Exploring conspicuous luxury consumption in Iran: The role of individual factors and consumer knowledge

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Abstract

This research tested a conceptual model predicting the propensity to engage in two distinct forms of conspicuous consumption (bandwagon and snob consumption) that was developed by Kastanakis and Balabanis (2014) in a collectivistic Iranian context. This study found that this conceptual model was more successful in accounting for the variance in bandwagon consumption (i.e., conformity seeking conspicuous luxury consumption) than snob consumption (i.e., uniqueness seeking conspicuous luxury consumption) in the Iranian context. In addition to status seeking, it was found that consumer susceptibility to normative influence (CSNI) and consumer need for uniqueness (CNFU) mediates the influence of self-concept on bandwagon consumption. This finding suggests that the relationship between snob consumption and CNFU may differ in the Iranian context. Results also show that the relationships between CSNI, unpopular counter choice conformity (a sub-construct of CNFU) and status seeking with bandwagon consumption were all negatively moderated by consumer knowledge for fashion luxury goods. These findings extend the original conspicuous consumption model and provide some insight for the development of marketing strategies in Iran.

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Chapter One

Introduction

The global luxury market that constitutes personal luxury goods and other products such as luxury cars, hospitality and furniture is worth more than $1 trillion, with a growth rate of 7% (Bain & Co, 2014). A major drive for the increased consumption of luxury goods is globalization and the increased affluence in emerging markets such as China, Russia, India and the Middle East (Okonkwo, 2009). In order to understand the underlying factors behind the increasing consumption of luxury goods in emerging markets, there is a need to explore the motivations of luxury consumers in these markets and economic factors pertinent to these markets.

The literature on luxury consumption suggests that there are individual differences such as the need for uniqueness, susceptibility to normative influence (Kastanakis & Balabanis; 2014; Zhan & He, 2012) and need for status (Han, Nunes & Dreze, 2010; Nielsen & Meijers; 2011) that influence motivations and luxury consumption patterns. Moreover, there appears to be two key dimensions of luxury consumption patterns, a social and a personal dimension (Vickers and Renand, 2003; Truong, 2010). Scholars differ in how they label these two dimensions (e.g., public vs. private luxury goods; Bearden & Etzel, 1982; luxury for others vs. luxury for self, Kapferer & Bastien, 2009; external vs. internal luxury consumption; Amatulli & Guido, 2012), however these categorizations essentially refer to the same factors, a personal factor that entails hedonistic motivations and a social dimension that entails the desire for sociability and the expression of social status through conspicuous consumption (Kapferer & Bastien, 2009). The social dimension of luxury consumption has been inherently tied to status seeking, however researchers have identified two types of conspicuous consumption that are driven by a number of individual factors including status seeking. These two types of conspicuous consumption have

been labeled as “bandwagon” consumption (i.e., consuming luxury due to its popularity and the need to express status through conformity) and “snobbish” consumption (i.e., consuming luxury to dissociate from others and express uniqueness; Amaldos & Jain, 2005; Corneo & Jeanne, 1997; Kastanikis & Balabanis 2014).

The literature focused on marketing and cultural psychology suggests that there would be cultural differences between these two forms of conspicuous consumption among individualistic and collectivistic societies (Kim & Markus, 1999; Wong & Ahuvia, 1998) as individuals in individualistic cultures tend to have an independent view of the self that emphasizes uniqueness, whereas individuals in collectivistic cultures tend to have an interdependent view of the self that emphasizes conformity (Bond & Smith, 1996; Kim & Markus, 1999, Markus & Kitayama, 1991). The role of culture on individual self-construal appears to be important to further understand conspicuous luxury consumption in emerging markets with contrasting cultures.

In addition to individual differences that may be moderated by cultural factors there also appears to be market factors that influence conspicuous luxury consumption (Berthon, Pitt, Parent & Berthon, 2009). For example, Nunes, Han and Dreze (2010) found that certain luxury brands offered more conspicuously branded designer handbags and increased their prices during the 2008-2009 recession, suggesting that the need for status potentially increased as luxury consumers wanted to dissociate themselves from the less affluent. In a separate study, Bils and Klenow (1998) found that expenditure on luxury goods are more susceptible to economic cycles compared to non-luxury goods (i.e., consumers cut their expenditure on luxury goods during recessions to a greater degree than non-luxury goods). However, these two studies do not necessarily contradict each other as it is possible that overall luxury consumption decreases during economic downturns as the majority of luxury consumers are reluctant to signal their

wealth to others (Berthon et al., 2009), however a segment of consumers with a high propensity to purchase conspicuous luxury goods increase their consumption of these goods during economic downturns (Nunes, Han & Dreze, 2010), thus suggesting that individual and market factors can jointly influence luxury consumption patterns.

Exploring these individual and market factors in emerging markets is important in order to provide insight on luxury consumption in these societies. There have been several studies that have examined luxury consumption in East Asian countries such as Korea, Taiwan and China (Bian & Foresyth, 2012; Lee et al., 2014; Yim et al., 2014; Zhan & He, 2012) and comparisons between luxury consumption in Confucian and Western societies (Wong & Ahuvia, 1998). However, there appears to be a need to study luxury consumption patterns in societies that are underrepresented in the literature (e.g., Iran) in order to assess the role of culture and identify market factors that impact luxury consumption behaviours in more depth.

Iran is a nation with vast potential as the second largest population in the Middle East and North Africa (78 million; World Bank Group, 2014) and a high expected growth rate due to the removal of economic sanctions (4.5%/year, IMF, 2016). The reintegration of the 29th largest economy in the world (IMF, 2015) to the global economy has drawn the attention of Western luxury firms due in part to the sizable middle and upper class population (35% of population; Pew Research Centre, 2015). There is the expectation that the major luxury brands will establish a presence in the Iranian market in the near future as luxury brands such as Roberto Cavalli and Versace have attempted to gain a first movers' advantage by opening their first boutiques in Tehran (Segreti & Wendlandt, 2016).

The current Iranian luxury market is rather unique given its potential and current supply

limitations as the direct presence of luxury brands is scarce due to economic and legal factors. This void has been attempted to be filled by third party importers, however the lack of enforcement of international trademark protection agreements and higher prices as a result of supply limitations has led many Iranian to shop in neighboring nations such as Turkey (Ryan, 2016). The issues with product availability and the relative isolation of Iran by the West during the past 37 years is comparable to the situation in Post-Soviet states such as Hungary and Romania that had limited knowledge of Western consumer goods following the collapse of the Soviet Union due to issues with accessibility and lack of experience with those goods (Coutler, Price & Feick, 2003; Coutler et al., 2005). Thus suggesting that Iranian consumers' knowledge and experience with certain luxury products (i.e., luxury products that are unavailable or limited in Iran) may be generally lower than their Western counterparts. The apparent high demand of luxury goods within Iran (e.g., 563 Porsche worth $50 million prior to a 100% import tax were sold in Iran in 2012 despite Porsche not having a direct presence, compared to 493 Porsches sold in Turkey a nation with a similar population size but more than twice the size of Iran's economy; ODD, 2012; IRICA, 2012; IMF, 2015), combined with supply limitations provide a rare opportunity to explore the intricacies of luxury consumption in this unique emerging market that has been bypassed for decades by the luxury industry (Paton, 2016).

The present study aims to explore the individual and market factors that impact the tendency to engage in conspicuous luxury consumption in Iran. Conspicuous consumption is defined as the "the tendency for individuals to enhance their image, through overt consumption of possession, which communicates status to others." (O'Cass & McEwen, 2004, p. 34). Iranian society is regarded as a collectivistic society that emphasizes hierarchy (Schwartz, 2006; Yeganeh & Su, 2007) suggesting that there is a high need for social status within this society.

Kastanakis and Balabanis (2014) provide a model that distinguishes between the two antithetical types of conspicuous luxury consumption (i.e., bandwagon vs. snobbish luxury consumption) through a series of individual level characteristics (e.g., consumer need for uniqueness and susceptibility to normative influence). As previously mentioned, the literature suggests that there would be differences between these two forms of conspicuous consumption among individualistic and collectivistic societies (Kim & Markus, 1999; Wong & Ahuvia, 1998) as individualistic cultures tend to value uniqueness, whereas individuals in collectivistic cultures tend to emphasize conformity (Bond & Smith, 1996; Kim & Markus, 1999, Markus & Kitayama, 1991). However, in a study of Chinese luxury consumers, Zhan and He (2012) found that although social influence plays an important role in luxury consumption, which is consistent with the collectivistic nature of Chinese society (Hofstede, 2001), the relationship between need for uniqueness and brand attitude depends on consumers' knowledge, that is, as consumer knowledge increases, uniqueness seeking behaviour becomes increasingly important. The intricacies of luxury consumption highlighted in Zhan and He's study (2012) suggest that consumer knowledge and product availability would appear to be important factors in the tendency to engage in bandwagon and snobbish conspicuous luxury consumption in Iran.

The Iranian luxury market is similar to luxury markets in emerging markets in terms of the need for individuals with newly acquired wealth to conspicuously demonstrate their affluence through luxury goods and place themselves in a higher social status (Kapferer & Bastien, 2009; Wong & Ahuvia, 1998). The focus of the present study is to advance Kastanakis and Balabanis' (2014) framework of conspicuous consumption by validating it in a collectivistic culture that is underrepresented in the literature and extending our understanding of bandwagon and snobbish luxury consumption. In addition, given the supply limitations and Iran's relative isolation from

the West, it would be reasonable to assume that consumer knowledge of Western luxury goods that face supply limitations in Iran (e.g., Fashion luxury goods) would be lower among the majority of potential Iranian luxury consumers compared to their Western peers. Therefore, a second focus of this proposed study is to explore whether supply limitations and consumer knowledge impacts the propensity to engage in bandwagon and snobbish conspicuous luxury consumption in Iran. To our knowledge no study to date has validated Kastanakis and Balabanis' proposed model (2014) in a collectivistic society and examined the role of supply limitations and consumer knowledge on these two antithetical types of luxury consumption.

In the following sections of this proposed study we will attempt to explore the concept of luxury and review relevant research that has contributed to the literature. Subsequently we will explore the concept of conspicuous luxury consumption, including bandwagon and snobbish conspicuous consumption. Following this, we will examine the literature on culture and its impact on luxury consumption. Lastly we will discuss the culture of interest and current trends in the Iranian luxury market in an attempt to identify the gaps in the literature and develop a series of hypotheses.

Chapter Two

Literature Review

2.1 Luxury Consumption

The value of luxury has been attributed to uniqueness, rarity and the inability of the masses to consume it by a number of scholars among a number of other attributes (Dubois & Paternault, 1995; Vigneron & Johnson, 2004). However, defining luxury through a list of attributes appears to be problematic, as it does not integrate the complexity of this concept (Chandon, Laurent &

Florence, 2015). Luxury can be described as an end on a continuum with ordinary goods, "so where the ordinary ends and luxury starts is a matter of degree as judged by consumers." (Tynan, McKechnie & Chhuon, 2010, p.1157). Therefore, there is a subjective component of what constitutes luxury and the defining qualities and motivations for purchasing luxury goods can differ.

Luxury is a multi-dimensional concept that has various definitions due to its subjective nature (Chandon, Laurent & Florence, 2015; Tynan, McKechnie & Chhuon, 2010). Economists define luxury goods as goods that's demand increases in relation to increased incomes (Vickers & Renand, 2003). However, it is clear that this definition is not sufficient as it does not recognize the role of consumers in defining luxury. Vigneron and Johnson (1999) use luxury to describe the highest level of prestigious brands, noting that the definition of prestige can vary among individuals depending on their socioeconomic background. On the other hand, in a case study by Dubois and Czellar (2002), they distinguish luxury from prestige, claiming that a brand can be prestigious without being a luxury and vice versa. According to Dubois and Czellar (2002) a prestigious brand is a brand that has distinguished itself and has some unique accomplishment, whereas luxury is a symbol that is based on subjective perception of comfort, beauty and a sumptuous lifestyle.

There have been a number of classifications and general frameworks that have incorporated the subjective and multi-dimensionality of luxury goods. Bearden and Etzel (1982) categorized luxury goods as public luxury goods that are consumed with a high degree of social influence and private luxury goods that are consumed as a matter of individual choice.

Kapferer and Bastien (2009) describe that humans have a need for some form of social stratification and that a fundamental function of luxury is to create this social stratification.

However, in addition to this social function, they claim that luxury products should also have a personal and hedonistic component. Kapferer and Bastien (2009) describe these two components of luxury as "luxury for others" to demonstrate social status and "luxury for oneself" that is consumed for one's pleasure. Moreover, they claim that "luxury for others" will cease to be a major driver in the West, as the personal component of luxury goods will become increasingly important while in Eastern countries the emphasis will be on the "luxury for others" components to demonstrate their newly acquired wealth and social status.

In an attempt to conceptualize the multi-dimensionality of luxury, Wiedmann, Hennigs and Siebels (2009) propose a framework in order to assess consumers' luxury value perceptions. The four dimensions they identify are financial value, functional value, individual value and social value. The financial value addresses the monetary aspect of a luxury good. The functional value refers to the usability, quality and uniqueness of the good. The individual value focuses on self-identity, hedonism and materialistic components. Finally, the social value addresses the social influence dimension of luxury goods and focuses on the conspicuousness and prestige that luxury goods demonstrate. The authors claim that these dimension operate independently but can interact with others and influence an individual's luxury value perceptions and behaviours.

These dimensions were empirically tested through existing measures and items developed from exploratory interviews. Factor analysis produced a ten-factor structure that confirmed the proposed luxury dimensions and further cluster analysis identified four distinct clusters of consumers that supported the authors luxury classification model (2009). However, Wiedmann and colleagues (2009) recognized that due to cultural differences in luxury consumption behaviours and motivations the relative importance of the above mentioned dimension may also vary across cultures. Similar to Kapferer and Bastien (2009), it would be reasonable to assume

that the social value dimension would be of greater importance for Eastern collectivistic cultures compared to Western cultures due to a greater need to express social status and conform to societal norms (Kim & Markus, 1999; Wong & Ahuvia, 1998).

In an exploratory study, Vickers and Renand (2003) suggest that luxury goods can be differentiated from normal goods based on the extent in which they demonstrate three dimensions of consumer needs; functionalism, experientialism and symbolic interactionism. Functionalism relates to the need to solve a problem and the quality of the good. Experientialism refers to internally generated needs such as hedonism, while symbolic interactionism refers to the need for self-enhancement, social status and group membership. The authors found empirical support for these three dimensions using factor analysis. The important finding was the interaction between these dimensions for luxury and non-luxury products. The symbolic interactionalism and experientialism dimension accounted for the majority of the variance for the luxury products, whereas the functionalism dimension accounted for the majority of the variance for the non- luxury products. The findings of this study are consistent with the categorizations of the above studies (Bearden & Etzel, 1982; Kapferer & Bastien, 2009; Wiedmann et al., 2010) in regards to importance of the social ("symbolic interactionism") and personal ("experientialism") motivations of luxury consumption.

A conceptual paper by Berthon and colleagues (2009) elaborates on the social and individual dimensions of luxury brands. Similar to Vickers and Renand (2003) the authors propose that luxury brands have three components; the functional, the experiential, and the symbolic. Based on these three components, Berthon and colleagues (2009) propose a typology of luxury brands, labeled as Modern, Post Modern, Classic, and Wabi Sabi. The modern luxury brands provide tangible goods that demonstrate status (e.g., small leather good from Luis

Vuitton), postmodern luxury brands refer to brands that are trending but are evanescent. Classic luxury brands are brands that have been built over a long period of time and is accessible to a small population of informed luxury consumers. The Wabi Sabi brand is related to the appreciation of an experience that is developed over time (e.g., painting, music or food). The modern and post-modern typologies are identified as conspicuous brands that appeal to novice consumers (i.e., limited knowledge), whereas the Classic and Wabi Sabi typologies are more concerned with the personal dimension of luxury, appealing to expert consumers. This study suggests that consumer appeal for luxury brands varies based on a personal and social dimension and the consumer's knowledge or expertise.

Overall, it could be stated that there is a social dimension that influences luxury consumption, whether it be categorized as public luxury consumption (Bearden & Etzel, 1982), luxury for others (Kapferer & Bastien, 2009), social value of luxury (Wiedmann, Hennigs & Siebels, 2009) or symbolic interactionism (Vickers and Renand, 2003). This social dimension of luxury is tied to the notion of social status and conspicuous consumption (Truong et al., 2008; Wiedmann, Hennigs & Siebels, 2009).

2.2 *Conspicuous Luxury Consumption*

The term "conspicuous consumption" was introduced in Thorstein Veblen's classical publication "The Theory of Leisure Class" in 1899. He defined this type of consumption as a type of social behaviour restricted to an elite class who wishes to differentiate themselves from others by publicly displaying luxury goods in order to signal their status and wealth. Veblen examined how technological and economic development lead to the evolution of humans from satisfying their basic needs to attempting to gain status through ownership and display of goods. As Veblen (1899, p. 15) stated "In order to gain and to hold the esteem of men it is not sufficient merely to

possess wealth or power. The wealth or power must be put in evidence, for esteem is awarded only on evidence." Veblen (1899) described two types of classes, the leisure class and the working class (i.e., "the have" and "have nots") and although the working class attempt to emulate the consumption of the higher social class through public display of goods, they are not successful due to differences in aesthetic taste.

Veblen's work is highly relevant to this day and is frequently discussed in the luxury and conspicuous consumption literature, however as mentioned in the previous section, luxury consumption has become far more complex than Veblen's two class categorization as there are a series of underlying motives that can be used to segment luxury consumers (Wiedmann, Henning & Siebels; 2009). Naturally, conspicuous consumption has evolved from 1899, when Veblen first coined the term. Patsiaouras and Fitchett (2012) highlight the changing patterns of conspicuous consumers through the 20th century by examining, socioeconomic factors that led to these changes. For example, they discussed the impact of the post-WWII economic boom in the United States on conspicuous consumption patterns as the emergence of a new prosperous middle class of white collar workers led to an increase in the public consumption of status goods, supporting the notion that market factors have an impact on conspicuous consumption. It was during this economic period that Leibenstein (1950) revisited Veblen's work and proposed the concept of bandwagon and snob effects. The bandwagon effect referred to the increased demand of a good due to others purchasing the good, representing the desire to conform and associate with other fashionable or stylish people. The snob effect referred to the decreased demand of a good due to others purchasing the good, representing the desire to differentiate from the common people and be unique. Leibenstein also introduced the Veblen effect referring to the increased demand of a good due to its higher price. He proceeded to develop an economic model based on

these three effects, suggesting that the value associated with a good is derived from a person's socio-psychological needs and external factors (i.e., price and action of others).

There have been several studies that have advanced Libenstein's work (1950) using economic models to examine the condition under which bandwagon and snobbish behaviour occur (Amaldos & Jain, 2005; Corneo & Jeanne 1997), however these studies do not explore the perspectives of individual consumers and specific factors that influence their consumption.
This had led a number of researchers to study conspicuous consumption at the individual level (Han, Nunes & Dreze, 2010; Kastanakis & Balabanis, 2012; Kastanakis & Balabanis, 2014; Truong, 2010).

In an attempt to understand luxury consumption at the individual level, Han, Nunes and Dreze (2010) examined the need for status and preference for conspicuous and inconspicuous branded goods. They identified four consumer groups separated by wealth and need for status; Patricians, Parvenus, Poseurs and Proletariats, claiming that the first three groups signal status in different ways, while the proletariats have no desire to express status. In this study they found that Patricians (i.e., high wealth and low need for status) want to associate with their own kind and pay premiums for quiet goods that only other Patricians can recognize. Parvenus (i.e., high wealth and high need for status) use loud luxury goods to signal to the less affluent that they are not one of them while Poseurs (i.e., low wealth and low need for status) use loud counterfeits to emulate the Parvenus who are recognized as wealthy. The authors claim that Patricians have a lower proclivity to engage in conspicuous consumption as what distinguishes them from the Parvenus is a connoisseurship that allows them to interpret subtle signals in luxury goods. On the other hand, the authors also mention that the Patricians engage in public consumption of luxury goods to signal their association with other Patricians, which is consistent with the notion of

conspicuous consumption (O'Cass & McEwen, 2004). However, it is possible that what separates the Parvenus and Patricians is the tendency for these two groups to engage in bandwagon and snobbish luxury consumption, respectively. The Parvenus wish to associate with other affluent people by signaling their status to others by consuming similar luxury brands but due to their lack of connoisseurship or product knowledge, they purchase loud branded products (e.g., larger logos, repeat prints). In contrast, Patricians wish to signal their status to other like-minded patricians with connoisseurship and product knowledge, therefore they purchase quiet luxury goods that are not easily recognizable by the Parvenus and thus difficult to emulate.

In a separate study, O'Cass and McEwen (2004) explored the relationship between status consumptions and conspicuous consumption in an attempt to address the interchangeable use of these terms. They found that status consumption and conspicuous consumption are separate constructs with the former being related to the personal nature of products that may not be publicly displayed but provide status to the individual while the latter is related to the desire of enhancing one's image through public display of goods. Nevertheless, O'Cass and McEwen (2004) claim that these two constructs are related stating that "status consumption influences the desire to consume conspicuously, therefore the more status a brand carries, the more likely it will be used in a conspicuous manner" (p. 34). Overall, this study suggested that conspicuous consumption cannot be recognized solely through status consumption and that there are other factors underlying this behaviour.

In an attempt to understand the underlying factors of conspicuous consumption, Kastanakis and Balabanis (2014) empirically tested a conceptual model that distinguishes between the two antithetical forms of conspicuous luxury consumption, snob and bandwagon luxury consumption, providing evidence that conspicuous luxury consumption is not a

homogenous behaviour. The model developed by Kastanakis and Balabanis (2014) to examine these two types of consumption contains three levels: 1) status seeking and self-concept (independence and interdependence) serving as antecedents, 2) consumer need for uniqueness and consumer susceptibility to normative influence as mediators, 3) snob and bandwagon luxury consumption as dependent variables (**Figure 1**).

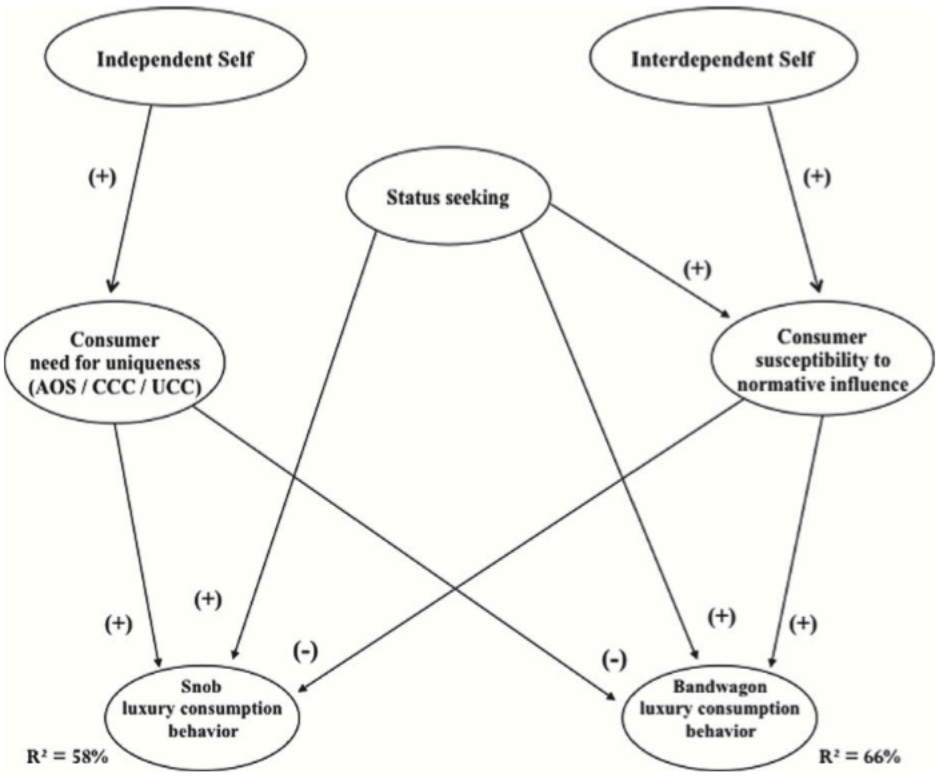

Figure 1: Model of conspicous luxury consumption (Kastanakis & Balabanis, 2014)

The model identifies the psychological factors that influences conspicuous consumption and attempts to identify the relationship between these factors. The role of an individual's self concept is rooted in cultural psychology based on Markus & Kityama's (1991) conceptualization of the independent and interdependent self-construals. Individuals with an independent self-construal define the self as an autonomous entity that is distinct from others, thus emphasizing a

need for uniqueness. The independent self-construal tends to be more prevalent in individualistic cultures. In contrasts, individuals with an interdependent self-construal define the self in relation to close others, thus emphasizing a need to maintain harmony and conform. Individuals with an interdependent self construal tends to be more common in collectivistic cultures. These two self-concepts can coexist within an individual, however it is the relative strength of the independent versus interdependent self that is the basis for individual differences in self-concept (Singelis, 1994). An individual's self-construal is related to a series of secondary traits and the need for uniqueness and conformity are directly connected to the independent and interdependent self, respectively (Kim & Markus, 1999). For this reason, Kastanakis and Balabanis (2014) included consumer need for uniqueness and consumer susceptibility to normative influence as mediators between self-concept and the two types of conspicuous luxury consumption.

In addition to the relationship between self-concept and conspicuous luxury consumption, the authors also found that status seeking was related to both bandwagon and snob consumption, as status seeking is an inherent feature of conspicuous consumption (O'Cass & McEwen, 2004). However, Kastanakis and Balabanis (2014) claimed that the two types of conspicuous consumers have different status needs, for bandwagoners a good's popularity confers status, through association with the right status group, while snobs have different status needs because of their independent self-construal, they prefer goods that are less known but appreciated by similar like-minded others to confer status. Moreover, this description of bandwagon and snob consumers provided by Kastanakis and Balabanis (2014) is inherently similar to the Parvenu and Patrician consumer groups previously discussed (Han, Nunes & Dreze, 2010), suggesting that consumer expertise/knowledge could be an additional trait that could extend our understanding of these two types of conspicuous consumption and advance Kastanakis and Balabanis's model (2014).

Furthermore, given our understanding of the cultural differences among individualistic and collectivist cultures in the prevalence of individuals with independent and interdependent self-construals (Markus & Kityama, 1991) and the fact that this model was empirically tested in a European context, it would be important to validate the model and examine the magnitude of the relationships in a collectivistic setting.

2.3 *Culture and Luxury Consumption*

Culture is a broad concept that can be defined in numerous ways, depending on various factors such as religion, socioeconomic status, or geographic region (Cohen, 2009). As Cohen (2009) suggests the way an investigator defines culture depend on the form of culture (e.g., geographic region) and the domain within that culture (e.g., consumer behaviour) that are of interest. Therefore, we define culture based on Shavitt, Lee and Johnson's (2008) definition:

> Culture consists of shared elements that provide the standards for perceiving, believing, evaluating, communicating, and acting among those who share a language, a historical period, and a geographic location. As a psychological construct, culture can be studied in multiple ways across nations, across ethnic groups within nations, across individuals within nations (focusing on cultural orientation), and even within individuals through the priming of cultural values (p. 1103)

Individualism/collectivism and independent/interdependent self-construal are the most widely used dimensions of cultural variability as they have been extensively employed to demonstrate cultural differences between Eastern collectivistic and Western individualistic societies in domains such as cognitions, emotions, motivation, persuasion and consumer behaviour (De Mooij & Hofstede, 2011; Han & Shavitt, 1994; Iyengar & Lepper, 1999; Shavitt, Lee & Johnson, 2008; Tsai, Knutson & Fung, 2006; Wu & Keysar, 2008). As individuals interact

with their various cultural worlds they are guided by a series of cultural assumptions of what is right and good that shapes their self concept (Cohen, 2009; Markus & Kityama, 1991; Kim & Markus, 1999). The independent and interdependent self-construal are closely associated with the cultural assumptions of what is right and good, including the notion of expressing uniqueness versus conformity (Markus & Kityama, 1991; Singelis, 1994; Wong & Ahuva, 1998).

Kim and Markus (1999) demonstrated the influence of culture on individual preference for uniqueness and conformity through a series of studies, finding that individuals from an East Asian cultural background were more likely to conform to the societal norm while individuals from a European American cultural background were more likely to reject the norm. The authors associated their findings with the notion that conformity has a positive connotation in East Asian cultures in which conformity is viewed as harmony while uniqueness may have negative connotations in which it can be viewed as deviance from the norm. In contrast, American culture emphasizes the opposite view of conformity and uniqueness. Furthermore, the authors claim that these cultural values shape an individual's experience of the world thus affecting their preferences not necessarily due to the individual's awareness of the cultural values but because being like others or standing out feels good (depending on the cultural context). Nevertheless, Kim and Markus (1999), recognize that there are individuals in collectivistic societies that engage in uniqueness seeking behaviour and individuals in individualistic societies that engage in conformist behaviour, as there are different forms of culture within a society (Cohen, 2009).

In a separate study, Becker and colleagues (2012) proposed a notable interpretation on the topic of uniqueness, claiming that all cultures have a need for distinctiveness (i.e. uniqueness) and that culture mediates how this need is expressed. In individualistic cultures, uniqueness is expressed in terms of "difference" (i.e. difference in abilities, opinions, personality

and appearance), while collectivistic cultures emphasize "social positions", which refers to uniqueness in social relationships and social status. The "social position" expression of uniqueness could be regarded as an unconventional view of uniqueness in a Western context whereas the "difference" expression is more aligned with the typical interpretation of uniqueness in the West. However, what can be drawn from Becker and colleagues (2012) is that the conventional view of uniqueness ("difference") of setting yourself apart from others is not as common in collectivistic cultures, and instead there is an emphasis on the role and position of the individual in relation to others within a hierarchy. This desire to improve social position in collectivists can be expressed through the products that individuals purchase, which is an inherent function of conspicuous luxury goods (Han, Nunes & Dreze, 2010; Kastanakis & Balabanis, 2014).

In an exploratory study, Wong and Ahuvia (1998) attempted to identify key differences in luxury consumption behaviours between Confucian and Western societies. They maintained that differences in the conception of self are an important source of differences in luxury consumption motivations, specifically in regards to public versus private consumption, conformity pressures and conveying status within a socio economic hierarchy. The authors claimed that Confucian societies emphasize public value, conformity and social status of luxury goods more compared to Western societies due to the collectivistic and hierarchal tendencies of these societies.

Wong and Ahuvia's study (1998) provides valuable insight on cultural differences in luxury consumption. However, there appear to be inconsistent findings among empirical studies centered on luxury consumption and culture. In a cross-cultural study (China and USA) of purchase intentions of luxury brands, Bian and Forsythe (2012) found that Chinese students have

higher need for uniqueness than US students claiming that individuals in a collectivistic culture can adopt individualistic elements without changing their culture. In a separate study, Shukla (2012) explored cultural differences in luxury value perceptions among Western (US and UK) versus Eastern (India and Malaysia) societies. Shukla (2012) found that consumers in Western developed markets had a greater preference to gain prestige from the acquisition of status laden luxury products, which is inconsistent with Wong and Ahuvia's (1998) proposition that Confucian collectivistic societies are more likely to seek status from luxury products. In contrast, there have been studies that have found some empirical support for Wong and Ahuvia's (1998) propositions in regards to the importance of social status and conspicuously consuming luxury goods (Le Monkhouse, Barnes, Stephan, 2012; Lee et al., 2014), however the literature tends to assume homogeneity in conspicuous consumption behaviour and have inconsistent views on the role of culture and uniqueness/conformity seeking luxury consumption.

Zhan and He (2012) provide a more nuanced perspective of the need for uniqueness and conformity in luxury consumption among Chinese consumers, finding support that social influence and conformity are important factors in luxury consumption, while also finding that consumer knowledge serves a moderating role in the relationship between need for uniqueness and brand attitudes. Specifically, as consumer knowledge of luxury brands increases, popular luxury brands are viewed more negatively due to a higher consumer need for uniqueness. The authors highlight the importance of consumer knowledge in the Chinese luxury market in view of the general lack of knowledge and experience with luxury brands. This study suggests that consumer knowledge would be an important factor in the relationship between self concept orientation and the propensity to engage in bandwagon and snobbish conspicuous consumption. Moreover, exploring this relationship in the Iranian market, a market with product limitations

and a general lack of consumer experience with certain luxury brands may provide further insight into the importance of consumer knowledge on luxury marketing strategies.

2.4 *Culture of Interest*

Iranian society has gone through a series of societal changes as a result of economic and political factors during the past half century (Teimourpour & Hanzaee, 2014; Jafari & Goulding, 2013). The Islamic Revolution of 1979 brought about a series of socio-economic changes as dress codes were imposed on men and women, greater foreign media censorship and activities that were forbidden in Islam were banned (e.g., drinking alcohol and gambling). The Iran-Iraq war (1980-1988) brought about rationing and limited consumption. However, during this period and the early 90s there was rapid population growth that was encouraged by the government (Hoodfar & Assadpour; 2000). The post-war period of Iran saw a re-emergence of a consumer society as a result of rapid economic growth and an influx of imported foreign goods. The younger generation (i.e., post-war baby boomers) began to emulate foreign consumption patterns as the availability of satellite television and the internet introduced them to a different lifestyle and culture (Teimourpour & Hanzaee, 2014; Jafari & Goulding, 2013). However, due to economic and political factors such as decades of economic sanctions, many foreign brands lack a direct presence in the Iranian market, resulting in a massive gray market (Farzanegan, 2009; Mollahosseini, Karbasi & Sadeghi, 2012). This is most evident in the Iranian luxury market as counterfeit luxury brands are openly sold in Iranian malls and boutiques, while authentic fashion luxury goods are difficult to acquire due to a lack of international trade-mark regulations (only companies registered in Iran are protected by the law; Segretti & Wendlandt, 2016).

Despite the supply limitations in the Iranian luxury market, conspicuous luxury consumption is apparent in the Iranian society. This could be due to the hierarchal nature of

Iranian society (Schwartz, 2006), as class distinctions have been an inherent part of Iranian society (Ansari, 2001). It appears that increased wealth inequality due in part to economic sanctions has made the hierarchal nature of Iranian society more visible, which is also supported by the Basabe and Ros's (2005) finding that nations with high wealth inequality tend to be more hierarchal.

In present day Iran, the ostentatious display of wealth is notable with the large number of luxury automobiles, popularity of cosmetic surgeries and development of luxury real estate (Teimourpour & Hanzaee, 2014). It is reasonable to assume that as individuals amass wealth they display their affluence and attempt to enhance their social status by emulating these consumption practices. Social and consumption trends are salient in Iranian society as the fashion mode constantly changes and permeates among the middle and upper classes, to the point that certain consumption behaviours appear homogenous. This could be due to the collectivistic nature of Iranian society (Yeganeh & Su, 2007) and the accessibility of individuals' interdependent self-concept that promotes conformity. However, what is unique to the Iranian market is the limited supply of certain luxury goods and the lack of product availability. Moreover, it can be reasoned that due to the lack of direct marketing efforts of some luxury brands in Iran and the overall lack of consumer experience with these luxury brands, consumer knowledge of these goods would be fairly low. Therefore, it is also important to consider how the limited supply of luxury goods affects conformist behaviour, as conformist conspicuous consumption patterns (i.e., bandwagon consumption) in Iran could be due in part to limitations and low consumer knowledge rather than individual self-concept and need for social status. Furthermore, for luxury goods that do not have supply limitations there could be a greater

tendency to engage in uniqueness seeking conspicuous consumption (i.e., snobbish consumption) as there are a greater variety of those good and potentially higher consumer knowledge.

There have been a number of studies that have studied luxury consumption in Iran (Aghaei et al., 2013; Hanzaee & Teimourpour, 2012; Lajevardi, 2012; Mostekharesh, Abtahi & Rachamani, 2013; Rouhani & Hanzaee, 2012; Teimourpour & Hanzaee, 2014). These studies have explored topics such as the role of religion on luxury consumption (Teimourpour & Hanzaee, 2014) and purchase intention of luxury automobiles (Rouhani & Hanzaee, 2012), however, the empirical studies that have explored luxury consumption in this market have examined multiple dimensions of this behaviour without sufficiently exploring the theoretical backgrounds of these dimensions in depth. Although these studies have highlighted the importance of conspicuous consumption in Iran, they have viewed this behaviour in a homogenous manner, rather than distinguishing between bandwagon and snobbish conspicuous consumption. Moreover, to our knowledge no study to date that has analyzed the impact of product limitations and consumer knowledge on these two antithetical types of conspicuous consumption.

Chapter Three
The Conceptual Framework

The proposed research intends to validate and extend the conspicuous luxury consumption model proposed by Kastanakis and Balabanis (2014), by testing the model in a collectivistic culture (i.e., Iran) and exploring the relationship between consumer knowledge and the bandwagon and snob consumption behaviours. Therefore, we propose the following research questions:

RQ1: Is the conspicuous luxury consumption model proposed by Kastanakis and Balabanis (2014) a valid model that can be applied to other cultural contexts?

RQ2: Does the strength of the relationships identified by Kastanakis and Balabanis (2014) hold in a collectivistic context?

RQ3: What role does consumer knowledge have on the propensity to engage in bandwagon and snobbish conspicuous consumption?

Figure 2 illustrates the proposed 3 level model identified by Kastanakis and Balabanis (2014) which are 1) self- concept and status seeking as antecedents 2) consumer need for uniqueness (CNFU) and consumer susceptibility to normative influence (CSNI) as mediators 3) snob and bandwagon luxury consumption as dependent variables. In addition, this research proposes a fourth level that is 4) consumer knowledge as a moderating variable that influences the strength of the relationship between CNFU/CSNI and the dependent variables.

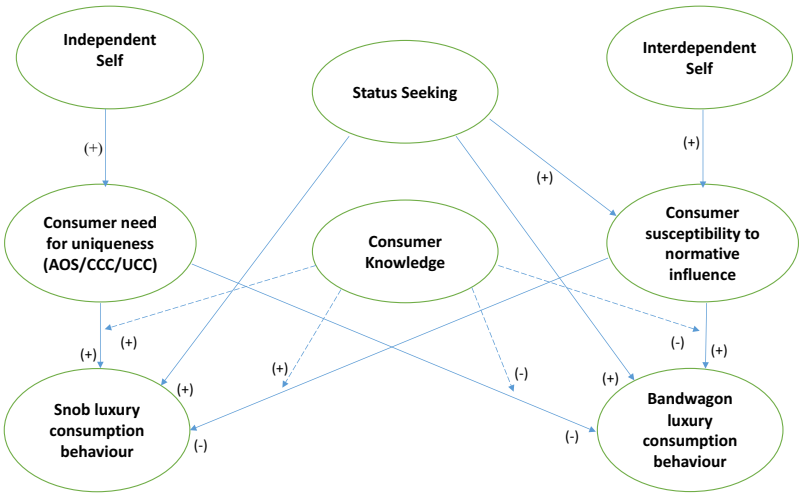

Figure 2: Model of conspicious luxury consumption behaviours and antecdencts. Note: The three sub-sub constructs of CCC (creative choice counter conformity), UCC (unpopular choice counter-conformity), and AOS (avoidance of simliarity) are modeled as separate factors with their own paths, however similar to Kastanakis & Balabanis (2014) they have been subsumed into the CNFU construct.

Hypotheses

In order to avoid redundancy, we will not describe the antecedents and other factors from the Kastanakis and Balabanis model (2014) as they were discussed in the literature review. Therefore, similar to their research, the following hypotheses are suggested:

H1a. Status seeking relates positively to the propensity to engage in bandwagon consumption of luxury products.

H1b. Status seeking relates positively to the propensity to engage in snob consumption of luxury products

H2a. The inter-dependent self-concept relates positively to CSNI

H2b. CSNI relates positively to the propensity to engage in bandwagon luxury consumption

H2c. CSNI relates negatively to the propensity to engage in snob luxury consumption

H3a. The independent self-concept relates positively to CNFU

H3b. CNFU (all three facets) relates positively to the propensity to engage in snob luxury consumption

H3c. CNFU (all three facets) relates negatively to the propensity to engage in bandwagon luxury consumption

H4. Status seeking relates positively to CSNI

In addition to testing the hypotheses formulated by Kastanakis and Balabanis (2014), it is also important to explore potential differences in the strength of the identified relationships in the Iranian collectivistic context (Yeganeh & Su, 2007), given the influence of culture on individual self-concept (Markus & Kitayama, 1991) and the centrality of self-concept in the proposed model. However, proposing any predictions at this stage of research on this topic would be

difficult. Therefore, this matter will be addressed only as a research question as opposed to any specific hypotheses.

The moderating role of consumer knowledge

As discussed, the relationship between CNFU and CSNI with the snob and bandwagon consumption behaviours is expected to depend on consumer knowledge of luxury brands. Similar to Zhan and He (2012), consumer knowledge refers to a consumer's general knowledge about different luxury brands in a specific product category. As previously noted, the Iranian luxury market faces several limitations in brand availability, thus suggesting that due to lack of experience and exposure, the general knowledge of consumers' will tend to be low for certain product categories. In comparison, it is expected that consumer knowledge will be higher for product categories that do no face limitations. High consumer knowledge indicates a greater understanding of various brands and the ability to choose a product that makes the consumer stand out rather than choosing the most popular product. Thus, implying that individuals with high consumer knowledge will have greater likelihood of expressing uniqueness through publicly displayed luxury goods (i.e., snob consumption) and a lower likelihood of consuming a good due to its popularity and expressing status through conformity (i.e., bandwagon consumption). Based on this reasoning, we propose the following hypotheses:

H5a. Consumer knowledge positively moderates the relationship between CNFU (all three facets) and snob luxury consumption.

H5b. Consumer knowledge positively moderates the relationship between CNFU (all three facets) and bandwagon luxury consumption

H5c. Consumer knowledge negatively moderates the relationship between CSNI and snob luxury consumption.

H5d. Consumer knowledge negatively moderates the relationship between CSNI and bandwagon luxury consumption.

Chapter Four
Methodology

4.1 Sample

The data was collected in Iran through an online survey using a convenience sampling method by advertising the link to the survey through social media and through a drop and collect survey method in Tehran, Iran for a total of 282 respondents (187 online respondents and 95 drop and collect respondents collected from December 20, 2016 to February 25, 2017). There was a total of 303 online participants, however due to incomplete surveys, this was reduced to 187 useable responses (62%).

The majority of respondents were females (59.2%) compared to males (39.7%) while 1.1% were unidentified. Respondents ages ranged from 17 to 60, with 60.4% of the respondents between the ages of 26-40 years old. The respondents were mainly from Tehran (72.7%) while the other respondents were from a mix of various cities and towns in Iran (**Table 1).**

A common rule of thumb to determine the sample size required in relation to model complexity in SEM analyses is the N:q rule (Bentler & Chou, 1987), that is the ratio of sample size (N) to the number of model parameters (q). An ideal ratio is 10:1, therefore an ideal sample size according to this rule would be 150 as there are 15 model parameters that requires statistical estimates. The sample size in this study met this criterion (n=282). However, given that this study intended to validate and extend the model proposed by Kastanakis and Balabanis (2014), a sample size roughly equivalent to their study would have been ideal (n=431). This study fell short of this sample size, which is one of the limitations of the study.

Table 1: Demographic characteristics of the sample

Gender	**Percentage (count)**
Male	39.7 (112)
Female	59.2 (167)
Unidentified	1.1 (3)
Age	
17-25	16.7 (47)
26-30	25.9 (73)
31-40	34.4 (97)
41-60	20.9 (59)
Unidentified	2.1 (6)
Marital Status	
Single	133 (47.7)
Married	146 (51.8)
Missing	3 (1.1)
Education	
High School and Below	3.6 (10)
College	5.7 (16)
Bachelor's	49.6 (140)
Master's	30.9 (87)
Doctorate	9.3 (26)
Missing	1.1 (3)
Monthly Income	
Under 3,000,000 Tomans ($1000 CDN)	16.7 (47)
3,000,000 to 5,000,000 Tomans ($1000-$1800)	23 (65)
5,000,000 to 10,000,000 Toman ($1800-$3300)	33.3 (94)
10,000,000 Tomans and above (≥$3300)	24.9 (70)
Unidentified	2.1 (6)
Residing City	
Tehran	72.7 (205)
Mashad	7.1 (20)
Other	19.5 (57)

4.2 Measures and Procedure

The measures of this study were all established scales that were utilized by Kastanakis and Balabanis (2014) other than consumer knowledge (see **Table 2**). Consumer knowledge was measured using a subjective knowledge scale (Algesheimer, Dholakia & Hermann, 2005) and an objective knowledge scale for luxury watches and luxury fashion goods that was developed for this study. Consistent with prior research, objective knowledge (OK) is defined as consumers'

accurate stored information, while subjective knowledge (SK) is defined as consumers' self-beliefs about their own knowledge (Brucks 1985). As Radecki and Jaccard (1995) summarize, what an individual believes s/he knows should be some function of what s/he actually does know. Thus, our overall expectation is that the relationship between OK and SK should be positive and significant. Despite this, developing and incorporating an objective knowledge scale in this study appeared to be an appropriate method of potentially testing for discrepancies between objective and subjective knowledge in the Iranian context.

The measure of objective knowledge developed for this study was consistent with Mitchell and Mitchell and Dacin (1996), including measures of knowledge about brands, physical attributes, quality and country of origin. The snob/bandwagon consumption measures were developed by Kastanakis and Balabanis (2014), which asks participants 6 items for the two types of consumption patterns on how likely they are to purchase luxury watches. This study utilized the same measure, however in addition to luxury watches, we also measured the tendency to engage in bandwagon and snob consumption for luxury fashion goods. Luxury watches are readily available in Iran as there are official Rolex, Omega and Cartier retailers in Tehran while luxury fashion goods are more difficult to acquire as there are no official presence of luxury fashion producers such as Louis Vuitton, Gucci or Kate Spade. In addition, the nature of these products are different as luxury fashion goods encompass a greater number of products (e.g., shoes, handbags, textiles and belts). The presence of an additional product group allowed for inter-subject and intra-subject comparisons of the Kastanakis and Balabanis (2014) model. All scales (**Table 2**) were translated to Farsi using the back translation method which is the most common translation technique (Peng et al., 1991). A copy of the questionnaire in English can be found in Appendix 1.

Table 2
Measurement items

Constructs	Example items	Number of items
Self concept orientation (Singelis, 1994)	" It is important for me to maintain harmony with my group" "My personal identity, independent of other is very important to me"	24
Status seeking (Eastman et al., 1999)	"I would buy a product just because it has status"	5
Consumer need for uniqueness Modeled as three factors 1) creative counter choice (CCC) 2) unpopular choice counter-conformity (UCC) and 3) avoidance of similarity (AOS) (Ruvio, Shoham and Brencic, 2008)	"I actively seek to develop my personal uniqueness by buying special products or brands"	12
Consumer susceptibility to normative influence (Bearden et al., 1989)	"I like to know what brands and products make good impression on others"	8
Subjective knowledge (Algesheimer, Dholakia, Herrmann, 2005)	"When compared to other people, I know a lot about luxury watches"	6
Objective knowledge	"Please identify the logo of the brands shown above" "Please identify the country of origin for the the following brands"	10
Snob/ bandwagon consumption (Kastanakis & Balabanis, 2014)	"How likely would you purchase a luxury watch that is of limited production" "How likely would you purchase a very popular and fashionable luxury watch"	12

The procedure was similar to Kastanakis and Balabanis' study (2014), the only difference was that the questionnaire started with the consumer knowledge measures for each product group (SK followed by OK). This was followed by the dependent variables measures, then the individual factor and demographic measures, including questions related to product availability and luxury consumption experience (**Table 3)**. Also, the questionnaire was pilot-tested on a convenience sample of 30 Farsi speaking Iranians living in Canada to determine whether the items were appropriate and comprehendible in Farsi.

Table 3- Experience of sample with luxury goods

Number of luxury watch brands available in city	Percentage (count)
Less than 2	6.1 (16)
2-4	8.4 (22)
5-6	12.6 (33)
7-9	14.2 (37)
More than 9	58.6 (153)
Number of luxury watches bought in past 5 years	
0	50.7 (143)
1	30.1 (85)
2	13.1 (37)
More than 2	6 (17)
Number of luxury fashion good brand available in city	
Less than 2	6.7 (18)
2-4	6.0 (16)
5-6	9.0 (24)
7-9	9.7 (26)
More than 9	68.7 (184)
Number of luxury shoes bought in past 5 years	
0	24.8 (69)
2	42.8 (119)
2-4	20.5 (57)
5-6	3.2 (9)
More than 6	8.6 (24)
Medium used to follow luxury brands	
Local TV/ Radio	7.4 (21)
Satellite TV	13.5 (38)
Internet	64.9 (183)
Social media	50 (141)
Magazines	8.2 (23)
Retailer	41.1 (116)

Chapter Five

Data Analysis

5.1 Measurement Model Assessment

Table 4 provides descriptive statistics and correlations of the constructs used in this study. Each scale was tested using item-to total correlation and Cronbach's alpha to support the consistency and convergent validity of scales. Items with an item to total correlation below 0.40 were removed and the Cronbach's alpha of all the scales were above the 0.7 threshold (**Table 5)** demonstrating good internal consistency (Lattin, Carroll & Green, 2003)

Table 4= Descriptive statistics and correlation matrix

Construct	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13.	14.
1.Ind Self	5.17	1.25														
2. Int self	5.51	.970	-.168**													
3. Status seeking	4.63	1.46	.161**	.022												
4. AOS	3.67	1.75	.361**	-.307**	.214**											
5. UCC	2.52	1.43	.334**	-.404**	.153**	.685**										
6. CCC	4.21	1.71	.161**	.022	.446**	.531**	.507**									
7. CSNI	3.29	1.45	-0.204**	.374**	.153**	-.333**	-.349**	-.055								
8. OK watch	1.39	1.02	.147**	-.091	.311**	.319**	.338**	.401**	-.055							
9. OK fashion	1.82	1.07	.176**	-.099*	.244**	.316**	.304**	.378**	-.099*	.732**						
10. SK watch	2.37	1.24	.252**	-.195**	.291**	.340**	.341**	.394**	-.096	.640**	.486**					
11. SK fashion	2.99	1.15	.352**	-.250**	.297**	.396**	.371**	.481**	-.250**	.483**	.491**	.666**				
12. Snob watch	4.52	1.85	.213**	-.145**	.465**	.421**	.398**	.546**	-.064	.479**	.442**	.458**	.395**			
13Snob fashion	4.76	1.756	.258**	-.213**	.513**	.506**	.430**	.613**	-.093	.447**	.461**	.417**	.450**	.786**		
14. Bandwagon watch	4.16	1.69	-.013	.258**	.492**	-.310**	-.293**	.112*	.619**	-.124*	-.061	-.146**	-.041	.199**	.163**	
15. Bandwagon fashion	4.37	1.63	-.062	.210**	.461**	-.342**	-.365**	.077	.607**	-.108*	-.078	-.152**	-.071	.118*	.137*	.812**

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

Second, a series of confirmatory analyses were conducted. All scales showed good overall model fit and the factor loading were all highly significant. The composite reliabilities were above 0.70 and the average variance extracted for all scales passed the 0.5 threshold other than the two self-concept scales (i.e., Interdependent and Independent self) as reported in **Table 5.**

Table 5- Measurement model

Variable	Cronbach's Alpha	Composite Reliability	AVE
Subjective knowledge Watch	0.946	0.971	0.854
Subjective knowledge Fashion	0.924	0.958	0.803
Objective Knowledge Watches	0.800 (if remove item related to watch movement then 0.867)	0.876 (0.922 if last item removed)	0.511 (0.791 if last item removed)
Objective Knowledge Fashion	0.781 (if remove item related to handbag leather then 0.847)	0.862 (0.910 if last item removed)	0.480 (0.786 if last item removed)
Snob Watch	0.834	0.902	0.640
Bandwagon Watch	.765 (last item removed)	0.881	0.622
Snob Fashion	0.854	0.916	0.676
Bandwagon Fashion	0.802 (last item removed)	0.880	0.670
Status Seeking	0.880	0.794	0.617
CCC (creative choice counter-conformity)	0.903	0.911	0.837
UCC (unpopular choice counter-conformity)	0.942	0.969	0.897
AOS (avoidance of similarity)	0.934	0.964	0.883
CSNI (consumer susceptibility to normative influence)	0.929	0.958	0.62
Interdependent self-concept		0.731	0.447
Independent self-concept	0.867 (Item 5,6,7,8 and 10 removed)	0.914	0.478

5.2

Step 1: Create similar model as Kastanakis and Balabanis (2014)

When a model was created based on Kastanakis and Balbanis (2014) as demonstrated in **Figure 3**, the model did not fit very well for both product groups: $\chi 2$ (df= 1020)= 2806.5, p=.000; $\chi 2$/df= 2.752; CFI=0.812; IFI= .813; TLI= .801; PRATIO= .944 and RMSEA= .079 for luxury watches and $\chi 2$ (df= 1020)= 2757.4, p=.000; $\chi 2$/df= 2.703; CFI=0.819; IFI= .820; TLI= .808; PRATIO= .944 and RMSEA= .078 for fashion goods **(Table 6).** The threshold of an acceptable model fit is a CFI, IFI and TLI and PRATIO greater than 0.9, an RMSEA less than 0.6 and a $\chi 2$/df less than 3 (Bentler & Hu, 1999). The model had good explanatory power for the bandwagon effect for watches and fashion luxury goods (69.8% and 64.4% respectively). However, the explanatory power of the model was lower for the snob effect (35.8% and 47.3%).

Despite the poor fit of the model, the results supported all the hypotheses other than hypotheses **H3b**, as creative counter choice conformity (CCC) was the only sub-construct of the CNFU scale that was significant and positively related to the snob effect for luxury watches, while CCC and avoidance of similarity (AOS) were significant and positively related to the snob effect for fashion goods **(Table 7).** Also, **H3c** was partially supported, however similar to Kastankais and Balabanis (2014), CCC had a significant positive relationship with the bandwagon effect.

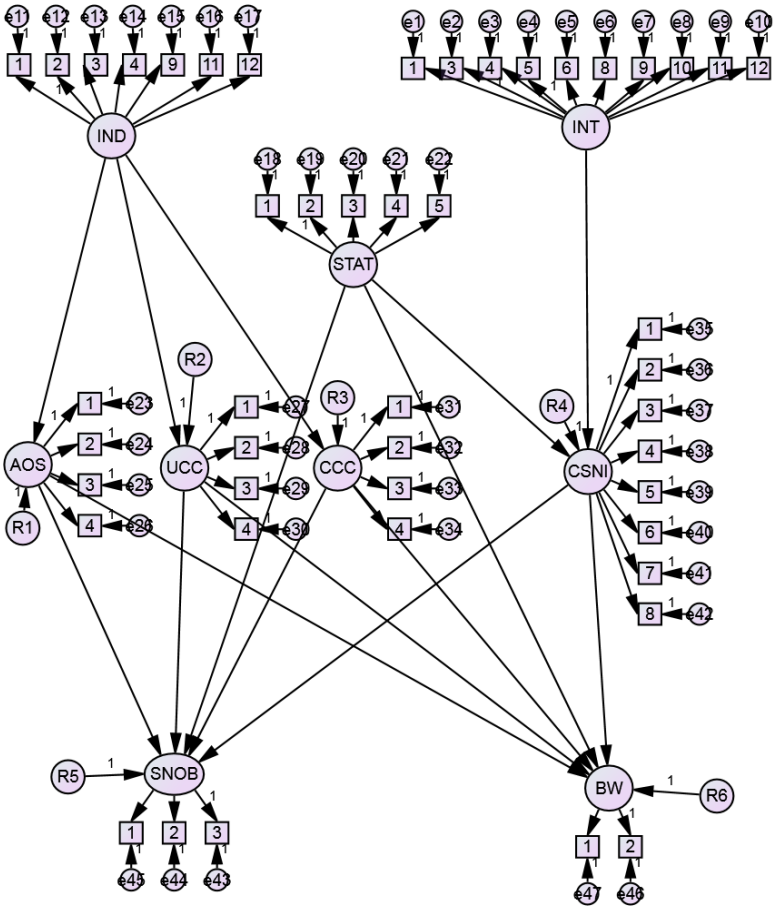

Figure 3- AMOS model of Kastanakis & Balabanis (2014)

Table 6- Fit statistics

Luxury Watches		Fashion Goods	
$\chi 2$	2806.54	$\chi 2$	2757.4
Degrees of freedom (d.f.)	1020	Degrees of freedom (d.f.)	1020
$\chi 2$/d.f.	2.752	$\chi 2$/d.f.	2.703
CFI	.812	CFI	.819
IFI	.813	IFI	.820
TLI	.801	TLI	.808
PRATIO	.944	PRATIO	.944
RMSEA	.079	RMSEA	0.078
R2 (bandwagon effect)	.698	R2 (bandwagon effect)	0.644
R2 (snob effect)	.358	R2 (snob effect)	0.473

Table 7- Structural model

Luxury Watches				Fashion Goods			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.464	***	Yes	IND→ AOS	.464	***	Yes
IND→UCC	.428	***	Yes	IND→UCC	.428	***	Yes
IND→CCC	.535	***	Yes	IND→CCC	.534	***	Yes
Status→CSNI	.424	***	Yes	Status→CSNI	.424	***	Yes
INT→CSNI	.365	***	Yes	INT→CSNI	.361	***	Yes
AOS→Snob	.087	.149	No	AOS→Snob	.232	***	Yes
UCC→Snob	.075	.209	No	UCC→Snob	-.034	.528	No
CCC→Snob	.352	***	Yes	CCC→Snob	.421	***	Yes
CSNI→Snob	-.178	.007	Yes	CSNI→Snob	-.198	.001	Yes
AOS→Bandwagon	-.324	***	Yes	AOS→Bandwagon	-.275	***	Yes
CCC→Bandwagon	.242	***	No	CCC→Bandwagon	.260	***	No
UCC→Bandwagon	-.195	***	Yes	UCC→Bandwagon	-.313	***	Yes
CSNI→ Bandwagon	.417	***	Yes	CSNI→ Bandwagon	.398	***	Yes
Status→Bandwagon	.448	***	Yes	Status→Bandwagon	.389	***	Yes
Status→Snob	.482	***	Yes	Status→Snob	.496	***	Yes

5.3

Step 2: Create a modified model

In order to increase model fit, the modification indices provided by AMOS were used to modify the model by drawing covariances between the three sub constructs of CNFU given the high correlation between these sub constructs. Also, covariances were drawn between items within the same scale that were highly correlated (See **Figure 4**).

This modified model indicated a better fit for both product groups compared to the unmodified model although the indices were short of the recommended rules of thumb (Bentler & Hu, 1999). For the watches the fit statistics were: $\chi 2$ (df= 1011)= 2206.55, p=.000; $\chi 2$/df= 2.183; CFI=0.874; IFI= .875; TLI= .866; PRATIO= .935 and RMSEA= .065 and for fashion goods they

were: $\chi 2$ (df= 1011)= 2165.1, p=.000; $\chi 2$/df= 2.142; CFI=0.88; IFI= .881; TLI= .871; PRATIO= .935 and RMSEA= .064 **(Table 8).**

Similar to the previous model, the results supported all the hypotheses other than hypotheses **H3b**, as creative counter choice conformity (CCC) was the only sub-construct of the CNFU scale that was significant and positively related to the snob effect for luxury watches, while CCC and AOS were significant and positively related to the snob effect for fashion goods **(Table 8).** Also, **H3c** was partially supported, however similar to Kastankais and Balabanis (2014), CCC had a significant positive relationship with the bandwagon effect.

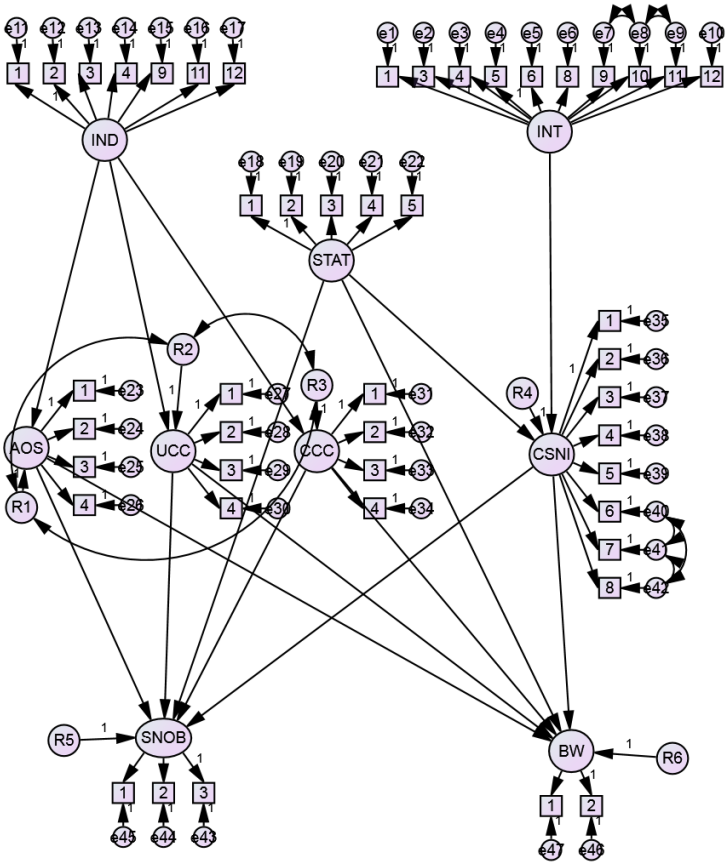

Figure 4: Modified AMOS model (covariances added)

Table 8- Fit statistics (modified model)

Luxury Watches		Fashion Goods	
$\chi 2$	2206.55	$\chi 2$	2165.1
Degrees of freedom (d.f.)	1011	Degrees of freedom (d.f.)	1020
$\chi 2$/d.f.	2.183	$\chi 2$/d.f.	2.142
CFI	.874	CFI	.88
IFI	.875	IFI	.881
TLI	.866	TLI	.871
PRATIO	.935	PRATIO	.935
RMSEA	.065	RMSEA	0.64
R2 (bandwagon effect)	.700	R2 (bandwagon effect)	0.635
R2 (snob effect)	.396	R2 (snob effect)	0.506

Table 9- Structural model (modified)

Luxury Watches				Fashion Goods			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.378	***	Yes	IND→ AOS	.378	***	Yes
IND→UCC	.356	***	Yes	IND→UCC	.357	***	Yes
IND→CCC	.492	***	Yes	IND→CCC	.490	***	Yes
Status→CSNI	.429	***	Yes	Status→CSNI	.431	***	Yes
INT→CSNI	.416	***	Yes	INT→CSNI	.415	***	Yes
AOS→Snob	.069	.451	No	AOS→Snob	.229	.008	Yes
UCC→Snob	.037	.673	No	UCC→Snob	-.087	.281	No
CCC→Snob	.354	***	Yes	CCC→Snob	.419	***	Yes
CSNI→Snob	-.248	***	Yes	CSNI→Snob	-.254	***	Yes
AOS→Bandwagon	-.387	***	Yes	AOS→Bandwagon	-.332	***	Yes
CCC→Bandwagon	.271	***	No	CCC→Bandwagon	.274	***	No
UCC→Bandwagon	-.175	.03	Yes	UCC→Bandwagon	-.304	***	Yes
CSNI→ Bandwagon	.396	***	Yes	CSNI→ Bandwagon	.330	***	Yes
Status→Bandwagon	.455	***	Yes	Status→Bandwagon	.419	***	Yes
Status→Snob	.517	***	Yes	Status→Snob	.528	***	Yes

5.4

Step 3: Differences between the two product groups and gender differences

The following step was to test whether there are significant differences between the two product groups and potential gender differences. In order to test for potential differences between the two product groups, a chi-square difference test was conducted comparing the unconstrained model

in which the structural model was tested for the watches and fashion products simultaneously while having the path coefficients freely estimated across the groups ($\chi 2$= 4376.57; df=4076; p=.000; CFI=0.879; IFI= .880; TLI= .873 and RMSEA= .045) with the constrained model (i.e., path coefficients assumed to be equal). In this study, the chi-square difference test was 4.887 (df= 13, p=.978). Suggesting that there were no differences between the two product groups. Previous research has suggested that there are gender differences in attitude and purchase intention of luxury products (Stokburger-Sauer & Teichmann, 2013). Therefore, the same procedure was conducted to test for gender differences for both product groups. Neither tests were statistically significant (CMIN=61.755; df=52; p=.167 for watches and CMIN=57.858; df=52; p=.268 for fashion goods). In sum, there were no differences between the two products groups or gender found in this study.

5.5

Step 4: Moderating effect of objective knowledge

In order to test for the moderating effect of objective knowledge, a similar procedure to Zhan and He (2012) was followed, in which the sample was split along the median into high and low knowledge groups for both product categories (n=141 for each group). The median split point for the high vs. low objective knowledge of watches was 1.2 out of 4 (average of 5 questions each with a weight of 4 points). The median split point for the objective knowledge of fashion goods was 1.8 out of 4.

5.5.1 Single group estimation

The first step was to conduct a single-group estimation to evaluate the fit of the model for both groups, which would suggest that the structural specification was appropriate. For the high objective knowledge of watches group (n=141), the fit statistics were: $\chi 2$= 2193.279; df=1011;

p=.000; CFI=0.817; IFI= .819; TLI= .804 and RMSEA= .091.Suggesting that the model was not a very good fit. For the low objective knowledge of watches group (n=141), the fit statistics were: $\chi 2$= 1742.533; df=1011; p=.000; CFI=0.825; IFI= .827; TLI= .812 and RMSEA= .072. This was also not a good model fit. The path coefficients of these two groups are shown in **Table 10.** The model fit of the single group estimations for fashion goods did not meet the rules of thumb of an acceptable fit as well **(**See **Table 11** for summary**).**

Table 10- Single group estimation (watches)

High OK Watches				Low OK Watches			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.483	***	Yes	IND→ AOS	.232	.032	Yes
IND→UCC	.421	***	Yes	IND→UCC	.248	.022	Yes
IND→CCC	.647	***	Yes	IND→CCC	.387	.002	Yes
Status→CSNI	.268	***	Yes	Status→CSNI	.584	***	Yes
INT→CSNI	.468	***	Yes	INT→CSNI	.322	***	Yes
AOS→Snob	.242	.175	No	AOS→Snob	-.042	.689	No
UCC→Snob	-.028	.865	No	UCC→Snob	-.021	.846	No
CCC→Snob	.297	.003	Yes	CCC→Snob	.333	.009	Yes
CSNI→Snob	-.223	***	Yes	CSNI→Snob	-.383	.004	Yes
AOS→Bandwagon	-.606	***	Yes	AOS→Bandwagon	-.338	***	Yes
CCC→Bandwagon	.402	***	No	CCC→Bandwagon	.352	***	No
UCC→Bandwagon	-.257	.100	No	UCC→Bandwagon	-.201	.027	Yes
CSNI→ Bandwagon	.407	.009	Yes	CSNI→ Bandwagon	.218	.013	Yes
Status→Bandwagon	.255	.002	Yes	Status→Bandwagon	.673	***	Yes
Status→Snob	.347	***	Yes	Status→Snob	.729	***	Yes

Table 11- Single group estimation (fashion goods)

High OK Fashion				Low OK Fashion			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.456	***	Yes	IND→ AOS	.178	.086	No
IND→UCC	.384	***	Yes	IND→UCC	.224	.032	Yes
IND→CCC	.580	***	Yes	IND→CCC	.367	.002	Yes
Status→CSNI	.297	***	Yes	Status→CSNI	.589	***	Yes
INT→CSNI	.432	***	Yes	INT→CSNI	.321	***	Yes
AOS→Snob	.016	918	No	AOS→Snob	.271	.01	Yes
UCC→Snob	.017	.909	No	UCC→Snob	-.113	.261	No
CCC→Snob	.499	***	Yes	CCC→Snob	.324	.003	Yes
CSNI→Snob	-.246	.005	Yes	CSNI→Snob	-.329	.003	Yes
AOS→Bandwagon	-.500	***	Yes	AOS→Bandwagon	-.159	.098	Yes
CCC→Bandwagon	.393	***	No	CCC→Bandwagon	.107	.275	No
UCC→Bandwagon	-.550	***	Yes	UCC→Bandwagon	-.095	.317	Yes
CSNI→ Bandwagon	.098	.005	Yes	CSNI→ Bandwagon	.273	.006	Yes
Status→Bandwagon	.190	***	Yes	Status→Bandwagon	.626	***	Yes
Status→Snob	.452	***	Yes	Status→Snob	.668	***	Yes

Fit Statistics			
$\chi 2$	2067.051	$\chi 2$	1788.383
Degrees of freedom (d.f.)	1011	Degrees of freedom (d.f.)	1011
$\chi 2$/d.f.	2.045	$\chi 2$/d.f.	1.769
CFI	.824	CFI	.822
IFI	.826	IFI	.825
TLI	.812	TLI	.810
PRATIO	.935	PRATIO	.935
RMSEA	.086	RMSEA	.074
R2 (bandwagon effect)	.843	R2 (bandwagon effect)	.701
R2 (snob effect)	.464	R2 (snob effect)	.506

5.5.2 Two group estimation

The second step was to conduct a two-group estimation and compare the constrained model with the unconstrained model. The unconstrained models for both product groups did not show a great model fit (**Table 12**). The second model constrained all the path coefficients for the knowledge groups, assuming no difference between the groups, hence no moderation effect. A significant

chi-square difference between the unconstrained and constrained model would suggest a difference in the path coefficients and subsequently a moderating effect of knowledge. This study found that the high vs. low objective knowledge of watch groups had a chi-square difference of 141.662 (df=52; $p<0.001$) and the high vs. low objective knowledge of fashion goods groups had a chi square difference of 132.797 (df=52; $p<0.001$). Thus, suggesting that knowledge moderated the relationships outlined in the model for both product groups.

Table 12- Unconstrained model fit

Luxury Watches		**Fashion Goods**	
$\chi 2$	3953.812	$\chi 2$	3855.434
Degrees of freedom (d.f.)	2022	Degrees of freedom (d.f.)	2022
$\chi 2$/d.f.	1.946	$\chi 2$/d.f.	1.907
CFI	.820	CFI	.824
IFI	.822	IFI	.826
TLI	.807	TLI	.811
PRATIO	.935	PRATIO	.935
RMSEA	.058	RMSEA	.057

5.5.3 Individual path estimation

In order to find out which relationships were moderated by knowledge the unconstrained model was compared to 15 nested model with only 1 specific path constrained. A significant difference would suggest that the standardized coefficients for that path is significantly different between the two groups (i.e., moderation effect). The only two path that were significantly different for the watch groups were Interdependence to CSNI and Status to the Bandwagon effect. Both paths were not hypothesized to be negatively moderated by knowledge. The standardized coefficient of the Interdependence to the CSNI path was .468 and .322 for the high and low knowledge groups respectively. The Status to Bandwagon standardized coefficients were .255 and .673 for the high and low knowledge groups respectively.

The results for the fashion group were roughly similar although an additional path that was negatively moderated by knowledge was UCC to the Bandwagon effect (cmin 4.708; p=0.03). The standardized coefficients were -.55 vs -.128 for the low vs. high knowledge groups. This provides some support to **H5b,** that consumer knowledge would negatively moderate the relationship between CNFU and bandwagon luxury consumption (See **Table 13** for summary).

Table 13- Individual path estimation

Watches				Fashion Goods			
Relationship	$\chi 2$ Difference	Sig.	Hypothesis supported	Relationship	$\chi 2$ Difference	Sig.	Hypothesis supported
IND→ AOS	.711	.399		IND→ AOS	1.644	.200	
IND→UCC	.527	.468		IND→UCC	.443	.506	
IND→CCC	.002	.965		IND→CCC	.095	.758	
Status→CSNI	1.356	.244		Status→CSNI	1.677	.195	
INT→CSNI	6.828	.009	NH	INT→CSNI	4.087	.043	NH
AOS→Snob	1.933	.164	No	AOS→Snob	2.128	.145	No
UCC→Snob	.005	.943	No	UCC→Snob	.606	.436	No
CCC→Snob	.969	.325	No	CCC→Snob	.785	.376	No
CSNI→Snob	.035	.852	No	CSNI→Snob	.471	.493	No
AOS→Bandwagon	.074	.785	No	AOS→Bandwagon	2.252	.133	No
CCC→Bandwagon	.732	.392	No	CCC→Bandwagon	2.122	.145	No
UCC→Bandwagon	.593	.441	No	UCC→Bandwagon	4.708	.03	Yes
CSNI→ Bandwagon	.035	.852	No	CSNI→ Bandwagon	2.884	.089	No
Status→Bandwagon	15.460	.000	NH	Status→Bandwagon	11.251	.001	NH
Status→Snob	.047	.829		Status→Snob	.372	.542	

NH= Not hypothesized

5.6 *Summary of Steps 1-4*

The fit of the initial model compared to the fit indices provided by Kastanakis and Balabanis (2014) were quite different. However, the results and relationships between the constructs were similar, therefore modifying the model in a theoretically sound way appeared to be a reasonable procedure to increase model fit (See **Table 14** comparison). Nevertheless, even with the

modification, the model in this study did not have an adequate model fit. The reason for the lack of fit could be due to the smaller sample size of this study (n=282 vs n=431) or the larger degrees of freedom for the two model (1011 vs. 631), suggesting that a greater number of items were removed by Kastanakis and Balabanis (2014) due to low item-to-total correlations (<0.4). However, comparing the descriptive statistics of the samples in these two studies (**Table 15)**, it appears that there are some cultural differences that could explain the inadequate model fit of this model in the Iranian context. For example, the mean of status seeking for the present study and Kastanakis and Balabanis (2014) were 4.63 vs 3.01 respectively. Implying that either status seeking is much higher in Iran or that the meaning of status is viewed differently in Iranian society (although these options are not mutually exclusive). Also, both bandwagon and snob consumption were higher in the Iranian sample, suggesting that there are some cultural differences in both conspicuous luxury consumption patterns. An additional difference that stood out between these two studies is that the model was less successful in explaining the variance in the snob effect in the Iranian context (39.6%) while this was not the case in the London context (57.8%). This was reflected in the path coefficients of the models in terms of the relationship of the CNFU constructs and the snob effect. This suggests that there could be some other potential underlying constructs that explains the propensity to engage in snob consumption in the Iranian context that is unaccounted for in this model. Nevertheless, the model was successful in explaining the variance in the bandwagon effect in the Iranian context (70%).

Regarding the moderation effect of objective knowledge, it was initially expected that there would be differences in objective and subjective knowledge of luxury watches and fashion goods due to product availability. However, the descriptive statistics did not suggest a discernible difference, furthermore there were no significant differences in the model between

the two products groups. Therefore, a different approach was taken to explore the potential moderating role of objective knowledge, specifically splitting the sample into a high vs. low knowledge groups. Notwithstanding that there were significant differences in the high vs low knowledge groups for both product groups, the single group estimation model fit were poor and subsequently the hypothesized moderating paths were not found for the most part (other than AOS→ Bandwagon consumption of fashion goods). The same analyses were conducted for subjective knowledge and there were no substantive differences, thus they have been excluded from this paper. The negative moderating effect of consumer knowledge on the relationship between interdependent self and CSNI could be explained by the notion that Iranians with high knowledge could have a high interdependent self-concept given their cultural orientation but a lower need to conform given their familiarity with various luxury brands, hence leading to a weaker relationship with CSNI. The negative moderating effect of knowledge on status seeking and the bandwagon effect, can also be explained by the idea that individuals with high knowledge and high status seeking have a lower need to engage in conformist luxury consumption given their greater knowledge of luxury products and potentially the feeling that conforming to goods that are popular may not satisfy their need for status. Nevertheless, given the poor model fit of the two groups, there should be some caution in how these results should be interpreted.

Table 14- Comparison of structural model of present study and Kastanakis & Balabanis (2014)

Luxury Watches				Luxury Watches (Kastanakis & Balabanis, 2014)			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.378	***	Yes	IND→ AOS	.419	***	Yes
IND→UCC	.356	***	Yes	IND→UCC	.334	***	Yes
IND→CCC	.492	***	Yes	IND→CCC	.501	***	Yes
Status→CSNI	.429	***	Yes	Status→CSNI	.652	***	Yes
INT→CSNI	.416	***	Yes	INT→CSNI	.215	***	Yes
AOS→Snob	.069	.451	No	AOS→Snob	.381	***	Yes
UCC→Snob	.037	.673	No	UCC→Snob	.107	.022	Yes
CCC→Snob	.354	***	Yes	CCC→Snob	.421	***	Yes
CSNI→Snob	-.248	***	Yes	CSNI→Snob	-.201	.002	Yes
AOS→Bandwagon	-.387	***	Yes	AOS→Bandwagon	-.156	***	Yes
CCC→Bandwagon	.271	***	No	CCC→Bandwagon	.145	***	No
UCC→Bandwagon	-.175	.03	Yes	UCC→Bandwagon	-.113	.006	Yes
CSNI→ Bandwagon	.396	***	Yes	CSNI→ Bandwagon	.282	***	Yes
Status→Bandwagon	.455	***	Yes	Status→Bandwagon	.558	***	Yes
Status→Snob	.517	***	Yes	Status→Snob	.537	***	Yes
Fit Statistics							
$\chi 2$	2206.55			$\chi 2$	1216.283		
Degrees of freedom (d.f.)	1011			Degrees of freedom (d.f.)	611		
$\chi 2$/d.f.	2.183			$\chi 2$/d.f.	1.991		
CFI	.874			CFI	.927		
IFI	.875			IFI	.927		
TLI	.866			TLI	.920		
PRATIO	.935			PRATIO	.917		
RMSEA	.065			RMSEA	.051		
R2 (bandwagon effect)	.700			R2 (bandwagon effect)	.658		
R2 (snob effect)	.396			R2 (snob effect)	.578		

Table 15- Comparison of descriptive statistics

Present Study			Kastanakis & Balabanis (2014)			
Construct	Mean	S.D.	Construct	Mean	S.D.	Sig.
1.Ind Self	5.17	1.25	1.Ind Self	5.35	.88	0.024
2. Int self	5.51	.970	2. Int self	4.41	.98	***
3. Status seeking	4.63	1.46	3. Status seeking	3.01	1.53	***
4. AOS	3.67	1.75	4. AOS	4.11	1.57	***
5. UCC	2.52	1.43	5. UCC	3.95	1.34	***
6. CCC	4.21	1.71	6. CCC	4.09	1.47	0.318
7. CSNI	3.29	1.45	7. CSNI	2.65	1.34	***
8. OK watch	1.39	1.02				
9. OK fashion	1.82	1.07				
10. SK watch	2.37	1.24				
11. SK fashion	2.99	1.15				
12. Snob watch	4.52	1.85	12. Snob watch	3.86	1.53	***
13. Snob fashion	4.76	1.756				
14. Bandwagon watch	4.16	1.69	14. Bandwagon watch	3.01	1.54	***
15. Bandwagon fashion	4.37	1.63				

Following the first 4 data analysis steps that were taken and a careful analysis of the results, a new model that only predicted the propensity to engage in bandwagon luxury consumption was developed. It appeared that creating this model would be more appropriate in the Iranian context given the high R^2 (70%) of the bandwagon effect and the high path coefficients of the CNFU and CSNI to the bandwagon effect in the original model compared to the Kastanakis & Balabanis (2014) study. Therefore a 5^{th} step was undertaken that repeated all the previous steps with a new model that only had one outcome variable (i.e., bandwagon consumption).

5.7
Step 5: Bandwagon consumption model

The bandwagon consumption model as shown in **Figure 6**, contained some additional relationships that were outlined in a study by Kastanakis and Balabanis (2012) that examined the antecedents of bandwagon consumption. Specifically, that the interdependent self-concept negatively relates to CNFU (all three sub-constructs) and that independent self-concept negatively relates to CSNI. These relationships are explained by the notion that individuals with high interdependent self, seek conformity and avoid uniqueness, whereas individuals with a strong independent self, avoid conformity and seek uniqueness (Kim & Markus, 1999).

An additional set of relationships that were added to this model was status seeking to the three sub constructs of CNFU. The rationale for this relationship is drawn from the notion that although some consumers seek status by conforming to the status norm within their reference group (hence the relationship between status seeking and CSNI), there could also be consumers who seek status by distinguishing themselves from other group members as (i.e., gaining status by purchasing unique products that convey status; Clark, Zboja & Goldsmith, 2007). This view is supported by Becker and colleagues (2012) delineation of differences in the meaning of distinctiveness in collectivistic and individualistic cultures, in which distinctiveness is closely associated with difference and separateness in individualistic cultures whereas in collectivistic cultures distinctiveness is achieved by increasing one's social position (i.e., social status).

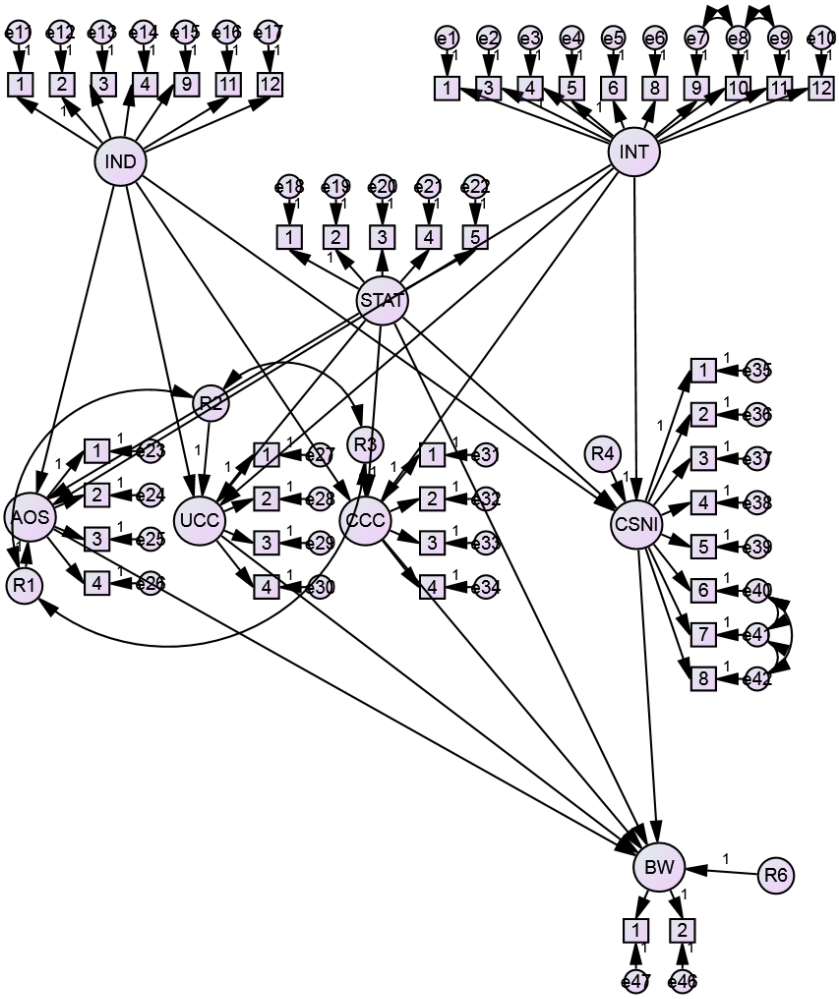

Figure 5: Bandwagon luxury consumption model

The results (**Table 16**) shows that the data fits the model well for both product groups: $\chi 2$ (df= 833)= 1625.443, p=.000; $\chi 2$/df= 1.951; CFI=0.909; IFI= .91; TLI= .901; PRATIO= .922 and RMSEA= .058 for luxury watches and $\chi 2$ (df= 833)= 1631.165, p=.000; $\chi 2$/df= 1.958; CFI=0.908; IFI= .909; TLI= .901; PRATIO= .922 and RMSEA= .058 for fashion goods. Furthermore, the model has good explanatory for the bandwagon effect for watches and fashion luxury goods (71.4% and 66.6% respectively).

Table 16- Bandwagon structural model

Luxury Watches				Fashion Goods			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.322	***	Yes	IND→ AOS	.325	***	Yes
IND→UCC	.276	***	Yes	IND→UCC	.278	***	Yes
IND→CCC	.386	***	Yes	IND→CCC	.385	***	Yes
IND→CSNI	-.254	***	NH	IND→CSNI	-.257	***	NH
INT→CSNI	.425	***	Yes	INT→CSNI	.422	***	Yes
INT→CCC	-.487	***	NH	INT→CCC	-.265	***	NH
INT→UCC	-.262	***	NH	INT→UCC	-.486	***	NH
INT→AOS	-.332	***	NH	INT→AOS	-.328	***	NH
Status→CSNI	.477	***	Yes	Status→CSNI	.478	***	Yes
Status→CCC	.473	***	NH	Status→CCC	.474	***	NH
Status→UCC	.151	.005	NH	Status→UCC	.150	.005	NH
Status→AOS	.169	.003	NH	Status→AOS	.168	.004	NH
AOS→Bandwagon	-.351	***	Yes	AOS→Bandwagon	-.315	***	Yes
CCC→Bandwagon	.234	.002	No	CCC→Bandwagon	.246	.001	No
UCC→Bandwagon	-.153	.044	Yes	UCC→Bandwagon	-.271	***	Yes
CSNI→Bandwagon	.389	***	Yes	CSNI→Bandwagon	.330	***	Yes
Status→Bandwagon	.411	***	Yes	Status→Bandwagon	.380	***	Yes
Fit Statistics							
$\chi 2$	1625.443			$\chi 2$	1631.165		
Degrees of freedom (d.f.)	833			Degrees of freedom (d.f.)	833		
$\chi 2$/d.f.	1.951			$\chi 2$/d.f.	1.958		
CFI	.909			CFI	.908		
IFI	.910			IFI	.909		
TLI	.901			TLI	.901		
PRATIO	.922			PRATIO	.922		
RMSEA	.058			RMSEA	.058		
R2 (bandwagon effect)	.714			R2 (bandwagon effect)	.660		
NH= Not originally hypothesized							

The results of this model supported all the hypotheses except **H3b** for both product groups. In addition, the 4 new relationships that were not originally hypothesized in this study were also found to be significant ($p \leq 0.004$). The rationale for creative choice conformity (CCC) being positively related to bandwagon effect could be that this sub-construct measures uniqueness

seeking within the boundaries of the social group, as opposed to AOS and UCC which could be viewed as choices that are counter to group norms (Tian, Bearden & Hunter, 2001). This finding is not surprising given that Kastanakis and Balabanis (2014) found the same results in their study. Furthermore, the increased model fit of this specified model also supports the notion that the antecedents identified in this study were more successful in predicting bandwagon consumption compared to the snob effect in the Iranian context.

Similar to Step 3, we checked for potential differences between product groups and gender and found that neither were significant (p=.767 for product group differences, $p_{watches}$=.126 for gender differences between watches and $p_{fashion}$=.127 for gender differences between fashion goods).

5.8

Step 6- Moderating effect of knowledge (bandwagon model)

The final step of the data analysis was to test the moderation effect of knowledge on bandwagon consumption for both product groups.

5.8.1 Single group estimation

The results of the single group estimates for both product groups in **Table 17** and **Table 18** show that the single group models are not a great fit, however they are higher in comparison to the result in Step 4.1. The low model fits could be due to the small sample size (n=141) of each group or that structural specification was not appropriate for each group. Despite the lack of acceptable fit, we carried on to the next step of the moderation procedure.

Table 17- Single group estimation for luxury watches (bandwagon model)

High OK (watches)				Low OK (watches)			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.307	***	Yes	IND→ AOS	.296	.007	Yes
IND→UCC	.244	.002	Yes	IND→UCC	.359	***	Yes
IND→CCC	.475	***	Yes	IND→CCC	.435	***	Yes
IND→CSNI	-.239	***	NH	IND→CSNI	-.210	***	NH
INT→CSNI	.431	***	Yes	INT→CSNI	.396	***	Yes
INT→CCC	-.249	.002	NH	INT→CCC	-.274	.001	NH
INT→UCC	-.487	***	NH	INT→UCC	-.518	.017	NH
INT→AOS	-.486	***	NH	INT→AOS	-.192	.039	NH
Status→CSNI	.373	***	Yes	Status→CSNI	.567	***	Yes
Status→CCC	.367	***	NH	Status→CCC	.483	***	NH
Status→UCC	-.029	.704	NH	Status→UCC	.255	.005	NH
Status→AOS	-.003	.963	NH	Status→AOS	.217	.013	NH
AOS→Bandwagon	-.554	***	Yes	AOS→Bandwagon	-.310	***	Yes
CCC→Bandwagon	.319	.002	No	CCC→Bandwagon	.328	.003	No
UCC→Bandwagon	-.179	.183	No	UCC→Bandwagon	-.197	.043	Yes
CSNI→Bandwagon	.341	***	Yes	CSNI→Bandwagon	.270	.005	Yes
Status→Bandwagon	.215	.013	Yes	Status→Bandwagon	.595	***	Yes
Fit Statistics							
χ^2	1745.13			χ^2	1334.821		
Degrees of freedom (d.f.)	833			Degrees of freedom (d.f.)	833		
χ^2/d.f.	2.095			χ^2/d.f.	1.602		
CFI	.847			CFI	.866		
IFI	.848			IFI	.869		
TLI	.834			TLI	.855		
PRATIO	.922			PRATIO	.922		
RMSEA	.088			RMSEA	.066		
R2 (bandwagon effect)	.814			R2 (bandwagon effect)	.803		
NH= Not originally hypothesized							

Table 18- Single group estimation for fashion goods (bandwagon model)

High OK (fashion)				Low OK (fashion)			
Relationship	Standardized Ml estimate	Sig.	Hypothesis supported	Relationship	Standardized Ml estimate	Sig.	Hypothesis supported
IND→ AOS	.356	***	Yes	IND→ AOS	.238	.02	Yes
IND→UCC	.251	.002	Yes	IND→UCC	.311	.001	Yes
IND→CCC	.415	***	Yes	IND→CCC	.393	***	Yes
IND→CSNI	-.226	.004	NH	IND→CSNI	-.182	***	NH
INT→CSNI	.415	***	Yes	INT→CSNI	.378	.029	Yes
INT→CCC	-.258	.002	NH	INT→CCC	-.270	.001	NH
INT→UCC	-.445	***	NH	INT→UCC	-.531	***	NH
INT→AOS	-.355	***	NH	INT→AOS	-.246	.01	NH
Status→CSNI	.379	***	Yes	Status→CSNI	.584	***	Yes
Status→CCC	.369	***	NH	Status→CCC	.526	***	NH
Status→UCC	-.022	.780	NH	Status→UCC	.274	.005	NH
Status→AOS	-.004	.962	NH	Status→AOS	.254	.003	NH
AOS→Bandwagon	-.473	***	Yes	AOS→Bandwagon	-.168	.086	No
CCC→Bandwagon	.358	***	No	CCC→Bandwagon	.081	.489	No
UCC→Bandwagon	-.508	***	Yes	UCC→Bandwagon	-.079	.443	No
CSNI→Bandwagon	.086	.117	No	CSNI→Bandwagon	.309	.004	Yes
Status→Bandwagon	.166	.005	Yes	Status→Bandwagon	.602	***	Yes
Fit Statistics							
$\chi 2$	1659.211			$\chi 2$	1394.28		
Degrees of freedom (d.f.)	833			Degrees of freedom (d.f.)	833		
$\chi 2$/d.f.	1.992			$\chi 2$/d.f.	1.674		
CFI	.851			CFI	.857		
IFI	.853			IFI	.859		
TLI	.838			TLI	.844		
PRATIO	.922			PRATIO	.922		
RMSEA	.084			RMSEA	.069		
R2 (bandwagon effect)	.853			R2 (bandwagon effect)	.691		
NH= Not originally hypothesized							

5.8.2 Two group estimation

The second step was to conduct a two-group estimation and compare the constrained model with the unconstrained model. The unconstrained models for both product groups met two of the fit indices rules of thumb (i.e., $\chi 2$/d.f. <2 and RMSEA<0.06) however the CFI, IFI and TLI was below the 0.9 threshold (**Table 19**). Comparing the unconstrained models with the constrained models, this study found that the high vs. low objective knowledge of watch groups had a chi-square difference of 102.691 (df=52; p<0.001) and the high vs. low objective knowledge of fashion goods groups had a chi square difference of 118.365 (df=52; p<0.001). Thus, suggesting that knowledge moderated the relationships outlined in the model for both product groups.

Table 19- Unconstrained model fit (bandwagon)

Luxury Watches		**Fashion Goods**	
$\chi 2$	3079.95	$\chi 2$	3053.494
Degrees of freedom (d.f.)	1666	Degrees of freedom (d.f.)	1666
$\chi 2$/d.f.	1.849	$\chi 2$/d.f.	1.833
CFI	.854	CFI	.853
IFI	.856	IFI	.855
TLI	.843	TLI	.841
PRATIO	.922	PRATIO	.922
RMSEA	.055	RMSEA	.055

5.8.3 Individual path estimation

When the unconstrained model was compared to the 18 nested models with constrained path coefficients, the only paths that appeared to be moderated by objective knowledge of luxury watches were Status→UCC (p=0.036) and Status→ Bandwagon (p=0.001). Neither of which were originally hypothesized to be moderated by knowledge (**Table 20)**

Table 20- Individual path estimation

Watches				Fashion Goods			
Relationship	$\chi 2$ Difference	Sig.	Hypothesis supported	Relationship	$\chi 2$ Difference	Sig.	Hypothesis supported
IND→ AOS	.536	.464		IND→ AOS	.029	.865	
IND→UCC	2.192	.139		IND→UCC	1.062	.303	
IND→CCC	3.043	.081		IND→CCC	1.282	.258	
IND→CSNI	.066	.797		IND→CSNI	.179	.672	
INT→CSNI	.098	.755		INT→CSNI	.179	.672	
INT→CCC	1.037	.309		INT→CCC	.733	.392	
INT→UCC	1.214	.271		INT→UCC	.631	.427	
INT→AOS	3.255	.071		INT→AOS	.113	.736	
Status→CSNI	.019	.889		Status→CSNI	.399	.527	
Status→CCC	1.214	.271		Status→CCC	.631	.427	
Status→UCC	4.412	.036	NH	Status→UCC	4.757	.029	NH
Status→AOS	2.605	.107		Status→AOS	3.282	.070	
AOS→Bandwagon	.038	.846	No	AOS→Bandwagon	2.249	.134	No
CCC→Bandwagon	.249	.618	No	CCC→Bandwagon	2.760	.097	No
UCC→Bandwagon	.661	.416	No	UCC→Bandwagon	5.236	.022	Yes
CSNI→Bandwagon	.624	.429	No	CSNI→Bandwagon	3.764	.052	Yes
Status→Bandwagon	10.387	.001	NH	Status→Bandwagon	9.216	.002	NH

NH= Not hypothesized

Similarly, the paths moderated by objective knowledge of luxury fashion goods were Status→UCC (p=0.029) and Status→ Bandwagon (p=0.002). However, in addition to these paths UCC→Bandwagon (p=0.022) and CSNI→ Bandwagon (p=0.005) were also moderated by objective knowledge. Thus, providing some support for hypotheses **H5b** and **H5d. Table 21** highlights the differences in the path coefficients moderated by knowledge between the high vs. low knowledge groups for each product group.

Table 21- Moderating paths

Watch					Fashion				
	High Knowledge Group		Low Knowledge Group			High Knowledge Group		Low Knowledge Group	
Structural Path	Standardized coefficient	p-value	Standardized Coefficient	p-value	Structural Path	Standardized coefficient	p-value	Standardized Coefficient	p-value
					UCC-Bandwagon	-.508	***	-.079	.433
					CSNI-Bandwagon	.086	.116	.309	.004
Status-Bandwagon	.22	.013	.595	***	Status-Bandwagon	.166	.005	.602	***
Status-UCC	-.029	.704	.255	***	Status-UCC	-0.022	.780	.274	***

5.9 Summary of Data Analysis

To summarize the findings, we will go through each of the hypotheses and state whether they were supported, partially supported or found no support.

H1a: Status seeking relates positively to the propensity to engage in bandwagon consumption of luxury products. **(supported)**

H1b: Status seeking relates positively to the propensity to engage in snob consumption of luxury products **(supported)**

H2a. The inter-dependent self-concept relates positively to CSNI **(supported)**

H2b. CSNI relates positively to the propensity to engage in bandwagon luxury consumption (**supported)**

H2c. CSNI relates negatively to the propensity to engage in snob luxury consumption **(supported)**

H3a. The independent self-concept relates positively to CNFU（**supported)**

H3b. CNFU (all three facets) relates positively to the propensity to engage in snob luxury consumption **(partially supported).** Only CCC was positively related to the propensity to

engage in snob luxury consumption for watches. Only CCC and AOS were positively related to snob consumption of fashion goods.

H3c. CNFU (all three facts) relates negatively to the propensity to engage in bandwagon luxury consumption (**partially supported).** CCC was positively related to the propensity to engage in bandwagon luxury consumption.

H4. Status seeking relates positively to CSNI (**supported**)

H5a. Consumer knowledge moderates the relationship between CNFU (all three facets) and snob luxury consumption (**no support)**.

H5b. Consumer knowledge moderates the relationship between CNFU (all three facets) and bandwagon luxury consumption **(partially supported)**. In the bandwagon consumption model for fashion goods, the relationship between UCC and bandwagon consumption was moderated by knowledge.

H5c. Consumer knowledge moderates the relationship between CSNI and snob luxury consumption (**no support)**.

H5d. Consumer knowledge moderates the relationship between CSNI and bandwagon luxury consumption (**partially supported)**. In the bandwagon consumption model for fashion goods, the relationship between CSNI and bandwagon consumption was moderated by knowledge.

Chapter Six.

Discussion and Conclusion

Increased wealth in emerging markets has resulted in a greater need for individuals to demonstrate their affluence and express social status. Conspicuous luxury consumption inherently serves this function, partially explaining the reason for the increased popularity of luxury goods in emerging markets (Okonkwo, 2009). Understanding conspicuous luxury consumption in greater depth is of relative importance both theoretically and in terms of practical implications. The model developed by Kastanakis and Balabanis (2014) is a significant contribution towards this aim, showing that conspicuous luxury consumption should not be

treated homogenously and identifying important individual factors that influence the tendency to engage in bandwagon and snob luxury consumption.

The aim of the present study was to contribute to our understanding of conspicuous consumption by testing the model presented by Kastanakis and Balabanis (2014) in an emerging market and attempting to advance the model by exploring the role of consumer knowledge on conspicuous consumption. This study was theoretically important in several ways. Firstly, this study indicates that the identified conspicuous consumption model was more successful in predicting the propensity to engage in bandwagon consumption behaviour compared to snob consumption in the Iranian context. This suggests that there are additional traits beyond what was identified in this model that could explain snob luxury consumption behaviours in Iran. Specifically, the AOS and UCC sub-dimension of the need for uniqueness scale did not explain variation in snobbish consumption behaviour very well. This could be due to cultural differences in the understanding of these dimensions as they could be viewed as extreme versions of uniqueness seeking in Iranian society. AOS is viewed as intentionally avoiding and stopping use of a product once it is used by others while UCC is viewed as breaking social norms to be viewed as unique (Ruvio et al., 2008; Tian, Bearden & Hunter, 2001). Both dimensions differ from snob luxury consumption which is not necessarily viewed as a divergence from group norms or discontinuing product use due to popularity but rather as a method to increase social status by using products that other people do not possess or are limited/ rare. The comparison of descriptive statistics between this study and Kastanakis and Balabanis (2014) provide some support to this explanation (**Table 15**) as the desire to engage in snob consumption behaviour of watches was more prevalent in the Iranian context, while the UCC and AOS sub dimensions were less prevalent compared to participants in London. This provides some support to the

notion that the relationship between snob consumption and UCC, AOS differs in the Iranian context.

In addition, consumer knowledge appeared to play a role in explaining bandwagon luxury consumption, the moderating role of consumer knowledge on the relationship between status consumption and bandwagon consumption was found in all the moderating tests that were carried out, although this was not initially hypothesized. The negative moderating role of consumer knowledge on the status consumption and bandwagon consumption suggests that individuals with high knowledge of luxury goods and high status are less likely to engage in bandwagon luxury consumption. A potential explanation for this relationship is that bandwagon consumption is less likely to satisfy the status needs of high knowledge individuals given their awareness of other brands/ products that may enhance their status to a greater degree.

It was anticipated that due to the limited availability of fashion luxury brands and the lack of a direct presence of these luxury brands, consumer knowledge of these products would be lower in Iran compared to luxury watches. This relationship was not found; therefore, we were unable to test the moderating role of knowledge between the product groups. In retrospect, although there is limited availability of authentic fashion luxury brands such as Gucci and Louis Vuitton, the counterfeit goods market in Iran is extensive and counterfeit luxury goods are readily available for purchase as these goods are advertised through social media. It could be said that this experience and/or exposure to counterfeit luxury goods compensates for the lack of authentic product availability. Thus, providing an explanation as to why consumer knowledge of fashion luxury goods was not lower than luxury watches as expected in this study. The following sections of this paper will further describe the study's findings in reference to the initial research

questions. This is followed by the implications of this study, the limitations and potential directions for future research.

6.1 *Research Questions*

Research Question One:

Is the conspicuous luxury consumption model proposed by Kastanakis and Balabanis (2014) a valid model that can be applied to other cultural contexts?

The findings suggest that the model is not valid in the Iranian context, specifically due to the lack of the individual factors predictive ability of snob luxury consumption. The avoidance of similarity and unpopular choice counter conformity sub dimensions of CNFU were not significantly related to snob consumption which appeared to be the reason that the model did not have great fit. However, it should be noted that model was approaching the threshold of acceptable fit as outlined by Bentler and Hu (1999), which suggests that the model had some predictive ability as was seen in the significant path coefficients of all the other relationships. In addition, the sample size of this study was less than the study conducted by Kastanakis and Balabanis (2014; n=282 vs n=431), which may have resulted in an inadequate model fit. However, when comparing the descriptive statistics and path coefficients of the model in the two studies (**Table 14 and Table 15**), it appears that there are cultural differences in the importance and/or understanding of the constructs identified in this model and subsequently the relationship between the constructs.

The differences in the descriptive statistics of the two samples are all consistent with our understanding of cultural differences in self-construal (Markus & Kitayama, 1991) need for uniqueness and conformity (Kim & Markus, 1999), other than the insignificant differences in CCC (p=0.318), which is the least extreme uniqueness seeking dimension of CNFU and not

necessarily conflicting with the collectivistic emphasis of maintaining harmony (Markus & Kitayama, 1991). Differences in status consumption and bandwagon consumption were also expected, however the main difference that was unaccounted for was the higher propensity to engage in snob luxury consumption in the Iranian sample compared to the London sample ($p<0.001$). Given that snobbish conspicuous consumption is viewed as a means of increasing status by dissociating from others and expressing uniqueness, it would make sense theoretically that the Iranian sample would have a lower tendency to engage in this behaviour compared to Londoners, similar to what was observed in the two sub-dimensions of CNFU (AOS and UCC). Furthermore, it was expected that the relationship between these two sub-dimensions and snob consumption would be significantly positive (**H3b**), which was not found for either product group.

However, optimal distinctiveness theory (Brewer, 1991) suggests that all individuals have a need for distinctiveness, although this desire is constrained by the need for social approval, which tends to be higher in collectivistic cultures (Kim & Markus, 1999). Moreover, it has been noted that the notion of distinctiveness differs among collectivistic cultures, as there is a greater focus on distinctiveness through social positions whereas individualistic cultures focus on distinctiveness through differences and separateness (Becket et al., 2012). Therefore, uniqueness seeking in a collectivistic culture could be generally viewed in a positive manner as long as it does not conflict with an individual's sense of social assimilation (Ruvio, 2008). The CCC sub-dimension of CNFU and snob consumption behaviour, do not appear to conflict with the notion of social approval. CCC is viewed as uniqueness seeking through consumer products within the boundaries of social norms and snobbish luxury consumption is similar to CCC while also emphasizing social status to a greater degree given the nature of conspicuous consumption.

Snobbish luxury consumption appears to be a means of achieving distinctiveness through social position as Becker and colleagues (2012) described in their study, hence providing an explanation as to why snobbish consumption was higher in the Iranian context compared to the London context.

It could be due to cultural differences in how uniqueness and snob consumption are viewed in the Iranian context that the model had an inadequate fit and had lower ability to predict the variation in snob consumption. In contrast the model was more successful in predicting the propensity to engage in bandwagon consumption, as was seen in the adequate model fit and path coefficients of the bandwagon model. In sum, the Kastankais and Balabanis (2014) was not applicable to the Iranian context in regards to predicting snobbish consumption tendencies, however a variation of the model appeared to be valid in predicting bandwagon consumption in Iran.

Research Question Two:

Does the strength of the relationships identified by Kastanakis and Balabanis (2014) hold in a collectivistic context?

As previously discussed, the main relationships that did not hold in the study were the positive relationship between AOS and UCC to the snob effect (**H3b**) that were found in the Kastanakis and Balabanis study (2014). The potential explanation as to why these relationships did not hold was previously discussed, however in addition to these relationships there were other relationships that although were significant in the same direction had differing strengths as outlined in the path coefficients in **Table 14**. These relationships were status seeking to CSNI and status seeking to bandwagon, which were lower in this study (.429 vs .652) and (.455 vs

.558). A potential reason for the lower strength of these relationships is that status seeking could be viewed differently in the Iranian context as it was more strongly tied to snob consumption (.517 vs. .458), which is consistent with Becker and colleagues (2012) finding that distinctiveness is more closely tied to social positions in collectivistic cultures.

Other relationships that appeared to be discernibly different were Interdependence - CSNI (.416 vs. 215), CSNI-Bandwagon (.396 vs. .282) and CCC-Bandwagon (.271 vs .145), which were all stronger in this study. It appears that given the stronger interdependent tendency of the sample and the need for CSNI, the first two relationships were more strongly connected as collectivistic societies emphasize interdependence and conformity to a greater degree compared to individualistic societies (Markus & Kitayama, 1991). The stronger relationship between CCC and bandwagon consumption in this study may also be related to differences in how uniqueness is viewed in collectivistic cultures and the notion that CCC and bandwagon consumption are both tied to social approval which is a strong need in collectivistic societies (Kastanakis & Balabanis, 2014; Kim & Markus, 1999).

In sum, the strength of the relationships in this study were generally consistent with what Kastanakis and Balabanis (2014) found other than AOS and UCC to snob consumption and to a lesser degree the relationship outlined in the above discussion. The identified relationships were valid for the most part other than 2 out the 4 relationships involving the snob effect. This suggests that there are other factors that could be explaining the variation in snob consumptions better than AOS and UCC in the Iranian context.

Research Question Three:

What role does consumer knowledge have on the propensity to engage in bandwagon and snobbish conspicuous consumption?

Consumer knowledge was expected to have a moderating effect on the relationships between CNFU, CSNI and the two types of conspicuous consumption. Based on the results it did not appear that consumer knowledge played a role on the propensity to engage in snobbish conspicuous consumption, which could be due to the fact that the model was not successful in predicting snobbish consumption in the first place. Nevertheless, there was some evidence found for the negative moderating effect knowledge on the relationship between AOS and the bandwagon effect and CSNI and the bandwagon effect for fashion luxury goods, providing some support for hypotheses **H5b** and **H5d**. The reason why this moderating effect was found only for fashion goods could be due to the nature of this product group which encompasses various products (e.g., clothing, accessories and shoes) which can be easier to express uniqueness or conformity with as opposed to luxury watches. However, this potential explanation requires further research regarding how the nature of a product could impact the relationship of knowledge to uniqueness and conformity seeking.

Furthermore, a relationship that was consistently found in all the analyses regarding the moderating effect of knowledge was the negative moderating effect of knowledge on the relationship between status seeking and bandwagon consumption. This was not initially hypothesized; however, this effect could be explained by the notion that uniqueness (i.e., distinctiveness) is tied to status seeking (i.e., social positions) in collective cultures (Becker et al., 2012) and Zhan and He's finding that as consumer knowledge increases the desire to conform by purchasing popular luxury brands decreases. Suggesting that as consumer knowledge

increases the status seeking needs of Iranian consumer are less likely to be satisfied through bandwagon consumption, given the consumer's higher awareness of less popular brands that are more distinct and have a greater ability to express social status due to this distinctiveness. Nevertheless, this finding should be explored in greater depth in future research to confirm this potential explanation.

6.2 *Implications*

This study has several theoretical implications starting with a greater understanding of conspicuous consumption in an emerging market. Conspicuous consumption has generally been viewed as a homogenous behaviour and rarely explored from the consumers' perspective prior to Kastanakis and Balabanis (2014). There has been no study to our knowledge that has explored bandwagon and snob luxury consumption behaviors in a collectivistic culture, which would appear to be important given the cultural differences in uniqueness and conformity seeking (Markus & Kim, 1999). Moreover, given that Kastanakis and Balabanis (2014) were the first to provide a model identifying specific individual factors that predict the two types of conspicuous consumption, testing this model in a collectivistic context was theoretically important. The present study suggested that the model was more successful in predicting the propensity to engage in bandwagon consumption compared to snob consumption. Furthermore, the inability of AOS and UCC in predicting snob consumption behaviours and the higher propensity of individuals in Iran to engage in conspicuous consumption compared to the Kastanakis and Balabanis (2014) suggests that the relationship between culture and need for uniqueness is more complex than previous literature suggests (Kim & Markus, 1999; Wong & Ahuvia, 1998).

The role of consumer knowledge on these two types of conspicuous consumption patterns

were theoretically relevant to explore given that previous research had found that uniqueness seeking becomes more important as consumer knowledge of luxury products increases (Zhan & He, 2012). The present study found that the type of product effects the moderating role of knowledge between the relationship of CNFU and CSNI to the bandwagon effect, which provides some support to Zhan and He's (2012) findings. Furthermore, the finding that as consumer knowledge increases the desire to seek status through bandwagon consumption decreases also appears to have some theoretical implications that could be further explored in terms of the impact of consumer knowledge on the relationship between status seeking and conformity/uniqueness seeking in conspicuous consumption. This would especially be important in emerging markets that may not have as much exposure to specific luxury brands, although this study did not find differences in consumer knowledge between fashion luxury goods, which face product limitations and luxury watches in the Iranian sample.

In regard to managerial implications, this study provides some insight into potential Iranian luxury consumers and their propensity to engage in the two types of conspicuous luxury consumption patterns. This study suggests that status seeking is higher in Iranians compared to Londoners and there is a higher propensity to engage in conspicuous consumption. This would be relevant to luxury brands wanting to enter Iran as it suggests that emphasizing the status of a product would be an effective strategy in Iran and that the relationship between status and conspicuous consumption is not entirely independent of the relationship between need for uniqueness/conformity with conspicuous consumption. Furthermore, this study suggests that emphasizing uniqueness within the bounds of what is socially acceptable may be an effective strategy in Iran. In addition, the study's findings on consumer knowledge also may have managerial implications, providing some evidence that depending on the level of consumer

knowledge, uniqueness seeking, conformity seeking and status should be adjusted in how they are emphasized when marketing conspicuous luxury goods. For example, if a consumer has high knowledge of luxury shoes, then a luxury shoe brand should emphasize uniqueness in terms of social status to increase sales in Iran, as this may resonate more with a customer who has a higher need for uniqueness due to increased knowledge and a need to increase one's social position through a distinct luxury product.

6.3 *Limitations and Future Research*

Despite, the aforementioned implications there are several limitations of this study that should be noted. Firstly, this study had a smaller sample size than Kastanakis and Balabanis (2014; n= 282 vs. n=431). This was problematic due to the nature of the study, which was to test the validity of the model and compare the strengths of the relationships, as the two studies had different statistical powers partially owing to the differences in the sample sizes. Therefore, there should be some caution in comparisons of the validity of the model and differences in the strengths of the identified relationships. An additional limitation due to sample size was the analyses concerning the moderation effect of knowledge. It was initially expected that there would be differences in objective knowledge between the product groups of this study as a result of differences in product availability, however given that this was not found, the moderation effect was tested by splitting the sample into a high knowledge and low knowledge group, essentially splitting the sample size in two. This procedure was problematic as it decreases the sample size of the single group estimation of the high knowledge and low knowledge groups to 141, which was low for a structural equation model of this complexity as an appropriate ratio of participants for each estimated coefficient is 10:1, which in this study would be 150 as there were 15 estimated path coefficients (Bentler & Chou, 1987). Therefore, the findings on the moderation

effect of objective consumer knowledge should be viewed with caution.

The reason as to why there were no differences found in consumer knowledge between the product groups despite differences in product availability could be explored in future research. A potential explanation could be that the availability of counterfeit goods compensates for the lack of authentic products and a direct presence of many luxury fashion brands. Many counterfeit luxury fashion goods are readily available to purchase at retailers and are frequently advertised on social media pages in Iran, thus increasing consumer exposure to these products.

Additional limitations are that this study tested only two product groups and although there were no differences found in the model testing each product groups, there were some differences when testing for the moderation effect of knowledge. Therefore, there should be some caution in generalizing the findings to other product groups. Future research should explore differences in the moderating effect of consumer knowledge on the identified relationships between different luxury product groups. Given that this sample was conducted in Iran, a moderately collectivistic culture compared to more extreme collectivistic cultures such as China and South Korea (Hofstede et al., 2010), there should be caution in generalizing these findings to other cultures. Future research should test this model in a more collectivistic culture to further validate the findings of this study.

The present study suggested the Kastanakis and Balabanis (2014) model was not successful in predicting the propensity to engage in snob luxury consumption in the Iranian context. The study was unable to find additional factors that could better explain the variation in this consumption behaviour. It appeared that the AOS and UCC dimensions of CNFU were not good predictors and this limited the validity of the model in the Iranian context. Future research

should attempt to identify other factors that could better explain this behaviour. Uniqueness seeking in consumption patterns that are viewed as breaking or distancing oneself from social norms do not seem to be emphasized in Iran to the same extent as Western cultures, however the need to be distinct by increasing one's social position through luxury goods appears to be as strong if not stronger in the Iranian context. The relationship between need for uniqueness, social status and snob consumption in collectivistic culture should be explored in greater depth in the future to further our understanding of this consumption behaviour. Nevertheless, despite the identified limitations, the present study provides some valuable insight and advances marketing knowledge of conspicuous consumption in an emerging market, providing various avenues for future research to extend our understanding of culture, uniqueness seeking/ conformity seeking and bandwagon/snob luxury consumption.

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Appendix 1- English Questionnaire

1. Subjective Knowledge

Please read the following statements carefully and indicate your agreement using a 5 point scale (1= Strongly Disagree, 5= Strongly Agree).

	1. Strongly Disagree	2	3	4	5. Strongly Agree
1. When compared to other, people I know a lot about luxury watches	❍	❍	❍	❍	❍
2. My friends consider me an expert regarding luxury watches	❍	❍	❍	❍	❍
3. I consider myself very experienced with luxury watches	❍	❍	❍	❍	❍

Please read the following statements carefully and indicate your agreement using a 5 point scale (1= Strongly Disagree, 5= Strongly Agree).

	1. Strongly Disagree	2	3	4	5. Strongly Agree
1. When compared to other, people I know a lot about luxury fashion goods	❍	❍	❍	❍	❍
2. My friends consider me an expert regarding luxury fashion goods	❍	❍	❍	❍	❍
3. I consider myself very experienced with luxury fashion goods	❍	❍	❍	❍	❍

2. Objective Knowledge

1. Please list as many luxury watch brands that you can.

1.  2.  3.  4. 

2. Please identify the brands that correspond to the logos shown above.

Brand 1 _____

Brand 2 _____

Brand 3 _____

Brand 4 _____

3. Please identify the country of origin for the following brands.

Cartier _____

Rolex _____

Omega _____

Hublot _____

1.  2.  3.  4. 

4. Please identify the brand of the luxury watches shown above.

Brand 1 _____

Brand 2 _____

Brand 3 _____

Brand 4 _____

5. The most expensive watches typically have which type of movement?

- ❍ Mechanical
- ❍ Manual
- ❍ Quartz
- ❍ Analog

1. Please list as many luxury fashion brands that you can?

1.  2.  3.  4. 

2. Please identify the brands that correspond to the logos shown above

Brand 1 _____

Brand 2 _____

Brand 3 _____

Brand 4 _____

3. Please identify the country of origin for the following brands.

Fendi _____

Givenchy _____

Gucci _____

Burberry _____

1.  2.  3.  4. 

4. Please identify the brand of the luxury fashion items shown above (drop down question).

Brand 1 _____

Brand 2 _____

Brand 3 _____

Brand 4 _____

5. The most expensive handbags or purses are typically made with which type of leather?

- ❍ Alligator
- ❍ Ostrich
- ❍ Snake
- ❍ Lamb

3. Snob & Bandwagon Consumption (Watches)

For the following questions, please answer how likely you would purchase this product, assuming that money is no object. Indicate your answer using a 7 point scale (1= definitely no, 7=definitely yes).

	1. Definitely No	2	3	4	5	6	7. Definitely Yes
1. A luxury watch that only a few people own.	❍	❍	❍	❍	❍	❍	❍
2. A luxury watch that is of limited production.	❍	❍	❍	❍	❍	❍	❍
3. A luxury watch that is recognized by a small number of people.	❍	❍	❍	❍	❍	❍	❍
4. A very popular and fashionable luxury watch.	❍	❍	❍	❍	❍	❍	❍
5. A luxury watch that is worn by many celebrities.	❍	❍	❍	❍	❍	❍	❍
6. A luxury watch that is chosen by most people.	❍	❍	❍	❍	❍	❍	❍

4. Snob & Bandwagon Consumption (fashion goods)

For the following questions, please answer how likely you would purchase this product, assuming that money is no object. Indicate your answer using a 7 point scale (1= definitely no, 7=definitely yes).

	1. Definitely No	2	3	4	5	6	7. Definitely Yes
1. A luxury fashion good that only a few people own.	❍	❍	❍	❍	❍	❍	❍
2. A luxury fashion good that is recognized by a small number of people.	❍	❍	❍	❍	❍	❍	❍
3. A luxury fashion good that is of limited production.	❍	❍	❍	❍	❍	❍	❍
4. A very popular and fashionable luxury fashion good.	❍	❍	❍	❍	❍	❍	❍
5. A luxury fashion good that is worn by many celebrities.	❍	❍	❍	❍	❍	❍	❍
6. A luxury fashion good that is chosen by most people.	❍	❍	❍	❍	❍	❍	❍

5. Status Seeking

Please read the following statements carefully and indicate your agreement using a 7 point scale (1= Strongly Disagree, 7= Strongly Agree).

	1. Strongly Disagree	2	3	4	5	6	7. Strongly Agree
1. I would buy a product because it has status.	❍	❍	❍	❍	❍	❍	❍
2. I am interested in new products with status.	❍	❍	❍	❍	❍	❍	❍
3. I would pay more for a product if it had status.	❍	❍	❍	❍	❍	❍	❍
4. The status of a product is irrelevant to me.	❍	❍	❍	❍	❍	❍	❍
5. A product is more valuable to me if it has some snob appeal.	❍	❍	❍	❍	❍	❍	❍

6. Consumer Need for Uniqueness

Please read the following statements carefully and indicate your agreement using a 7 point scale (1= Strongly Disagree, 7= Strongly Agree).

	1. Strongly Disagree	2	3	4	5	6	7. Strongly Agree
1. I often combine possessions in such a way that I create a personal image that cannot be duplicated.	❍	❍	❍	❍	❍	❍	❍
2. I often try to find a more interesting version of run-of-the-mill products because I enjoy being original.	❍	❍	❍	❍	❍	❍	❍
3. I actively seek to develop my personal uniqueness by buying special products or brands.	❍	❍	❍	❍	❍	❍	❍
4. Having an eye for products that are interesting and unusual assist me in establishing a distinctive image.	❍	❍	❍	❍	❍	❍	❍
5. When it comes to the products I buy and the situations in which I use them, I have broken customs and rules.	❍	❍	❍	❍	❍	❍	❍
6. I have often violated the understood rules of my social group regarding what to buy or own.	❍	❍	❍	❍	❍	❍	❍

7. I have often gone against the understood rules of my social group regarding when and how certain products are properly used.	❍	❍	❍	❍	❍	❍	❍
8. I enjoy challenging the prevailing taste of people I know by buying something they would not seem to accept.	❍	❍	❍	❍	❍	❍	❍
9. When a product I own becomes popular among the general population, I begin to use it less.	❍	❍	❍	❍	❍	❍	❍
10. I often try to avoid products of brands that I know are bought by the general population.	❍	❍	❍	❍	❍	❍	❍
11. As a rule, I dislike products or brands that are customarily bought by everyone.	❍	❍	❍	❍	❍	❍	❍
12. The more commonplace a product or brand is among the general population, the less interested I am in buying it.	❍	❍	❍	❍	❍	❍	❍

7. Consumer Susceptibility to Normative Influence

Please read the following statements carefully and indicate your agreement using a 7 point scale (1= Strongly Disagree, 7= Strongly Agree).

	1. Strongly Disagree	2	3	4	5	6	7. Strongly Agree
1. I rarely purchase the latest fashion styles until I am sure my friends approve of them.	❍	❍	❍	❍	❍	❍	❍
2. It is important that others like the products and brands I buy.	❍	❍	❍	❍	❍	❍	❍
3. When buying products. I generally purchase those brands that I think others will approve of.	❍	❍	❍	❍	❍	❍	❍
4. If other people can see me using a product, I often purchase the brand they expect me to buy.*	❍	❍	❍	❍	❍	❍	❍
5. I like to know what brands and products make good impressions on others.	❍	❍	❍	❍	❍	❍	❍
6. I achieve a sense of belonging by purchasing the same products and brands that others purchase.	❍	❍	❍	❍	❍	❍	❍
7. If I want to be like someone. I often try to buy the same brands that they buy.	❍	❍	❍	❍	❍	❍	❍
8. I often identify with other people by purchasing the same products and brands they purchase.*	❍	❍	❍	❍	❍	❍	❍

8. Self-Concept Orientation

Please read the following statements carefully and indicate your agreement using a 7 point scale.

	1. Strongly Disagree	2	3	4	5	6	7. Strongly Agree
1. I would offer my seat in a bus to my professor	❍	❍	❍	❍	❍	❍	❍
2. Even when I strongly disagree with a group member, I avoid an argument.	❍	❍	❍	❍	❍	❍	❍
3. I'd rather say "No" directly, than risk being misunderstood	❍	❍	❍	❍	❍	❍	❍
4. If my brother or sister fails, I feel responsible	❍	❍	❍	❍	❍	❍	❍
5. Being able to take care of myself is a primary concern for me	❍	❍	❍	❍	❍	❍	❍
6. Having a lively imagination is important to me	❍	❍	❍	❍	❍	❍	❍
7. My personal identity independent of others, is very important to me.	❍	❍	❍	❍	❍	❍	❍
8. I have respect for the authority figure with whom I interact	❍	❍	❍	❍	❍	❍	❍
9. My happiness depends on the happiness of those around me	❍	❍	❍	❍	❍	❍	❍
10. I enjoy being unique and different from others in many respects	❍	❍	❍	❍	❍	❍	❍
11. I am comfortable with being singled out for praise or rewards	❍	❍	❍	❍	❍	❍	❍
12. I should take into consideration my parents' advice when making education/career plans	❍	❍	❍	❍	❍	❍	❍
13. I am the same person at home that I am at school	❍	❍	❍	❍	❍	❍	❍
14. I act the same way no matter who I am with	❍	❍	❍	❍	❍	❍	❍
15. I often have the feeling that my relationships with others are more important than my own accomplishments	❍	❍	❍	❍	❍	❍	❍
16. It is important for me to respect decisions made by the group	❍	❍	❍	❍	❍	❍	❍

17. I prefer to be direct and forthright when dealing with people I've just met	❍	❍	❍	❍	❍	❍	❍
18. I feel comfortable using someone's first name soon after I meet them, even when they are much older than I am	❍	❍	❍	❍	❍	❍	❍
19. I will stay in a group if they need me, even when I'm not happy with the group	❍	❍	❍	❍	❍	❍	❍
20. I will sacrifice my self-interest for the benefit of the group I am in	❍	❍	❍	❍	❍	❍	❍
21. It is important for me to maintain harmony within my group	❍	❍	❍	❍	❍	❍	❍
22. Speaking up during a class is not a problem for me.	❍	❍	❍	❍	❍	❍	❍
23. I often have the feeling that my relationship with others are more important than my own accomplishments.	❍	❍	❍	❍	❍	❍	❍
24. I value being in good health above everything.	❍	❍	❍	❍	❍	❍	❍

Background Information

1. Gender

❍ Male
❍ Female
❍ You don't have an option that applies to me. I identify as (please specify):

2. Age (in years)

3. Do city do you currently reside?

4. What is the highest degree of education or level of school you have completed?

❍ Some high school, no diploma
❍ High school diploma
❍ Trade degree
❍ Bachelor's degree
❍ Master's degree
❍ Doctorate degree

5. Fathers education

- ❍ Some high school, no diploma
- ❍ High school diploma
- ❍ Trade degree
- ❍ Bachelor's degree
- ❍ Master's degree
- ❍ Doctorate degree

6. Occupation

- ❍ Employed for wages
- ❍ Self-Employed
- ❍ Out of work and looking for work
- ❍ Out of work and not looking for work
- ❍ Homemaker
- ❍ Student
- ❍ Military duty
- ❍ Retired

7. Your current marital status:

- ❍ Not married
- ❍ Married
- ❍ Married with children

8. If you are Married AND Employed, does your partner also work?

- ❍ Yes
- ❍ No

9. Average monthly family income

- ❍ < 3 million tomans
- ❍ <5 million tomans
- ❍ <10 million tomans
- ❍ >10 million tomans

10. If you were to put a minimum price on a luxury watch what would it be?

- ❍ < 2 million tomans
- ❍ <5 million tomans
- ❍ <10 million tomans
- ❍ >10 million tomans

10. How many luxury watches have you purchased during the past 5 years?

- ❍ 0
- ❍ 1
- ❍ 2
- ❍ More than 2

12. How many different brands of luxury watches are available in the city you currently reside in?

- ❍ <2
- ❍ 2-4
- ❍ 5-6
- ❍ 7-9
- ❍ >9

13. If you were to put a minimum price on a luxury shoe what would it be?

- ❍ < 1 million tomans
- ❍ <2 million tomans
- ❍ <4million tomans
- ❍ >4 million tomans

14. How many luxury shoes have you purchased during the past 5 years?

- ❍ 0
- ❍ 2
- ❍ 2-4
- ❍ 5-6
- ❍ More than 6

16. How many different brands of luxury shoes are available in the city you currently reside in?

- ❍ <2
- ❍ 2-4
- ❍ 5-6
- ❍ 7-9
- ❍ More than 9

17. How do you follow your favourite luxury brands (can choose more than one)

- ❍ State radio and television
- ❍ Satellite
- ❍ Internet
- ❍ Social media
- ❍ Magazines
- ❍ Billboards
- ❍ Stores and trade shows