity to others and particularly to their reference or aspiration group (Erikson, 1963). Further, this age group shows a relatively high willingness to take risks (Lambert-Pandraud & Laurent, 2010; Lesser & Kunkel, 1991). Based on the "Identity Development Process," young adults have especially the need to express their own identity (Erikson, 1963). This assumption is in line with other theorists who state that young adults have a strong desire to demonstrate personal achievement (Buhler, 1968; Kuhlen, 1964; Lesser & Kunkel, 1991). In this context, Stevenson (1977) uses the term "active mastery" to describe these individuals' motivations to demonstrate their identity and personal achievement.

Contrary, middle-aged adults (40–59 years) are in most cases aware and consolidated in their own identity (Erikson, 1963; Sheldon & Kasser, 2001). Furthermore, Buhler (1968) argues that middle-aged adults begin to accept their self-limitations by adopting a more "passive" perspective about their environment (Lesser & Kunkel, 1991). As a consequence, these individuals are less concerned with identity and the need to present their identity to others is less pronounced (Erikson, 1963). Sheldon and Kasser (2001) empirically confirmed this assumption by showing that the need for presenting the own identity is on a lower level among middle-aged adults in comparison to younger age groups.

Values and needs change during life span. Value orientations are conceptions of the desirable (Kluckhorn, 1951). Parks and Guay (2009) define values as "learned beliefs that serve as guiding principles about how individuals ought to behave" (p. 676). Following Gutman (1982), personal values determine the importance of human needs. For example, if "security" is a personal value, as a consequence the need for "group membership" is of high importance. In addition to values and needs, attitudes and motivations play an important role in determining consumer behavior. Attitudes and motivations distinguish from values and needs in the following way; while attitudes and motivations specifically relate to a given object, person, behavior, or situation, values and needs are more ingrained, more stable, and more general (England & Lee, 1974; Parks & Guay, 2009). Consequently, values and needs are influencing object-related attitudes and motivations. In line with previous research, this study analyzes motivations for luxury brand consumption based on the "Functional Theories of Attitudes" (e.g. Bian & Forsythe, 2012; Wilcox et al., 2009). The authors draw hypotheses based on the

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