Luxury Brand Purchases and the Extended Self: A Cross-Cultural Comparison of Young Female Consumers in Taiwan and the UK
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Abstract

Purpose (mandatory) It is generally agreed that marketing campaigns developed for Western markets may not be appropriate for consumers living in Eastern cultures, particularly with respect to strategies for promoting luxury brands. While consultancy reports and media commentaries show that rising levels of disposable income are driving increasing demand for luxury goods in China and Taiwan, for example, the academic literature offers very few consumer research findings clearly elucidating the different luxury purchasing behaviour of Eastern and Western consumers. The purpose of this paper is to compare the consumption of luxury products and luxury fashion purchasing habits in Taiwan and the UK, with particular reference to the fashion sector, focusing on a strategically important emerging market segment: young consumers of luxury brands.

Design/methodology/approach (mandatory) To achieve the study’s objectives, questionnaires were administered online in each of the two countries to females aged 18-26 years, who had made more than two luxury purchases in the year preceding the survey. Employing a 2-wave survey, respondents were selected via social media and personal contacts in the UK and by means of snowball sampling in Taiwan.

Findings (mandatory) The study found one major point of difference among many similarities: the Taiwanese buyers scored significantly higher on indicators that they were treating luxury brands as a means of developing their self-identity and communicating their social standing: an important part of maintaining ‘face’ in Asian cultures. These findings contain important
strategic implications for luxury fashion brand managers developing marketing campaigns for the promotion of their brands in the distinctive cultures of Taiwan, Mainland China and their neighbours.

Originality/value (mandatory) The study reported in this paper compares the consumption of luxury products in Taiwan and the UK, with particular reference to the fashion sector. The study contributes to existing knowledge by evaluating differences and similarities in: first, the luxury-fashion purchasing behaviour of young women in Taiwan and the UK, and second, the ways in which the two sets of consumers use luxury fashion products as an extension of their selves.

Keywords - Cross-cultural study, Taiwan, Luxury fashion brands, Purchasing behaviour, Self-images, Young consumers

Introduction

The market for luxury goods and services has been growing significantly and consistently since the early 1990s, and one result has been considerable academic research interest in luxury consumption (see for example, Bian and Forsythe, 2012; Eastman and Liu, 2012; Hudders, 2012; Truong et al., 2008; Wu et al., 2015). In the literature, this particular form of purchasing behaviour has been linked to the self-concept, with a large body of evidence for the link having been generated. A seminal article by Belk (1988), relating the acquisition of possessions to the concept of an ‘extended self’, has since been credited by Ahuvia (2005, p. 171) as having “solidified and accelerated an interest by consumer researchers in the ways consumption helps define people’s sense of who they are”. Saren (2007, p. 346) has summarised Belk’s conceptualisation as being that “consumers are doing more than
displaying their status or identity through products; they are creating an ‘extended self’ by appropriating and incorporating the objects and symbols of their consumption”.

The subject of self-concept has seen a concomitant academic increase to help unravel the complex nature of conspicuous consumption (Duma et al., 2015). Elliott and Wattanasuwan (1998, p. 141) observe “through an understanding of the dynamics of the process of identity construction, that opportunities can be identified for brands to play an important role in the symbolic projection of the self”. Vigneron and Johnson (2004) state that “the supposed luxury of a brand enables a consumer to express his or her own self, an ideal self, or specific dimensions of the self, through the use of a brand” (p.484), and thus developed the Brand Luxury Index whose construct incorporates the extended self. Despite the considerable volume of published research in the marketing literature, researchers have drawn attention to the disregard of the social dimension of purchase behaviour exhibited by economists (Berger and Ward, 2010; Chao and Schor, 1998; Hudders, 2012; Kastankis & Balabanis, 2012). The exception is Chao and Schor's (1998) study, which investigated women’s purchasing of cosmetics and revealed the prevalence of status-buying, especially among those with higher incomes and education levels. Due to this lack of research in the social dimension and in particular, the self in relation to luxury purchase behaviour, the present study offers an attempt to fill this important gap.

The study reported in this paper compares the consumption of luxury brands and products in Taiwan and the United Kingdom (UK), with particular reference to the fashion sector. The objectives of this study are to evaluate differences and similarities in (1) the luxury-fashion purchasing behaviour of young women in Taiwan and the UK, and (2) the ways in which the two sets of consumers use luxury fashion products as an extension of their selves. The two
countries have been chosen due to their significantly different economic, social and cultural characteristics. As an advanced developing country, Taiwan’s consequent steady increase in the wealth of its domestic consumers has contributed to the emergence of Taiwan as one of the most influential countries in the luxury market, as famous brands open flagship stores carrying their most expensive limited-edition products (He, Zou, and Jin, 2010). Euromonitor International’s (2014) report entitled Luxury Goods in Taiwan shows that the sales of luxury goods in Taiwan were £3 million in 2013. It also forecasts that the sales of luxury goods in Taiwan will reach £3.5 million by 2018. The UK, on the other hand, is a post-industrial developed country. The differences between the two countries can be expected to have a strong impact on consumer behaviour in their respective luxury fashion sectors, thus highly relevant for the present study.

The remaining of the paper is organised as follows: First, the paper presents a brief review on the literatures on luxury consumption and self-theories, with an aim to develop the hypotheses. In the subsequent section, the research methodology is presented, followed by the results of the research. In the concluding section, the paper discusses managerial and theoretical implications with suggestions for future studies.

**Literature Review**

*Luxury goods and the self*

Kleine, Kleine and Allen (1995, p. 341) argue that, “possessions are not literally the self, but artefacts of the self”. Schouten (1991, p. 50) had previously pictured an individual in the quest for a self to express setting about “accumulating the appropriate symbols of the new self”. Those would include possessions, which revise the self-concept in the direction of how
the person would prefer to be, that is, the ideal self. The notion of self-expression of the individual through possession of consumer products has been the subject of studies by Ahuvia (2005), Csikszentmihályi and Rochberg-Halton (1981), and Wattanasuwan (2005). In certain circumstances, however, it is not accumulation of a possession that is sought but its disposition. For example, a medal-winning member of a gymnastics team in which other members had later tested positive for illegal use of performance-enhancing drugs might be inclined to return the medal to the awarding body because it was seen to be a symbol that would be incongruent with his or her desired self-concept.

In another example, domestic pets have been discussed as possessions of the self by Belk (1988), Hill, Gaines and Wilson (2007) and Sanders (1990). Indeed, it is suggested that, “the companion animal provides…an enlarged definition of self like no other thing which can be bought, sold, or traded’ (Sanders, 1990, p. 666). Somewhat similarly, it has been argued that the increasing market for luxury clothing for children may be fulfilling parents’ own status needs and that any guilt attached to paying the higher price for the garments may be assuaged to some extent by the fact that they are not for their own personal use (Roberts, 2010). It has furthermore been suggested that children themselves are possessions, which “enhance and define the extended self of their parents’ (Levinson, Mack, Reinhardt, Suarez and Yeh, 1992, p. 224). Belk (1988, p. 157) drew on Thorstein Veblens’s Theory of the Leisure Class, published a century earlier, to propose that “one can vicariously consume through one’s dependents and hence dressing children in luxury brands is a reflection of oneself”. Belk (1990, p. 674) later posited time as a further dimension to the extended self, concluding that, “the self extends not only into the present material environment, but extends forward and backward in time”. Csíkszentmihályi and Rochberg-Halton (1981) and Wallendorf, Belk and Heisley (1988) assert that such possessions as photographs and keepsakes deepen our sense
of the past and the essence of the ‘self’. It has been made evident in studies by Mehta and Belk (1991), Wallendorf and Arnould (1988) and Watson, Lysonski, Gillan and Raymore (2002) that sentimental objects are important possessions across cultures.

The term ‘conspicuous consumption’, describing the acquisition of goods in order to show off to others, has its roots in The Theory of the Leisure Class (Veblen, 1899), a seminal text which “still represents a powerful critique of the neoclassical theory of consumption’ (Trigg, 2001, p. 99). The relationship between who we are and what we buy has not changed significantly over the years, except in so far as increasing demand for luxury products suggests that this purchasing pattern has migrated further down the socio-economic scale. Although luxury goods are today purchased to some degree by most income groups, there is an association between income and purchase expenditure (Husic and Cicic, 2009).

Purchasing luxuries might be the desire to emulate the lifestyle of the affluent (Amaldoss and Jain, 2005; O’Cass and Frost, 2002). Consequently, the luxury market may be thought of as a developing mass market, which includes not only members of the richest social class but also those at a more modest socioeconomic level (Nueno and Quelch, 1998; Yeoman and McMahon-Beattie, 2006). For example, Cavender and Rein (2009) and Li and Su (2006) have emphasised the role of luxury items as markers of success and status. Kastanakis and Balabanis (2012) examined luxury consumption using several psychological markers (e.g., bandwagon effect), which related to consumers’ propensity and the types of behavioural engagement in luxury consumption.

The increasing demand for luxury goods has seen a paralleled academic increase in unravelling the complex nature of conspicuous consumption. Vigneron and Johnson (2004, p. 484), for example, developed a Brand Luxury Index to measure the influence of possessions
on the definition of the self. With regard to the pragmatic rationale for better understanding, Elliott and Wattanasuwan (1998, p. 141) commented that, “through an understanding of the dynamics of the process of identity construction, opportunities can be identified for brands to play an important role in the symbolic project of the self”. In practice, luxury brands may be understated or assertive in their use of the brand’s identity. For some consumers, the ability to display the luxury brand’s logo overtly or mark is a necessary part of owning a luxury product and elevates their status in the eyes of significant third parties; for others, more subtlety is sought. Manufactures of such goods, recognising these contrasts in consumer types, may aim to appeal to both by marketing ‘quiet’ and ‘loud’ versions of a given brand (Han, Nunes and Drèze, 2010). ‘Loud’ version of brands is having noticeable logos and signatures that are not clear or eye-catching while ‘quiet’ version of brands is having discrete logos and trading marks that are not clearly embalmed or easily noticeable (Bagheri, 2014). For instance, Gucci’s green and red stripes have been characterised as loud and Chanel’s double-C buttons as quiet by Nueno and Quelch (1998). Correspondingly, ‘loud’ consumers who display products with highly visible brand logos conform to the construct of conspicuous consumption construct (Han, Nunes and Drèze, 2010). It could be that their ‘quiet’ counterparts are less overtly motivated similarly, with the difference that their conspicuous consumption may be evident only to the group they wish to impress: those select consumers who are ‘in the know’.

One stream of published research into luxury purchasing has focused on materialism as a motivator, which Belk (1984, p. 291) has defined as “the importance a person attaches to worldly goods”. He argued that, “at the highest levels of materialism, such possessions assume a central place in a person's life and are believed to provide the greatest sources of satisfaction and dissatisfaction in life either directly (as ends) or indirectly (as means to
Furthermore, the desire of owning luxuries is part of a consumption style that reinforces consumers’ self-esteem (Tatzel, 2002) through the material goods they are trying to attain. Some studies have debated the importance of materialists’ wealth and the relationship between luxuries and achievement via publicly consumed and privately consumed goods (Bearden and Etzel, 1982). Materialists attempt to enhance their status either individually or socially by consuming goods publicly or possessing visible affluence (Richins, 1994). This illustrates how a materialist would utilise the value of materialism associated with purchase intentions to enhance his/her social status, thereby achieving his/her materialistic goals. As a result, materialists prefer to purchase luxury goods (Prendergast and Wong, 2003) and are more willing to spend time and energy pursuing brand-name products (Browne and Kaldenberg, 1997), which can be profiled by addressing shopper’s orientations (e.g., brand consciousness).

Several recent studies have confirmed the role that materialism plays in purchasing (Freeman, McFerran, Aquino and Thau, 2008; Liao and Wang, 2009) and established a link between materialism and ‘symbolic consumption’ (O’Cass, 2001; Prendergast and Wong, 2003). A cross-cultural study by Eastman, Fredenberger, Campbell and Calvert (1997) found that young consumers in the China were more likely to be materialistic than their American and Mexican counterparts. Their materialism was expressed in the purchasing and consuming of the same range of status-enhancing products as their counterparts in the other two countries, suggesting there is a global market for luxury goods.

As luxury goods are increasingly purchased by all kinds of consumer, those labelled ‘snobs’ or ‘elitists’ eschew widely purchased luxury brands who in favour of more exclusive options: a form of consumer behaviour described as ‘social symbolic’ (Dubois, Czellar and Laurent, 2014).
The recent history of the Burberry brand is an example of a company not fully understanding that “fashion brands derive much of their brand equity from their exclusivity” (Ritson, 2002, p. 12). By the mid-1990s, it had extended its distribution to the point where it came close to being a mainstream brand and was in danger of losing its luxury image (Heller, 2000; Ritson, 2002). Shoppers in London could purchase Burberry products from 60 different stores, but not from those specialising in luxury fashion (Moore and Birtwistle, 2004). By contrast, Gucci did recognise in the early 1990s that over-extension of their distribution network was potentially harmful to the brand and severely reduced the number of stores stocking its products, in order to maintain a level of exclusivity (Nueno and Quelch, 1998).

Given that “scarcity value is an important attraction for luxury brands” (Park, Rabolt and Jeon, 2008, p. 256), all manufacturers of luxury brands have at some time introduced limited editions intended to deliver the exclusivity sought by that particular segment of the luxury market. These products, sometimes referred to as ‘ultraluxe’, establish their position vis-à-vis the ‘normal’ luxury brands by means of exclusive distribution and very high prices. For example: Versace introduced a limited edition of 100 bottles of perfume under the special name Gianni Versace Couture (Born and Iannaccone, 2008); Burberry and Gucci, among other fashion houses, have used limited edition handbags as a marketing tool (Women’s Wear Daily, 2008a, 2008b); Mouawad restricted the production run of its Diamond Devaulx ostrich-leather handbag, decorated with a half-carat diamond, to one hundred (Soucy, 2004). The high prices and limited production runs ensured the exclusivity of these limited editions by creating a barrier to entry for would-be competitors (Fionda and Moore, 2009).

Whereas some consumers of luxury goods are driven by exclusivity, the key driver for others it is the need to conform (Amaldoss and Jain, 2005). When demand for a product increases because other people regarded as influential have purchased it, there is what Leibenstein
(1950) described as a bandwagon effect. This form of influence on consumers’ purchase and use of luxury goods has been noted by Amaldoss and Jain (2008 and 2010), Chao and Schor, (1998) and Chen, Yeh and Wang (2008). A third category of luxury purchasers has been labelled ‘Veblenians’ because those consumers see the visibly high price of a purchase as a means of impressing others (Lichtenstein, Ridgway and Netmeyer, 1993; Vigneron and Johnson, 1999). Identifying a gap in the literature in so far as motives for luxury purchasing had been related solely to external interactions – the snob, bandwagon and Veblenian motivations – Vigneron and Johnson (1999) added two drivers of internal personal origin: hedonists and perfectionists. The former focus on the perceived emotional value to be derived from the product whereas the latter are influenced by their perception of the quality value.

In the present study, we note that the extended self refers to a process by which consumers may learn from or educate each other based on their consumption as progression and connections between people and the purchases are made (Berger and Ward, 2010). Such connections bring a sense of society and individuality, which in turn demonstrates the way for individual and collective action embedded in social context. Sivadas and Venkatesh (1995, p. 406) detected a major gap in the literature, in that “individual variations in the incorporation of possessions in the extended self within the same age and cultural group have not been studied”. Their study, exploring the relationship between satisfaction and the extended self as expressed by consumption of luxury products, concluded that, “a central research question that begs further empirical examination is why do individuals incorporate possessions into the extended self and why are some individuals more likely to do so than others” (p. 410). To attempt to close that gap, the study reported in this paper seeks to identify differences and similarities in luxury-fashion purchasing behaviour between young women in Taiwan and the UK, and to identify whether or not these two groups differ in their
use of luxury fashion products as extensions of their selves. The segment of female consumers has become an influential group in the luxury market due to their annual consumer spending. However, most companies and marketing scholars have limited knowledge about selling to women, especially young female consumers. A comprehensive study by Silverstein and Silverstein and Sayre (2009) on how women felt about their work, lives, and experiences from their purchases demonstrated that the young female consumer segment represents one of the largest market opportunities, and is an influential force in the marketplace, generating new wealth (Silverstein and Sayre, 2009). Thus, the study seeks to add new knowledge to the study of this interesting and dynamic segment, from the cross-cultural perspective, providing insights to both Taiwan and the UK.

In the next section, the study develops the hypotheses on these cross-cultural differences between these two groups of luxury-fashion purchasers in Taiwan and the UK.

**Hypothesis Development**

**The Asian Context**

Luxury brands are not a recent phenomenon in Asia. Rado has been marketing its luxury watches since the 1950s and Cartier opened its first store in 1969 (Ram, 1989). The importance of luxury brands to status there is evident in the same author’s later assertion that “a bottle of cognac in China affirms self-worth” (Ram, 1994, p. 52). Luxury brand managers have recognised the rise of the middle class in Asia and have noticed that, even during the recession of 2009 in China, sales grew by 20 per cent (The Economist, 2010). Park, Rabolt and Jeon (2008) recorded the increasing demand for luxury brands among the young in Korea. Hung (2006) has noted that luxury brands from Europe have adapted to the market in Taiwan, where they have been very successful. Much of the acceptance of luxury brands in
Taiwan and other Asian countries has been attributable to the desire for upward mobility and status seeking (Thorniley, 2010).

Truong (2010) has called for further studies of luxury purchasing in markets other than in Western countries, Dubois, Czellar and Laurent (2005) having specified that such research is needed to identify differences in the purchase motivations of consumers between Western and Eastern societies. It has previously been established that Asian markets differ from the West in that they are more materialistic (Eastman, Fredenberger, Campbell and Calvert, 1997; Wong and Ahuvia 1998), which might explain the increasing demand for luxury purchases in Eastern countries (Sirgy et al., 2012, 2013). However, similarities have also been noted in respect of personal orientation towards luxury brand purchasing, raising the possibility that there is a transnational market segment that may react to a particular marketing communications message on the basis of the individuals’ selves rather than social factors (Tsai, 2005).

Smith and Snipes (2009, p. 19) report the comment by the chief executive officer of the Luxury Institute, based in New York, that “there are more aspirational consumers in Asia than in other parts of the world”. The increasing demand for luxury goods in Asia (Bain & Company, 2013; CNBC.com, 2013; Curtin, 2009; Economist Intelligence Unit, 2013; Financial Times, 2013) may be attributable to the need for status identified earlier in this paper, and it is generally suggested that the underlying motivation to gain status may be the maintaining of ‘face’, a concept embedded in Asian cultures (Hwang, 2006; Redding and Ng, 1983).
Although Goffman (1955) long ago brought the concept of face to sociologists’ attention in an article with the title ‘On Face-work: An Analysis of Ritual Elements of Social Interaction’, it is commonly accepted that it has its origins in China (Bargiela-Chiappini, 2003) and is a characteristic of other Asian cultures. The concept is familiar in the English-speaking world only in the phrase ‘losing face’; it is not used to connote a positive phenomenon. The Asian concept of face has been described as “the respect, pride, and dignity of an individual as a consequence of his/her social achievement” (Leung and Chan, 2003, p. 1575). The phenomenon is “interpersonal and represents the social self” (Liao and Wang, 2009, p. 988) and has been shown to have an impact on business activities (Leung and Chan, 2003; Redding and Ng, 1983) as well as on consumption practices (Bao, Zhou and Su, 2003; Chan, Wan and Sin, 2009; Li and Su, 2006).

Park and Rabolt (2009) identified differences in cultural values between Eastern and Western consumers of fashion good specifically. Furthermore, the findings of a study comparing the attitudes to luxury of consumers in 19 Western countries (Dubois, Czellar and Laurent, 2005) conformed to Hofstede’s familiar cultural dimensions: power, distance and uncertainty avoidance (Hofsteded, 1980). Differences in purchasing behaviour between Asians and Westerners were also attributed to cultural factors by Kacen and Lee (2002). In terms of brand choice, Sun, Horn and Merritt, (2004) have found that consumers in individualist cultures differ to their counterparts in collectivist cultures by typically sticking to well known brands. Wong and Ahuvia (1998) found that Western consumers bought goods as sources of pleasure and acquired them by buying them personally, and that their choices generally reflected their individual personas. Easterners, on the other hand, were found to buy luxury products to display their possessions in public and often acquired them in the process of exchanging gifts; product choices reflected social norms and located the user vertically within
the social hierarchy. Because the social group is so important in Asian cultures, conformity is very evident. As the study concluded, “if the in group prescribes expensive and ostentatious possessions or activities as socially appropriate, then a good member must subscribe to such public display of wealth in order to fit in” (p. 43).

Heaney, Goldsmith and Jusoh (2005) concluded that the acquisition of luxury goods in Asia – in this case Taiwan - is a result of status seeking rather than of materialistic behaviour. Focusing on the managerial implications of the phenomena discussed in the extensive literature, they advised that, “when marketing to Asian consumers, marketers should concentrate on branding luxury goods to give them status value; the marketer should not market the good simply as a quality or functional item. The Prada handbag is more important as a status Prada brand than as a quality leather handbag” (p. 95). This emphasis on social conformity rather than personal tastes is confirmed in a study by Wong and Hogg (2010), alluding to gifts given and received as being ‘extended possessions’ for Hong Kong consumers.

In the global luxury market, the growing segment of female consumers has made a strong impact on luxury brands and fashion industry. More than 83 per cent of women influence the decision of purchase in the British and U.S consumer luxury markets (Hutzler, 2011). More importantly, fashion and luxury branded products have played an instrumental role in young female’s lifestyle; this notion similarly applies to the Chinese luxury market. The McKinsey Chinese Luxury Consumer Survey (2012), “Luxury without borders - China’s new class of shoppers take on the world” highlights that Chinese female luxury consumers’ tastes in luxury products are becoming mature with surprising fast pace and is quickly becoming the key driver in luxury consumption due to its transformation of the Chinese luxury consumption. Drawing on the above published studies and commentaries reviewed in this
section, the present study hypothesises in the contexts of Asia, here being Taiwan, and Western economy, here being the UK, that:

**H1** Compared to the UK, young Taiwanese female consumers will be the heavier purchasers of luxury fashion.

**H2** Compared to the UK, young Taiwanese female consumers will be more likely to employ their luxury fashion purchases as extensions of the self.

**Method**

The two countries, UK and Taiwan, were selected for the study on the basis that their cultures are significantly different (Hofstede, 1980) and that the process of luxury purchase, from purchase orientation to purchase outcome, can therefore be meaningfully compared and contrasted. To achieve the study’s objectives, a two-wave survey was conducted: First, 250 questionnaires were administered online during Summer 2012 to convenience samples of females aged 18-26 years in each of the two countries, who had made more than two luxury purchases in the year preceding the survey (first wave study). Respondents were selected via social media and personal contacts in the UK and by means of snowball sampling in Taiwan. The decision to restrict the sample to female consumers was justified by the finding in previous research studies that they are significantly more involved in fashion than their male counterparts (O’Cass, 2001). The age range is consistent with other studies of the ‘younger segment’ by Hsu and Chang (2008) and Wood (2004). A study of conspicuous consumption by O’Cass and McEwen (2004) also focused on the younger age group, but in that case only students. The first-wave recipients were asked to pass on a copy of the questionnaire to others who also met the age criterion (second wave study), with the result that 356 completed questionnaires were returned in total. Of those, 131 from the UK and 139 from Taiwan were
usable. The questionnaire was in English and used in both the UK and in Taiwan, where the English-speaking community, especially among the sample, was very achievable.

Though it has traditionally been thought that luxury products can be afforded only by those who are wealthy, there is recent evidence that this generalisation is no longer valid. According to Heine (2010) and Hua (2012), the student market segment has been one of the main income streams for luxury marketers. Some may pay for their purchases by instalments, or defer settlement by using a credit card; others may be subsidised by their parents. This new understanding of the luxury market is a sound reason for the inclusion of students among the young female consumers of luxury goods in our own study. A pilot test with samples of ten respondents in each country established that students acquire luxury products in various ways. Some are from well-off families, and can easily afford them; others may have saved money for a number of months in order to be able to buy, for example, a Gucci handbag; yet others may use a credit card to defer the burden of payment for the purchase.

The sampling frame contained a mix of students, young working women and housewives. A screening question was included to ensure that only those who had made a luxury purchase during the previous year completed a questionnaire. Table 1 shows that, in the eventual sample, students accounted for a little over half of the eventual sample, working women for just less than a third, and housewives for the remaining ten per cent. The majority of respondents were single. Table 1 also confirms that young buyers of luxury goods in both countries are not necessarily wealthy: nearly three quarters of respondents earned less than the equivalent of roughly £15,000, €18,000 or $24,000.

< Insert Table 1 About Here >
Fionda and Moore (2009) distinguish four categories into which luxury goods have traditionally been classified: fashion, perfumes and cosmetics, wines and spirits, and watches and jewellery. More recently, professionals in the sector and business-school academics have added such categories as luxury cars and holidays to the mix. In our study, the focus was on fashion clothing and accessories. Though several previous studies have investigated the luxury fashion market, they have focused on the supply side rather than the demand side (Amighini and Rabellotti, 2006; Moore and Doyle, 2010).

**Measures**

The extent to which luxury fashion was part of a respondent’s extended self was measured by a six-item seven-point scale devised by Sivadas and Machleit (1994), which has been shown to be reliable, unidimensional and internally consistent (Sivadas and Venkatesh, 1995) and was later employed in a study by Dodson (1996). The items take the form of the following six statements, with which respondents were invited to agree or disagree on a seven-point Likert scale:

My [luxury fashion purchase] helps me achieve the identity I want to have.

My [luxury fashion purchase] helps me narrow the gap between what I am and what I try to be.

My [luxury fashion purchase] is central to my identity.

My [luxury fashion purchase] is part of who I am.

If my [luxury fashion purchase] is stolen from me I will feel as if my identity has been snatched from me.

I derive some of my identity from my [luxury fashion purchase].
Results and Findings

First, respondents were asked to name the luxury fashion brands they had purchased over the previous year. Table 2 shows that the ranking of the ten most widely nominated, are similar between the two countries, but not identical. According to Huang and Rust (2008), Louis Vuitton and Gucci, in the top three brands in both countries, are considered to be at the high end of the luxury market. Coach, also generally regarded as a luxury brand, prices its products somewhat lower than its competitors. Both samples ranked it in the middle of the table. Given what our study has found about the ability of young Taiwanese, even those with the lowest discretionary income, to find ways to afford luxury brands, Coach might therefore have been expected to have placed higher than sixth out of ten. Its status as an ‘affordable luxury brand’ could perhaps have struck the young females in the Taiwanese sample as an oxymoron and conditioned their preference for more prestige brands. A notable difference between the country groups is that Chanel is more popular and Armani less popular among Taiwanese women than among their British counterparts. This finding may be explained by the fact that strategies for overcoming the constraints of relatively low income are less common in the UK than in Taiwan.

< Insert Table 2 About Here >

Second, the low ranking of Ralph Lauren by both samples could perhaps be explained by the blurring of the boundaries between luxury and mass-market goods, given its positioning of itself as a brand with a level of perceived prestige for a broad range of customers (Truong, McColl and Kitchen (2009). This is what Silverstein and Fiske (2003) have described as a ‘masstige’ strategy. Although traditional luxury brands might be hesitant to undertake a strategy running the risk of compromising brand integrity, Armani has been cited by Kort,
Caulkins, Hartl and Feichtinger (2006) as an example of achieving democratisation while maintaining brand exclusivity. That brand is purchased by very few of the young Taiwanese women in this study, however, possibly because they do not perceive it as ‘exclusive’ and prefer brands that offer greater status.

Third, while a brand name can be of primary importance to shoppers (Aiello et al., 2009), especially those in Western countries, where it appears to act as an indicator of quality (Beverland, 2004; Husic and Cicic, 2009), this is not always the case. In a study by Han, Nunes and Drèze (2010) of Taiwanese consumers’ perceptions of luxury handbags, it was found that the brand name take second place after country of origin information, suggesting the desire to avoid Chinese-made counterfeit products prevalent in Taiwan. Table 2 suggests, on the face of it, that there are few differences between the luxury fashion buying habits of young women in Taiwan and the UK. Chi-squared tests were therefore performed to assess the actual variation in quantity and frequency of purchasing between the two samples. The results thus showed that there were no significant differences between the two groups.

Fourth, Table 3 shows that the most usual frequency is one or two purchases per month, closely followed by an interval of more than one month between purchases. Respondents who might be labelled ‘intensive’ consumers of luxury fashion products, making at least one purchase on average three or more times per month, constitute exactly a quarter of the UK sample and just less than one in five of the Taiwan sample. The slight but clear differential in favour of the UK suggests that, although Asia is fast becoming an important market for luxury fashion brands, the UK and similar Western markets remain stronger for the time being. There is a strong association between country of residence and frequency of purchase: $\chi^2 = 27.955, p = 0.00$. That over half the young women in both countries are buying luxury
fashion items at least once a month suggests that their purchases could mainly be such lower-
value accessories as small leather goods. Truong (2010) asserts that these are the products,
which have kept many luxury brands afloat by appealing to important segments of the market
characterised by limited income and aspirations to the lifestyles of the wealthy.

Fifth, it is important to consider the value of the purchases made by the large sub-groups of
young female consumers of luxury fashion brands in the two samples, because the amounts
spent by those purchasing once a month could be comparable to the expenditure of others
buying three times per month. Table 4 shows that the majority in both samples claimed to
spend less than £1000 (€1,192, $1,598) annually on luxury fashion brands, but that more than
one in ten of the young females in Taiwan were purchasing twice as much in a year; only 6%
of their counterparts in the UK spent so freely. The chi-squared analysis did not provide
evidence of any strong association between country of residence and level of spending
purchased: $\chi^2 = 3.729, p = 0.155$.

Sixth, Table 5 shows the mean scores and $t$-test results for each of the six items comprising
the Extended Self Scale. It is immediately evident that the ranking of the six items from
highest to lowest mean score is identical for both samples. The fact that “My [luxury fashion
purchase] helps me achieve the identity I want to have” scored highest and “If my [luxury
fashion purchase] is stolen from me I will feel as if my identity has been snatched from me”
lowest, suggests that, while although luxury fashion is an important component of
respondents’ identity in both countries, it is not the only mechanism by which they develop their identities. Across all six items, the mean scores in Taiwan were higher than those in the UK. Furthermore, there was a significant difference between the two samples with respect to the two items “If my [luxury fashion purchase] is stolen from me I will feel as if my identity has been snatched from me” and “I derive some of my identity from my [luxury fashion purchase]”.

< Insert Table 5 About Here >

Finally, the finding that the overall score on the Extended Self scale is significantly different between the samples offers support for both research hypotheses, respectively, suggesting that there will be differences between young females in the East and the West (as exemplified by Taiwan and the UK) in terms of how frequently they buy luxury fashion brands and the extent to which they are using those brands as extensions of the self. The particular scores recorded in Taiwan may be explained by the Chinese phenomenon of ‘face’, which has been shown to motivate luxury purchasing (Li and Su, 2006) and also helps to explain why consumers from some less developed countries, with lower disposable incomes, indulge in this kind of purchasing behaviour (Liao and Wang, 2009).

In summary, our findings suggest that both hypotheses are significant. H1 underlines that both young Taiwanese and UK female consumers have the same enthusiasm towards luxury purchases, which includes luxury spending, and purchase frequency. H2 emphasises on how young Taiwanese and UK consumers develop part of their self-identity through their luxury fashion purchase while employing luxury products as an extension of the self.
Discussion

Previously, Auty and Elliott (1998) demonstrated the potential of an individual’s choice of what to wear to act as a code for others. Although they focused on mass brands, it might be expected that luxury fashion brands are even more powerful communicators of messages about the wearer. The results of the study reported here confirm that such brands help the individual to develop a sense of personal identity and that the act of using them disseminates information about that identity. This is particularly the situation for young women in Taiwan, who do use luxury fashion as a form of self-expression. In other words, they are involved in a ‘self-creation project’ (Wattanasuwan, 2005, p. 179) conducted through the medium of objects that have meanings to which they aspire.

Most of the young women respondents in this study were unmarried students or working women and all were either in their late teens or twenties. They were thus in the ‘early adult transition’ or ‘entering the adult world’ phases of their personal life cycle (Levinson, 1986). Many such consumers will doubtless be looking to symbolic possessions as aids to safe progress through the personal upheavals affecting their young adulthood at present or in the future. Indeed, it has been suggested that, “during many types of life transitions, symbolic possessions may be used to fill the role that family, friends, and other personal relationships once held in the individual’s extended self” (Noble and Walker, 1997, p. 34). Teenagers and young adults who are still “finding their way in life” will be susceptible to the influences of aspirational reference groups and will respond by engaging in symbolic purchasing behaviour (Leigh and Gabel, 1992, p. 28). The fact that the majority of respondents made a purchase at least once a month demonstrates a widespread appetite for luxury fashion. Even if some individuals are constrained by limited discretionary income to lower unit-value items, they can be expected to trade up to more expensive purchases as their careers progress. It will
therefore be of strategic value to the international manufacturers of luxury fashion goods to engender a sense of brand loyalty within this young age group, as future consumers of their brands, in Taiwan and more widely in the Far East.

More specifically, an understanding of the underlying reasons for the buying of luxury brands can inform the content of promotional messages. The finding that young Taiwanese women are more inclined than their UK counterparts to perceive their luxury purchases as extensions of themselves suggests that those are artefacts in the development of the ideal self, which is in turn heavily influenced by the oriental phenomenon of ‘face’. Indeed, Degan (2009, p. 75) has remarked of Mainland Chinese consumers that, “their motivation to buy these luxury brands has its roots in the more complex Confucian values and demand for social recognition”. Fashion items, be they handbags, shoes or clothes, are displayed in public view by the purchaser, and hence are appropriate ways for Taiwanese young women to project the sought-after image of personal status. The behavioural differences identified in the UK sample suggest that a standardised approach to international marketing campaigns for luxury brands is not appropriate. Indeed, it would ignore the important cultural differences that need to be considered when developing brand messages for each market. Shukla (2010, p. 108) has confirmed that the key variables determining the nature of status-related consumption behaviour are “single culture or country specific and therefore must be adjusted for national or regional variations”.

Hung (2006) asserts that the younger generation in Taiwan who set the trends in luxury fashion consumption have had the advantage of travelling and living in other countries as students. The results of our study suggest that these individuals nevertheless remain influenced by their earlier upbringing, in that identity-seeking is a much stronger purchase
motivation than for their counterparts in the UK. Thus, although the young women in both
samples indulged equally in luxury fashion, there were subtle differences in purchase
motivation that need to be factored into any marketing strategy. Given the cultural similarities
between Taiwan and Mainland China, the results of this study are likely to be relevant to the
Chinese market for luxury goods, into which international brands have been making inroads
by targeting the fast rising middle class whose numbers are predicted to reach 612 million by
2020 (Farrell et al., 2006). Demand among the younger market segment in particular has
resulted in China being the world’s second-largest market for luxury brands (Cavender and
Rein, 2009; Degen, 2009; Li, Li, and Kambele, 2012; Zhan and He, 2012).

Conclusion

The study has contributed to existing knowledge by evaluating differences and similarities in
(1) the luxury-fashion purchasing behaviour of young women in Taiwan and the UK, and (2)
the ways in which the two groups of consumers use luxury fashion products as an extension
of their selves. Husic and Cicic (2009) assert that luxury consumption is a somewhat
neglected area of research, while O’Cass and McEwen (2004, p. 27) had previously
commented that “despite the importance of the concept of conspicuous consumption,
empirical research and theoretical models on the nature and influences of conspicuous
consumption are scarce”. In identifying the increasing global market for luxury items and the
trend towards younger purchasers, Truong, McColl and Kitchen (2009, p. 376) added that,
“there is still a lack of empirical research on the causes, both psychological and
demographics, of new luxury consumption patterns”. Although a recent study by Cardosa,
Costa and Novais (2010) considered self-expression through fashion purchasing, it did not
deal specifically with the luxury end of the market. Against that background, our own study
set out to make a contribution to this neglected and increasingly important area of study.
The study’s first objective was to identify differences and similarities in the luxury fashion buying behaviour of young women in the UK and Taiwan. Relatively few general differences in their purchasing behaviour were evident, but the Taiwanese respondents tended to buy luxury items more often than their UK counterparts and high spenders were twice as numerous. On the basis of the growing demand for luxury fashion, the second objective of the study was to examine the extent to which luxury fashion is treated as a route to achievement of the ideal self. It is evident that the young women in the Taiwan sample bought and used such products to create an identity; in other words, those were possessions which would show the world who they were and what they had achieved. It is suggested that this reflects the importance of ‘face’ in such collectivist cultures as Taiwan’s, as evidence of status. Thus, luxury fashion and its generally conspicuous consumption contribute to identity creation for young women in Taiwan. Marketers of luxury fashion should be wary, however, of assuming that the young female market segment is a homogeneous group and thereby overlooking the subtle underlying motivations for purchase revealed in this study.

**Directions for future research**

The study is not without its limitations, which provide fruitful venues for future studies. First, EFA and CFA were not conducted to validate the study’s measures. The study used simple correlations to interpret the results. For both these limitations, future researchers should employ more advanced statistical techniques, such as comprehensive psychometric tests and structural equation modelling to validate the scales and structural model. Further research could extend our study by investigating the extent to which there are differences between older and younger women in their use of luxury fashion purchases as a means of creating an identity. Given the increasing interest in luxury fashion among men, it could likewise assess
their purchasing motives. We thus encourage future research to consider both expansive considerations of sample variation as well as sub-cultural dimensions, arising from varying cultural layers. A comprehensive sample may uncover other important antecedents and consequences that are important in the relationship between luxury consumption and the self. In addition, future studies are encouraged to include larger samples for conducting cross validation of the model so that generalisability can be ensured. Additionally, adopting model-building approach in SEM to derive new path relationships in the model is desired.
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Financial Times (2013), “Asian route to the top at luxury brands”. Available at:
http://www.ft.com/cms/s/2/e2c92430-29be-11e3-9bc6-00144feab7de.html#axzz2mQ6jjEI0.


## Table 1: Sample profile

<table>
<thead>
<tr>
<th>Income in £ GBP equivalent amounts</th>
<th>N</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>£15,000 or less</td>
<td>196</td>
<td>73</td>
</tr>
<tr>
<td>£15,000-£24,999</td>
<td>48</td>
<td>18</td>
</tr>
<tr>
<td>&gt;£25,000</td>
<td>26</td>
<td>9</td>
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### Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
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<tbody>
<tr>
<td>Student</td>
<td>159</td>
<td>59</td>
</tr>
<tr>
<td>Working woman</td>
<td>84</td>
<td>31</td>
</tr>
<tr>
<td>Housewife</td>
<td>27</td>
<td>10</td>
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### Marital Status

<table>
<thead>
<tr>
<th>Marital Status</th>
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</tr>
</thead>
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<tr>
<td>Single</td>
<td>223</td>
<td>83</td>
</tr>
<tr>
<td>Married or living with partner</td>
<td>47</td>
<td>17</td>
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</table>
Table 2: Top Ten Brands Purchased by Young Females

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>UK</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Gucci</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>Louis Vuitton</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Prada</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Armani</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Burberry</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Fendi</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Coach</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Dior</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Ralph Lauren</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Chanel</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Gucci</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td>Louis Vuitton</td>
<td>34</td>
<td>24</td>
</tr>
<tr>
<td>Prada</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>Armani</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Burberry</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>Fendi</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Coach</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>Dior</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Ralph Lauren</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Chanel</td>
<td>29</td>
<td>21</td>
</tr>
</tbody>
</table>
Table 3: Frequency of Luxury Fashion Brand Purchasing

<table>
<thead>
<tr>
<th>Frequency</th>
<th>UK</th>
<th></th>
<th>Taiwan</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Less than once per month</td>
<td>61</td>
<td>47</td>
<td>42</td>
<td>30</td>
<td>103</td>
<td>38</td>
</tr>
<tr>
<td>1-2 times per month</td>
<td>37</td>
<td>28</td>
<td>80</td>
<td>58</td>
<td>117</td>
<td>43</td>
</tr>
<tr>
<td>3-4 times per month</td>
<td>28</td>
<td>21</td>
<td>10</td>
<td>7</td>
<td>38</td>
<td>14</td>
</tr>
<tr>
<td>More than four times per month</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>131</td>
<td>100</td>
<td>139</td>
<td>100</td>
<td>270</td>
<td>100</td>
</tr>
</tbody>
</table>
### Table 4: Value of Luxury Fashion Brand Purchasing

<table>
<thead>
<tr>
<th>Average expenditure</th>
<th>UK</th>
<th></th>
<th>Taiwan</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>&lt; £1000</td>
<td>69</td>
<td>53</td>
<td>80</td>
<td>57</td>
<td>149</td>
<td>55</td>
</tr>
<tr>
<td>£1000-£2000</td>
<td>54</td>
<td>41</td>
<td>44</td>
<td>32</td>
<td>98</td>
<td>36</td>
</tr>
<tr>
<td>&gt;£2000</td>
<td>8</td>
<td>6</td>
<td>15</td>
<td>11</td>
<td>23</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>131</td>
<td>100</td>
<td>139</td>
<td>100</td>
<td>270</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 5: Extended Self Scores

<table>
<thead>
<tr>
<th>Extended Self Items</th>
<th>UK</th>
<th>Taiwan</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>My [luxury fashion purchase] helps me achieve the identity I want to have.</td>
<td>4.01</td>
<td>4.07</td>
<td>ns</td>
</tr>
<tr>
<td>My [luxury fashion purchase] helps me narrow the gap between what I am and what I try to be.</td>
<td>3.76</td>
<td>3.96</td>
<td>ns</td>
</tr>
<tr>
<td>I derive some of my identity from my [luxury fashion purchase].</td>
<td>3.64</td>
<td>3.91</td>
<td>*</td>
</tr>
<tr>
<td>My [luxury fashion purchase] is part of who I am.</td>
<td>3.47</td>
<td>3.53</td>
<td>ns</td>
</tr>
<tr>
<td>My [luxury fashion purchase] is central to my identity</td>
<td>3.47</td>
<td>3.53</td>
<td>ns</td>
</tr>
<tr>
<td>If my [luxury fashion purchase] is stolen from me I will feel as if my identity has been snatched from me.</td>
<td>2.70</td>
<td>3.35</td>
<td>**</td>
</tr>
<tr>
<td>OVERALL SCORE</td>
<td>21.05</td>
<td>22.35</td>
<td>*</td>
</tr>
</tbody>
</table>

Note: ** = significant at 95% level; * = significant at 90% level.