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## **An Empirical Replication and Cross-Cultural Study of Brand Luxury Between Australia and New Zealand**

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With the growing globalization of luxury brands, marketers are increasingly interested in the response of different cultures to marketing stimuli. Consequently, the lack of a clear definition of what makes a luxury brand and the absence of reliable and valid operational measures of luxury have hindered theoretical development in luxury brand management research and consequently its practical application in marketing. However, a brand luxury scale was recently developed using samples of Australian university students. We conducted several studies to replicate the scale development and examined cross-national consumer samples from New Zealand to further test the validity of the scale.

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# AN EMPIRICAL REPLICATION AND CROSS-CULTURAL STUDY OF BRAND LUXURY BETWEEN AUSTRALIA AND NEW ZEALAND

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## ABSTRACT

With the growing globalisation of luxury brands, marketers are increasingly interested in the response of different cultures to marketing stimuli. Consequently, the lack of a clear definition of what makes a luxury brand and the absence of reliable and valid operational measures of luxury have hindered theoretical development in luxury brand management research and consequently its practical application in marketing. However, a brand luxury scale was recently developed using samples of Australian university students. We conducted several studies to replicate the scale development and examined cross-national consumer samples from New Zealand to further test the validity of the scale.

## INTRODUCTION

Despite the importance of luxury brands in consumers' lives and the fact that the luxury market constitutes a large economic activity in the world (Danziger 2005), a considerable amount of research in marketing has been directed to the study of non-luxury brands. Thus, in comparison there has been a lack of reliable and valid operational measures of luxury brands. As emphasised over ten years ago by Dubois and Duquesne (1993, p. 115), "we believe that an analysis of the direct relationship between consumers and brands is the key to an improved understanding of such a market". Consequently, the development of a scale measuring the luxury of brands is important.

In consumer behavior research, a growing amount of attention has been given to the construct of luxury. Researchers have focused on how the 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 (Lichtenstein, Ridway, and Netemeyer 1993). Practitioners view it as a main factor to differentiate a brand in a product category, as a central driver of consumer preference and usage, and as a common denominator that can be used to define consumption across cultures (Dubois and Laurent 1994). This study examines the antecedents of luxury-seeking consumer behavior and conduct a cross-national comparison. What distinguishes among brands that are high versus low in luxury? How could an established brand enhance its luxury appeal? Would different countries have the same luxury perceptions of the same brands?

In 1999, Vigneron and Johnson developed an operational measure of brand luxury, and then, in 2004 they developed a Brand Luxury Index scale (BLI) using Australian university students. Thus, we replicated the theoretical framework of the BLI scale from Vigneron and Johnson (2004) using the five constructs of conspicuousness, uniqueness, perfectionism, extended self, and hedonism. We begin with a brief review of the construct of luxury and its potential relevance to issues pertaining to the analysis of luxury-seeking consumer behavior. Next, we attempt to replicate the dimensionality

of the scale using multiple steps to test the reliability and validity of the scale with non-student samples. Then, we compare two cross-national samples to measure the validity, namely its generalizability between Australia and New Zealand (NZ). Finally, theoretical and practical implications regarding the symbolic use of luxury brands are discussed.

## CONCEPTUAL FRAMEWORK

The limited psychometric work undertaken in the measurement of personal attitude towards the concept of luxury offers evidence of multi-dimensionality (Dubois and Laurent 1994). Rather than treating dimensions of luxury separately, as it has been characteristic of much of the writing in the field, Vigneron and Johnson (2004) interpreted, combined and expanded a set of luxury factors into a single framework examining a wide range of research either directly or indirectly related to the concept of luxury (e.g., Dubois and Laurent 1994; Leibenstein 1950).

It contributed to the further development of the social psychology of material possessions, linking together existing theories such as models of conspicuous consumption (Bearden and Etzel 1982; Mason 1992) and models of involvement (Horiuchi 1984). But more significantly, the luxury framework included the hedonic and perfectionist effect as additional basic motives, thus supplementing the traditional three-factor structure (i.e., snob, Veblenian, and bandwagon motives) inherited from Leibenstein (1950). In doing so, the model established a balance between personal and interpersonal oriented motives, which tended to dominate past research on brand luxury.

According from Vigneron and Johnson (2004) five key luxury dimensions must be established to create a lasting luxury brand. It is expected that different sets of consumers would have different perceptions of the level of luxury for the same brands, and that the overall luxury level of a brand would integrate these perceptions from different perspectives.

### Perceived Conspicuousness

The consumption of luxury brands may be important to individuals in search of social status (Bearden and Etzel 1982) and consumers who associate price and quality often perceive high price as an indicator of luxury (Lichtenstein, Ridgway, and Netemeyer 1993). Hence, the scale includes items such as "extremely expensive".

### Perceived Uniqueness

This dimension is based on the assumptions that perceptions of exclusivity and rarity (Phau and Prendergast 2000) enhance the desire for a brand, and that this desirability is increased when the brand is also perceived as expensive (Groth and McDaniel 1993). Hence, a luxury brand difficult to find because of its uniqueness (e.g., limited edition) and which would be expensive compared to

normal standard (e.g., Jaguar car) would be even more valuable.

### Perceived Extended-Self

Social referencing and the construction of one self appears to be determinant in luxury consumption. People's desire to conform to affluent lifestyles and/or to be distinguished from non-affluent lifestyles affects their luxury-seeking behavior. Thus, "luxury imitators" may enhance their self-concept and replicate stereotypes of affluence by consuming similar luxury items (Dittmar 1994).

### Perceived Hedonism

Luxury-seekers may purchase and consume luxury brands for their subjective emotional benefits and intrinsically pleasing properties, rather than functional

properties. The hedonic dimension refers to the sensory gratification and pleasure expected from the personal and even private consumption of luxury brands (Bearden and Etzel 1982).

### Perceived Quality/Perfection

The literature on luxury consumption emphasises the importance of leadership in quality to ensure the perception of luxury (Dubois and Laurent 1994). Accordingly, people may perceive that luxury brands have superior quality than non-luxury brands. The five dimensions of luxury are likely correlated, they all contribute to an index of luxury. The Brand Luxury Index (BLI) is a multidimensional scale that aggregates five sub-scales to form an overall compensatory index of luxury (Appendix 1).

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## APPENDIX 1

### 20 Items BLI Scale

For Wealthy/For Well Off; Rewarding/Pleasing; Popular/Elitist\*; Exquisite/Tasteful; Superior/Better; Best Quality/Good Quality; Sophisticated/Original; Attractive/Glamorous\*; Crafted/Manufactured; Stunning/Memorable; Precious/Valuable; Rare/Uncommon; Successful/Well Regarded; Conspicuous/Noticeable; Affordable/Extremely Expensive\*; Very Powerful/Fairly Powerful; Fairly Exclusive/Very Exclusive\*; Unique/Unusual; Leading/Influential; Upmarket/Luxurious \*.  
*Note: (\*) Indicates item is reverse scored.*

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While consumers may choose to maximise all five dimensions, in practice, consumers may trade off less salient dimensions for more salient ones. Consistent with the literature on luxury, the semantic space between high and low luxury is only comprised between narrow shades of meanings where items are almost synonyms.

### SCALE REPLICATION

The Brand Luxury Index scale is using a semantic differential scale as recommended when measuring abstract concepts over different brands (Mindak 1961). The replication study process employed in this study (Table 1) followed the paradigm developed by Nunnally (1978) and Churchill (1979), and included examinations recommended by Gerbing and Anderson (1988) and DeVellis (1991). Data for replicating the scale were collected using Internet and email self-administered surveys based on a list of classic car club members from Australia and New-Zealand in early Spring 2005. Most of the members owned one or several British Classic cars such as AC, Aston-Martin, Austin-Healey, Bentley, Jaguar, MG, or Rolls-Royce.

Cross-national replication and reliability assessment of an existing scale is an important step in testing its generalizability and constitutes a subsequent contribution in the consumer literature (i.e., SERVQUAL, involvement, etc.). In order to replicate the original study, we examined the reliability and then the validity of the BLI scale using a non-student Australian data samples.

### FIRST STUDY: RELIABILITY

#### Internal Scale Reliability Analysis

The results from the initial analysis indicated that for Rolex watches (N=116) and Porsche cars (N=156) the scale

reported Cronbach Alpha coefficients greater than .88, suggesting significant internal reliability for the scale. To extend the reliability analysis, we examined the item-to-total correlations for each item within all samples, with significant values ranging from .30 to .80.

#### Factor Analysis

Factor analysis was then performed on the 20-item scale to summarise the data in terms of a set of underlying dimensions. Principle component analysis with varimax rotation was used to evaluate and identify the component factors. Varimax rotation was preferred to Oblimin, even though factor correlation was anticipated. Oblimin rotation was performed and resulted in a slightly less satisfactory solution. These results were also confirmed across the study. In interpreting the factors, a decision was made to discard the factor loadings of less than .60 (*a priori*). The factor analysis specification was set to converge at the desired number of 5 factors extracted. A five-factor theoretical model was the original proposed factor structure for the research.

In both samples, the first factor accounted for most of the variation in the data, explaining an average of 50% of the percentage of common variance. Exploratory factor analysis is useful for data reduction purposes, but it does not provide evidence of the uni-dimensionality of measures essential in scale analysis (Gerbing and Anderson 1988). Thus, we used confirmatory factor analysis to further test the reliability of the scale.

#### Confirmatory Factor Analysis

The objective of the next study was to model the proposed structural solution and measure its overall fit.

**TABLE 1**  
Summary of the Scale Replication Process

Stage of Scale Development	Sample	Analysis Procedure	Results
Reliability	Rolex watches, Porsche cars, Tag-Heuer watches, & M-Benz cars (N=394)	<ul style="list-style-type: none"> <li>• Internal Reliability (N=172)</li> <li>• Reliability over Time (N=111)</li> </ul>	Good factor and time reliability
Validity	BMW cars Jaguar cars (N=217)	<ul style="list-style-type: none"> <li>• Content validity (N=104)</li> <li>• Predictive validity (N=113)</li> </ul>	Significant level of validity:
Cross-National Study	Australia (N=283) & New Zealand (N=228)	Cross sample factor structure: Cattell's Salient Similarity Index	Down to 15 items

Confirmatory factor analysis (CFA) of the 20 items was performed using a structural equation modeling computer software. The proposed framework hypothesised, first, that the factors identified by the exploratory factor analysis would be substantially related to the dimensions indicated by the structural model. Second, the conceptual model hypothesised that scores on the five latent variables would measure related, but distinguishable, constructs. The covariance matrix for the 20 items was used, and parameter estimates were computed using the maximum-likelihood method. The fit of the five-factor solution was assessed by examining factor loadings, goodness-of-fit indicators, factor intercorrelations, and by comparing it to several available alternatives (i.e., null model, one-factor model, and five-factor model). Several alternative indices were used to assess goodness-of-fit such as the Chi-square statistic and the goodness-of-fit index (GFI) (see, Hair et al. 2006).

The five-factor model for both samples, with all 20 items, each loading on its appropriate construct, yielded significant chi-square statistics, suggesting a acceptable fit for the five-factor model. The other indices for measuring the goodness-of-fit also indicated an acceptable fit to the

data, as evidenced by the findings. For instance, relatively good GFI values, .94 (Rolex), .96 (Porsche).

**Item Reliability Over-Time**

The consistency of measurement was determined using the same subject population over two periods of time and. A new set of respondents (N = 111) initially rated two new brands, TAG-Heuer watches and Mercedes-Benz cars. We used only the respondents who completed both surveys for each brand, resulting in a loss of 7 respondents.

The average Pearson correlation between time one and time two on total scores was .84. Test-retest Pearson correlations for each brand were as follows: TAG-Heuer  $r = .83$ ; Mercedes-Benz  $r = .86$ . These brands were also tested for internal scale reliability over the two periods. The Cronbach alpha coefficient ranged from .87 to .91, and the item-to-total correlations ranged from .42 to .63. Altogether, these results demonstrated a significant reliability (Table 2). In addition, we computed two structural models, one for each brand. Mercedes-Benz, indicated a better fit,  $\chi^2 = 174.13$ ,  $p < .027$  than TAG-Heuer items,  $\chi^2 = 208.61$ ,  $p < .032$ .

**TABLE 2**  
CFA Results

Results	Porsche Cars	Rolex Watches	Mercedes-Benz Cars	TAG-Heuer Watches
$\chi^2$	226.32	255.30	174.13	208.61
$\chi^2/df$	2.16	1.59	1.50	2.09
GFI	0.96	0.94	0.96	0.92
AGFI	0.94	0.93	0.95	0.91
NFI	0.95	0.96	0.97	0.94
TLI	0.97	0.98	0.99	0.94
RMSEA	0.06	0.04	0.02	0.09

## CONCLUSION OF THE RELIABILITY STUDY

Analysis of the results indicates a satisfactory stability of the scale factorization and of the level of reliability over time. The second study assessed the validity of the scale, using content and predictive validity.

## SECOND STUDY: VALIDITY RESEARCH

### Content Validity

This study was an attempt to substantiate and extend the findings of the reliability analysis by showing a direct relation between the results from the BLI scale and the content analysis of respondents' open-ended answers. We used BMW cars (N=104) to test the 20 item-scale. After the respondents had completed the questionnaire, we asked them to answer the following open-ended question: *"Please, we would be grateful if you could write in your own words and as simply as possible, the reason why you rated this brand that way"*. Subjects were classified into three groups, according to their "brand luxury index" mean score. Three judges assessed the total set of open-ended responses depending on whether the open-ended responses were representing an attitude describing a low, medium, or high level of luxury toward the brand. The classification of respondents into three groups was supported by the mean score results. These results revealed a significant association (88% agreement) between the open-ended answers and their scores, providing further evidence to support the validity of the scale.

### 4.2 Predictive Validity

The purpose of this validity test was to measure the accuracy of the scale. A single-item attitude scale (measuring only luxury) was used as a criterion to obtain a score classified into three distinct categories (high, medium and low luxury). This method was strictly borrowed from Zaichkowsky (1985). A new set of respondents rated one brand (i.e., Jaguar cars, N = 113) using the BLI scale, and then, they used the criterion scale to classify Jaguar into the 3 specified categories. Based on DeVellis (1991), we defined accuracy as the proportion of correct classifications, i.e., the higher the correlation between the BLI scale and the criterion, the greater the validity of the BLI scale as a predictor of luxury for brands.

The predictive validity study suggested that the BLI scale was sensitive for measuring luxury, and provided further evidence for accuracy. The anticipated scores predicted with the criterion-related scale were subsequently obtained to a very satisfactory degree with the BLI scale (i.e., correlations ranging from .44 to .49).

## CONCLUSION OF THE VALIDITY RESEARCH

The present study yielded encouraging evidence concerning the construct validity of the BLI scale and its multi-dimensionality (i.e., conspicuousness, uniqueness, quality, self-perception, and hedonism).

## STUDY 3: CROSS NATIONAL EVALUATION

In addition, this study examined the cross-national psychometric properties of the Brand Luxury Index scale using samples from two countries thought to be cross-nationally homogenous. The scale was originally developed

in Australia and to evaluate its external validity it is necessary to replicate its development in a number of different contexts and cultures.

From a cross-national perspective, two issues need to be addressed. First, reliable and valid measurement is necessary to obtain accurate information pertaining to consumer attitudes and evaluations of brands. Similarities and differences may be obtained when evaluating cross-national properties of a scale but the most important are the results but the background of evidence supporting these results. Although we expect a scale to be largely stable across contexts, one cannot underestimate, for instance, the influence of different cultures on people perceptions of similar brands. A second issue is linked to the selection of countries chosen for cross-national evaluations. There is no valid reference that state or rank countries according to their level of cross-national difference or similarity. Thus, one can only assume that there will be significant level of difference or similarity when choosing two different countries. The next logical sampling population chosen for replication was New Zealand due to its geographic proximity and most importantly its cultural diversity from Australia. Both are Anglo-Saxon in origin but have developed distinctive economies and cultural heritage.

A two-part data analysis was employed. First, the dimensionality and internal consistency reliability of the scale was examined. If the scale is applicable across countries, its multidimensional factor structure, pattern of factor loadings, and previously found high level of reliability should be replicated across samples from different countries. Part two involved identifying similarities and differences between the two sets of data to form a concurrent factor model that was satisfactory across both countries.

### Data analysis

A sample of 126 classic car club members from several lists of clubs in New Zealand was used for the replication process (three discarded incomplete scales). Respondents were asked to evaluate Rolex watches (N=105) and Porsche cars (N=123) with the 20-item BLI scale. Data examination revealed no unusual response patterns and scale items were all normally distributed and fit the [+2 to -2] range of kurtosis and skewness acceptable levels.

The Cronbach alpha procedure ran on the 20-item scale yielded a score of 0.74, a little below the recorded alpha from the Australian sample. To improve the reliability of the scale, five items from the original twenty were deleted: popular/elitist, attractive/glamorous, conspicuous/noticeable, leading/influential and upmarket/luxurious. These items were found across four of the original five-factor structure and were not concentrated in one dimension. The resulting 15 items accounted for an alpha level = .80. The first step in confirming the factor structure for the New Zealand sample involved a five-factor forced solution using principal component analysis with VARIMAX rotation. These were the same parameters used in the Australian samples. Results of the analysis did not support the original factor structure found for the BLI. The leading indicators could not be found in any consistent manner throughout the factor structure. Given this, we examined the NZ data according to its natural optimal

factor solution. Using a combination of the eigenvalue criterion and the scree test, the optimal factor structure for

the NZ sample was 3 as shown in Table 3.

**TABLE 3**  
Three-Factor Solution for the New Zealand Sample

*Rotated Component Matrix*

	Component		
	1 "Quality"	2 "Social"	3 "Unique"
sophisticated	.700		
wealthy	.655		
exclusive	.612		
superior	.598		
best quality	.490		
crafted	.449		
stunning	.430		
exquisite	.428		
very powerful		.702	
unique		.670	
extr. expensive		.598	
precious			.728
successful			.663
rewarding			.580
rare			.480

*Extraction & Rotation Method: Principal Component Analysis with Varimax.*

Three components accounting for 18%, 14% and 13% respectively (45% total) represented the best fit to the NZ sample. Attempting to name these factors was not as clear as in the Australian sample. But judging from the leading indicators, it appeared that Quality, Social and Unique were roughly equivalent labels for the factors.

*Total Variance Explained*

Component	Rotation Sums of Squared Loadings	% of Variance	Cumulative %
	Total		
1	2.729	18.191	18.191
2	2.162	14.412	32.603
3	1.994	13.292	45.895

*Extraction Method: Principal Component Analysis.*

Data suggested that the conspicuous and hedonic dimensions were not clear in the NZ sample. Although correlated the Social and Unique factors are conceptually different. Unique is a function of the brand image versus Social is a function of the user imagery.

**Comparing factor structures across samples**

Visual inspection after our first factor analysis suggests that the five-factor solution was not replicated in the NZ sample. However, perhaps the more parsimonious three-factor solution found here could also fit the Australian sample. In order to compare the three-factor structure across both samples, the principal component analysis was run on the Australian sample, forcing a three-factor solution. Results are displayed in Table 4. The resulting structure explained 54% of the variance with the first factor accounting for 20%, the second for 19% and the third for

15%. The first factor combined the more "experiential" components of Conspicuous, Hedonic and Social while the second replicated the "Unique" factor found in previous analyses. The third factor was also a replication of the Quality component. Again, visual inspection suggested that the first factor in the NZ sample "Quality" could match the third factor in the Australian sample also labeled "Quality". The third factor in the NZ sample labeled "Unique" also could match the second factor in the Australian sample also called "Unique". The remaining factors 2 and 1 did not

appear to have any significant correlation. As recommended in Catell and Baggaley (1960) when factor comparisons are less obvious, Cattell's Salient Similarity Index,  $\underline{s}$  and the Pearson correlation  $\underline{r}$  were computed from the full set of factor loadings to empirically determine the significance of the comparison. Firstly, factor 1 "Quality" in NZ was compared to factor 3 "Quality" in Australia. The  $\underline{s}$  value was 0.62 which exceeded the value expected by chance ( $v=0.51$ ) at  $p=0.02$ . The correlation between the loadings

was  $r = 0.49$  which suggests some similarity in the factors for "Quality". Secondly, factor 3 in NZ was compared to factor 2 in Australia which generated a  $\underline{s}$  value of 0.40 but not enough to be significant ( $v=0.26$ ,  $p=0.138$ ) and with a correlation  $\underline{r} = 0.41$ . Finally, factor 2 in NZ was compared to factor 1 in Australia and the results here show a  $\underline{s}$  value of 0.46 but not significant ( $v=0.26$ ,  $p=0.138$ ) and a low correlation of  $\underline{r} = 0.17$ .

**TABLE 4**  
Three-Factor Solution for the Australian Sample

*Rotated Component Matrix*

	Component		
	1 "Conspicuous"	2 "Unique"	3 "Quality"
wealthy	.690		
extr. expensive	.686		
exquisite	.673		
stunning	.650		
glamorous	.604		
rewarding	.579		
conspicuous	.569		
elitist	.564		
very powerful	.563		
leading	.517		
luxurious		.757	
rare		.754	
unique		.746	
exclusive		.720	
precious		.704	
successful		.515	
best quality			.728
crafted			.722
sophisticated			.715
superior			.695

Extraction & Rotation Method: Principal Component Analysis with Varimax.

*Total Variance Explained*

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	3.974	19.869	19.869
2	3.757	18.785	38.654
3	2.992	14.962	53.617

Extraction Method: Principal Component Analysis.

**Finding similarities and differences**

The data analysis suggested that only one clear common factor emerged from the cross-sample replication.

In NZ, "Quality" dimensions explained most of the variance and could perhaps be interpreted as a skew towards the more functional attributes of luxury brand. Further, the

conspicuous/hedonic dimensions explained most of the variance in the Australian sample, suggesting a more experiential skew towards luxury brands. Although the magnitude of these differences was small to moderate, they highlighted the potential effect of culture on the perceptions of luxury brands. For instance, a mean comparison of the composite score derived from the 15-item version of the BLI scale showed a significant difference in the level of luxury perceived for similar brands across countries (NZ sample,  $N=228$ :  $bpi=3.19$ ,  $std=0.86$ ; Australia sample,  $N=272$ :  $bpi=2.76$ ,  $std=0.66$ ;  $t$  value =5.52,  $df=387$ ,  $p<0.000$ ). Australians perceived significantly higher luxury levels for the same brands as New Zealanders did. In NZ, males perceived significantly more luxury than females but in both countries, Porsche cars scored consistently higher than Rolex watches. Cross-cultural replications might highlight differing degrees of enthusiasm and cultural values toward luxury.

## DISCUSSION

### Implications

The present research revealed that the concept of luxury is multidimensional and it replicated a five-factor model in Australia, but failed to replicate the framework in New Zealand. In developing a scale measuring the concept of luxury, we established evidence for both aspects of reliability and validity. However, our study addressed the need to establish the psychometric properties of cross-national measures and it exposed the need to evaluate the applicability of concepts developed in one country to other countries (Parameswaran and Yaprak 1987). The results pertaining to the BLI scale's dimensionality using the replication sample from non-students samples in Australia is as strong as the original study. However, the results from the New Zealand samples are not as strong as the Australian samples internal consistency and face validity results. Although the factor structure had to be re-modeled to achieve a more comparable structure, the mean scores obtained from the two scales are directionally similar which provides evidence of nomological validity since one would expect the luxury image closely related between the two countries.

It is interesting to conclude that one should not assume that two countries often associated, such as Australia and New Zealand, are homogenous. As it appears, strong differences of perception have been identified in this study. This context may be the result of the hypersensitivity related to the particular surveyed brands. After all, people are increasingly exposed to luxury consumption and brand images throughout the world. Thus, global marketers can use marketing to homogenise worldwide demand by focusing on common basic luxury perceptions across many cultures. Nonetheless, globalisation should not ignore such profound cultural differences. People's consumption of luxury brands is often complex and subtle and slight differences may be understated.

As noted, the results of this research could serve various purposes, most importantly it could build brand luxury, or address issues such as how to maintain brand luxury once it is established. The BLI scale is particularly useful for comparing several luxury brands and thus for recognizing competitive advantage. Relative strengths and weaknesses can be identified in the target market across

each of the 20 items comprising the scale or each of the five underlying constructs determined by the research. It would definitely be an asset for global firms wishing to promote luxury brands across cultures. Based on our analysis, one cannot assume duplication of key drivers of luxury even across cultures sharing a common heritage.

### FUTURE RESEARCH

Further replication and extension would be required to improve the scale potential. (a) For example, it would be interesting to identify the perceived number of levels of brand luxury, for instance, [high and low] or [high, medium, and low]. (b) The replication of these findings should be tested with more contrasting cross-cultural samples such as cultures with known individualistic behavior such as USA or Europe, and more collectivist cultures such as China. Collectivist cultures may perceive more interpersonal dimensions, and in contrast, individualistic cultures may emphasise more personal and emotional dimensions acquired from consuming luxury brands. (c) Further research will include questions on social desirability, socio-economic conditions, and other relevant constructs to understand the nomological network of brand luxury.

### Limitations

A major critique of survey-based research in general is that people's responses may be constructed without much prior thought involved. That is, there may be "a demand effect" from "leading" terms such as elitist (positive connotations) and popular (negative connotations). An individual's motivation is not always obvious and conscious. Indeed, abstract constructs are more difficult to measure, and people may try to give biased answers when dealing with luxury brands. Also, the brands or variables that we have selected may have been more salient of luxury in Australia than in New Zealand.

In conclusion, the 20-item scale is sensitive to the level of luxury associated with different brands, demonstrating reliable measures, and valid results. This scale has potential value for researchers interested in measuring the decision-making process involving the consumer perceptions of luxury. From a practical standpoint, the more complete measurement of luxury perceptions provides useful information for effective positioning and promotional strategies. This is particularly effective when comparing the luxury image between different brands and hence for identifying competitive advantage.

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