Education, Liberalism and Consumers’ Response to Luxury Brands

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We examine the effect of the education facet of socio-economic status on perceptions of luxury brands. We find that more (less) educated consumers perceive luxury brands as less socially conscious and are less willing to buy them. This relationship is mediated by liberal values. Communicating social responsibility mitigates the effect.

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EXTENDED ABSTRACT
This research examines the relationship between education and consumers’ response to luxury brands. Previous research finds that people who are higher in education are more likely to hold liberal values compared to those with less education (Deary, Betty, and Gale 2008; Hastie 2007; Pascarella and Terenzini 2005). Social liberalism is defined as being concerned about equality and having the desire to act in a socially responsible manner (Graham, Haidt, and Nosek 2009).

While highly educated people are more likely to be socially liberal, evidence suggests that luxury brands are inconsistent with liberal values. Although there are positive associations with luxury brands, they are also associated with excess, exclusivity, wealth, and self-enhancement (Dubois, Czellar, and Laurent 2005; Torelli, Monga, and Kaikati 2012). Luxury consumption can lead consumers to choose personal interests over the concern about the society (Chua and Zou 2009), which adds to the perception of luxury as undemocratic and elitist. Additionally, luxury consumption is often considered a selfish behavior (Griskevicius, Tybur, and Van den Bergh 2010). These negative concepts associated with luxury brands are inconsistent with liberal values, the values of highly educated consumers.

When people evaluate a target, they often form their judgment by comparing the target to relevant information in memory, such as one’s personal beliefs and values (Markus 1977). These concepts can serve as a standard for evaluating the target (Tourangeau and Rasinski 1988). When a target is inconsistent with the standard of comparison, it often results in a contrast effect such that judgment of a target shifts away from the standard (Schwarz and Bless 1992). In the context of a luxury brand, this suggests that when people judge how socially conscious a luxury brand is perceived to be, they may form their evaluation by comparing the luxury brand to their personal values. Thus, we predict that:

**Hypothesis 1:** Consumers with higher education will perceive luxury brands to be less socially conscious compared to those with less education.

**Hypothesis 2:** Liberalism mediates this relationship.

Luxury brands, however, are increasingly positioning themselves as socially responsible (e.g. Davies et al. 2012). Our theory suggests that highly educated consumers may be more responsive to a luxury brand that adopts a socially responsible positioning strategy. As stated, when judging how socially conscious a luxury brand is perceived to be, consumers use their values as a standard of comparison. When a luxury brand is positioned as socially responsible, the brand’s positioning is consistent with liberal values. When a target is consistent with the standard of comparison, it often results in an assimilation effect such that the judgment of the target shifts toward the standard. Thus:

**Hypothesis 3:** Consumers with higher education will perceive a socially responsible luxury brand to be more socially conscious compared to those with less education.

**Hypothesis 4:** Liberalism mediates this relationship.

Study 1 (N=319) employed a 2 (luxury vs. non-luxury brand) by 2 (real vs. mock brand) between-subjects design. In the real brand, luxury (non-luxury) condition participants saw an advertisement for Gucci (Zara). We included a mock brand (Rami) as a replicate. Participants indicated the extent to which they associated the brand with social justice, social well-being, and social concerns. Education was measured with a 5-point scale. In a regression, we found the predicted interaction between education and brand positioning (β = -.14, t(311) = -2.25, p < .05). In the luxury brand condition, education had a negative and significant effect on perceived social consciousness, supporting H1. Education did not have a significant effect for the non-luxury brand. The three-way interaction was not significant.

Study 2 (N=178) employed a 2 (control vs. socially responsible) between-subjects design. Education was measured. Liberalism was measured with two items (social and political liberalism). Participants then saw one of two ads for Parmigiani Fleurier watches. The control ad promoted typical luxury brand attributes. The socially responsible ad promoted commitment to social equality. Participants indicated the brand’s social consciousness on the same previous scale. We found the predicted interaction between education and positioning (β = .37, t(174) = 2.81, p < .01). When participants saw the control ad, education had a negative and significant effect on the luxury brand’s social consciousness. Consistent with H3, when participants saw the socially responsible ad education had a positive and marginally significant effect. We also found an interaction between liberalism and positioning (β = .23, t(174) = 3.45, p < .001). When participants saw the control ad, liberalism had a negative and significant effect, but when participants saw the socially responsible ad, liberalism had a positive and significant effect. Mediation analysis suggested that liberalism mediates both in the control condition and in the socially responsible conditions.

Study 3 (N=150) employed a 2 (control vs. socially responsible) by 2 (high vs. low liberal values) between-subjects design. We primed liberal values. To manipulate brand positioning participants saw one of two ads for the Rolex brand of watches similar to the previous study. Participants completed the same previous social consciousness scale. An ANOVA revealed a main effect of positioning and the predicted interaction (F(1, 146) = 11.00, p < .01). When liberal values were high, those exposed to the socially responsible (vs. control) ad perceived Rolex as more socially conscious. When liberal values were low, perceptions of Rolex’s social consciousness were not significantly different.

Study 4 (N=934) was a survey. We measured perceived social consciousness, willingness to buy luxury products with two items, willingness to spend on luxury brands, and actual behaviors regarding luxury brands with three items. Regressions showed a negative and significant effect of education on perceptions of luxury brands as socially conscious, willingness to buy luxury brands, willingness to spend on luxury brands, and actual behavior regarding luxury brands (all p < .05). Perceived social consciousness mediated the effect of education on behavioral measures.

**REFERENCES**

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