# Luxury Brand Consumption

*A cross-cultural comparison of Italian and Dutch millennial consumers*

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# Abstract

In recent years, the luxury industry has seen massive growth due to millennials' increasing demand and availability (Brun and Castelli, 2013; Hennigs et al., 2015). Because of this growth, more and more researchers are interested in the luxury industry (Kapferer and Valette-Florence, 2016; Ko, Costello and Taylor, 2019). Most of this research focuses on Baby Boomers and Generation X (Shaari, Hamid and Mabkhot, 2022). However, little is known about millennials' luxury consumption, even though they are expected to represent 45% of the consumers of luxury brands by 2025 (Dobre et al., 2021). In addition, little research has been done comparing two or more cultures and examining how consumer behaviour is different, even though it has been said that culture may strongly influence consumer behaviour (Ko, Costello and Taylor, 2019). Thus, this shows that there is a gap in the existing literature.

Therefore, this study aims to understand millennials' consumer behaviour, specifically their luxury consumption, and how their culture affects this. This study is conducted using Dutch and Italian millennials, as little research has been done in Europe (Grotts and Widner Johnson, 2013; Jain, 2020; Shukla and Rosendo-Rios, 2021). Building on the assumptions that both one's generation and culture strongly affect their consumption behaviour (Assouad and Overby, 2016; Hofstede and Hofstede, 2005; Parment, 2013), this study will investigate these influences using Hofstede's five dimensions. These dimensions are often used for cross-cultural studies (Hofstede and Hofstede, 2005; Venaik, Zhu and Brewer, 2013). The research has taken a qualitative mono-method approach, using six in-depth interviews with Dutch and Italian millennials.

The results suggest that only the level of masculinity and long-term focus influence luxury consumption. Professionals can use this information to alter their marketing strategy according to the cultural score on these dimensions and highlight different aspects of their brand and product to align their products with potential customers better. However, more research needs to be done, including more cultures, to examine whether these results apply on a larger scale.

# Declaration

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# Abbreviation List

| *Term* | *Definition* |
| --- | --- |
| **PDI** | **Power Distance Index** |
| **UAI** | **Uncertainty Avoidance Index** |
| **IDV** | **Individualism Index** |
| **MAS** | **Masculinity Index** |
| **LTO** | **Long-term Orientation** |

# 1. Introduction

## 1.1 Background

### 1.1.1 Luxury Brands

The luxury industry has seen massive growth in recent years (Brun and Castelli, 2013; Hennigs et al., 2015). As seen in figure 1.1, during the first worldwide lockdowns, the revenues of luxury brands slightly decreased; however, in 2022, their revenues were higher than ever. It has been said that this is due to, among others, the growing demand from younger generations and the increasing availability due to social media and the Internet (Dobre et al., 2021; Jain, 2020). Due to this growth, more and more researchers are interested in the luxury industry (Kapferer and Valette-Florence, 2016; Ko, Costello and Taylor, 2019).

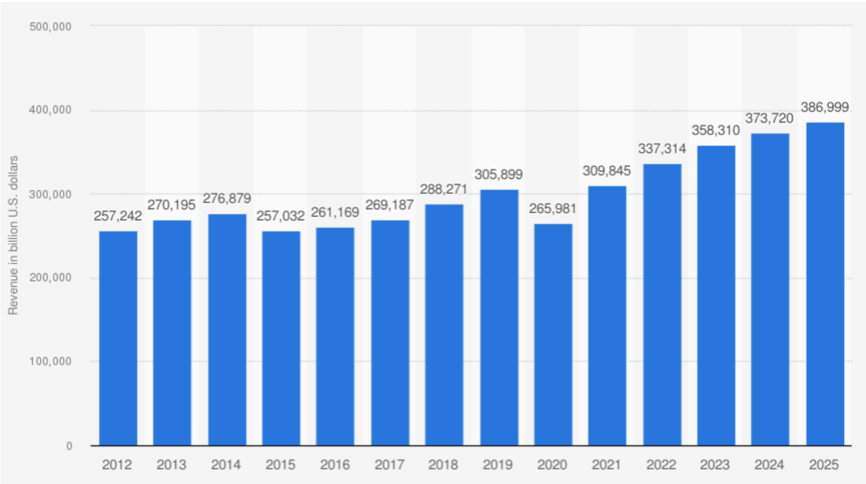


*Figure 1.1: Revenue of the luxury goods market worldwide from 2012 to 2025 (Statista, 2022a)*

The luxury industry is divided into multiple categories: fashion, cars and yachts, wines and spirits, and luxury hospitality, to name a few (Amatulli and Guido, 2011; Brun and Castelli, 2013). Especially luxury fashion, including clothing, accessories, shoes and jewellery, has become more available to consumers, affecting their behaviour and lifestyles (Shaari, Hamid and Mabkhot, 2022). However, this industry started as a niche limited only to people who could afford it and people of status (Brun and Castelli, 2013; Kapferer and Valette-Florence, 2016). Luxury items were associated with power and wealth since these goods were handmade by artisans, and these artisans did not sell them to everybody (Brun and Castelli, 2013). Today, these brands are built on their long history of craftsmanship, quality and prestige, making their brand their most important asset (Amatulli and Guido, 2011; Kapferer and Valette-Florence, 2016; Sádaba and Bernal, 2018). This will be further explained in section 2.1.

Luxury brands have faced some challenges due to the new customers and the changes in the industry. These new, younger customers are different from older generations. They require other marketing techniques that often clash with some of the elements of luxury brands, such as rarity and exclusivity (Brun and Castelli, 2013), which will be critically examined in section 2.2.3.

### 1.1.2 Millennial Consumers

As previously mentioned, younger generations are turning into consumers of luxury brands. According to Dobre et al. (2012), *"by 2025 these generations (millennials and Generation Z) will represent 45% of the global personal luxury goods market"* (p.2539). Thus, it is crucial to understand better what drives and influences these consumers as they are the main force behind the growth in the luxury industry (Giovannini, Xu and Thomas, 2015; Shaari, Hamid and Mabkhot, 2022).

Millennials' consumer behaviour is strongly influenced by peers and influencers on social media and by the brand image (Kang et al., 2022). Moreover, while most people spend much time online, millennials use the Internet slightly different. They spend much time online sharing their thoughts and experiences and posting user-generated content (Fromm and Garton, 2013). Other differences between millennials and older generations will be explained in section 2.2.2. These factors make millennials somewhat different consumers than older generations, making it more difficult for professionals to effectively market their products and services using old techniques (Fromm and Garton, 2013). However, not all millennials are the same. There may be differences in millennials' consumer behaviour based on their cultural background. This is because social attributes are the most critical factors in the decision-making process, which are often strongly linked with one's culture (Shukla and Rosendo-Rios, 2021). The influences of culture on millennials' luxury consumption will be further critically discussed in chapter 2 and analysed in chapter 4.

## 1.2 Gaps in the Literature

### 1.2.1 Cross-Cultural Analysis

While much research has been done on consumer behaviour in the United States of America (Grotts and Widner Johnson, 2013) and India (Jain, 2020; Shukla and Rosendo-Rios, 2021), little research has been done on consumer behaviour in Europe. These studies from the USA and India have been overgeneralized, even though there are significant differences between consumer behaviour in these countries compared to Europe (Dobre et al., 2021). This is due to their culture, experiences, and values that differ from one nation to another. Therefore, professionals might need other marketing tools and change some of their advertisements to fit different cultures (Agarwal, 2015). Thus, doing research within Europe will add to the existing literature.

Moreover, little research has been done comparing two or more cultures and examining how consumer behaviour is different between these cultures (Ko, Costello and Taylor, 2019). Most studies focus on a single country and generalize these results. Comparing multiple cultures gives more insight into consumer behaviour and how one's culture might influence this. Based on these two shortcomings, doing cross-culture research in Europe will fill a gap in the literature.

### 1.2.2 Millennial Consumption

In addition to the literature gap concerning cross-cultural research in Europe, there is another gap concerning millennials. Most research concerning consumer behaviour, specifically luxury consumption, has been done among adults, such as baby boomers and Generation X (Shaari, Hamid and Mabkhot, 2022). Nevertheless, there are differences between generations and millennials due to the rise of different technologies, globalisation and social media, which affect their buying behaviour (Dobre et al., 2021). Therefore, the same marketing tools and strategies may not suit this younger target audience (Agarwal, 2015). It is essential to research these generations since it may help professionals better target these consumers, who are becoming the primary consumers of luxury brands. Thus, examining what influences these millennials enriches the existing literature.

## 1.3 Academic Justification

The existing models of luxury brand consumption must be updated and adjusted for the new consumers, namely millennials (Dobre et al., 2021). Researchers and professionals need to understand what is driving these consumers since they are the future of our society. However, as of now, little research has been done on this group. In addition, little research has been done in Europe concerning millennial consumer behaviour. While much research has been done on other countries and cultures worldwide, as previously stated, little is known about Europe and the differences between European countries. Nevertheless, Europe is one of the most important luxury brand markets after the USA and China (Sabanoglu, 2022), as seen in figure 1.2.

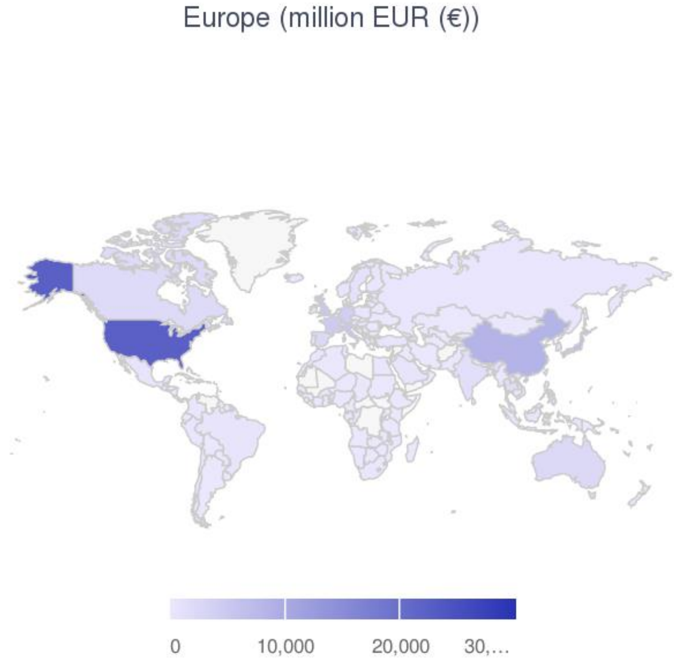


*Figure 1.2: Luxury fashion revenues comparison worldwide (Statista, 2022b)*

While Europe is often seen as one market, there are significant differences between the countries and their culture, values and habits and thus their consumer behaviour. An example of this is Italy and the Netherlands. Both countries have rather different customs, lifestyles and cultures. However, when taking a closer look at the luxury brand consumption in Europe, there can be found that both countries have higher spending on luxury brands per capita than the average European, as seen in figure 1.3. This raises the question of to which degree culture affects their luxury consumption.

To summarise, combining the previously stated shortcomings in the literature in a study about millennial brand consumption in Europe will enrich the current knowledge. Therefore, there will be looked at two European countries, namely Italy and the Netherlands. The cultures of these countries will be examined to determine how culture may affect luxury brand consumption for millennials.

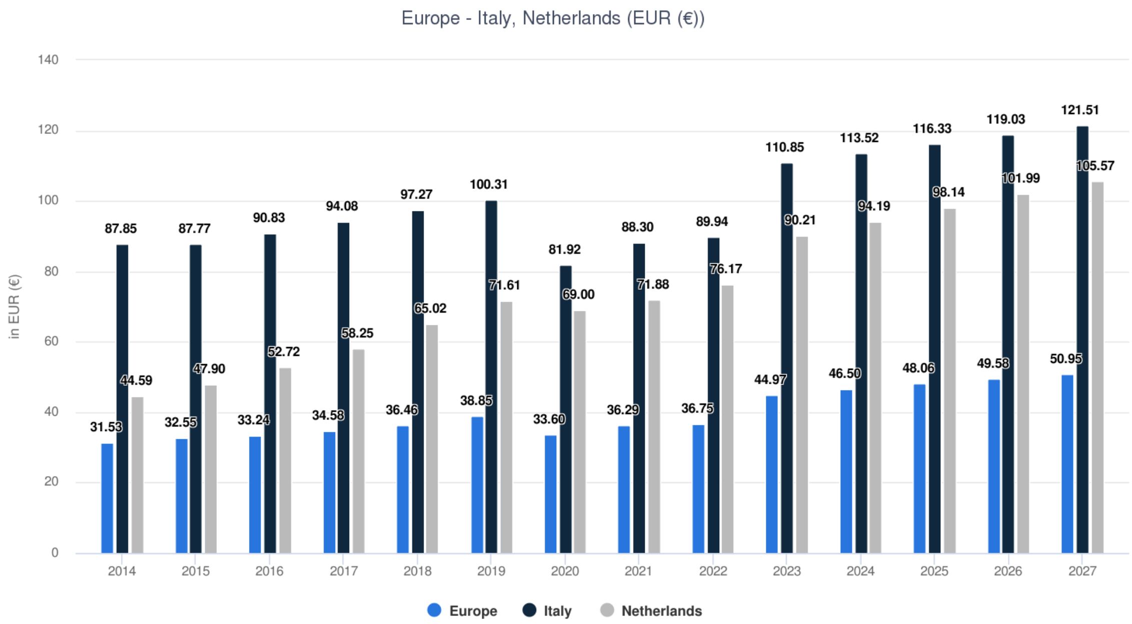


*Figure 1.3: Luxury fashion average revenue per capita (Statista, 2022b)*

## 1.4 Overall Research Aims

Given the previously stated gaps in the literature, this study aims to fill these gaps at least partly by examining the effect culture has on millennial luxury consumption. This study seeks to understand millennials' consumer behaviour and how their culture affects this. While multiple researchers have mentioned the need to examine the influence of culture, this has not yet been researched (Dobre et al., 2021; Ko, Costello and Taylor, 2019).

This study focuses on Europe, specifically Italy and the Netherlands, since these two countries have a high spending per capita on luxury brands; however, they have different cultures, which may affect their inhabitants' consumer behaviour. Moreover, little research concerning luxury consumption has been done in Europe, while it is a large market (Grotts and Widner Johnson, 2013; Jain, 2020; Shukla and Rosendo-Rios, 2021).

The researcher will reach these research aims by answering the research questions listed in section 1.5.

## 1.5 Research Questions

The researcher examined the primary research used in the study to identify relevant critical areas that require additional investigation, which led to the following research questions:

1) Do millennials feel the need to show off their status using luxury brands? Does this change depending on one's culture?

2) Does the cultural level of uncertainty avoidance influence millennials' luxury consumption?

3) Does culture affect what influences millennials to purchase luxury brands?

4) Do gender roles affect millennials' consumer behaviour, specifically luxury consumption? Does this change depending on the different distribution of gender roles based on one's culture?

5) Do millennials focus more on the long-term or the short-term? How does this differ among cultures? How does this influence their luxury consumption?

Based on these research questions, multiple objectives have been established. These can be found in section 3.2.2.

## 1.6 Methods and Scope

Based on the research questions stated above, the following methods and scope have been chosen.

### 1.6.1 Methods

The research methods explain how and why research is being done (Durdella, 2019). The researcher can choose between mono-method or mixed-methods. Mono-method means that only one data collection technique is used (Saunders, Lewis and Thornhill). This can be qualitative or quantitative. Mixed-methods mean that multiple data collection techniques are used, often using both qualitative and quantitative techniques (Saunders, Lewis and Thornhill, 2009). There has been chosen to use a qualitative mono-method approach for this study. This allows the researcher to gain more in-depth knowledge. There are multiple qualitative research techniques, such as interviews, case studies, or focus groups. Due to the time frame and the research aims, there has been chosen to use in-depth interviews. The research methods will be further explained in Chapter 3.

As in-depth interviews are often time-consuming, only a small number of people are interviewed (Gupta and Awasthy, 2015; Walle, 2015). The interviews are conducted with six millennials with a Dutch or Italian background. The sample of this research is further discussed in section 3.8.

### 1.6.2 Scope

This research covers millennial consumer behaviour in the Netherlands and Italy. Thus, this research does not consider any other cultures or generations. Moreover, the research focused on gaining more knowledge about luxury fashion consumption, so other industries are not taken into account. As stated earlier, the research uses a small sample due to the qualitative nature of this research; thus, the results cannot be generalised.

## 1.7 Dissertation Structure

This section provides a brief overview of the chapters that are covered in this research.

***Chapter 1 – Introduction***

This chapter gives a brief introduction into the research topic, followed by gaps in the literature that support the academic justification. In addition, the research aims, methods, and research questions are being discussed.

***Chapter 2 – Literature Review***

The literature review contains a critical review of the academic literature relevant to the research question. Existing literature on luxury consumption, millennials, and cultural differences will be analysed and connections between the topics will be made clear.

***Chapter 3- Methodology***

This chapter contains more information about the research objectives and the chosen research philosophy and strategy. Furthermore, the research population, ethical issues and limitations of this study are being discussed.

***Chapter 4 – Research Findings and Discussion***

This chapter reveals and critically analyses the primary research findings. Hofstede's five cultural dimensions were used to establish the objectives and explain the different cultures on which the interviews and, therefore, the research findings and discussion, are based.

***Chapter 5 – Conclusion and Recommendation***

This chapter gives a brief summary of the results and assesses whether any gaps in the literature have been filled. In addition, this chapter gives recommendations for academics and professionals.

# 2. Literature Review

## 2.1. Luxury brands

Luxury brands have been around for decades (Kapferer and Valette-Florence, 2016; Tungate, 2011). While it started as a niche market (Kapferer and Valette-Florence, 2016), in today's society, more and more consumers can afford luxury items, which has led to the growth of these brands (Dobre et al., 2021; Shukla and Rosendo-Rios, 2021; Statista, 2022c). Luxury brands now have combined revenues of 309.85 billion euros worldwide, of which 25% comes from Europe (Sabanoglu, 2022). But what does luxury entail, and why do consumers spend so much on these particular brands?

### 2.1.1. Definition and Background

There is not one definition of luxury brands that everyone agrees on (Brun and Castelli, 2013), as the concept of luxury is relative. The definition of luxury depends on the era, the geographical location, and the person you ask to define this concept (Ko, Costello and Taylor, 2019; Tungate, 2011). Nevertheless, there are some brands that most people would agree are luxury brands, such as Louis Vuitton, Hermès, Chanel, Gucci, Dior and Prada, to name a few (Dobre et al., 2021; Kapferer and Valette-Florence, 2016). Thus, what do these brands have in common and why are they considered luxurious?

While luxury brand products provide functional features to customers, they also provide intangible benefits that are often connected to making the customer feel a certain way, which can be different for each customer. However, researchers have critically analysed these intangible benefits and concluded that these feelings often include uniqueness and being better than others. (Kapferer and Valette-Florence, 2016; Sádaba and Bernal, 2018). The customers want to express these feelings through these brands and show them to others around them (Grotts and Widner Johnson, 2013; Latter et al., 2010; Shukla and Rosendo-Rios, 2021).

Moreover, luxury brands have some common characteristics, namely high quality, rare, premium price, and aesthetically pleasing (Butcher, Phau and Shimul, 2017; Dobre et al., 2021; Ko, Costello and Taylor, 2019; Sádaba and Bernal, 2018; Vigneron and Johnson, 1999). Due to the recent growth of the luxury market and the use of social media, sometimes luxury brands are not as rare and exclusive anymore (Tungate, 2011). Nevertheless, these brands often use other ways to make the customers feel their exclusivity through, for example, experiences, limited editions, and personalisation (Butcher, Phau and Shimul, 2017; Kapferer and Valette-

Florence, 2016). In addition, these brands are often built upon a story based on the heritage, the country of origin and an imaginary lifestyle (Kapferer and Valette-Florence, 2016; Sádaba and Bernal, 2018; Tungate, 2011). This story usually starts with the founder of the brand. In most stories, this person is portrayed as a hero who was struggling through life (Tungate, 2011). An example of such is the story of Louis Vuitton. Louis Vuitton started in 1837, working in Paris for the atelier of Monsieur Maréchal, who made artisanal trunks and boxes for transportation (Louis Vuitton, 2022). After working here for 17 years, Vuitton decided to open up his own company, which from there onwards has grown into the luxury brand it is today. By telling this story to the customers, luxury brands can build an emotional relationship with them which helps to sell the products (Sádaba and Bernal, 2018).

### 2.1.2. Luxury Brand Consumption

While all luxury brands have different stories connected to their brand, they use similar tactics to sell their products to their customers. However, these customers may have various reasons for their consumption (Brun and Castelli, 2013; Jain, 2020; Ko, Costello and Taylor, 2019; Vigneron and Johnson, 1999). Knowing what drives people to buy certain luxury brands can help these brands in their marketing strategy and their overall business performance.

One reason why people may want to buy luxury brands is to signal their status to others (Butcher, Phau and Shimul, 2017; Ko et al., 2019; Shukla and Rosendo-Rios, 2021). This is called *"status consumption"* (Eastman and Liu, 2012). This means that people buy products, in this case, luxury brands, to be able to show off their higher status to others (Latter et al., 2010). This can be done due to the premium price of luxury brands mentioned earlier. Because of the price, not everybody can afford these luxury products. Thus, this separates people into two groups: those who can afford it and therefore have a high status and those who cannot and therefore have a lower status (Butcher, Phau and Shimul, 2017). This does not mean that people who buy luxury brands can always afford their purchases, yet, they want others to believe that they do (Dubois and Duquesne, 1993; Eastman and Liu, 2012; Ko et al., 2019). On the contrary, people who can afford luxury brands may not consume them for various reasons.

Furthermore, someone's network can also influence whether a person consumes luxury brands or not (Dobre et al., 2021). If luxury brands are popular in one's network, this person can also start buying luxury brands to be able to fit in (Shukla and Rosendo-Rios, 2021; Vigneron and Johnson, 1999). These consumers often purchase products that clearly display the brand since this helps them show their peers that they belong with them (Kapferer and Valette-Florence, 2016; Vigneron and Johnson, 1999).

Another reason why people may purchase luxury brands is for the high quality and the overall service these brands provide (Giovannini, Xu and Thomas, 2015). These people buy luxury brands for themselves and hence do not need to have the brand shown all over the product, in contrast to people who purchase it to show off their status (Eastman and Liu, 2012; Jain, 2020; Vigneron and Johnson, 1999). Thus, why somebody purchases a luxury brand can also affect which products they buy.

Moreover, research suggests that there also may be differences in the reasons why people purchase luxury brands between emerging and developed countries, gender, culture and age (Eastman and Liu, 2020; Ko et al.,2019; Shukla and Rosendo-Rios, 2021). These differences often are influenced by a person's values and beliefs (Dobre et al., 2021; Jain, 2020; Ko et al., 2019). As previously discussed, multiple studies have examined the consumption behaviour of older generations, such as the baby boomers and Generation X; however, relatively few studies have looked at younger generations, such as millennials (Butcher, Phau and Shimul, 2017; Eastman and Liu, 2012; Giovannini, Xu and Thomas, 2015).

## 2.2. Millennial Consumers

According to multiple studies, segmenting the marketing into different generational cohorts has been found effective (Kang et al., 2022; Parment, 2013). The reason for this is that people who are in the same generation generally have had similar experiences, values and norms (Parment, 2013). This makes it easier for businesses to understand these consumers.

Especially millennials, often also called Generation Y, have recently gotten more attention from researchers. These people grew up during the rise of the Internet and globalisation (Parment, 2013). Millennials are spending more and more on fashion due to the increase in their purchasing power, making them an attractive target audience for luxury brands (Valaei and Nikhashemi, 2017). But who are considered millennials, and what makes them different from previous generations?

### 2.2.1. Defining Millennials

There are some variations in the research of who is included with the term millennials. The terms millennials and Generation Y are often used to classify the same generation. However, the date of birth for these two groups is inconsistent in the literature. Nevertheless, most studies agree that millennials are born somewhere between 1977 and 2005 (Butcher, Phau and Shimul, 2017; Eastman and Liu, 2012; Giovannini, Xu and Thomas, 2015; Kang et al., 2022). However, using a 20-year window is often recommended for defining a generation (Eastman and Liu, 2012). Therefore, this research will take the average of the previously mentioned dates, namely that millennials were born between 1980 and 2000, following the research of Kang et al. (2022) and Fromm and Garton (2013).

### 2.2.2. Differences Between Generations

Millennials grew up in a rather different environment than most older generations. They grew up during a time of economic growth, mass media, and the rise of the Internet (Butcher, Phau and Shimul, 2017; Eastman and Liu, 2012). Moreover, millennials are more used to having multiple cultures around them than previous generations (Kang et al., 2022). Their purchasing power is higher than that of their parents or grandparents when they were their age (Badaoui, Lebrun and Bouchet, 2012). All these differences influence their consumption behaviour.

Millennials are often said to be more materialistic and consumption-oriented than other generations (Butcher, Phau and Shimul, 2017; Eastman and Liu, 2012; Grotts and Widner Johnson, 2013; Kang et al., 2022). This is connected to the fact that millennials are more self-conscious than these older generations (Giovannini, Xu and Thomas, 2015) and care more about what their peers think of them (Fromm and Garton, 2013; Parment, 2013; Valaei and Nikhashemi, 2017). This has a significant influence on their buying behaviour. While multiple studies agree that millennials are brand conscious, researchers do not agree on whether or not this makes them more or less brand loyal (Giovannini, Xu and Thomas, 2015; Grotts and Widner Johnson, 2013; Shaari, Hamid and Mabkhot, 2022). In addition, it has been said that millennials try to keep up with trends, are more flexible in what and where they buy their clothes and go shopping without needing any new items, which would support the standpoint that millennials are less brand loyal (Parment, 2013). This behaviour differs significantly from older generations who pay more attention to quality than trends (Parment, 2013). The difference in consumption behaviour of millennials and older generations is connected to the fact that millennials are mainly influenced by their peers and social media (Butcher, Phau and Shimul, 2017; Kang et al., 2022; Shaari, Hamid and Mabkhot, 2022).

Thus, different generations' upbringing and their environment strongly affect their consumption behaviour (Parment, 2013). Based on the type of product that is being purchased, these differences may be larger or smaller.

### 2.2.3. Millennial Consumers and Luxury Consumption

As previously mentioned, millennials are more materialistic than older generations (Butcher, Phau and Shimul, 2017; Eastman and Liu, 2012; Grotts and Widner Johnson, 2013; Kang et al., 2022). In addition, they are more influenced by their peers and social media (Parment, 2013; Valaei and Nikhashemi, 2017). Both these two factors influence their consumption behaviour. Research has shown that millennials are more willing to spend their money on luxury brands than Generation X and baby boomers. This is said to be due to the social pressure that millennials feel (Butcher, Phau and Shimul, 2017; Eastman and Liu, 2012). Moreover, millennials use luxury brands more to express themselves and show off than previous generations (Badaoui, Lebrun and Bouchet, 2012; Grotts and Widner Johnson, 2013). Nevertheless, some customers of luxury brands also purchase them due to the quality that is often higher than those of fast fashion brands and because it fits their taste (Badaoui, Lebrun and Bouchet, 2012; Giovannini, Xu and Thomas, 2015).

However, research has found differences between millennials that earn their own money and those who are supported by their families. According to Butcher, Phau and Shimul (2017), millennials whose families financially support them are more likely to engage in luxury brand consumption than millennials who earn their own money. Thus, even within one generation, there are differences in luxury brand consumption (Kang et al., 2022). Examining and understanding these differences may help brands to better align their marketing techniques with their customers based on the consumption behaviour of that culture and generation. This then would help to target these different customers more effectively.

## 2.3. Cultural Differences Across Countries

The differences between cultures depend on numerous different factors. Culture can be defined as *"the collective programming of the mind that distinguishes the members of one group or category of people from another"* (Hofstede, 2001, p. 9). Culture highly affects how a person thinks and behaves and thus consumes (Assouad and Overby, 2016; Hofstede and Hofstede, 2005). Therefore, segmenting the market based on different cultures is often considered effective (Dubois and Duquesne, 1993).

### 2.3.1. General Information about Cultural Differences

While the word culture is often used, it is a complex concept. According to Matsumoto and Yoo (2006), cultures *"are human-made responses to the ecology within which societies* *exist; cultures are created as societies adapt to their contexts in order to meet the biological and social necessities of survival"* (p. 240). Cultures are based on many different factors, such as norms, values, social practices and symbols, to name a few (Hofstede, 2001; Samaha, Beck and Palmatier, 2014). Moreover, culture can be influenced by religion, climate, the economic environment and population density (Matsumoto and Yoo, 2006). It is often learned through family, friends, school and the workplace and is passed down across generations.

Culture plays a vital part in one's life (Hofstede and Hofstede, 2005; Sobol). Together with genetics and personality, culture shapes people's behaviour and perceptions (Assouad, Hofstede). It is crucial to be conscious of each other's culture to understand why a person acts one way or another. Especially when it comes to consumer behaviour, and even more specifically, luxury consumption, culture has a significant influence (Amatulli and Guido, 2011; Assouad and Overby, 2016; Sobol, Cleveland and Laroche, 2018). While two cultures might seem similar, for example, Dutch and Flemish, since they speak almost the same language and they live next to each other, there may be significant differences in norms and social practices (Hofstede, 2001).

Moreover, cultures can have different meanings for the same thing, which changes how people perceive these things (Wong and Ahuvia, 1998). For example, while in Western countries, the colour white is seen as purity, cleanness and elegance, Asian countries use the colour white for death, and it symbols bad luck. Thus, using the colour white in a marketing strategy can give different feelings and ideas to different cultures.

To better comprehend one's culture, history has to be looked at since this is often the foundation of the culture (Hofstede, 2001). Moreover, as previously stated, other factors, such as climate and economics, also influence culture. To better understand both the Italian and the Dutch cultures, these factors will be taken into account.

### 2.3.2. History and Culture of Italy

Italy is located in the south of Europe. It has around 60 million inhabitants and is said to be among the countries with the highest living standards (O'Neill, 2021a). The country is known for its fashion and art, with famous designers, poets and artists such as Gucci, Prada, Michelangelo and Dante (Glover and Gibson, 2017; Killinger, 2005). In addition, Italy has many traditions that were developed throughout its long history.

Italy's geographical location made it vulnerable to invasions. While Italy has conquered numerous places in history, for example, during the Roman empire, the country has also been invaded many times. This still substantially influences the country as a whole (Glover and Gibson, 2017; Killinger, 2005). Furthermore, Italy is one of the most homogenous national groups in Europe concerning their language, religion and national origin, even though it has some people immigrating from former Yugoslavian countries as well as North Africa and Albania (Killinger, 2005). Italy is often divided into three distinct regions, the north, which is the most industrial, the middle, and the south, which remained mostly agricultural. In addition, Italy is divided into 20 regions, which are again divided into different provinces and communes. All of these have their own dialect, food, and customs. Moreover, five of the 20 regions have special autonomy due to their history (Killinger, 2005). Besides these differences between regions, they have a shared culture.

While the Christian Church is rather important in the Italian culture, another aspect is often said to be even more crucial to Italian culture, namely the family (Glover and Gibson, 2017; Killinger, 2005). Due to the strong family ties in Italy, young adults live longer at their parents' house and are more financially supported by their families compared to other European countries (Glover and Gibson, 2017). As mentioned before, this influences consumer behaviour. By living at home, the young adults in Italy often have more disposable income since they do not have to pay rent, insurance and groceries, for example. Instead, the money is often used to buy luxury brands rather than saving it for the future (Glover and Gibson, 2017; Ramos-Ortiz et al., 2020). In addition to the family, appearance and good manners are essential in the Italian culture (Ramos-Ortiz et al., 2020). It is important how one portrays him or herself and to show off. This is often referred to as *"La Bella Figura"*, which translates to the beautiful figure (Ramos-Ortiz et al., 2020). Again, this strongly influences luxury brand consumption, especially those made in Italy (Amatulli and Guido, 2011; Ramos-Ortiz et al., 2020).

### 2.3.3. History and Culture of the Netherlands

The Netherlands is located in the west part of Europe. The Netherlands is one of the few constitutional monarchies left. It is inhabited by 17,5 million people over 41.543 km$^2$, making it one of the most densely populated countries (Besamusca and Verheul, 2010). Moreover, one-fourth of the country is below sea level (O'Neill, 2021b). When thinking about the Netherlands, often bikes and tulips come to mind (Besamusca and Verheul, 2010). However, the country is also known for some famous artists such as Rembrandt van Rijn, Vincent van Gogh, and Piet Mondriaan (O'Neill, 2021b). More recently, some famous people include mainly DJs and models such as Martin Garrix and Armin van Buuren. In addition, The Netherlands has a long history of being one of the world's most powerful marine trading nations (O'Neill, 2021b).

In the past, the Netherlands was often conquered by other nations such as the Roman empire, France and Spain (Kennedy, 2017). This is because many rivers end in the Netherlands, making it an important location for trading (Kennedy, 2017). Nevertheless, the Dutch people also conquered many places themselves. The country had many colonies, such as Indonesia and the Caribbean. Nowadays, only Curaçao, Aruba and St. Maarten are still part of the Kingdom of the Netherlands (Kennedy, 2017).

Since the start of the 21st century, there has been more immigration in The Netherlands. This has resulted in a so-called *"Multicultural society"* (Sleegers, 2007). More than 70% of the Dutch population is bilingual, and many inhabitants are even trilingual (Sobol, Cleveland and Laroche, 2018). Furthermore, due to the constant inflow of people, the Dutch culture is continuously changing (Besamusca and Verheul, 2010; Sleegers, 2007). This makes it challenging to define Dutch culture. Nevertheless, there are some characteristics that many people consider to be related to Dutch culture.

Some traditions are typical of the Dutch culture, such as Sinterklaas, Koningsdag, and Bevrijdingsdag. Usually, these days are celebrated with friends and family (de Hart, 2019). Moreover, the Dutch people prioritise being open and tolerant and value freedom, for example, freedom of speech and the freedom to marry whomever you want (same-sex marriage) (de Hart, 2019). In addition, individualism is being stimulated throughout the whole society (Besamusca and Verheul, 2010). This can be seen, for example, by a large number of high school and university students (age 15-24) that have part-time jobs (Statista, 2021) and the average age at which young adults leave their parents' house, which is around the age of 25 (Eurostat, 2021).

## 2.4. Hofstede's Five Dimensions of Culture

It is difficult to compare two or more cultures since there will always be cultural bias due to the researcher (Hofstede, 2001). Nevertheless, this can be reduced by using a model, making the results more reliable (Hofstede, 2011). One model that is often used in cross-cultural studies is a model made by Geert Hofstede (Venaik, Zhu and Brewer, 2013). There are different versions of this model, having four, five or six dimensions of culture; however, the model including five dimensions is the most used in research (Jackson, 2020; Hofstede, 2011). A dimension can be defined as *"an aspect of a culture that can be measured relative to other cultures"* (Hofstede, 2011, p. 7). Every culture has a different rating on these dimensions, which helps explain cultures and compare them (Hofstede and Hofstede, 2005).

### 2.4.1. Power Distance

The first dimension of Hofstede's model is called Power Distance. This dimension examines how a culture deals with human inequality, dominance and power (Hofstede, 2001; Hofstede, 2011; Hofstede and Hofstede, 2005). In other words, the Power Distance Index (PDI) *"is a measure of the interpersonal power or influence between B [the boss] and S [the subordinate] as perceived by the less powerful of the two, S"* (Hofstede, 2001, p. 83). Humankind shows dominant behaviour, but every culture has a different way of dealing with this human inequality. How different cultures deal with this can be seen in many different situations, for example, in schools (the distance between teacher and student) and the workplace (the distance between employer and employee), but also daily in society (authority and citizen) (Hofstede and Hofstede, 2005). The higher the culture ranks on the PDI, the more distance there is between the two parties, and the lower the culture ranks on the PDI, the less distance there is (Hofstede, 2001; Hofstede, 2011; Hofstede and Hofstede, 2005).

Doing his studies, Hofstede found that the country ranking the highest for power distance was Malaysia, with a score of 104, and the lowest was Austria, with a score of 11 (Hofstede, 2001). Moreover, Hofstede found that high levels of power distance are often found in tropical and subtropical climates, having more traditional agriculture and less industrialisation, based their authority on tradition, and use status symbols to show their power (Hofstede, 2001). Lower levels of power distance are more found in moderate and cold climates, more industrialised societies, and value more freedom and independence instead of material items, and people with more power prefer not to show this (Hofstede, 2001).

### 2.4.2. Uncertainty Avoidance

The second dimension of Hofstede's model is called Uncertainty Avoidance. This dimension examines how a culture deals with uncertainty about the future and whether the people in this culture feel uncomfortable or at ease in ambiguous situations (Hofstede, 2001; Hofstede, 2011). So, the Uncertainty Avoidance Index (UAI) can be defined as *"the extent to which the members of a culture feel threatened by ambiguous or unknown situations"* (Hofstede and Hofstede, 2005, p. 167).

How a culture deals with uncertainty can be seen in its laws, rules, the use of technology, religion and the belief in an absolute truth (Hofstede, 2001; Hofstede, 2011). This is being transferred and supported by the family, school, relationships and the government (Hofstede, 2001). Nevertheless, the level of uncertainty avoidance is partly a personal trait; thus, it is not entirely based on one's culture (Hofstede, 2001).

In his research, Hofstede found that the country with the lowest ranking on the UAI is Singapore, scoring 8. The country with the highest score is Greece, with 112 (Hofstede, 2001). Having a lower score on the UAI means that this culture does not follow many rules, and in general, people do not get anxious when thinking about the uncertainty of the future (Hofstede, 2001). In addition, cultures with low uncertainty avoidance are less expressive and show fewer emotions than cultures with higher uncertainty avoidance (Hofstede and Hofstede, 2005). Higher ranking cultures are more emotional, often invest in metals and jewels, are loyal to the company one works for and develop more so-called *"superegos"* than cultures with lower scores (Hofstede, 2001; Hofstede, 2011). There were also positive correlations found between the PDI and UAI, especially in European and Western countries, and negative correlations between UAI and the subjective well-being of the population (Hofstede, 2001).

### 2.4.3. Individualism versus Collectivism

The third dimension in Hofstede's model is Individualism versus Collectivism. This dimension examines the relationship between individualistic and collectivistic aspects in a given culture (Hofstede, 2001). In other words, it *"is the degree to which people in a society are integrated into groups. On the individualist side we find cultures in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side we find cultures in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) that continue protecting them in exchange for unquestioning loyalty, and oppose other in-groups"* (Hofstede, 2011, p. 11). Thus, in some cultures, individualism is perceived as a positive trait; other cultures prefer to focus on the group and feel that is the overall well-being of the group ensured (Hofstede, 2001).

While analysing different cultures, Hofstede found that the country ranking the highest on the Individualism index (IDV) is the USA, with a score of 91, closely followed by Australia (90) and the UK (89) (Hofstede, 2001). This means that these cultures are mainly focused on the individual. The lowest ranking was given to Guatemala, with a score of 6 (Hofstede, 2001). This means that this culture is mainly focused on the collective. High levels of individualism often are seen in cold to moderate climates. People in these cultures often live in small groups, for example, parents with their children or alone, and they are open and speak their minds (Hofstede, 2001). Cultures with lower levels of individualism are more found in tropical and subtropical climates. In these cultures, people often live in bigger groups, such as parents with their children and grandparents (Hofstede, 2001). In addition, they value loyalty and harmony (idem). Furthermore, Hofstede found that IDV is negatively correlated with the PDI, and within Europe, IDV is negatively correlated with the UAI (Hofstede, 2001; Hofstede and Hofstede, 2005; Matsumoto and Yoo, 2006).

In addition, a correlation between the IDV and communication was found. Cultures with high levels of individualism are often more explicit, also called low-context communication (Hofstede, 2001). This means that most of the information in a conversation is being stated. Cultures with a lower level of individualism are often less explicit and are thus based on high-context communication (Hofstede, 2001). In these cultures, less information is made explicit, so the receiver of this information uses their surroundings to understand the message.

### 2.4.4. Masculinity versus Femininity

The fourth dimension of Hofstede is Masculinity versus Femininity. This dimension examines the importance of different characteristics of the culture, such as quality of life and being assertive and career-focused, and the distribution of the gender roles (Hofstede, 2001; Hofstede, 2011). In other words, this dimension *"refers to the distribution of values between the genders which is another fundamental issue for any society, to which a range of solutions can be found"* (Hofstede, 2011, p. 12). In addition, the terms masculinity and femininity do not refer to any psychological features but rather to learned interpersonal interactions that are regarded as socially suitable in a particular culture (Hofstede, 2001).

In his studies, Hofstede found that Japan has the highest score on the Masculinity Index (MAS), with a score of 95. Also, German-speaking countries have rated high on this dimension. This means that these countries value challenging jobs, being paid a higher salary, and working more hours. In addition, the men in the family often make important buying decisions while the women do the household chores (Hofstede, 2001). Lower scores were found in Nordic countries, with the lowest score being given to Sweden (score of 5) (Hofstede, 2001). This means these cultures are more feminine, value quality of life, and prefer to work fewer hours but are paid slightly less (Hofstede, 2001; Hofstede and Hofstede, 2005). Often, a culture's history greatly affects how a culture scores on the MAS (Hofstede, 2001).

### 2.4.5. Long-term versus Short-term Orientation

The fifth dimension is Long-term versus Short-time Orientation. Hofstede added this dimension to the other four dimensions. This dimension examines whether a culture is more focused on the long-term, thus looking at the future, or on the short-term, thus looking more at the past and the present (Hofstede, 2011; Venaik, Zhu and Brewer, 2013). This long-term or short-term orientation can be seen in many aspects of one’s culture, for example, in their work life, family, and consumer behaviour (Hofstede, 2001). Initially, this dimension was examined using only 23 countries; however, nowadays, more countries have been added to the list (Hofstede Insights, 2022).

Based on the 23 countries that were included in the first research, Hofstede found that the country with the highest score for long-term orientation (LTO) is China, with a score of 118 (Hofstede, 2001). Having a high score for LTO is related to focusing more on the long-term, meaning that people often save their money and invest it, and long-term virtues are taught to children (Hofstede, 2001; Hofstede, 2011). The country with the lowest score for LTO is Pakistan, with a score of 0 (Hofstede, 2001). Countries with lower scores focus more on the short-term, prefer to spend their money instead of saving and investing it, and respect their traditions more than long-term oriented cultures (Hofstede, 2001; Hofstede, 2011).

Furthermore, Hofstede found a positive correlation between economic growth and LTO (Hofstede, 2001; Hofstede, 2011). Moreover, across wealthier countries, a negative correlation was found between LTO and IDV and a positive correlation between LTO and PDI (Hofstede, 2001).

#### 2.4.6. How the Literature Influences Instrumentation

Hofstede's cultural dimensions have been widely used in qualitative and quantitative studies (Hofstede, 2001). Using this model has helped researchers reduce their own bias and, therefore, were able to better compare different cultures (Jackson, 2020). Usually, the original four are used; however, the LTO is sometimes also included (Hofstede, 2001). Especially IDV is often used as a stand-alone dimension of culture (Hofstede, 2011; Matsumoto and Yoo, 2006). While this dimension significantly influences culture, it is said to be better to use multiple dimensions to get a more complete view of the culture (Matsumoto and Yoo, 2006).

While there are many advantages to using the cultural dimensions of Hofstede, there are also some weaknesses. First, the dimensions fail to recognise the difference between cultural and individual analyses (Hofstede, 2011). This means that part of the differences observed between two people might not be due to their culture but instead are due to their personalities. Thus, researchers should analyse as many cultural elements as possible and ask questions to their sample instead of taking over the original score that Hofstede has developed (Jackson, 2020; Matsumoto and Yoo, 2006). Doing so gives a more complete understanding of the culture and helps limit personal bias.

# 3. Methodology

## 3.1 Introduction

Research methodology can be defined as *“a scientific procedure of systematic and thorough investigation in a field of knowledge to unravel certain hidden facts or establish principles envisaged by experience, theorization or observation. Research also suggests ways for achieving the objectives”* (Agarwal, 2015, p. 1). In other words, research methodology explains how research is being done and why (Durdella, 2019). This includes the aims of the research, the methodological approach (quantitative, qualitative or mixed-methods), research strategies and the sources of the data, to name a few (Saunders, Lewis and Thornhill, 2019). Moreover, research methodology ensures that conclusions are based on a logical framework rather than opinions, so other researchers would come to similar conclusions if the same methods are used (Ghauri, Grønhaug and Strange, 2020).

The approaches and procedures used in research differ based on the type of studies and the overall goal of the research (Agarwal, 2015; Ghauri, Grønhaug and Strange, 2020). The methodology chapter guides the investigation's methods and procedures and explains these to the reader (Durdella, 2019).

## 3.2 Research Aims and Objectives

At the beginning of this research, the author has set research aims and objectives to help guide the studies.

### 3.2.1 Research Aims

As previously stated, the research methodology aims to help structure the methods and procedures during this study and examine which techniques are most suitable (Durdella, 2019; Saunders, Lewis and Thornhill, 2019).

This research aims to provide more insight into the effect of culture on millennial consumption behaviour, specifically luxury consumption. Building on the assumptions that both one’s generation and culture strongly affect their consumption behaviour (Assouad and Overby, 2016; Hofstede and Hofstede, 2005; Parment, 2013), this study will investigate these influences using Hofstede’s five dimensions. These dimensions are often used for cross-cultural studies (Hofstede and Hofstede, 2005; Venaik, Zhu and Brewer, 2013). While it is expected that millennials will be the primary consumer of luxury brands in 2025 (Dobre et al., 2021), little is known about how culture affects their purchasing behaviour. Therefore, this research will fill a gap in the literature, as explained in Chapter 1.

### 3.2.2 Objectives

Multiple objectives have been set for this research based on the research aims. These objectives are as follows:

1) To examine the effect of hierarchy and inequality on luxury consumption
2) To examine if tolerance for uncertainty influences luxury consumption
3) To examine if the level of individualism affects luxury consumption
4) To examine the effect of masculinity on luxury consumption
5) To examine if the focus on the long-term influences luxury consumption

## 3.3 Proposed Research Methodology

Models may be used to help researchers motivate why certain choices have been made regarding their methods and get an overall fit within the research methodology (Howard-Grenville et al., 2021). One of these models is the Research Onion by Saunders, Lewis and Thornhill (2009; 2019), see figure 3.1. The research onion addresses fundamental methodology aspects and helps researchers to understand which methods are appropriate for their research aims and objectives (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019).

The model comprises six layers that the researcher has to go through. The first layers of the research onion facilitate researchers to consider the larger philosophical underpinnings of the research. The following layers are related to the different design options and the time horizon of the research. When researchers have gone through these layers of the onion, they can focus on the core of the research, which is the data collection and analysis (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019). Thus, using the research onion helps to support the choice of data collection techniques and analysis procedures and establish an overall fit between the research and the chosen methods (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019).

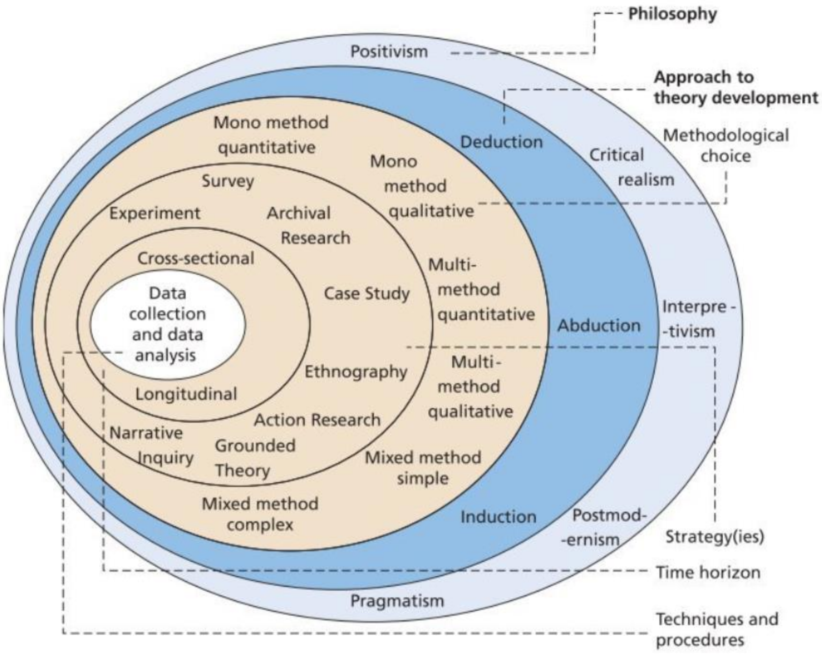


*Figure 3.1: Research Onion (Saunders, Lewis and Thornhill, 2019)*

The remainder of the methodology is based on this model. There will be looked at the research philosophy, research approach, research strategy, data collection, and data analysis. In addition to the model, the ethical issues and limitations of this research will be explained.

## 3.4 Research Philosophy

The first layer of the research onion is the research philosophy, as seen in figure 3.1. According to Saunders, Lewis and Thornhill (2019), *"research philosophy refers to a system of beliefs and assumptions about the development of knowledge"* (p. 130). The philosophy underlying the research significantly impacts how we do research and how the results are analysed and interpreted (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019). Moreover, this philosophy will be the basis of the research methods, strategy, data collection and analysis (Aliyu et al., 2015; Saunders, Lewis, Thornhill, 2019). Not recognising the philosophy underneath one's research can jeopardise the research design's integrity and validity (Moon and Blackman, 2014).

There is no one best research philosophy than fits all research (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019). Instead, it depends on multiple factors, such as the research question, the aims and objectives of the research, and the researcher. Nevertheless, it is crucial to state the research philosophy for others to understand the research and the choices that have been made better (Durdella, 2019). According to Saunders, Lewis and Thornhill (2019), there are three main research assumptions underlying the research philosophy: ontology, epistemology and axiology. These are explained in the following section.

### 3.4.1 Ontological, Epistemological and Axiological Assumptions

The first type of research assumptions is ontological assumptions. Ontology relates to the nature of reality (Aliyu et al., 2015; Durdella, 2019; Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019). Ontology is seen as the *"study of being"* (Aliyu et al., 2015; Gupta and Awasthy, 2015). It looks at which knowledge universally exists in the world and how people can acquire it (Moon and Blackman, 2014). Thus, it does not consider individual points of view of reality as epistemology does and, therefore, arguably, would not fit with the aims of this research.

The second type is epistemological assumptions. Epistemology relates to assumptions about knowledge, how we gain knowledge and how we communicate this knowledge to others (Aliyu et al., 2015; Durdella, 2019; Saunders, Lewis and Thornhill, 2019). Epistemology is known as the *"study of knowledge"* (Gupta and Awasthy, 2015; Moon and Blackman, 2014). Since this study focuses on understanding why millennial consumers are different from other generations and how this influences their consumption, the researcher feels that this approach aligns best. This means that the participants' points of view are used as a reliable source of information.

The third type is axiological assumptions. Axiology relates to the role of ethics and value within research (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019). Moreover, it involves not only the values of the study's participants, as epistemology does; it also involves the researcher's values (Saunders, Lewis and Thornhill, 2009). While the author has considered using the axiological approach, the researcher's values are not the basis of this research. Therefore, this type of assumptions has been rejected.

### 3.4.2. Positivism, Interpretivism, Postmodernism, Critical Realism and Pragmatism

According to Saunders, Lewis and Thornhill (2019), there are five paradigms related to ontology, epistemology and axiology. A paradigm *"represents a worldview that defines for its holder, the nature of the "world", the individual's place in it, and the range of possible relationships to that world and its parts"* (Aliyu et al., 2015, p. 3). These paradigms typically operate in the background of research; however, these greatly influence the methodology

(Durdella, 2019). The five paradigms Saunders, Lewis and Thornhill (2019) mentioned are positivism, interpretivism, postmodernism, critical realism and pragmatism.

Positivism is an objective paradigm (Durdella, 2019; Ghauri, Grønhaug and Strange, 2020; Gupta and Awasthy, 2015). Positivists prefer to remain neutral and try to detach themselves as much from the research as possible to be able to make generalisations (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019). According to Moon and Blackman (2014), positivism is *"inadequate for studying and understanding human-environment action"* (p. 1168) and therefore does not fit with the research aims and objectives.

Interpretivism instead interacts more with the participants and uses these individuals to understand and interpret the world around them (Ghauri, Grønhaug and Strange, 2020; Gupta and Awasthy, 2015; Moon and Blackman, 2014; Saunders, Lewis and Thornhill, 2009). As stated by Saunders, Lewis and Thornhill (2019), *"the purpose of interpretivist research is to create new, richer understandings and interpretations of social worlds and contexts"* (p. 149). Interpretivism critiques positivism as they disagree that knowledge can only be generated from objective observations using scientific methods (Moon and Blackman, 2014). Instead, interpretivism looks at individual, subjective cases to explore new topics and gain knowledge (Moon and Blackman, 2014; Saunders, Lewis and Thornhill, 2019). This aligns with the aims and objectives of this research and, therefore, will be considered as the basis of this research.

Postmodernism is similar to interpretivism; however, it goes further in its critique against positivism and its objectivity (Saunders, Lewis and Thornhill, 2019). Postmodernism challenges what is already known and tries to stimulate innovation (Moon and Blackman, 2014). While this could fit with the aims of this research, it is said that postmodernism is used *"to challenge radically the established ways of thinking and knowing"* (Saunders, Lewis and Thornhill, 2019, p. 150). This does not align with the aims of this research, and therefore this paradigm will be rejected.

Critical realism believes that people experience sensations instead of real things (Saunders, Lewis and Thornhill, 2009). As mentioned by Saunders, Lewis and Thornhill (2019), *"critical realists see reality as external and independent, but not directly accessible through our observation and knowledge of it"* (p. 147). Moreover, critical realists recognise the importance of multi-level research, thus researching at the individual, group and organisation level, and they believe that reality is constantly changing (Saunders, Lewis and Thornhill, 2009). While this latter would align with the research due to generational differences that change consumer behaviour, the rest does not. Therefore, this paradigm has been rejected.

Pragmatism is open to diversity, both in the methods and philosophy, as long as it fits the research problem (Moon and Blackman, 2014; Saunders, Lewis and Thornhill, 2019). Thus, it is the only philosophy that recognises the need for mixed-method research, as the other four philosophies prefer using one research method. Furthermore, according to pragmatists, *"researchers should provide solutions to practical problems"* (Ghauri, Grønhaug and Strange, 2020, p. 18). Since this is not the aim of this research, this paradigm has been rejected.

After critically analysing the five paradigms Saunders, Lewis and Thornhill (2019) suggested, the researcher has chosen to use the interpretivism paradigm as it fits best with the aims and objectives of this research.

## 3.5 Research Approach

The next layer of the research onion examines the different research approaches, meaning deductive versus inductive research. The research approach is the basis of further methodological choices (Saunders, Lewis and Thornhill, 2019).

### 3.5.1. Deductive versus Indictive

In deductive research, a conclusion is derived from theory and hypotheses (Aliyu et al., 2015; Saunders, Lewis and Thornhill, 2019). Based on the results of the research, the existing theory and hypotheses will be accepted or rejected (Ghauri, Grønhaug and Strange, 2020). This research approach is based on logic and is used to generalise the results (Ghauri, Grønhaug and Strange, 2020; Saunders, Lewis and Thornhill, 2019). Moreover, often deductive research uses quantitative research methods and it aligns best with the positivist paradigm (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019).

With inductive research, a theory is derived from empirical observations, which then is used to come to a conclusion (Aliyu et al., 2015; Ghauri, Grønhaug and Strange, 2020; Saunders, Lewis and Thornhill, 2019). Thus, this is the opposite direction compared to deductive research. Since the conclusion is based on empirical observations, it is more difficult to generalise the results and come to a conclusion that is 100% true (Ghauri, Grønhaug and Strange, 2020). Inductive research is often qualitative, using a small sample size (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019). In addition, this approach fits best with the interpretivism philosophy and is often used to explore relatively new topics (Saunders, Lewis and Thornhill, 2019).

The differences between deductive and inductive research are summarised in figure 3.2. Since the characteristics of inductive research align best with the aims and objectives, the researcher has decided to use this research approach.

**Deduction emphasises**

- scientific principles
- moving from theory to data
- the need to explain causal relationships between variables
- the collection of quantitative data
- the application of controls to ensure validity of data
- the operationalisation of concepts to ensure clarity of definition
- a highly structured approach
- researcher independence of what is being researched
- the necessity to select samples of sufficient size in order to generalise conclusions

**Induction emphasises**

- gaining an understanding of the meanings humans attach to events
- a close understanding of the research context
- the collection of qualitative data
- a more flexible structure to permit changes of research emphasis as the research progresses
- a realisation that the researcher is part of the research process
- less concern with the need to generalise

*Figure 3.2: Differences between deductive and inductive research (Saunders, Lewis and Thornhill, 2009)*

## 3.6 Research Strategy

The following layer in the research onion examines the research strategy, including the research method and time horizon. The choices made for the research strategy affect the limitations of the research and the ethical considerations (Saunders, Lewis and Thornhill, 2009; Saunders, Lewis and Thornhill, 2019).

### 3.6.1 Quantitative versus Qualitative Research

First, the decision between quantitative and qualitative research needs to be made. Quantitative research is used to examine a relationship between two or multiple variables (Aliyu et al., 2015; Saunders, Lewis and Thornhill, 2019). Thus, a theory or hypothesis is tested using the data that the research has collected. Quantitative research focuses on numbers. Furthermore, to ensure generalizability, quantitative research employs probability sampling (Walle, 2015). The ability to generalise the results of quantitative research is often seen as a strength; however quantitative research is unable to gain a deeper understanding of the phenomena.

Qualitative research focuses more on non-numerical aspects, such as words and images (Aliyu et al., 2015; Saunders, Lewis and Thornhill, 2019). As stated by Gupta and Awasthy (2015), the focus of qualitative research *"is on understanding people's world, interpreting their experiences and making sense out of it"* (p. 13). The main strength of qualitative research is the ability to gain a deeper understanding of phenomena due to the interaction between the researcher and the participants. However, information gained through qualitative research is less generalisable than information from quantitative research (Gupta and Awasthy, 2015; Walle, 2015).

Researchers can decide whether to use one of these types of research, using a single data collection technique (mono-method) or multiple techniques (multi-method). Otherwise, researchers can choose to use data collection techniques from both qualitative and quantitative research (mixed-methods) (Saunders, Lewis and Thornhill, 2009).

### 3.6.2 Research Choice

After critically analysing the possible research strategies, the researcher has decided to utilise a qualitative mono-method approach. The reason for this is the fit between the research strategy and the previously mentioned aims and objectives. The method that has been chosen is to conduct interviews, which will be further explained in section 3.7. Moreover, regarding the time horizon, the research has decided to use cross-sectional research due to time constraints. Cross-sectional research can be defined as *"involving the study in a particular phenomenon (or phenomena) at a particular time"* (Saunders, Lewis and Thornhill, 2019, p. 212).

## 3.7 Qualitative Data Primary Collection

There are different data collection techniques that can be used with qualitative research, such as observations, case studies, ethnography or interviews (Aliyu et al., 2015; Gupta and Awasthy, 2015; Saunders, Lewis and Thornhill, 2009). Due to the time constraints, there has been chosen to conduct interviews.

There are different types of interviews, such as structured or unstructured interviews, often called in-depth interviews. Structured interviews stick to the questions that were created before the interviews and do not deviate from them (Agarwal, 2015; Saunders, Lewis and Thornhill, 2019). This is done to avoid or minimise the researcher's bias (Saunders, Lewis and Thornhill, 2009). However, structured interviews do not give the researcher the ability to ask other questions that might arise during the interview or dive deeper into certain topics. Therefore, this technique is often used in quantitative instead of qualitative research.

In-depth interviews instead have more freedom than structured interviews. Before the interview, some questions and themes have been established; however, the researcher may deviate if needed (Saunders, Lewis and Thornhill, 2019; Walle, 2015). However, this means that there is a possibility that not all participants are asked the same questions, which make it more difficult to compare results and generalise them. In-depth interviews focus more on the opinion and beliefs of the participant (Agarwal, 2015; Aliyu et al., 2015). Often the questions in in-depth interviews are open-ended to allow the participant to talk freely and give as much detail as they want (Walle, 2015).

After critically analysing the different data collection techniques, the researcher decided to use in-depth interviews as they best fit the aims and objectives of this research. Before the interviews, a list of themes and questions has been established to guide the researcher. However, the researcher may ask additional questions if needed. Moreover, the interviews were held remotely due to the geographical location of the researcher and the participant.

## 3.8 Population

One of the last steps of the methodology is to establish a list of participants. Since the chosen data collection technique is in-depth interviews, only a small number of people are interviewed, as the interviews are often time-consuming (Gupta and Awasthy, 2015; Walle, 2015).

The researcher has interviewed a total of 6 individuals. Four out of six (67%) are female, and the remaining two (33%) are males. The participants are born between 1980 and 2000 and have either a Dutch or an Italian nationality (50% Dutch nationality, 50% Italian nationality). Information about each participant can be found in table 1. Personal information about the participants has been removed to ensure their anonymity. These individuals have been chosen based on their demographics, availability and accessibility.

| | |
|---|---|
| **Participant 1:**<br>Female<br>Born: 1999<br>Nationality: Dutch | **Participant 2:**<br>Male<br>Born: 2000<br>Nationality: Dutch |
| **Participant 3:**<br>Female<br>Born: 1998<br>Nationality: Dutch | **Participant 4:**<br>Male<br>Born: 1996<br>Nationality: Italian |
| **Participant 5:**<br>Female<br>Born: 1998<br>Nationality: Italian | **Participant 6:**<br>Female<br>Born: 1997<br>Nationality: Italian |

*Table 3.1: Participant Information*

## 3.9 Analysing Qualitative Data

Last, the data analysis technique needs to be considered. For qualitative data, recordings are generally used (Durdella, 2019; Saunders, Lewis and Thornhill, 2019). Lately, researchers have used video recording more and more. This helps to capture both the verbal and non-verbal responses of the participants (Howard-Grenville et al., 2021). Moreover, recording the interviews allows the researchers to go over them again after the interviews have been held and compare them (Durdella, 2019; Howard-Grenville et al., 2021). However, to ensure the anonymity of the participants, there has been chosen to use audio recordings instead of video recordings. This allows the researcher to go over what the participants and the researcher said. To capture any interesting non-verbal response, the researcher took notes during the interviews.

## 3.10 Ethical Issues

As stated by Saunders, Lewis and Thornhill (2019), *"ethics refer to the standards of behaviour that guide your conduct in relation to the rights of those who become the subject of your work or are affected by it"* (p. 252). When conducting research, ethical concerns may come up. However, it is crucial to consider these ethical issues beforehand to be able to minimise or, if possible, overcome them (Durdella, 2019; Saunders, Lewis and Thornhill, 2009).

Before the interviews, the purpose of the research was explained to the participants. Furthermore, the researcher explained to the participants how the interviews are used and how their data will be stored. After that, the participants were asked for their consent to audio record the interviews. Furthermore, the participants remain anonymous and their data will be stored in a password-protected folder. This folder will be deleted when the results of this research have been released. Moreover, the participants were given the option to withdraw from the research at any given time if needed.

In addition, before the interviews, an ethical form was filled out with the National College of Ireland to ensure that all participants are treated ethically during the research.

## 3.11 Limitations to the Research

Every piece of research has limitations (Saunders, Lewis and Thornhill (2019). Therefore, also this research has some limitations that need to be considered.

This research has been conducted using a rather small sample size. Therefore, the results may be subjective and contain some bias. Accordingly, the results cannot be generalised. If there were no time constraints, the researcher would have been able to conduct more interviews to increase the sample size and gain more knowledge. Moreover, how the questions were asked and interpreted by the research may also impact the results (Saunders, Lewis and Thornhill, 2009). Since the interviews were held in a language different from the native language of the participants, there may be some misunderstanding in the questions and responses. By using open-ended questions, letting the participants talk freely and asking follow-up questions, the researcher has tried to limit this as much as possible.

# 4. Research Findings and Discussion

## 4.1 Introduction

Culture can significantly affect consumer behaviour (Eastman and Liu, 2020; Ko et al.,2019; Shukla and Rosendo-Rios, 2021), as highlighted in chapter 2. Using the research methods explained in chapter 3, the researcher aimed to get more insight into the effects of culture on luxury consumption for millennial consumers in Italy and the Netherlands. To better understand the different aspects of each culture, the cultural dimensions of Hofstede (2001) have been used. The interviews give more insight into the personal opinion of the participants on this topic. These perspectives were compared to existing literature to explore and, if possible, fill any gaps in the literature.

## 4.2 Qualitative Research Findings

This chapter is structured as follows: The researcher established some interview questions and themes for each objective. These will be dealt with individually, based on the interviews and existing literature. The interview questions that were established before the interviews can be found in appendix 1.

Three out of the six participants said to have bought at least one item from a luxury brand; however, they mentioned that they usually purchase at luxury brand outlets instead of boutiques due to the price differences. Two of these three have an Italian background, and one has a Dutch background. These participants all mentioned that quality was one reason for buying from a luxury brand. In addition, interviewee 5 said she also buys luxury items for their exclusivity compared to most fast-fashion brands and the aesthetics.

### 4.2.1 Objective 1 – To examine the effect of hierarchy and inequality on luxury consumption

The first objective examines how power distance influences luxury consumption. This objective has been split into three themes that will be dealt with individually. These themes are hierarchy and inequality in society, hierarchy in daily lives, and hierarchy and consumer behaviour.

#### *4.2.1.1 Hierarchy and Inequality in Society*

The six participants have similar views on hierarchy and inequality in society. Each of them felt that sometimes there is more hierarchy and sometimes less, depending on the situation and the people involved. However, participant 6 mentioned that the power distance between student and teacher in Italy is higher than in other countries, such as the Netherlands. *"The relationship between student and teacher is rather formal in Italy. This creates a larger distance between the student and the teacher"* (Participant 6). These observations align with Hofstede's scores, 52 for Italy and 37 for the Netherlands (Hofstede, 2001). More recently, both countries have been rated again, scoring 50 for Italy and 38 for the Netherlands, bringing the two cultures slightly closer together (Hofstede Insights, 2022). These numbers show a slight difference in power distance between the two countries; however, both have a medium score.

#### *4.2.1.2 Hierarchy in Daily Lives*

The researcher aimed to get a deeper understanding of the effect of power distance on the participants' daily lives. Participants 1, 2 and 3 stated a low power distance at work and in their families. *"My colleagues are all more or less my age. This creates a fun environment where it feels more like a friendship than only colleagues. Also, my boss is really open and often joins the team when we go out together"* (Participant 3). The other three participants (participants 4, 5 and 6) have different points of view. While in their families, the power distance is also relatively low, at work, there are more considerable differences. There is a strong hierarchy based on age, experience and position. Again, these differences between the two cultures align with the existing literature of Hofstede (Hofstede and Hofstede, 2005; Hofstede, 2011).

#### *4.2.1.3 Hierarchy and Consumer Behaviour*

All participants graduated in the past five years and, therefore, have a lower position at work, thus a lower status. However, since all six participants are graduates, they have a higher status within their close surroundings and society. Therefore, the researchers examined if the participants felt the need to show off their status and importance to impress others or if they focused on themselves. Participants 1, 4 and 6 stated that they purchase items they feel comfortable in and look at the price-quality level. For participants 1 and 4, this means they sometimes buy luxury brands. Participant 2 mentioned that he tries to dress like others around him, especially at work, to ensure he is dressed appropriately. *"I noticed everybody at the office wears shirts from, for example, Ralph Lauren, Tommy Hilfiger, and Hugo Boss. So, I started buying more items from these brands as well. However, I already owned some shirts from these* *brands as they also fit my style. So, it is not that I am only buying from these brands to fit in"* (Participant 2). While these are well-known brands, they are not considered luxury brands due to the price point and the availability (Dobre et al., 2021; Kapferer and Valette-Florence, 2016). Nevertheless, according to the literature, this buying behaviour would fit more with countries scoring higher on the PDI (Hofstede, 2001; Hofstede, 2011).

Participant 5 stated that she usually goes shopping with friends, which partly influences which brands she buys. Thus, she sometimes buys luxury brands because they fit her style and due to the influence of her peers, rather than due to the power distance in her culture. This corresponds with the literature. Millennials are more influenced by their peers than older generations (Parment, 2013; Valaei and Nikhashemi, 2017). This influences which brands are being purchased and which items.

To conclude, power distance does not influence the luxury brand consumption of millennials. Nevertheless, millennials are often influenced by peers, which affects their consumer behaviour. Thus, luxury brands can use this information by targeting millennials through their peers and close surroundings to attract a bigger audience.

#### 4.2.2 Objective 2 – To examine if tolerance for uncertainty influences luxury consumption

The second objective examines whether uncertainty avoidance influences the luxury consumption of millennials. To gain a deeper understanding of uncertainty, the researcher first asked the participants their opinion about uncertainty avoidance within their culture. After that, their personal experience concerning uncertainty is examined. Last, the participants were asked if they feel that how they deal with uncertainty influenced their consumer behaviour, specifically regarding luxury brands.

##### *4.2.2.1 Cultural Uncertainty Avoidance*

Regarding cultural uncertainty avoidance, participants 1, 2 and 3 responded similarly. All three participants pointed out that the Dutch government has many laws and rules that help people in uncertain situations, such as when they get sick or lose their job. In addition, participant 1 mentioned that she feels people save a big part of their income for a rainy day. Participants 4, 5 and 6 also noticed that people in their culture are prepared for uncertain situations; however, in a slightly different way. *"I feel that Italians prepare for uncertain situations by investing in property. I see many people who own multiple houses, often inherited from parents and grandparents, and they keep the house in the family for the future instead of* *selling it"* (Participant 4). These observations slightly contradict the scores given to each culture on the UAI. In his studies, Hofstede gave Italy a score of 75 and the Netherlands a score of 53 (Hofstede Insights, 2022; Hofstede, 2001). This would suggest more considerable differences between the countries in their uncertainty avoidance. However, this is not perceived this way by the participants as both cultures are rather prepared for uncertain situations, and thus especially the Netherlands should rate higher on the UAI according to the participants.

#### *4.2.2.2 Personal Uncertainty Avoidance*

Uncertainty avoidance is partly a cultural trait; however, also partly a personal trait (Hofstede, 2001). Therefore, the participants were asked how they deal with uncertainty avoidance. All participants mentioned similar behaviours as previously mentioned. Participants 4 and 5 noted that their families own multiple houses. Moreover, most participants highlighted that they try to save a part of their monthly salary. Likewise, the Dutch participants stated similar behaviour as before. *"I do not do much myself to prepare for any uncertain situations in the future. The Dutch government has many laws that help citizens in these situations to help them survive and get back on their feet"* (Participant 1).

The participants' responses do not differ between cultural and personal uncertainty avoidance. This may be because often, how people deal with uncertainty is transferred by the family, schools and the government (Hofstede, 2001).

#### *4.2.2.3 Uncertainty and Consumer Behaviour*

The participants were asked if uncertainty affects their luxury brand consumption. Most participants agreed that uncertainty negatively impacts their consumer behaviour, meaning that the more uncertainty they experience, the less money they would spend on luxury brands. Participant 5 did not agree with this. *"I have not had uncertain situations that have changed my luxury consumption as of now. I think that is because I am currently studying towards my master's degree and I am living with my parents, so I can spend the money I earn with my job how I want"* (Participant 5). This statement is in line with the literature that suggests that millennials living at home save less money and spend more on materialistic items (Glover and Gibson, 2017; Ramos-Ortiz et al., 2020).

To conclude, the differences between the participants suggest that uncertainty avoidance is more a personality trait than a cultural one. This is because the cultural scores differ; however, the participants' behaviour is similar. Thus, professionals can use this information to not group their audience by their culture but by their personality.

### 4.2.3 Objective 3 – To examine if the level of individualism affects luxury consumption

The third objective examines whether or not the level of individualism and collectivism affects luxury consumption for millennials. This section is split up into the general culture, differences within the culture and personal buying behaviour.

#### *4.2.3.1 Individualistic versus Collectivistic Cultures*

The participants were asked to describe their culture based on Hofstede's individualistic versus collectivistic dimension (Hofstede, 2001). The Dutch participants (participants 1, 2 and 3) agreed to describe the Dutch culture as more individualistic than collectivistic. This is in line with the literature about Dutch culture (Besamusca and Verheul, 2010) and previously stated statistics (Eurostat, 2021; Statista, 2021). However, all three participants agreed that there are significant differences between one family and another, which will be further explained in section 4.2.3.2. The three Italian participants all would describe their culture more as collectivistic. Again, this corresponds with the existing literature about Italian culture, mentioning the strong family ties in most Italian households (Glover and Gibson, 2017; Killinger, 2005). However, these observations contradict the observation made by Hofstede. Hofstede gives the Netherlands a score of 80 and Italy a score of 76, which suggests that both cultures are rather individualistic (Hofstede Insights, 2022; Hofstede, 2001; Hofstede, 2011). While all participants agree with the Netherlands' score, they feel Italy should have a lower score.

#### *4.2.3.2 Difference in Individualism within Cultures*

The participants were asked about their living situations to understand the differences within one culture on the IDV. According to Hofstede (2001), cultures with a higher score on the IDV often live in smaller groups (for example, parents with their children) or even alone. In contrast, cultures with lower scores on the IDV often live in bigger groups (for example, grandparents, parents and children).

The responses of the participants were somewhat mixed. Participants 1 and 3 mentioned that they were living alone and had been doing so since the age of 18. This is even younger than the average age of 25, as stated by Eurostat (2021). Nevertheless, it is in line with the notion of individualism being stimulated throughout Dutch society (Besamusca and Verheul, 2010). Participant 2 mentioned that he is still living at home with his parents. *"For now, I still prefer to live at home, even though I have a full-time job. I just do not want to leave my mom and dad alone, and I love being able to spend much time together"* (Participant 2).

Also, participants 5 and 6 stated to live at home; however, both households are composed of grandparents, parents and children. Participant 6 mentioned this is often the case in Italy, especially in smaller towns. Participant 4 stated to have moved out recently. *"I recently moved out of my parents' house to live with my girlfriend. Before that, I lived with my parents and grandparents; however, during my studies, I have also lived with some friends for a few years"* (Participant 4). These observations highlight the fact that family is important in the Italian culture, which also came forward in the literature review (Glover and Gibson, 2017; Killinger, 2005)

These participants show differences within the cultures; however, generally speaking, the Netherlands would rank higher on the IDV than Italy, not fully supporting Hofstede's score of the Italian culture (Hofstede Insights, 2022; Hofstede, 2001).

#### *4.2.3.3 Individualistic and Collectivistic Buying Behaviour*

The participants were asked who influences their buying decisions and who pays for expensive purchases to analyse how the IDV affects luxury brand consumption. Both these two topics have been related to the level of individualism (Hofstede, 2001; Hofstede, 2011) and may help marketers of luxury brands to understand better the customer buying journey and therefore target their audience more effectively.

All participants agreed that in the end, they make their own buying decision; however, often peers and sometimes parents influence their buying decision. In addition, three out of the four females (participants 1, 3 and 5) said to be influenced by social media and online influencers. *"I get my inspiration for fashion items mostly online and through my friends. I follow some influencers whose style I like and get advice from friends when we are shopping. Therefore, I would say that mainly these people affect my buying decisions"* (Participant 1). These statements are consistent with the literature about millennial consumers, which states that these consumers are generally influenced by peers and social media (Parment, 2013; Valaei and Nikhashemi, 2017). Moreover, these observations show that there is mainly a difference between the genders rather than between the two cultures.

When asked who pays for expensive purchases, five out of the six participants stated that usually, their parents pay for it together. Participant 1 said that her parents buy these products separately, but only because her parents are divorced and thus have different needs. This contradicts the theory that in less individualistic cultures, the man of the family pays for expensive purchases (Hofstede, 2001).

To summarise, the participants' responses suggest that the level of individualism in one's culture does not affect millennials' luxury consumption. Even in more individualistic cultures, millennials influence each other and are influenced through social media. Thus, professionals can use this information to target millennials through influencers and peers both in individualistic and collectivistic cultures.

### 4.2.4 Objective 4 – To examine the effect of masculinity on luxury consumption

The fourth objective examines if masculinity affects luxury consumption. To understand the masculinity level in both cultures, the participants were first asked about the distribution of gender roles. Next, the participants were asked who in their surroundings makes most of the important buying decisions since, according to Hofstede (2001), this often shows the level of masculinity. Last, the participants were asked about their values and reasons for consuming luxury brands.

#### *4.2.4.1 Gender Roles in Society*

When asked about the gender roles in society, there was a clear distinction between the Dutch and the Italian culture. Participants 1, 2 and 3 mentioned that the tasks are often relatively equally divided between men and women. Both parents often work, do household chores, and take care of the children. Nevertheless, participant 3 mentioned that more women than men work part-time to stay home with the children, clean the house, and do groceries, including in her family.

Participants 4, 5 and 6 all agreed that generally, men work to provide for their families, while the women stay at home, cook, clean, and take care of the children. However, also here, there are exceptions and differentiations between families. For example, participants 4 and 5 mentioned that their mother is working part-time. These responses suggest that Italy has a higher score on the MAS than the Netherlands, meaning that Italy is more masculine than the Netherlands. This is in line with previous literature stating that Italy scored 70 on the MAS and the Netherlands only 14 (Hofstede Insights, 2022; Hofstede, 2001; Hofstede, 2011). However, the difference between the two cultures may be smaller based on the participants' responses than previously stated.

#### *4.2.4.2 Gender Roles in Buying Behaviour*

According to Hofstede (2001), in a more masculine culture, the men of the house are responsible for making important buying decisions. Therefore, the participants were asked their personal opinion about buying decisions in their surroundings. The responses were varied.

Participants 1 and 5 stated that important buying decisions are made together in their families. Thus, parents, and sometimes even the children, decide together what is needed, where to buy it, and how much to spend. Participant 2 mentioned that often his father makes the most important buying decisions. *"My dad can be rather impulsive. Therefore, he often buys expensive things without discussing them with my mom or me. Luckily, he often works from home, so he knows what we need, and usually he spends the money well"* (Participant 2). The others (participants 3, 4 and 6) mentioned that often their mother makes important buying decisions. All agree that their mother is usually at home and therefore knows what the family needs. *"My mom makes most of the buying decisions. Sometimes she does ask my dad for his opinion, but more to make him feel included than because she cares about his opinion. I mean, he is often at work, so he does not know what the family needs from that point of view"* (participant 6).

These answers show that masculinity may not influence the buying decision, as stated by Hofstede (2001), since the more masculine culture often has women decide instead of men, according to the interviews.

#### *4.2.4.3 Personal Perspective on Gender Roles*

To examine if the MAS affects the personal luxury consumption of the participants, they were asked which values they find important and what would be their main reason for purchasing luxury brands. The first question helped to understand if the participants were more masculine or feminine, as values are an essential indicator of this dimension (Hofstede, 2001; Hofstede, 2011). As expected, the responses were rather different.

Participants 1 and 6 agreed that equality is the most important value for them. They stated that currently, there is a big gap between the two genders in many different ways, for example, in salaries. This value aligns most with the feminine side of this fourth dimension. Participants 2 and 5 both mentioned that health is important to them. Participant 2 also valued happiness, whereas participant 5 values family in addition to health. Nevertheless, all these values fit most with femininity.

Participant 4 stated to value the most quality of life. *"When I was a bit younger, I would have valued money and financial stability more. However, recently I noticed how important quality of life is. Maybe I do not have the most money in the world, but I am in a place where I can enjoy the small things in life, such as the sunset, reading a good book and delicious food. That is what I value most in life right now"* (Participant 4). This mindset would again fit best with the feminine side of this dimension. Only participant 3 valued financial stability, which suits best with masculinity. Thus, while on a cultural basis, the Netherlands would be more feminine and Italy more masculine, five out of six participants have more feminine values.

When asked what would be the main reason for purchasing luxury brands, all participants agreed that one factor was the usual higher quality of these products. According to existing literature, this is often why people buy from luxury brands (Badaoui, Lebrun and Bouchet, 2012; Dobre et al., 2021; Giovannini, Xu and Thomas, 2015; Sádaba and Bernal, 2018). This reason aligns with most participants' feminine side of the MAS. Another reason that the participants often mentioned are the aesthetics of the products. Again, this is usually stated as a reason to buy luxury brands (Butcher, Phau and Shimul, 2017; Ko, Costello and Taylor, 2019). Since this is a personal opinion, it does not fit with either one of the sides. In addition, participant 5 mentioned buying luxury brands since they are more exclusive than fast fashion items and thus are more original and often have a higher status connected to them. Also, this reasoning has often been explained as an argument for purchasing luxury brands (Badaoui, Lebrun and Bouchet, 2012; Butcher, Phau and Shimul, 2017; Eastman and Liu, 2012; Latter et al., 2010). This reason aligns with the masculine side of this dimension. Considering that participant 5 stated to have more feminine values, this would contradict the view that this dimension influences luxury brand consumption.

To summarise, the responses show that the level of masculinity only partly influences luxury brand consumption. Participant 5 has a low personal score on the MAS, but one reason for buying luxury brands would fit with a high level of masculinity. Nevertheless, based on the other participants, the masculinity level could explain why people buy luxury brands, which marketers of these brands can use to advance by promoting the aspects of their product that fit most with their values.

#### 4.2.5 Objective 5 - To examine if the focus on the long-term influences luxury consumption

The fifth dimension examines whether long-term focus affects luxury consumption. First, the participants were asked if their culture focuses more on the long-term or the short-term, followed by their personal opinion. After that, participants were asked about their purchasing behaviour, specifically toward luxury brands.

#### *4.2.5.1 Long-term versus Short-term Orientation*

The participants were asked if they feel their culture focuses more on the present or the future and their traditions since these questions indicate where a culture scores on the long-term dimension (Hofstede, 2001; Hofstede, 2011).

All six participants agreed that their cultures focus on both the present and the future. *"I feel that the Dutch culture tries to focus on living in the present and enjoying it while it lasts, but at the same time prepares for the future by saving money and plan accordingly"* (Participant 3). The other participants had similar responses. Nevertheless, the Italian participants agreed that their culture has many different traditions. These traditions slightly differ between the different regions; however, they are an important part of life all around Italy. In his original studies, Hofstede (2001) gave the Netherlands a score of 44, meaning that there are slightly more focused on the short-term than the long-term. However, in this research, Italy was not considered.

Nevertheless, Italy has gotten a score of 61 more recently (Hofstede Insights, 2022). In this more recent study, the Netherlands received a score of 67 (idem), meaning that nowadays, the Netherlands is more focused on the long-term, and there is only a slight difference between the two cultures. The responses of the participants support this.

#### *4.2.5.2 Personal Focus*

The participants were asked whether they preferred to save or invest their money for the future or spend it immediately. Participants 1, 3 and 4 said to choose to save and invest money. *"I am trying to save as much as possible now that I have a job, to be able to buy a house in the future"* (Participant 4). Also, participants 1 and 3 mentioned saving money to buy a house in the future, and, in addition, they both said that they save money to pay off their student debts. Participant 2 said to save 20% of his monthly income and spend the remaining part.

Participants 5 and 6 mentioned not focusing on saving money; however, if they have money left at the end of the month, they put it in a saving account for later. These observations match the scores previously mentioned (Hofstede Insights, 2022). In addition, these responses are also in line with the statement that millennials living at home are more inclined to spend their money instead of saving it compared to millennials living on their own (Butcher, Phau and Shimul, 2017; Glover and Gibson, 2017; Ramos-Ortiz et al., 2020).

#### *4.2.5.3 Long-term Orientation and Luxury Consumption*

The participants were asked about their consumer behaviour, specifically luxury consumption, to examine the relationship between long-term focus and luxury consumption. Participants 1 and 4 mentioned not splurging on clothing and accessories; however, both are willing to spend more on luxury items if they need something and know they will use it for a long time. The other participants mentioned spending more money on clothes. Participants 3, 5 and 6 mentioned sometimes splurging on clothing, including more expensive (luxury) items, especially when shopping with friends. *"I do not go shopping every day, so when I do go shopping, I sometimes allow myself to splurge a bit more and buy things I do not necessarily need but that are trendy at the moment"* (Participant 5). It has been said that millennials go shopping without the need for anything more often than older generations (Parment, 2013), so this response supports this notion.

To conclude, the participants from both cultures show similar consumer behaviour, and their score for this dimension is relatively close to each other. Both cultures focus slightly more on the long-term than the short-term and divide their money between saving, investing and spending. The participants from both cultures purchase luxury brands occasionally. Thus, this suggests that the LTO can be used to predict luxury brand consumption since a similar score of the LTO shows similar behaviour. Nevertheless, this needs to be researched using other cultures with more extreme scores to get more reliable results.

# 5. Conclusion and Recommendation

## 5.1 Conclusion

The overall goal of this research was to examine if culture influences millennials' luxury consumption. In response to the research objectives outlined in Chapter 3, which are discussed and analysed in Chapter 4, it is believed that the research objectives have been accomplished. Moreover, a deeper understanding of the topic has been obtained. Through conducting and critically analysing in-depth interviews, the researcher has gained a deeper understanding of millennials' luxury consumption and what influences this.

Based on the results of the primary research data analysis, it can be said that culture partly affects millennials' luxury consumption. Especially the MAS and the LTO influence luxury consumption. The level of MAS affects why millennials purchase luxury brands. The results suggest that cultures with low scores on the MAS purchase luxury brands for having better quality than most fast-fashion brands. Higher scoring cultures focus more on the exclusivity of the products and the status they have. In addition, the participants' responses suggest that the level of LTO affects whether millennials purchase luxury brands and how often they purchase them. Higher scores are connected to not buying luxury items regularly, as people from these cultures try to save and invest money for the future. However, sometimes millennials from these cultures prefer to invest in higher-quality items instead of buying cheaper, lower-quality ones. Millennials from cultures with lower scores are more likely to purchase luxury brands more often, as they see less need to save their income. Nevertheless, since both cultures used in this study have similar scores, more research needs to be done on cultures with more extreme scores to determine if there are similar results.

Nonetheless, the PDI, UAI and IDV have not affected luxury consumption within this sample. Millennials are often influenced by their peers and social media (Butcher, Phau and Shimul, 2017; Dobre et al., 2021; Kang et al., 2022; Shaari, Hamid and Mabkhot, 2022), which the participants supported. Therefore, the level of PDI and IDV have little effect on the consumer behaviour of millennials. In addition, how UAI affects millennials in their consumer behaviour has turned out to be more a personal trait than a cultural one. Therefore, the cultural level of UAI does not influence millennials' luxury consumption.

## 5.2 Recommendations

The recommendations section is divided between recommendations for future research and recommendations for professionals.

### 5.2.1 Recommendations for Future Research

The current research has revealed several discussion topics that merit further investigation. Due to the qualitative nature of this research, it has only scratched the surface of the cultural effect on millennials' luxury consumption. Thus, future research could study cultural effects on millennial consumer behaviour in a broader sense, using a large sample or using quantitative methods. This would allow the results to be more generalisable. Similarly, this research can be done with millennials from more different cultures, for example, using more than two cultures to compare and including cultures outside of Europe. Moreover, researchers can include multiple generations in their study. This would give a more complete overview of cultural effects on luxury consumption, which professionals can use.

Furthermore, this research uses the cultural dimensions by Hofstede. Using this model limits the culture to only five aspects. Thus, other, more inclusive models may be used to analyse culture differently, which may give a more complete overview of the effects of culture on luxury consumption. An example of such a model is Schwartz's ten motivationally distinct types of values (Matsumoto and Yoo, 2006). Since this model includes ten aspects of culture, it may help to understand one's culture better.

Last, since this research has shown that culture only partly influences millennials, future research can investigate what affects luxury consumption for millennials besides culture. This would allow professionals to use other tactics in their marketing strategy. Moreover, this would give a more complete view of millennial consumer behaviour, which is still lacking in the existing literature.

### 5.2.2 Recommendations for Professionals

Based on the findings presented in chapter 4, the researchers suggest the following recommendations to professionals to potentially improve the marketing strategies for millennial luxury consumers.

While there is a debate about whether luxury brands should use social media as a marketing tool since it contradicts their exclusivity (Tungate, 2011), they should use it to target millennials as the results show that social media highly influence millennials. Nevertheless, luxury brands can implement more personalisation and limited products to keep exclusivity.

This can be done for millennials from different cultural backgrounds, as the results suggest no differences between cultures concerning the use and influence of social media.

Furthermore, professionals can use the cultural levels on the MAS and LTO to slightly change their marketing and advertising and highlight different aspects of the brand for different cultures. For example, for cultures with a low score on the MAS, marketers can highlight the quality of their products, whereas, for cultures with a high score on the MAS, they can focus on exclusivity and personalisation. Similarly, marketers can focus on the quality and durability of their products for cultures with a high score on the LTO, whereas they can focus on trends for cultures with a low score on the LTO. Doing so helps attract and attain more customers as the values that are important to each customer are pointed out. Nevertheless, this study needs to be conducted using more cultures and participants to test whether these results are robust.

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# Appendix 1: Interview Questions

***Part 1: Power Distance and Luxury Consumption***

Q 1.1 Do you feel that there is much hierarchy and inequality in your culture? (e.g., big differences between parents and children, students and teacher, boss and employee, etc.)

Q 1.2 How does this hierarchy affect you in your daily live?

Q1.3 Do you show off your (high) status; if yes, how?

***Part 2: Uncertainty Avoidance and Luxury Consumption***

Q 2.1 How do you feel people in you culture deal with uncertainty?

Q 2.2 How do you personally deal with uncertainty?

Q2.3 How does uncertainty affect your purchasing behaviour, especially in relation to luxury brands?

***Part 3: Individualism and Luxury Consumption***

Q3.1 Would you characterize your culture more as individualistic or collectivistic, and why?

Q3.2 Can you tell me about your current household? (e.g., alone, with your parents, grandparents, etc.)

Q 3.3 Who influences your buying decisions? (e.g., family, friends, influencers, etc.)

Q 3.4 Who pays for expensive purchases? (e.g., self, family)

***Part 4: Masculinity and Luxury Consumption***

Q 4.1 How are the different roles in society distributed between the different genders?

Q 4.2 How are the roles divided in your surroundings?

Q 4.3 Who makes most of the important buying decisions in your surroundings?

Q 4.4 Which values do you find important?

Q 4.5 What is your main reason for purchasing luxury brands? (If you do not buy them, what would be a reason to buy them?)

***Part 5: Long-term Focus and Luxury Consumption***

Q 5.1 As a culture, do you focus more on the present or the future?

Q 5.2 How do you value tradition in your culture?

Q 5.3 Do you personally prefer to save and/or invest money or spend it, and why so?

Q 5.4 Do you often spend large amounts of money on clothing and accessories?

Q 5.5 Do you only purchase (luxury) items that you need?