

## Identifying Purchase Intention for Luxury Goods from Generation Z Consumers: A Comparison between England and Turkey

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### Abstract

*This study aims to examine the meaning ascribed to luxury by consumers in England and Turkey in terms of their luxury value perception and their influence on purchase intention. The findings will be contextualized by adopting Hofstede's cultural dimensions, which bring a holistic perspective on the cultural identifies of countries. The population of the study consisted of university generation Z students studying at large modern universities in England and Turkey. A questionnaire was administered to a large sample at both universities that yielded 1133 completed acceptable responses for analysis. Inferential analysis revealed that financial, individual and social dimensions of luxury value perception were significant in influencing purchase intention for English and Turkish students. However, individual value was considerably higher for Turkish students while both financial and social value perceptions higher for English students. This paper provides supporting evidence of the key cultural differences of luxury value perception and how they significantly influence purchase intention among generation Z consumers in England and Turkey.*

**Keywords:**Hofstede cultural dimensions, Luxury value perception, Purchase intention, Generation Z, England, Turkey

### 1. Introduction

The meaning attributed to the concept of luxury today is not much different from the definition published by Veblen (1994) in 1899 which specified the concept as 'the idle class earns a lot of income without bearing the difficulties of production, and therefore, they spend their expenses randomly and make conspicuous consumption'. Previously, the concept used to describe the rare and hard-to-access products that were the privilege of a few have now become "accessible" through developments in production systems and technologies and the supply of goods and services to the marketplaces abundantly.

Although the concept of luxury has been used with different meanings and connotations in the historical process, today it is used as a qualifier of a product or service and "how these goods and services are perceived". Vigneron and Johnson (2004) defines a luxury brand as something beyond any functional utility where the simple use or display of particular luxury product brings esteem to the consumer. Thus, the concept is more likely to characterize goods and services beyond basic needs but associated with the value perceived by consumers.

There is consensus, in the literature, that the concept of value (NuenoandQuelch,1998) is seen as one of the most important precursors of purchasing intention and that purchasing intention is also an important precursor of behavior. Purchase intention is known as the propensity of consumers to an item (the willingness to buy) and the possibility of purchasing a product (Fishbein and Ajzen, 1975; Kim and Kim, 2004).

In the luxury products market, consumers are globally assumed to have similar expectations from the products. These expectations are related to concepts such as high quality, aesthetic concern, fashion, privilege, prestige, and status regarding the nature of the product (Seo and Buchanan-Oliver, 2015). To capture the multi-dimensional nature of luxury this study will adopt “the Luxury value perception scale” which was developed by Wiedmann et al. (2009). This framework captures the dimensions of luxury value perception more comprehensively under four categories, namely: 1. Financial, 2. Functional, 3. Individual and 4. Social. Considering the developed and developing markets for luxury, it is known that there are differences in the luxury perception and the dimensions of luxury value perception. These differences include many elements of the culture of a society, such as values, attitudes, traditions, lifestyles, and the socio-economic structure of the geography in which they are resided, as well as the personal characteristics of consumers. One of the most cited studies of country culture is the work undertaken by Hofstede (2001).

Hofstede (1980; 2001) research has identified several dimensions to measure the identity of a country's culture. The dimensions advocated by Hofstede relate to: power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, and long term orientation versus short term normative orientation which he added later. More recently indulgence has been included. Accordingly, the tendencies of cultures to these dimensions were measured with expressions that related to each dimension. As a result of this, countries have numeral scoring values. When these dimensions and scoring system are examined, it is seen that the cultures of England and Turkey are very dissimilar. Whereby the dimension of individualism versus collectivism reveals the following for England (89) and Turkey (37). England has more than double the score. This is also the case for the uncertainty avoidance dimension (England:35; Turkey: 85). In the dimensions of power distance and masculinity versus femininity, the difference in scores respectively between England (35; 66) and Turkey (66; 45) are noteworthy. In terms of the recent dimension of Long-term orientation and Indulgence between England and Turkey, England rated both dimensions (51; 69) higher than Turkey (46; 49). The distinct nature of these cultures would provide invaluable insights into the perceptions of the dimensions of luxury. Especially among younger consumers who have been referred to as Generation Z (born between 1997 and 2012). This study aims to reveal the intercultural differences and the meaning of luxury in terms of individuals in the two communities, luxury value perceptions and whether luxury perceptions affect purchase intention.

## **2. Conceptual Framework**

### **2.1 Culture**

Culture is the common feelings, thoughts, beliefs, and behavioral patterns shared by individuals in a society (Peter and Olson, 2008). All these features help to separate members of a community from another community and assist to shape the relations of a society with its environment (Hofstede et al., 2010). It can be said that, as a process of sharing some facts learned by community members is the sum of their thinking and behavior learned throughout history and passed down through generations (Schein, 2004). Similarly, Becker (1996: 16) remarked that it is not possible to change the inborn situations of individuals such as ethnicity, race, posterity, and the territories they were born in and emphasized that throughout their lives, individuals carry the traces of the culture which they belong to.

The culture of a society gives important clues about the language, religion, belief, value judgments, manners and customs, lifestyles and consumption habits of individuals in society. As a social fact, the cultural phenomenon that enables the development of understanding about how society affects the way people think and behave has also been a subject dealt with by many different disciplines. Various single and multidimensional approaches have been developed in order to reveal the basic cultural structures of societies, intercultural similarities and differences. When the studies are examined, it is seen that the cultural dimensions generally resemble each other.

Hofstede's research made it more understandable to see the basic structures of national cultures and the cross-cultural similarities and differences (Hofstede, 2001).

Hofstede's culture model has brought a holistic perspective to the field (Soares et al., 2007). In addition, the findings of Hofstede were supported by many studies and increased interest in quantitative studies in the field of investigating culture (Taras and Steel, 2006) and thus make it ideal to adopt in this study. The key dimensions measured in Hofstede's model are:

1. *Power distance*: In a society, the understanding that power is not distributed equally among people with less power prevails. In a society, patrons, dignitaries, and those with supreme authority will also have high power. Power in societies with high power distances emerges as a very important concept and, therefore, a hierarchical order is adopted. In society, wage differentials between employees are high and there is a belief that the income distribution is not equal. However, a closed communication is seen between those with and without power and therefore, a kind of referential-communication happens. In societies where the power distance is low, among individuals, results in an egalitarian society in which income distribution is close to equal and there is no serious distinction in wage differentials. The hierarchical structure is more flexible in these societies and people can easily express their thoughts in their superior-subordinate relationship (Hofstede et al., 2010).

2. *Individualism versus collectivism*: The main issue in this dimension is the individuals and interpersonal relationships. While individual characteristics, ambitious approach, personal goals and adopting independent attitude remain in the forefront in individualist societies; family, social structure, social solidarity and teamwork are in the forefront in collectivist societies. In collectivist societies, interconnected groups constantly support and protect each other. Therefore, individuals within the group pay more attention to their responsibilities towards the group and individuals are controlled by social oppression (Hofstede et al., 2010).

3. *Masculinity versus femininity*: In this dimension, the roles related to the male and female gender rather than the physical characteristics are dominant in the culture. When it comes to a masculine culture, success-oriented, money-making, competition, aggressive spirit, being ambitious, materialist tendencies are at the forefront, and the importance given to people remains in the secondary plan. In the feminine culture, on the other hand, importance is given to human and human relations and female values such as thinking about the quality of life and environmental protection, helping others, sympathy for the weak, compassion, mercy, and loyalty are deemed important (Hofstede, 2009).

4. *Uncertainty avoidance*: The dimension of uncertainty avoidance is related to how people behave towards uncertainties. In cultures with high levels of uncertainty avoidance, anxiety, concern for the future and nervousness prevail. In order to avoid uncertainty, they try to set rules and punish those who do not comply. In these cultures, mistrust and threat perception arising from uncertainty are essential and there is a strong resistance to change. In societies with low levels of uncertainty avoidance, on the other hand, the idea of accepting uncertainty and not worrying about it is intense. People in this society plan less and prefer to take risks by exhibiting entrepreneurial features (Hofstede, 2009).

5. *Long term orientation versus short term normative orientation*: this expresses the way societies perceive time. While values such as future-oriented dedication, diligence, austerity are at the forefront in cultures heading for long-term, in societies facing short terms, on the other hand, living the moment and momentary pleasures are important (Hofstede et al., 2010).

A recent addition to the cultural dimension portfolio is Indulgence versus Restraint.

6. *Indulgence versus Restraint*: For indulgence a society has relative freedom for gratification of basic and human drives that relate to enjoying life and having fun. Whereas restraint is where a society suppresses gratification of needs through strictly regulating social norms.

## 2.2 The Concept of Luxury

Consumer-wise products are generally classified as ordinary goods and luxury goods. Since ordinary goods are easily accessible in the markets, these products appear as products purchased by consumers on the spur of the moment. In these products, where consumers routinely perform their buying behavior and where the prices are relatively low, functional benefits are also extremely important. Luxury branded goods, on the other hand, are deemed to be products at the other end of spectrum from ordinary goods with many distinct features (Vigneron and Johnson, 2004; Kapferer, 2008). Unlike ordinary goods, access to luxury branded products is very limited due to limited quantities being available in the markets. Since luxury branded goods are defined as brands with the highest price and quality ratios in the market (McKinsey, 1990). From an economic perspective, despite their high prices, along with their material or functional benefits to individuals, luxury goods seem to satisfy the socio-psychological needs of people (Nueno and Quelch, 1998; Christodoulides et al., 2009; Vigneron and Johnson, 2004; Wiedmann et al., 2009; Shukla, 2012).

When the literature on the concept of luxury is examined, it is seen that there are many features and versatile definitions that occur over time (Tynan et al., 2010; Li et al., 2013). The features that characterize luxury goods and brands are listed as follows: exclusivity, uniqueness, rarity, high price, excellent quality, design and aesthetics, and hand-workmanship (Vigneron and Johnson, 2004; Keller, 2009; Okonkwo, 2009; Tynan et al., 2010). Although luxury goods are deemed together with those features, they may not have each of these listed features, or each product or brand with these features may not be considered in the luxury category (Hudders et al., 2013). Since individual perception is determined by personal and interpersonal motivations this makes the concept of luxury abstract (Vigneron and Johnson, 2004). Its meaning varies depending on the person, place and time (Berthon et al., 2009; Walley et al., 2013). Therefore, the concept of luxury is constantly changing by its nature making it challenging to forward a clear definition. Furthermore, many factors such as demographic factors, lifestyle, habits, social environment, personal characteristics of individuals, moods, and experiences are the source of fundamental differences between people (Wiedmann et al., 2009; Sari and Kusuma, 2014). It is therefore important for the consumer to distinguish which products will be considered ordinary and which products will be considered luxurious. In other words, where does ordinary end and where does luxury begin, it is a phenomenon decided by the consumers (Tynan et al., 2010). Although, influenced by effective targeted marketing communication. This results in reinforced brand perceptions from the intended target group of prospective consumers.

When the motives that prompt people to luxury consumption are examined, the perceptions such as high-quality elements of luxury goods, noticeability, outstanding style, garishness, items representing high social status with product ownership, limited accessibility, and feeling privileged seem to be effective. All these perceptual features represent a number of values. Research has detected various motives explaining consumers' desire for luxury brands. On the one hand, internal motivations such as reward have been detected. Similarly, research has detected external motivations explained by the perceived functional (quality and functionality), experiential (aesthetic, pleasure, experience, uniqueness, vanity, conformity), and symbolic (self-expression, conformity, social) benefits of acquiring luxury goods of which the symbolic dimension relates to the visibility and impression given to others (e.g. Berthon et al., 2009; Choo et al., 2012). The need to reveal the motivations for luxury consumption in explaining the concept of luxury today and of handling the factors causing the behavior on a value-based/basis is one of the topics that is emphasized by the literature.

Previous studies have revealed three dimensions related to the value-based luxury concept have been adopted, namely: functional, experiential and symbolic were adopted (Vickers and Renand, 2003; Berthon et al., 2009; Shukla et al., 2015). In the functional dimension, there are expectations such as usefulness, efficacy, performance, and service; in the experiential dimension, these are hedonist, sensual pleasure, imagination and the personal nature of luxury that comes to the fore.

For symbolic value this refers to the ability of the product to produce symbolic meanings in the social context such as self-improvement, group membership, and ego-based identity. According to Belk (1988) and Jenkins (2004), luxury brands assist to shape the identity of individuals by bridging individuals' inner selves and the outside world (Berthon et al., 2009).

Recent studies reveal four dimensions of luxury value perception measured on the "Luxury Value Perception Scale" formed and developed by Wiedmann et al. (2007, 2009) and Hennigs et al. (2012). In developing the relevant scale, the evaluation of the dimensions such as uniqueness, social, hedonist and quality revealed by Johnson (2004) under four implicit dimensions proved to be effective. The four dimensions of the scale refer to the financial value (1) representing the price and the issue of what people give up financially and what material sacrifices they make to have a luxury product (Wiedmann et al., 2009). The functional value (2), represents the benefit perceived from the product in general. The usability, quality, and uniqueness of the product serve the functional value dimension (Smith and Colgate, 2007). The individual value (3) dimension includes personal perceptions of luxury products. Under this dimension, individuals tend to luxury in order to create, express or develop their own identity (Dittmar, 1994). Another concept that constitutes the individual value dimension is the hedonist approach. Hedonist value seeks abstract benefits such as multi-sensory, fantasy, emotional, elite, magnificent and aesthetic in individuals' experiences with luxury products (Wiedmann et al., 2009). The final concept that explains the individual dimension is the materialist value that refers to the degree to which individuals see material assets at the focal point of their lives (Chang and Arkin, 2002). The fourth dimension expressing the perception of luxury value is the social value (4). This dimension expresses the benefits such as show-off and prestige value that may affect the tendency to purchase luxury brands with products that are accepted within the social groups of individuals (Vigneron and Johnson, 2004).

The concept of conspicuous value took place in the social value dimension of the luxury perception is based on the "conspicuous consumption theory" which was first put forward by Veblen. With his theory, Veblen (1994) suggested that rich people spend their income on highly spectacular goods and services in order to improve or strengthen their social status (Walley et al., 2013). The concept is basically based on the idea that individuals consume luxury goods or services obtained in a conspicuous manner in order to show their income or wealth, while they send a signal to others about their relative status in society (Tynan et al., 2010). Today, it is not only top-class people who use their wealth or income as an indicator of their superior social status, but middle-class people also spend their wealth to imitate the social class or classes above them. In this respect, social class segregation still plays an important role in explaining conspicuous consumption (Atwal and Williams, 2009). Although Veblen made his conceptualization of the conspicuous nature of consumerism in an early period, the concept of conspicuous consumption still has relevance today in explaining the nature of luxury.

### **2.3 Purchase Intention**

Consumers' purchase intention involves a complex process and is often associated with consumers' perceptions, attitudes, and behavior (Keller, 2001). It is known that there is a deep link between the analysis of people's purchasing behavior and attitudes and purchasing intentions of consumers towards products or services (Sangyoung and Sungyoung, 1999). The attitudes include positive or negative short evaluations of the product or service, while the intentions include the conscious and planned motivations of the person in order to perform a behavior (Spears and Singh, 2004). Although there is a close relationship between attitude and purchase intention, purchase intention is more effective than attitude in predicting individuals' purchase behavior (Inkon, 2013). It is accepted that the purchase intention is the final cognitive step in the decision-making process in the formation of this effect (Agarwal and Teas, 2002).

Purchase intention refers to the probability of someone purchasing a particular product or service (Fishbein and Ajzen, 1975). The higher the purchase intention is, the higher a consumer's willingness is to buy a product (Schiffman, 2009). Fishbein and Ajzen (1975: 16) allege that 'the best and only determinant of a person's behavior is the measure of his/her intention to fulfill that behavior'. According to Wang and Tsai (2014), a person's greater willingness for buying a product or service increases the possibility of buying it; however, this does not mean that purchasing behavior will absolutely occur. Conversely, low willingness towards the product does not create an impossibility for the purchase behavior.

## 2.4 Hypotheses Development

Cultural features are deemed important denominators in the formation of consumer preferences, identification of market segments, and determining general trends in consumption. Bourdieu (1984), known for his work on individuals' social similarities and differences, states that although individuals come from or take place in the same social and economic structure, they differ in terms of consumption behaviors. He argued that the cultural background and characteristics had an impact on the formation of these relevant differences (Turunen, 2015). Similarly, Woodruff and Gardial (2005) mention that each individual has made a purchase action for different reasons, therefore, even if they buy similar goods or services, there may be differences in the stage of responding to their different expectations. He argues that cultural differences, as well as personal meanings, have a major impact on the formation of these fundamental differences.

When the consumption trends for luxury products and brands are analyzed, a number of factors such as globalization, cultural differences and social classes, as well as consumer-brand interaction, have been found to be effective. Furthermore, regional and cultural differences have a strong impact on the purchase behavior of global luxury brands when purchase behaviors are analyzed, (Seo and Buchanan-Oliver, 2015). In other words, with the sociocultural meanings attributed to luxury brands, individuals find the opportunity to exhibit their own culture and lifestyle (Kapferer, 2008).

The perception and dimensions of basic luxury value differ according to cultures in an intercultural context (Barnier and Rodina, 2006; Hennigs et al., 2012, 2015; Shukla, 2012; Shukla and Purani, 2012; Godey et al., 2013; Walley et al., 2013; Li et al., 2013; Shukla et al., 2015). According to the findings of their study on the luxury perceptions of consumers in France, Russia and the UK, Barnier, and Rodina (2006) emphasized the four characteristics of luxury in all three cultures. These are: aesthetics, premium quality, product historical history and expensiveness. While the desire, passion and conspicuousness of the product are important for French consumers; functionality has been a prominent concept for British and Russian consumers, and its uniqueness has become a prominent concept for Russian consumers. In their works, Shukla and Purani (2012) defined the UK as a society that shows individualistic society characteristic, and India as a society with a collectivist feature. As a result of comparison, it is concluded that British consumers have higher functional value than Indian consumers. British consumers are more interested in price value than Indian consumers. Again, in the intercultural study of Shukla (2012), it is seen that the price-quality dimension of luxury value perception is of high importance in both markets. In their intercultural study, Hennigs et al. (2012) aimed to reveal the similarities and differences regarding the luxury value perception. In this context, they examined university students studying in the USA, Brazil, France, Germany, Hungary, India, Italy, Japan, Slovakia, and Spain. They came to the conclusion that the luxury value perception varies in different dimensions among these countries.

In the studies of Hofstede focusing on intercultural differentiation, it appears that Turkish and English societies, within the framework of culture dimensions, display a serious differentiation. As a result of various studies, it is concluded that cultural differences have an important effect on luxury perception. Considering all these findings, the following hypothesis has been developed.

*H<sub>1</sub>: Luxury value perception dimensions differ on the basis of the culture in England and Turkey.*

To achieve purchase behavior, the intention towards that behavior must be formed first. The idea that the purchase intention for products and services is the final cognitive step of the purchase decision process is accepted by many researchers (Agarwal and Teas, 2002). Therefore, this is critical in predicting behavior (Fishbein and Ajzen, 1975). It is known that the value perception and dimensions of luxury products or brands have an impact on the intention to buy luxury goods.

The study of Hennigs et al. (2015) revealed that luxury value perception has an impact on the purchase intention of individual value. Shukla (2012) examined the USA and the UK for the industrialized luxury markets and India and Malaysia for the emerging luxury markets. In his study, Shukla concluded that the social value dimension of luxury has a positive effect on the purchase intention for both markets, and the social value dimension affects the US and British consumers more. He found a significant relationship between hedonism and purchase intention in the industrialized markets. Sun et al. (2016) suggest that social and emotional value directly affect the purchase intention of luxury and perceived uniqueness has an indirect effect. Yang and Mattila (2016) revealed that the purchase intention of luxury services was primarily influenced by hedonic and then functional and financial values. As a result of their study, Hung et al. (2011) concluded that experiential and functional value and social impact have an impact on luxury purchase intention. Hence, the following hypothesis below has been developed.

*H<sub>2</sub>: Key Luxury value perception dimensions (financial, functional, individual and social) influence purchase intention based on the culture in England and Turkey.*

### 3. Research Methodology

A positivistic philosophical approach was adopted to test the hypotheses. Whereby a questionnaire was constructed to assess the luxury values dimensions and consumers intention to purchase.

#### 3.1 Sample and Data Collection

The population of the study consisted of generation Z (young consumers under the age of 25) university students studying at two very large modern universities in England and Turkey. An opportunistic sampling method was adopted for data collection. After piloting of the questionnaire was completed and the instrument refined based on feedback. The survey was administered on both campuses and resulted in 464 responses from England and 669 from Turkey that were deemed acceptable for analysis. Table 1 shows the basic descriptive data related to the research that highlights the representative sample of responses based on gender and age profile from both universities.

Table 1. Sample profile

	England		Turkey	
	N	%	N	%
<i>Gender</i>				
Female	229	49.4	384	57.4
Male	235	50.6	285	42.6
<i>Total</i>	464	100	669	100
<i>Age</i>				
18-21	328	70.7	476	71.2
22-24	136	29.3	193	28.8
<i>Total</i>	464	100	669	100

#### 3.2 Measurement

The questionnaire consists of four parts. In the first part, respondents were asked to clarify what they associated with luxury and which luxury products they purchased. In the second part, the 'Luxury Value Perception Scale', developed by Hennigs et al. (2012), was used to measure the luxury value perception of the participants. A total of 15 statements were included in this section. A 7 point Likert scale was adopted to provide respondents a greater range of possible responses.

In the third part of the questionnaire, a “purchase intention” question was asked. The final part of the questionnaire captured demographic information about the respondents.

#### 4. Analysis and Findings

##### 4.1 Descriptive Statistics

Respondents, from both countries, were initially asked to clarify what attributes they associated with luxury. The findings were coded, the key similarities are highlighted in Table 2.

Table 2. Terms associated with luxury

England		Turkey	
	%		%
Quality	36	Quality	45
Brand name	19	Brand name	19
Prestige	18	Prestige	16
Exclusive	17	Exclusive	14
Unique	10	Unique	6
Total	100	Total	100

When Table 2 is examined, it is evident that the concept of luxury, from participants from both England and Turkey, is predominantly associated with “quality”. The quality perception for products is more related to the functional value of the product than its symbolic value.

The prominent luxury product groups that respondents from both countries had purchased in the last year are highlighted in Table 3. The category of purchased products is consistent with the expectations of purchase behavior from Generation Z consumers.

Table 3. Luxury goods groups

England		Turkey	
	%		%
Clothing	19	Clothing	26
Perfumes and cosmetics	14	Accessories (shoes, bags etc.)	19
Accessories (shoes, bags etc.)	13	Perfumes and cosmetics	13
Services (restaurants, hotels etc.)	12	Services (restaurants, hotels etc.)	10
Watches	10	Watches	8
Jewellery	9	Eyewear	6
Eyewear	6	Leather goods	5
Wine	5	<i>Others</i>	13
<i>Others</i>	12		
Total	100	Total	100

As a result of the changing definition of the luxury concept and the effect of its relatively flexible structure, luxury, with its different forms and price ranges, has become products and services that people of different socio-economic status can easily reach. In which almost 80% of the luxury product market is comprised of personal luxury products, luxury accommodation, and luxury cars. In this context, the ranking set out in Table 3 corresponds to the luxury market representing this age group (Generation Z). The accessibility and the various benefits of the top cited luxury product, the 'clothing' group, from respondents from both countries was an expected result. In parallel with this result, the luxury product groups of perfumes and cosmetics and accessories is a reflection of the key priorities and means of this target group.

##### 4.2 Hypothesis Testing



In order to determine the basic factors for luxury value perception, exploratory factor analysis was applied to the data. As a result, it was seen that it was divided into four dimensions. The KMO (Kaiser-Meyer-Olkin) value expressing the conformity of the factor analysis was found to be 0.771 for England and 0.773 for Turkey. Values between 0.5 and 1 are acceptable for KMO values, although, 0.70 is deemed as the critical value (Malhotra, 1996). As a result of the values found for luxury value perception dimensions, it can be said that the sample is sufficient for analysis. The factor analysis revealed a total variance explanation rate of the four dimensions of luxury value perception was 52.522% for England and 56.667% for Turkey.

The luxury value perception variable was measured through rating to 15 Likert statements that yielded four factors with the factor loadings between 0.481 and 0.793 for England, while they were between 0.577 and 0.840 for Turkey. The internal consistency test results were found appropriate in which the luxury value perception scale revealed a Cronbach's Alpha of 0.716 for England and 0.700 for Turkey.

Table 4. t- Test results

Factor	Country	N	Mean	St. Deviation	t	df	p																																
Financial	England	464	4.16	0.959	0.249	1084	0.803																																
	Turkey	669	4.15	1.126				Functional	England	464	4.67	1.252	-5.654	1131	0.000	Turkey	669	5.12	1.353	Individual	England	464	4.55	1.114	9.861	1086	0.000	Turkey	669	3.83	1.315	Social	England	464	3.09	1.251	-4.562	1062	0.000
Functional	England	464	4.67	1.252	-5.654	1131	0.000																																
	Turkey	669	5.12	1.353				Individual	England	464	4.55	1.114	9.861	1086	0.000	Turkey	669	3.83	1.315	Social	England	464	3.09	1.251	-4.562	1062	0.000	Turkey	669	3.46	1.401								
Individual	England	464	4.55	1.114	9.861	1086	0.000																																
	Turkey	669	3.83	1.315				Social	England	464	3.09	1.251	-4.562	1062	0.000	Turkey	669	3.46	1.401																				
Social	England	464	3.09	1.251	-4.562	1062	0.000																																
	Turkey	669	3.46	1.401																																			

Note.  $p < 0.05$

A t-test was applied to the data in order to determine whether the luxury value perception differs based on cultures. When Table 4 is examined, it is seen that the averages of the financial dimension of luxury value perception differ on the basis of English and Turkish cultures, but since  $p = 0.803 > 0.05$ , this difference is not significant statistically. When the averages of functional and social value dimensions are examined, since  $p = 0.00 < 0.05$ , the results reveal that there is a statistical difference on the basis of the English and Turkish cultures. The average size of the functional and social values in Turkey is significantly higher than in the England. The key dimension rated higher for the English is the individual dimension of luxury value perception and this difference is statistically significant ( $p = 0.000 < 0.05$ ). Accordingly, the average size of individual values culture in England is significantly higher than in Turkey.

When the findings are evaluated to determine differences by nation. The functional and social dimension of luxury value perception has come to the fore for Turkey, while the individual value is prominent in England. In terms of the financial value dimension of luxury, no significant intercultural differences were found. As a result of this, it can be said that the  $H_1$  hypothesis is partially accepted. In that there are major cultural differences in the luxury dimensions for three of the four dimensions proposed by Hennigs et al. (2012).

To determine which luxury dimensions would significantly influence the purchase of luxury goods for respondents from England and Turkey, multiple regression analysis was performed and the results are presented in Table 5.

Table 5. Regression analysis results

		<i>B</i>	<i>St. Error</i>	<i>Beta</i>	<i>t</i>	<i>sig.</i>
Financial→Purchase intention	England	0.219	0.050	0.178	4.384	0.000
	Turkey	0.098	0.036	0.086	2.736	0.006
Functional→Purchase intention	England	0.043	0.038	0.046	1.142	0.254
	Turkey	0.025	0.030	0.026	0.839	0.402
Individual→Purchase intention	England	0.263	0.045	0.248	5.871	0.000
	Turkey	0.448	0.034	0.459	13.322	0.000
Social→Purchase intention	England	0.303	0.040	0.321	7.501	0.000
	Turkey	0.197	0.031	0.215	6.294	0.000

The data was initially screened for normality and correlation and results from both tests revealed that the data met the criteria for normality and there were no issues of high collinearity between the questions and dimensions. Thus, the data was appropriate for multiple regression analysis. The regression results revealed that the model was significant, England ( $F=47.350$ ;  $sig.=0.00$ ) and Turkey ( $F=98.791$ ;  $sig.=0.00$ ), and one or more of the luxury dimensions significantly influenced purchase intention for English and Turkish consumers. When the findings in Table 5 are evaluated, it was concluded that functional value ( $sig.=0.254$  &  $0.402 > 0.05$ ) was not significant in explaining the purchase intention for both England and Turkey. The other three dimensions, on the other hand, have a statistically significant effect on purchase intention ( $sig. < 0.05$ ). When beta coefficients are examined, the explanation of the financial (0.219) and social (0.303) value dimension on the purchase intention was higher for England than Turkey, besides, the social value dimension is the most important of these. In terms of Turkey, on the other hand, the individual value (0.448) dimension has more impact on the purchase intention than for young consumers from England. One reason for this high score for Turkey is that the individual score, according to the Hofstede measurement scale, is already very high in England.

When the results are evaluated in general in terms of country (England and Turkey), it was seen that luxury has an impact on the purchase intention based on social, individual and financial value, functional value did not have a significant effect. Hence, it can be said that  $H_2$  hypothesis is accepted except for functional value dimension.

## 5. Discussion and Implications

Within the scope of the basic cultural dimensions revealed by Hofstede, it is known that the British and Turkish societies differ. This study aims to reveal the intercultural differences and the meaning of luxury in terms of the individuals in the two communities, luxury value perceptions and whether luxury perceptions affect purchase intention.

One of the important questions in the study was to reveal the concepts that the participants associated with "luxury". When the findings of the study are evaluated, it was found that the concepts associated with luxury by participants in both societies were listed in a similar way. It was seen that the majority of the participants associated luxury with "quality" followed by "brand name", "prestige", "exclusive" and "unique". In this respect, it can be said that intercultural differences are not effective in defining luxury and individuals in both societies expect similar features from the concept of luxury.

Considering the historical process, the concept of luxury was primarily used for clothing-related products. Similarly, in this study "clothing" was the first product group that participants in both societies could relate to in terms of luxury.

This was followed by perfumes and cosmetics and accessories, respectively. The fact that the relevant product groups are more accessible to Generation Z university students in terms of their price and benefit is thought to be effective in the emergence of the findings.

This study examined whether the participants' luxury perception dimensions differed, besides, the effect of these perceptions on purchase intention, which is the precursor of behavior, was also investigated. In the literature, the purchase intention is explained as the possibility of a person to buy a particular product and emerges as one of the important issues of consumer behavior. In general, the purchase intention refers to the individuals' desire to purchase, and the fact that the request is an important precursor of the behavior makes this concept even more important. The examination of the differences of luxury value perception dimensions based on cultures, one of the main objectives of the study, and the evaluation of the hypothesis created in this context was carried out using t-test. The results revealed major cultural differences for the luxury dimensions in which the respondents from Turkey significantly rated the financial and social luxury dimensions higher. Whereas the English respondents significantly rated the individual luxury dimension higher.

This result can be explained within the scope of Hofstede's uncertainty avoidance dimension. The uncertainty avoidance dimension refers to the ability of individuals to cope with uncertainty. England is a country where tolerance to uncertainty is high. On the contrary, Turkish culture tends to avoid uncertainty. If the tendency of people in a society is to avoid high uncertainty, then, people in that community try to make life safer for themselves. In this regard, in the formation of the luxury value perception, the characteristic features consisting of the benefits and physical purposes of the product can be considered more important as functional value.

There was a statistically significant difference in the individual dimension of luxury value perception based on English and Turkish cultures. According to the relevant differentiation, the average of the individual value dimension in English culture is higher. The individual value dimension for luxury can be evaluated with the masculinity versus femininity dimension of Hofstede. According to Hofstede (2001), if assertiveness, the tendencies of making money and materialist trends stand out as dominant values in a society, but the importance given to human remains in the background, then, the dominant values of these societies are the culture of masculinity. While Turkey was among the femininity countries in Hofstede's ranking, England, on the contrary, was in the group that exhibits masculinity properties. The individual dimension of luxury value perception is explained by materialistic and hedonic trends and self-identity value. Another dimension of Hofstede that can be considered in the evaluation of this finding is the individualism versus collectivism. England shows the cultural features of individualism, while Turkey exhibits the characteristics of collectivism. However, in this study, the young Turkish Generation Z consumers exhibited significantly greater emphasis on Individual values in influencing their purchase intention of luxury goods. Societies with individualism features develop a more independent attitude and try to define themselves and establish their identity. In these societies, self-overconfidence and materialist tendencies dominate.

The social dimension of luxury value perception significantly differs between the cultures in England and Turkey. The average score of the social values dimension in Turkey was significantly higher than in England. This result is thought to be related to the culture dimension of Hofstede individualism versus collectivism. Accordingly, the collectivist features that Turkey took place represent tight social frameworks. People differ from others by forming clusters in terms of relatives, clans, or organizations.

This situation causes individuals to behave jointly, to feel dependent on group members, and therefore to determine their behaviors according to their group norms, duties, and responsibilities. In the social value dimension of luxury value perception, there is the idea that people symbolize the group or social classes to which they belong or want to belong and that they gain prestige by showing-off.

Therefore, social structures such as sect, caste, and ethnicity are important dynamics in luxury consumption (Otnes et al., 1993).

As a result of these evaluations, on the basis of the culture in England and Turkey, functional, individual and social value dimensions differed among luxury value perception dimensions except financial value dimension. As a result, it can be said that the H<sub>1</sub> hypothesis was accepted except for the financial value dimension.

Exploratory factor analysis revealed four dimensions, namely: Financial, Functional, individual and social value. These dimensions have been supported by the literature (Wiedmann et al., 2007, 2009; Sun, 2011; Hennigs et al., 2012). The regression results revealed that the individual value dimension explains the luxury value perception relatively best for both England and Turkey. This was followed by social and financial dimensions respectively for Generation Z consumers in the respective countries. While the study recognizes the importance of the functional luxury dimension this did not prove to be a significant influence of intention to purchase for either the English or Turkish cultures.

In order to measure whether luxury perception dimensions have an impact on purchase intention on the basis of English and Turkish cultures, which is another hypothesis of the study, multiple linear regression analysis was performed on the data. On the basis of two cultures, it was found that financial, individual and social value had a statistically significant effect on purchase intention. Hence, it can be said that H<sub>2</sub> hypothesis is accepted except for functional value dimension. The relevant findings have been supported also by the literature (Sun et al., 2016; Hennigs et al., 2015; Shukla, 2012).

Due to the symbolism associated with luxury, individuals express themselves through their consumption. Individuals, thus, develop their identities forming their personalities. Considering the contribution of the individual value dimension of luxury to the process of creating the identity, its effect on the purchase intention was an expected result. It is known that the purchase intention is prioritized and determined by the personal norms of consumers. Establishing the status of individuals to act or not by taking into account others, i.e. carrying out the actions considering the social environment or groups are expressed as personal norms. Considering the relationship between social and self-identity values and personal norms, in particular, it is normal for social and individual value dimensions to be the most influential on the purchase intention.

The evaluation of luxury value perception dimensions in terms of Generation Z consumers from two countries within the cultural dimensions of Hofstede gives a different perspective to the subject. Again, considering the effects of these dimensions on purchase intention provides important insights for luxury brand producers in developing more effective communication and marketing efforts with consumers in the light of cultural data.

Based on the culture dimensions of Hofstede, it is known that the two countries differ along cultural dimensions. However, for the luxury dimensions scale for both countries, the concept of luxury and understanding of luxury products have many similarities.

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