Intrinsic motivations, self-esteem, and luxury goods consumption

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A B S T R A C T

Despite the dramatic growth of the luxury market over the past two decades, luxury consumer research remains fragmentary and scant. To address this knowledge gap, this study investigates consumers' intrinsic motivations for purchasing luxury goods. Data were collected from 587 consumers and analyzed using structural equation modeling. The results show that consumers who are primarily intrinsically motivated tend to purchase luxury products for superior quality and self-directed pleasure. The findings also demonstrate that self-esteem, an important concept in psychology and consumer behavior but rarely studied in luxury research, relates strongly to self-directed pleasure.

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1. Introduction

Global luxury goods accounted for $175 billion in retail sales in 2008 (Bain and Company, 2009), and expectations are that the fast-growing markets of China and India will sustain the luxury market expansion for the next 10 years (Anestis et al., 2009). While the size and growth of this market has attracted increasing research interest to the luxury industry (see Tynan et al., 2010), in comparison to other research sectors, the literature remains scant (Truong et al., 2008).

Consumer behavior is a cornerstone of marketing in which individual aspirations and motivations play an important role. Aspirations influence motivation, which in turn influences a consumer's actions (Grouzet et al., 2005; Kasser and Ryan, 1996; Kim et al., 2003; Sheldon et al., 2004). Previous investigations of purchase motivations broadly categorize consumer motives for luxury consumption as either intrinsic or extrinsic. Intrinsically oriented purchases reflect internal self-fulfillment goals (Tsai, 2005). Extrinsic-oriented purchasing reflects the importance of others' perception of the consumer as the main motivating factor. Thus, extrinsic motivations fall within the theory of conspicuous consumption, which states that customers purchase luxury goods largely to signal their wealth and status (Veblen, 1899).

As current print and television advertisements demonstrate, luxury marketing practitioners rely heavily on appeals to consumers' extrinsic motivations (Corneo and Jeanne, 1997; O'Cass and Frost, 2002; Vigneron and Johnson, 1999). Consequently the luxury consumption literature is concentrated on understanding the role and function of external motivations (e.g., Amaldoss and Jain, 2005; Bagwell and Bernheim, 1996; Mason, 1981, 2001; O'Cass and Frost, 2004; Wong, 1997), while few studies examine the influence of intrinsic motivations (Truong et al., 2010; Tsai, 2005).

In the case of luxury consumption, very little is known about which factors are relevant to intrinsic motivation. The present study reduces the current knowledge gap by developing and validating an empirical model that tests the effects of certain intrinsic motivations on luxury consumption. The research hypotheses address the effects of antecedents on consumer preference for luxury goods.

2. Literature review

2.1. Motivation theory

In the context of this study, the intrinsic motivation constructs derive from self-determination theory, a macro-theory of human motivation (Ryan and Deci, 2000). Self-determination theory addresses the development and functioning of personality within social contexts and asserts that humans are active organisms with a natural tendency toward psychological growth and development (Sheldon et al., 2004). Satisfying basic psychological needs, which are innate, universal, and essential to well-being nourishes and maintains this developmental process. Achieving the state of well-being therefore depends on an individual's ability to satisfy those needs.

A close relationship exists between the satisfaction of psychological needs and the pursuit of personal goals whereby individuals tend to prioritize goals that are consistent with their most salient needs. Kasser and Ryan (1993, 1996) argue that everyone pursues life goals, and have identified seven universal aspirations,
which they organize into two broad classes—extrinsic and intrinsic. In general, these authors reason that individuals tend to pursue one of the two broad classes more purposefully than the other. Extrinsic goals include financial success (money and luxury), social recognition (fame), and appealing appearance (image). Intrinsic goals are self-acceptance (growth), affiliation (relatedness), community feeling (helpfulness), and physical fitness (health). Consumers pursue intrinsic goals for internal “autonomous” reasons—that is, for the sake of the satisfaction, enjoyment, or personal meaning. Individuals who pursue extrinsic goals tend to focus on others’ perceptions of them, with motivation stemming from a desire to earn praise and rewards.

2.2. Luxury consumption motivations

Most contemporary research into luxury consumption has its roots in the well established concept of conspicuous consumption, which states that people with adequate means tend to consume highly visible goods to display their wealth and gain social status. The so-called Veblen Effect describes the willingness to pay a premium price for a functionally equivalent product that the purchasers perceive to be more prestigious (Bagwell and Bernheim, 1996). This readiness to pay more may generate considerably greater status for the consumer than any direct utility (Mason, 2001), and a premium price may paradoxically have positive effects on the consumer’s decision-making processes.

Individuals who engage in conspicuous consumption often do so to emulate the consumption patterns of the people who are directly above them in the social hierarchy (Erickson, 1996; Mason, 1998). Since social status depends on others’ willingness to grant it, social emulation is normally overt, and the purchasing and ownership of luxury goods for status reasons tend to be more public than private (Bearden and Etzel, 1982). Today, more than a century after the appearance of Veblen’s Theory of the Leisure Class (1899), attempting to gain higher status through conspicuous consumption still seems to shape both consumers’ preferences for products and marketers’ practices in selling them (Corneo and Jeanne, 1997; Dholakia and Talukdar, 2004; Trigg, 2001).

While aspirational consumers tend to imitate the buying behavior of reference groups to which they would like to belong (Dholakia and Talukdar, 2004), not every consumer practices conspicuous consumption. Some consumers instead seek inconspicuous benefits, such as the quality of the product (Beverland, 2006; Vigneron and Johnson, 1999, 2004) or for self-directed pleasure (Fiske and Silverstein, 2004; Silverstein and Fiske, 2003, 2005; Tsai, 2005).

2.3. Desire for quality

Early efforts to define and measure quality predominately examine manufactured goods. Crosby (1979) discusses quality in terms of conformance to requirements, while Garvin (1983) measures quality by counting the incidence of internal failures (which occur in the factory) and external failures (which happen in the field). The desire for superior quality is one of the most salient attributes of luxury products (Bian and Moutinho, 2009; Kapferer, 1998) and, contrary to Veblen’s premise, luxury consumers may be more interested in quality than in social emulation (Mencken, 1919).

Recent studies often use perceived quality as a dimension of customer satisfaction relying on the disconfirmation model (Oliver, 1980) whereby customer expectations are compared with perceptions (Vickers and Renand, 2003; Vigneron and Johnson, 2004). Dubois et al. (2001) find that respondents perceive quality to be one of the strongest associations of luxury, suggesting that quality may be synonymous with luxury. Since a desire for quality appears to be intrinsic, it is posited that

H1. A direct positive relationship exists between intrinsic motivations and quality.

2.4. Self-rewarding experience

Several authors argue that the desire for self-rewarding experiences may motivate luxury consumers to purchase (Silverstein and Fiske, 2003, 2005; Tsai, 2005). Some investigators refer to these experiences as hedonic motivations (Dubois and Laurent, 1996; Dubois et al., 2001; Dubois and Paternault, 1995; Vigneron and Johnson, 2004). Many consumers who trade up to luxury brands may not necessarily be wealthy, but nevertheless like to spend their increasing disposable income on hedonic goods and services (Silverstein and Fiske, 2003, 2005). Self-directed motives go beyond seeking the sole benefit of superior product quality and include personal emotional benefits, and may therefore be classified as intrinsic in nature (Tsai, 2005). On the basis of this discussion it is hypothesized that

H2. A direct positive relationship exists between intrinsic motivations and self-directed pleasure.

2.5. Self-esteem

Self-esteem refers to global feelings of self-liking, self-worth, self-respect, and self-acceptance (Brown, 1993; Rosenberg, 1965), or more simply, an overall evaluation of one’s self-concept (Leonard et al., 1995). Many authors suggest that self-esteem is an essential part of the human ego and posit that individuals naturally strive to enhance their self-esteem (Crocker and Nuer, 2003, 2004; DuBois and Flay, 2004; Greenwald et al., 1988; Pyszczynski et al., 2004; Renaud and McConnell, 2007; Sheldon, 2004; Sheldon et al., 2001).

Moreover, Sheldon et al. (2001) propose self-esteem to be a fundamental need, which may blend with goal pursuit and may therefore be an important concept in motivation theories and self-concept theories in marketing (Durgee, 1986; Ferraro et al., 2005; Hogg et al., 2000). Research in consumer behavior also suggests that acquiring goods help improve self-esteem by flattering one’s ego (Arndt et al., 2004). More specifically, self-gifts can sustain and improve self-worth, which is an important constituent of self-esteem (Mick and Demoss, 1990). It is therefore hypothesized that pleasures that are self-directed can help improve one’s self-esteem:

H3. A direct positive relationship exists between self-esteem and self-directed pleasure.

This study’s overarching hypothesis argues that these combined intrinsic motivations are not important to luxury consumers with extrinsic motivations. Therefore, it is argued that

H4. A direct negative relationship exists between intrinsic motivations and conspicuous consumption.

3. Method

This study relies on a theoretical model depicting the relationships between intrinsic motivations, self-esteem, quality, conspicuous consumption behavior, and self-directed pleasure (Fig. 1). Confirmatory factor analysis and structural equation modeling validated and tested the model. Discriminant and convergent validity tests validated the structural and measurement models, leading to tests of the five hypotheses.
3.1. Construct development

The variables in the structural model emerged from the review of the literature. The independent variables were adapted from Kasser and Ryan’s (Kasser and Ryan, 1993, 1996) intrinsic aspiration index, which is commonly accepted as a reliable scale of human intrinsic motivations (Deci and Ryan, 2000; Sheldon et al., 2004; Youngmee et al., 2003). On that scale, intrinsic motivations include personal growth, relatedness, community feeling, and self-esteem. Merging these interrelated variables into a single second-order factor significantly simplified the relationships between independent and dependent variables in a structural model where the first-order factors are correlated (Kline, 2004). Items to measure the dependent variables quality and self-directed pleasure were adapted from Tsai (2005), and the items for conspicuous consumption behavior from Truong et al. (2008). Table 1 shows the final set of items with their corresponding factor loadings.

Confirmatory factor analysis (CFA) of pre-test data produced satisfactory results. The Kaiser–Meyer–Olkin test (> 0.80) and Bartlett’s test of sphericity (p < 0.01) confirmed that the data were appropriate for factor analysis (Schumacker and Lomax, 2004). After removal of items that did not load with the expected factor with a loading of greater than 0.5, or loaded on two different factors, the final set of 21 items yielded satisfactory reliability scores (α > 0.7). The CFA also confirmed that the variables satisfied the discriminant validity test. The outcome satisfied the requirements for sufficient homogeneity and validity in structural equation modeling that each factor must contain at least three items to measure (Byrne, 2001).

3.2. Data collection

Questionnaire data came from respondents in a large French city. Two bilingual language professors translated the original English-language questions into French. Two bilingual marketing researchers then back-translated the French version to verify the reliability of the translation, and a sample of 100 respondents pre-tested the translated items. Subsequently, over a one-month period, a team of trained graduate research students administered the questionnaire to collect data from face-to-face interviews.

As is customary with rigorous analytical methods such as structural equation modeling, a stratified random sampling procedure selected respondents to reduce sampling bias (Fox, 2003). A total of 587 adults, aged between 21 and 41 and living in a higher-income neighborhood of a major French city, participated in the questionnaire interviews. The age range and geographic location bolstered sample homogeneity, since luxury consumption behavior can vary significantly across age groups and lifestyle and disposable income can differ considerably between localities (Silverstein and Fiske, 2003).

4. Model validation

4.1. Model fit tests

Validation of the structural model relied on fit testing and convergent and discriminant validity tests (Schumacker and Lomax, 2004). Model estimation and fit relied on AMOS 14.0.
The comparative fit index (CFI), incremental fit index (IFI), Tucker–Lewis index (TLI), and root mean square error of approximation (RMSEA) are common indicators of model fit and are preferable to the popular GFI and AGFI goodness-of-fit indices, which are sample-biased (Garson, 2006). The CFI (0.94), IFI (0.94), and TLI (0.93) all exceed the recommended 0.90 cut-off, and the RMSEA of 0.42 is well below the 0.80 threshold. In short, all results from the fit tests indicate that model fit is acceptable.

4.2. Convergent and discriminant validity

The convergent validity test assesses whether the actual results confirm expected relationships between items and factors. Table 2 reports the results of confirmatory factor analysis from SPSS. Overall, the results confirm convergent validity of the measurement instruments for most variables, although community is weaker with three loadings above 0.50 but lower than 0.60. The discriminant validity test assesses the extent to which the factors of a model represent distinct factors, and Fig. 2 displays the inter-construct correlation coefficients for the factors in this study. The values are significantly lower than 1.0, demonstrating that the factors are distinct. Even though self-esteem is somewhat correlated to personal growth, relatedness, and community, it remains a very distinct factor, as its lower correlation coefficients suggest. A deeper analysis of the data indicates that self-esteem is more important to respondents than any of the intrinsic motivations.

5. Hypothesis testing

As Fig. 3 shows, the relationships between intrinsic motivations and quality ($\beta = 0.40$) and self-directed pleasure ($\beta = 0.32$) are positive, thereby supporting both H1 and H2. That is, individuals who make luxury purchases for intrinsic reasons are highly
individuals who are primarily motivated by intrinsic values
conspicuous consumption behavior (ior quality products.
reward, but it is considered to be unimportant to consumers
strong motivator for purchasing luxury goods for personal
self-directed pleasure (Bagwell and Bernheim, 1996; Hong and Zinkhan, 1995; Mason, 1998, 2001; O’Cass and Frost, 2004). In most of these studies, samples have tended to be drawn
wealthy consumers. This approach makes sense within a narrow
definition of luxury, but aspirations can exist independently of actual
wealth and status. Global growth in disposable incomes has enabled
middle and lower-class consumers to aspire to the lifestyle of the
truly wealthy and to become occasional luxury customers (Miles
Homer, 2008; Rusli, 2010; Silverstein and Fiske, 2005). This study
includes middle-class as well as wealthy consumers using aspira-
tional-oriented constructs rather than actual achievement constructs.
The findings confirm that intrinsically motivated consumers of
luxury goods tend to look at the actual quality of the product and
its ability to provide self-directed pleasure than whether the
product allows the customer to demonstrate conspicuous con-
sumption. Furthermore, the relationship between self-esteem and
self-directed pleasure proves to be very salient, suggesting that
purchasing luxury goods as a self-reward may be a powerful way
to satisfy one’s need for self-esteem.

6. Discussion

Past studies in luxury consumption behavior focus largely on
motivations for conspicuous consumption (Bagwell and Bernheim,
1996; Hong and Zinkhan, 1995; Mason, 1998, 2001; O’Cass and Frost,
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6.1. Research contributions

This research makes two important contributions to the luxury
marketing literature. First, the study extends the debate on the
relative importance of extrinsic versus intrinsic motivations in the
purchase of luxury goods, by confirming the importance of two
variables—desire for quality and self-directed pleasure for intrinsi-
cally motivated luxury consumers. Prior academic research focuses
almost exclusively on the role of extrinsic motivations, which
accords with the practice within the luxury market of communicat-
ing with consumers through themes built around extrinsic motiva-
tions. Only recently have researchers begun to consider the role of
internally driven motivations in the purchase of luxury products.
Given the growing number of intrinsic rather than extrinsically
motivated individuals (Kim et al., 2003; Sheldon et al., 2001),
research in luxury marketing needs to grant more importance to
intrinsic motivations as antecedents of consumption.

Second, the study expands our understanding of the relationship
between self-esteem and luxury consumption. Self-esteem has often
been a strong determinant of consumer behavior, especially for
high-involvement products (Crocker and Park, 2004a; Ferraro et al.,
2005). Research in social psychology shows that individuals tend to
engage in materialistic behavior when their self-esteem is low
(Braun and Wicklund, 1989; Chang and Arkin, 2002; Kasser, 2001).
However, despite the importance of self-esteem in shaping con-
sumer behavior, the extant literature contains few reports of the
effects of self-esteem in luxury consumption.

This study finds a very strong relationship between self-esteem
and the consumption of luxury goods for self-directed
pleasure, suggesting that an individual can maintain or boost self-
estee by purchasing luxury goods. However, more importantly
given current academic and practitioner opinion to the contrary,
self-esteem does not relate strongly to conspicuous consumption.
Rather, the study shows that internal forces drive motivation for
self-esteem, which only self-directed pleasure can satisfy. This
finding should encourage future researchers to include self-
estee as an antecedent of luxury consumption behavior.

interested in the perceived quality of the product and the desire
to achieve personal pleasure. Self-esteem is strongly related to
self-directed pleasure (β=0.67) but weakly related to conspicu-
ous consumption behavior (β=0.03) and quality (β=0.02). There-
fore, H3 is also validated. The pursuit of self-esteem also acts as a
strong motivator for purchasing luxury goods for personal
reward, but it is considered to be unimportant to consumers
engaging in conspicuous consumption or those who desire super-
ior quality products.

The negative relationship between intrinsic motivations and
conspicuous consumption behavior (β = − 0.13) provides validation
for H4. Individuals who are primarily motivated by intrinsic values
avoid purchasing luxury goods for conspicuous reasons. This result
implies that intrinsic motivations are partially incompatible with
conspicuous consumption behavior. Among the intrinsic motiva-
tions, personal growth is the highest contributor (β=0.87).

Fig. 2. Interconstruct correlations.

Fig. 3. Regression coefficients.

*All beta coefficients are significant (p = 0.001)
6.2. Managerial implications

Although some well known luxury brands have recently used advertising themes of superior quality and personal experience (e.g., Louis Vuitton, L’Oreal, and several watch and German car manufacturers), current luxury advertising generally communicates using themes, which appeal to consumers whose dominant motivation is conspicuous consumption. However, recent studies indicate that a growth in the number of luxury consumers who may be more intrinsically motivated (Silverstein and Fiske, 2003, 2005; allude to a growth in the number of luxury consumers who may be more intrinsically motivated) (Silverstein and Fiske, 2003, 2005; Sheldon et al., 2001), appealing to consumers’ self-esteem may be a more effective way to increase their desire to acquire luxury products. Employees of luxury stores should be conscious of the different purchase motivations of consumers in this category and adapt sales techniques where appropriate.

Self-esteem also appears to be an important motivator in purchasing luxury goods for self-directed pleasure. This finding indicates that marketing luxury goods using themes that appeal to status seekers may not be the most effective way of reaching all luxury consumers. Given the universal nature for an individual to maintain self-esteem (Pyszczynski et al., 2004; Sheldon et al., 2001), appealing to consumers’ self-esteem may be a more effective way to increase their desire to acquire luxury products. Employees of luxury stores should be conscious of the different purchase motivations of consumers in this category and adapt sales techniques where appropriate.

7. Limitations and future research

The study is subject to a few limitations. Most importantly, the respondents all resided in one major city in France. Although the findings may be generalizable to countries with similar cultural values, such as other Western European countries, the UK, the USA, and Australia for example, different results may well emerge from different cultures. For example, some Asian cultures tend to demonstrate a more collective approach and materialistic orientation than some western countries (Hofstede, 2001) suggesting a more favorable context for conspicuous consumption (Chow et al., 2001). Therefore, the first recommendation for future research is to expand the study to other cultures, and particularly to emerging economies in Asia, which are poised to become the largest market for luxury goods in the next decade.

A second limitation is the focus of the study on luxury goods rather than services and this represents an opportunity for further research. There appears to be a dearth of empirical research into the relationship between intrinsic and extrinsic motivations for luxury services, which contribute a significant proportion of sales in the luxury industry.

References


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