Comparing the importance of luxury value perceptions in cross-national contexts ☆

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ABSTRACT

The study provides empirical support to the much conceptualized but not-yet-tested framework of luxury value perceptions in cross-national context. Using five distinct parameters, the study compares the luxury value perceptions among British and Indian consumers, thus providing a rich comparative context between collectivist and individualistic markets. The results support the notion that several luxury value perceptions may be highly influential among all cultures and countries. However, their degree of influence may differ dramatically. The findings suggest that consumers in collectivist markets use simpler selection criteria for measuring value of a luxury brand than consumers in individualistic markets. The results may assist luxury brand managers in developing a coherent and integrated long-term global strategy that also takes in country-specific adjustments.

1. Introduction

The market for luxury goods continues to grow substantially globally. In recent times, however, consumer's demand in Western developed markets appears to be buckling under pressure of recessionary trend (Gapper, 2009). On the other hand, the appetite for luxury goods is growing substantially in emerging economies such as China, India, Brazil, and Russia (Carlson, 2009; Leahy & Betts, 2010; Shukla, 2010; Tynan, McKechnie, & Chhuon, 2010). The economic expansion in these emerging markets is increasing the craving for luxury among consumers, leading to a substantial growth in their overall luxury consumption. For example, according to Bain and Company estimates, in 2009, 85% of all the new luxury stores opened were in emerging markets (Krauss, 2009).

Against the backdrop of this dynamic growth in the global luxury market fuelled by the rise of emerging markets, understanding the reasons why consumers buy luxury (Kapferer & Bastien, 2009; Keller, 2009), and how consumers' perceptions of luxury value influence their buying behavior (Tynan et al., 2010; Wiedmann, Hennigs, & Siebels, 2007) become important for luxury researchers and managers. Prior studies suggest that marketing luxury goods requires a unique approach (Chadha & Husband, 2006; Thomas, 2007) because consumers must

perceive sufficient value enhancement to compensate for the high price charged (Tynan et al., 2010). Focusing on luxury values, Vigneron and Johnson (2004) propose the latent structure of luxury concept and provide a framework for "brand luxury index". Re-examining the "brand luxury index" among only Taiwanese consumers, Christodoulides, Michaelidou, and Li (2009) find that the meaning of luxury and the associated value perceptions differ significantly between Taiwanese consumers in comparison to the American consumers of Vigneron and Johnson's (2004) study. Wiedmann et al. (2007) offer a conceptual model of luxury value perceptions highlighting four dimensions, namely, social, personal, functional, and financial values.

Focusing on value co-creation Tynan et al. (2010) adapt the earlier work by Smith and Colgate (2007) on generic value framework, suggesting a conceptual model encompassing utilitarian, symbolic/expressive, experiential/hedonic, relational, and cost/sacrifice value. Both conceptual models advocate the need for further empirical support to the dynamic construct of luxury value perceptions. In addition, Christodoulides et al. (2009) suggest the need for further empirical testing of luxury value dimensions in a cross-national setting. With the increasingly global nature of luxury business, many researchers call for cross-national and cross-cultural studies addressing the issue of luxury consumption (Dubois, Czellar, & Laurent, 2005; Shukla, Shukla, & Sharma, 2009).

The present paper merges multiple frameworks of luxury value perceptions of Berthon, Pitt, Parent, and Berthon (2009), Tynan et al. (2010), and Wiedmann et al. (2007). The emerging model focuses on comparing the impact of various luxury value perceptions on determining the overall luxury value and the influence of overall luxury value perceptions on luxury goods purchase intention in a cross-national context. The research empirically investigates the

luxury value perceptions among British and Indian consumers, presenting a unique context that provides comparison between individualist and collectivist cultural contexts. In summary, the consumption behavior of the British and the Indian consumers may uncover both similarities and differences and thus provides an appealing setting for researchers and managers regarding the impact of luxury value perceptions.

The structure of this paper is as follows. The next section reviews the conceptualization of luxury value perceptions and develops the hypotheses. The following section outlines the research methodology employed; equivalence issues and discusses key findings from the empirical analysis. Finally, the paper offers conclusions, considers managerial implications and future directions.

2. Conceptual framework

Luxury goods are conducive to pleasure and comfort and also hard to obtain. Consumption of such goods involves buying a brand that represents value to both the individual and significant others (Wiedmann, Hennigs, & Siebels, 2009). In other words, purchase and display of luxury goods bring esteem to the owner, apart from the functional utility (Shukla, 2010; Vigneron & Johnson, 2004). The word 'luxury' refers to products or services of a very high standard; however, researchers observe that it elicits no clear understanding due to strong involvement, contextual effects and value recognition from others (Shukla, 2011; Wiedmann et al., 2009).

Observing the growth of luxury goods in the last two decades, researchers are giving greater attention to the phenomenon of luxury consumption. Past research efforts focus on luxury brand typology (Christodoulides et al., 2009; Dubois & Duquesne, 1993; Vigneron & Johnson, 2004); acquisition of luxury goods (O'cass & Frost, 2002); cross-cultural comparison of luxury brands (Dubois et al., 2005; Shukla, 2010; Shukla et al., 2009; Wong & Ahuvia, 1998); and counterfeits (Commuri, 2009; Phau & Teah, 2009; Wilcox, Kim, & Sen, 2009). Luxury goods are one of the most profitable and fastest-growing brand segments (Berthon et al., 2009), yet at the same time researchers agree that the value perceptions associated with luxury goods are poorly understood and under-investigated (Tynan et al., 2010; Vigneron & Johnson, 2004; Wiedmann et al., 2009).

2.1. Luxury value perceptions

According to Ruiz, Castro, and Armario (2007), early research on consumer value perceptions largely focuses on quality and price issues. They also report discordance among academics regarding single conceptualization and operationalization of the consumer value construct. Woodall (2003) conceptualizes four distinct aspects of value, namely, exchange value, intrinsic value, use value, and utilitarian value. Focusing on luxury goods, Vigneron and Johnson (2004) classify two major dimensions of luxury value perceptions, namely, personal perceptions (which entail perceived hedonic value and perceived extended self), and non-personal perceptions (which entail perceived conspicuousness, perceived uniqueness and perceived quality). Using Bourdieu (1984), Wiedmann et al. (2007) extend the framework put forward by Vigneron and Johnson (2004) by using four latent dimensions: social value (i.e. conspicuous value, prestige value); functional value (i.e. usability value, quality value, uniqueness value), individual value (i.e. self-identity value, hedonic value and materialistic value) and financial value (price value).

Berthon et al. (2009) conceptualize that luxury goods have three distinct value based dimensions: the objective (material), the subjective (individual) and the collective (social). In a separate attempt, adapting the generic customer value creation framework of Smith and Colgate (2007), Tynan et al. (2010) extend the framework in the domain of luxury using exploratory research. Smith and Colgate (2007) propose that four dimensions are critical to value creation namely: symbolic/

expressive, experiential/hedonic, utilitarian/functional and cost/sacrifice values. In their exploratory study Tynan et al. (2010) segment symbolic/expressive value perceptions in two sub-dimensions namely: self-directed and other-directed symbolic/expressive values.

The discussion highlights several important indicators of luxury value. First, luxury value perceptions may have a strong social dimension that takes into account both self and others while acquiring luxury goods. Second, the importance of personal dimension of luxury relating to experience and pleasure seems non-negligible. Thirdly, luxury goods are also sought for their higher quality and functionality and have an association with the overall price perception. One of the major concerns, however, with the above debate is that the extant literature is well-developed on the theoretical dimensions (Shukla, 2011). However, Tynan et al. (2010) significantly stress the need for empirical testing of the value perceptions framework to extend the validity and reliability of the theoretical foundations.

Focusing on the above conceptual debate, the present study develops and empirically tests a comprehensive model incorporating five dimensions of luxury value perceptions (see Fig. 1). The dimensions include self-directed symbolic/expressive value, other-directed symbolic/expressive value, experiential/hedonic value, utilitarian/functional value and cost/sacrifice value. Using the above value perception dimensions, this study addresses the calls for empirical testing of the largely theoretical debate in the area as well as extends the reliability and validity of the luxury value perceptions framework in a cross-national context.

2.2. Individualism versus collectivism in a cross-national context

Redding (1990) and Overby, Woodruff, & Gardial (2005) argue that cultural differences have been one of the influencing factors on consumption of global brands particularly because consumers across cultures buy products and services for different reasons even if they buy the same products. Extant literature drawn from means-end theory and cultural studies emphasizes culture's influence on consumer value perceptions and beliefs. Researchers also suggest that empirically derived cultural domains such as in Hall (1966), Hofstede (1991), and Trompenaars and Hampden-Turner (1998) are useful in comparing the effects of consumption across cultures (Wong & Ahuvia, 1998). Keeping in mind the wide application of Hofstede's cultural framework to understand influence of cultural differences in global marketing theory, evaluation of luxury value perceptions of consumers in countries with different national cultures becomes interesting. This study focuses specifically on the dimensions of individualism and collectivism.

Academic literature widely uses the cultural dimension of individualism versus collectivism to explain the general differences between Western and Eastern perspectives on the concept of self (Wang & Waller,
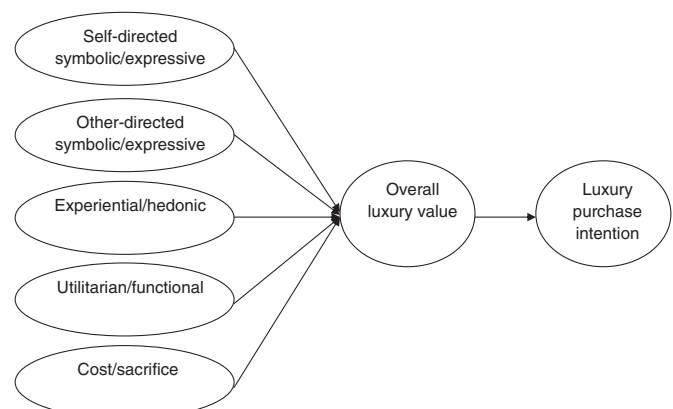

Fig. 1. Model overview.

2006). Further, challenging problems identified in meta-analyses of Oyserman, Coon, and Kemmelmeier (2002), Schimmack, Oishi, and Diener (2005) establish individualism as a valid and important dimension of cultural differences. Markus and Kitayama (1991) argue that consumers from Western individualist cultures tend to conceptualize the self as a relatively independent, self-contained, and autonomous entity. Individualism is also positively correlated with emphasis on self-gratification where consumers focus on personal achievement, physical attractiveness, material possessions, personal happiness, and success (Hofstede & Hofstede, 2004).

In contrast, consumers from Eastern collectivist cultures, define self more by relationships with members of one's extended environment including family, relatives, and co-workers (Wang & Waller, 2006). The individualism scores of 89 and 48 for Britain and India respectively, suggests Britain to be highly individualistic and India to be highly collectivist (Hofstede & Hofstede, 2004).

3. Hypotheses development

3.1. Self-directed symbolic/expressive value perceptions

Smith and Colgate (2007, 10) define symbolic/expressive value as the 'extent to which customers attach or associate psychological meaning to a product'. Several prior studies note luxury goods' appeal to consumer's self-concept and self-worth (Tsai, 2005; Vigneron & Johnson, 2004). In other words, luxury goods make consumers feel good about themselves either in possession or in gift-giving. Tsai (2005) and Wiedmann et al. (2007) observe that self-directed consumption is comparatively overlooked in the literature relating to luxury goods.

Individualism is established strongly in Western countries and individualist consumers are motivated by their own preferences, needs and rights (Hofstede, 1991). Also, comparing American and Chinese students' views for their appearance concern and appearance perceptions, Wang and Waller (2006) find that consumers in Western individualist cultures are increasingly concerned about the alignment of symbolic benefits to their internal self.

H1. The relation between self-directed symbolic/expressive value and overall luxury value perceptions is stronger for British consumers than Indian consumers.

3.2. Other-directed symbolic/expressive value perceptions

Social environment and interpersonal interactions strongly influence and shape consumers' consumption experiences (Bearden, Netemeyer, & Teel, 1989; Verhoef et al., 2009). As luxury goods possess a desirability that provide the user with a perceived status and ownership through sign-value (Moore & Birtwistle, 2005), other-directed symbolic value perceptions become critical in the context of luxury goods.

In their study of French Canadian and English Canadian consumers, Mourali, Laroche, and Pons (2005) find that individualism has a significant negative effect on consumers' other-directed consumption. Collectivism as found in Asian cultures, lays greater emphasis on social orientation (Hofstede, 1991) where relationships with others play a key role (Triandis, 2002). Markus and Kitayama (1991) observe that Eastern collectivist consumers focus more on the interdependent self wherein one's identity lies in one's familial, cultural, professional, and social relationships. Aune and Aune (1996) argue that an individual's behavior and consumption in collectivist cultures is more influenced by social norms than by internally motivated concerns. Because of the greater collective nature of the Eastern societies (Trompenaars & Hampden-Turner, 1998) consumers will have an increasing need to identify, express and enhance their image with significant others (Dubois & Duquesne, 1993; Dubois et al., 2005).

H2. The relation between other-directed symbolic/expressive value and overall luxury value perceptions is stronger for Indian consumers than British consumers.

3.3. Experiential/hedonic value perceptions

Since the age of industrialization, Western consumer culture has seen an enormous rise in the material standard of living. McCracken (1986) opines that in developed markets, with rising individual income and prosperity, consumers desire products for their symbolic aspects, as opposed to utilitarian motives. One of the key consumption traits of such societies is hedonism (Campbell, 2005). Hedonic consumption refers to facets of consumer behavior that relate to multi-sensory, fantasy and emotive aspects of one's experience with products (Hirschman and Holbrook, 1982).

Luxury goods are likely to provide such subjective intangible, experiential benefits (Dubois & Duquesne, 1993). For example, Campbell (2005) and McCracken (1986) state that happiness seeking via consumption as a major organizing norm for society first emerged in the West. Citing importance of hedonism, Berg (2007) highlights that since the Middle Ages; consumers in Europe have been acquiring and consuming luxury goods for personal pleasure. Hofstede (1991) suggests that individualists in Western countries give priority to their personal goals and thus focus on seeking variety and personal pleasure as societal norms.

Therefore, British consumers are likely to demonstrate higher inclination towards hedonism when consuming luxury goods. Recent studies focusing on consumption of luxury goods in India (Shukla, 2010, 2011) have shown that the country is going through a fundamental transformation. Therefore, measuring the difference between emphases given to experiential/hedonic values by Indian consumers in comparison to British consumers would be interesting.

H3. The relation between experiential/hedonic value and overall luxury value perceptions is stronger for British consumers than Indian consumers.

3.4. Utilitarian/functional value perceptions

Utilitarian/functional value is concerned with the extent to which a product (good or service) has the desired characteristics, is useful, or performs a desired function (Tynan et al., 2010). While hedonic consumption focuses on providing a heightened emotional experience and satisfaction from products, utilitarianism focuses on rational purpose. Consumers expect a luxury product to be usable, of good quality and unique enough to satisfy their urge to differentiate (Wiedmann et al., 2009). Han, Hwan Yun, Kim, and Kwahk (2000) suggest that usability of a product is now considered one of the most important purchasing factors. Luxury goods are different on the basis of their excellent product quality, craftsmanship and performance as compared to non-luxury goods (Vigneron & Johnson, 2004). For example, Christian Dior initially made outstanding clothes of great functionality and Louis Vuitton made great trunks built to withstand world travel. Thus, functional value will play a significant role in influencing consumer luxury value perceptions. In a comparative study of American, Canadian, British, and Indian consumers, Donthu and Yoo (1998) find that individualistic consumers have higher overall service quality expectations than collectivist consumers which get reflected in consumer demand for product functionality. The finding suggests that individualistic consumers may demand higher levels of functionality and utility from the product purchase. Furthermore, Shukla (2010) opines that with the extended exposure of British masses to global luxury goods in comparison to Indian masses, British consumers may look for distinct functionality of goods when purchasing.

H4. The relation between utilitarian/functional value and overall luxury value perceptions is stronger for British consumers than Indian consumers.

3.5. Cost/sacrifice value perceptions

Price plays both positive and negative roles with regard to price perceptions. Literature suggests seven psychological constructs of price perceptions: prestige sensitivity, price-quality schema, value consciousness, price consciousness, coupon proneness, sale proneness and price mavenism. Prestige sensitivity and price-quality schema represent the positive role and the other five constructs represent the negative role of price (Lichtenstein, Ridgway, & Netemeyer, 1993). Both, prestige sensitivity and price-quality schema are associated with social identity. For example, Tellis and Gaeth (1990) suggest that price plays a positive role in determining consumers' perceptions regarding quality, wherein higher price generally denotes higher quality. Similarly, prestige-seeking by acquiring higher price products is acceptable in many collectivist cultures (Shukla, 2011; Wong & Ahuvia, 1998). In case of luxury, higher financial sacrifice is positively related to overall value of the brand associated (Thomas, 2007). Thus, positive role of price becomes important in case of luxury goods. In other words, higher cost of acquisition elevates the luxury brand's uniqueness and desirability.

Individualism indicates emotional detachment from groups and hence personal goals as opposed to group goals become crucial (Hofstede & Hofstede, 2004). Further, Individualists value competition and personal achievement. On the other hand, collectivists who seek status are prestige sensitive (Shukla, 2010) as well as relate high price significantly with higher quality. Thus, authors posit that positive role of price would be much more significant in creating luxury value perceptions for collectivists in comparison to individualistic consumers.

The per capita income for the UK is approximately USD 35,400 in comparison to USD 3100 for India (Factbook, 2010). Also, the urban consumer per capita income in India is approximately three times that of their rural counterpart (Cali, 2007). While the Indian elite may have similar purchasing power as their Western counterparts, the income gap at the level of the middle class is far wider. Taking into consideration the overall gap between the UK per capita income and the Indian per capita income, Indian consumers may have to make greater financial sacrifice in acquiring a global luxury brand.

As they have to make higher sacrifice in obtaining the luxury goods, the cost/sacrifice value may influence overall luxury value perceptions of Indian consumers.

H5. The relation between cost/sacrifice value and overall luxury value perceptions is stronger for Indian consumers than British consumers.

3.6. Luxury purchase intentions

In their meta-analysis of value perceptions research, Smith and Colgate (2007) argue that value perceptions are a significantly strong predictor of purchase. In a similar vein, luxury researchers, including Wiedmann et al. (2009) and Tynan et al. (2010), hint that the overall luxury value perceptions may play a significant role in luxury purchase intentions. However, Redding (1990) observes that attempts to explain social behavior of Eastern collectivist consumers based on a Western individualistic model would be inadequate due to differences in the psychology of consumption. This fact suggests that the overall impact of value on luxury purchase intentions may differ between Western individualistic context and Eastern collectivist context. However, previous studies show no study of the impact of overall luxury value on purchase intentions.

H6. Overall luxury value will have a significantly stronger influence on luxury purchase intentions among both British consumers and Indian consumers.

4. Method

4.1. Sample and procedure

Of the more than 1200 respondents contacted, after cleaning the data, the final usable sample used for the analysis is 298 for the UK and 203 for India presenting a response rate of 24.83% and 16.91% respectively. Data collection, in this study, uses mall-intercept approach at high streets. The study achieves representative sample by rotating location of interview and timing of interview of the survey teams and avoid staging effect (occurring due to a single location) by including shoppers in the survey from two cities in South East, UK and two cities in the South of India during a five-week period. This survey chooses high streets because of the availability of wide assortment of luxury product categories, high traffic and high degree of store browsing. Inclusion of real consumers provides further strength to the study rather than student samples used in earlier studies.

4.2. Construct development and equivalence

To test the hypotheses, the study uses a structured questionnaire focusing on the proposed value perceptions and their impact on luxury consumption. Authors follow Douglas and Craig's (1983) procedure for conducting international marketing research for developing the research instrument. The questionnaire is divided into two sections. The first section focuses on demographics details and the second on the importance of luxury value perceptions and purchase intentions. The study adapts the existing measurement scales to derive initial sets of items.

The study derives items relating to self-directed symbolic/expressive values from Tsai (2005), other-directed symbolic/expressive value items from O'cass and McEwen (2004) and Shukla (2010), experiential/hedonic, utilitarian/functional values and cost/sacrifice related items from Spangenberg, Voss, and Crowley (1997) and Tsai (2005) and the overall luxury value perceptions and luxury purchase intentions scale from O'cass and McEwen (2004) and Shukla (2010). All measures use a five-point Likert-type response format, with "strongly disagree" and "strongly agree" as anchors. The participants' perceptions of what is luxury for them motivate their answers.

The study assesses the conceptual and functional equivalence for all constructs subjectively (Douglas & Craig, 1983) using multicultural composition of research team. Following the recommendation of Zaichkowsky (1985), the study uses a panel of expert judges for content and face validity. Further, the questionnaire is submitted to two academics for assessing representativeness, specificity and clarity of each item. Also, the pilot testing (n=20) is carried out to identify any impolite, unclear or difficult-to-understand questions.

4.3. Measure assessment and equivalence

Steenkamp and Baumgartner (1998) suggest that after establishing construct equivalence, cross-cultural researchers need to consider measurement equivalence. This process helps researchers identify if the same operationalised theoretical constructs hold true across different nations and cultures. However, before conducting cross-national equivalence, confirmatory factor analysis (CFA) is conducted for each country. The objective of this group-level CFA is to examine whether the value perception scales are psychometrically sound within each country.

As Table 1 shows, the scales fit the data reasonably well across the two countries. The root mean square error of approximation (RMSEA) is below the recommended level of 0.06. The non-normed fit index (NNFI), Comparative Fit Index (CFI) and goodness of fit index (GFI)

Table 1
List of measurement items.

	UK	India
	Estimate	Estimate
Self-directed symbolic/expressive value perceptions		
I often buy luxury brand accessories that reflect my own image.	0.59	0.59
My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	0.86	0.80
I am highly attracted to unique luxury accessories.	0.67	0.67
Composite Reliability (CR)	0.74	0.77
Average Variance Extracted (AVE)	0.59	0.61
Cronbach's Alpha (α)	0.67	0.70
Other-directed symbolic/expressive value perceptions		
I like to own new luxury accessories before others do.	0.87	0.74
I dislike luxury accessories that everyone else has.	0.64	0.55
Luxury accessories make me a fashion leader rather than a fashion follower.	0.82	0.69
Composite Reliability (CR)	0.80	0.74
Average Variance Extracted (AVE)	0.71	0.56
Cronbach's Alpha (α)	0.79	0.74
Experiential/hedonic value perceptions		
It is important to me to own really nice things.	0.80	0.80
Buying luxury accessories gives me a lot of pleasure.	0.71	0.65
Composite Reliability (CR)	0.74	0.69
Average Variance Extracted (AVE)	0.61	0.54
Cronbach's Alpha (α)	0.67	0.69
Utilitarian/functional value perceptions		
In my opinion buying luxury accessories is really useful.	0.73	0.73
I consider my purchase of luxury accessories to be practical.	0.77	0.70
Composite Reliability (CR)	0.71	0.69
Average Variance Extracted (AVE)	0.58	0.55
Cronbach's Alpha (α)	0.72	0.68
Cost/sacrifice value perceptions		
In my mind higher price equals higher quality.	0.66	0.66
An item being higher in price makes it more desirable to me.	0.96	0.82
Composite Reliability (CR)	0.78	0.75
Average Variance Extracted (AVE)	0.71	0.62
Cronbach's Alpha (α)	0.73	0.77
Overall luxury value perceptions		
I purchase luxury accessories to gain/increase social status.	0.77	0.77
The uniqueness of a luxury accessory is important to me.	0.65	0.66
Higher price luxury brand accessories mean more to me.	0.70	0.67
Composite Reliability (CR)	0.76	0.74
Average Variance Extracted (AVE)	0.62	0.59
Cronbach's Alpha (α)	0.75	0.70
Luxury purchase intentions		
I purchase luxury brand accessories to show who I am.	0.79	0.63
I would buy a luxury accessory just because it has status.	0.85	0.69
Owning luxury accessories indicate a symbol of wealth.	0.62	0.62
I would pay more for a luxury accessory if it has status.	0.84	0.79
Luxury accessories are important to me because they make me feel more acceptable in my work circle.	0.81	0.54
Composite Reliability (CR)	0.87	0.82
Average Variance Extracted (AVE)	0.81	0.66
Cronbach's Alpha (α)	0.87	0.78
Fit measures		
Chi-sq–χ^2 (degrees of freedom–df)	332.52 (152)	243.81 (152)
Root Mean Square Error of Approximation (RMSEA)	0.057	0.050
Non-Normed Fit Index (NNFI)	0.97	0.94
Comparative Fit Index (CFI)	0.98	0.96
Goodness of Fit Index (GFI)	0.91	0.90

values for all the constructs are above or very close to the recommended threshold value of 0.7 as recommended by Nunnally (1978). The composite reliability (CR) values are above recommended threshold value in most cases leaving apart two cases where the same is very close to 0.7 giving further evidence of construct reliability. The average variance extracted for the measures is 0.50 and above for all constructs, which is greater than the level recommended by Dillon and Goldstein (1984). The study assesses the discriminant validity using the test suggested by Fornell and Larcker (1981). This test suggests that a scale possesses discriminant validity if the average variance extracted by the underlying latent variable is greater than the shared variance (i.e., the squared correlation) of a latent variable with other latent variable. As Table 2 shows, all the variables in the study meet this criterion, as no correlation exceed the square root of the average variance extracted.

The study uses the procedures outlined by Steenkamp and Baumgartner (1998) to assess cross-national invariance of the scales (configural, matric and factor variance invariance). Authors use multi-group CFA in LISREL 8, which offers the most efficient means of measuring cross-national invariance to assess the scales for invariance.

As shown in Table 3, the RMSEA value for M1 is 0.043, indicating a good fit. The other incremental fit measures including the NNFI and CFI are above the recommended threshold value of 0.9. The normed chi-square is 1.44, below the recommended cut-off point of 3. The measures indicate that the configural invariance is achieved across the nations. Full metric invariance (M2) is measured thereafter. The fit indices, as seen in Table 3, suggest that full metric invariance is achieved.

The difference between M2 and M1 is $\Delta\chi^2$ (14) = 23.28, (p > 0.05) suggesting the full metric invariance model is not significantly worse than the configural invariance model. The next stage of measurement focuses on full scalar invariance (M3). The full scalar invariance is not achieved since significant difference between M3 and M2 ($\Delta\chi^2$ (18) = 70.50, p < 0.05) is observed. However, according to Steenkamp and Baumgartner (1998), full scalar invariance is extremely rare in cross-national studies.

Next, a partial scalar invariance model is tested by freeing the invariance constraints on several intercepts. Analyses use three chi-square difference tests to assess the fit of the partial scalar invariance model (M4). The first test compares M4 to M3 which suggests a significant improvement in model fit ($\Delta\chi^2$ (5) = 42.80, p < 0.001) including the improvement in other fit indices. The second test compares M4 to M2 which suggests that the partial scalar invariance model is not significantly worse than the full metric invariance model ($\Delta\chi^2$ (13) = 27.70, p > 0.01). The third test compares M4 to M1. The chi-square difference between these two models is not significant ($\Delta\chi^2$ (27) = 50.98, p > 0.01) and the other fit indices shows no deterioration. Therefore, partial scalar variance is achieved across the samples.

5. Analysis and findings

The study employs multiple-group CFA, to examine the hypothesized relationships. The analysis uses a series of comparisons between the unconstrained base model and models in which one structural path at

Table 2
Correlation matrix.

	UK					India				
	SDSE	ODSE	EH	UF	CSF	SDSE	ODSE	EH	UF	CS
SDSE	*0.77*					*0.78*				
ODSE	0.07	*0.85*				0.26	*0.80*			
EH	0.18	0.64	*0.78*			0.32	0.67	*0.75*		
UF	−0.08	0.74	0.55	*0.76*		0.42	0.65	0.55	*0.74*	
CS	−0.06	0.75	0.33	0.60	*0.84*	−0.09	0.59	0.35	0.59	*0.79*

SDSE = Self-directed symbolic/expressive; ODSE = Other-directed symbolic/expressive; EH = Experiential/Hedonic; UF = Utilitarian/Functional; CS = Cost/sacrifice.

are all above the recommended level of 0.9 (Bentler, 1990). The normed chi-square (χ^2/d.f.) values are below the recommended cut-off point of 3 (Kline, 1998). As shown in Table 1, the coefficient alpha

Table 3
Fit measures for the invariance models.

	Models compared	χ^2 (df)	$\Delta\chi^2(\Delta df)$	RMSEA	NNFI	CAIC	CFI	χ^2/df
Configural model (M1)		436.58 (304)		0.043	0.98	1551.74	0.99	1.44
Full metric model (M2)	M2 vs. M1	459.86 (318)	23.28 (14)	0.044	0.98	1474.94	0.99	1.45
Full scalar model (M3)	M3 vs. M2	530.36 (336)	70.50 (18)	0.050	0.98	1416.77	0.98	1.58
Partial scalar model (M4)	M4 vs. M3	487.56 (331)	42.80 (5)	0.044	0.98	1405.56	0.99	1.47
Partial scalar model (M4)	M4 vs. M2	487.56 (331)	27.70 (13)	0.044	0.98	1405.56	0.99	1.47
Partial scalar model (M4)	M4 vs. M1	487.56 (331)	50.98 (27)	0.044	0.98	1405.56	0.99	1.47
Overall constrained model (M5)	M5 vs. M4	508.65 (337)	21.09 (6)	0.047	0.98	1387.91	0.98	1.51

a time is constrained to be equal between countries to test differences in the magnitude of effects between the British and Indian consumers. Before verifying the hypothesized relationships, researchers develop overall constrained model (see M5 in Table 3) where the six latent factor means are set to be equal across the samples. The chi-square difference between the overall constrained model (M5) and the unconstrained model (i.e. partial scalar model—M4) is highly significant ($\Delta\chi^2$ (6) = 21.09, p<0.001) suggesting that overall mean difference exists across the countries.

The path coefficient analysis (see Table 4) shows the structure of the hypothesized relationships in the study. The hypothesized antecedents to luxury consumption are good predictors of the dependent variable across countries. To test the magnitude of effect between the self-directed symbolic/expressive values among British and Indian consumers, this study compares a constrained model, in which only the self-directed symbolic/expressive values related factor means are set to be invariant, with the unconstrained model. The chi-square difference is found to be significant ($\Delta\chi^2$ (1) = 10.65, p<0.01). As predicted in H1, British consumers show higher levels of self-directed ymbolic/expressive values ($\beta = -0.09$; t = -1.98) than Indian consumers.

The finding highlights two important phenomena, (a) the relationship between self-directed symbolic/expressive values and overall luxury value is negative and (b) the relationship is non-significant among the Indian consumers. H2 focuses on other-directed symbolic/expressive values. The chi-square difference is statistically significant ($\Delta\chi^2$ (1) = 16.87, p<0.001) suggesting a significant difference among consumers value perceptions. As predicted, the Indian consumers display higher levels of other-directed symbolic/expressive values ($\beta = 0.75$; t = 4.90) in comparison with British consumers ($\beta = 0.61$; t = 5.14). The chi-square difference for experiential/Hedonic value perceptions (H3) is also found to be significant ($\Delta\chi^2$ (1) = 10.79, p<0.01).

However, the relationship across the countries is non-significant across the countries and therefore the findings do not support H3. As H4 predicts, British consumers show higher utilitarian/functional value perceptions ($\beta = 0.44$; t = 4.76) than Indian consumers as the chi-square difference is significant ($\Delta\chi^2$ (1) = 16.76, p<0.001). The influence of utilitarian/functional value perceptions among Indian consumers is found to be non-significant. With regard to H5, the chi-square difference is significant ($\Delta\chi^2$ (1) = 10.88, p<0.01). However, contrary to the predicted relationship, British consumers are observed to be more concerned with cost/sacrifice value perceptions ($\beta = 0.17$; t = 2.15) than Indian consumers ($\beta = 0.15$; t = 1.97). As H6 predicts, British and Indian overall luxury value perceptions influence their luxury purchase intentions. However, British consumers demonstrate higher influence ($\beta = 0.89$; t = 10.83) than Indian consumers ($\beta = 0.79$; t = 7.18) with a significant difference in chi-square ($\Delta\chi^2$ (1) = 23.04, p<0.001).

6. Discussion and implications

Many luxury companies are looking to rapidly growing emerging markets as avenues for expansion and revenue as recessionary pressures in mature developed markets hampers growth. So far, the marketing literature pertaining to luxury has neglected to take into account the consumer value perceptions and their impact on purchase intentions in cross-national setting (Tynan et al., 2010). Merging three luxury value perceptions frameworks put forward by Berthon et al. (2009), Tynan et al. (2010), and Wiedmann et al. (2007), this research focuses on the role of five key luxury value perceptions: (a) self-directed symbolic/expressive values; (b) other-directed symbolic/expressive values; (c) experiential/hedonic values; (d) utilitarian/functional values and (e) cost/financial values. The study is a first-of-its-kind research focusing on luxury value perceptions in a cross-national context. The choice of countries (i.e. Britain and India) provides a unique dimension to compare the luxury value perceptions in an individualist and a collectivist cultural context.

Overall, the findings demonstrate the centrality of value perceptions in influencing consumer purchase intentions regarding luxury goods. However, considerable cross-national variations exist, which offer important theoretical insights and strategic implications for managers in developing global luxury brand strategy which is also sensitive to local differences.

British consumers consider self-directed symbolic/expressive values, other-directed symbolic/expressive values, utilitarian/functional values and cost/sacrifice values for developing their overall luxury value perceptions. On the other hand, the Indian consumers rely on other-directed symbolic/expressive values and cost/sacrifice values. This observation suggests that consumer value perceptions differ significantly across both markets. The consumers in developing collectivist markets use

Table 4
Summary of results.

	UK		India	
	Est.	T-value	Est.	T-value
Self-directed symbolic/expressive value → Overall luxury value	−0.09	−1.98[*]	−0.05	−0.95
Other-directed symbolic/expressive value → Overall luxury value	0.61	5.14[*]	0.75	4.90[*]
Experiential/Hedonic → Overall luxury value	−0.11	−1.52	−0.15	−1.03
Utilitarian/Functional → Overall luxury value	0.44	4.76[*]	0.10	1.07
Cost/sacrifice → Overall luxury value	0.17	2.15[*]	0.15	1.97[*]
Overall luxury value → Luxury purchase intentions	0.89	10.83[*]	0.79	7.18[*]

[*] p<0.01.

simpler selection criteria for measuring value of luxury goods than consumers in developed individualistic markets.

As hypothesized, British consumers depict higher levels of self-directed symbolic/expressive values than Indian consumers. However, the weak negative relationship suggests that British consumers attach less psychological meaning to luxury goods. This could be due to the increasing massification (democratization) of luxury wherein analysts have observed that brands such as LVMH and Gucci are now losing their luster due to their increasing availability throughout the developed markets (Thomas, 2007). The increased market penetration of luxury brands seem to be working against them as the increasing penetration raises the overall bandwagon effect.

In turn, consumers in individualistic markets face difficulty in reflecting their self-image through such consumption. Furthermore, this may be a reflection of the recessionary times wherein consumers are stagnating or reducing their consumption of luxury goods for self-possession or gift-giving. Shukla (2010) observes that in recessionary times consumers avoid overt display of luxury goods and instead prefer subtle signaling. The finding has important managerial implications with regard to long-term strategic thinking. By increasing their penetration, luxury brands may be able to increase their short-term revenue however, this may have a long-term negative effect. Luxury brand managers need to be wary of this phenomenon.

Findings reflect that Indian consumers heavily rely on other-directed symbolic/expressive values compared to British consumers. The collectivist psyche of the society wherein luxury consumption is seen as a means to achieve social recognition may explain this influence. The other-directed symbolic/expressive values are also found to be significant predictors of luxury value perceptions among British consumers. This result demonstrates the commonality of consumption objectives among the British and the Indian consumers. Overall, the symbolic/expressive value dimension provides luxury brand managers an opportunity to standardize their strategy of marketing luxury brands across the markets. Emphasizing the messages of increased social acceptance dimension of luxury consumption may bring lucrative results for luxury brand managers in global markets.

The experiential/hedonic value dimension is non-significant across both countries. This finding provides an evidence against prevailing wisdom that luxury goods are consumed for their hedonic (pleasure seeking) aspects. This can be due to two main reasons including value contraction and recessionary conditions. Researchers observe that the increased penetration of luxury goods has led to overall value contraction (Thomas, 2007; Tynan et al., 2010). Using 2009 Mendelson Affluent Survey psychographic data, Arnold (2010) argues that luxury consumers favor goods that represent quality, esthetics and authenticity. This may be a reflection of the recessionary times wherein consumers are increasingly demonstrating self-restraint and reducing their overall pleasure-seeking purchases. The non-significance of experiential/hedonic values among Indian consumers may be a reflection of the cultural dimension of modesty and humility, which is significantly observed in collectivist societies (Douglas & Isherwood, 1996). Luxury brand managers will have to take these aspects into consideration when developing their communications strategies.

The results suggest that British consumers' overall luxury value perceptions are significantly influenced by utilitarian/functional value perceptions. This finding integrates with the earlier result relating to hedonism. Consumers in Western, individualistic markets are looking for luxury goods to be increasingly useful and practical. Historically, luxury goods were bought for their versatility, functionality and performance (Berthon et al., 2009). However, with increased mass marketing of luxury, the quality and longevity associated with luxury goods has come under increased scrutiny (for a review, see Thomas, 2007). The finding suggests that to achieve sustainable long-term competitive advantage, luxury goods will have to carefully rethink their present marketing approaches.

The impact of value perceptions in triggering purchase intentions has not been dealt with in prior studies. The study shows that the overall luxury value perceptions have significant impact on purchase intentions across markets. However, the British consumers give more credence to their luxury value perceptions in comparison to Indian consumers. The comparatively weaker relationship between luxury value perceptions and purchase intentions among Indian consumers may be due to the recent exposure of Indian masses to global luxury brands.

7. Limitations and future directions

Like any other study, this study too suffers from limitations that, in turn, offer avenues for further research. The paper provides findings from only two countries namely: the UK and India and focuses on cultural dimension of individualism and collectivism while analyzing the differences between the countries. The two countries differ in many other ways apart from cultural dimensions of individualism and collectivism. Power distance, another cultural dimension in Hofstede's cultural framework that differentiates cultures based on degree of inequality, could also have an influence on the observed country differences.

Despite economic, social, linguistic and regional diversity, Indians have core values which unify these sub-cultural differences to create a unique Indian culture where such inequalities may not be very significant. However, influences of dimensions such as power distance may not be completely ignored. Therefore, further comparative studies involving other nations and cultures will assist in generalizing the findings of the study. While Hofstede (1991) and other cultural domain researchers focus at a larger cultural construct and not at individual level consumption factors, future studies should focus on collecting individual level cultural scores which may provide further justifiability to the research findings. India and UK, being developing and developed countries respectively, the observed country differences in this study may also have been influenced by differences in stages of economic development. Further studies comparing multiple developed and developing countries at different stages of development will provide further insights and make the findings of this study more generalizable.

Past research studies identify several other dimensions and sub-dimensions of value perceptions including relational value and community value among others (for a review see Tynan et al., 2010). Future studies may benefit in looking at other value dimensions of luxury and incorporating those in the model developed in the present study. Researchers observe a dramatic change in consumption behavior among the consumers in emerging markets. To capture the dynamism of luxury consumption phenomenon in these rapidly changing economies requires a longitudinal study. Such a study may offer add insights in the changing nature of luxury in these markets as well as capture consumption culture movements.

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