St. Petersburg University

Graduate School of Management

Master in Management Program

INVESTIGATING FACTORS INFLUENCING DREAM OF LUXURY AMONG
MILLENNIALS

Master's Thesis by the 2nd year student, Concentration — Marketing, Semen Gorshynov

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ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

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АННОТАЦИЯ

Автор	Горшинев Семён
Название ВКР	Исследование факторов, способствующих повышению интереса к предметам и услугам роскоши среди миллениалов
Образовательная программа	Менеджмент (Master in Management)
Направление подготовки	38.04.02 Менеджмент
Год	2020
Научный руководитель	Алканова Ольга Николаевна
Описание цели, задач и основных результатов	Целью данного исследования является определение и исследование факторов, влияющих на повышение интереса к предметам и услугам роскоши среди миллениалов. Для достижения цели были проанализированы ключевые теоретические модели поведения потребителей и их адаптации к рынку роскоши, особенностям поведения сегмента миллениалов и влечения к брендам. Была разработана структурная модель на основе теоретического анализа и полученных данных, собранных среди миллениалов проживающих на территории России с помощью опроса. Также были проанализированы прямые и непрямые эффекты взаимодействия полученных факторов в условиях общей модели и группового анализа по различным критериям. Вследствие основных результатов исследования было установлено, что гедонизм, уникальность, демонстративное потребление, осведомлённость о брендах и превосходство имеют статистически значимые положительные прямые и непрямые эффекты на влечение к брендам роскоши и намерение приобретать их товары. Было выявлено, что экологическая ответственность имеет значимое негативное влияние на влечение люксовых брендов. Также было установлено, что высокая распространённость бренда аннулирует значимость эффектов демонстративного потребления на влечение люксовых брендов и превосходства на намерение совершить покупку, а низкая распространённость брендов отменяет значимость эффекта уникальности на влечение. Также были выявлены различия в эффектах независимых факторов на зависимые в группах, различающихся по признакам удовлетворённости уровнем дохода, опыта покупок люксовых товаров и наблюдений за люксовыми брендами в социальных сетях.
Ключевые слова	Товары роскоши, услуги роскоши, люксовые бренды, влечение к брендам, потребление товаров роскоши, поведение потребителей, миллениалы, моделирование структурными уравнениями

ABSTRACT

Master Student's Name	Semen Gorshynov
Master Thesis Title	Investigating Factors Influencing Dream of Luxury Among Millennials
Educational Program	Master in Management
Main field of study	38.04.02 Management
Year	2020
Academic Advisor's Name	Olga N. Alkanova
Description of the goal, tasks and main results	The purpose of this study is to identify and study the factors influencing the dream of luxury among millennials and its connection to the purchase intention of luxury goods and services. The analyses of key theoretical models of consumer behavior and their adaptation to the luxury market, the behavior of the millennials segment and the attraction to brands were performed in order to achieve the aforementioned goal. A structural model was developed on the basis of theoretical analysis and the obtained data collected among millennials living in Russia using an online survey method. The direct and indirect effects of the interactions between the obtained factors were studied under the conditions of a general model and group analysis in order to determine differences in consumer behavior among groups defined by various split variables. The main results of the study allowed to conclude hedonism, uniqueness, conspicuous consumption, brand awareness and excellence have statistically significant positive direct and indirect effects on luxury dream value and intention to purchase luxury products. It was revealed that environmental responsibility has a significant negative impact on the luxury dream value. It was also found that high brand penetration cancels the significance the effects of conspicuous consumption on the luxury dream and of excellence value on purchase intention, while low brand penetration nullifies the significance of the uniqueness effect on the luxury dream. Also, differences were found in the effects of exogenous variables on both endogenous factors, differing in group with varied levels of satisfaction with income, presence of experience in purchasing luxury goods and following luxury brands on social media.
Keywords	Luxury goods, luxury services, luxury brands, luxury brand desirability, luxury goods consumption, consumer behaviour, millennials, structural equation modelling

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INTRODUCTION

The industry of luxury goods has significantly changed in recent years, experiencing a dramatic surge after e-shopping, mobile shopping and digital fashion media were introduced to the industry. The availability of premium brands has never been so prominent as well as the popularity of online bloggers and fashion communities. The sharp growth in demand, economic chances and along with the simplicity and digitalization of communication have aided in the transformation of consumer preferences.

2018 Deloitte report (Deloitte, 2018), has pinpointed the major increase in luxury fashion market, specifically the case of Kering luxury group. Gucci, Kering's subsidiary, demonstrated an 86 per cent rise in e-commerce, 50 per cent of which were attributed to the purchases by millennials. The main reasons for augmentations of millennials' desire to purchase Gucci are believed to be the integration of its services into the digital markets and modification of the in-store shopping experience. Current attempts of experience improvement include the addition of an art gallery or a cafe to the physical store, personal assistants and augmented reality technologies for digital commerce. In 2017, Gucci has launched a mobile application, where users can access the look book for past and current seasons, supported by commissioned image and video content. In contrast to other fashion brand mobile applications, Gucci offers specially created wallpapers for mobile phones, the ability to try on accessories with an augmented reality feature through the frontal camera, Instagram filters and the curated list of traveling destinations.

Boston Consulting Group (BCG, 2012) claim millennials have developed strong brand and marketing preferences, and demonstrate noticeable influence on decision-making and brand choices of their social circles. While millennial consumers are now situated at the peak of the spending times; dining out, traveling, and fashion. The research has revealed that millennial females purchase fashion items twice more often than previous generations by 11 per cent. The same statistic for male consumer increased by 28 per cent.

The lustre for high-end fashion for millennial market puts emphasis on emotional and personal context, a phenomenon not so present in previous generations, where the primary reason has been conspicuous consumption. In addition to the quality brand apparel, millennial consumers expect brand to follow and support personal lifestyle and values. Recently, sustainability is credited to have significant influence over the purchase intention as growing number of apparel manufacturers introduce renewable materials and discontinue the usage of leather and fur in their product, concerning the environmental impact (Deloitte, 2018).

In 2019 report, McKinsey (2019) outlined digital disruption of the industry as a whole. In addition to aforementioned online influencers, the traditional idea-item connection is disrupted in

the decision-making process by the overwhelming number of external inspirations. One of the newly unravelled factors to affect purchases is the time lag, or the speed of order and delivery — elements influenced by both the development of e-commerce and technological leaders like Uber and Amazon. In addition, all consumers rated transparency of the brand to be the second most influential factor before the purchase is made.

Considering the current expansion of influencer market, digital commerce, everchanging preferences and global trends towards minimum waiting times and maximum sustainability, desire for luxury for surging millennial market are crucial factors for consideration amongst luxury fashion apparel retailers and manufacturers. The environment of the luxury industry is swiftly changing; according to latest McKinsey report (2020), the brands are already struggling to engage consumers with the engagement via influencers dropping from 4 to 2.4 percent, Facebook and Twitter channels being at 0.05 percent, and new strategies would have to include media productions. Deeper understanding of luxury aspiration has a potential to improve the customer experiences, help luxury brands tailor products and services towards the new values and preferences of millennial customers, maintain the brand engagement, and aid marketers in personalization of the experience.

While the market of luxury fashion goods is experiencing a sharp growth and disruption from digitalization, there is little research focusing on the peculiarities of consumer behaviour in the millennial market. Previous studies (see Chapter 2) have researched luxury brand perception, fashion goods purchase intention, luxury products purchase intention. A number of studies have focused on luxury fashion brand loyalty. The more recent studies investigate high-end buying through the means of conspicuous consumption, brand loyalty and brand awareness, but rarely investigate the potential effects of perceived quality, service, delivery, sustainability, and differentiation between physical and digital interaction. The following research aims to understand not only traditional behavioural peculiarities in relation to engagement concerning fashion and luxury, but take into account idiosyncrasies of millennials and digital disruption.

The majority of existing research into purchase intention and decision-making process behind luxury goods and fashion apparel have been focused on the development of social psychology models. Theory of Planned Behaviour (TPB), an augmented version of the Theory of Reasoned Action (TRA), has been widely used in consumer behaviour research concerning luxury fashion goods. Kim & Jang (2014) have studied motivational drivers for conspicuous consumption in millennials without particular focus on fashion through EFA and ANOVA analyses, however such analysis is ineffective in the disclosure of complex variable relationships and potential revelation of hidden factors. Kapferer & Valette-Florence (2018) revealed a study of brand penetration having mediating effect on the relationship between prestige, excellence and dream of

luxury, omitting an important dimension of consumer engagement, particularly in the digital media. Other previous research focused on updating the model for luxury fashion consumption without a focus on particular consumer sector or aimed at specific categories of luxury fashion products.

The aim of this study is to updated existing links of the current research and confirm factors influencing dream of luxury in millennial consumers. Additionally, the aim is to propose more developed model incorporating newly assumed factors.

Research Questions

1. What are the determinants of dream of luxury goods in millennial markets?
2. What are the specifics of millennial consumer behaviour towards luxury?
3. How dream of luxury and purchase intention correlate?

CHAPTER 1. OVERVIEW OF LUXURY AND CONSUMER BEHAVIOUR BEHIND IT

1.1 The Concept of Luxury and Luxury Brands

1.1.1 Overview of the Luxury Concept

Whilst the term 'luxury' has numerous meanings behind it, as even political power or biomaterials could be considered as luxury, the main connotation behind the word is used to explain extravagant spending towards the demonstration of social status. The materialistic side of luxury underpins opulent conspicuous consumption of unique and rare product of exceptional quality (Calefato, 2014).

Luxury as a concept has been studied in three main areas of research. Philosophical luxury, a study on desires outside of necessities and ordinary happenings. Microeconomic understanding of luxury focuses on goods more than vital and could be traded, but not necessarily are defined as physical products. Luxury products belong to the third area of research, managerial study of luxury, and is purely concentrated on physical products considered extraordinary in relation to other products in a similar category. The extant research about luxury in managerial aspect includes topics such as purchase intention, consumer categories, product categories, environmental factors, culture, and situational factors (Heine, 2012).

Thornstein Veblen (1899) explains conspicuous consumption as a phenomenon of human behaviour, which attempts to demonstrate one's wealth through symbolic expenditure. The following behaviour was observed in leisure class consumers and described as an exchange of social symbols in order to convey high status and prosperity. For prolonged times luxury has been an attribute of wealthy and powerful subject, but current swift escalation in the luxury market has demonstrated the interest in such goods amongst all layers of society. In the traditional meaning, an absolute concept of luxury emerged as products and services accessible only to the few affluent individuals, who could afford and had access to luxury. Often immediate cognitive reaction to the word 'luxury' establishes associative links with private jets, islands and miscellaneous transportation and property related items of high value on their own. Importantly, if brand recognition is considered, then the associative links change to upscale apparel manufacturers such as Gucci, Prada, Dior, etc. Modern luxury changes the meaning of the traditional connotation with the luxury commodities and aforementioned fashion brands becoming increasingly accessible.

Another dimension of the meaning is personal luxury, a situation when a consumer purchases a product from a premium brand outside of habitual personal financial boundaries in order to disrupt a chain of routine expenditure and reward oneself. Notably, the reward effect takes place exclusively if goods are purchased from well-known luxury brands and at a high price

(Kapferer, 2012). Sacrifice, in this case financial, is a compulsory factor of the luxury perception and has been present for hundreds of years in forms of destruction — material sacrifice, or wastefulness — financial sacrifice (Calefato, 2014).

Third context of luxury is an economical overview of the market by the authorities. Bain & Co, a consulting firm focusing on high-end beauty and fashion companies, annually publishes luxury market reports based on a number of national luxury syndicates: Altagamma (Italy), Comité Colbert (France), etc. Considerably, the economic approach accounts only for potential advantage of member companies. Nevertheless, a number of high-end brands are left out in the reports, making such approach to luxury market questionable and inflicting bias of the syndicates in the analysis of the market. Therefore, adjustments are to be considered in the further analysis of luxury fashion industry as excluded firms are of prospective importance in the study of modern luxury consumer behaviour for identification of changes (Kapferer, 2012).

The final interpretation is luxury as a business model that is tailored for profit maintenance of top luxury companies. The luxury business philosophy is based upon the exclusivity of the product and its added value, hence acting in contrast with the business models of the majority of companies in other industries. The communication is a vital aspect of the luxury strategy bearing the improvement of brand recognition, consequently increasing the value. Value chain control is essential for personalisation of production and experience, two key factors for differentiation between high-end and mass market goods. Notably, luxury fashion industry struggles to maintain country-of-origin effect and timelessness of other luxury manufacturers by switching production into countries with lower labour cost and developing more collections per season and collaborations, making luxury fashion rely the most on brand recognition and price elevations (Kapferer, 2012).

Luxury goods are divided by Allérès (1991) into three levels of accessibility. The types of luxury goods can be distinguished and regulated by accessibility; a factor highly affected by distribution. The products are split into inaccessible (e.g. haute couture, custom jewellery), intermediate luxury (e.g. watches), and accessible luxury (e.g. designer clothing). Location and consumer experience vary for the categories from private limited boutique stores to outlets and department stores (De Barnier, Falcy & Valette-Florence, 2012). The levels of luxury are an important factor in evaluating luxuriousness of products, especially fashion apparel, as currently the majority of brands are practicing online retailing and are increasingly turning more into digital marketing and e-commerce. Contrarily, the convenience of online retail may disrupt perceptions of luxury and create an illusion that a previously luxurious good becomes easily attainable (Veg-Sala & Geerts, 2015).

Countries with developed economies have previously dominated the purchasing power of the luxury market until recently, when Easter European and Asian countries, specifically China, indicated a dynamic increase of luxury consumption by the middle class (Kapferer, 2016; Kapferer, 2012). Bian & Forsythe (2012) assess luxury as a concept relative to individual perceptions of indulgence, therefore making it impossible to generalize it. Moreover, luxury and non-luxury goods are also interpreted as two extreme ends of a product perceived value scale. Individual values and perception of luxury are key factors in defining whether a product or an experience are luxurious or ordinary for an individual.

1.1.2 Definition of a Luxury Brand

A brand encompasses all feelings, experiences, possessions and perceptions an individual has obtained through the connection with a corporation or its operations. In luxury industry brand is the core competence, and luxury brand attached to the product is a key component in such market. Okonkwo (2016) identifies two traits that are specific for a luxury brand: differentiation and emotional appeal. Differentiation is achieved by the connection to the consumer via tangible forms such as visuals, product quality, advertising or a brand logo. Emotional appeal connects to the senses of a customer and stimulate psychological and intellectual responses.

Kapferer (1997) proposes a pyramid structure for brand classification. "Griffe", the top section, is described as unique products that are unable to be mass produced and are provided in limited amounts. "Griffe" class units are manufactured according to specific brand traditions and brand-specific production processes. Upper-range brand is the third level faction, and is the most common type of luxury goods. Notably, upper-range production is so-called "mass" luxury, and allows luxury firms to accumulate profits, spread brand awareness and support its market presence. The last two levels are premium and mass-market brands, sectors unrelated to the luxury category.

Vigneron & Johnson (2004) have proposed the Brand Luxury Index, a measurement system for assessment whether the brand is luxurious. Moreover, the model additionally provides the means to establish brands position in relation to other brands in terms to its perceived luxuriousness.

The five variables are split in categories of non-personal and personal perceptions of luxury. Beginning with non-personal paradigm, conspicuousness factor accounts for social aspect regarded as conspicuous consumption.

Conspicuousness

Conspicuousness is associated with purchases to elevate social status or send symbolic meanings of belonging to a particular social group (Vigneron & Johnson, 2004). Festinger's (1954)

Social Comparison Theory revolves around the assumption that individuals seek comparison to others and accurate self-judgements. The act of comparison happens directly via observation or indirectly through processing information about other individuals in the media or conversations. The act of comparison is two-way, an upward comparison of self to a comprehensively more successful individual and downward comparison of self to a less successful individual, conveying a motivation or a threat accordingly.

SCT aids in explaining individuals, in the following case consumers, experiencing feelings of envy or admiration towards others. Assessment of self is often viewed through a bias from the exposure to forceful psychological sources (e.g., advertising, role model). In consideration to luxury brands, consumers tend to fantasize about brighter and wealthier future lives when exposed to luxury advertising or individuals bearing luxury products.

A group identity could have a similar effect: as consumer purchases a luxury item, the process of comparison to other luxury wearing individual takes place. Psychological and relational intimacy reinforces the social comparison, potentially strengthening motivation for action or signalling a threat in pursuing particular behaviour (Mandel, Petrova & Cialdini, 2006).

Fig. 1.   Brand Luxury Index model (Vigneron & Johnson, 2004)

Importantly, the effect of upward or downward comparison is moderated by the ease of consumer being able to relate to the exposing situation. In the field of luxury consumption research, SCT is used to differentiate prestige variable and distinguish consumers into groups by the need for prestige consumption and financial ability to purchase luxury goods: patricians (high ability, low need), parvenus (high ability, high need), poseurs (low ability, high need), and proletarians

(low ability, low need). Social media exposure and globalization transform SCT into a highly pertinent theory for TPB as normative influence has prominent presence and the exposure to social norms is at the highest value. Accordingly, constant exposure to society and self-comparison strengthen the desire to engage with luxury in the bandwagon effect (Ko, Costello & Taylor, 2019).

Uniqueness

Uniqueness enhances the perception of luxury due to limited distribution and rare sights of a similar item. Unique products are purchased in order to change self-perception and satisfy personal taste. Interestingly, need for uniqueness is directly connected to desire for product rarity. Logically, small amounts of a product result in satisfaction of the need for uniqueness (Vigneron & Johnson, 2004; Snyder & Fromkin, 1980). Theory of Uniqueness elucidates the cognitive response of an individual towards comparison to other individuals by external sources. The primary implication indicates dissatisfaction encountered by individuals when the level of similarity or dissimilarity leaves personal normal boundaries, consequently seeking comfortable level of similarity to others. In a case of reaching uncomfortable situation, an individual will attempt to seek ways to adjust personal image to self-distinguish or self-assimilate. The studies have demonstrated the majority of people placing more value on unique object or experiences, hence more people are observed to satisfy the need for uniqueness. Nonetheless, a number of individuals have a need for uniqueness as a personality trait and are in constant need for external evaluation as unique through behavioural means (Snyder & Fromkin, 1980).
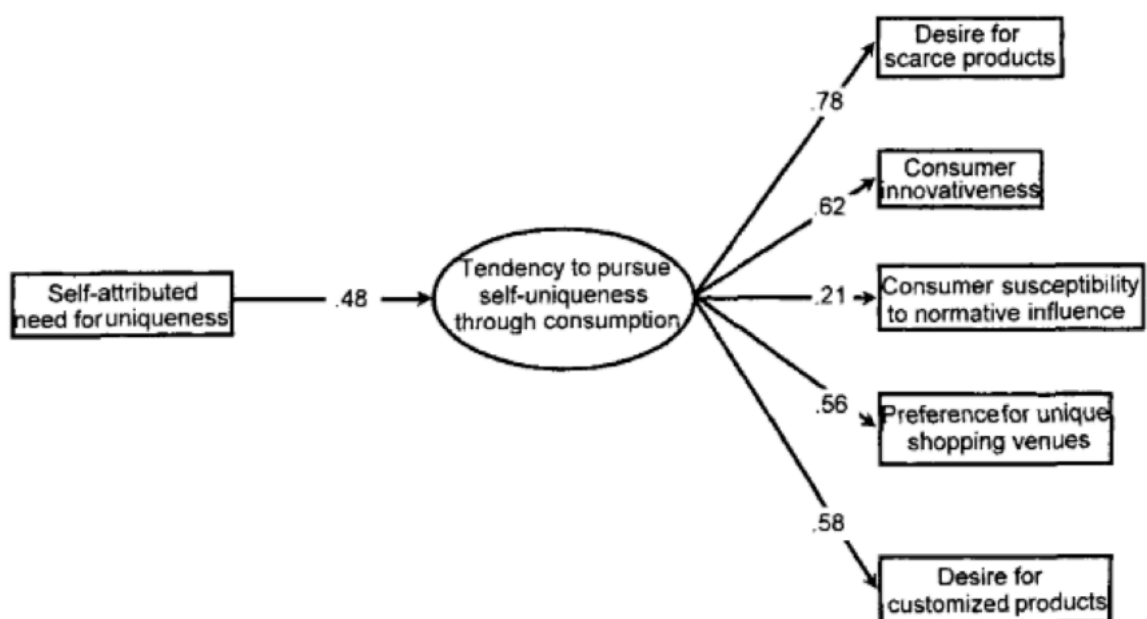

Fig. 2.   Theory of Uniqueness Model (Lynn & Harris, 1997)

Consumer behaviour researchers believe possession of unique and rare objects is a method for a consumer to differentiate from others. Newness, rareness or unpopularity are attributable to enhance the uniqueness of the product since only a select few are able to possess such goods. Tian et al. (2001) segregate need for uniqueness into three categories: creative-choice counter conformity (CCC), unpopular-choice counter conformity (UCC), and avoidance of similarity (AOS). Creative choice counter conformity is a representation of personal creativity and sense of style via consumption of physical goods. The appreciation of creative choice by others is achieved by original, novel choices or possessions of material goods. The distinction from UCC and AOS is CCC assumes an individual choice to be regarded as good taste and being accepted (Bourdieu, 1979). Hence, a creative choice eventually contributes to consumer's uniqueness as it supposedly involves risk factor during the decision-making process (Tian, Bearden & Hunter, 2001).

Unpopular choice counter conformity is defined by choice tactics primarily driven by the user's assumption of item uniqueness in order to achieve deviation. Conversely to CCC, UCC behavioural approach centres around the public disapproval. Unpopular choice opposes established consumer norms and habits, and involves selecting the riskiest option, that could be evaluated as bad taste or viewed as innovativeness in the future (Bourdieu, 1979; Tian, Bearden & Hunter, 2001). Avoidance of similarity explains the loss of product value that become mass-consumed and become overly undistinguished. Goods lose the allure of uniqueness if a consumer fails to establish self-differentiation through its utilization. AOS approach to consumer behaviour creates a notable paradox of choice, where consumers with similar values and preferences are attracted to related or identical products, resulting in loss of uniqueness (Tian, Bearden & Hunter, 2001). In regards to luxury, extravagant apparel attractiveness is achieved by its artistic quality, whilst clothes in general are proved to be more desirable by consumers if are perceived as more exclusive. Luxury brands have further added value to the commodities as the preponderance of such companies offer tailored apparel or partial customization (Lynn & Harris, 1997; Christodoulides et al., 2009).

Quality

Quality of a luxury product is expected to be superior to a non-luxury brand unit. In luxury consumption perceived quality is associated with reassurance and personality traits of perfectionism. Perceived quality could be defined as a consumer's evaluation of product in terms of its excellence and inferiority or superiority in relation to other similar products. In contrast to the actual quality, perceived quality does not assess true characteristic of the commodity and instead relies on abstract quality percipience, compares the product on the global level to other similar ones, and creates a judgement from individual's personal knowledge set of the product.

Furthermore, both actual and perceived qualities are segregated into two domains of extrinsic quality, a judgement of product from individualistic point of view and differing on personal values and knowledge, and intrinsic quality, a judgement of performance and clear comparison to similar goods (Zeithaml, 1988).
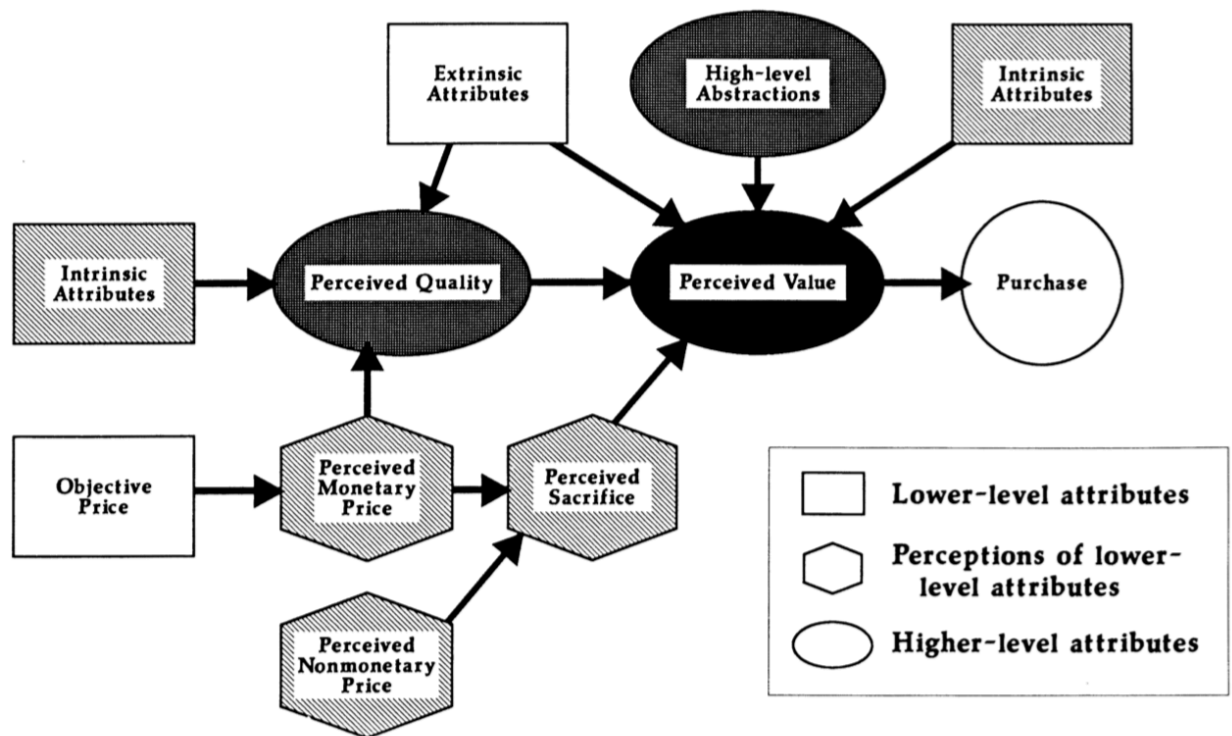
Fig. 3.   A Means-End Model Relating Price, Quality, and Value (Zeithaml, 1988)

For a luxury brand, perceived quality is one of the domains of its brand equity. Consumers lacking technical knowledge of the manufacturing process and evaluating conspicuous commodities are strongly reliable on perceived quality. Consequently, the outcome of perceived quality paired with expectations compared to actual performance have a significant impact on purchase intention, hence affecting brand loyalty (Soh, Rezaei & Gu, 2017). Consumers prior to interacting with a luxury brand emerge with high expectations based on social view on luxury as a phenomenon promising compulsory superior quality. A brand failed to meet individual's luxury values is cognitively attributed to the set of non-luxury brands (Christodoulides et al., 2009).

1.2 Consumer Purchase Behaviour and Luxury

Determinants of purchase intention and aspiration for luxury fashion goods have been extensively academically studied in consumer behaviour for years, and the continuous development of research is increasing over the current changes in global economy and omnipresent fashion media in various communication channels. The research has been utilising and updating

numerous existing theoretical models, adapting itself to everchanging landscape of consumer values. Nonetheless, the current research, while providing vast outlook on what influences the decision-making process behind luxury shopping, is mostly descriptive and omits more external factors such as brand penetration. In addition, larger numbers of studies are concerned with luxury purchasing experience in materialistic view, minimizing the leverage experience and service stages in the process, which are considered essential for delivering the perception of luxury. Moreover, there are significant cases where consumers and respondents lacked success in differentiating between fashion in general and luxury, combining two industries in one (Kapferer & Valette-Florence, 2018).

With the luxury market in surge and consumer preferences shifting, present researchers considered mostly product-dominant approach and personality-related variables as self-consciousness, brand consciousness, and brand loyalty, but external factors such as income level, sustainability, service and quality perception may be overlooked. Importantly, it is common to conduct studies on specific nations, further neglecting cultural and geographical peculiarities in a number of countries. As Kapferer & Valette-Florence (2018) state, there are probable differences in the perception of luxury and fashion in certain countries since most research has been focused on USA and Western Europe.

Also, the discourse of consumer behaviour in relation to luxury fashion has lack of consensus in terms of proposed researched methodology and design. A multitude of studies tend to utilize varying models without accounting for substantial differences in proposed models and for likely bias in particular cases. The following literature view will concentrate on existing theory and direct attention to extant obstacles in this specific area of research. The topics of luxury, luxury value, purchase intention, dream of luxury and consumer engagement with luxury brands are explored.

1.2.1 Purchase Behaviour Models Overview

Theory of Reasoned Action (TRA)

The Theory of Reasoned Action has been extensively used in determining factors applicable to the purchase intention for the luxury products. The theory suggests rationality being present during the decision-making process and that individuals implement knowledge and information while constructing the decision behind a certain action. The model focuses on consumer behaviour as regulated by the behavioural intention. Moreover, theory of reasoned action has been widely utilized in consumer behaviour research in relation to fashion brands (Summers, Belleau & Xu, 2006).

According to Aizen & Fishbein (1980) the behavioural intention is defined the individual attitude toward act or behaviour, and the subjective norm. Attitude towards behaviour is the relationship between the set of fundamental personal values and evaluation of consequences performing the behaviour.
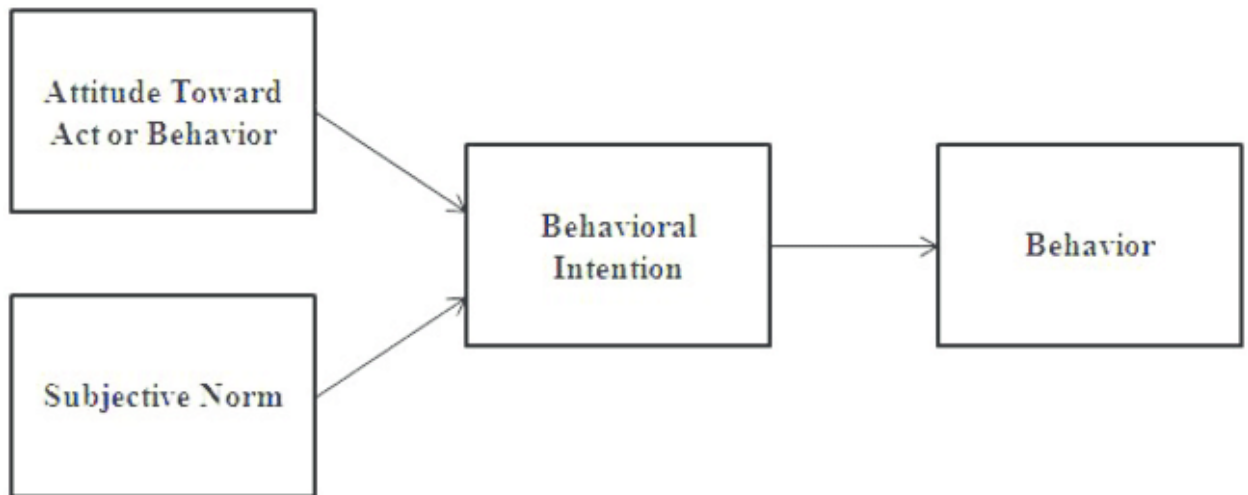
Fig. 4. Theory of Reasoned Action (TRA/ToRA) Model (Ajzen & Fishbein, 1980)

Subjective norms are the social pressure and external judgement by individuals, specifically significantly close to the individual, that can impact the behavioural intention. TRA model was previously extensively used in consumer research prior to the development of the more advanced Theory of Planned Behaviour.

Theory of Planned Behaviour (TPB)

Theory of Planned Behaviour is a development of Theory of Reasoned Action model by Ajzen (1991). The following theory has been widely applied in the current research into purchase intentions behind luxury products and fashion goods. According to Ajzen, if the eventual action is viewed as positive, the individual has higher chance of performing behavioural act and vice versa. Nevertheless, the behavioural intention does not necessarily ensure the performance of that behaviour as was proposed in TRA model. TPB model assumes there are more external factors in addition to attitude and subjective norms influencing the behaviour, specifically perceived behavioural control. The addition of external factors accounts for non-volitional influences as perceived control increases or decreases faith into the ability to perform actual behaviour. Importantly, the dimension of perceived behavioural control consists of self-efficacy and controllability.

Self-efficacy refers to the difficulty to perform the behaviour, and controllability assumes the external agents regulating the ability to achieve the behavioural act. Combined into a single domain, both factors are accounted for in the perceived behavioural control variable.
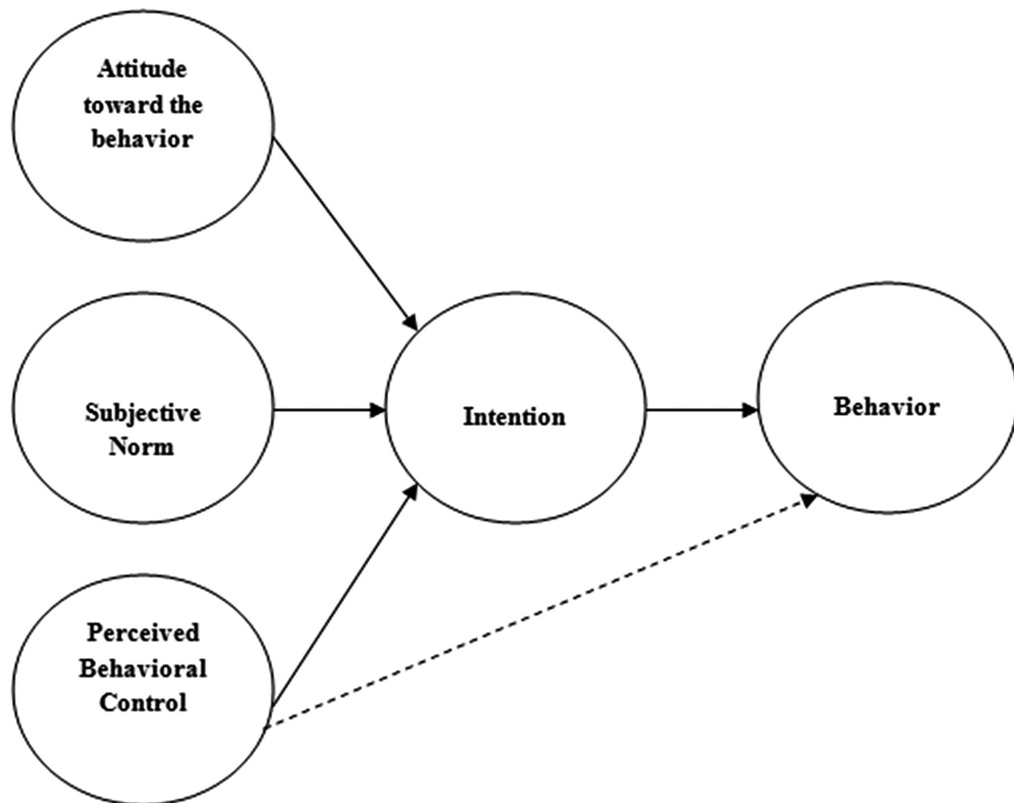
Fig. 5.   Theory of Planned Behaviour (TPB) Model (Ajzen, 1991)

Social Comparison Theory (SCT)

Festinger's (1954) Social Comparison Theory revolves around the assumption that individuals seek comparison to others and accurate self-judgements. The act of comparison happens directly via observation or indirectly through processing information about other individuals in the media or conversations. The act of comparison is two-way, an upward comparison of self to a comprehensively more successful individual and downward comparison of self to a less successful individual, conveying a motivation or a threat accordingly. SCT aids in explaining individuals, in the following case consumers, experiencing feelings of envy or admiration towards others. Assessment of self is often viewed through a bias from the exposure to forceful psychological sources (e.g., advertising, role model). In consideration to luxury brands, consumers tend to fantasize about brighter and wealthier future lives when exposed to luxury advertising or individuals bearing luxury products. A group identity could have a similar effect: as consumer purchases a luxury item, the process of comparison to other luxury wearing individual takes place. Psychological and relational intimacy reinforces the social comparison, potentially

strengthening motivation for action or signalling a threat in pursuing particular behaviour (Mandel, Petrova & Cialdini, 2006).

Importantly, the effect of upward or downward comparison is moderated by the ease of consumer being able to relate to the exposing situation. In the field of luxury consumption research, SCT is used to differentiate prestige variable and distinguish consumers into groups by the need for prestige consumption and financial ability to purchase luxury goods: patricians (high ability, low need), parvenus (high ability, high need), poseurs (low ability, high need) and proletarians (low ability, low need). Social media exposure and globalization transform SCT into a highly pertinent theory for TPB as normative influence has prominent presence and the exposure to social norms is at the highest value. Accordingly, constant exposure to society and self-comparison strengthen the desire to engage with luxury in the bandwagon effect (Ko, Costello & Taylor, 2019).

1.2.2 Luxury Value and Dream of Luxury

The Factors of Luxury Value

Luxury market is obligated to deliver sufficient added value to its product in order to justify significantly higher pricing. However, as concept of luxury is elusive and hard to clarify in a concrete manner, so are the individual perceptions of it and the personal reason to purchase such goods. The businesses of the luxury market are required to meet certain subjective expectations of a consumer to satisfy them and not only justify the expenses, but to be recognized as luxurious. As claimed by Bourdieu (1979) the value of an object can be distinguished in three main domains: economic, social, and cultural. The latter factor assumes socially valuable set of attributes (e.g. scarcity) to the object.

The primary factor behind consumption of luxury products is the ability to display the commodities in order to have an impact on side opinions on oneself. Historically, Thorstein Veblen (1899) explained conspicuous consumption as expenditures by wealthy to demonstrate the ability to waste resources for leisure activities. Consequently, a luxury consumer aims to establish a concrete position in a social layer that is perceived as high society. The willingness to create an impression and emphasize social status remain the strongest levers in the marketing of all luxury companies. Whilst socially oriented benefits and psychological reason for purchasing luxury goods explain colossal part of the purchase intentions behind it, such motives solely are not sufficient in predicting ever-changing consumer behaviour (Hennigs et al., 2012). Additionally, interaction with luxury can improve an opinion of self by indicating inclusion in particular groups, conveying symbolic values, specifically communicating perceived higher quality, rareness, and wealth (Belk, 1988; Giovannini et al., 2015).

The notion of luxury is strongly dependent on the exclusivity of the goods, usually achieved through natural means (e.g., rare components and/or precious materials) or artificially via business strategy (e.g., limited distribution, extraordinarily high pricing) (Hennigs, 2015). As Kapferer (2012) describes, the exclusivity creates the scarcity effect — a phenomenon derivative from economic theory, explaining how underperforming supply shifts the price to the higher levels. Chaudhuri et al. (2011) observe the effect of clearer communication of differentiation to satisfy the need for uniqueness. Economic theory provides sustenance for rare or unique materials and objects providing more actual and perceived value to the user of a scarce item and justifies higher pricing strategies.

Wiedmann, Hennigs & Siebels (2009) proposed a fundamental luxury value model for observing four correlated yet independent constructs of luxury value. In detail, each of the four factors are predicted through independent variables. For instance, functional value is observed through usability, quality, and uniqueness. The explanations of the dimensions are the following:

- The financial value factor is an intrinsic cost value of the luxury product that bears value through financial means and is based on amount of resource spent on the commodity, mainly its price, however discounts are also included. As a luxurious good, it is a necessary monetary sacrifice (Wiedmann, Hennigs & Siebels, 2009; Calefato, 2014).

- Functional value assumes the quality notion of luxuriousness. Satisfaction of the uniqueness need, extension of perceived quality and exclusivity are core components of functional luxury value (Wiedmann, Hennigs & Siebels, 2009; Calefato, 2014).
  The factor supports the perceptions of luxury via TPB, PERQUA and Theory of Uniqueness.

- Individual value domain centres around personal values and attitudes towards luxury. Beginning with individual need to consume luxury and considering various lifestyle ethics such as pragmatism or materialism, extension of identity, self-esteem, hedonistic principles, etc. (Wiedmann, Hennigs & Siebels, 2009; Calefato, 2014).

- Social value factor includes all influences from luxury value within social interactions: assimilation into particular group, social status improvement via conspicuous consumption, rendering opinion of oneself by external social factors, prestige of the brand and tendency being inclined towards luxury consumption

through societal motives and media (Wiedmann, Hennigs & Siebels, 2009; Calefato, 2014).
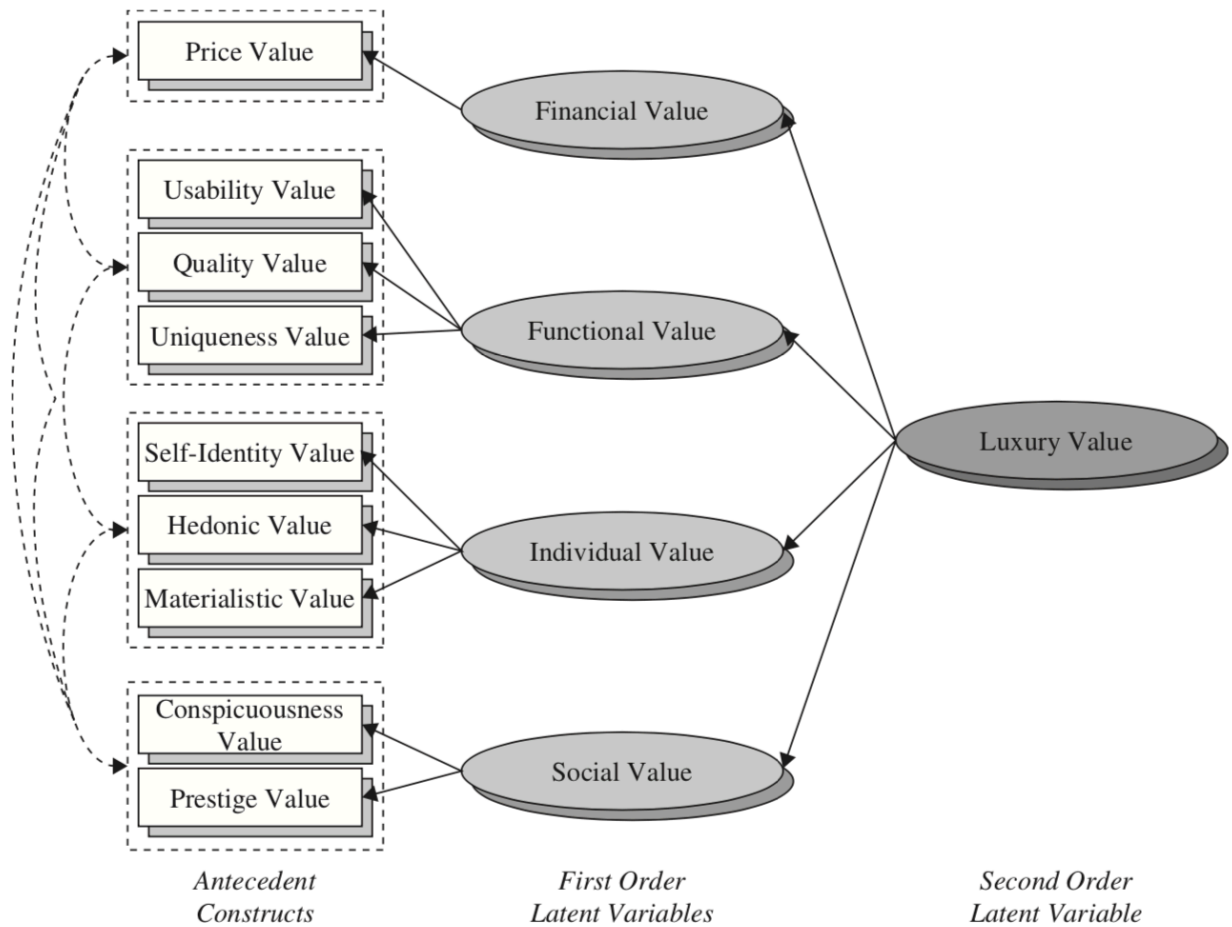
Fig. 6.   Integral Luxury Value Model (Wiedmann, Hennigs & Siebels, 2009)

Outside of the proposed integral luxury value model (Wiedmann, Hennigs & Siebels, 2019), the aforementioned factors also remain relevant today. Schade, Hegner, Horstmann & Brinkmann (2016) explore the relationship between consumer age and attitudes towards luxury brand through the investigation of attitude functions and consumer motivations.

The social-adjustive function describes a tendency to consume particular goods and brands to impact social perception of oneself and support the relationship with the social group a consumer desires to be associated with. In pursuance of identification with the correct social group, affluent consumers purchase luxury brands (Vigneron & Johnson, 2004). Contrary to this observation, millennials and middle-aged users place more value onto self-identity and typically do not regard highly viewpoints of social groups (Schade, Hegner, Horstmann & Brinkmann, 2016). What is more, the social-adjustive function divides luxury buyers into elitist and democratic categories. Elitist group of users believe that luxury should be scarce and requires an abstract minimal education about luxury and good taste, attributes believed to belong to the category of refined

people. In opposition, democratic outlook implies the availability of luxury and does not compel the scarcity or exclusivity, therefore causing controversial opinions on whether the luxury item has to be scarce (Dubois, Laurent & Czellar, 2001). The classless available luxury for varying financial means emerged in postmodernity as 'democratic luxury', as Kapferer & Bastien (2009) has defined, "a luxury item that extraordinary people would consider ordinary is at the same time an extraordinary to ordinary people" (p. 314).

Value-expressive function relates to the consumption of brands as a tool of self-expression and conveying personal identity (Schade, Hegner, Horstmann & Brinkmann, 2016; Dubois, Laurent & Czellar, 2001) mention luxury to be consumed as an enhancement of personal identity, particularly catering to consumers' internal set of tastes defining beauty, success, and power. Aforementioned theory of uniqueness has a strong correlation with the concept of self-identity by conforming to taste and potentially avoiding similar consumption. The consumption of luxury brands transfers perceived notions of affluence by others onto extended self (Belk, 1988; Vigneron & Johnson, 2004). However, the recent research proves the dual effect of brand penetration on the dream of luxury. A luxury brand's desirability could be harmed by high brand penetration and conversely decrease brand awareness (Kapferer & Valette-Florence, 2018). Vigneron & Johnson (2004) describe materialistic values to have strong effect on the impact of luxury value on perceived self. The use of luxury brands by consumers with materialistic views underlines evaluation of personal success and satisfaction. Visible utilization of luxury goods allows consumer reassess extended self by comparison of personal and their social circles collections.

Hedonic function of luxury brands satisfies customer's need for aesthetic attractiveness, sensory enjoyment, and emotional states (Schade, Hegner, Horstmann & Brinkmann, 2016). Hedonistic consumption of luxury brands is utilized as means to find personal fulfilment through the acquisition of emotional contentment and the experience of subjective pleasure in sacrifice of utilitarian value. Therefore, hedonism implies consumption that is subjectively utilitarian to consumer's self and brings intrinsic value (Wiedmann, Hennigs & Siebels, 2009). Hedonic consumers are strongly reliant on personal opinion and subjective values, and are not responsive to interpersonal influences (Vigneron & Johnson, 2004).

The Dream Value of Luxury and Luxury Brand Desirability

The dream potential, or luxury desirability, as a concept was initially proposed by Dubois & Paternault (1995) and further studied by Kapferer & Valette-Florence in 2018. Dream of luxury is coined as the prerequisite process to the act of purchase. The differentiating aspect of the luxury dream from purchase intention or purchase interest is the absence of economic value and financial factors influence. In "Dreaming Up A World — How Luxury Brands Create Desire" (2019) article,

the dream of luxury is approached via an abstract viewpoint. A luxury brand creates distinct symbols, hypothetical stories that may not be perceived as realistic, but provide consumer engagement by making them dream and build aspirations. In contrast to the mass market, luxury advertising more often relies on storytelling and provision of narrative to build upon. The act of comprehension of a symbol after the exposure allows the observer to emerge with cognitive experience, not typically supplied by mass-market firms. Luxury theory segregates the consumption into three categories of needs, desires, and dreams. Need is an impulse of dissatisfaction felt either consciously or unconsciously, desire is a short-lived state and an emotional impulse that has a strong effect and often leads to impulsive buying. The dream built by a luxury brand is long-lasting and cannot be fulfilled since it is an abstract form created to stimulate the consumer. Moreover, luxury desirability is either created by marketing means or a product demonstrating durable demand for years or even decades, luxury spirits or perfumes often being in the latter category. (Kapferer & Valette-Florence, 2016)

However, to achieve the effect of luxury dream a brand is expected to progress through numerous stages before it is recognized as luxurious. Dubois & Paternault (1995) identified awareness as an early stage in the scheme of luxury dream. Increase of brand awareness elevates brand value and recognition beyond target groups, allowing the brand to become distinctive (Vigneron & Johnson, 2004; Fionda & Moore, 2009). To be more precise, a maintenance of balance between high brand awareness and artificially restrained brand diffusion ensures brand desirability and status as a luxurious entity, and retains exclusivity. The research has demonstrated a strong effect of previous experiences and awareness on a brand desirability: brands with values of awareness close to zero had negative dream value, or desire to be owned by the consumer.

Moreover, the relationship between brand awareness and purchase intention has proven to be positive. Consequently, increasing value of awareness results in a higher likelihood of a purchase act (Dubois & Paternault, 1995; Phau & Prendergast, 2000; Kapferer & Valette-Florence, 2018). Kapferer & Valette-Florence (2016) state that the development of the economy influences whether the luxuriousness of the brand is significant for a consumer to dream. Nonetheless, the research showed controversy in Chinese market, where the perception of luxury was different from the result of Brazil. The distance between the perception of luxury is speculated to be affected by potential variables such as creativity and brand prestige, where the latter has been proved to have a mediating effect on the luxury desirability. In addition, the saturation of a luxury brand in the market or unregulated diffusion may not only force the brand lose the luxury value. Overexposure to the luxury brand is debated to be one of the key circumstances leading to the distortion of the brand perception. The lasting overexposure may potentially shift a luxury brand into the premium segment.
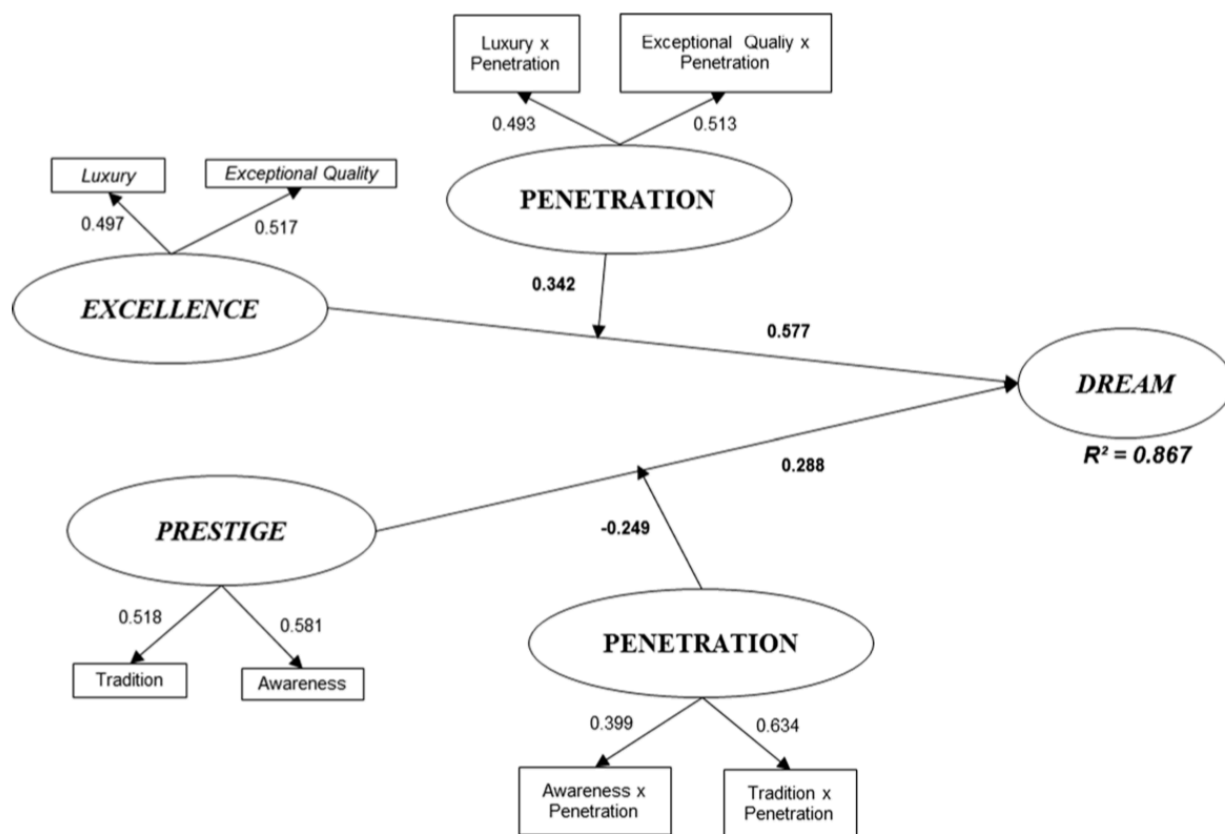
Fig. 7. Dream Value Model (Kapferer & Valette-Florence, 2018)

The elaboration of the concept of luxury dream entails the main idea of selling the dream, not necessarily making the product inaccessible to the mass audience. The research gives insight into the significant strong moderating effect brand penetration has on luxury dream, that being the desire to purchase or own luxury item. Brand penetration has a two-sided effect in the luxury industry due to increasing brand awareness and improving social perception of the brand if the products remain relatively inaccessible and retain the scarcity effect. On the other side, excessive market penetration may weaken the brand's position as exclusive and a luxury goods manufacturer is endangered by market penetration responses from competitive companies as the brand awareness would be consequently diluted in the abundance of cognitive links.

The research studies the controversial effect brand penetration has on the luxury dream through reinforcement of perceived quality and brand awareness, but potentially diluting scarcity and uniqueness of the brand. The findings approved the acceptance of two hypotheses regarding the effect of brand penetration. Excellence, or perceived superb quality of luxury commodities, is strengthened by increasing market penetration of the brand and is not nullified by brand loyalty of a consumer or a large consumer base. Scarcity effect is oppositely affected by brand penetration and is mitigated if market penetration reaches certain level of saturation, where the brand exclusivity is no longer present (Kapferer & Valette-Florence, 2018). Vigneron & Johnson (2004)

support the claim of luxury brands being excellent, defining them as brands that have the highest quality and price rations, and low utilitarian value to price ratio. Moreover, a brand could be relatively luxurious, depending on the industries it operates in.

The purchase-dream relationship has been scarcely studied before. Questioning luxury, Chandon et al. (2016) claim that a luxury is primarily buying into the dream, reaching for impulsive and extravagant reaction from the act of consumption. Existing research claims both of the variables being highly affected by brand awareness, but in an isolated research the effect of purchase decreases the dream value. As noted, the notion of luxury dream has much higher value prior to the purchase of aforementioned brand and has significantly lower statistic after the consumption. Turning to the detail, in some cases research claims that luxury purchase may lead to desire to repurchase (Dubois & Paternault, 1995). The regression equation (see Equation 1) for the dream of luxury was discovered to be the following:

$$\text{DREAM} = -8.6 + 0.58 \text{ AWARENESS} - 0.59 \text{ PURCHASE,} \tag{1}$$

Correspondingly, the study reveals the ambiguous nature of luxury marketing. More accessible products are promoted through increased diffusion, high awareness and large presence in the number of units purchased. For luxury brands, careful control of its diffusion is essential to maintain the dream value (Dubois & Paternault, 1995). Interestingly, Phau & Prendergast (2000) reveal a difference in the consumer behaviour between North American and Asian markets, more so due to cultural connotations of luxury consumption. Asian luxury consumer was revealed to overlook the rarity principle and therefore disregard the exclusivity variable when dreaming about owning a luxury product. The subsequent aspect of rarity neglect is believed to be caused by the prestige variable, an occurrence of high-awareness brand further increasing its dream value through wide diffusion among the certain social class that is seen to be affluent. Kapferer & Valette-Florence (2016) specify opposing direction and see rarity and high price as one of the levers to the dream of luxury, but also mention the personal aspect of the luxury desirability and brand attitude. Price, utilitarian and hedonistic values are discussed to impact individual perception of luxury. Specifically, the strength of utilitarian and hedonistic values influences the desirability of a certain luxury product (Pham, Valette-Florence & Vigneron, 2018). The various levels of dream luxury and purchase acts may result into four key categories of luxury consumer as defined by Kapferer (1999):

- Brand addicts — buyers who frequently purchase brand products and retain the dream.
- Blasé buyers — purchasers that experience a lack of dream for the brand after the purchase.

- Dreamer non-buyers — non-consumers, who dream about the brand without the capacity to purchase its products, but provide engagement.
- Indifferent non-buyers — individuals who are neutral towards the brand.

To add, Chandon et al. (2016) segregate consumers into categories by expenditures, behaviour and generational aspect:

- Absolute luxurers — the most affluent consumers, who have experienced luxury through their lifetime.
- Megacitiers — inhabitants of large cities, mainly capital cities, that spend around 20,000 euros on luxury goods.
- Socialwearer — abundantly present in emerging markets, these consumers mostly value quality, conspicuousness, and sustainability of products. This segment is regarded to as potentially the most loyal group.
- Experiencers — a group aged 45 to 50 that are focused on the discreet consumption of luxury and putting the utmost importance towards the experiences and services.
- Little princes — generation Z consumers that purchase luxury from family money and tend to make impulsive purchases, spending around 10,000 euros a year on luxury brands.
- Fashionistas — mostly female consumer group that are brand aware and tend to focus their expenditures on luxury clothing.
- Status seekers — brand aware purchasers that consume luxury for conspicuous value, such consumers often come from Asia, and also from Italy or Russia.

1.3 Generation Y and Luxury

Cross-generational investigation into behavioural patterns unveils distinct features of each generation differing on external circumstances. A generational cohort is influenced directly by surrounding events during coming of age, which forms its future preferences and distinct patterns of actions. Comparative analysis of Generations X, Y, and Baby Boomers describes millennials as the most luxuriating and eco-conscious (Pitta, Eastman & Liu, 2012). Generation Y, or millennials, are commonly defined as young adult between the ages of 23 to 38 years old (Dimock, 2019). Young adults are currently demonstrating fast rise in consumption of luxury products, and have accounted for more than 85% of the luxury goods market growth (D'Arpizio, Levato & Montgolfier, 2019). The reports have established that the rise of luxury among millennials is logical as young adults reach the zenith of spending power (Giovannini, Xu & Thomas, 2015; McKinsey, 2020).

In relation to previous generations, millennials are prone to overconsumption of digital media and the ability to switch between communication channels with ease, a phenomenon regarded as omnichannel. Behavioural traits of Generation Y currently reshape the business of luxury with the difference from previous consumers, generations that are still perceived as traditional consumers of luxury. Substantially, the dream of luxury for millennial market converts from classic concept of conspicuous consumption and social self into virtual communication, constant connection, and experiential pleasure (Batat, 2019).

1.3.1 Luxury and Particularities of Generation Y

Personal and Collective Identities

A recent study by Eastman et al. (2018) of millennial luxury fashion purchase behaviour assumes the paradoxical importance of the desire for uniqueness and signalling an affiliation to a certain community for Generation Y, whilst Generation X and prior to them typically consume luxury products to demonstrate social status, notions of success and affluence. The link between aforementioned two variables is found to be notably significant in fashion-forward individuals. Consumers experiencing strong need for uniqueness are typically more susceptible to purchase luxury brands since scarcity of luxury products suggests satisfaction of observable visual differentiation (Gentina, Shrum & Lowrey, 2016). The paradox of self-uniqueness versus communal identity revealed itself in a circumstance of increased brand value for a Generation Y customer if individuals with similar tastes and values consume a specific brand (Eastman et al., 2018). Self-comparison to other brand-users has been validated to be a consequence of luxury consumption, enabling for reassurance in brand quality, symbolic connotations and brand level of luxuriousness.

Occurrence of luxury purchase consequence has been documented to increase willingness to pay premium price for a brand among young adult consumers (Miller & Mills, 2012). Younger generations tend to view the community as a provider of trustworthy opinion and validation of personal choices. The presence of online communities created a platform to receive collective feedback and cumulative experience. The reliance of millennials on external opinion manifests in imitation of family tastes, hence similar buying behaviour improves the brand value. Furthermore, aside of extension of self, such purchasing habits act as a basis for social bonding (Batat, 2019). In comparison to other generations, Generation Y is described as highly brand conscious. Brand knowledge of young adults facilitates symbol navigation, as a result improving links between brand consumption and social self-affiliation (Mundel, Huddleston & Vodermeier, 2017).

External peer opinion influence and internal identity factors as uniqueness lead to high values in consumptions of public luxury in Generation Y. Young adults utilize luxury goods, particularly luxury fashion apparel, to luxuriate publicly and relate to the key impact of socialization. Introduction of affordable luxury to the market offers millennials on the younger end of the generation to indulge into luxury purchasing with entry-level products and subbrands (Eastman, 2012). Butcher et al. (2017) argue that millennial consumers inherit conspicuous consumption from previous generations and put importance on social purchasing. Additionally, except the enhancement of social status, Generation Y pursues need for uniqueness equally on both ends of generation age. Unobserved in Boomers and Gen X, approach strategy for young adults suggests promotion of social status via conspicuous consumption of luxury or differentiation and uniqueness, but combination of both appears to be perilous since both variables are mutually exclusive in a singular experience, but could be utilized by a luxury brand separately (Butcher, Phau & Shimul, 2017).

Luxury as Experience

Investigations into millennial behaviour inside the luxury market claim the importance of experience, reaching the significance comparable to fulfilment of materialistic and utilitarian expectation from luxury. Non-material luxury attracts millennial consumers through recreational and cultural factors. As of today, the vast majority of luxury brands provide capabilities for emotional and sensory stimulation that are rapidly accessible, specifically via digital platforms. Experiential luxury includes learning and utilizing information as instruments for self-expansion. Constant compulsion for informative experience consumption intensifies the desire to interact with the brands one already owns, providing a deeper brand-user connection and, as a result, luxury-user link (de Kerviler & Rodriguez, 2019; Mundel, Huddleston & Vodermeier, 2017). Emotional experience from luxury brand interaction is directly correlated with senses of happiness and inspiration. Previous examination of attitudes towards luxury display aesthetic and visual satisfaction, comprehension of upscale products as beautiful and dream-inducing. Emerged emotional stimulation is recorded either as positive consequence resulting in a dream or negative effect leading to disturbance. Numerous respondents have stated that interactivity with luxury is directly related to dreams (Dubois & Laurent, 1994; Pozharliev, Verbeke, Van Strien & Bagozzi, 2015). Electrophysiological exploration of emotional stimulation by experiencing luxury-branded goods has contributed to support of luxury brands possessing experiential value. Young adults demonstrated positive response toward luxury brands and illustrated emotional arousal in a comparative experiment involving mass-market and luxury brands (Pozharliev, Verbeke, Van Strien & Bagozzi, 2015). In addition, luxury brand stimulus was revealed to a reliable source of

emotional experience when compared to other products due to the pre-existing high-involvement nature. Luxury brand experience brings satisfaction of novelty-seeking behaviour for millennials. Such behaviour explains demand for exploration and seeking information, a common attribute responsible for search of excitement. In Generation Y, luxury brand experiences have been proven to significantly affect the trait of self-expansion, an uncommon event in other generations. Furthermore, previous research has discovered to view brand experience as self-improving and developing new perspectives (de Kerviler & Rodriguez, 2019).

According to von Wallpach, Hemetsberger, Thomsen & Belk (2019), luxury as experience could also be segregated into five types: interrupting (creating value here and now), climatic (high impact moments akin to dream come true), disrupting (long-term effects), ritualistic (a re-emerging luxury momentum), and terminating (one-time experience that contrasts with everyday life). The main definitive point for a moment to be luxurious is that it disrupts the usual everyday flow and such moments are to be perceived as scarce, which is the same quality that applies to luxury as physical goods. The qualities of luxurious moments involve cutting costs, providing a change and, one of the most significant factors, creating excitement, and hedonic value. The main value of luxury as experience is the emotional arousal that an individual experiences as the moment takes place.

Going in line with the concept of dream of luxury, luxury experiences is responsible for providing escapism through intangible means and are considered ephemeral, precious, and scarce.

Generation Y Luxury Goods Purchase Behaviour

One of the most recent studies of millennials' consumer behaviour in regards to luxury consumption was introduced by Soh, Rezaei & Gu (2017). The model featured developed TPB model in accordance with PERQUA, SCT and Theory of Uniqueness. However, the foundations of hypotheses, especially regarding peculiarities of Generation Y consumers were based on non-fashion related assumptions and projected onto from miscellaneous industries. Whilst Kapferer & Valette-Florence (2018) and Eastman et al. (2018), claim that bandwagon effect and brand penetration have significant moderating effects on purchase intention of luxury fashion products, the aforementioned research also omits recently emphasized value of sustainability in consumer preferences of millennial customers (McKinsey, 2019). Nonetheless, the proposed model is a rare insight into purchase intention for luxury goods by millennials, hence the findings are to be discussed.
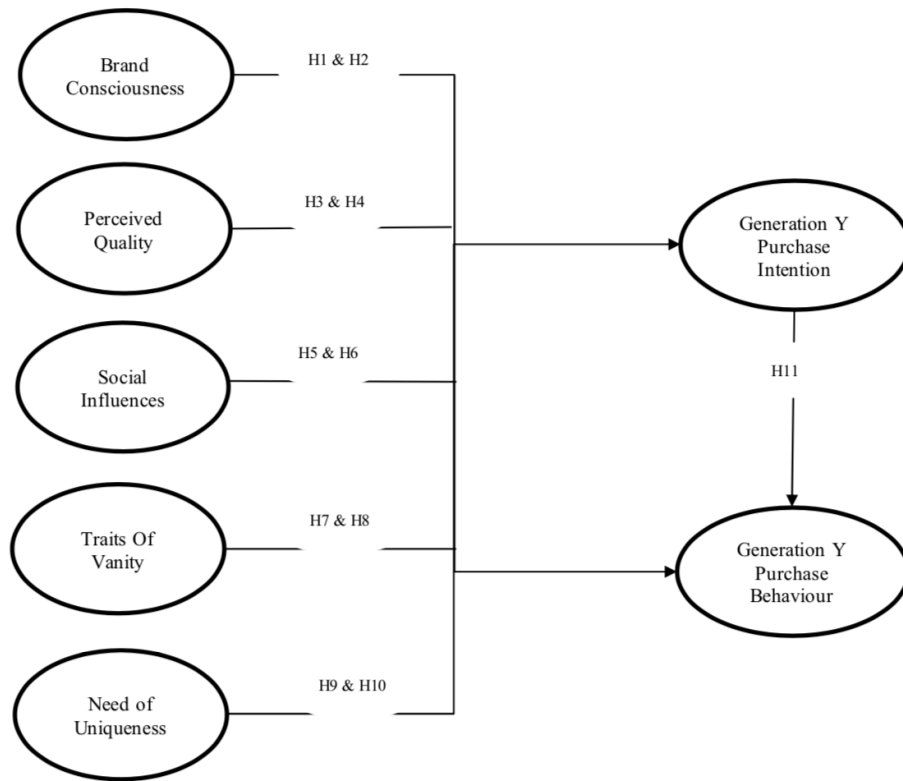
Fig. 8.   Extended TBP Model (Soh, Rezaei & Gu, 2017)

The study focused on Generation Y consumer of Malaysian market, and the PLS-SEM (Partial Least Squares Structural Equation Modelling) analysis was applied in order to reveal potential influencing factors. PLS-SEM is broadly used in behavioural research and due to its flexibility low sample sizes could be utilized in empirical studies to confirm hypothetical links between latent constructs. Importantly, more commonly used CB-SEM (Covariance-Based Structural Equation Modelling) is unsuitable for theoretical extensions and exploratory studies, but CB-SEM analysis operates within particularly stricter boundaries and is unparalleled in confirmation of behavioural model based on existing applied theoretical models (Lowry & Gaskin, 2014).

The results interpretation establishes the significance of the relationships between brand consciousness, perceived quality, social influences, traits of vanity and need of uniqueness towards purchase intention, but the hypotheses concerning the significant relationship between brand consciousness, traits of vanity and need of uniqueness towards purchase behaviour are rejected. Amongst all the applied factors, social influence had the strongest effect on Generation Y purchase intention. All in all, besides the obvious focus on national peculiarities of Malaysia and less restricted method of analysis, current study disregards such influential domains as brand experience, post-purchase experience, predilection for sustainability, brand penetration, and bandwagon effect.

Luxury and Environmental Consciousness

Sustainable approach to luxury is currently one of the most discussed topics in the industry (Deloitte, 2018; McKinsey, 2019; McKinsey, 2020). The phrase is often argued to be an oxymoron due to the nature of luxury coming from waste and unnecessary sacrifice (Calefato, 2014), a concept directly opposite to sustainability. Luxury contradicts sustainability by bringing intrinsic quality, but sustainability concerns social and environmental topics. Other contradictory factors include transparency, tradition, and history. Luxury brands swiftly introduce corporate social responsibility (CSR) tactics into business values in order to avoid negative reaction from younger consumers. Moreover, luxury brand sustainable practices may not increase the desire for it, but could provoke consumer rejection. As a consequence, social and environmental issues became key to luxury brands for damage avoidance (Batat, 2019).

Consumer approach to luxury consumption introduced 'conscientious consumption', behavioural practice of responsible consumers to demonstrate concerns about social and environmental issues through the symbolic signals. The choice of brands of such consumers intends to outline luxury brands that share ambition for sustainability. In defence of manufacturing and marketing practices, luxury firms spotlight the roots of tradition, quality, and timelessness (Hennigs, Wiedmann, Klarmann & Behrens, 2013).

Hennigs et al. (2013) provide a framework consistent of four key factors of luxury value in the sustainability aspect.

Financial value addresses the willingness of a consumer to pay premium price for provision of superior quality and internal-external values of luxury goods. Higher desirability level allows to set higher margins that are expected to be utilized by the brand to improve its production practices towards sustainability (Hennigs, Wiedmann, Klarmann & Behrens, 2013).

Functional value reintroduces utilitarian durability of a luxury product. Supreme quality of such items adds sustainable features since durable goods are inherited on many occasions. Skilful manufacturing of upscale products logically leads to longevity and fine craftsmanship, factors affecting the perception of luxury (Hennigs, Wiedmann, Klarmann & Behrens, 2013).

Individual value relates to sustainable practice in a way of conveying social meaning through public consumption of luxury. Consumers purchase brands that represent their values and taste, hence reflecting on personal concerns about environmental issues. Individual value is considered the most ambiguous dimension due to a number of contradictory aspects since luxury both means waste and could potentially mean longevity, and bring messages of social responsibility. Therefore, a luxury brand is expected to ensure its communication of sustainability value not to be rejected (Hennigs, Wiedmann, Klarmann & Behrens, 2013).

Social value helps a consumer to transform solely conspicuous consumption for individual self-value increase and status improvement into display of personal sustainability concerns into public. Utilization of environmentally-friendly luxury demonstrates not only the unnecessary sacrifice, but additionally its sustainable source without supplementary damage (Hennigs, Wiedmann, Klarmann & Behrens, 2013).
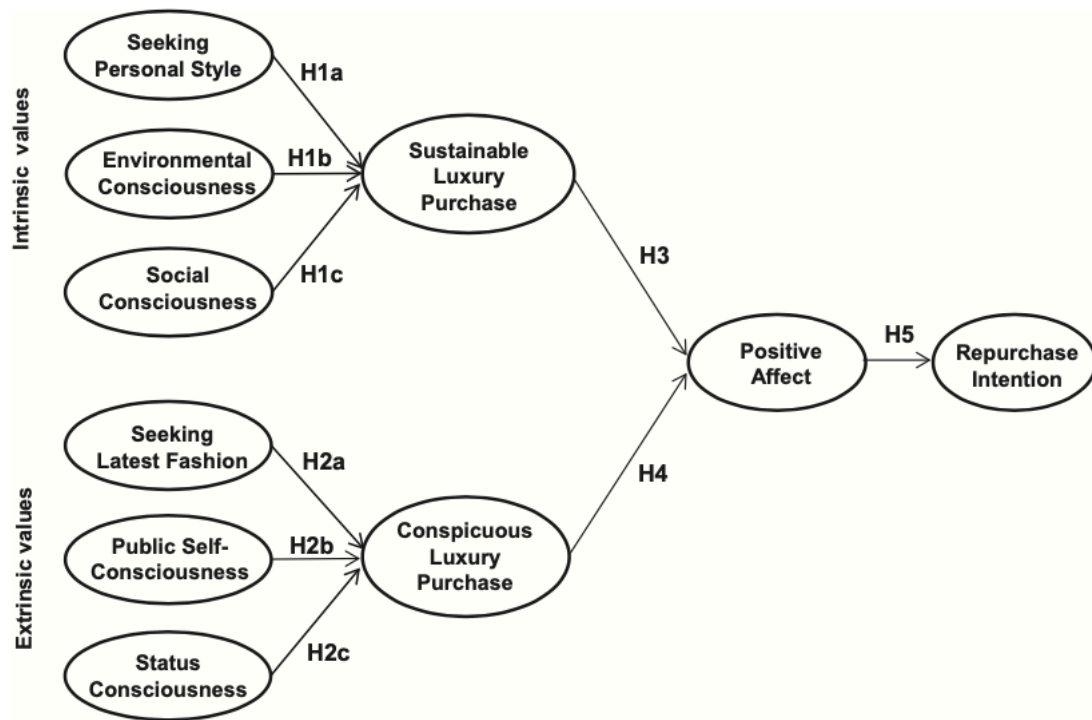
Fig. 9.   Sustainable & Conspicuous Luxury Purchase Model (Ki & Kim, 2016)

Environmental consciousness represents individual environmental awareness and aspiration towards nature protection. Numerous luxury consumers become aware of the manufacturing and consumption impact on environment, and claim personal responsibility for environmental and social protection. The examination of consumer behaviour has discovered the willingness to pay price premium for environmentally-friendly goods. Furthermore, more environmentally aware consumers are more likely to engage in nature-protective behaviour. Controversially, the study reveals quality and social values are more significant in regards to luxury purchase intention and environmental consciousness has not been shown of significance (Ki & Kim, 2016).

Jain (2018) has adopted TPB to create a model for defining determinants influencing purchase behaviour for sustainable luxury products. Whilst sustainability is contrasted to the concept of wastefulness and wealth, Kapferer (2010) claimed that luxury brands attain a notable value through long-lasting, durable products via high quality production, and such commodities are purchased not only for conspicuous consumption, but additionally for supposed ability of

permanent utilization. What is more, as McKinsey (2019) and BCG (2012) reports demonstrated, millennial consumers are principally increasing concerned about sustainability and luxury brands recently heavily adopted sustainable production methods.

The study has identified four major elements into which factor could be assigned to, which are culture, personal value, social value, and economic value. The TPB model was modified by acknowledging Schwartz value theory, a scheme of value dimensions relating to human behaviour and its balance in self-oriented and social-oriented behaviour types.
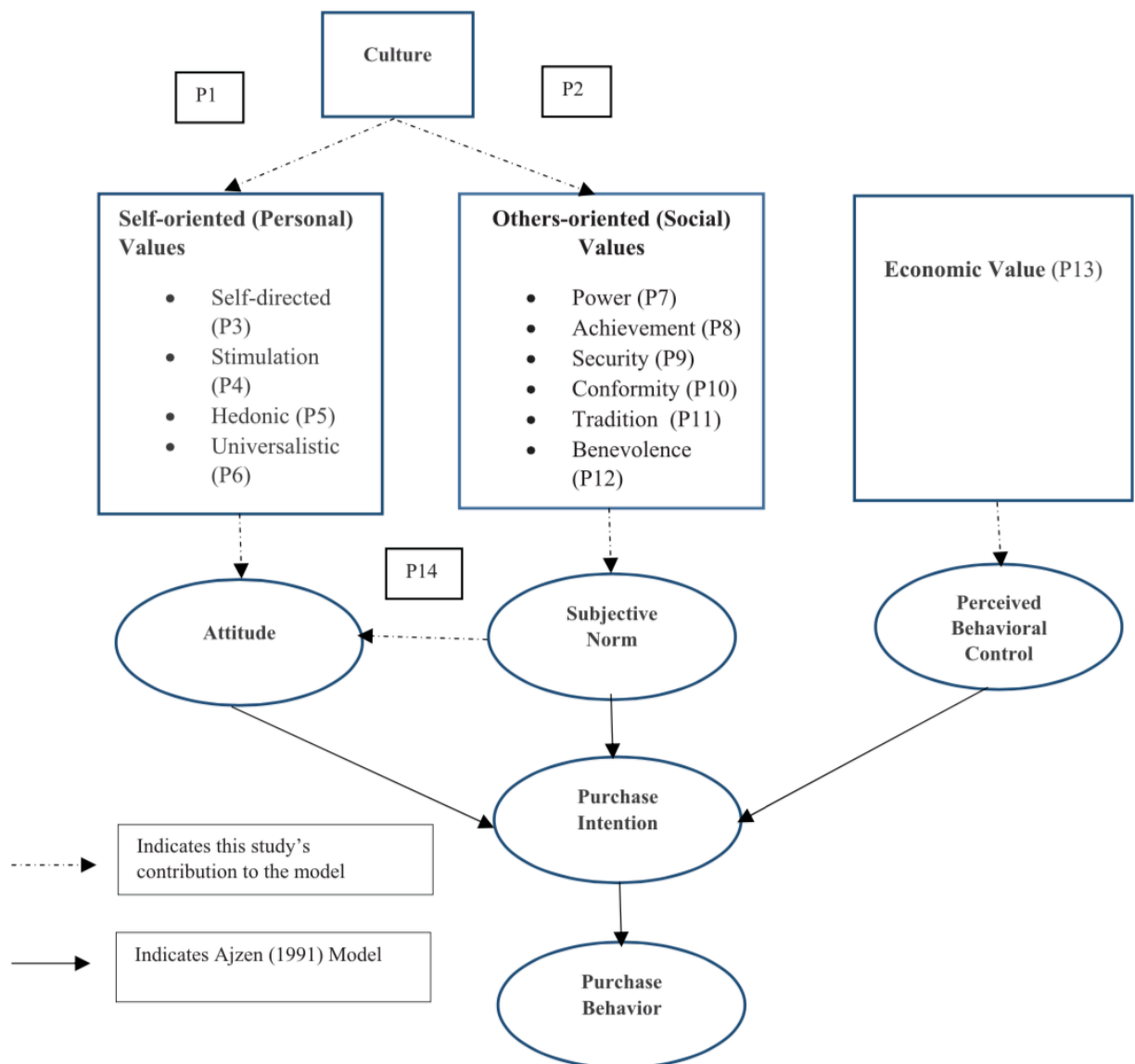
Fig. 10. TPB modification based on Schwartz Framework in relation to Sustainable Luxury Goods (Jain, 2018)

Self-oriented and social-oriented values were added and confirmed as factor influencing attitude and subjective norms, and divided into 10 variables (see Fig. 10). Notably, economic

value, that is often omitted in the research into luxury goods, presumes consumption of luxury products as a method of cutting further costs since consumer excepts superior quality, therefore above that anticipates longevity of an item (Jain, 2018).

Gibson & Seibold (2014) explored the value relationship in eco-conscious luxury consumers with a distinction of factors. While the study was performed in relation to consumers of luxury cars, the research shed light on personal factors and perceptions of the luxury-sustainability connections. Most importantly, a number or study participants identified that see luxury hedonic and social value as personal development and flourishment. As the purchase itself is not of necessity, so experiential and excellence qualities were seen as individually valuable.

1.3.2 Theoretical Model Assessment

The literature review of the existing research has demonstrated numerous potential models to be adapted for the research, with some models being developed entirely by the researchers. The majority of articles focus on the factors behind purchase intention or what defines the luxury value in various circumstances and different sampling groups. The vast majority of existing models do not take into account the dream value of luxury, that is seen as a prerequisite to purchase intention, but directly assess the purchasing behaviour of the select groups. Non-behavioural assumptions of luxury value do not include the dream value that factors create to enhance luxury desirability as well. However, the luxury dream model by Kapferer & Valette-Florence (2018) does not include a number of factors that were proved to be significant. In addition, the model does not test the effect dream value has on purchase intention, a phenomenon hypothesized by Dubois & Paternault in 1995 and not explored as of yet.

As can be seen in the Table 1 below, the framework considered in the research have been assessed by their relevance and utilization in regard to the dream value. The researchers that did not introduce new models have proved the reliability of TPB model in the studies of consumer behaviour and luxury markets, extension of which is taken into account in the development of proposed model. TRA model is not considered due to TPB being a further development of TRA, which renders the theory inferior to TPB. Therefore, out of two general consumer behaviour theories TPB approach is chosen to be the basis. The developed approach proposed by Soh, Rezaei & Gu will be adapted with some constructs changed. In addition, some constructs will be introduced from other models according to the hypotheses of the study.

Table 1. Applicability of considered models in research.

Model	Constructs	Relevance	Dream Value	Generation Y Tested	Applicability to the research
Theory of Reasoned Action (TRA)	Attitude toward behavior Subjective norm				Not applicable as the model has been improved since.
Theory of Planned Behavior (TPB)	Attitude toward behavior Subjective norm Perceived behavioral control	▓			Applicable model that has been extensively used in regard of the topic.
Brand Luxury Index Model (BLI) (Vigneron & Johnson, 2004)	Conspicuousness Uniqueness Quality Hedonic Extended Self	▓			Not applicable, however, some factors are suitable to be tested.
Integral Luxury Value Model (Wiedmann, Hennigs & Siebels, 2009)	Price Value Usability Value Quality Value Uniqueness Value Self-identity Value Hedonic Value Materialistic Value Conspicuousness Value Prestige Value	▓			Not applicable as the dependent variable is value and the model test for a different concept, however, some factors are applicable.
Dream Value Model (Kapferer & Valette-Florence, 2018)	Excellence Prestige Penetration Dream	▓	▓		Applicable, the dependent variable and moderation are significant, both effects taken into account.
Extended TPB Model (Soh, Rezaei & Gu, 2017)	Brand Consciousness Perceived Quality Social Influences Traits of Vanity Need of Uniqueness	▓		▓	Applicable, the model is most suitable as it follows TPB and focuses on Generation Y.
Sustainable & Conspicuous Luxury Purchase Model (Ki & Kim, 2016)	Seeking Personal Style Environmental Consciousness Social Consciousness Seeking Latest Fashion Public Self-Consciousness Status Consciousness	▓		▓	Applicable, the research includes Generation Y and tests concepts of luxury and environmental consciousness, which is a proposed variable.
TPB-Schwarz framework (Jain, 2018)	Culture Personal Values Social Values Economic Value				Not applicable, the model is testing a distinct theory.

Shaded cells signify the presence of the criteria.

The model compatibility should also be fit as the factors have to represent specific core constructs in the TPB, which are attitude toward the behaviour, subjective norm, perceived behavioural control, intention and behaviour (Ajzen, 1991). In order to correspond proposed model with TPB, a simplified version was created (see Fig. 11 below).
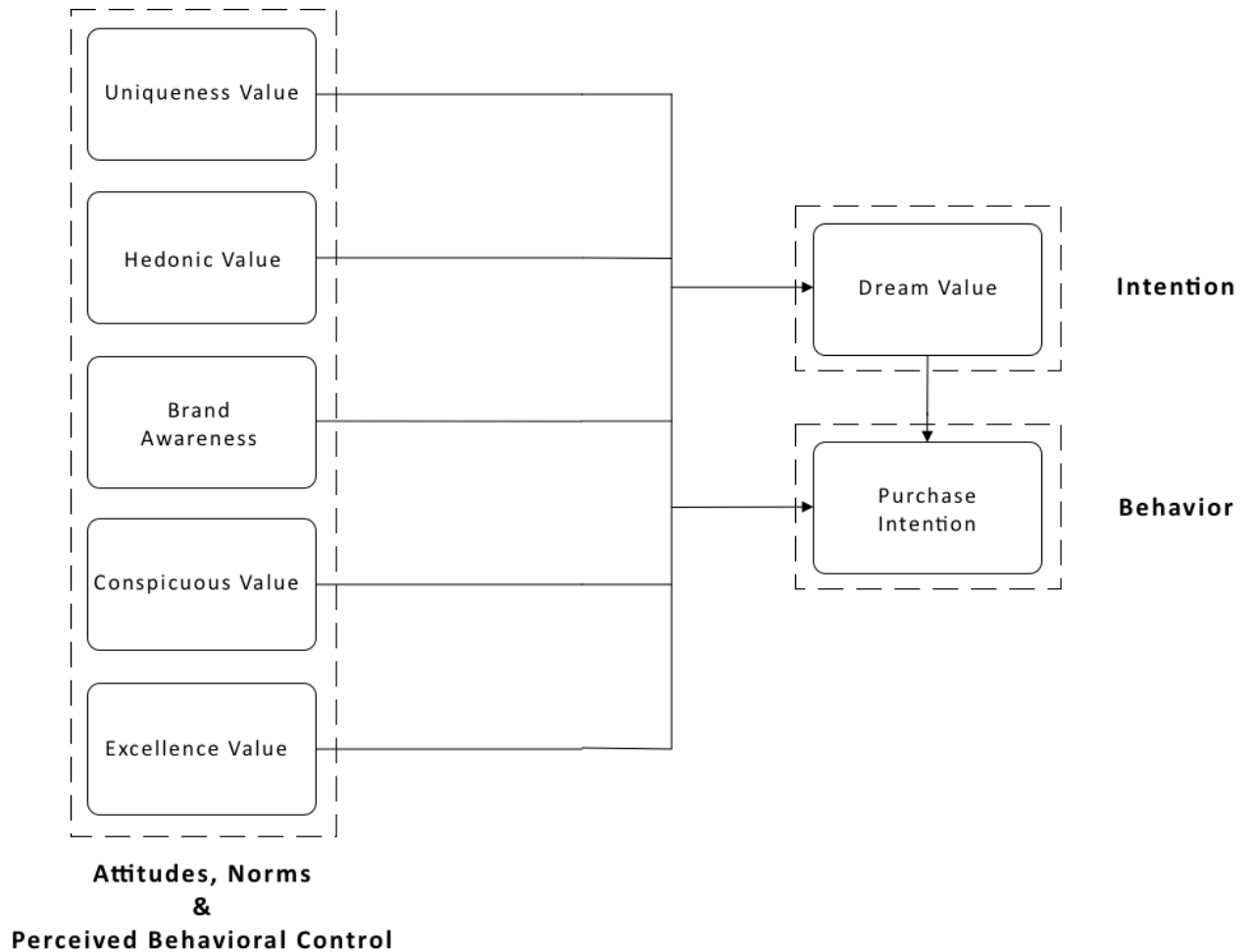
Fig. 11. Simplified proposed model of the study

According to the Table 1 above, TRA, a prerequisite model of TPB, is assessed to be inapplicable since it is outdated and does not take into account perceived behavioural control. As seen above in Fig. 11, independent factors fit into the attitudes, norms, and perceived behavioural control categories of TPB. As dream value serves as a prerequisite to the purchase intention, it is attributed intentional nature with purchase intention as the behavioural outcome. Brand Luxury Index (BLI) model by Vigneron & Johnson (2004), is not suitable due to its focus on a different dependent variable. The BLI model measures perceived luxuriousness of the brand, thus it does not consider dream value or purchase intention. However, all the constructs from the model have been present in other suggested models for luxury consumption behaviour. Therefore, a number of factors of the mode, specifically conspicuousness, uniqueness, and hedonic self, were chosen and adapted to be tested in the proposed model.

Integral Luxury Value model considers luxury value in a similar way, furthermore not assessing luxury factors in relation to purchase intention or luxury desirability (Wiedmann, Hennigs & Siebels, 2009). With more factors present in the model and higher order constructs introduced, not all variables are applicable and some constructs are to be simplified. The price value will not be considered as dream value is the primary subject of this study and it eliminates economic factor.

Dream value model proposed by Kapferer & Valette-Florence in 2018 is one of the models taking as a basis for the proposed framework as currently it remains the only quantitative research of the variable. As the moderating effect of brand penetration proved to be significant, the effect is tested in the proposed model. Importantly, the model does not include purchase intention hypothesis and combines some factors (tradition and awareness, luxury, and exceptional quality), while excluding the others like conspicuousness, hedonic value, and uniqueness that are considered significant in luxury consumer behaviour. In order to introduce a less rigid approach in accordance with proved significant links the model moderation link and the dream value variable are adapted.

Extended TPB model in assessment of luxury purchase behaviour by Soh, Rezaei and Gu (2017) is considered to be a second fundamental model for building the research framework due to its focus on Generation Y, statistical quality, and significance of the majority of links. The majority of factors in the initial model correspond with prior research and literature review, making it the second most relevant framework of causal relationships. As the most of hypotheses were supported, all factors except purchase behaviour are adopted with some changes to adjust the proposed model better to the hypotheses. While the model has not been tested for dream value significance, the model fit for purchase intention was proven hence rendering it applicable.

The last two models were discovered in the review of literature on the topic of luxury and sustainability. While the TPB-Schwarz model is based on the model of choice, it adds components to the core structure of TPB that are not included in the research question of this study. Furthermore, the model includes economic factors as a behavioural control variable, which is not applicable in the dream value theory. The exploration of sustainable luxury purchase intention by Ki & Kim (2016) was developed from TPB as the majority of considered extant studies. While the subject of the study is different and revolves around the contrast of sustainability and conspicuousness of luxury, the model has been tested on Generation Y and involves environmental consciousness, a factor that implies one of the hypotheses in the proposed model. The environmental consciousness was discovered to have a significant effect on purchase intention. On the note, the question set for the variable was taken from a different model as Ki & Kim (2016)

utilized general assessment of environmental consciousness as a value without a specific focus on the luxury products.

Summary

Multiple models that are utilized in consumer behaviour regarding luxury were assessed and modified TPB approach was chosen as the foundation for a proposed model. Previous works were analysed and common significant factors were chosen to be tested in the proposed model. The models were also assessed in their relevance to the dream value concept, which is the main subject of the study. The mixed model approach is used on the basis of TPB, which has not been previously introduced in the evaluation of luxury desirability.

Chapter 2 of the study will concentrate on the model and construct development in detail, covering topics of operationalization, research hypotheses, data collection, and research procedure.

CHAPTER 2. EMPIRICAL RESEARCH METHODOLOGY

Chapter 2 centres around the explanation of empirical research methodology that was used in the research of this paper. The topics covered are research design, model, and construct development, data collection, data processing, and operationalization. There are two dependent variables in the model in line with existing studies on the topic: dream value (Kapferer & Valette-Florence, 2016; Dubois & Paternault, 1995) and purchase intention (Soh, Rezaei & Gu, 2017). The introduction of purchase intention variable was supported by the claimed relationship between the two factors, which has not been previously studied (Kapferer & Valette-Florence, 2016; Dubois & Paternault, 1995). The model also features seven independent variables. Construct description and supporting references are explained further in the chapter in Table 2.

2.1 Research Model Constructs

Uniqueness Value (UV)

There are numerous studies and causal models exploring the concept of uniqueness and its role in luxury value. Tian (2001) developed a study of uniqueness value influencing consumer product choices, and further studied by Shukla (2012), Vigneron & Johnson (2004), Wiedmann, Hennigs and Siebels (2009). Each of the model confirmed the significant effect of uniqueness on purchase intention and perception of brand luxuriousness. However, only Soh, Rezaei & Gu (2017) have tested the hypothesis in the millennial segment, which was also confirmed. While Tian (2001) explored three categories of the need for uniqueness, the study takes into account only the general concept of uniqueness.

H1: Uniqueness value positively affects dream value.

H2: Uniqueness value positively affects purchase intention.

Hedonic Value (HV)

The early study of hedonic value on shopping experience was conducted by Babin et al., (1994) and concluded the significance of various dimensions of hedonism having effect on purchasing behaviour. The paper also explored the positive relationship between hedonic value, experiential shopping motivations, compulsive purchases, and personal pleasure. Consumption of luxury products or experiences is expected to provide the consumer with intangible benefits, which are mainly present in a way of achieving emotional pleasure (Dubois & Laurent, 1994). Another side of the hedonistic motivation is the emotional response to exposure of appealing design, perceived beauty, and sensory sensation (Vigneron & Johnson, 2004). Hedonic value was also found significant by Wiedmann, Hennigs & Siebels (2009) as a dimension of luxury value.

Therefore, luxury consumption is expected to provide affective states and subjective personal utility.

> **H3:** *Hedonic value positively affects dream value.*
> **H4:** *Hedonic value positively affects purchase intention.*

Brand Awareness (BA)

Brand awareness has been explored recently in Generation Y consumers relatively to their luxury purchasing behaviour. Giovannini & Xu (2015) hypothesised that brand conscious consumers, who prefer to purchase well-known and heavily marketed brands and such products, do so to demonstrate brand knowledge and avoid purchasing risks. Brands awareness renders well-known brands to be more attractive as safer means of status and prestige. According to Soh, Rezaei & Gu (2017), awareness of well-known brands is tied to Social Comparison Theory mentioned earlier in the literature review. Popular luxury brands, when consumed by the brand-aware, are seen as an instrument to communicate one's belonging to higher level of social class. On the note, as claimed by Kapferer & Valette-Florence (2018), brand penetration and popularization of luxury products can diminish dream value.

> **H5:** *Brand awareness negatively affects dream value.*
> **H6:** *Brand awareness positively affects purchase intention.*

Conspicuous Value (CV)

Conspicuousness of luxury brands has frequently been a cornerstone for luxury consumer behaviour research. Conspicuous value of luxury brands plays an important role in assessment of public versus private consumption. Wiedmann, Hennigs & Siebels (2009) claim both conspicuousness and prestige as factors for luxury value in its social dimension. In Generation Y, conspicuous consumption is observed as a part of conformity with expectations and standards of their social environment (Soh, Rezaei & Gu, 2017). Shukla (2012) also identifies social salience and conformity as factors of influence in luxury consumption.

> **H7:** *Conspicuous value positively affects dream value.*
> **H8:** *Conspicuous value positively affects purchase intention.*

Excellence Value (EV)

Excellence value refers to the tangible benefits of a luxury product. Kapferer & Valette-Florence (2018) describe excellence as superior quality. In terms of luxury, it could also be attached to craftsmanship. Excellence has been proven to have significant effect on dream value in the respective study. Moreover, the link between perceived quality and luxury purchase behaviour has also been established as significant. However, in case of millennial consumer

quality refers not only to the physical attributes, but overall positive assessment of a product after usage (Soh, Rezaei & Gu, 2017).

H9: *Excellence value positively affects dream value.*

H10: *Excellence value positively affects purchase intention.*

Brand Penetration (BP)

Brand Penetration, as described by Kapferer & Valette-Florence (2018) is the amount of the product or a particular brand purchased by customers in a particular noticeable times frame. For luxury brands, brand penetration essentially measures how concentrated the brand is in the market and may affect the link between independent variable and the dream value. However, as the proposed model is more complex and involves distinct factors instead of combined variables, different hypotheses were derived from the literature review:

H11: *Brand penetration strengthens the positive relationship between uniqueness and dream value.*

H12: *Brand penetration weakens the positive relationship between conspicuous value and dream value.*

H13: *Brand penetration negatively moderates the positive relationship between excellence value and dream value.*

H14: *Brand penetration negatively moderates the positive relationship between dream value and purchase intention.*

Dream Value (DV)

The dream value serves as a synonym approach to luxury brand desirability and attractiveness. While Dubois & Paternault (1995) claim that dream value is "contaminated" by awareness, which is accounted for in H5, it also serves as a prerequisite to purchase and may result in impulsive purchase behaviour. Kapferer & Valette-Florence (2018) support the claim and state that brands essentially sell "dreams" — cultivated images and dream that render the brand desirable. In addition, research has demonstrated the positive moderation of luxury brand desirability on brand equity and long-term consumer commitment towards the brand. (Pham, Valette-Florence & Vigneron, 2018) Therefore, concluding from the previous studies, it is logical to assume that dream value has a positive effect on purchase intention.

H15: *Dream value positively affects purchase intention.*

Environmental Consciousness (EC)

Environmental consciousness refers to an individual's awareness of product purchase and usage and how these actions affect environment, along with the willingness to perform sustainable activities to prevent harmful effects on the environment (Ki & Kim, 2016). Shilpa & Madhavaiah (2017) claim the significance of environmental consciousness on sustainable luxury purchase behaviour. Currently there is little research about environmental consciousness and non-sustainable luxury purchase intention.

H16: Environmental consciousness negatively moderates the positive effect of dream value on purchase intention.

Table 2. Summarized construct description.

Variable	Definition	Type	Reference
Uniqueness Value	The level of self-identity distinction an act of luxury consumption provides.	Scale	Soh, Rezaei & Gu (2017); Wiedmann, Hennigs & Siebels (2009); Shukla (2012)
Hedonic Value	The extent to which luxury consumption brings personal pleasure to the consumer.	Scale	Wiedmann, Hennigs & Siebels (2009); Babin et al. (1994)
Brand Awareness	The degree to which a consumer is able to recognize and recall brands under various circumstances.	Scale	Giovannini, Xu & Thomas (2015); Soh, Rezaei & Gu (2017)
Conspicuous Value	The extent to which luxury consumption differentiates one's social status.	Scale	Wiedmann, Hennigs & Siebels (2009); Shukla (2012)
Excellence Value	The additional physical value a luxury product provides in comparison of a regular version: e.g. quality, longevity, craftsmanship.	Scale	Kim et al. (2012); Shukla, (2012); Kapferer & Valette-Florence (2018)
Environmental Consciousness	An individual's responsiveness towards environmental responsibility and willingness to use eco-friendly merchandise.	Scale	Ki & Kim (2016), Shilpa & Madhavaiah, (2017)

Brand Penetration	Th amount of product by a certain brand that was purchased by noticeable numbers of people in a certain timeframe.	Binary	Kapferer & Valette-Florence (2018)
Purchase Intention	The level of willingness and consideration to purchase a luxury product in the future.	Scale	Kim et al. (2012)
Dream Value	The degree to which luxury brand desirability supports engagement and aspirations towards the brand without economic value.	Scale	Dubois & Paternault (1995); Kapferer & Valette-Florence (2018)

2.2 Construct Operationalization

Accordant with extant research that was analysed previously, the data collection method was an online questionnaire to tests the hypotheses of the proposed model. Surveys are a common method for hypotheses testing in consumer behaviour research and online distribution has been growing in popularity in academic space since digitalization. The recent studies in the field of luxury have also generally focused on the survey data collection. The developed questionnaire was constructed from prior literature review and incorporates four distinct parts.

Part 1 of the survey comprises of the welcoming introduction and brief explanation of the luxury brand concept. The term was described broadly without a focus on particular industry in order to clarify what brand categorizes as luxury. Therefore, the subjective nature of the term and confusion about classification were avoided.

Part 2 concerns the existing experience with luxury brands. The questions regard to engagement with luxury brands, previous purchases of luxury products and their categories, places of engagement and a general ranking scale for importance of known luxury brand traits. Moreover, engagement and purchase experience questions were intended to be utilized as categorizing variables in further analysis. The questions in relation to behavioural habits and experiences would additionally help to provide more detailed application of research results for explicit suggestions towards managerial implications.

Part 3 of the questionnaire consists of multiple scales for the measurement model and represents the central part of the data collection. Almost all variable operationalization items were adapted from the existing scales and corrected to fit luxury market or reduce the importance of economic value by paraphrasing the question. Some of the variables featured double scales from varying academic sources to account for perceptual differences. The adapted scales were chosen by their significance results in the paper and Cronbach's alpha measures.

Uniqueness value scale was adapted from Shukla (2012) and Tian (2001). Hedonic value was adapted from Wiedmann, Hennigs & Siebels (2009), and Babin (1994). Brand awareness were measured by two scales adapted from Soh, Rezaei & Gu (2017), and Giovannini, Xu & Thomas (2015). Conspicuous value was also measured in two scales, an internal conspicuous value scale adapted from Shukla (2012) and an external conspicuous value adapted from Wiedmann, Hennigs & Siebels (2009). Excellence value was measured in two scales adapted from Kim et al., (2012) and Shukla (2012). Brand penetration binary question was adapted from Kapferer & Valette-Florence (2018). Purchase intention scale was adapted from Kim et al. (2012). Environmental consciousness scale was adapted from Shilpa & Madhavaiah (2017). Lastly, the dream value scale was developed from scratch based on the literature review. Each item was operationalized by a seven-point Likert scale from "1" to "7", or from "strongly disagree" to "strongly agree".

Part 4 of the survey was centred on demographic data of the respondents: gender, age, nationality, educational degree, employment status, income level, and level of satisfaction with the household income. The age inquiry also acted as a screening question to segregate millennial respondents from other generations according to the research goal. The questionnaire was developed by the researchers and proof-read by English and Russian languages native speakers to ensure correct question interpretation.

2.3 Data Collection

The primary aspect of data collection for the research is the target population of millennial consumers aged from 23 to 39. Due to the nature of the subject of the paper, dream value, previous purchase experience, and income level were not defined as screening variables. Moreover, Kapferer & Valette-Florence (2018) and Chandon, Laurent & Valette-Florence (2016) suggest masstige, or mass luxury, as another domain of luxury that is now more available to the general population, not exclusive to the wealthiest. While some respondents were situated outside Russia, they were not excluded for avoidance of cultural aspect interfering with the research results.

According to Bian & Forsythe (2012) the consumption of luxury brands differs from one culture to another not in a general sense, but in underlying values that luxury consumption brings. Consequently, while the study is nor cross-cultural neither focused on the cultural aspects, as well as the reports by McKinsey (2019; 2020) claiming the increase of globalisation and diminishing of cultural differences in luxury consumption, only Russian respondents were considered in order to avoid bias risks.

In accordance with previous research, more specifically Soh, Rezaei & Gu (2017) and Kapferer & Valette-Florence (2018), the sampling method chosen was non-probability

convenience sampling mixed with quota sampling in conformity with gender ratio of population and specific interests. The questionnaire distribution was launched at the beginning of April 2020 and lasted ten days. The data collection was performed by targeting an invitational Instagram post using Facebook advertising. The keywords for the targeting included "luxury", "luxury lifestyle", "luxury brands", "luxury fashion", "luxury fashion", and "luxe". The survey was also distributed using Russian social network VK through luxury fashion community "MODA". Therefore, the targeting and community choice allow to nullify risks of bias and misinterpretation since the respondent would have to engage with luxury brands to reach the invitational survey link. While the total reach of the distribution was close to 20,000 people, there were 282 answers received.

The data obtained was screened for outliers and unengaged responses along with the controversial statements. There was no missing data due to each question marked as obligatory. The controversial statements revealed were removed, such as choice of no purchase experience and multiple choice of purchasing categories and vice versa. Only eligible data was separated and screened for further analysis as some respondents did not fit into the 23-39-year-old age category that is required. All responses were screened for skewness and kurtosis measurements above 5 that could become problematic, no such cases were revealed.

Among all the cases recorded, 175 (62.1%) are female and 107 (37.9%) are male. 64 (22.7%) are younger than 23 and 5 (1.8%) are older than 39. Additionally, 1 person is from Belarus, 8 from Ukraine and 273 from Russia.

Following the data screening, 213 cases were eligible for further analysis and were carried further for demographic and measurement analysis. Among 213 cases, 135 (63%) are female and 78 (37%) are male. In regard to the educational level, 127 (59.6%) people have bachelor's degree, 63 (29.6%) have master's degree, 2 (0.9%) have specialist education, 5 (2.3%) participants have high school education, and 3 (1.4%) have a postgraduate degree.

The majority of the overall sample, 81 (38%) are fully employed, while the second largest segment, 59 (27.8%) are studying. 42 (19.7%) respondents are freelance workers, 15 (7%), are entrepreneurs, 9 (4.2%) are part-time employees, and 7 (3.3%) are currently unemployed.

Out of 213 eligible cases, 127 (59.6%) deliberately follow luxury brands on social media and 157 (73.7%) have purchased at least one luxury product previously from any of the mentioned categories: jewellery, apparel, accessories, make up/skincare, perfumes.

The table below provides a more detailed look at the accumulated data before the screening for age requirements.

Table 3. Descriptive statistics of the eligible sample.

Statistic	Item	Frequency	Percentage
Gender	Female	135	63.0
	Male	78	37.0
Age	23–29 years old	195	91.5
	30–39 years old	18	8.5
Education	High school degree	5	2.3
	Incomplete higher degree	13	6.1
	Higher specialist degree	2	0.9
	Bachelor's degree	127	59.6
	Master's degree	63	29.6
	Postgraduate degree	3	1.4
Employment status	Unemployed	7	3.3
	Part-time employment	9	4.2
	Full-time employment	81	38.0
	Entrepreneur	15	7.0
	Student	59	27.7
	Freelance	42	19.7
Nationality	Russia	213	100
Luxury purchase experience	Yes	157	73.7
	No	56	26.3
Luxury social media engagement	Yes	127	59.6
	No	86	40.4
Income level satisfaction	1	23	10.8
	2	28	13.1
	3	50	23.5
	4	51	23.9
	5	44	20.7
	6	14	6.6
	7	3	1.4

The income level satisfaction metric was introduced to attempt multigroup analysis and distinguish if the satisfaction level influences luxury purchasing habits. As Wiedmann, Hennigs & Siebels (2009) note, luxury purchasing often serves as self-gratification tool due to its hedonic value and ability to improve emotional state as a post-purchase experience. Moreover, income level satisfaction could provide insight into potential level of social distinction desired at any given level of satisfaction.

The income level was assessed by a more abstract scale ranging from "I cannot afford to buy food" to "I can afford any purchases I want" in order to avoid bias and self-conscious responses about income.
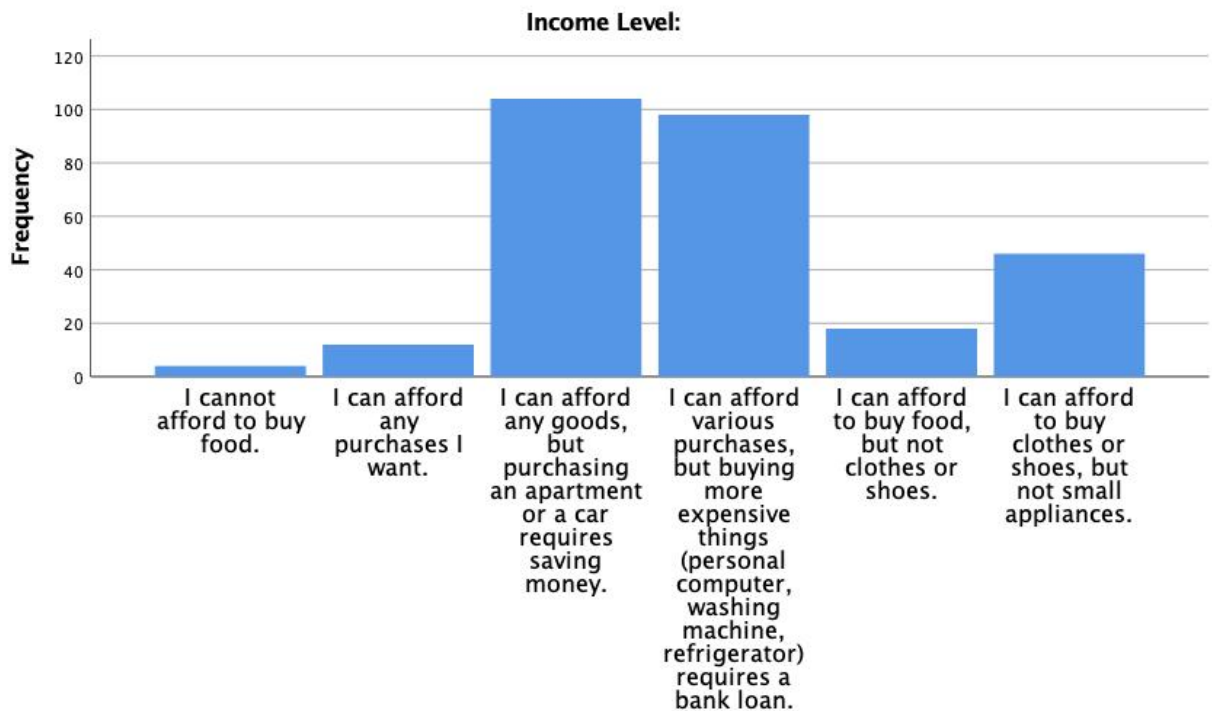
Fig. 12. Income level distribution

As can be observed from the figure above, the income level distribution suggests that the vast majority out of general 282 cases could be considered as potential purchases of luxury products of entry level (masstige) or main line of luxury goods. The most popular product category is clothing with 175 choices, other categories are distributed as following: accessories –166, perfume — 168, cosmetics/skincare — 138, jewellery — 77.

2.4 Research Procedure

The primary aim of the following research study is to determine potential factors of influence on the dream of luxury in millennial generation and investigate its relationship with purchase intention. Concerning the specificity and scope of the research, the main method considered is the mixed approach. The first stage of the research is exploration, collection, and analysis of existing academic research on the topic. The review of extant research and literature aids in identification of potential factors to be included as well as relationships to be observed and updated. The findings of significant factors create basis for the quantitative research method to test the model. The research model development process was explained in Chapter 1 of the paper. The main aspect of the research is the multiple relationship hypotheses and Structural Equation Modelling (SEM) is a chosen procedure for hypothesis testing.

Lowry & Gaskin (2014) claim that SEM has been extensively used in consumer behaviour studies. The aforementioned method of analysis proves to be reliable in the measurement of

abstract concepts and precise in observation of the relationships and effects between the factors. The antecedent of SEM, ANOVA test is unsuitable due to inability to test complex models and capture multiple coexisting statistical relationships and multiple effects, even if coupled with multiple regression. The second generation of test include covariance-based SEM (CB-SEM) and partial least squares SEM (PLS-SEM), and were developed specifically for estimating and measuring latent variables, which are predicted through observed variables. CB-SEM analysis consists of observed covariance matrices and estimated parameters to replicate and predict the covariances. Whilst both of the SEM variants are capable of statistical evaluation of causal relationships between the constructs, CB-SEM is considered a more precise and restrictive alternative, yielding more accurate values. Additionally, CB-SEM analysis requires discriminant validity and convergent validity to be performed, which are statistical tests to prove credibility of the data. Both of the analysis types have to be initially started with Exploratory Factor Analysis, especially if new scales are developed, what is the case for this study. Followingly, Confirmatory Factor Analysis is performed to estimate the reliability of the measurement model. The final stage is the hypothesis testing in SEM, or an analysis of the structural model (Hair et al., 2017).

The majority of the previously reviewed research articles extensively focus on SEM as an analysis method, as it is a preferable methodology for explanatory type of research, focusing on the already discovered phenomena. Whilst PLS-SEM is less constrained, it also requires sample of more than 50 observations minimum ($n > 50$). However, the covariance-based SEM requires at least 100 observations (small sample) to 200 and above observations (large sample) according to Kline (2005). Another rule is 5 cases per variable for normally distributed data and 10 observed cases per variable for abnormal distribution (Nunnally, 1975).

The final applicable sample of this study equals 213 cases, which suitable for even the most demanding criterion of sampling for SEM analysis and could be used to produce interpretable and relevant analysis of both measurement and structural models. The analysis was performed in IBM SPSS Statistics 25 software along with IBM SPSS Amos Graphics 21 software.

Summary

Derived from the literature review and current industry changes, the proposed model tests hypothesis of relationship exogenous variables: uniqueness value (UV), hedonic value (HV), brand awareness (BA), conspicuous value (CV), excellence value (EV), environmental consciousness (EC), and brand penetration (BP) on two endogenous variables: dream value (DV) and purchase intention (PI). Additionally, a relationship where DV is exogenous and PI is endogenous is tested.

The primary research involves confirmatory and explanatory research method of quantitative analysis via SEM. Hypothesis testing and theory confirmation were done by covariance-based SEM method, which operates inside stricter requirements. According to the guidelines by Kline (1998), the sequence was initiated with EFA for construct confirmation. Subsequently, CFA analysis is performed and the model is changed to meet the requirement of data validity and reliability. Finally, the structural model is tested for direct effects, interactions and multi-group analysis where applicable.

CHAPTER 3. MODEL ANALYSIS & DISCUSSION

3.1 Exploratory Factor Analysis & Confirmatory Factor Analysis

EFA

The analysis commenced with exploratory factor analysis to confirm item loadings on expected factors and check correlation matrices, reliability, validity, and collinearity metrics. The constructs and operationalization methods were adapted from the existing studies and literature; therefore, the metrics were considered beforehand. However, some measurement items experienced changes in rephrasing and translation into Russian language, requiring additional testing.

Factor analysis was performed with maximum likelihood (ML) extraction method as CFA and SEM utilize ML extraction when estimating model fit and regression weights. The rotation technique was orthogonal Varimax rotation. Only one item, UV1, did not demonstrate significant loading on any of the factors. A number of items, namely UV2, BA1, BA6, BA7, CV4, and EV8 have demonstrated cross-loadings or factor loadings of value less than 0.5, therefore these factors were confirmed to be problematic and were subsequently removed during CFA.

Conclusively, the final set of items achieved Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy of 0.868, Bartlett's Test of Sphericity confirmed to be significant. Communalities for all retained variables were above 0.5, which is acceptable. All Cronbach's alpha (CA) values were above 0.70, validating item measurements reliability. The factors showed no significant correlations with each other. No collinearity was detected and all VIF measures are below 3. Double scales were eventually removed and factors were retained from one scale only. The final item selection maintained 21 items with no factors including less than 2. Factor matrix and EFA construct validity and reliability can be observed in both Appendix 3 and Table 4 below.

CFA

To proceed further with the analysis, all constructs were tested for convergent validity after the model modifications during the CFA stage. Convergent validity was confirmed by Composite Factor Reliability calculation (CR), all factors demonstrated values above the minimum requirement of 0.7. Average Variance Extracted (AVE) was above 0.6 for all constructs, exceeding the threshold of 0.5 (Hair, 2017).

Table 4. Scale Reliability, Convergent Validity and Composite Reliability.

Constructs	Factor loadings	Mean	SD	CA	CR	AVE
Uniqueness Value (UV)		4.1643	1.68547	.764	.77	.63
UV3	.703					
UV4	.855					
Hedonic value (HV)		3.1377	1.79734	.825	.83	.62
HV1	.688					
HV2	.765					
HV4	.656					
Brand Awareness (BA)		2.9859	1.49915	.806	.81	.67
BA2	.755					
BA4	.680					
Conspicuous Value (CV)		4.2567	1.54352	.836	.84	.63
CV1	.573					
CV2	.782					
CV3	.576					
Excellence Value (EV)		4.4225	1.4733	.839	.85	.74
EV4	.814					
EV6	.780					
Environmental Consciousness (EC)		4.1471	1.73666	.875	.89	.73
EC2	.698					
EC3	.914					
EC4	.938					
Purchase Intention (PI)		4.5947	1.65848	.849	.85	.66
PI1	.537					
PI4	.556					
PI5	.545					
Dream Value (DV)		4.4726	1.89087	.918	.92	.79
DV3	.782					
DV4	.845					
DV5	.761					

Assessment of discriminant validity was achieved by extracting square root of AVE and comparing it to inter-construct correlation values. All retained constructs showed discriminant validity as the measures of square root AVE were above correlations, what can be observed in Table 5. Confirmation of discriminant validity allows to ensure that factors that are supposedly unrelated are in fact distinct and provide measures for separate concepts.

Table 5. Discriminant Validity.

	CR	AVE	UV	HV	BA	CV	EV	EC	PI	DV
UV	**0.77**	**0.63**	**0.797**							
HV	**0.83**	**0.62**	0.058	**0.786**						
BA	**0.81**	**0.67**	0.007	0.397	**0.822**					
CV	**0.84**	**0.63**	0.170	0.507	0.473	**0.794**				
EV	**0.85**	**0.74**	0.108	0.422	0.301	0.537	**0.860**			
EC	**0.89**	**0.73**	0.080	0.115	0.006	0.105	0.139	**0.852**		
PI	**0.85**	**0.66**	0.118	0.692	0.545	0.732	0.607	0.185	**0.810**	
DV	**0.92**	**0.79**	0.313	0.427	0.125	0.464	0.509	0.033	0.655	**0.888**

To check the absence of bias since all the data was collected using one tool, an online survey, it was decided to conduct Common Method Bias (CMB). The run of CMB analysis helps to determine and account for existing differences in measurement model during the CFA stage. The invariance of the model would uncover that external factors, other than questionnaire, were influencing the responses and has to be accounted for (Podsakoff et al., 2003). As Harman's single factor test is no longer accepted in the academia due to it being out of date, Common Latent Factor (CLF) method was applied. The factor is created to estimate common variance among all factors. Followingly, unconstrained and constrained model goodness-of-fit indices are compared to confirm model invariance. Unconstrained model measured at 169.501 χ^2 value and 161 degrees of freedom. Constrained model was estimated at 147.450 χ^2 value and 140 degrees of freedom. The difference p-value was 0.397, which is insignificant, therefore the models are invariant and Common Method Bias is absent. The measurement model is shown in Appendix 4. The final CFA goodness-of-fit values are presented in the Table 6 below.

Table 6. Measurement model fit.

Measures	Estimates	Thresholds[a]
CMIN	169.501	–
DF	161	–
CMIN/DF	1.053	< 3
CFI	0.997	> 0.95
GFI	0.932	> 0.9
TLI	0.995	> 0.9
RMSEA	0.016	< 0.06
PCLOSE	0.95	> 0.05

[a] Hu & Bentler (1999).

CMIN: χ^2 value; DF: degrees of freedom; CMIN/DF: relative χ^2 value; CFI: Comparative Fit Index; GFI: Goodness-of-fit Index; TLI: Tucker-Lewis; RMSEA: Root Mean Square Error of Approximation; PCLOSE: p of Close Fit.

3.2 Structural Model

Model fit indices help to estimate how well the proposed model explains the relationships between the variables in question. As suggested by Hu & Bentler (1999), and Hair et al. (2010), the model fit indices were used as in the table above: Chi-square, degrees of freedom, Chi-square divided by degrees of freedom, Comparative Fit Index (CFI), Goodness-of-fit Index (GFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and p-value of Close Fit (PCLOSE). The structural model fit for hypotheses testing is presented in the Table 7.

Table 7. Structural model fit.

Measures	Estimates	Thresholds[a]
CMIN	242.157	–
DF	173	–
CMIN/DF	1.400	< 3
CFI	0.972	> 0.95
GFI	0.907	> 0.9
TLI	0.966	> 0.9
RMSEA	0.043	< 0.06
PCLOSE	0.798	> 0.05

[a] Hu & Bentler (1999).
CMIN: χ^2 value; DF: degrees of freedom; CMIN/DF: relative χ^2 value; CFI: Comparative Fit Index; GFI: Goodness-of-fit Index; TLI: Tucker-Lewis; RMSEA: Root Mean Square Error of Approximation; PCLOSE: p of Close Fit.

Following the CFA stage and satisfaction of validity, reliability, and goodness-of-fit requirements, the paths were established to tests the hypotheses and explanatory abilities of the model. The explanation value of the measurements was approximated from Squared Multiple Correlations (R^2) of the constructs. The proposed model is established to calculate 37% (value of .37) of the dream value and 77% (value of 0.77) of purchase intention for luxury goods. The adequacy of estimations ranges from moderate ($R^2 > 0.3$) to substantial ($R^2 > 0.5$), according to Hair et al. (2010).
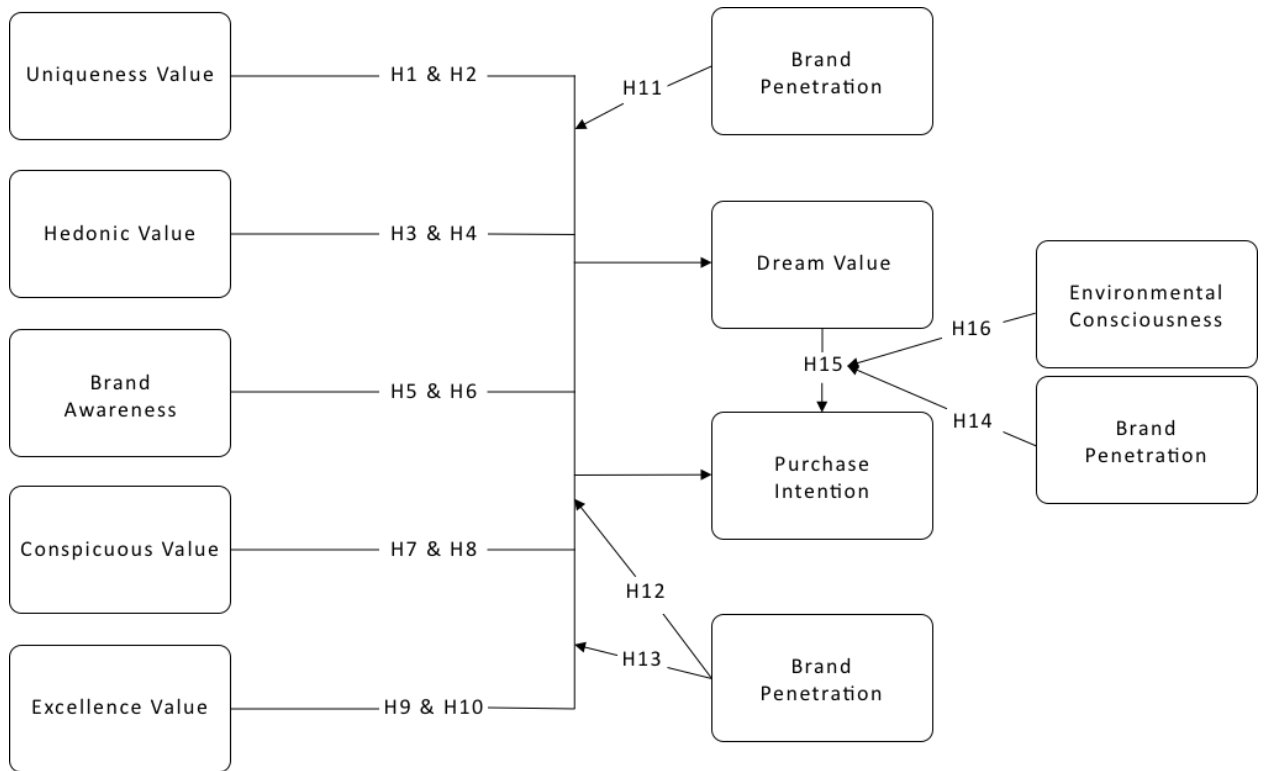
Fig. 13. Structural model

In the Figure 13 above the structural model for hypothesis testing could be observed. The larger part of 13 out of the overall 16 hypotheses were supported. **H1** is supported at uniqueness value having positive effect on dream value at very significant p-value ($p < 0.001$) with $\beta = 0.331$, On the contrary, **H2** is rejected due to p-value being above 0.05 ($p = 0.267$), therefore uniqueness value effect on purchase intention is insignificant. **H3** is supported at 0.03 level of significance and beta coefficient of 0.264, therefore hedonic value has a positive effect on dream value. **H4** is supported at p-value below 0.001 and $\beta = 0.227$, hence hedonic value has a positive impact on purchase intention. **H5** is supported at p-value of 0.026 and the estimate of -0.236, concluding a negative effect of brand awareness on dream value. **H6** is accepted at $p < 0.001$ and $\beta = 0.263$, which confirms the positive effect of brand awareness on purchase intention. Both **H7** and **H8** are accepted at p-values of 0.007 and below 0.001, as well as beta-coefficients of 0.290 and 0.271, respectively. As a result, conspicuous value has positive effects on both dream value and purchase intention.

Moreover, **H9** is accepted at very significant level ($p<0.001$) and the estimate of 0.450, allowing to claim the positive effect of excellence value on dream value. **H10** is supported at $p = 0.034$ and $\beta = 0.121$, concluding positive effect of excellence value on purchase intention. **H11** and **H12** are supported at differing significance level at absent and present brand penetration groups, $p=0.288$ and $p<0.001$ for H11, $p=0.004$ and $p=0.302$ for H12, at $\beta = 0.404$ and $\beta = 0.089$ for H11, $\beta = 0.348$ and $\beta = 0.105$ for H12. However, **H13** is accepted as both times effect is

significant, but the effect strength difference is minor at beta-value difference at 0.025. **H14** is accepted at p-values below 0.001 for both levels of brand penetration and estimate difference for 0.063. **H15** is accepted at very significant level of $p<0.001$ and $\beta = 0.294$. **H16** is rejected with p-value of 0.768 for interaction effect.

Table 8. Hypothesis test summary.

Hypothesis	p-value	β	Result
H1: Uniqueness value positively affects dream value.	***	0.331	Accepted
H2: Uniqueness value positively affects purchase intention	0.267^{ns}	-0.064	Rejected
H3: Hedonic value positively affects dream value.	0.03^{*}	0.264	Accepted
H4: Hedonic value positively affects purchase intention.	***	0.227	Accepted
H5: Brand awareness negatively affects dream value.	0.026^{*}	-0.236	Accepted
H6: Brand awareness positively affects purchase intention.	***	0.263	Accepted
H7: Conspicuous value positively affects dream value.	0.007^{**}	0.290	Accepted
H8: Conspicuous value positively affects purchase intention.	***	0.271	Accepted
H9: Excellence value positively affects dream value.	***	0.450	Accepted
H10: Excellence value positively affects purchase intention.	0.034^{*}	0.121	Accepted
H11: Brand penetration strengthens the positive relationship between uniqueness and dream value.	$***/0.288^{ns}$	0.404/0.089	Accepted
H12: Brand penetration weakens the positive relationship between conspicuous value and dream value.	$0.004^{**}/0.302^{ns}$	0.348/0.105	Accepted
H13: Brand penetration negatively moderates the positive relationship between excellence value and dream value.	***/***	0.407/0.382	Accepted
H14: Brand penetration negatively moderates the positive relationship between dream value and purchase intention.	***/***	0.282/0.219	Accepted
H15: Dream value positively affects purchase intention	***	0.294	Accepted
H16: Environmental consciousness negatively moderates the positive effect of dream value on purchase intention.	0.768^{ns}	-0.020	Rejected

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ^{ns} non-significant

Mediation Effects

Mediation allows to tests the model for indirect effects. Not initially proposed in the research paper, the variables were tested for mediation effects, specifically of exogenous variables towards PI, where DV is the mediator variable. Mediation test was performed using 2000 bootstrapping resamples and the method used was user-defined estimands for indirect effects. The results are displayed in the Table 9 below.

Table 9. Mediation test results.

Mediation Path	p-value	Estimate	Lower	Upper	Mediation type
UV → DV → PI	0.002^{**}	0.097	0.049	0.177	Full mediation
HV → DV → PI	0.001^{**}	0.078	0.039	0.139	Partial mediation
BA → DV → PI	0.029^{*}	-0.069	-0.143	-0.019	Partial mediation
CV → DV → PI	0.018^{*}	0.085	0.025	0.170	Partial mediation
EV → DV → PI	0.001^{**}	0.132	0.068	0.219	Partial mediation
EC → DV → PI	0.289^{ns}	-0.027	-0.083	0.017	No mediation

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ns non-significant

In accordance with the results, uniqueness value (UV), hedonic value (HV), conspicuous value (CV), and excellence value (EV) all have significant indirect of dream value (DV) on purchase intention (PI). Moreover, UV variable proved to be directly insignificant on PI, therefore it has full mediation via DV on PI. Brand awareness also was confirmed to have partial mediation, however, as dream value is a prerequisite of purchase intention, and BA affects DV negatively, indirect effect is also negative. However, environmental consciousness was tested again and the effect was insignificant. As maintained by literature and confirmed by the analysis, dream value and purchase intention show significant relationship, along with all dependent variables showing mediation effect.

Interaction Moderation

For the initial hypothesis 16 confirmation, interaction effect has also been tested for significance. As the variable of environmental consciousness was measured on 7-point Likert scale in 3 retained items, multi-group moderation testing was applied only for binary categorical variables or measures on 7-point Likert scales of one item, which were assumed to be control variables. The variables were converted into singular items via mean calculation and new interaction variable, DV_x_EC, was created. Followingly, the variables were transformed into z-scores to allow for precise results. Consequently, the resulting p-value of 0.768 was obtained with an estimate of -0.020, which leads to the rejection of the hypothesis as the effect is insignificant.

Multi-group Moderation

Multi-group moderation effects were additionally tested to gain deeper insight into obtained data and examine the dataset for unpredicted relationships. In total, there were six multigroup tests, four of which were performed successfully and two failed attempts are accounted for in research limitations.

To test group differences, the categorical variables and categorical controls were split by their initial values. Likert-scale measurements such as income level and income level satisfaction were split by mean calculation and computing new binary variables for lower and upper halves of the respondent base. Four out of six models met the criteria of structural equation modelling model fit, allowing for result interpretation. Gender and income level tests did not meet the criteria and are discussed in the limitations and further research section. Four applicable models were also tested for invariance by CMIN/DF comparison, providing $p > 0.05$, further explored in Appendix 5.

Table. 10 Multi-group analysis for brand penetration.

H	Path	p-value (high BP)	Estimate (high BP)	p-value (low BP)	Estimate (low BP)
H1:	UV → DV	***	0.404	0.288^{ns}	0.089
H3:	HV → DV	0.024^{*}	0.193	0.028^{*}	0.213
H4:	HV → PI	***	0.193	***	0.238
H5:	BA → DV	0.107^{ns}	-0.167	0.131^{ns}	-0.153
H6:	BA → PI	0.007^{**}	0.183	***	0.261
H7:	CV → DV	0.302^{ns}	0.105	0.004^{**}	0.348
H8:	CV → PI	***	0.317	0.014^{*}	0.214
H9:	EV → DV	***	0.382	***	0.407
H10:	EV → PI	0.212^{ns}	0.088	0.044^{*}	0.173
H15:	DV → PI	***	0.219	***	0.282

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ^{ns} non-significant

To test group differences, the categorical variables and categorical controls were split by their initial values. Likert-scale measurements such as income level and income level satisfaction were split by mean calculation and computing new binary variables for lower and upper halves of the respondent base. Four out of six models met the criteria of structural equation modelling model fit, allowing for result interpretation. Gender and income level tests did not meet the criteria and are discussed in the limitations and further research section. Four applicable models were also tested for invariance by CMIN/DF comparison, providing $p > 0.05$, further details are in Appendix 5.

For brand penetration, the uniqueness value effect on dream value is significant for high BP value and is insignificant for low at 95% confidence level. Moreover, conspicuous value effect is significant on dream value for high level of brand penetration and opposite for low. In addition, excellence value has a significant effect on purchase intention for brands with high level of penetration and is insignificant at low level.

Concerning income level satisfaction, uniqueness value effect on dream value is significant for unsatisfied respondents and is insignificant for satisfied. Furthermore, brand awareness on dream value effect is insignificant for high income satisfaction and becomes significant at the low level. Excellence value relationship with purchase intention also demonstrated relationship significance difference, showing p-value of 0.909 for high satisfaction and 0.001 for low satisfaction.

Another grouping variable to be utilized was purchase experience. The first difference is the significance of hedonic value on purchase intention for present previous purchases and insignificant if a consumer has not purchased luxury products before. For luxury product users, brand awareness has a significant effect on dream value and an insignificant one for non-users. Purchase experience also affects the relationship between conspicuous value and dream value, being significant for present experience and insignificant for absent experience.

The final multi-group test conducted was for social media following. The only significance difference observed was for the effect of conspicuous value on dream value, demonstrating p-value of less than 0.001 (very significant) for non-followers and 0.135 for followers. The other important note is, while both effects are significant, for non-followers' conspicuous value effect on purchase intention is stronger at the $\beta = 0.382$ and $\beta = 0.273$ for respondents who follow brands on social media.

Additional Findings

During the hypotheses testing the model was modified, specifically in relation to the environmental consciousness (EC) variable, which proved to have insignificant interaction effect via distinct methods of analysis. However, the variable was found out to have significant effect on purchase intention at p-value of 0.02 and $\beta = 0.131$, and insignificant effect on dream value at p-value of 0.299 and $\beta = -0.091$. Therefore, EC has significant direct effect on PI, but no moderation effect was confirmed. For multi-group analyses, the variable has also demonstrated some differences. For low income satisfaction the effect was significant (p = 0.0490, $\beta = 0.110$. but insignificant for satisfied respondents at p = 0.160. For low brand penetration, EC effect on DV shows p-value of 0.753 and p-value of 0.085 for relationship with purchase intention. However, high brand penetration renders the relationship between EC and DV significant (p = 0.040, $\beta = -$

0.162). Moreover, for present previous purchase experience EC and DV relationship is significant at p = 0.047 (β = -0.137) and insignificant for PI (p = 0.201, β = 0.056). The significance levels are opposite for both cases for consumers without luxury product purchases with p = 0.589 (β = 0.063) and p = 0.028 (β = 0.173), respectively. Finally, for social media following there were no differences and the effects were insignificant for both groups. The variable summary can be seen in Appendix 6. The final model including hypotheses and changes is displayed below in Figure 14, initial hypotheses are retained with the exception of EV variable changes as hypothesis was different.
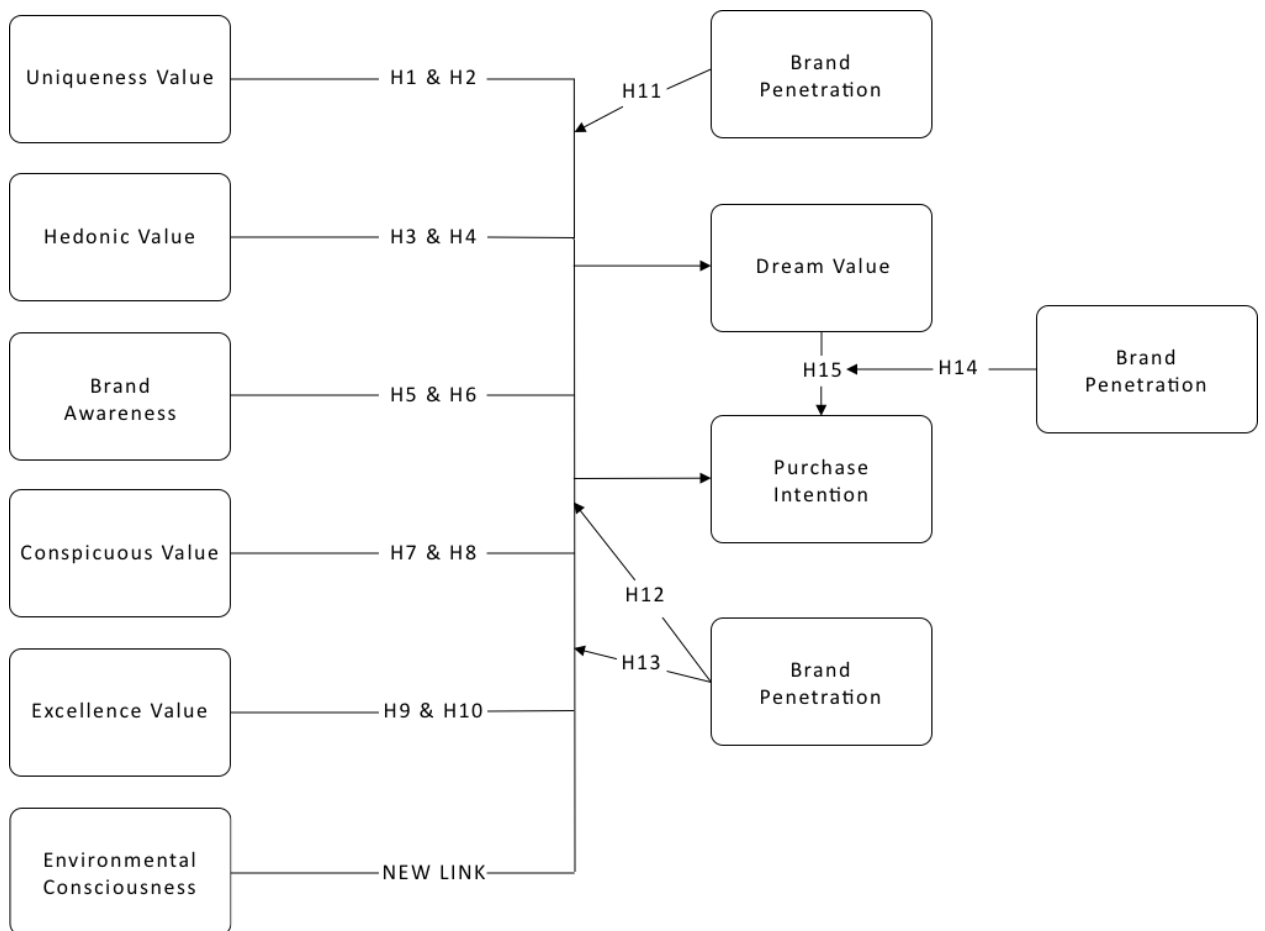
Fig. 14. Final model

In addition to the structural model analysis, the survey also collected opinion on ranking the importance of various luxury factors that were derived from literature. Afterwards, the eligible 213 results were analysed via descriptive statistic to provide a distinct insight on factors that consumers may find more or less desirable concerning luxury products. The statistics analysed were mean, skewness, kurtosis and standard deviation. The results of descriptive statistics are presented in Table 11.

Table. 11 General importance ranking descriptive statistics.

Value	Mean	Skewness	Kurtosis	SD
Quality	6.64	-2.821	10.239	0.750
Prestige/Status	4.34	-0.218	-0.553	1.729
Aesthetics	6.35	-1.815	3.723	1.029
Brand	4.47	-0.299	-0.476	1.678
Durability	6.38	-2.115	5.451	1.015
Experience	6.31	-2.169	4.821	1.247

As described by the table above, all variables have a mean above 4, assuming all factors are important. Quality, aesthetics, durability, and experience are seen as the most valuable with mean value above 6 out of maximum 7, along with high positive values of kurtosis, allowing to derive that these factors are generally agreed upon. Table 12 and Table 13 provide comparative crosstabulation analysis results for purchase experience split variable.

Table. 12 Absent purchase experience importance ranking descriptive statistics.

Value	Mean	Skewness	Kurtosis	SD
Quality	6.46	-2.424	7.413	0.645
Prestige/Status	3.95	-0.012	-1.069	1.967
Aesthetics	6.21	-1.897	3.650	1.317
Brand	4.38	-0.264	-0.739	1.815
Durability	6.54	-2.124	4.018	0.934
Experience	6.25	-1.936	4.203	1.283

Table. 13 Present purchase experience importance ranking descriptive statistics.

Value	Mean	Skewness	Kurtosis	SD
Quality	6.70	-2.816	9.837	0.972
Prestige/Status	4.48	-0.230	-0.285	1.620
Aesthetics	6.39	-1.447	1.379	0.904
Brand	4.51	-0.304	-0.353	1.631
Durability	6.33	-2.120	5.796	1.040
Experience	6.33	-2.280	5.284	1.237

The crosstab analysis reveals that prestigiousness, or conspicuous value, is seen as more important in consumers with luxury purchase experience than without. The mean values for each group are 4.48 and 3.95, respectively. Other value factors do not demonstrate notable differences from the general model.

3.3 Discussion

Luxury purchase behaviour is an area of ever-growing importance since consumer habits are changing with generations, and currently millennial consumers approach the zenith of purchasing power. A mixed method approach was utilized in this study of an adopted TPB model and taking into account previous research on dream value, along with its influence on purchase intention. CB-SEM analysis was applied for structural model estimation and examine the hypotheses, the majority of which were supported. The model was adapted to fit the direct effect of environmental consciousness, a factor considered significant for millennial consumer in regard to consumption. Derived theoretical and practical implications, as well as limitations and further research, are discussed further in this chapter.

Theoretical Implications

In existing research, the dream of luxury has been analysed through two tangible and intangible factors, however, little has been explored in the relationships of luxury value factors and the dream value (Kapferer & Valette-Florence, 2018). Importantly, the dream equation derived from previous studies features awareness and purchase, but does not take into account other factors, which were discovered in this study.

As observed in the structural equation model, dream value is affected by all generally accepted luxury factors (Wiedmann, Hennigs & Siebels, 2009). However, the first unexpected finding was the different significance of uniqueness value effect on dream value and purchase intention. Extant research (Wiedmann, Hennigs & Siebels, 2009; Shukla, 2012; Soh, Rezaei & Gu, 2017) focused on the relationship between uniqueness and purchase intention, but the dream value factor has not been included. Therefore, the first finding was the full mediation effect of dream value on uniqueness-purchase intention relationship in millennial consumers.

Second, the role of brand penetration dual effect discovered by Kapferer & Valette-Florence (2018) has been explored in more detail and updated. According to the results, brand penetration influences the significance of uniqueness effect on dream value: for high brand penetration the effect is significant and is opposite for the low brand penetration. The finding also is supported by Theory of Uniqueness Model (Lynn & Harris, 1997), confirming that for high amounts of aggregated purchases, or brand penetration, consumer is likely to aspire for unique products and self-differentiation. In addition, conspicuous value was found to become insignificant for brand with higher market penetration levels and significant for lower levels. The change is supported by both Social Comparison Theory (Festinger, 1954) and the notion of exclusivity as one of the luxury principles (Kapferer, 2012). Conspicuousness role in the dream value is both

stronger and significant for lower brand penetration (p = 0.004, β = 0.348), as well as weaker and insignificant for brands with larger quantity of aggregated purchases (p = 0.302, β = 0.105). In addition, brand penetration was revealed to negatively moderate the relationships between excellence value and dream value (β = 0.407 for lower brand penetration, β = 0.382 for higher brand penetration). Lastly, the effect of dream value on purchase intention weakens with higher brand penetration with value of β = 0.282 compared to β = 0.219 for low brand penetration.

Further during the analysis, the mediation effects of all variables, except hypothesized environmental consciousness, were discovered. The presence of dream value is revealed to reinforce the power of all exogenous variables on purchase intention. In more detail, uniqueness value, hedonic value, conspicuous value, and excellence value estimates showed significant results with positive β-coefficients for user-defined estimands for indirect effects. Nevertheless, brand awareness demonstrated negative value of -0.069 for purchase intention being mediated by dream value, contrasting the direct effect with the positive value (β = 0.263). Therefore, it could be concluded that dream value plays a notable role in mediating the connections between luxury value factors and purchase intention, a finding that has not been reported previously.

While the role of brand penetration has been discussed above, other multi-group tests for potential significant variables were explored. First, for consumers satisfied with their income uniqueness value and brand awareness effects on dream value are non-significant, as well as excellence value is non-significant in regard to purchase intention. On the other hand, the dream value estimate is notable higher, β = 0.344 for high satisfaction and β = 0.213 for low satisfaction. The suggestion for future research leads to the exploration of the role luxury consumption has on self-gratification and self-satisfaction, especially considering hedonic value demonstrating higher β-coefficients for both dream value and purchase intention relationships for low satisfaction at 0.272 and 0.278, respectively (see Appendix 5 for more details).

Second, previous purchase experience variable was used as a split variable. The findings reveal the differences between two groups, particularly in the dimension of conspicuous value as it appeared non-significant in both cases of purchase intention and dream value for customers without previous luxury purchase experience. Excellence value displayed controversial results with p-values of less than 0.05 for dream value, but more than 0.05 for purchase intention for both groups. Additionally, the relationships between brand awareness and dream value, and hedonic value and purchase experience are non-significant for non-purchasers. As the findings go in line with the research of luxury repurchase intention (Chan et al., 2015), where existing consumers are claimed to seek uniqueness, conspicuousness and hedonic satisfaction via further consumption, it could be inferred that purchasing is essential in assessment of tangible and intangible qualities

present for mostly post-purchase stage, hedonism, uniqueness and brand awareness are significant for non-purchasers as well.

Third, social media following revealed only one notable difference between two groups as conspicuous value appeared to be non-significant for those, who follow luxury brands on social media. The phenomenon is explained by social media user tendency to share information and utilize the ease of access to content of luxury brands. Therefore, as explored in the study by Leban, Seo & Voyer (2019), accessible luxury content may disrupt conspicuous value, especially in online social media.

Environmental consciousness was also studied as a moderator variable for dream value and purchase intention. Importantly, the hypothesis was initially rejected, but the factor demonstrated significant direct effect on purchase intention. While sustainability in luxury was studied by Jain (2018), and sustainable luxury purchase by Ki & Kim in 2016, this study confirms the present effect of sustainability directly on purchase intention, which is considered a behavioural stage in this research, and not on dream value, a factor assigned an intentional stage in TPB adaptation. In multi-group analysis, the factor proved to be significant in relation to dream value for high brand penetration and positive previous experience groups, and in regard to purchase intention in the general model, low income satisfaction and negative purchase experience goods. According to Ki & Kim (2016), the relationships could be explained that some people view sustainable luxury goods as of better quality even in comparison to non-sustainable luxury goods. Moreover, the study also described sustainable luxury behaviour as self-gratification.

Furthermore, the relationship between the dream value and the purchase intention has been confirmed. As one of the primary aims of the study, the effect of dream value on purchase intention appeared to be significant in the general model and in all cases of multi-group analyses. Conclusively, this paper confirms the role of dream value as an essential prerequisite and an effect mediator on purchase intention.

Managerial Implications

Current research provides insightful and significant implications for luxury brands and retail platforms, offline or online, that distribute luxury products. First, the relationship between dream value and purchase intention has been proven to be significant for all consumer groups regardless of their experience, preferences, income level and level of engagement with luxury brands. As a result, the research suggests luxury brands to measure and control the dream value in order to stimulate purchase intention in eligible consumer, and promote brand awareness and cultivate purchase consideration for non-purchasers. The support of dream value would also

increase luxury brand value in both dimensions of luxuriousness itself and consumer perception of the brand.

Concerning uniqueness value, the brands are advised to promote unique products and experiences in various communication channels, especially social media. However, as the link between uniqueness and purchase intention is insignificant, more popular and "masstige" category of goods are suggested to be merchandised at the points of sale. The display of products too distinct could put a luxury brand in a niche position.

Importantly, as brand awareness has a significant negative effect on dream value, the effect is parallel to brand penetration and dream value reported by Kapferer & Valette-Florence (2018), also confirmed in this study. Thus, the balance between brand promotion and sales enforcement is essential to maintain luxury brand desirability. Additionally, the disbalance could potentially put a luxury brand in danger of being perceived as premium, a brand category closer to mass market, rather than position it as available luxury. As such, the balance is required to keep the exclusivity of the brand. Following other findings of brand penetration effects, the risk of brand falling into premium could disrupt its conspicuous and excellence values, factors unobserved in cases of increased availability.

The difference of significance of the hedonic value effect on purchase intention in previous purchase experience groups puts importance over providing satisfaction of hedonism in first-time and returning purchasers. As purchasers seek emotional gratification, luxury brands should not only maintain hedonic value from the product purchase as self-indulgence, but also provide additional indulgence by offering exceptional service, personalized communication and support company-consumer relationship. Moreover, luxury brands are advised to further engage customers via interactive experience such as sensual engagement or digital media, applications or brand activity extension. Similarly, the difference of significance of the brand awareness on purchase intention for both groups suggests that increasing brand awareness at points of sale would bring positive result along with avoidance to disrupt the dream value. Therefore, luxury brands should strive towards advertising at online retailers and distribution of promotional materials at physical stores or via personalized communication channels such as e-mail or mail, and regulate the amount of advertisements in mass media and public places.

Concerning online presence, to preserve conspicuous value luxury brand accounts on social media should also moderate the amount of content not to convey the brand as too available. However, for providing awareness and conspicuous value, unconventional means could be used such as brand applications or interactive digital collaborations, also acting towards self-indulgence.

The addition of environmental consciousness to the model provided it as a significant factor affecting purchase intention. The first implication is to demonstrate brand sustainability, especially at the retail points. Luxury brands should put emphasis on transparency to increase the trust of consumers. The brands should also promote sustainable consumption and production, including exposition of raw materials origin, product testing, and product disposal. The importance of environmental consciousness should motivate the luxury brands to moderate product output both to keep the exclusivity and not overproduce available luxury and to prevent the negative connotation of luxury from appearing, distinctly as luxury is opposite to essential.

In regard to excellence of the brand, companies should put emphasis on craftsmanship value and heritage where applicable. Also, seamless and trouble-free experiences at all the stages of the consumer journey (pre-purchase, purchase, and post-purchase) are required to be maintained for a brand to be seen as excellent.

Lastly, the results of crosstabulation analysis provide the aspects that luxury brands should focus on when concerning Generation Y, and while all values proved to be important, quality, aesthetics, durability, and experience were assigned to be the most important.

Limitations & Further Research

The majority of the hypotheses were accepted and the study shed light on the relationships of luxury values, dream value and purchase intention. However, the complex and ever-changing concept of luxury and its desirability requires an additional insight. Even though the model fit for two unobserved multi-group was almost acceptable, the first limitation concerns separate studies on dream value taking into account gender and income level specifics, which were limited in this research due to sampling.

Secondly, the external validity of the study should be explored in a cross-cultural investigation as perceptions of luxury brands and the concept of luxury itself may differ depending on geographical position, and cultural and historical backgrounds.

Thirdly, in accordance with prior research, the model should be tested in a cross-generational study to estimate differences between various generations.

Finally, the predicative power of the model estimates 37% of dream value. Therefore, additional external variables should be tested in order to improve the squared multiple correlation measurement. In line with the luxury value discourse, values such as materialistic views or displayed price value could be considered.

Summary

In sum, Chapter 3 brought conclusion on the analysis of the proposed statistical model and hypothesis confirmation suggested in the paper. The chapter discussed the results collected from the sample of 213 millennial luxury product consumers and luxury dreamers, who engage with such brands. The model met all fit indices requirements on general and multi-group cases, providing invariance on the structural weights level. Crosstabulation analysis was applied to explore the importance of factor is purchasers and non-purchasers.

Discussion ends the chapter and clarifies theoretical contribution of this research, implications for managerial practices along with more direct recommendations in accordance with the results, and expands on limitations of present research.

CONCLUSION

In 2020, the revenue of luxury goods market is estimated to be $283 billion. In addition to it being one of the markets with the largest revenues, its expected CAGR is at least 7.4% by 2023. While the global consumption of luxury goods increases throughout the population, millennial account for more than a half of global consumption of luxury goods. More than 300 million people are currently following at least one luxury brand on Instagram, not considering other social media (Statista). However, pleasing millennial consumers is not as easy for luxury brands with their ever-changing tastes and growing emphasis on experience and intangible values as opposed to previous generations (McKinsey, 2020).

Extant research brings to the attention numerous factors of luxury value along with factors that affect purchase intention. Distinct studies explore the affect brand awareness, excellence, and prestige have on dream value, and suggest that dream value significantly impacts purchase intention, being its main prerequisite. The academia sees the dream value as a unique characteristic for luxury brands, as consumers buy them to escape routine and to build aspirations. Therefore, the research problem of the study addresses the factors from luxury value and purchase intention and brings to the question their relationship with the dream value.

The first chapter provides a detailed overview and analysis of extant academic research on luxury value and purchase intention in regard to it. Followingly, the theories and general consumer behaviour models were analysed and assessed in their relevance to the topic. In addition, the literature review explores the models of dream value and sustainable luxury consumption. Eventually, Chapter 1 concludes on Generation Y and its peculiarities in relation to luxury.

The second chapter proposed instruments for data collection and operationalization of the factors that are hypothesized to have significant links with luxury desirability. In total, 14 hypotheses out of total 16 were accepted after the empirical analysis. The non-probability mixed sampling provided 213 eligible cases. All responses were analysed using covariance-based structural equation modelling. The analysis commenced with exploratory factor analysis and defined the item-construct loadings. Then, confirmatory factor analysis was used to improve the fit of the model and test it for convergent and discriminant validities. The proposed model was assessed using SEM and included moderation, mediation, and multi-group analyses. The data exploration was concluded by crosstabulation analysis.

The supported hypotheses confirmed that uniqueness value, hedonic value, brand awareness, conspicuous value and excellence value have a significant effect on the dream value, with brand awareness demonstrating a negative direction and other variables a positive effect. The dream value has also been confirmed to have a significant positive effect on the purchase intention

in all cases with no exceptions recorded. Moreover, uniqueness value was found to have full mediation effect on purchase intention through the dream value and no significant direct effect.

Conclusively, the following study extends the understanding of the dream value, the factors affecting it and its role in the consumer behaviour. The luxury factors and the dream value were also tested together in the study for the first time and found to be significant, which supports future potential application of the proposed model. Lastly, the present master thesis reveals additional factors of influence, explores their effects on dream value, and reviews the relationship between proposed factors, luxury desirability, and purchase intention in general and varying respondent groups, providing theoretical implications and practical recommendations for luxury brands.

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APPENDIX 1. SURVEY DESIGN

Part 1: Introduction

Thank you for agreeing to participate in this survey. The survey completion should take no longer than 5 minutes. Your answer data is confidential and will solely be used for research purposes.

Luxury brands are brand systems characterized by leadership in their segment and outstanding basic and additional benefits for a particular product. The high price of luxury brand products is the result of peak performance and excellence, which they deliver consistently and without compromise. Examples of such brands are Hermès, Gucci, Chanel, Dior, Burberry, Rolex, Cartier, Prada, Lancôme, Ferrari, Louis Vuitton, and the like.

Part 2: Luxury Experience

Q1	Do you engage with luxury brands on social media?
Q2	Where have you seen luxury brand advertisements in the past 3 months?
Q3	Have you purchased luxury products before?
Q4	Luxury products of which category have you bought before or are willing to buy in the future?
Q5	Please rank how important is the quality of a luxury product for you:
Q6	Please rank how important are the prestige/status of a luxury brand for you:
Q7	Please rank how important are the aesthetics of a luxury brand for you:
Q8	Please rank how important is the brand of a luxury product for you:
Q9	Please rank how important is the durability of a luxury product for you:
Q10	Please rank how important is the experience from a luxury brand for you:

Part 3: Factors Evaluation

Q11   Uniqueness Value (Shukla, 2012; Tian, 2001)
– UV1: I think that luxury goods help to create a personal image that cannot be duplicated.
– UV2: I would prefer to own new luxury products before others do.
– UV3: When a luxury product or brand becomes popular among others, it loses its appeal for me.
– UV4: I often look for one-of-a-kind products so that I create a style that is all my own.

Q12   Hedonic Value (Wiedmann, Hennigs & Siebels, 2009; Babin, 1994)
– HV1: While browsing luxury goods, I feel the excitement of the search.
– HV2: When experiencing luxury, I am able to forget my problems.
– HV3: I think that consuming luxury goods would enhance my mood.
– HV4: While looking at luxury goods or brands, I feel a sense of adventure.

Q13   Brand Awareness (Soh, Rezaei & Gu, 2017)
I would prefer to own brands that are:
– BA1: Most expensive luxury brands.
– BA2: Best-selling luxury brands.
– BA3: Best advertised luxury brands.
– BA4: Most well-known fashion brands.

Brand Consciousness (Giovannini, Xu & Thomas, 2015) (2)
– BA1: I pay attention to the brand names of the items I buy.
– BA2: Brand names tell me something about the quality of the product.
– BA3: Brand names tell me something about how "cool" an item is.
– BA4: Sometimes I am willing to pay more money for a product because of its brand name.

Q14	Internal Conspicuous Value (Shukla, 2012)

Q14   Internal Conspicuous Value (Shukla, 2012)
- CV1: Consuming luxury indicates a symbol of achievement.
- CV2: Consuming luxury indicates a symbol of wealth.
- CV3: Consuming luxury indicates a symbol of prestige.
- CV4: Consuming luxury attracts attention.

External Conspicuous Value (Wiedmann, Hennigs & Siebels, 2009)
- CV1: I like to know what luxury brands and products make good impressions on others.
- CV2: I tend to pay attention to what others are buying.
- CV3: If I were to buy something expensive, I would consider what others would think of me.
- CV4: Social standing is an important motivator for luxury goods consumption.

Q15   Excellence Value (Kim et al., 2012)
- EV1: The products of luxury brands are sophisticatedly made.
- EV2: The products of luxury brands are made in craftsmanship.
- EV3: The products of luxury brands are of excellent quality.
- EV4: The products of luxury brands last a long time.
- EV5: I think of luxury brands as experts in the merchandise they offer.

Excellence Value (Shukla, 2012)
- EV1: I believe luxury goods are of superior quality.
- EV2: In my mind, the higher price charged by luxury brands indicate higher quality.
- EV3: I believe that you always should pay more for the best.

Q16   Brand Penetration (Adapted from Kapferer & Valette-Florence, 2018):
- BP1: I recently see a lot of people with products of the luxury brands that I like:

Q17   Purchase Intention (Kim et al., 2012)
- PI1: I would like to buy luxury goods constantly.
- PI2: I will buy luxury goods in the near future.
- PI3: Whenever I need to buy goods, it is very likely that I consider purchasing luxury product instead of a common product.
- PI4: I have a strong desire to purchase luxury goods.
- PI5: I am likely to purchase luxury goods when possible.

Q18   Environmental Consciousness (Shilpa & Madhavaiah, 2017)
- EC1: I do not purchase those products which may cause damage to the environment.
- EC2: I purchase products because they cause less pollution.
- EC3: I would buy a luxury product if it can be disposed in an eco-friendly way.
- EC4: I would buy a luxury product if it is packaged in an eco-friendly way.
- EC5: I would buy a luxury product produced in an eco-friendly manner.

Q19   Dream Value (Development from research)
- DV1: I sometimes dream about luxury brands.
- DV2: Luxury brands make me dream.
- DV3: I feel excited when thinking about luxury.
- DV4: I feel inspired when thinking about luxury.
- DV5: I associate luxury brands with dreams.
- DV6: Luxury brands are aspirational.

	Part 4: Demographics
Q20	What is your gender?
Q21	What is your age?
Q22	What is your nationality?
Q23	What is the highest degree of education you have completed?
Q24	What is your current employment status?
Q25	My income level is:

- I cannot afford to buy food.
- I can afford to buy food, but not clothes or shoes.
- I can afford to buy clothes or shoes, but not small appliances.
- I can afford various purchases, but buying more expensive things (personal computer, washing machine, refrigerator) requires a bank loan.
- I can afford any goods, but purchasing an apartment or a car requires saving money.
- I can afford any purchases I want.

| Q26 | How satisfied are you with the financial situation of your household? |

APPENDIX 2. TRANSLATED SURVEY DESIGN

Часть 1: Вступление

Спасибо, что согласились принять участие в опросе! Заполнение анкеты занимает около 7 минут. Ваши ответы конфиденциальны и будут использоваться исключительно в исследовательских целях и только в обобщённом виде.

Этот опрос посвящён брендам класса люкс.
Люксовые бренды — бренды-лидеры в своём сегменте с выдающимися базовыми и дополнительными преимуществами продукта. Высокая цена на продукцию люксовых брендов — результат функционального превосходства, предоставляемого покупателям последовательно и без компромиссов, и эксклюзивности характеристик и уровня качества. Примерами подобных брендов являются Hermès, Gucci, Chanel, Dior, Burberry, Rolex, Cartier, Prada, Lancôme, Ferrari, Louis Vuitton, и им подобные.

Часть 2: Опыт с товарами и брендами класса люкс

B1	Следите ли вы за люксовыми брендами в социальных сетях?
B2	Отметьте, где вы встречали рекламу люксовых брендов за последние 3 месяца?
B3	Приобретали ли вы продукцию люксовых брендов?
B4	Люксовые товары какой категории вы приобретали или готовы приобрести в будущем?
B5	Оцените, насколько вам важно качество люксовых товаров:
B6	Оцените, насколько вам важен престиж/статус люксового бренда:
B7	Оцените, насколько вам важна эстетика люксового бренда:
B8	Оцените, насколько вам важен бренд люксового товара:
B9	Оцените, насколько вам важна долговечность люксового товара:
B10	Оцените, насколько вам важны впечатления/ощущения от люксового бренда:

Часть 3: Оценка факторов

B11   Уникальность (Shukla, 2012; Tian, 2001)
  – UV1 Товары люксовых брендов помогают создать личный имидж, который невозможно воспроизвести.
  – UV2: Я хотел(а) бы владеть новой люксовой продукцией раньше, чем другие люди.
  – UV3: Когда люксовый продукт или бренд становятся популярными среди других, они теряют свою привлекательность для меня.
  – UV4: Я предпочитаю единственные в своём роде вещи, чтобы создать собственный уникальный стиль.

B12   Гедонизм (Wiedmann, Hennigs & Siebels, 2009; Babin et al., 1994)
  – HV1: Я испытываю волнение при поиске и изучении люксовых брендов.
  – HV2: Люксовые товары и услуги помогают мне забыть о проблемах.
  – HV3: Потребление люксовых товаров или услуг улучшает моё настроение.
  – HV4: Когда смотрю на люксовые товары или бренды, я ощущаю дух приключений.

B13	Узнаваемость бренда (Soh, Rezaei & Gu, 2017)

Я бы предпочёл(ла):
- BA1: Наиболее дорогие люксовые бренды.
- BA2: Наиболее продаваемые люксовые бренды.
- BA3: Наиболее рекламируемые люксовые бренды.
- BA4: Наиболее узнаваемые люксовые бренды.

Осведомлённость о брендах (Giovannini, Xu & Thomas, 2015) (2)
- BA5: Я обращаю внимание на бренды товаров, которые я покупаю
- BA6: Бренд говорит мне о качестве продукта.
- BA7: Бренд говорит мне о привлекательности продукта.
- BA8: Иногда я готов(а) заплатить больше денег за продукт из-за его бренда.

B14   Внутреннее демонстративное потребление (Shukla, 2012)
- CV1: Потребление люксовых брендов указывает на успешность.
- CV2: Потребление люксовых брендов указывает на достаток.
- CV3: Потребление люксовых брендов указывает на престиж.
- CV4: Потребление люксовых брендов привлекает внимание других людей.

Внешнее демонстративное потребление (Wiedmann, Hennigs & Siebels, 2009)
- CV5: Я предпочитаю знать, какие люксовые бренды и товары производят хорошее впечатление на других.
- CV6: Я склонен(на) обращать внимание на то, что покупают другие.
- CV7: Если бы я купил(а) что-то дорогое, мне было бы важно, что обо мне подумают другие.
- CV8: Социальное положение — важная причина потребления люксовых товаров.

B15   Превосходство (Kim et al., 2012)
- EV1: Товары от люксовых брендов изысканны.
- EV2: Товары от люксовых брендов сделаны квалифицированными мастерами.
- EV3: У товаров от люксовых брендов отличное качество.
- EV4: Товары от люксовых брендов служат долго.
- EV5: Люксовые бренды — эксперты в товарах, которые они предлагают.

Превосходство (Shukla, 2012)
- EV6: Я считаю, что продукция люксовых брендов — высшего качества.
- EV7: На мой взгляд, более высокие цены на люксовые товары указывают на более высокое качество.
- EV8: Я считаю, что всегда следует платить больше за лучшее.

B16   Экологическая ответственность (Shilpa & Madhavaiah, 2017)
- EC1: Я не покупаю те товары, которые могут нанести ущерб окружающей среде.
- EC2: Я покупаю некоторые товары, потому что они вызывают меньше загрязнения окружающей среды.
- EC3: Я бы купил(а) люксовый товар, если бы его можно утилизировать экологически чистым способом.
- EC4: Я бы купил(а) люксовый товар, если бы он находился в экологически чистой упаковке.
  EC5: Я бы купил(а) люксовый товар, произведённый экологически чистым способом.

B17   Распространённость бренда (Adapted from Kapferer & Valette-Florence, 2018):
- BP1: В последнее время я встречаю много людей с предметами/вещами люксовых брендов, которые мне нравятся.

B18	Намерение совершить покупку (Kim et al., 2012)
	– PI1: Я хотел(а) бы постоянно покупать товары люксовых брендов.
	– PI2: Я собираюсь приобрести продукцию люксового бренда в ближайшее время.
	– PI3: При совершении покупки весьма вероятно, что я предпочту люксовый товар вместо обычного.
	– PI4: Моё желание приобретать люксовые товары велико.
	– PI5: Я, скорее всего, выберу приобретение люксового товара, когда это возможно.
B19	Влечение люкса (Development from research)
	– DV1: Я иногда мечтаю о люксовых брендах.
	– DV2: Люксовые бренды побуждают меня мечтать.
	– DV3: Люксовые бренды вызывают во мне эмоции.
	– DV4: Люксовые бренды вдохновляют меня.
	– DV5: Я ассоциирую люксовые бренды с мечтами.
	– DV6: Я нахожу люксовые бренды воодушевляющими.
	Часть 4: Демография
B20	Ваш пол:
B21	Ваш возраст:
B22	Страна, в которой вы родились:
B23	Ваше образование:
B24	Ваша трудовая занятость:
B25	Ваш уровень дохода:
	- Мне не хватает денег на еду.
	- Мне хватает на еду, но не хватает на покупку одежды и обуви.
	- Мне хватает на одежду и обувь, но не хватает на покупку мелкой бытовой техники.
	- Мне хватает денег на различные покупки, но покупка дорогих вещей (компьютера, стиральной машины, холодильника) требует кредита.
	- Мне хватает денег на всё, но на покупку квартиры, машины, дачи необходимо накапливать денежные средства
	- Мне хватает абсолютно на всё.
B26	Насколько вы удовлетворены вашим финансовым положением?

APPENDIX 3. ROTATED FACTOR MATRIX

| | Component | | | | | | | |
	1	2	3	4	5	6	7	8
UV3							.703	
UV4							.855	
HV1				.688				
HV2				.765				
HV4				.656				
BA2					.755			
BA4					.680			
CV1				.573				
CV2				.782				
CV3				.576				
EV4	.814							
EV6	.780							
EC2			.698					
EC3			.914					
EC4			.938	.				
PI1		.537						
PI4		.556						
PI5		.545						
DV3						.782		
DV4						.845		
DV5						.761		

Extraction Method: Maximum Likelihood.

Rotation Method: Varimax with Kaiser Normalization.

    a.   Rotation converged in 7 iterations.

APPENDIX 4. CONFIRMATORY FACTOR ANALYSIS
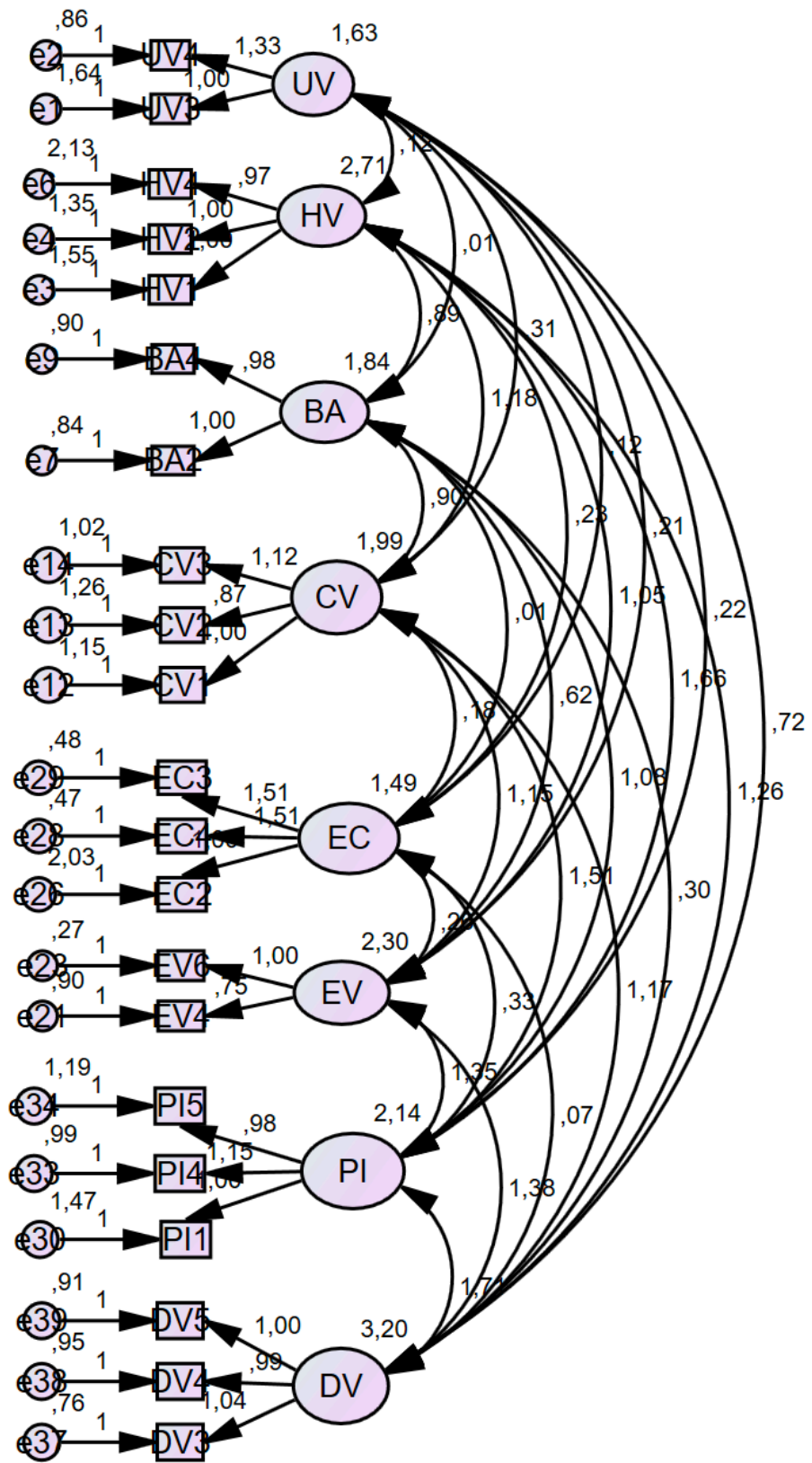
APPENDIX 5. MULTI-GROUP TESTS

Table. 14 Multi-group model fit and invariance table.

Variable	GFI	CFI	TLI	RMSEA	Model Difference P	Invariance
Gender	0.954	0.950	0.860	0.073	0.172^{ns}	Yes
Income Level	0.951	0.945	0.847	0.069	0.245^{ns}	Yes
Income Satisfaction	0.964	0.972	0.921	0.05	0.305^{ns}	Yes
Brand Penetration	0.966	0.974	0.927	0.05	0.329^{ns}	Yes
Purchase Experience	0.967	0.975	0.929	0.05	0.635^{ns}	Yes
Social Media Following	0.959	0.952	0.922	0.036	0.751^{ns}	Yes

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ^{ns} non-significant

Table. 15 Multi-group analysis for income satisfaction.

H	Path	p-value (high IS)	Estimate (high IS)	p-value (low IS)	Estimate (low IS)
H1:	UV → DV	0.129^{ns}	0.139	***	0.352
H3:	HV → DV	0.032^{*}	0.209	0.002^{**}	0.272
H4:	HV → PI	0.007^{**}	0.165	***	0.278
H5:	BA→ DV	0.484^{ns}	-0.074	0.005^{**}	-0.286
H6:	BA → PI	***	0.224	***	0.268
H7:	CV → DV	0.049^{*}	0.232	0.018^{*}	0.264
H8:	CV → PI	***	0.286	0.005^{**}	0.223
H9:	EV → DV	***	0.454	0.001^{**}	0.367
H10:	EV → PI	0.909^{ns}	0.009	0.001^{**}	0.262
H15:	DV → PI	***	0.344	0.002^{**}	0.213

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ^{ns} non-significant

Table. 16 Multi-group analysis for purchase experience.

H	Path	p-value (positive PE)	Estimate (positive PE)	p-value (negative PE)	Estimate (negative PE)
H1:	UV → DV	0.003^{**}	0.211	0.011^{*}	0.311
H3:	HV → DV	0.001^{**}	0.232	0.034^{*}	0.320
H4:	HV → PI	***	0.248	0.486^{ns}	0.074
H5:	BA→ DV	0.043^{*}	-0.171	0.623^{ns}	-0.073
H6:	BA → PI	***	0.246	0.004^{**}	0.294
H7:	CV → DV	0.013^{*}	0.233	0.251^{ns}	0.191
H8:	CV → PI	***	0.268	0.092^{ns}	0.192
H9:	EV → DV	***	0.427	0.018^{*}	0.399
H10:	EV → PI	0.133^{ns}	0.092	0.077^{ns}	0.211
H15:	DV → PI	***	0.291	0.004^{**}	0.261

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ^{ns} non-significant

Table. 17 Multi-group analysis for social media following.

H	Path	p-value (positive SMF)	Estimate (positive SMF)	p-value (negative SMF)	Estimate (negative SMF)
H1:	UV → DV	0.024^{*}	0.187	0.003^{**}	0.270
H3:	HV → DV	0.008^{**}	0.228	0.022^{*}	0.248
H4:	HV → PI	***	0.177	0.011^{*}	0.205
H5:	BA→ DV	0.094^{ns}	-0.161	0.259^{ns}	-0.127
H6:	BA → PI	***	0.234	0.001^{**}	0.265
H7:	CV → DV	0.135^{ns}	0.153	***	0.450
H8:	CV → PI	***	0.273	***	0.382
H9:	EV → DV	***	0.400	0.004^{**}	0.372
H10:	EV → PI	0.105^{ns}	0.103	0.162^{ns}	0.135
H15:	DV → PI	***	0.266	0.005^{**}	0.217

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ^{ns} non-significant

APPENDIX 6. ENVIRONMENTAL CONSCIOUSNESS SUMMARY

Table. 18 General and multi-group analyses values for environmental consciousness.

Model	p-value (DV)	Estimate	p-value (PI)	Estimate
General	0.299^{ns}	-0.091	0.020^{*}	0.131
Brand Penetration (high)	0.040^{*}	-0.162	0.160^{ns}	0.073
Brand Penetration (low)	0.753^{ns}	-0.026	0.085^{ns}	0.099
Income Satisfaction (high)	0.816^{ns}	-0.021	0.160^{ns}	0.077
Income Satisfaction (low)	0.097^{ns}	-0.131	0.049^{*}	0.110
Purchase Experience (positive)	0.047^{*}	-0.137	0.201^{ns}	0.056
Purchase Experience (negative)	0.589^{ns}	0.063	0.028^{*}	0.173
Social Media Following (positive)	0.118^{ns}	-0.121	0.227^{ns}	0.055
Social Media Following (negative)	0.388^{ns}	-0.078	0.209^{ns}	0.082

*** p-value < 0.001, ** p-value < 0.01, * p-value < 0.05, ^{ns} non-significant