

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter, author will describe the theoretical background of this research. The author will explain the definition about luxury, conspicuousness consumption, need for uniqueness, extended-self, vanity, hedonism, and explorative purchase. Thus, the previous study, research hypothesis and conceptual framework of this research also will be explained in this chapter.

#### **2.2 Theoretical Background**

##### **2.2.1 Luxury**

Based on Oxford Dictionary 2009, the word “Luxury” means, the state of great comfort and extravagant living or an inessential but desirable item. The word “luxury” itself actually didn’t have same meaning for each personality. Many people interpret differently for this word.

Husband, 2006 defined luxury fashion branded products as “fashionable and high quality consumer goods made by reputed luxury brands. This definition is effective by the inclusion of a range of products such as clothes and leather goods where these products are universally available and accepted as luxury products (Ahmed, et al., 2002).

According to (Berthon et al., 2009; Godey, Lagier and Pederzoli, 2009), luxury can be perceived as exclusivity. It means indulgence of the sense and neglecting the cost. Luxury brand can be categorized as intangible product and its related to prestige (Vigneron & Johnson, 2004).

In different perspective, luxury can be defined as good and credible because basically luxury goods are expensive. But others think that expensive things not always have a good quality even people nowadays still buying the goods because people who buy think that it has different meaning such unique and etc.

### **2.2.2 Conspicuousness Consumption**

This term was created by (Veblen, 1899), here Veblen said that consumption behavior that mainly displaying wealth or social status. There are two ways of conspicuous consumption: conspicuous consumption and conspicuous leisure (Arora, 2005). This term also strengthens by Longman American Dictionary in 2000, which said conspicuousness consumption is the act of buying a lot of things, especially expensive things that are not necessary, in order to impress things that other people in a way that people notice.

Using that Conspicuousness Consumption term stated by Longman American Dictionary it can be said that some people perspective who buy luxury product is just for themselves how they can treat a goods just by buying not because that goods is useful for them.

Wong and Ahuvia also add some terms that also strengthens what Longman American Dictionary said, they said that conspicuous consumption tends to show individual wealth, social class, expensive products, and materialism.

### **2.2.3 Need for Uniqueness**

(Tian, 2001), said that the term need for uniqueness is an important factor that affecting the use of luxury brands in order to improve and enhance the individual's personal and social identity. The term strengthens that it means an individual want to express being different from the other individual in other perspective. They want to be different they need to express the specialness they get from buying luxury brands (Fromkin, 1972). Especially from young consumer's perception they seen that luxury goods as unique product because luxury goods have a value for each person differently. (Boujbel and d'Astous, 2015), said that the desire for uniqueness is theories that focus on the perceptions of individuals, and the products and brands to be purchased are seen as a symbol of the uniqueness of the person. Because some consumers seek rare products and brand to reach diversity and uniqueness, who want to avoid similarity.

Some of the consumers, are found to be in a desire to show themselves belong to higher income classes (Belk, 2001). It is about the emotional motivation to consume prestige brands that are different and prominent and able to show their existence as a high income class

consumer. Product with limited supply can strengthens one's position. Limited supply also means that luxury goods have unique and special value. Need for uniqueness also have implications towards consumers buying behavior.

#### **2.2.4 Extended-self**

According to (Berger & Wand, 2010), 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. Belk's concept on 1998 of extended-self suggested that the possession of these products are served as a reflection of our identities.

There are four level of the extended self said Belk. Firstly, the individual level. Consumers may include their personal possessions in their self-definition. They aware of themselves what they wear and what they buy. They might include their personal possessions in their self-definition. The products that consumers buy might symbolize their identity of uniqueness. Second, the family level. On this level include consumer residence and furnishing. Means that where they live shows who they are. Third, the community level. On this level consumer know where on that level they belong to. The group or class they belong means individual class.

It means that when the luxury brands or luxury goods they buy show individual's identity; consumer behavior can support the identification of extended-self. It is really important to maintain their individual level in society.

#### **2.2.5 Vanity**

The term of vanity is basically related between the physical appearance and the concern of appearance. The term above is related to consumer behavior itself. Which means consumers of luxury goods concerning about the view of physical appearance. According to (Netemeyer, 1995), the term vanity it is also related with the excessive concern for the personal achievement. Since all luxury fashion brands are about the appearance, vanity should be a part of the study about the purchasing behavior of luxury fashion brands. To develop a broad definition of consumer vanity in the context of luxury brands, it is necessary to examine the relevant literature ranging from marketing aspects (e.g., consumer behavior) to sociology, psychology and even philosophy (e.g., Cash & Brown 1987; Solomon 1985, 1992; Lasch 1978; Lyman 1978). There are two aspects of vanity. First, about physical appearance, and last one about achievement aspects, both of these aspect referring to a concern for and a positive perception of the physical appearance and the personal achievements. The consumer vanity is considered as personal values (Richins and Dawson's 1992).

Vanity is visible if individuals have public awareness that they have to be seen. High self-monitoring is important for individuals with high vanity (Aaker, 1999) and they will pay attention to their appearance because they believe that social environment will observe them. Vanity is an achievement, and vanity can be achieved by wearing good fashion, make up, and certain style. Consumer behavior have attributes that support a person to be noticed and can make a person have a good appearance.

#### **2.2.6 Materialism/Hedonism**

The term materialism proposed by (Richins & Dawson, 1992), they said that it is referring to an individual's belief that possessions symbolize one's identity and to the importance attached to possessions as objects, materialistic consumer use possessions that are worn or consumed in public places for portraying and managing impressions. Hedonic itself can be categorized as subjective feeling because it is associated with fun rather than task fulfillment.

When purchasing a product, a person is driven by more than the product's tangible attributes (Babin, Darden, Griffin, 1994). The intangible attributes become the energy to push a person to consume products.

Hedonists are people who are positive about pleasure and who pluck the fruits of pleasure when possible. In psychology the term hedonism stands for the theory that pleasure seeking is a main motivator of human

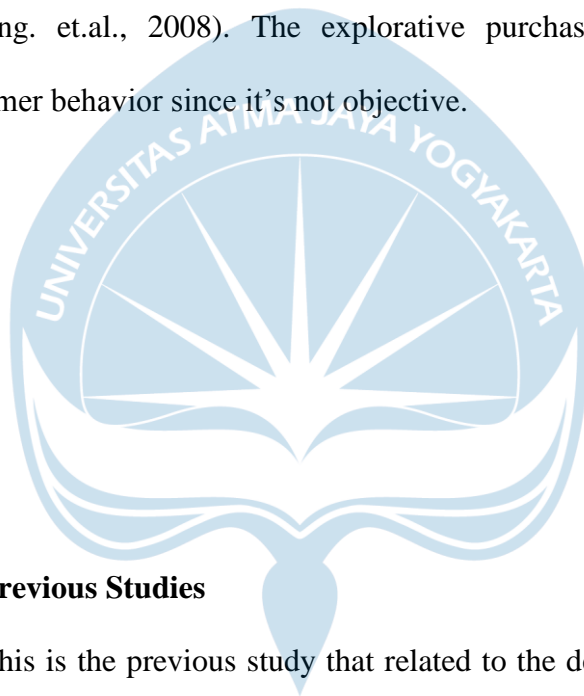
behavior (Veenhoven, R. 2003). Veenhoven also add that hedonism are reflected in the connotations surrounding the word. On one hand hedonism is associated with good taste and the art of living well, on the other hand with addiction, superficiality, irresponsible behavior and short-sighted egoism.

Hedonist people usually relies on their own personal opinion when consuming luxury brands especially young consumer who still looking for the way to express themselves in this life. Wearing certain brands or fashion products can induce positive feeling for the young consumer. This is the reason why Hedonism can be related to the consumer behavior.

#### **2.2.7 Explorative Purchase**

The term explorative or exploratory consumer buying behavior is proposed in which exploratory acquisition of products is distinguished from exploratory information seeking. (Baumgartner, et.al., 1996). There are seven aspects of exploratory consumer behavior that proposed by Raju on 1980: risk taking, innovativeness, brand switching, repetitive behavior, information seeking, exploration through shopping, and interpersonal communication. The word exploration here means finding something new that can include the sense. Consumer especially young ones seem liking to take risk and try to buy something new. It is because the young consumer like to have a new feeling towards something.

According to (Burns & Krampf, 1991), explorative purchase can be related to uniqueness seeking it is referring to the desire of distinguishing oneself from other. Consumer behavior have an attributes that make a person have new experience after purchasing something especially luxury fashion brands. That term also related to need for uniqueness. Explorative behavior may furthermore be influenced by emotions in particular mood (Chuang. et.al., 2008). The explorative purchase can be related to consumer behavior since it's not objective.



### **2.3 Previous Studies**

This is the previous study that related to the determining the factors that influence the consumer behavior to purchase luxury fashion brands of generation Z. Here the previous study table, which related to the title.



**Table 2.1**  
**Previous Study about the Factors that Affect Purchasing Behavior among Generation Z consumers in Indonesia towards Luxury Fashion Brands**

<b>Author</b>	<b>The Title of Article</b>	<b>Variable</b>	<b>Analysis Tools</b>	<b>Conclusion</b>
1. Iin Mayasari (2017)	Purchasing Massive Prestige Brands: The Exploration of Consumer' Value Perceptions	<ol style="list-style-type: none"> <li>1. Conspicuousness</li> <li>2. Need for Uniqueness</li> <li>3. Extended-self</li> <li>4. Vanity</li> <li>5. Hedonism</li> <li>6. Exploration</li> <li>7. Value consciousness</li> <li>8. Purchase Behavior</li> </ol>	Likert Scale	Consumers who buy massive prestige brands can mostly be driven by internal factors. Those are conspicuous consumption, hedonism, exploration, and vanity.
2. Sevtap Unal, Elif Deniz, Nisa Akin (2019)	Determining the Factors that Influence the Intention to Purchase Luxury Fashion Brands of Young Consumers	<ol style="list-style-type: none"> <li>1. Self-concept clarity</li> <li>2. Need for uniqueness</li> <li>3. Peer pressure</li> <li>4. Social Consumption motivations</li> <li>5. Status consumption</li> <li>6. Attitudes Toward luxury brands</li> <li>7. Purchase Intention</li> </ol>	Paper-based self-administered questionnaire Using SPSS 20.0 and AMOS 2.0 Confirmatory factor analysis and structural equation modelling	The social dimension of consumption influence the young consumers' preference on and intention to buy the luxury brands.

**Table 2.2**

**Previous Study about the Factors that Affect Purchasing  
Behavior among Generation Z consumers in Indonesia towards  
Luxury Fashion Brands**

<b>Author</b>	<b>The Title of Article</b>	<b>Variable</b>	<b>Analysis Tools</b>	<b>Conclusion</b>
3. Sarah Giovannini and Yingjiao Xu (2014)	Luxury fashion consumption and Generation Y Consumers Self, brand consciousness, and consumption motivations.	<ol style="list-style-type: none"> <li>1. Brand consciousness</li> <li>2. Conspicuous Consumption</li> <li>3. Brand self congruency</li> <li>4. Brand loyalty</li> <li>5. Purchase Intention</li> </ol>	Confirmatory factor analysis model SEM Analysis	Effectively targeting this new luxury consumer requires an understanding of their personality dimension and consumption motivations. Luxury fashion brands should build brand awareness, prestige, and exclusivity in a novel, trendy way to appeals to a younger generation of consumers.
4. Catherine Qian Ying Soh, Sajad Rezaei, and Man-Li Gu (2017)	A structural model of the antecedents and consequences of Generation Y Luxury fashion goods purchase decision.	<ol style="list-style-type: none"> <li>1. Brands consciousness</li> <li>2. Perceived Quality</li> <li>3. Social Influences</li> <li>4. Traits of Vanity</li> <li>5. Need for uniqueness</li> <li>6. Purchase Intention</li> <li>7. Purchase behavior of Generation Y</li> </ol>	Non probability sampling, Mono-quantitative methos	Results of this study support prior studies' finding and give a deeper understanding concerning the impact on the relationship between brand consciousness, perceived quality, social influences, traits of vanity and the need for uniqueness, consumer purchase intention and behaviour towards fashion luxury products.

**Table 2.3**

**Previous Study about the Factors that Affect Purchasing Behavior among Generation Z consumers in Indonesia towards Luxury Fashion Brands**

Author	The Title of Article	Variable	Analysis Tools	Conclusion
5. Ghosh, Angshuman; Varshney, Sanjeev (2013)	Luxury Goods Consumption: A Conceptual Framework Based on Literature Review	<ol style="list-style-type: none"> <li>1. Conspicuous motivation</li> <li>2. Snob motivation</li> <li>3. Perceived premium quality</li> <li>4. Perceived uniqueness</li> <li>5. Hedonist motivation</li> <li>6. Self consciousness</li> <li>7. Conspicuous consumption</li> </ol>	Confirmatory factor analysis model SEM Analysis	Based on extant literature this paper presents a comprehensive conceptual framework that provide a holistic view of luxury good consumption from different perspective. Basic dimensions based on which people decide whether a brand is luxury or not are the characteristics of luxury product.
6. Ling, Gao (2009)	Understanding Consumer Purchasing Behavior Luxury Fashion-related Goods in China	<ol style="list-style-type: none"> <li>1. Luxury goods consumption</li> <li>2. Perceived conspicuous value</li> <li>3. Perceived unique value</li> <li>4. Perceived social value</li> <li>5. Perceived hedonic value</li> <li>6. Perceived quality value</li> </ol>	SEM Analysis	The results show that the cultural orientation of these individual consists of various combinations of the horizontal/vertical and collectivist/individualist dimension.

## **2.4 Hypothesis Development**

According to (Dichter, 1964: 432), people generally attempt to compensate for their feeling of insufficiency through acquiring products that enhance their social and individual standing. (Scitovsky, 1976) also add that it all comes down to the need of acceptance and belonging. To a certain point this is a biological necessity, since no man can survive in complete isolation, and a person's survival thus depends on being accepted into a group. (Scitovsky, 1976) also said that conspicuous consumption has a positive impact, extravagant palaces are built and magnificent works of art are made to emphasize the wealth of the famously rich in history it is safe to say that the individual who made the purchase was not only one to benefit.

**H1 : Conspicuous consumption influence the purchasing behavior of luxury fashion brands among Indonesian Generation Z consumers.**

According to (Snyder and Fromkin, 1980) in (Ronald, et.al., 2009) according to uniqueness theory, most individuals want to be perceived as somewhat different from others largely because it is more desirable than being seen as entirely similar or drastically different. Tian et al. (2001) in (Ronald, et.al., 2009) argue that consumers have a general tendency to pursue dissimilarity from others in the marketplace through product and brand acquisition and usage in order to enhance their self and social image. Tian et al. (2001) refer this to tendency as consumer need for uniqueness. Ronald (2018) also add that Consumer Need for Uniqueness is a multidimensional construct consisting of three factors: (1) Creative Choice Counter conformity (consumers seek social differentness from others but makes selections that are likely to be thought of as good choices by others), (2) Unpopular Choice Counter conformity (selecting products/brands that deviate from group norms and risk social disapproval), and (3) Avoidance of Similarity (loss of interest in or discontinued uses of commonplace possessions).

**H2 : Need for uniqueness influence the purchasing behavior of luxury fashion brands among Indonesian Generation Z consumers.**

According to (Cohen, 2009) in consideration with the theory of consumer behavior, it can be stated that money contributes in providing power of buying that provides the ability of creating extended-self. Money contributes in enlarging the scope of extended-self as by having accessibility of more money, one will be able to enlarge their imagination in a significant manner. (Cohen, 2009) also add that significant examples for extended-self with respect to the products being purchased by consumers, acquiring of clothing, automobiles, and housing can be done being used for making inferences regarding the customers. In other word, it can be said that extended-self is referred to as those products being purchased by an individual and at the same time, becoming a significant part of an individual itself.

**H3 : Extended-self influence the purchasing behavior of luxury fashion brands among Indonesian Generation Z consumers.**

According to (Netmeyer et. al., 1995) suggested that vanity is significantly influential on consumer buying intention. Physical vanity explains the “excessive concern for, and/or a positive (and perhaps inflated) view, one’s physical appearance”, while achievement vanity is “an excessive concern for, and/or a positive (and perhaps inflated) view of, one’s personal achievements”. Grilo (2001) in Cheah et al. (2015) also add that vanity has a significant outcome on consumers’ luxury products purchase intention. Phang et. al., (2016) said that consumers also use brands to enhance their physical attractiveness and hence, the physical vanity and achievement vanity. Solomon (2012) in Cheah (2015) also add that vanity lead to higher consumers’ tendency to relate their self-concept with the prestige and image of a brand itself.

**H4 : Vanity influence the purchasing behavior of luxury fashion brands among Indonesian Generation Z consumers.**

According to (Hirschman and Holbrook, 1982) the term hedonic was first used in a consumption sense. Hedonic consumption referred to those facts of consumer behavior that relate to the multi-sensory, fantasy, and emotive aspects of one’s experience with products. Subhashini (2007) add that as a result consumer motivation research included the hedonic consumption view to the hitherto primarily utilitarian view. Hedonic value or the hedonism concept referred to the esthetic and experience-based subjective aspects of consumption and meant regarding products as symbols. (Babin et al., 1994; Wertenbroch & Dhar, 2000) also add that hedonism as a form of consumers’ perceived value should reveal consumers’ perceived

value that would not be based on achieving objectives and explain the poorly analyzed area of consumer behavior. The research by Lee et al., (2009) in Asta et al., (2012) also found out that compulsive buying behavior, seeking of variety and sensitivity for price has significant impact on hedonic value meanwhile utilitarian value is influenced only by consumers' seeking of variety.

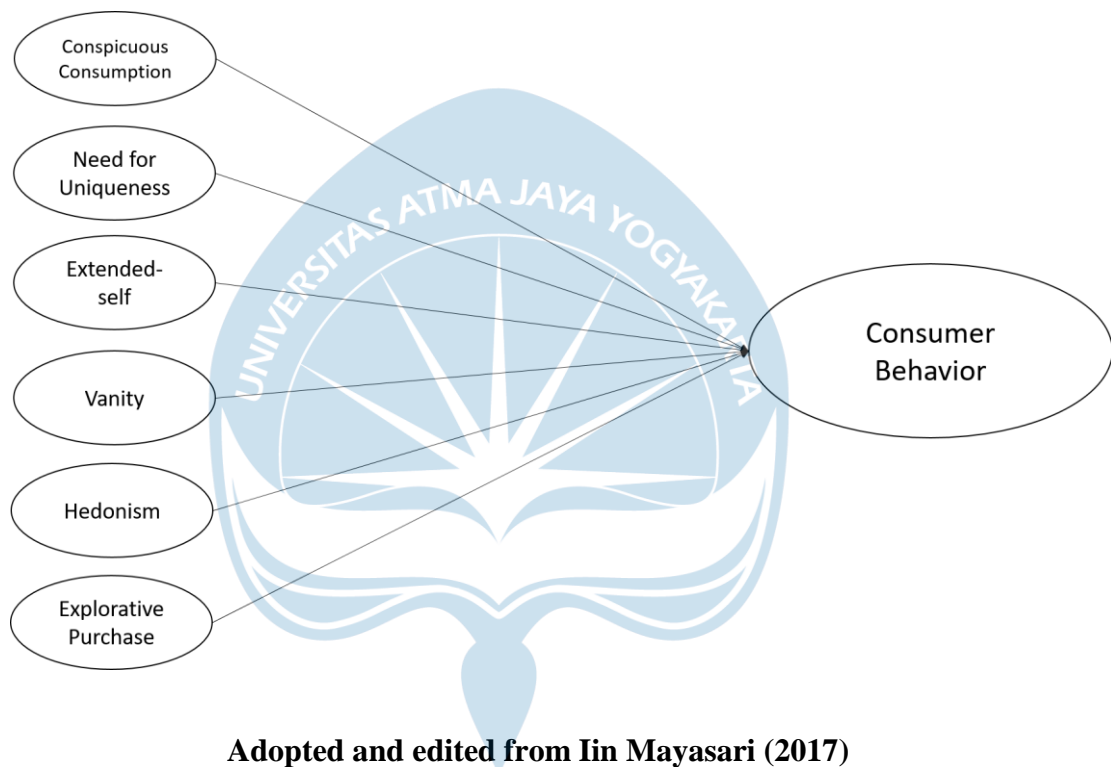
**H5 : Hedonism influence the purchasing behavior of luxury fashion brands among Indonesian Generation Z consumers.**

According to (Berlyne, 1960) in (Baumgartner; Steenkamp 1995) interest in the phenomenon of exploratory behavior started with the dual realization that people and animals sometimes engage in activities which are not biologically significant but are perceived to be intrinsically rewarding in the absence of external incentives, and that such behavior can be motivated by the prospect of exciting and novel experience, the desire for variation and change, and the urge to satisfy one's curiosity. (Howard and Sheth, 1969; Venkatesan, 1972) added that there is now general agreement that such activities as risk taking and innovative behavior in product purchase, variety seeking and brand switching, recreational shopping and information search, and interpersonal communication about purchases may be regarded as manifestations of exploratory tendencies in the consumer buying process (Raju, 1980)

**H6 : Explorative purchase influences the purchasing behavior of luxury fashion brands among Indonesian Generation Z consumers.**

## 2.5 Conceptual Framework

The conceptual framework that is suggested consist of six independent variables or key factors, which are: conspicuous consumption, need for uniqueness, extended-self, vanity, hedonism, and explorative purchase that will influence the purchasing behavior (dependent variable) of luxury fashion brands among Indonesian Generation Z consumers.



**Figure 2.1**  
**Conceptual Framework**