Attitudes Towards Luxury Branding in the Millennial Age

Research for Customer Insights

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Introduction

The luxury industry is one of the most interesting and diverse industries in the world. Despite its large size, the luxury market is expected to reach $1.5 trillion by 2025, with a composite sales growth rate of 10.8% per year (Deloitte, 2019). Today, millennials account for 32% of the personal spending in the luxury market, which is expected to grow to 50% by 2025 (Danziger, 2019). Consequently, it is important to understand how luxury items and brands are perceived by new generations. Being millennials ourselves, we wanted to investigate our generation's attitude towards luxury items. Consequently, today, marketers are turning their efforts and attention to understanding how luxury items and brands are perceived by the new generations, as they have shown to behave differently to past generations that have traditionally bought luxury items. Our objective was to research how the presence of branding on a product impacts consumer attitude towards it. Given the clear psychological factors that might influence our research, we also included measures of self-consciousness into our study. The combination of branding and self-consciousness resulted in the research question: *How does luxury branding and self-consciousness affect consumer attitudes towards luxury products?* Our hypothesis is: *People who see a branded product and score higher on self-consciousness will have a more positive attitude towards the product.*

Study Method

This hypothesis has two independent variables: *the presence of luxury branding* and *self-consciousness*, which we measured using the Self-Consciousness Scale that was used to measure how much people care about how they appear to others (Scheier and Carver, 1985). We

had one dependent variable, attitude, which we measured by asking questions targeting its underlying components: the behavioral, affective, and cognitive components of attitude.

We operationalized our research question using a descriptive survey for several reasons. First, due to time and budget constraints, a survey was efficient because it could be widely distributed and easily answered by participants. In addition, the survey would require less time to complete, so participants would be more willing to participate fully. Secondly, a survey would best test our 2x2 hypothesis. It would allow us to keep track of our variables and speed up the dataset cleaning process without giving away our hypothesis to our participants. Thirdly, we wanted to minimize Social Desirability Bias through the anonymity of the survey as we asked questions pertaining to their own sense of self-consciousness. After careful consideration of these factors, we decided to operationalize our research question in the form of a survey.

In terms of our actual survey design, we randomly showed half of the participants one bag with the ‘Chanel’ logo labelled on it, and half the same bag with the ‘Chanel’ logo missing. We then measured their attitudes and their level of self-consciousness with some nominal questions, but did this primarily through interval questions wherein we based the intervals on the Likert Scale.

Our target sample was NYU undergraduate and graduate students. Because we had a 2x2 survey design, we need between 80-100 responses. We distributed our survey to our social circles via our personal social media platforms, primarily through mediums such as Facebook Messenger and WhatsApp and collected a convenience sample. This resulted in 114 total responses of which 88 were valid and complete – so we consider the value of ‘N’ to be 88. Our

sample primarily consisted of students in their junior year. The average age of participants to be 20 years. 75% of our respondents were female.

After we closed the survey, we cleaned the dataset of invalid or incomplete responses. We also coded the dataset. We combined the questions under the Self-Consciousness Scale into one variable by adding the response ratings for the components of self-consciousness for each respondent so to create a final score. Our hypothesis requires the self-consciousness independent variable to have two levels. In order to come up with those two levels, we took the median of the participants' scores and analyzed the distribution of the scores (Figure 1). The scores were normally distributed, indicating that it was statistically sound for us to split the scores into two groups; one equal to or less than the median, and the other greater than the median. Whether or not people saw the branded or non-branded bag had already been coded by Qualtrics. Since some questions were measuring similar concepts, we summed the responses for questions on style (Q6.3) and beauty (Q6.4) into a new variable and summed the responses for questions on durability (Q6.1) and quality (Q6.2) into a new variable.

Results

We decided to use univariate ANOVA tests to see how the components that comprise the dependent variable, "attitude," were affected by our independent variables: presence of branding and level of self-consciousness.

Here are the results for the behavioral component:

Whilst analysing if the independent variables affect the dollar amount respondents are willing to pay for the bag, we saw that there is not a statistically significant relationship ($p > .050$)

(Table 1). We see that people with a lower self-consciousness would be willing to pay more for both the branded and unbranded bag than people with a higher self-consciousness (Figure 2).

We analysed if the independent variables affect respondents' willingness to purchase the bag. We see that there is not a statistically significant relationship ($p > .050$) (Table 1). From Figure 11, we see that people with a high self-consciousness are less likely to purchase a branded bag as compared to people with a low self-consciousness. Moreover, we found that people belonging to both levels of self-consciousness displayed the same willingness to purchase the non-branded bag (Figure 11).

Here are the results for the cognitive component:

Whilst analysing if the independent variables affect the perceived aesthetic of the bag, we see that there is not a statistically significant relationship ($p > .050$) (Table 1). We see that people with a lower self-consciousness find the bag with the logo more aesthetically pleasing as compared to people with a higher self-consciousness (Figure 3).

We analysed if the independent variables affect the way respondents perceive the quality and durability of the bag shown. There is not a statistically significant relationship ($p > .050$) (Table 1). In Figure 4, we see that people with a lower self-consciousness perceive the branded bag to be of much higher quality than people with a higher self-consciousness. People with a higher self-consciousness perceive the non-branded bag to be of higher quality (Figure 4).

We analysed if the independent variables affect respondents' perception of how comfortable to carry the bag is. There is not a statistically significant relationship ($p > .050$) (Table 1). We see that people with a higher self-consciousness who viewed the branded bag think of it as more comfortable to carry, where as people with a lower self-consciousness who viewed

the non-branded bag think of it as more comfortable to carry (Figure 5). Although the graph generated through our tests supported our hypothesis, it is not statistically significant enough to contribute to our model or account for our p-value.

We analysed if the independent variables affect respondents' perception of if the bag can hold all their items. There is not a statistically significant relationship ($p > .050$) (Table 1). In Figure 6, we see that people with a higher self-consciousness who viewed the non-branded bag agreed more with the statement that the bag 'holds all their items' as compared to people with a higher self-consciousness who viewed the branded bag. In the same figure, we see that people with a lower self-consciousness who viewed the non-branded bag agreed more with the statement as compared to when people with a lower self-consciousness viewed a branded bag. Overall, people with a higher self-consciousness agreed more with this statement than people with a lower self-consciousness (Figure 6). Although the graph generated through our tests supported our hypothesis, it is not statistically significant enough to contribute to our model or account for our p-value.

Here are the results for the affective component:

We tested for if the independent variables affect respondents' happiness upon having the bag. There is not a statistically significant relationship ($p > .050$). In Figure 7, people with a higher self-consciousness are happier having the branded bag as compared to people with a lower self-consciousness. Similarly, upon testing for importance felt upon having the bag, we see that there is not a statistically significant relationship ($p > .050$) (Table 1). From this we infer that although both; people with a high and low self-consciousness feel more important upon having a

branded bag, the people with a higher self-consciousness feel more important than people with lower self-consciousness upon owning either of the bags (Figure 8).

We analysed if the independent variables affect respondents' confidence upon having the bag. There is not a statistically significant relationship ($p > .050$). We see in Figure 9 that people with a higher self-consciousness think that owning either of the bags would make them feel more confident as compared to people with a low self-consciousness. However, groups of both levels of self-consciousness believe that owning the branded bag will make them feel more confident (Figure 9).

Similarly, upon testing for how jealous respondents think owning this bag would make their friends, we see that there is not a statistically significant relationship ($p > .050$) (Table 1). From this we see that people of both high and low self-consciousness believe that the branded bag will make their friends more jealous of them as compared to the non-branded bag (Figure 10). In the same figure, people with a higher self-consciousness believe that the branded bag will make their friends more jealous of them more than do people with a low self-consciousness.

Limitations

Our survey consisted of a question that was intended to be asked on an interval scale of 1 to 7, however, in the published version, the scale was missing a '5'. In order to understand if this error was statistically significant, we ran independent sample t-tests for the original data and re-coded data for questions that made the scale out of 6 - as in all sixes we recoded to be fives, and sevens to sixes. In both the tests the average response was similar, at a p-value of 0.9 (Table 2). Since neither of these averages were statistically significant, we used the original data in all resulting analysis.

We also found that a number of respondents recognized that the bag was Chanel even without the logo. This may have introduced bias to the responses of people who saw the non-branded bag, as it could have influenced their ratings and responses. More research should have also been conducted to determine which bag(s) to use for this survey in order to avoid using well-known, iconic bags. It would also be important to ask questions about whether or not respondents liked the bag as personal style is subjective and may serve as a confounding variable in our data. Thus, our data could have been influenced by factors other than branding alone.

This data was obtained through a convenience sample, however, the results would have been more generalizable to the global luxury industry with the usage of a representative sample of millennials.

Conclusion

Our research objective was to investigate how branding a product as 'luxury' and the level of one's self-consciousness would impact people's attitude towards that product. Our hypothesis was that people with a high self-consciousness who were exposed to the branded bag would display a more positive attitude towards the product, however, our results indicated otherwise. We speculated that a potential reason for this may be that people who are more self-conscious view branded products as 'flashy' in that they attract public attention towards them - which probably causes them discomfort. In order to effectively achieve the research objectives we initially set out with, we could conduct further tests to investigate the relationship between people with a high self-consciousness, the level of attention they believe branded products attract towards them, and how comfortable they feel in that situation.

Works Cited

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Appendix

Exhibit 1 - Survey

Table 1
ANOVA Results

	F-Statistics	P-Value
Willingness to Pay (USD)	.11	.741
Aesthetic	.02	.888
Quality	.213	.645
Comfort	1.298	.258
Hold all items	.553	.468
Happiness	.601	.440
Importance	.040	.842
Confidence	.002	.961
Jealousy	.867	.028
Willingness to Purchase	1.554	.216

Table 2
Independent Sample t-test

		Mean	t-statistic	P-Value
Original Data	No logo	2.4	.108	.914
	Logo	2.37		
Recoded Data	No logo	2.33	.101	.920
	Logo	2.30		

Figure 1

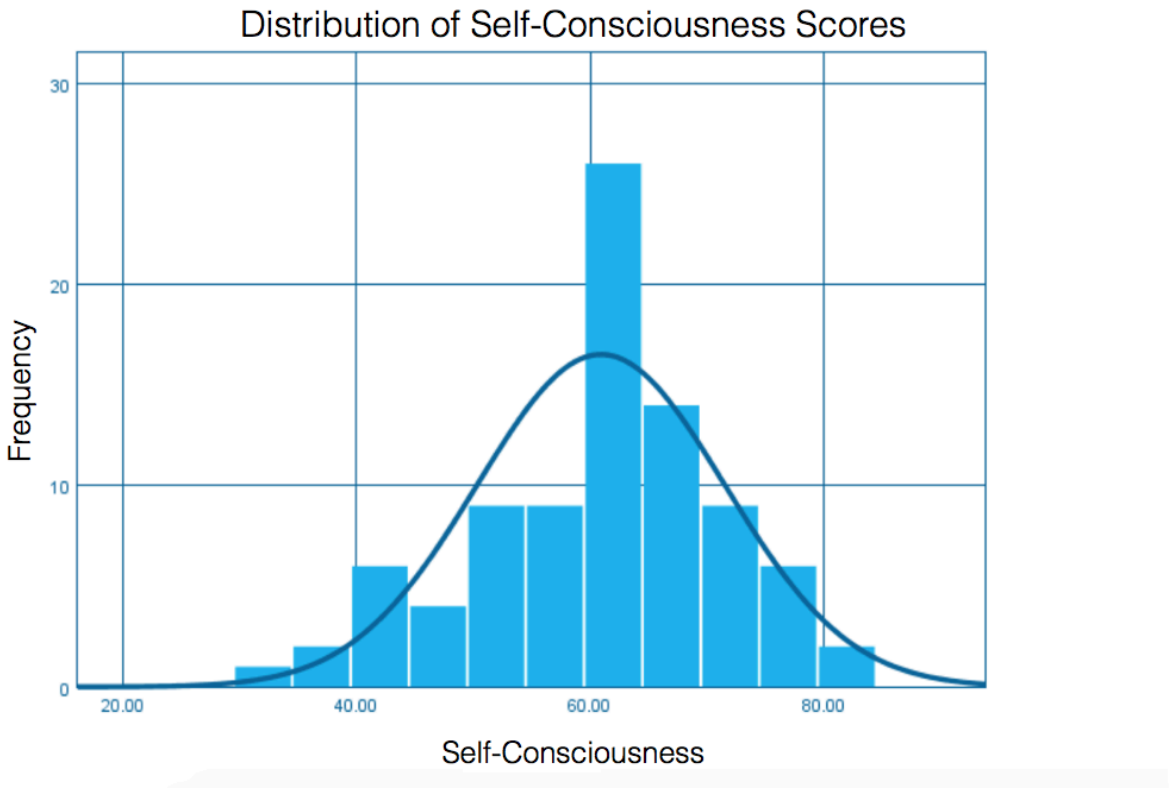
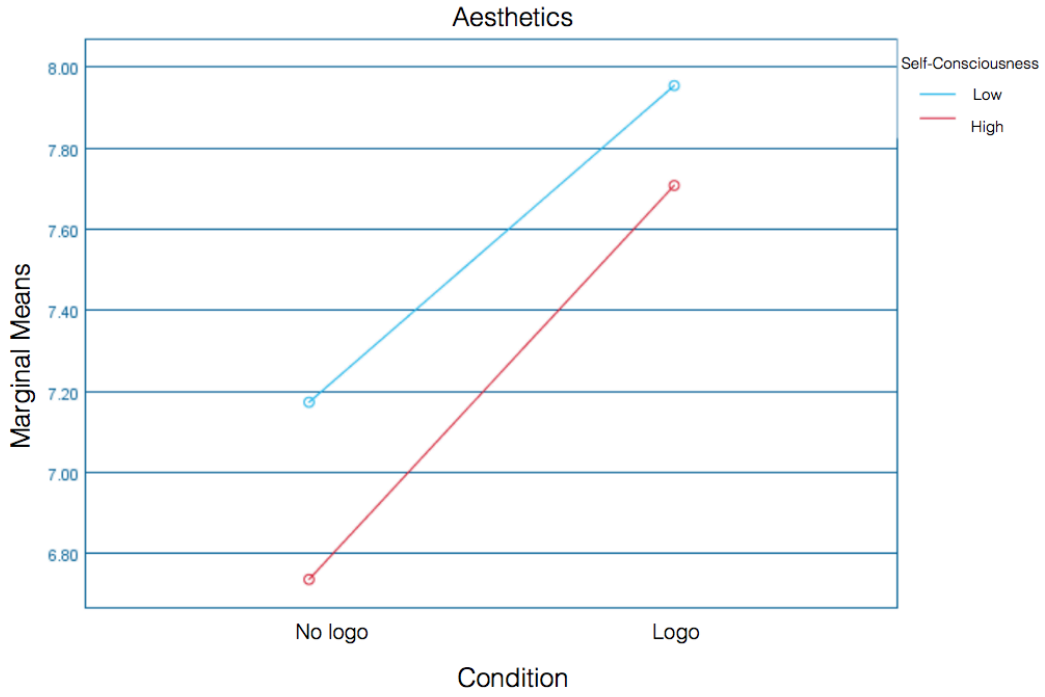


Figure 2

Figure 3



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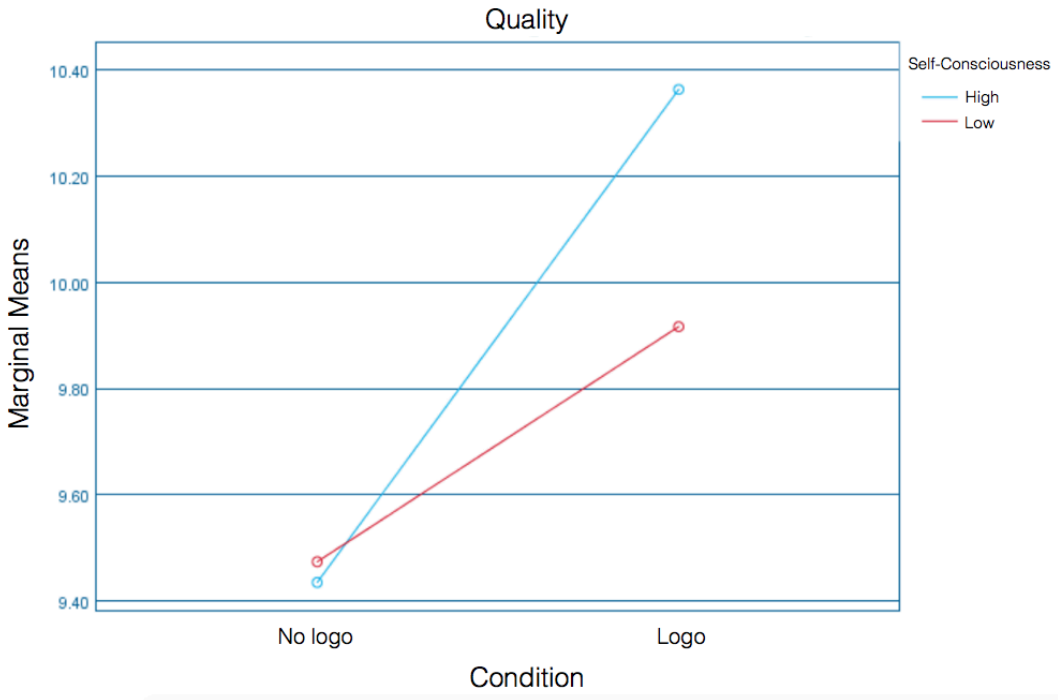

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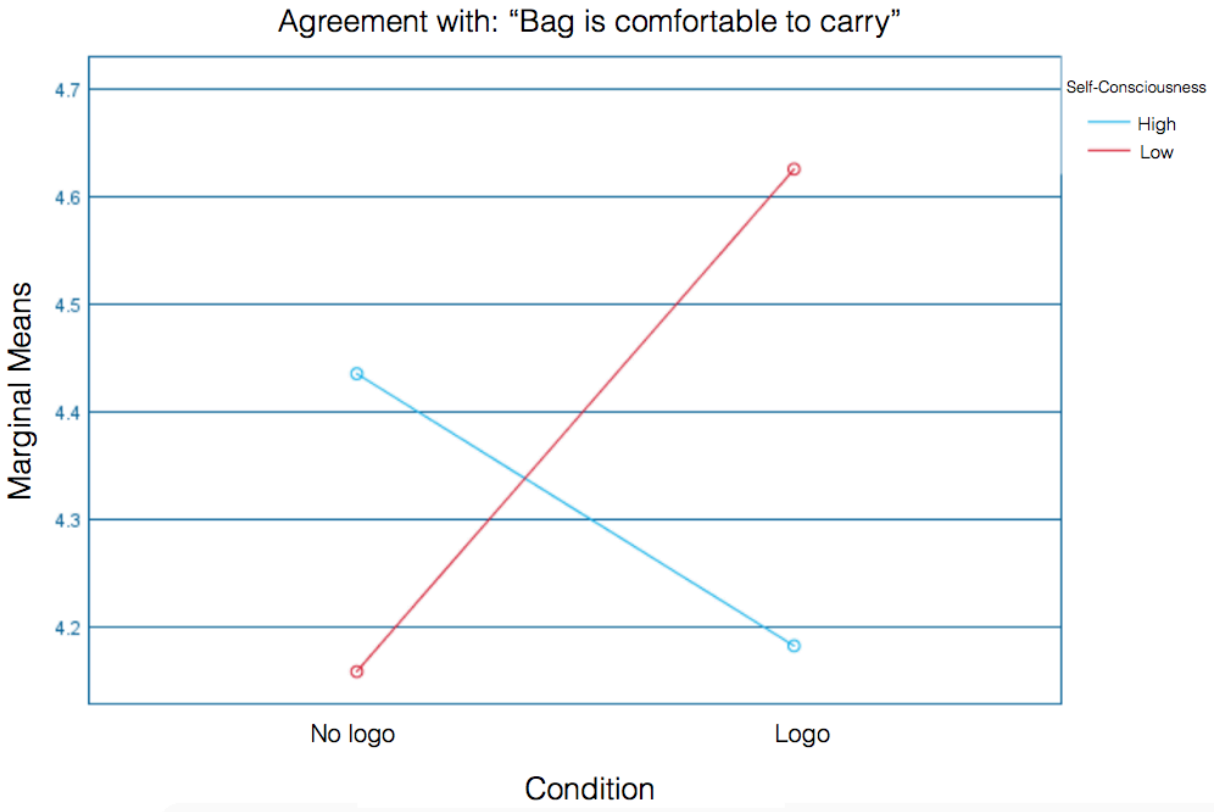
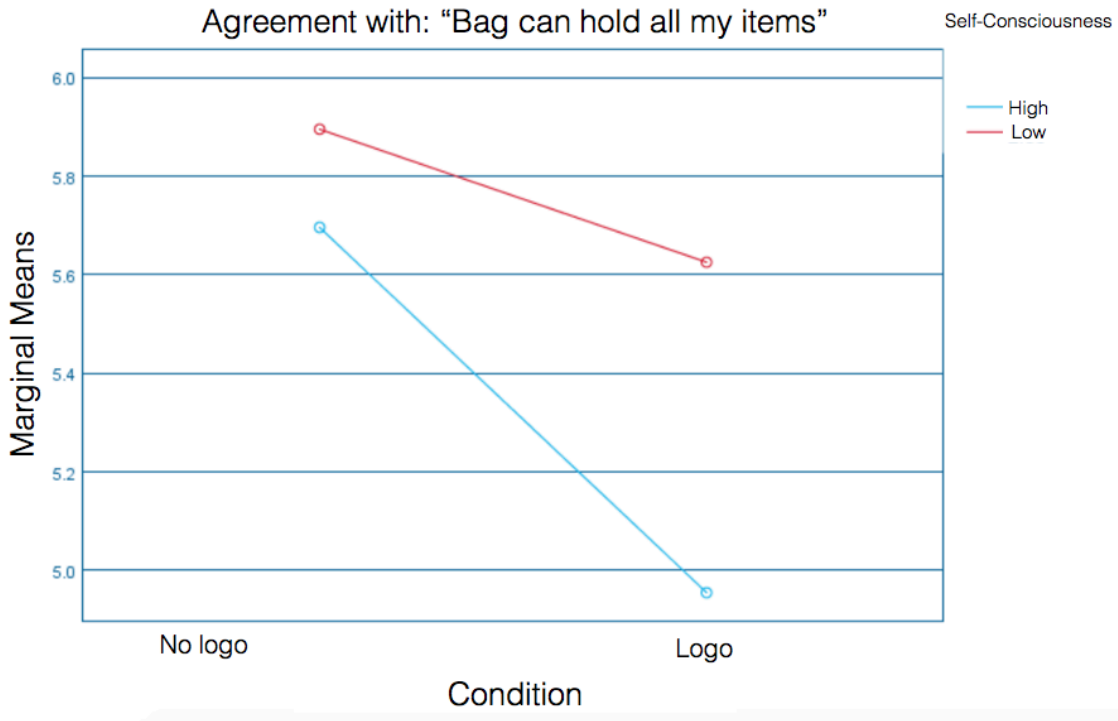


Figure 6



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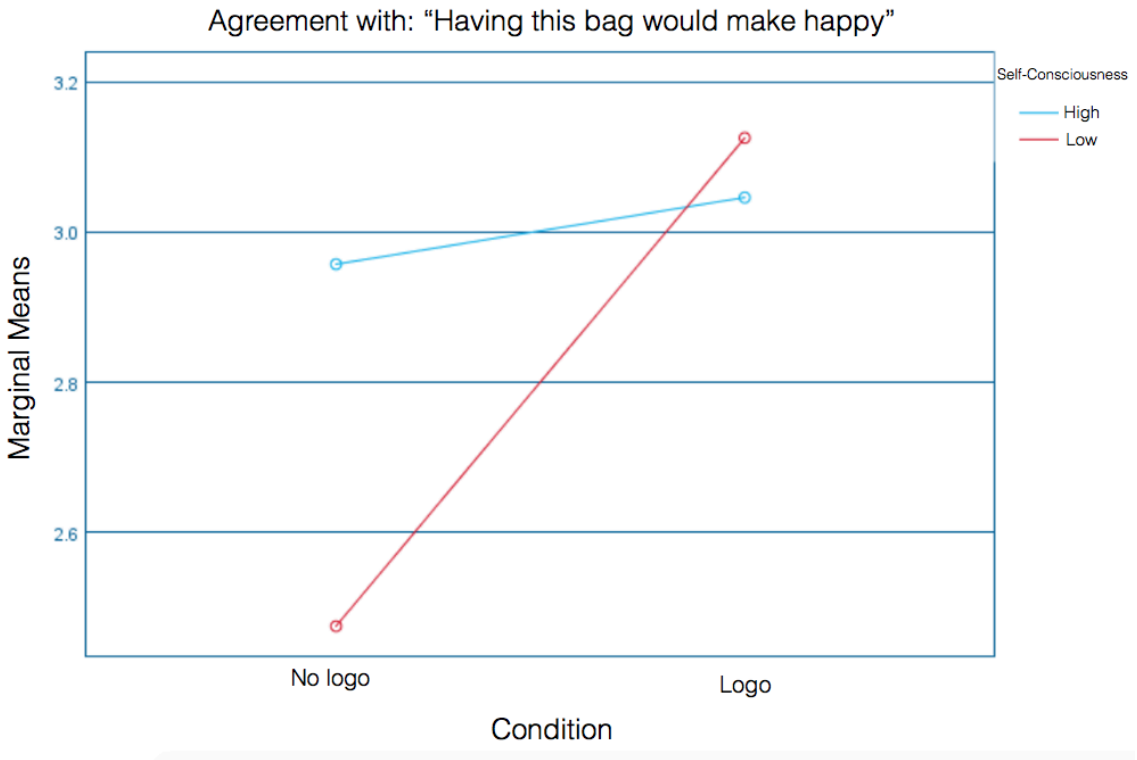

Figure 8

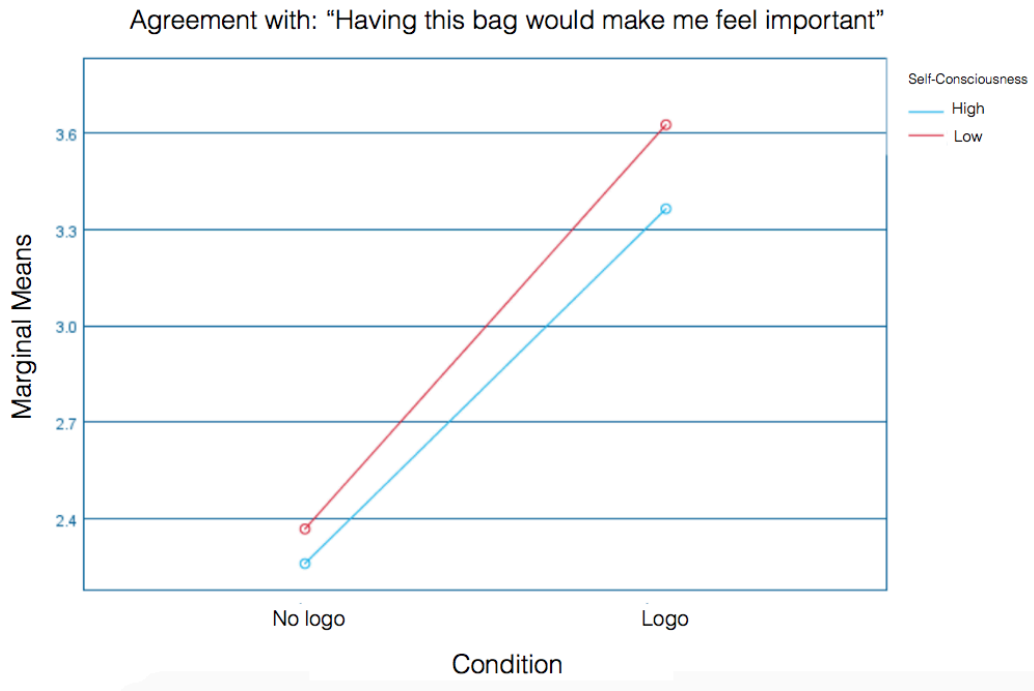

Figure 9

Figure 10

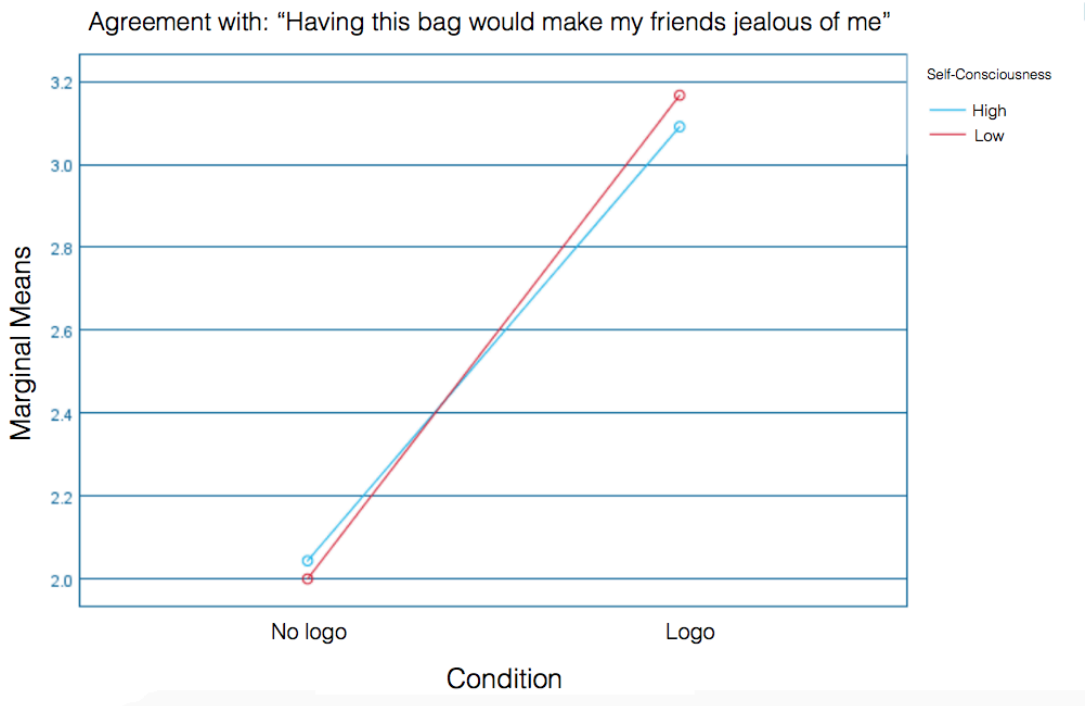

Figure 11


Willingness to Purchase
Marginal Means
2.8
2.6
2.4
2.2
2.0
No logo
Logo
Condition
Self-Consciousness
High
Low