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The determinants of personal luxury purchase intentions in a recessionary environment

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Abstract

Luxury brand consumption has remained quite strong over the past years even in countries that have gone through severe and long recessions. Consumers buy luxury brands for a variety of personal reasons such as seeking an escape, impulsiveness, peer pressure, and self-image. This study explores the role of these personal factors, as well as the role of various socio-cognitive factors and potential marketing forces, in driving consumers' luxury purchase intentions in a market that is struggling to recover from a recession—Greece. Data were collected using a self-administered survey via an online panel. The results indicate that consumers' need to escape and impulsiveness are positively associated with luxury brand purchase intentions in a recession. Sales promotions moderate the relationship between escape, self-expression, and luxury brand purchase intentions. Consumers' perceptions about the recession effect on society also moderate the relationship between escape, self-expression, social status, and luxury brand purchase intentions. This study contributes to the extant literature on luxury branding in a recession by identifying the interplay between various personal, social, and marketing factors that can influence luxury brand purchase intentions in a recessionary environment. From a managerial perspective, this study provides insights into the management of luxury brands in challenging economic conditions.

Keywords: Luxury brands, recession, social-cognitive theory, Greece.

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1. Introduction

Luxury branding is well spread internationally, is used in several categories of products and services (Hung *et al.*, 2011; Stokburger-Sauer and Teichmann, 2013), and has received a fair bit of attention from various perspectives (Chandon *et al.*, 2016; Kapferer and Valette-Florence, 2016, 2018; Ko *et al.*, 2019; Seo and Buchanan-Oliver, 2019). However, defining luxury brands remains challenging (Christodoulides *et al.*, 2009; Conejo *et al.*, 2020; Shimul *et al.* 2019) because the meaning changes in different socio-cultural contexts. Also, there is a debate over what can be termed as luxury among academicians (Phau and Prendergast, 2000). Luxury brands involve some elements of prestige, such as perceived conspicuousness, uniqueness, hedonism, and quality (Vigneron and Johnson, 2004), and other psychological values, such as higher self-esteem (Hennigs *et al.*, 2012), and are thus marketed differently than non-luxury brands. They compete on the basis of evoking exclusivity and brand identity, increasing brand awareness and perceived quality, and retaining sales levels and consumer loyalty (Phau and Predengast, 2000). The luxury market is changing, primarily triggered by environmental conditions such as recessionary periods, the diverse nature and income level of consumers, changing consumer perceptions towards luxury brands, and the overall luxury purchase behavior (Chandon *et al.*, 2016; Kapferer and Valette-Florence, 2016). Ultimately, these decisions can affect their long-term brand equity. This study explores what determines purchasing luxury brands in a recession.

Notwithstanding the differences between a traditional recession and Covid-19 enforced recession, luxury consumption in both these recessions display a similar pattern. Specifically, there is a massive drop in luxury consumption (Bain & Company, 2021), where managers prefer to

emphasize on short-term gains. Despite these social changes and financial circumstances, luxury brand consumption has overall increased during the past few years (Bain & Company, 2021; Yoo and Park, 2016). The luxury market grew for the past 10 years and is expected to grow 2.7% annually between 2019 and 2023 (Statista, 2019). A McKinsey study (Bradshaw *et al.*, 2019), suggests that, although there are consumers that trade down to cheaper product and service alternatives, others trade up on high-end brands (Magni *et al.*, 2016). Even in recessionary conditions, the literature establishes the importance of long-term thinking by enhancing a brand's luxury image, increasing prices, managing exclusivity (Hassan *et al.*, 2015; Kapferer and Valette-Florence, 2016; Kim and Wingate, 2017; Nunes *et al.*, 2011).

The lack of alignment between the academic advice and managerial actions raises questions on the factors that motivate consumers to purchase luxury brands and the practices that luxury brands should adopt in these conditions. Specifically, this paper seeks to answer the following research questions: What are the socio-cognitive factors that influence luxury brand purchase intentions in a recessionary environment? To what extent do the marketing factors and overall economic factors moderate the socio-cognitive factors and luxury purchase intentions relationships?

Extant research has directed limited attention towards exploring the interplay of internal motivations, marketing factors, and overall economic factors in determining luxury brand purchase intentions in a recessionary period. Table 1 reviews the extant research on luxury branding. This paper develops a research model based on social-cognitive theory, which provides a comprehensive framework for understanding the interactive nature of various internal and external factors (Bandura, 1988; Paswan *et al.*, 2015). Based on this theory, current study focuses on four internal factors (escape, self-expression, impulsiveness, and social status), one marketing factor

(promotions), and one overarching environmental factor (recession effect on society) to understand the luxury purchase intentions during a recession.

---Insert Table 1 here---

2. Theory and Hypotheses Development

2.1. Social-cognitive theory

Multiple theoretical perspectives have been used to explain factors affecting luxury brand consumption. Belk's (1988) study on self has been instrumental in shaping the research towards understanding luxury brand consumption (Vigneron and Johnson, 1999). Wong and Ahuvia (1998) use regulatory focus theory (Higgins *et al.*, 1997) to explain the differences in consumption of luxury brands in collectivist and individualist cultures. Riley et al. (2015) use domain concept theory to explain consumer perceptions of upward and downward luxury brand extensions. While all these theories contribute to better understanding luxury brand consumption, a more holistic approach is required to appreciate the interplay of intrinsic, social, and environmental factors driving luxury consumption. Luxury purchase intentions are driven by several factors that may be internal such as symbolic value, experiential value, vanity (Hung *et al.*, 2011), self (Kastanakis and Balabanis, 2012), and external factors such as conspicuous consumption (Ki *et al.*, 2012), need for status (Nunes *et al.*, 2011), social desirability (Roy and Rabbane, 2015). However, to the best of our knowledge no studies have examined the joint effects of internal and external factors, particularly in a stressful environment (such as a recession) that can impact of individuals' motivations. Understanding the joint effects of internal and external factors that affect luxury purchase intentions becomes important as it provides insights into how to manage luxury brands during uncertain economic periods. Socio-cognitive theory (Bandura, 1986, 1999) suggests that

consumption is an outcome of reciprocal interactions between personal cognitive factors, social and environmental factors, and behavior. Existing studies have used social-cognitive theory to explain complex social and structural interactions in organizations (Akgun *et al.*, 2003), entrepreneurship (Boudreaux *et al.*, 2019) and alcohol consumption (Paswan *et al.*, 2016).

Social-cognitive theory holds that an individual's behavior is a consequence of the interplay among personal factors, social interactions, experiences, and the influence of external factors (Bandura, 1999). The concept of reciprocal determinism integrates personal determinism and environmental determinism to provide a framework that can explain individuals' motivations and expectations to engage in a particular behavior. Specifically, the theory argues that behaviors cannot be explained solely by individual, behavioral, or environmental factors, as all these three factors work in conjunction with one another to affect current behavior (Bandura, 2001; Grusec, 1992). For example, internal factors only provide potentialities, not actual behaviors (Bandura, 2001). Therefore, reciprocal determinism examines the association between individual agency and social environment as having simultaneous effect on current behavior (Bandura, 2001; Phipps *et al.*, 2013). A feedback loop exists between individuals' personal, social and environmental factors and past behaviors that provides impetus for future behaviors. Reciprocal determinism implies that consumers may receive feedback about tangible and intangible outcomes from past behaviors and decide on a future course of action. Therefore, understanding consumer behavior would entail a between-element evaluation of the social, environmental, and individuals' motivations that may have a reciprocal/interactive effect on behaviors (Cheng and Ho, 2019). Applied to the current context, there is no framework in the existing literature that looks at the interplay of individual factors, marketing factors, and the environmental factors driving luxury purchase intentions, especially, in a recession. Considering that social cognitive theory and notion of reciprocal

determination provide a more comprehensive framework for understanding the interactive nature of various internal and external factors, social cognitive theory is used for underpinning the research model. As luxury consumption behaviors are often derived of several internal and environmental factors (please see Table 1) social cognitive theory provides a suitable anchor to examine the factors involved in this study (Bandura, 1988; Phipps *et al.*, 2013).

Social-cognitive theory has been used previously to explain other behaviors of similarly complex contexts such as alcohol consumption (Paswan *et al.*, 2015), food purchase behavior (Anderson *et al.*, 2000, 2007), sustainable behavior (Phipps *et al.*, 2013), social media research (Lin *et al.*, 2009), ethical behavior (Cheng and Ho, 2019), and luxury counterfeit purchase (Eisend and Schuchert-Guler, 2006). In this study, escape, self-expression, impulsiveness, and social status are considered as the variables that can impact luxury purchase consumption in a recession environment. Most past research discusses these factors as possible motivations for engaging in luxury brand consumption (Hung *et al.*, 2011; Kapferer, 2012; Kapferer and Michaut-Denizeau, 2020; Ki *et al.*, 2017; Shukla *et al.*, 2016; Turunen and Poyry, 2019). Their importance for the luxury segment has also been established through Bourdieu's (1986) social capital theory (Hennigs *et al.*, 2012; Weidmann *et al.*, 2009), and self-theory (Bian and Forsythe, 2012). However, considering that luxury purchase motivations may differ during a recessionary environment, it becomes critical to understand how these factors facilitate luxury purchase intentions in such environment. Furthermore, very few studies (see Table 1) have actually measured the interplay of environmental factors (such as the recession effect on society) and individual motivations in determining luxury purchase intentions. To the best of the authors' knowledge, no study has examined the simultaneous effects of marketing factors such as sales promotions and individual motivations in the context of luxury brands. Therefore, the interaction between sales promotions

and individual motivations on luxury purchase intentions is also measured. While sales promotions seem a relatively taboo issue for luxury branding, brands such as Michael Kors and Ralph Lauren have started offering sales promotions and discounts on their product lines. This in addition to some brands such as Saks Fifth Avenue offering discounts during the previous downturn to promote sales. Given this context, the moderating role of sales promotions is considered in the model.

2.2. Luxury Buying Behavior and Luxury Branding in Recession

Economic downturns challenge individuals to consume more cautiously and are linked to a reduction in consumption of goods and services considered unnecessary (Mody *et al.*, 2012). Cautious consumption is discussed from a “precautionary savings” perspective in the economics literature (Carroll and Samwick, 1998; Leland, 1978; Mody *et al.*, 2012). Lower consumer confidence in a recession stems from the inherent uncertainty and possibility of adverse outcomes such as loss of wages, jobs, potential increase in taxes, and government austerity measures. The marginal propensity to consume (MPC) often declines with consumers’ financial well-being (Carroll and Kimball, 1996), primarily the consumption of non-essential goods and services across categories (Kamakura and Du, 2012; Kaplan *et al.*, 2016). This is consistent with the traditional economic viewpoint that the consumer confidence index often indicates consumption patterns (Dees and Brinca, 2013).

During the U.S. recession of 2008-2009, luxury consumption decreased in 2009 by around 16% (€13 billion) compared to 2008 (Bain & Company, 2009). Certain categories, such as luxury watches, saw a decline of more than 20%. In addition, 2009 saw several luxury stores opening discount outlets to attract bargain-oriented consumers/destocking, something considered unusual

in the luxury industry (Bain & Company, 2009). Economic downturns challenge the primary modes of marketing and brand management for luxury brands (Kapferer and Bastien, 2009; Tynan *et al.*, 2010) affecting the nature of the market. During the recent Covid-19 induced recession, a customer could purchase a Derek Lam dress for half its price (50% off) at Saks Fifth Avenue

It is important to note that the market dynamic also changes with respect to the type of luxury brand. Luxury brands can be targeted to individuals having different status needs. Brands would refrain from discounting their top luxury product lines (for example, Rolex's Oyster or Porsche's 911 line). Instead, luxury brands may consider discounting the brands that are targeted to the accessible/masstige segment. Han *et al.*'s (2010) seminal paper on taxonomy of customers highlights how certain luxury might enhance or tone down the brand conspicuousness during a recession to induce customer purchases. Louis Vuitton and Gucci increased the conspicuousness of their brands and prices during recessions, which ultimately led to better sales. Kapferer (2010) also corroborates to this viewpoint by arguing that conspicuousness is a key component of luxury. Taken together, the foregoing discussion highlights how luxury brands will react in a recession-like environment.

During recessions consumers generally cut down their spending (Kamakura and Du, 2012). While consumers may indulge in other more affordable luxury categories (Mark *et al.*, 2016), categories that were seen as commodities can be transformed to luxury (Tarantilis *et al.*, 2015), benefiting brands in those categories. Notwithstanding, in times of economic hardship people purchase brands that exceed their budget, even after losing jobs or living with relatively low wages they splurge on unnecessary items. Thus, considering that the luxury market, despite some concerns (Reyneke *et al.*, 2012), has grown at a healthy rate (Bain & Company, 2021; Yoo and Park, 2016), it is necessary to better understand the factors that drive consumers' luxury purchase

intentions.

Based on the existing literature on luxury branding and marketing in recessions (Mark *et al.*, 2016, Tarantilis *et al.*, 2015), consumers' actions towards luxury brand consumption are shaped by a) individual characteristics—need to escape, self-expression, self-regulation, and impulsiveness; b) observation of peers/friends—need to support a social status, and c) brand marketing activities—promotions.

2.2.1. Consumers' need for escape and luxury purchase intentions

Luxury consumption is influenced by personal factors (Christodoulides *et al.*, 2009; Tynan *et al.*, 2010; Vigneron and Johnson, 1999). Luxury brands provide a means to escape—the ability/possibility to break free from confinement or control—to a world where there is beauty, pleasure, and self-indulgence (Kapferer, 2012; Kapferer and Michaut-Denizeau, 2020), in various stages of the engagement with the luxury brand (Seo and Buchanan-Oliver, 2019). Consumers try to balance pleasure and guilt when making decisions to consume luxury products (Han *et al.*, 2017; Ki *et al.*, 2017), and difficult economic conditions can make this internal conflict even more profound. Luxury brands may help individuals cope with hardship and escape stress and depression (Kapferer and Michaut-Denizeau, 2020; Weidmann *et al.*, 2009), or serve as a reward or coping mechanism (Nyer, 1997; Walasek and Brown, 2015), especially after a major achievement or a celebratory occasion. Consuming luxury brands can provide a temporary respite from reality, especially one that is bleak during a recession (Seo and Buchanan-Oliver, 2019). For example, luxury brands can facilitate a consumer's desire of going on an adventure, experiencing an imaginary journey that provides a break from the ordinary environment and a temporary respite. This viewpoint finds some support from the lipstick effect (Hill *et al.*, 2012)—customers are likely

to spend more money in buying beauty products during a recession because of needing to escape reality (Kapferer, 2012). Drawing from social cognitive theory (Bandura, 1986), the need for escape will enhance the outcome expectation of indulging in oneself and constructing a temporal imaginative environment will lead to consumer engaging in luxury purchase intentions. Formally stated:

H1: Escape is positively associated with luxury purchase intentions in a recessionary environment.

2.2.2. Self-expression and luxury purchase intentions

Another personal factor that can affect the intentions towards luxury brands in a poor economic environment is “self-expression”. The association of self-expression and luxury brand consumption is discussed in past literature (Kang and Park, 2016; Liu *et al.*, 2012). Luxury brands allow for consumers to express their self in various situations (Seo and Buchanan-Oliver, 2019), thereby motivating consumers to purchase multiple luxury brands. Sociology literature indicates that in recessionary environments individuals’ valued identities and self-concepts are severely affected (Garrett-Peters, 2009), thus consumers may end up purchasing luxury brands to reinforce their self-concept, identity, and self-confidence. It can thus be argued that a user’s self-perception can be enhanced through the consumption of luxury brands, which will reinforce this behavior in the future (Roy and Rabbane, 2015). Therefore, whenever consumers feel the need for self-expression, they reach out to purchase luxury brands. The reinforcement of consuming luxury brands in a normal economic period to enhance the effect of self will act as an indicator of a future behavior from a social cognitive perspective (Phipps *et al.*, 2013).

Furthermore, consumers’ luxury consumption helps them achieve their short-term needs directed towards fulfilling their selfish desires (Cristini *et al.*, 2017). For some, luxury brands are

status symbols, and status seekers want to signal their well-being in any economic environment (Kastanakis and Balabanis, 2014). Moreover, luxury items seem to reinforce consumers' self-image in high income inequality environments (Han *et al.*, 2010; Kastanakis and Balabanis, 2014; Walasek and Brown, 2016) in general and during a recession (Bradshaw *et al.*, 2019). Formally stated:

H2: Self-expression is positively associated with luxury purchase intentions in a recessionary environment.

2.2.3. Self-control and luxury purchase intentions

Self-control, one's ability to control impulsive and hedonic consumption, is a central construct in social-cognitive theory (Badura, 1988). Impulsiveness is the lack of reflective capacity and a tendency to act thoughtlessly (Liao and Wang, 2015). In recessionary environments self-control is not only expected but needed, and research suggests it is widely observed (Puelles *et al.*, 2016). However, luxury consumption is generally driven by impulse decisions (Liao and Wang, 2015; Nwankwo *et al.*, 2014), and often becomes an obsessive habit. During a recession, luxury purchases may take shape of suppressed desires, which will rebound because of the overall economic and social environment (Liao and Wang, 2015). Previous norms, enhanced focus on purchasing utilitarian products during a recessionary environment, and overall uncertainty may influence the rebound to purchase and justify luxury products (Chernev and Gal, 2010; Keinan and Kivetz, 2008). During suppressed periods of desires, consumers let go of their self-control and succumb to the impulse of luxury purchases (Liao and Wang, 2015), just as when a person controls their budget in a prudent manner and spends over budget during a shopping trip (Hagtvedt and Patrick, 2009). Given this need for control, it is important to examine the role of impulsiveness in

recessionary economic conditions. From a social cognitive perspective, indulgent purchases may be associated with more psychological satisfaction (Keinan and Kivetz, 2008) that leads to positive reinforcement of the behavior. It is thus hypothesized:

H3: Impulsiveness is positively associated with luxury purchase intentions in a recessionary environment.

2.2.4. Social status and luxury purchase intentions

Social status signifies the power and role-positions in social structures and collectives (Seo and Buchanan-Oliver, 2019). Consumers exhibit economic power and/or social status through luxury brands (Greenberg *et al.*, 2020; Seo and Buchanan-Oliver, 2019; Vigneron and Johnson, 1999), especially in environments where few can afford them. Social pressure and self-expression drive luxury purchase intentions (Kastanakis and Balabanis, 2014). Social desirability (Roy and Rabbane, 2015) and social comparison (Sharada and Bhat, 2019) determine consumers' selection and purchase of luxury brands. Not surprisingly, brands that have performed well during recessions (e.g., Louis Vuitton and Gucci) introduced more conspicuous products. From a social cognitive perspective, social pressure or status can be one of the key influencers in determining the customers' purchase intentions for luxury brands (Paswan *et al.*, 2015). In a recession environment, social pressure around certain periods such as holidays (Liao and Wang, 2015) can lead to enhanced purchase of luxury products. Nunes *et al.* (2011) also discuss the rise of conspicuous luxury brands as a means of signaling social status during a recession. In addition, social pressure has led to the recent growth of conspicuous counterfeit luxury brands (Sharma and Chan, 2017), as consumers associate luxury consumption with their perceived social standing in high income inequality environments (Kamakura and Du, 2012; Walasek and Brown, 2016). Thus,

it is hypothesized:

H4: Social status is positively associated with luxury purchase intentions in a recessionary environment.

2.2.5. The moderating role of sales promotions

Sales promotions have received some attention in the study of luxury marketing during recessions. Sales promotions typically involve activities such as discounts, merchandising, and special offers. Consumers generally look for cheaper alternatives in recessionary periods (Puelles *et al.*, 2016; Sarmiento *et al.*, 2019), and some luxury brands have offered discounts and promotions during economic downturns (Reyneke *et al.*, 2012). For example, Saks Fifth Avenue offered discounts for the first time during the economic depression in the U.S. (2008-2009). An economic recession usually triggered survival responses such as discounts from lower priced products (Mark *et al.*, 2016), while luxury marketers refrained from this practice (Kapferer and Valette-Florence, 2016). While offering sales promotions for luxury products has been considered unacceptable, a post-recession vagary has been to offer sales promotions in this segment (Wolfson and Wong, 2017).

Given the recency of the phenomenon, existing literature on luxury marketing has not examined the impact of sales promotions on luxury purchase intentions in a regular or a recessionary environment. In a regular economic environment, the notion of sales promotions exists in stark contrast with the core tenets of luxury brands—social desirability, self-expression, hedonic indulgence, vanity, etc. (Kastanakis and Balabanis, 2012; Ki *et al.*, 2017; Yoo and Park, 2016). However, sales promotions may enhance the purchase intentions of consumers seeking to purchase luxury brands as a means to escape and/or driven by impulsiveness, social status, and

peer pressure, as a response to the suppression of desires resulted from a recessionary environment (Chernev and Gal, 2010; Keinan and Kivetz, 2008). Sales promotions may trigger consumers' latent purchase intentions. Conversely, consumers seeking the uniqueness and exclusivity of luxury brands to exert their self-expression may not react positively to sales promotions. It is thus hypothesized:

H5: Sales promotions positively influence the relationship between (a) escape, (b) impulsiveness, and (c) social status, and luxury purchase intentions.

H6: Sales promotions negatively influence the relationship between self-expression and luxury purchase intentions.

2.2.6. The moderating role of recession effect on society

During an economic downturn, the recession effect on society as expressed by the way an economic downturn affects society in terms of distribution of wealth, overall unemployment, and spending, also influences luxury consumption. When consumers are not personally affected by a recession, they may not witness a rise in their feelings of escape or impulsiveness. Notwithstanding, the recession effect on society may instill a sense of fiscal conservatism. Existing literature argues that customers may seek to reduce frivolous consumption and focus on virtuous behaviors such as being thrifty (Lastovicka *et al.*, 1999; Liao and Wang, 2015). When the overarching economic environment rewards behavior that is more oriented towards utilitarian purchases, customers are likely to act in ways to achieve that expected outcome (Bandura, 1986; Paswan *et al.*, 2015). Thus, consumers could exhibit lower levels of luxury purchase intentions despite a lack of impulsiveness or need to escape or self-expression when cognizant of the recession's impact on society. However, when conspicuous consumers not personally affected by

the economic downturn seek to exert their social identities (Kastanakis and Balabanis, 2014; Sharma and Chan, 2017), being cognizant of the recession effect on society may increase their luxury purchase intentions (Khrennikov *et al.*, 2016). Formally stated:

H7: The recession effect on society negatively influences the relationship between (a) escape, (b) self-expression, and (c) impulsiveness and luxury purchase intentions.

H8: The recession effect on society positively influences the relationship between social status and luxury purchase intentions.

The effects of an economic downturn are not the same for all individuals. Empirical evidence supports that wealth losses due to economic downturns are not equally distributed and differ greatly amongst socioeconomic groups, increasing wealth inequality significantly (Pfeffer *et al.*, 2013). These findings support that the recession effect on self may differ from consumer to consumer during the same recessionary period. Therefore, to control for the possible effect of recession on a respondent and the contamination of the results, this study uses the ‘recession effect on self’ as a covariate.

---Insert Figure 1 here---

3. Method

3.1. Context

The National Bureau of Economic Research defines recession/economic downturn as a significant decline in economic activity, lasting more than a few months, normally visible in Gross Domestic Product (GDP), consumer spending, income, employment, industrial production, and wholesale-retail sales. Greece is going through one of the most severe economic recessions in its modern history (O’Brien, 2018), which started in 2010 and is still ongoing in 2021. The stronger indicators

of a recession- consumer spending and GDP in Greece - do not signal an exit from this recessionary period. More specifically, consumer spending in Greece decreased to 31,026 million Euros in the first quarter of 2019 from 32,328 million Euros in the fourth quarter of 2018, with an inflation rate close to 0 between 2014 and 2019 (Trading Economics, 2020). Likewise, Greece's GDP does not demonstrate any evidence of sustained growth, having declined 1.5% during 2015 and 2016, and just slightly growing at a 1.5% and 1.9% rate during 2017 and 2018 respectively—still at lower levels than its growth in 2004 (World Bank, 2019). Therefore, Greece is a suitable context for the current study.

In addition to being an ideal context to study consumer behavior during a recession, Greece also has a strong appetite for luxury consumption. Greek customers are quite fashion conscious (Perry and Kyriakaki, 2014). Despite the tough economic conditions, apparel sales in Greece grew 2.3 % in 2018 to a total market value of \$ 3.5 billion (Riera and Garcia, 2018). When compared to countries having similar population (Portugal and Sweden), Greek customer spending on fashion is relatively high (Riera and Garcia, 2018). Moreover, Louis Vuitton expanded its operations in Greece during the debt crises while Gucci is revamping its stores in Athens (Gaidatzi, 2019). Taken together, Greece presents an ideal context for studying luxury consumption.

3.2. Research Instrument

Extant scales were used to measure the study's constructs. The scales items for *escape*, *self-expression*, *impulsiveness*, *social status*, and *sales promotions* were adapted from Paswan *et al.* (2015). Given that there were no existing scales measuring *recession effect on society* and *recession effect on self*, scale items for these two constructs were developed based on the review of the extant literature and practitioner articles (Khrennikov *et al.*, 2016; Pfeffer *et al.*, 2013). Specifically, this study defines *recession effect on self* as the impact that recession has had on an

individual (e.g., job loss, salary reduction, uncertainty, etc.), and *recession effect on society* as the impact that a recession has had on the overall society (customer sentiment, unemployment, government controls, etc.). Initial scale items were distributed to four knowledgeable scholars well-versed in the topic to assess content and face validity. Scale items were refined based on their recommendations and were subject to a pilot study with 128 individuals. This pilot data was used to check for the factor structure and reliability. An exploratory factor analysis based on eigenvalues was initially run and followed up with tests for reliability (alpha greater than > 0.8 for both constructs) and validity (which was met for both constructs).

The final data were collected through a self-administered questionnaire. In the questionnaire a definition of luxury was provided, suggesting that a luxury brand is “a product that is of high-quality, expensive, non-essential, rare, exclusive, and prestigious or authentic”. No definition from the literature was adopted as there exists a fair bit of debate over the specific definition of luxury (Christodoulides *et al.*, 2009; Conejo *et al.*, 2020; Kapferer, 2010; Shimul *et al.* 2019). The adopted terms have been used to identify luxury brands in the existing literature (Kapferer, 2010). The questionnaire was translated into Greek and back translated to English by experienced bilingual researchers who are Greek natives and have been working in English speaking countries as academics for many years. This practice is consistent with the existing literature on international marketing (Martin *et al.*, 2020; Ritter *et al.*, 2002).

3.3. Respondents

Qualtrics, a highly reputable online panel organization, was used to obtain data from Greek consumers of luxury brands. Even though each panel of respondents is prequalified by Qualtrics, to be consistent with a previously employed research approach (Anaza and Nowlin, 2017), three

screening and qualifying questions ensured that the sample was appropriate. First, annual income was assessed. Individuals with an income of less than €20,000 were disqualified from participating. Then, the frequency and last purchase of luxury brand(s) were assessed. Individuals who did not purchase a luxury brand in the past year or had a purchase frequency that was greater than once a year were disqualified from participating in the survey. A total of 231 responses were used for analyzing the hypothesized relationships (Table 2). The median respondent household income was between €20,000 and €40,000, which is higher than normal for Greece (OECD, 2016) when the data was collected, but this may reflect the consumption of luxury brands from the respondents.

---Insert Table 2 here---

4. Data Analysis and Results

4.1. Measurement Assessment

The reliability and validity of the constructs were examined using different methods. Internal consistency was initially tested using Cronbach's alpha and all scales exceeded the minimum requirement of 0.7 (Nunnally, 1978). As a measure for convergent validity, the expected parameter estimates had loadings greater than 0.5, all Composite Reliabilities (CRs) were above 0.7, and all Average Variance Extracted (AVEs) were above 0.5. Further, all inter construct correlations (ϕ) were lower than the square root of AVEs for the respective constructs indicating discriminant validity (Fornell and Larcker, 1981). Taken together, there is evidence of validity and reliability for the measured constructs (please see Table 3a and 3b).

4.2. Common Method Bias

At the procedural level, care was taken to reduce the level of ambiguity in the scale items (both in

the original questionnaire and the translated version). At the analysis level, common method variance is usually examined using Harman's one factor test; all items were subject to an exploratory factor analysis (EFA) to check for the emergence of a single factor. The factor analysis resulted in 8 factors, of which the first factor only accounted for 19.464% variance, indicating that common method variance was not a major concern (Malhotra *et al.*, 2017). However, there have been a few criticisms against using the Harman's one factor test (Korsgaard and Roberson, 1995; Podsakoff *et al.*, 2003). Therefore, a marker construct (Lindell and Whitney, 2001) was included. Hofstede's (1991) "masculinity vs. femininity" cultural dimension was chosen given that it has not been theoretically linked with luxury consumption and was deemed appropriate as a marker construct. This construct was measured using four items (it is more important for men to have a professional career than it is for women; men usually solve problems with logical analysis, women usually solve problems with intuition; solving difficult problems usually requires an active, forcible approach, which is typical of men; there are some jobs that a man can always do better than a woman) that were anchored from "strongly disagree – 1" to "strongly agree – 5". The AVE was 0.633 and the Cronbach's alpha was 0.805, indicating sufficient evidence of reliability and construct validity. The resulting analysis indicated that the marker construct was not significantly correlated with any of the constructs. There were no differences in the path relationships in terms of path estimates and levels of statistical significance when the marker construct was included in the model. Based on these tests, common method variance was not a major concern in the study.

Structural Model Evaluation

Partial Least Squares-Structural Equation Modeling (PLS-SEM) using Warp-PLS (Kock 2011) was used to analyze the data (Gellatly *et al.*, 2019; Hair *et al.*, 2014) for the following reasons.

First, the primary research objectives were to understand the predictive nature of factors influencing luxury purchase intentions in an economic downturn. Given that PLS-SEM emphasizes on maximizing the explained variance of endogenous variables (Hair *et al.*, 2014), it is an appropriate tool for our study's objectives. In addition, the data distribution was not normal; the normality tests (Kolmogorov-Smirnov and Shapiro-Wilk) for all the constructs indicated that the data was not normally distributed. PLS-SEM makes no assumption about the underlying data and is, therefore, more appropriate for analyzing data that have a non-normal distribution (Hair *et al.*, 2014; Ringle *et al.*, 2012). Finally, considering that the study tested several moderating relationships, the model complexity also favored the use of PLS-SEM, which is considered to be useful for analyzing models that have some degree of complexity.

---Insert Tables 3a and 3b here---

To test the hypothesized relationships the recession effect on self was introduced as a covariate. The results indicate a significant positive relationship between escape and luxury purchase intentions ($\beta=0.10$, $p<.05$), and also between impulsiveness and luxury purchase intentions ($\beta=0.163$, $p<.05$), supporting H1 and H3. However, both self-expression ($\beta= 0.038$) and social status ($\beta= -0.017$) were not associated with luxury purchase intentions. Thus, H2 and H4 are not supported. A possible explanation for the lack of association between self-expression and luxury purchase intentions could be that consumers are more cautious to express themselves through luxury purchases in tough economic conditions, even if their own current state is not affected. The lack of relationship between social status and luxury purchase intentions was surprising, as social status often comes across as one of the strongest influencers in luxury purchases. A closer look at the beta indicates a negative (albeit insignificant) relationship between social status and luxury purchase intentions. This result, while unexpected, provides new insight

into luxury branding literature.

The moderating effects of sales promotions on the four individual factors were also tested. As hypothesized, sales promotions strengthen the relationship between escape ($\beta=0.117$, $p<0.05$) and luxury purchase intentions, supporting H5a. This result is consistent with the argument that sales promotions augment consumers' luxury purchase intentions when they are seeking to escape. However, there was no moderating effect of sales promotions on the relationship between impulsiveness, social status, and luxury purchase intentions. H5b and H5c are not supported. The results support that the interaction of sales promotions and self-expression has a negative association with luxury purchase intentions ($\beta=-0.352$, $p<0.05$), supporting H6. Indeed, consumers who are interested in expressing themselves through expensive brands may not be entirely keen to see discounts on their favorite luxury brands, regardless of the economic conditions. This finding is consistent with the extant literature.

The results of the moderating role of recession effect on society support that the recession effect on society weakens the relationship between escape and luxury purchase intentions, supporting H7a ($\beta=-0.092$, $p<0.05$). Interestingly, recession effect on society augments the relationship between self-expression and luxury purchase intentions ($\beta=0.125$, $p<0.05$), which is contrary to H7b. The interaction influence of recession effect on society and impulsiveness on luxury purchase intentions is insignificant, not supporting H7c. A possible explanation for this is that individuals who seek self-expression through consumption of luxury brands have a stronger feeling when they belong to a select group of individuals who can afford the purchase. Finally, as expected, recession effect on society enhances the relationship between social status and luxury purchase intentions ($\beta=0.099$, $p<0.05$), supporting H8, showing that individuals may see a higher prestige in displaying brands that signal certain social strata to society, especially in a tough

economic environment.

---Insert Table 4 here---

5. Discussion

5.1. Theoretical Contributions

In an attempt to add to the literature of luxury branding, the findings of this study contribute to the understanding of the interplay of intrinsic and environmental factors that lead consumers to purchase and consume luxury brands while a country is going through a recession. Specifically, that luxury brand consumers behave differently in economic recessions, and failing to understand and act accordingly will lead to the failure of luxury brands. A couple of surprising findings were related to the insignificant effects of self-expression and social status on purchase intentions. This finding is in stark contrast to the existing literature (Bian and Forsythe, 2012; Hennigs *et al.*, 2012), as well as the notion that consumers buy luxury products for similar reasons in a recession and regular time period. Drawing on these findings, the current research discusses the potential of other factors such as escape and impulsiveness being potential reasons for customers purchasing luxury brands during a recession. A possible explanation can be that Greece has been in recession and tight austerity measures for a long time (2008-2021), and therefore, traditional motivations for luxury purchases are being suppressed more acutely. Suppression of non-utilitarian motives is common during recessions (Chernev and Gal, 2010; Keinan and Kivetz, 2008). These findings are in contrast with some of the findings of Han et al. (2010) who find that luxury brands increased conspicuousness and prices (which may have an association with self-expression and social status) for increased profitability. However, the findings of this study are consistent with Reyneke et al.'s (2012) that establish that luxury brand managers focus on enhancing the purchase motivations of

customers through the use of promotions. While the results of this study need to be considered with caution, given the limited sample and small R-square, a primary contribution of this study is that it provides a platform for additional enquiry in the area of consumers' motivation for luxury purchase during a recession.

Escape has been identified in the literature as one of the factors that drive luxury purchase intentions (Kapferer, 2012; Kapferer and Michaut-Denizeau, 2020; Weidmann *et al.*, 2009). The findings of this study support the role of escape in luxury purchase intentions by indicating that in order to escape from the psychological pressure of an economic recession, consumers who can afford luxury brands tend to purchase and consume such brands. For this group of consumers, if they are personally influenced by the economic downturn, sales promotion activities of luxury brands act as incentives and encourage them to buy those brands.

Literature has also discussed the role of self-expression as one of the main intrinsic factors in driving luxury purchase intentions. The results of the current study align with this argument and show that under tough economic situations, some consumers tend to buy and consume premium brands to support elements of their self-image (Bradshaw *et al.*, 2019) and show others that they belong to a specific social class and can afford them, even when the majority of the society is going through economic difficulties. They also support recent research findings that suggest that extravagantly designed luxury is favored by consumers who desire to express their status (Greenberg *et al.*, 2020), and that luxury consumption is driven by achievement vanity (Sharda and Bhat, 2019). This study thus adds to the literature of luxury branding by showing that this group of luxury brand consumers do not buy luxury brands offered with a discount as they do not fulfil their self-expressive values.

Impulsiveness is also discussed as another intrinsic factor in luxury brand purchase intentions

in the literature. The current study shows that in recessions consumers do not buy luxury brands impulsively. Not even sales promotions encourage consumers to impulsively purchase luxury brands in a recession. This line of thinking underscores a deep shift in consumers' behavior during tough economic conditions, enhancing existing viewpoints in this area (Hampson and McGoldrick, 2013).

Another theoretical implication of this study is that social status leads to luxury brand purchase intentions only when moderated by recession effect on society. In other words, despite social status being a major driver of luxury brand purchase intention in the literature, the findings of this study show that consumers look for enhancing their social status through purchasing and consuming luxury brands only when they realize that the majority of the society is affected by the recession and cannot afford such brands. This result contrasts with recent research that suggests that social comparisons influence materialistic purchases in case of comparisons with upward social groups (Zheng *et al.*, 2018). In the case of luxury brands, it seems that even downward comparisons can lead to the purchase of luxury brands. Our results augment these findings and highlight the drivers of luxury consumption in a recession. In summary, this study provides a more comprehensive look at the factors that can determine luxury brand purchase intentions in an economic downturn.

5.2. Managerial Implications

The results of this study present some interesting implications for luxury brand managers. Consumers are indeed selective splurgers, as Magni *et al.* (2016) suggest. Driven by a need to escape and feel better about themselves (Han *et al.*, 2010), consumers indulge in luxuries during a recession as a coping mechanism. Therefore, it is important for managers to communicate *escape* in their value proposition. While escape is a relatively new concept in luxury consumption, it

becomes imperative for managers to signal something different from the competitors and convince that investment in the brand is worth it. For example, luxury brand managers can focus on communicating consumer experience that has elements of fantasy, i.e., transports customers to a different place for a transient moment, while consuming the brand. Escape in luxury consumption is becoming more important as there are calls for luxury brand managers to look beyond exclusivity and indulgence (Holmqvist *et al.*, 2019).

However, conscious of the times of hardship that everyone is experiencing, consumers will be less likely to indulge in luxury purchases driven by impulse or social reasons. Although insignificant, the negative relationship found between social status and luxury purchase intentions could very well be an indicator—at least in a Greek context—of a collective consciousness. In other words, some consumers might not want to stand out socially in times of economic hardship that is affecting their society. However, social status can lead to a positive impact on luxury purchase intentions, if there is an acutely pessimistic viewpoint of the economy. This indicates that some luxury brands may benefit from introducing more conspicuous products during an economic downturn, as conspicuousness may indicate higher prestige for customers. Customers may prefer logo-laden brands that can signal their status in the society, especially, during an economic downturn. Louis Vuitton and Hermes did not tone down their logos during the 2008-09 recession, and still managed to thrive during that period. In addition, the perception of prestige in collectivist cultures like Greece may be more acute during economic recessions. This result highlights the possible effect of conspicuous consumption of luxury products during a recession (Nunes *et al.*, 2011).

Furthermore, given that luxury consumption in times of recession seems to be primarily driven by individual/self-motivation factors, it is not surprising that sales promotions positively influence

the purchase of luxury brands as a mechanism of escape. Conversely, sales promotions negatively affect the purchase of luxury products due to self-expression, because sales promotions most likely reduce the symbolic effect of the luxury brand which is supposed to act as a coping mechanism to feel better in times of hardship. Brand managers can consider offering certain products as rentals (either directly or through a third-party retailer, such as Rent-the-Runway). Offering such a value proposition would allow consumers to access the luxury brand, even when purchasing such brands is above the purchase point and not dilute the self-expressive value. During a recession, such rental options will open avenues for additional revenue without affecting the brand's long term equity. Such rental options might also allow new customers to get a feel for the brand, which may lead to additional purchases in the future.

The most interesting implications of this study's findings might be the effects that the recessionary influence on society has over all the studied variables. While personal motivators seem to drive the consumption of luxury brands in time of recession, the recession effect on society reduces consumers' intentions to purchase luxury brands as an escape mechanism. In contrast, the recession effect on society increases consumers' intentions to purchase luxury brands as a mechanism to feel better about themselves. Luxury brand managers should consider emphasizing on self-expression and conspicuousness to facilitate the desire in the customers' minds. The social value dimension needs to be highlighted more by luxury brand managers in cultures that are more collectivist, as a lot of emphasis is placed on how other people may perceive an individual. This leads to the question if there is a cultural explanation to such contradictory findings. At least in a Greek context, it seems that consumers will be more motivated to purchase luxury brands if they perceive that the rest of their close social group can also afford them. These findings call for future research on the effect of cultural factors in luxury brand purchase intentions during recession.

In sum, luxury brand managers who are looking for ways to increase or maintain sales in recessionary environments should focus on marketing efforts that appeal to consumers' individual motivations, such as making the consumer feel better or providing consumers with a mechanism to escape, while being conscious of their social surroundings. Given the recessionary effect on society, the most effective marketing strategies will be the ones that allow the consumer to believe that by purchasing and consuming those luxury brands they can feel good about themselves without standing out or making others within their close social environment feel bad.

6. Limitations and Future Research Directions

While this study provides an insight into consumer perceptions about luxury purchase intentions in a recession, there are a few limitations. The relatively low R-squared indicates that there are several other factors that need to be considered in determining consumer motivations toward purchasing luxury brands in a recession. In addition, the relatively weak effects for several relationships (with modest p-values) indicate the need for a more comprehensive study in this context. Specifically, future studies could delve deeper into other economic factors such as investment plans. At the height of the recession, Greek consumers purchased luxury brands to safeguard their money from being taken by the government. Additionally, certain luxury brands are viable investment options given that they increase value over time. Researchers could consider other societal and governmental factors that may influence luxury brand consumption in a recessionary environment.

Another limitation is the adopted sampling approach. While approaching a panel is widely used in marketing research, it has some concerns—primarily that the sample frame may not wholly represent Greek consumers. Although attention was given to ensure that the sample was

representative, the sample frame was limited to individuals having a substantial income. This may lead to concerns about the generalizability of the results. In order to enhance the generalizability of these results, future research should seek a wider sample frame and a more robust sampling approach. In this study's questionnaire, the authors asked respondents to name specific luxury brands they often purchase, and questions were pertaining to those specific brands. The list of brands varied across industries (technology, clothing, accessories, etc.). Future researchers should consider collecting luxury purchase intentions with regards to specific categories—as there might be differences in purchase behaviors across categories.

In this study, the authors did not consider the different levels (accessible, aspirational and absolute) or types (hard and soft) of luxuries. While most of the study's findings should be expected to hold across the levels and types of luxuries, there could be some critical differences. For example, the relationships between social status, self-expression, and purchase intentions could be positive for the “absolute” luxury level. Therefore, it is important for future research to replicate the findings at various luxury levels and types.

An interesting area of future research is to consider the influence of different country's cultural dimensions—such as collectivism/individualism, uncertainty avoidance, and long-term orientation (Hofstede, 1991)—on luxury purchase intentions. For example, the contrasting findings in relation to the insignificant association of social status and luxury purchase intentions could be, in part, due to Greece's national culture. Greece is more collectivist than other countries such as the U.S. and Britain and, therefore, individuals may not want to purchase luxury brands for the sake of social status—as it may affect how good bad other individuals may feel. Future studies should estimate the effect of national culture dimensions or consider cross-cultural luxury consumption patterns during economic downturns.

Finally, although briefly mentioned in the introduction, this data collection for this analysis was prior to the Covid-19 pandemic. The results of this study thus pertain to a traditional recession context. There are vast research opportunities for understanding luxury brand consumption during and post the Covid-19 pandemic.

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Figure 1: Research Model

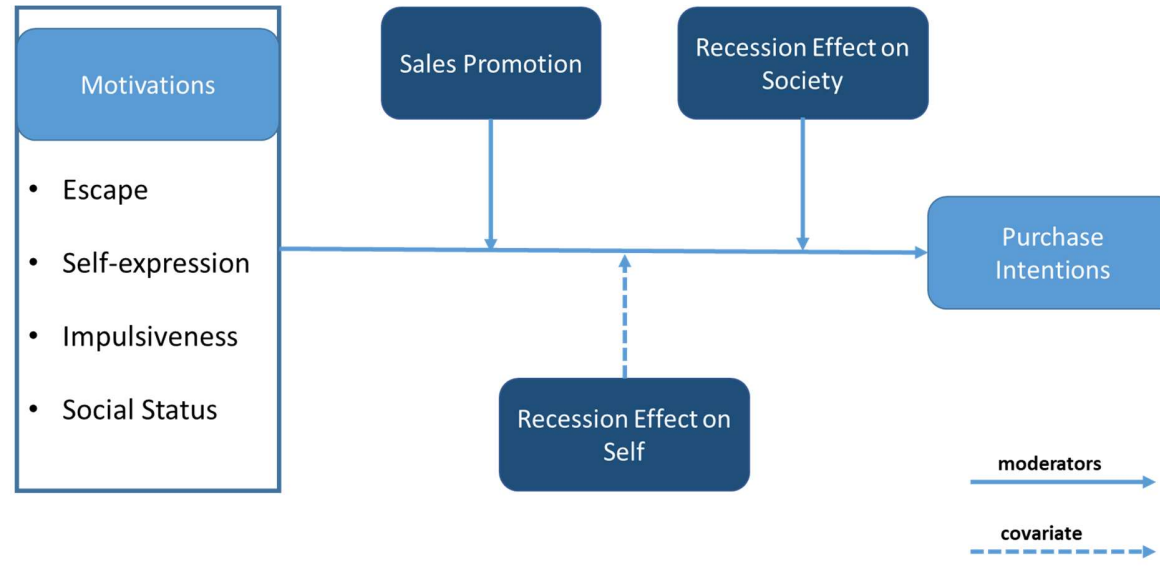


Table 1: Summary of Main Determinants of Consumers' Luxury Consumption During Non-Recession

Study	Purpose	Determinants	Dependent Variable	Theory	Main Results
Bian and Forsythe (2012)	To examine the effects of individual characteristics (i.e., consumers' need for uniqueness and self-monitoring) and brand-associated variables (i.e., social-function attitudes toward luxury brands and affective attitude) on U.S. and Chinese consumers' purchase intention for luxury brands.	<ul style="list-style-type: none"> • Need for uniqueness • Self-monitoring • Social-function attitudes • Affective attitude 	Purchase intention	Functional theory of attitude (Katz, 1960) and theory of reasoned action (Fishbein and Ajzen, 1975).	U.S. and Chinese consumers' self-monitoring positively influences social-function attitudes toward luxury brands. Social-function attitudes toward luxury brands positively influence consumers' purchase intention through affective attitude. Attitude plays an important mediating role between social function attitudes toward luxury brands and purchase intentions.
Choi et al., 2016	To explore luxury brand value co-creation using a mixed method approach (qualitative and quantitative studies).	<ul style="list-style-type: none"> • Encounter attributes • Consumer value • Brand value 	Purchase intention	Value co-creation encounters (Payne et al., 2009)	The experiences influence customer value, customer value then influences brand value, and brand value then influences purchase intentions.
Hennigs et al., 2012	To investigate whether and to what extent consumer perceptions of luxury value differ across countries	<ul style="list-style-type: none"> • Financial value • Functional value • Individual value • Social value 	luxury consumption behavior	Capital theory (Bourdieu, 1986)	Consumers in various parts of the world purchase or wish to purchase luxury products for varied reasons but that such consumers generally possess similar values. Regardless of their countries of origin, the basic motivational drivers of luxury consumers are similar among the financial, functional, personal, and social dimensions of luxury value perceptions, although the relative importance of these dimensions varies.

Study	Purpose	Determinants	Dependent Variable	Theory	Main Results
Hung et al., 2011	To investigate the respective roles of social context, individual perception, and vanity, and to set these relationships within a broader theoretical context of the literature on possession and consumer identity.	<ul style="list-style-type: none"> • Function value • Experiential value • Symbolic value • Social influence • Vanity-physical • Vanity-achievement 	Luxury purchase intention	Consumer culture theory (Arnould and Thompson, 2005)	<p>Social context has an influence on purchase intention for luxury brands. Perception has a weaker role in luxury purchase intention.</p> <p>The experiential and functional aspects of luxury brand purchase are positively correlated with purchase intention, but symbolic value is not. Physical and achievement vanity had a positive impact on purchase intention while only achievement vanity had a moderating effect on perception.</p>
Kastanakis and Balabanis, 2012	To examine the impact of a number of psychological factors on consumers' propensity to engage in the “bandwagon” type of luxury consumption	<ul style="list-style-type: none"> • Independent self-concept • Interdependent self-concept • Avoidance of similarity • Creative choice counter-conformity • Unpopular choice counter-conformity • Status consumption • Consumer susceptibility to normative influence 	Bandwagon luxury consumption behavior	Bandwagon effect (Chaudhuri and Majumdar, 2006) and Self-concept (Sirgy, 1985)	<p>A consumer's interdependent self-concept underlies bandwagon luxury consumption. This relationship is mediated by the level of a consumer's status-seeking predispositions, susceptibility to normative influence and need for uniqueness. The study concludes that these psychological constructs explain well a large part of bandwagon luxury consumption and can be used as inputs in the development of marketing strategies.</p>
Ki et al.,	To examine, building	<ul style="list-style-type: none"> • Conspicuous 	Repurchase intention	Affect balance theory	Style consumption acts as a

Study	Purpose	Determinants	Dependent Variable	Theory	Main Results
2017	upon affect balance theory, whether the two modes of luxury consumption, conspicuous consumption (CC) and style consumption (SC), trigger consumers' mixed emotions of pleasure and guilt and whether the mixed emotions interactively as well as independently influence consumer loyalty to repurchase luxury.	<ul style="list-style-type: none"> consumption • Style consumption • Consumer pleasure • Consumer guilt 		(Bradburn, 1969)	pleasure-enhancing and guilt-reducing mode of luxury consumption. Consumers can offset guilty feelings with greater experience of pleasure from luxury consumption.
Liu et al., 2012	To examine the effects of three self-congruity constructs: the brand's personality congruity, the brand's user imagery congruity and the brand's usage imagery congruity, in consumers' attitude and brand loyalty toward two luxury fashion brands.	<ul style="list-style-type: none"> • Brand personality congruity • Brand user imagery congruity • Brand usage imagery congruity 	<ul style="list-style-type: none"> • Brand Attitude • Brand Loyalty 	Self-congruity theory (Sirgy, 1985)	Both user and usage imagery congruity have significant effects in brand attitude and brand loyalty. No significant effect of BPC in either brand attitude or brand loyalty was found.

Study	Purpose	Determinants	Dependent Variable	Theory	Main Results
Nunes et al., 2011	To investigate how need-for-status plays a role in consumers' preference for muted, logo-free or loud, logo-laden luxury products during economic recession.	N/A	N/A	Conspicuous consumption (Bagwell and Bernheim, 1996)	Consumers low in their need-for-status bought quiet goods before the recession began, and they can reduce or postpone consumption without feeling their status is threatened. High need-for-status consumers, who are also wealthy, use luxury as a mechanism to dissociate themselves from the have-nots. They feel a need to do this even in recessionary times, perhaps even more reinforcing that they are not impacted as much by the recession. This would shift demand for luxury goods toward loud products favored by this segment and encourage managers to alter the product lines accordingly.
Roy and Rabbanee, 2015	To propose and test a parsimonious framework for self-congruity, in the context of luxury branding.	<ul style="list-style-type: none"> • Social desirability • Need for uniqueness – avoidance of similarity • Status consumption • Self-congruity 	<ul style="list-style-type: none"> • Hedonic use • Self-perception 	Self-congruity theory (Sirgy, 1985)	Consumers' self-congruity with a luxury brand (non-luxury brand) is positively (negatively) influenced by its antecedents: social desirability, need for uniqueness and status consumption. Self-congruity with a luxury (non-luxury) brand is found to enhance (undermine) consumers' self-perceptions. This, in turn, is found to have a stronger (weaker) positive impact on consumers' motivation to re-use a shopping bag from luxury brand (non-luxury brand) for hedonic purpose.

Study	Purpose	Determinants	Dependent Variable	Theory	Main Results
Sharda and Bhat, 2019	To consider the role of consumer vanity and brand consciousness and to set their relationships in context of luxury consumption.	<ul style="list-style-type: none"> • Vanity • Brand consciousness • Attitude towards luxury 	<ul style="list-style-type: none"> • Purchase intention 	Theory of reasoned action (Fishbein and Ajzen, 1975) and social comparison theory (Festinger, 1954)	Brand consciousness is mediating the relationship between consumer vanity and luxury consumption. Luxury consumers are primarily driven by achievement vanity. They are likely to evaluate luxury brands based on their price, fame and their ability to portray their professional achievements.
Shukla et al., 2016	To examine the antecedents and consequences of customer commitment to luxury brands	<ul style="list-style-type: none"> • Social switching cost • Service quality • Trust • Lost benefit cost • Alternative attractiveness • Subjective norms • Affective commitment • Calculative commitment • Normative commitment 	<ul style="list-style-type: none"> • Consumption satisfaction • Advocacy intentions 	Organizational commitment (Allen and Meyer, 1990)	The antecedents of affective and calculative commitment towards luxury goods differ from the findings on non-luxury goods reported in prior studies. Additionally, normative commitment shows a distinctly different effect on behavioral intentions in the luxury goods context.
Yoo and Park, 2016	To identify the dimensions of consumers' perceived value gained and to examine the relationships between consumer value and satisfaction and between satisfaction and loyalty in an online context.	<ul style="list-style-type: none"> • Utilitarian value • Hedonic value • Self-expressive value • Social value • Creative achievement value • Satisfaction 	<ul style="list-style-type: none"> • Brand Loyalty 	Consumers perceived value (Holbrook, 1999)	Hedonic, utilitarian, creative achievement, and social value influenced satisfaction with the customization, which in turn influenced brand loyalty. The relationships between consumer value and satisfaction differed depending on the consumer's past loyalty and need for uniqueness

Study	Purpose	Determinants	Dependent Variable	Theory	Main Results
Weidmann et al., 2009	To identify different types of luxury consumers according to the dimensions that influence their perceptions of value and consumption.	<ul style="list-style-type: none"> Financial value Functional value Individual value Social value 	<ul style="list-style-type: none"> Luxury value 	Capital theory (Bourdieu, 1986)	<p>There are four clusters of luxury consumers: The Materialists showed the highest ratings for the materialistic and usability value of luxury goods, whereas the quality and self-identity value aspects were rather unimportant.</p> <p>The Rational Functionalists who are closely attached to functional value items, do not seem to be greatly excited about the emotional dimensions of luxury consumption, and consider the hedonic value aspects as being unimportant.</p> <p>The Extravagant Prestige-Seekers who do strongly perceive social aspects as being most important for their perception of luxury value. They place much emphasis on prestige over quality assurance and state that they buy a certain luxury brand mainly for impressing others rather than just for themselves.</p> <p>The Introvert Hedonists who perceived the hedonic value aspects of self-directed pleasure and life enrichment to be most important for their perception of luxury value.</p>
Davari et al., 2021	To explore the role of personal factors, socio-cognitive, and marketing factors in driving consumers'	<ul style="list-style-type: none"> Escape Self-expression Impulsiveness Social Status Sales Promotion 	<ul style="list-style-type: none"> Purchase Intentions 	social-cognitive theory (Bandura, 1986, 1999)	There is a significant positive relationship between escape and luxury purchase intentions, and also between impulsiveness and luxury purchase intentions.

Study	Purpose	Determinants	Dependent Variable	Theory	Main Results
	luxury purchase intentions in a market that is struggling to recover from a recession—Greece.	<ul style="list-style-type: none"> • Recession effect on self • Recession effect on society 			<p>Sales promotions strengthen the relationship between escape and luxury purchase intentions.</p> <p>The interaction of sales promotions and self-expression has a negative association with luxury purchase intentions.</p> <p>The recession effect on society weakens the relationship between escape and luxury purchase intentions.</p> <p>The recession effect on society enhances the relationship between social status and luxury purchase intentions.</p>

Table 2: Demographics

Variables	Options	No. of Respondents	Percentage
Gender	Male	123	53.2
	Female	108	46.8
Age	Less than 20 years	40	17.3
	21-30 years	74	32.0
	31-40 years	36	15.6
	41-50 years	30	13.0
	51-60 years	24	10.4
	More than 60 years	27	11.7
Household Income	€20,001-€40,000	146	63.2
	€40,001-€60,000	66	28.6
	€60,001-€80,000	10	4.3
	€80,001-€100,000	7	3.0
	More than €100,000	2	0.9
Work Status	Do not work	19	8.2
	Work Part-time	18	7.8
	Work Full-time	132	57.1
	Own my business	41	17.7
	Housemaker	4	1.7
	Retired	17	7.4
Education	Primary School	29	12.6
	High School	119	51.5
	Bachelors	57	24.7
	Masters	15	6.5
	Ph.D.	11	4.8
Percentage of annual income spent on luxury brands	Less than 10%	93	40.3
	11-20%	101	43.7
	21-30%	26	11.3
	31-40%	9	3.9
	41-50%	0	0.0
	More than 50%	2	0.9
Own a house	Yes	185	80.1
	No	46	19.9

Table 3a: Measures of Key Constructs

Construct	Item	Loading
Escape ^a	Because it helps me forget my problems	0.831
	Because it makes me feel less depressed	0.869
	Because it helps me reduce my stress	0.908
	Because it helps me overcome anxiety	0.923
	Because it reflects the kind of person I see myself to be	0.818
Self-Expression ^a	Because it helps me ascertain my self-identity	0.76
	Because it makes me feel good about myself	0.765
	Because it is an instrument of my self-expression	0.815
	Because it plays a critical role in defining my self-concept	0.84
	Because it helps me establish the kind of person I see myself to be	0.853
Impulsiveness ^a	Because I like to shop a lot	0.811
	Because shopping is too tempting	0.834
	Because I like to have a collection	0.608
	Because I can't stop shopping	0.688
	Because it helps me maintain my social standing	0.852
Social Status ^a	Because it shows that I can	0.846
	Because it is acceptable in my social circle	0.887
Sales Promotions ^a	The discounts for this brand are quite appealing	0.885
	This brand offers special promotions and deals	0.89
	I look out for the deals and promotions from this brand	0.499
Recession Effect on Self	I have been negatively affected by the economic downturn	0.734
	My lifestyle has become more thrifty after the economic downturn started	0.776
	I am not optimistic about the future of my job/business prospects	0.767
	I am having uncertainty about my income sources in the near future	0.722
	I believe that economic downturn has negatively influenced the society	0.789
Recession Effect on Society	I am not optimistic about the future of my country's economy	0.79
	I believe that the economic downturn will result in a lower quality lifestyle for the society	0.837
Purchase Intentions	It is probable that I will purchase this brand in future	0.815
	In future, I will purchase this brand over other brands in the same category	0.713
	I am willing to purchase this brand again	0.922
	The likelihood of that I will purchase this brand again is high	0.919

^aThe cue "I purchase Luxury brands" was given to the respondents for these items

Table 3b: Shared Correlations

Constructs		Composite Reliability	Cronbach's Alpha	AVE	1	2	3	4	5	6	7	8
1	Escape	0.934	0.906	0.781	0.884							
2	Impulsiveness	0.827	0.72	0.549	0.401	0.741						
3	Social Status	0.897	0.827	0.743	0.139	0.249	0.862					
4	Self-Expression	0.919	0.894	0.655	0.197	0.321	0.537	0.809				
5	Purchase Intentions	0.909	0.864	0.717	0.078	0.134	0.022	0.063	0.847			
6	Recession Effect on Self	0.837	0.741	0.563	-0.01	-0.051	-0.058	-0.032	0.009	0.75		
7	Recession Effect on Society	0.847	0.73	0.649	-0.01	-0.112	-0.061	-0.01	0.104	0.426	0.806	
8	Sales Promotions	0.815	0.653	0.608	-0.025	-0.123	-0.014	0.031	0.099	-0.124	-0.068	0.78

Square root of AVE is listed along the diagonal

Table 4: Test of hypotheses

Path	Path Coefficient	P Value*	Supported/NS
Escape -> Purchase Intentions (H1)	0.1	0.03	Supported
Self-Expression -> Purchase Intentions (H2)	0.038	0.14	NS
Impulsiveness -> Purchase Intentions (H3)	0.163	<0.01	Supported
Social Status -> Purchase Intentions (H4)	-0.017	0.20	NS
Sales Promotions-> Purchase Intentions	0.056	0.10	
Recession Effect on Society-> Purchase Intentions	0.072	0.07	
Recession Effect on Self-> Purchase Intentions	-0.003	0.24	
Moderating effect of Sales Promotions			
Escape -> Purchase Intentions (H5a)	0.117	0.02	Supported
Impulsiveness -> Purchase Intentions (H5b)	0.034	0.15	NS
Social Status-> Purchase Intentions (H5c)	0.048	0.11	NS
Self-Expression -> Purchase Intentions (H6)	-0.352	<0.01	Supported
Moderating effect of Recession Effect on Society			
Escape -> Purchase Intentions (H7a)	-0.092	0.04	Supported
Self-expression -> Purchase Intentions (H7b)	0.125	0.01	NS (opposite direction)
Impulsiveness -> Purchase Intentions (H7c)	-0.053	0.10	NS
Social Status -> Purchase Intentions (H8)	0.099	0.03	Supported
<i>R-Square</i>	<i>0.266</i>		
<i>Adjusted R-Square</i>	<i>0.215</i>		

* Significant at the 0.05 level (one-tailed)