



Luxury purchasing among older consumers: exploring inferences about cognitive Age, status, and style motivations[☆]



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ABSTRACT

This research deals with the possibility that luxury purchasing among older consumers is related to their cognitive age (i.e., the age they feel) and, accordingly, the study reported herein assesses the effects of the underlying luxury motives on cognitive age. Results show that older consumers who relate luxury goods purchasing mainly to status reasons tend to feel younger than those who consider luxury goods purchasing primarily as a means to express their individual style. Furthermore, the study finds that, in order to meet their needs and wants, older consumers with a lower cognitive age rely more on brands than specific products; so their luxury goods purchasing intention is influenced more by brand images than product characteristics. These findings have marketing implications in the context of planning *ad hoc* advertising strategies aimed at luxury selling to older consumers.

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1. Introduction

Although “aging” is viewable as an active verb that captures a process we all experience than a label meant for the elderly (Dahmen & Cozma, 2009), the term nevertheless applies particularly to the older segments of the population. In almost every nation in the West, the proportion of the elderly population is growing faster than any other age group, as a result of both longer life expectancy and declining birth rates. Indeed, the number of people aged 65 and older is expected to represent 26% of the total population in Western countries by 2050 (United Nations, 2008), 28% of the EU population by 2050 (Eurostat, 2011), and nearly 20% in the United States by 2030 (U.S. Census Bureau, 2010). This phenomenon occurs among Eastern countries. In particular, China, currently the second largest economy in the world, is a case in point, although their demographics are affected drastically by their draconian policies with respect to birth rate and family size. Given the tremendous increase in the sizes of the older segments across the globe and their visible desires to lead full lives, the focus on older consumers is not only needed but also well justified (Natarajan, 2012a,b). In particular, Moschis (2012) calls for additional research on

all aspects of marketing to this segment, thereby echoing what Natarajan and Bagozzi (1999) call for at the end of the last millennium. Heeding such calls, in this article we focus on the aspect of luxury purchasing among older consumers.

The focus on luxury products is justifiable by the fact that older consumers continue to control household assets to a greater degree than younger ones (Lim & Kim, 2011). In particular, baby boomers – who are largely responsible for this increase in the older population (Coleman, Hladikova, & Savelyeva, 2006) – are now, by and large, richer and free of financial obligations, and they are accustomed to buying luxury goods (Bain & Company, 2014; Danziger, 2005; The Boston Consulting Group, 2010). Indeed, older consumers surprisingly become more involved in fashion (Guiot, 2001b) and more attracted by innovation (Szmigin & Carrigan, 2000). Moreover, they tend to prefer long established brands, with a heritage (Lambert-Pandraud & Laurent, 2010), which is a typical characteristic of luxury brands (Vigneron & Johnson, 2004). In addition, whereas younger consumers have a greater propensity to change their preferred brand, older consumers have a propensity to remain attached for a longer duration to the same preferred brand (Lambert-Pandraud, Laurent, & Lapersonne, 2005). Therefore, elderly consumers represent a relatively more loyal and interesting target for companies in the luxury sector.

Chronological age – that is, the number of years a person has lived – has always been a central demographic criterion for segmenting customers, but its limitations are clear in literature. Although aging is usually accompanied by an increase in physical and mental issues, older people often feel younger than they actually are (Barak &

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Schiffman, 1981; Sherman, Schiffman, & Mathur, 2001; Van Auken, Barry, & Anderson, 1993). As a consequence, marketers should pay particular attention to the psychological concept of cognitive age which is the subjective perception of how old one feels (Barak, 2009; Barak & Schiffman, 1981; Settersten & Mayer, 1997), since it could be considered a reliable predictor of consumer behavior (Gwinner & Stephens, 2001; Mathur & Moschis, 2005). Indeed, if older consumers tend to feel younger than their actual age (e.g., Underhill & Cadwell, 1983), they may also behave as younger (Szmigin & Carrigan, 2000). Therefore, their purchasing behaviors may be explainable better by cognitive rather than chronological age (Yoon et al., 2005).

The Mustang automobile launched by the Ford Motor Company is a noteworthy example where cognitive age assessment would have been useful. Indeed, the Mustang was designed and positioned to appeal to young people but it was purchased by all age groups (Corcoran, 1993): the real target market was not just the chronologically young, but also the psychologically young (Barak, Mathur, Lee, & Zhang, 2001). However, cognitive age is a relative construct; the context where individuals are when asked to assess it may influence cognitive age (Guido, Amatulli, & Peluso, 2014). This relative nature of cognitive age is also acknowledged when operationalizing the concept of “youth age” (Barak, 1987; Barak & Gould, 1985; Stephens, 1991) as the number of years a person perceives him/herself to be younger (or older) than his/her chronological age. In other words, “youth age” is the discrepancy between chronological and cognitive age. For instance, advertisers of age-sensitive products (e.g., cosmetics, fashion apparel etc.) need information about “youth age” in order to understand the level of youthfulness that characterizes customers and that, therefore, should figure in the basis of their products’ appeal (Barak, Stern, & Gould, 1988). We adopt the same position in this paper.

Despite the numerous studies investigating cognitive age and the relevant role of mature segments in the luxury market, the marketing consequences of a significant correlation between cognitive age and purchasing intention of luxury goods are yet to be explored. In particular, research has acknowledged that two main purchasing motives may be identified in luxury consumption: “luxury for others” and “luxury for oneself” (Kapferer & Bastien, 2009; Kastanakis & Balabanis, 2014; Truong, Simmons, McColl, & Kitchen, 2008; Vigneron & Johnson, 2004; Wiedmann, Hennigs, & Siebels, 2009). These two approaches to luxury consumption form the basis for the two contrasting motives behind luxury consumption: viz. *status* versus *style* (i.e., the social meaning of luxury vs. the personal meaning of luxury). The presence of these contrasting motivations emphasizes the need to enhance the current understanding of how the age felt by older consumers may be related to their consideration and purchase of luxury goods, as “status” for social statements or as “style” for personal pleasure (Amatulli & Guido, 2012; Vigneron & Johnson, 1999). In this paper, we endeavor to contribute to extant knowledge in this regard. In the following sections, we develop the conceptual background, present the methodology, and show the results. Finally, we discuss the theoretical and managerial implications and provide suggestions for future research.

2. Cognitive age and luxury goods purchasing

Prior studies address the issue of cognitive age by pointing out that older people feel younger than their chronological age and that this perception affects their consumption behavior (e.g., Barak & Schiffman, 1981; Sudbury & Simcock, 2009). Research demonstrates that cognitive age can be more effective than other commonly used variables (such as, chronological age, education, income, and gender) in predicting older consumers’ purchasing decisions (Yoon et al., 2005) and lifestyles (Iyer, Reisenwitz, & Eastman, 2008). Nevertheless, cognitive age is not an absolute concept and may be influenced by many factors (Guido et al., 2014). Although a few studies suggest a series of variables which can be used to investigate how cognitive age may change, for example, sexual traits, occupation status, or marital status (Barak & Gould,

1985; Barak, Guiot, Mathur, Zhang, & Lee, 2011; Sherman, Schiffman, & Dillon, 1988; Wilkes, 1992), none of them address the issue concerning the relationship between “feel age” and the prevalent kind of motivations behind purchases of luxury goods. Indeed, differently from the purchase of other kinds of products (i.e., basic or utilitarian items), the purchase of luxury goods is typically driven by specific and deep motivations (e.g., social elevation or personal identity), by high level of involvement, and by personal values (Kuksov & Xie, 2012). Therefore, stated cognitive age, which is related to psychological feelings, may potentially be correlated with consumers’ approach to luxury purchasing. In particular, feelings of high status are related to feelings of being advantaged, superior, and worthy compared to others (Locke, 2003), and therefore those feelings could also be particularly related to older consumers’ tendency to state a cognitive age that is much younger than their chronological age.

The study here explores how older consumers’ cognitive age is related to the motivations behind luxury purchasing. From theories of luxury consumption the premise that luxury purchasing is based on a substantial dichotomy is adopted: luxury goods purchased for status symbols (i.e., for social statements) versus luxury goods purchased as a means to express an individual style (i.e., for personal pleasure). Bearden and Etzel (1982) identify two classes of luxury products: “public” luxury goods (i.e., purchased for status) and “private” luxury goods (i.e., purchased for individual style). Vigneron and Johnson (2004) highlight that the meaning of luxury is determined by a consideration of “interpersonal” versus “personal” perceptions and motives. Based on the above, Amatulli and Guido (2011, 2012) introduced the conceptualization of “externalized” versus “internalized” luxury consumption – the former based on the aim of showing off a social position and the latter based on the aim of expressing an individual style. Adopting this terminology, hereafter “externalized-luxury consumers” refer to older consumers who buy luxury goods mainly for status, while “internalized-luxury consumers” refer to older consumers who buy luxury goods mainly for individual style.

3. Research objectives and hypotheses

Despite the importance of mature markets for luxury goods consumption, to the authors’ best knowledge, no research has yet investigated how older consumers’ cognitive age can vary according to the motivations behind luxury purchasing and how their purchasing intention for luxury goods may be influenced by different contextual factors. Therefore, we contribute to filling this gap by addressing two specific objectives.

The first objective is to explore cognitive age of older consumers on the basis of the two motives underlying luxury purchasing: on the one hand, externalized-luxury (i.e., luxury goods purchased for status; for the need to belong to a group and to be socially positioned) and, on the other hand, internalized-luxury (i.e., luxury goods purchased for personal style; for a personally-oriented need). In particular, purchasing motives associated with status seeking are those in which the ultimate objectives deal with social perception, external evaluation and reputation. Some consumers want to identify themselves as members of a “desirable” type (Kuksov & Xie, 2012) and buy luxury goods in order to conform with the people they wish to be associated with – that is, the so called “bandwagon luxury consumption behavior” (Kastanakis & Balabanis, 2012). Differently, consumption motives associated with individual style are those in which the ultimate objectives deal with personal orientation (Tsai, 2005), fulfilling individual needs and perceptions, independently from interpersonal judgments or social pressure (e.g., social trends). In this case, customer satisfaction is precisely subjective (Wiedmann et al., 2009).

Factors typically associating with status (e.g., materialism, ostentation, hetero-referred behavior, social positioning) likely drive consumers to pursue a positive, updated, sophisticated, and actually desirable image, while factors typically related to individual style

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