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How do Millennials fit in the Luxury Industry?
Insight on their Characteristics, Motivations and Consumption Behavior.

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Introduction

The aim of this research is to highlight the relationship between millennials and luxury. It illustrates and puts in light the characteristics that represent millennials and how it affects their consumer decision making. The intent is to investigate what luxury conveys for millennials and what influences their motivations and consumption behavior based on their particular characteristics. Thus, the aim of my paper led to two research objectives. Firstly, to set the premises for my research discuss and explore the characteristics that qualify and represent millennials and how these characteristics affect their purchase and consumption behavior. Secondly, and more importantly, to analyze how these characteristics and consumption patterns apply to the luxury industry in order to draw in the end meaningful observations that luxury brands can use in order to reach the millennial segment.

The precise problematic of my research is therefore: *“What are the characteristics representing millennials that affect their motivations and consumption behavior in the luxury industry?”*

The relevance of this research is marked by the existence of a lack of understanding concerning the consumption behavior and motivations of the millennial generation within the luxury industry. It is especially significant considering the importance in size of the luxury market and the substantial part that millennials will play in it. The purpose is for brands and marketers to comprehend and approach this segment in a more effective way in reference to luxury.

The first part of this thesis aspire to implement a thorough literature review relating previous studies regarding the definition and importance of the millennial generation, their main characteristics, a concise overview of the history of the luxury industry as well as a synopsis of its main characteristics and definitions and finally the actual relationship between millennials and the luxury industry is presented, emphasizing their point of view regarding the industry. Then, the second part of this thesis will cover a practical analysis through an inductive reasoning. The methodology used will be depicted first followed by a discussion of the results retrieved from the qualitative research conducted. Afterwards managerial implications are discussed as well as research limitations and leads for future researches.

Part 1: Review of the Literature

Chapter 1: Millennials

Each generation has a personality of their own that is brought to light when the oldest members move into their teens and twenties and therefore start to reveal their values, attitudes and worldviews (Pew Research Center, 2009).

The millennial generation is entering its peak years but, who exactly are the millennials? How have they developed according to the historical circumstances that surrounded them? To answer those questions we will first attempt to define the millennial generation and then stress the importance of this segment of consumers.

1.1 Definition of a Generation

To be able to define the millennial generation, it is important first to define what a generation is. The generation is a concept that has been originally developed in sociology of the population. It concerns a subset of society whose individuals have almost the same age or have lived at the same moment (Brillet et al., 2012). These individuals generally share common practices, expectations and similar needs.

1.2 Definition of the Millennial Generation

Overall, the term millennials has been used to describe individuals who reached adulthood in the bringing of the 21st century. The millennial generation can also be referred to as generation Y (Casper & Briones, 2014). The name, generation Y, can be seen as the logical continuation of the previous generation, generation X; but, also, as generation “why,” a generation that poses questions constantly and who questions everything.

Most authors are unanimous when it comes to a classification by age to determine a generation; however, from one source to another the precise delimitations are not homogeneous and vary significantly when it comes to millennials (Table 1.1).

Table 1.1: Date Delimitations of Millennials According to Different Authors.

Authors	Date Delimitations of the Millennial Generation
Howe and Strauss (1991)	Young born between 1982 and 2004
Smola and Sutton (2002), Sullivan and Heitmeyer (2008), Yeaton (2008)	Individuals born between 1979 and 1994
Crampton and Hodge (2009)	Individuals born between 1980 and 1999
Time magazine (2013)	Individuals born between 1980 and 2000
The New-York Times (2015)	Young born between 1981 and 1997

Because of the variations in dates that exist, for this research we have decided to take the average of the dates proposed by the different authors above, which delimits millennials as the demographic cohort born between 1980 and 1999, which are in 2016 aged between 17 and 36 years old. However, in order to qualify these individuals as being part of the same generation the age criteria is not enough (Casper & Briones, 2014), and other parameters have to be taken into consideration such as similar habits, living same experiences, as well as sociological, economic and political circumstances (Brillet et al., 2012).

According to the Pew Research Center (2015a), a generation can be defined by 3 combined effects: life cycle, period and cohort which are difficulty separable.

The first effect is the **life cycle effect**. When we talk about cycle effect, we underline the differences between younger and older people mainly because of their respective positions in the life cycle (Pew Research Center, 2015a).

The pattern of behavior of individuals, whether it is their attitudes or social behaviors, changes over time as they grow older (Casper & Briones, 2014; Pew Research Center, 2009). When comparing at one point in time youngsters with older people it seems clear that they are significantly different. However, as they age the youngsters are likely to become more and more like their elders. For example, regarding politics, it is clear that today a 10 year old has a very different behavior pattern than a 30 year old. But, in the future, as this 10 year old ages his behavior might start to resemble more and more the behavior of the 30 year old.

The second effect is the **period effects**. These are the events that happen during a person's lifetime. They are major historical events that may explain certain behaviors of a generation. These events are expected to have a simultaneous influence on all age groups; however, the youth are most likely the ones that are the most impacted by those events as their values and habits are not as established as those of older age groups (Casper & Briones, 2014; Pew Research Center, 2009). Wars and social movements like May 68 are examples of lasting period effects on an entire population (Pew Research Center, 2015a).

The third and last effect is the **cohort effect** which comes from the period effects. The distinctness between generations can derive from specific historical circumstances that have been lived specifically during formative years (for example: adolescence or the beginning of adulthood) by the people of the said generation (Pew Research Center, 2009). Indeed, being born at about the same time and having similar experiences during youth is decisive (Casper & Briones, 2014). The specificity and uniqueness of the historical context, as for example globalization, influences every succeeding age cohort which consequently engenders differences that remain as a cohort ages (Pew Research Center, 2009).

The cohort analysis is the most generally known method to attempt to comprehend how these different effects go off (Pew Research Center, 2009). The analysis utilizes data gathered at different times to record variations in the behavior of cohorts as they become older. Then the samples of every cohort are compared gradually. For example, the behavior of people aged between 20 and 25 in 1990 can be compared to the behavior of those aged between 30 and 35 in 2000 and those aged between 40 and 45 in 2010. All of these behaviors data are part of one identical cohort and when put in a row they show the dynamic evolution of how one generation ages. Also, the behavioral data of a certain age group at a certain point in time can also be compared to the same age group but at a different point in time to try to assess how different generations age.

In conclusion, millennials can be defined as belonging to the same generation based on:

- Their year of birth between 1980 and 1999,
- The combination of the three effects (life cycle, period and cohort effects), that have shaped millennials as individuals in their behavior and attitudes based on a similar context

and shared experiences like globalization, whether it is cultural globalization or economic and financial globalization which also resulted in massive media diffusion and the development of information and communication technologies. Apart from the examples mentioned above, we can report two events in particular which have undoubtedly marked the millennial generation, and therefore contributed to shape their behavior and attitudes. The attack on the World Trade Center September 9, 2011, was certainly the beginning of a period that still today continues to impact to some extent the lives of millennials, the second one being the emergence of social networks, and in particular the expansion of the internet and the launch of Facebook in 2004 that completely changed the way they interact and communicate.

Millennials are different in each country; however, globally they are more alike than any previous generation within their own nations due to the effects of globalization, the exporting of Western culture and social media (Time Magazine, 2013). This phenomenon can even be observed within young people in China where the young generation in China is similar to those of Western countries as the combination of urbanization; the use of the internet and the application of the one-child policy have resulted in an overconfident and self-involved generation.

Millennials are considered as the most diverse generation in history, and therefore a generation composed of very different individuals. On the other hand, regarding their technological and media habits, their consumption habits and food preferences, there is a propensity to believe that they are alike (Millennial Marketing, 2012). Millennials are the first cohort to consider technology-related behaviors such as tweeting and texting and websites like Facebook, YouTube, Google and Wikipedia as being normally part of their daily lives and not as digital innovations like previous generations (Pew Research Center, 2009). In a same generation, people can vary greatly; however, the specific environment that these individuals experience shapes them in ways that result in apparent general and common tendencies.

1.3 Importance of the Millennial Segment

It becomes more and more important to pay attention to these 17-36 years old as there are today approximately 2 billion millennials around the world (Bank of America Merrill Lynch, 2015).

In fact, this generation represented already around 27% of the population in the United States in 2014, around 24% of the population within the European Union in 2013 (Pew Research Center, 2015b), and in China this generation represents around 28% of the population, according to the U.S. Census International Database (Russell, 2016).

What is important to highlight is that by 2025 they will stand for 75% of the global workforce worldwide (BBVA Innovation Center, 2015), and by 2030, it is foreseen that they will exceed baby boomers, who are the parents of the millennials (Halpert, 2012).

While many of them are still at the beginning of their careers, the number and scope of this group underlines the potential of their purchasing power in the longer term. Following the estimations of the U.S. Chamber of Commerce, millennials represented in 2012 about \$200 billion (in 2012) in direct purchasing power and an additional \$500 billion more in indirect spending considering the influence they can have on their parents' purchases in the United States (Seppanen & Gualtieri, 2012).

In fact, millennials make up 21% of consumer discretionary purchases (Millennial Marketing, 2016) which represents in the U.S. around \$1.3 trillion in buying power each year (Leone, 2015).

Because of this change in generation, the consumer market is about to face a massive transformation in the repartition of richness and resources since the baby boomers, born from 1946-1964, that appeared to be until now the main consumer target are starting to retire (Danziger, 2015b). The situation will change rapidly in the following years with thousands of boomers retiring every day consequently becoming, pensioners will affect their consumer behavior and purchasing habits. As a result, millennials will become the most important force in the consumer market.

What is important to underline is that this generation is essential to all marketers and retailers (Danziger, 2015b). Regardless if they are positioned in a low-end or high-end market because the millennials will be shopping in all markets making them the main targets for all marketers. Clearly the millennials are in the position to become the biggest-spending generation in History. For that reason, marketers and retailers will have to really take into consideration the changing behavior and needs of this generation (Danziger, 2015b).

Chapter 2: Millennial Characteristics

Millennials are unlike previous generations. They have been evolving in a period of constant change which results in them having preferences and expectations very different from other generations (Goldman Sachs, 2016). They are not as likely to be loyal to a brand as the internet has shaped this generation to be flexible and changing regarding their consciousness of fashion and style as well as how they communicate about it (WJSchroer, 2016). Their communication, social interactions, buying tendencies and preferences differ considerably compared to those of older generations (Barkley, 2011). So what specificities represent the millennials? We are looking to identify the characteristics that really define the millennial generation and affect their purchase behavior patterns and motivations.

2.1 Definition of Characteristic

In order to identify characteristics specific to millennials, it is first necessary to define what we mean by characteristic. According to the Merriam-Webster dictionary (2015), a characteristic can be defined as *“a special quality or trait that makes a person, thing, or group different from others.”*

2.2 Millennial Characteristics

In order to identify the characteristics that are specific to millennials, we have first investigated what had already been researched in the marketing literature. We wanted to find a clear and defined theoretical nomenclature regrouping and listing the different characteristics. Unfortunately we have found that the marketing literature was very sparse when it came to having a structured theoretical nomenclature for millennial specific characteristics. For that reason, we have decided to look at literature regarding organization management in order to find a defined theoretical framework. Indeed, organization management can be considered as the precursor in the field regarding the study of the millennial generation and more specifically the characteristics that are particular to them. We are therefore going to attempt to use the nomenclature found in organization management to find marketing literature that is indirectly discussing those characteristics.

For that reason we have decided to use the theoretical framework proposed by Dalmas (2014), which is a recent study that has adapted a list which encompasses many of the previous researches made in the field of organization management.

In the organization context, the different characteristics identified are the following:

- Search for meaning at work
- Search for feedback
- Opportunism
- Team spirit
- Weak institutional loyalty
- Difficulty in projecting themselves in the long term
- Technophilia
- Wellness at work

2.2.1 Search for Meaning at Work

Millennials are looking for meaning in their job (Dalmas, 2014). For them it is a fundamental component of employment (Brillet et al., 2012). Millennials desire to work for something that is significant and important.

We can translate this at the marketing level to a need to find meaning in consumption.

Millennials are a generation that is strongly concerned by civic values that translate good citizenship (Forbes, 2014). This can be linked to the way they were raised. From a young age millennials were praised, protected and educated by their parents to have a structured life that followed transparent and commonly approved and recognized rules. Because of this we can consider that the millennial generation is self-confident, group-oriented and optimistic. They have been taught that their voice was meaningful and that they should stand for equality.

Millennials are expressive about values including those of brands they purchase (Barkley, 2011). It is more necessary to millennials than any other generation to associate with a cause they believe in. Because of this, they want brands to be concerned about causes and will even favor those who are involved with the right issues (Boston Consulting Group, 2015).

They incorporate their values and the causes they support when choosing a brand, various purchases and daily lives (Forbes, 2014). When it comes to making a purchase decision millennials are therefore more sensitive to a brands' cause campaign than any generation before them (Barkley, 2011). Indeed, around 50% try to purchase from companies that are involved in a cause they believe in (Forbes, 2014). 55% are also more incline to have a more positive view of a company that supports causes and 53% declared that they favored campaigns of a national level rather than local community programs (Barkley, 2011).

Millennials are concerned about making a difference, they consider that it is easier to support a cause through a brand's cause marketing program than trying to make a difference by themselves (Barkley, 2011).

It is astonishing to see how dispose millennials are to pay a premium price on causes (Forbes, 2014). They have no problem changing brands to save money but are ready to pay more to support a cause. Indeed, 37% say that they would buy a product or service to support a cause even if it is more expensive (Barkley, 2011).

Due to their very digital driven habits, it seems normal that they primarily learn about causes and charities on social media (Barkley, 2011). Furthermore, around 50% of millennials donate to causes and charities with their mobile phones. They are always seeking ways to make their daily lives more efficient, therefore it is not surprising that they would also translate this habit to their involvement in cause programs.

Millennials consider that supporting a cause is an indispensable component in their lives. A survey conducted by the Boston Consulting Group (2015), concluded that 30% of millennials, more than any other generation, mainly take part in charities campaign by convincing others to join or by attending fundraising events. This shows their social character as they are favoring ways to engage in cause campaigns that enables them to include their social circle (Barkley, 2011).

2.2.2 Search for Feedback

In the context of organization, millennials are, once their objectives accomplished, looking for instantaneous gratification, whether it is in monetary form or in the form of a promotion

and are also looking to receive some feedback (Dalmás, 2014). They want companies to put into action particular tools to meet their communication needs. For them, the quality of the relationship they maintain with their supervisor is vital (Brillet et al., 2012). The connection and relationship that develop with managers and supervisors rely greatly on the frequency and quality of the feedback.

In the marketing field this can be translated to the brand- customer relationship and the need for millennials to collaborate and share their opinion.

The millennial generation, with their deeply connected lives, has impacted considerably the way companies communicate with their consumers. They want and like to collaborate with brands and are not shy about sharing their opinion. Millennials are looking for instant feedback and require brands to be present online to be available to interact with them whenever. A study conducted by the University of Massachusetts showed that the three most widely used social media platforms by millennials to interact online with brands are Facebook, Twitter and Pinterest (Barnes & Lescault, 2013).

Around 45% of millennials want companies to request their recommendation and opinion concerning new products (DeMarco, 2013). As of today millennials do not believe that brands do it, as only around 29% of them consider that companies sincerely want to find out what their customers want. However, 64% want brands to present more ways for them to share their feedback (DeMarco, 2013), as 70% of millennials believe that it is their obligation to leave a feedback to companies about their experience, whether it is good or bad (Millennial Marketing, 2016).

Millennials expect brands to respond to the reviews they post on social media as well as on retail websites in order to prove that they care about what their customers are thinking (DeMarco, 2013). By responding to reviews brands can gain a better perception from their consumers. Indeed, by responding 41% of customers believe that the brand cares about what they think, 35% believe that the brand has a good customer service and 22% believe that the brand is reliable.

It is necessary for millennials to experience an emotional connection with brands (Tsui & Hughes, 2001). According to Sebor (2006), millennials want to believe that they are important and unique for the brand.

2.2.3 Opportunism

This characteristic transfigures in the needs for self-affirming and self-esteem (Dalmas, 2014). Millennials value opportunism, meaning that in business they try to make the most of circumstances and this sometimes means to avoid settled rules or principles (Brillet et al., 2012). In the workplace, their attitudes often relate the fact that they act according to the present circumstances in order to use them in their best interest.

In marketing, this characteristic can be translated to the need for self-affirming through consumption as well as the wish for customization.

Regarding the need for self-affirmation, material goods are perceived as a statement representing a person's identity and importance (Belk, 1985). And furthermore, the consumption of particular goods can contribute to the construction of self and self-identity (Wattanasuwan, 2005). Millennials use consumption to manifest their personal characteristics and values (Kjeldgaard and Askegaard, 2006). This is even truer for that generation as they are worried about other people think of them (Markow, 2005). This is due to their strong importance they give to the group and community. Their engagement in their purchases is stronger than older generations because they are very conscious that the wrong purchase could have social consequences (Fernandez, 2009). Millennials want to portray a trendy social image and consuming certain brands enables them to reach that need (Twenge and Campbell, 2008). According to them, brands are a means of self-expression therefore the compatibility between them and the brand is crucial for both purchases and to increase brand loyalty.

Regarding the wish for customization, they want something tailored to their needs, their interests as they believe one size does not fit all (Kaye, 2014). Products that are customizable are extremely important to them, more than previous generations, and this is a reflection of the fact that they grew up in a very diverse society and that they embody diversity.

2.2.4 Team Spirit

Tolerance of diversity is one of the characteristics driving the millennial generation (Dalmás, 2014). Teamwork is something that motivates them because it enables them to cultivate social relationships and the pursuit of social links is significant to them (Brillet et al., 2012).

Millennials seek to socialize and team work in their job but this characteristic easily applies to all the areas of their lives. Indeed, the marketing literature is very rich regarding the socialization needs of millennials.

Millennials are a sociable generation. This sociability is portrayed both online and offline, especially when online and offline actions and circle of friends meet (Forbes, 2014).

Offline, millennials have a propensity to shop in groups as they constantly, like they do online, look for the approval and opinion of their peers (Boston Consulting Group, 2015). Around 66% of millennials admit that they do not go forward with a major purchase if they have not talked it over with their social circle. Furthermore, 70% are more enthusiastic about a purchase if their peers approve of their decision, while only 48% of non-millennials share this feeling (Forbes, 2014). This tendency to shop with someone else is even stronger amongst female millennials who also shop more frequently (Barkley, 2011). The fact that millennials are more likely to shop in groups can be beneficial for retailers since consumers who shop in groups have a tendency to spend more than consumers who shop alone (Boston Consulting Group, 2015).

Millennials are influenced strongly by their peers as they rely on their input when they are making a decision (Barkley, 2011). However, what is paradoxical is that once they have gathered the information on the product or service they want to buy, they are very confident in their choice. They gather information not only by consulting their peers, both in person or on social media, but also through blogs, review websites and even company websites in order to assist their buying decisions.

Millennials are expected to be collaborators as unlike older generations they grew up in an environment that privileged relationship equality as well as co-decision-making (Forbes, 2014). Their parents and teachers encouraged them to collaborate by inviting them to share

their opinions and ideas. As a result, millennials are more outspoken and share without a doubt their opinions on social media about any issue and, furthermore, they want brands to pay attention and listen (DeMarco, 2013).

Millennials appreciate the prospect of collaboration with brands if they trust that their participation matters to the brand (Forbes, 2014). For them, there is no evident separation between the customer and the brand, marketer and service provider. They believe that products and services are started by the brand but that they are completed by the customers.

2.2.5 Weak Institutional Loyalty

Millennials do not have a strong sense of belonging when it comes to their organization (Dalmas, 2014). There is a real absence of loyalty and of organizational affiliation (Brillet et al., 2012).

In terms of marketing the weak institutional loyalty of millennials can be equivalent to their weak loyalty regarding brands.

Millennials are a tough generation to crack for marketers and this is due to the fact that they are not convinced by traditional marketing techniques and, furthermore, because they are not easy to conquer and transform into loyal consumers (Bush et al., 2004).

According to Oliver (1999, p. 34), brand loyalty is defined as *“a deeply held commitment to re-buy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.”*

In loyalty there is an attitudinal element as well as a behavioral element (Chaudhuri and Holbrook, 2001). The attitudinal loyalty element refers to the fact that consumers would accept to pay more to buy a good or service and they would also accept to overcome certain difficulty to purchase (Bandyopadhyay and Martell, 2007). Behavioral loyalty, on the other hand, is the action of actually buying again (Grassl, 1999). And when it comes to millennials both components are significant. For example, millennials might show the behavioral component of loyalty by buying a watch of a certain brand when there are other choices on

the market but, the attitudinal component of loyalty implies that even if other brands are available they will not purchase from these brands.

Millennial consumers are very fashion and trend oriented as well as brand-conscious. For them, style and quality is more important than the price. They are resistant to traditional strategies used by brands and they will shift their loyalty without hesitation to favor those marketers that are up to date when it comes to fashion trends (Reisenwitz & Iyer, 2009).

The problem of disloyalty touches the whole millennial segment (Syrett and Lammiman, 2004), therefore if they want to conquer this generation and retain them as loyal customers, marketers will have to change their marketing approaches and adapt their methods consequently.

2.2.6 Difficulty in Projecting Themselves in the Long Term

Millennials are very uncertain about the future and find it difficult to visualize themselves down the line (Dalmas, 2014). We can assume that this is probably due to the important events that have marked their generation, including certain socio-economic events such as the emergence of mass unemployment among young people, depriving them of access to a job despite a level of education higher than in the past.

They also experience struggles when having to make a decision. This illustrates the prevalence for instantaneity. Brillet et al., say that: *"The question of temporality is marked by a sense of immediacy felt by millennials"* (2012, p73). And they favor the short and medium term distance in the future (Brillet et al., 2012). Millennials will leave their organization if they sense that they are becoming weary of the organization or if they have better options elsewhere (Dalmas, 2014).

This need for immediacy can also be translated in their consumption behavior. For millennials everything has to happen fast, access needs to be immediate. This implies a certain degree of impulsivity. This characteristic can also be related to the weak brand loyalty characteristic. Indeed, committing to a brand unconsciously implies to project oneself in the future.

Due to the use of internet and real-time technology millennials have evolved in an environment where results are produced immediately (Frumkin, 2015). Because of their habit of a fast pace environment, if a brand cannot keep up, millennials will move on to the next one.

The time a brand takes to reply to customer questions or feedback has become nearly as meaningful as the answers that the brands give (Frumkin, 2015). Indeed, around 71% of millennial consumers who shop online believe that one of the most significant things a brand can do is to give importance to their consumer's time. Furthermore, around 52% of millennial shoppers say they will give up on buying online if they cannot rapidly identify the information they are looking for. The need and desire for instantaneity has never been so important.

2.2.7 Technophilia

In their professional environment millennials have a habit and considerable understanding of technology and value continuous access to information (Dalmas, 2014). This constant contact with information and communication technology has placed them in virtual communities, favoring a community and tribal ideology (Brillet et al., 2012).

This aspect of belonging and sharing in a virtual community has been greatly strengthened by the changes made in the use of the internet from being used as a simple tool to obtain basic information to becoming a powerful instrument of communication and social interaction that millennials have seized.

Just like the social characteristic, their fondness for everything technology related does not simply apply to their work life. Indeed the importance of technology is present in all aspects of their lives as well as in the way millennials consume and in their buying behavior.

They are the first generation to have been exposed to an internet-driven society since a very young age (Tapscott, 1998). Indeed, personal computers made their apparition in early 1980s, which coincides with the birth of the millennial generation (Coomes, 2004). They grew up with the internet, emails and instant messaging (Busch, 2005). Many millennials

believe that their relationship to modern technology is what differentiates them from previous generations (Pew Research Center, 2010).

Due to their natural disposition for technology, they use technological gadgets more often and at a higher rate than previous generations (Jones et al., 2010). They have been used to use digital devices that combine communication, entertainment, shopping and mapping (Forbes, 2014).

Millennials have, compared to previous generations, a more positive consideration of technology when it comes to how technology influences their lives. Indeed, 74% believe that technology facilitates their daily life (BBVA Innovation Center, 2015).

Millennials is the generation that uses the most social networking sites as 75% of them have a profile on a social networking site (Malikhao & Sarvaes, 2010). They also visit these sites more frequently, several times a day, compared to older generations. On average, 30% of millennials that have a social profile visit the site they use the most several times a day. Around 55% visit at least once a day social networking sites, 20% every few days, 10% visit weekly and 15% less often (Pew Research Center, 2010).

The consumption needs of millennials have changed. They depend more heavily on their mobile phone than on their car (Casper & Briones, 2014). They own more cellphones than previous generations, 94% of millennials own a cellphone (Pew Research Center, 2010). They also use their cellphones at a higher frequency and text more than other generations (Forbes, 2014). This mobile screen has become their primary screen to connect to the internet (BBVA Innovation Center, 2015). Millennials are hooked on their mobile phones, so much that 45% of them admit that they could not go a day without it and 83% of them declare that they sleep with or next to their cellphones (Pew Research Center, 2010).

For millennials the usage of the smartphone is not confined to texting. Millennials use their smartphones or tablet extensively while shopping in order to make researches and read reviews about a product. They might be making their final buying decisions when they are inside the store comparing prices and looking for information on the product (Barkley, 2011). Indeed, 60% believe that it is useful to have a mobile device to research or buy a product or service when they are on the move (Barkley, 2011).

Millennials use numerous platforms and digital devices to pursue their interests and activities (BBVA Innovation Center, 2015). On average they shift between media platforms 27 times per hour, while older generations do so 17 times on average (Forbes, 2012). Millennials have the need as well as the aptitude to do several things simultaneously (BBVA Innovation Center, 2015).

Millennials are more likely than any other generation to buy online as they are aware of how e-commerce has brought about changes in purchasing behavior (Lester et al., 2006). They resort to the internet for 15% of their purchases and feel confident about online shopping (Sullivan & Heitmeyer, 2008).

All of these transformations in consumption and purchasing behavior have an impact on the way companies communicate with their consumers (Forbes, 2012). It is essential for them to comply with millennials by adjusting their strategies in order to remain competitive.

Concerning online socialization, it is clear that their sharing tendencies on social websites indicate their desire for connection (Forbes, 2014). Nowadays, power and influence is derived from the sharing of information rather than its retention (Casper & Briones, 2014). For millennials sharing and exchanging information is normal. Sharing is a way of thought and they consider that what is shared is valuable.

They usually post on social media to express themselves about what they are passionate about, about what interests them but mostly about their consumption activities as they socialize while consuming products and services (Forbes, 2014). Most of them state that they share their preferences regarding brands with their social group.

The millennial generation is the first to have the advantage to be able to connect to something bigger than them, a larger whole that links them globally (Casper & Briones, 2014). For them, sharing is a way to express who they are while still keeping in contact with their friends. They all suffer from the “fear of missing out” when they are not up to date with what is happening on social media. Furthermore, they experience validation when their peers ‘like’ their publications and 47% of them feel that their life is better if they are connected with their peers on social media (Boston Consulting Group, 2015).

Millennials are more inclined, when they are looking to buy, to opt for brands that have a Facebook page and a website that is mobile compatible (Boston Consulting Group, 2015). Their fondness for social media truly indicates a significant change in the way millennials communicate, research information and how they share it with their peers (Barkley, 2011).

2.2.8 Wellness at Work

In their work, millennials find accomplishment both at the professional and personal level (Dalmas, 2014). They would go as far as to leave the company if they could not fulfill these two levels of accomplishment.

For this characteristic we were not able to find a direct equivalent in the marketing literature. We can, however, subjectively argue that it illustrates the fact that millennials are looking for well-being in their lives and spend a great deal of their money in activities and experiences that enhance their lives and not necessarily on classical consumption goods.

Eventbrite (2014), has conducted a study amongst millennials that exposes the importance they accord to experiences and, furthermore, that they spend more and more money on those experiences. These experiences are very varied and range from festivals and social events to sporting competitions. Millennials believe that happiness does not highly rely on career status and material things. *“Living a meaningful, happy life is about creating, sharing and capturing memories earned through experiences that span the spectrum of life’s opportunities”* (Eventbrite, 2014). As a consequence their infatuation for a life based on experience is upholding the economy led by the consumption of experiences, known as the experience economy.

Furthermore, 78% of millennials would rather spend their money on a gratifying experience or event rather than to spend it on a gratifying purchase (Eventbrite, 2014). Additionally, more than half of them declare spending more on events and life experiences than they ever have in the past. It is therefore not surprising to see that over the last year, 82% of them took part in some type of life experience such as concerts or performing arts. This is more than earlier generations for whom only 70% took part in such experiences. More striking is the fact that 72% claim that they would like, in the following year, to dedicate a bigger part

of their revenue towards experiences comparatively to material belongings. This highlights a shift moving away from materialism and towards more real-life experiences.

Millennials believe that experiences contribute to their self-identity and that it produces memories of a lifetime (Eventbrite, 2014). Indeed, 77% of them declare that life experiences or events they were present at are some of their best memories. Furthermore, 69% of millennials feel that by participating in such experiences they are more connected to others.

One of the factors driving this infatuation for experiences is the “fear of missing out” (FOMO) (Eventbrite, 2014). Indeed, 69% claim to undergo FOMO and the fear is even greater due to the fact that nowadays all experiences are broadcasted across social media, they therefore need to share and exhibit that they were there.

2.3 Conclusion

In the previous chapter we demonstrated the importance of the millennial segment to all marketers and retailers as millennials risk to become a very attractive spending generation. This, of course, will offer many opportunities for marketers and retailers, but will also represent a challenge for them, as they will have to adapt their marketing techniques because millennials are not convinced by the traditional ones and also they will have to try to conquer millennials and turn them into loyal consumers.

Some elements are important to millennials such as their enthusiasm for technology or the need to identify themselves with a cause they believe in, or the importance that millennials give to well-being, showing that the millennials are a complex generation with new values and expectations. To take full advantage of the possibilities offered by this generation, it is therefore necessary for marketers and retailers to be able to adapt to this segment and to consider behavioral changes and the new needs expressed by millennials.

Chapter 3: Luxury

To study the link between millennials and luxury we are to attempt to define what the notion of luxury is and what its characteristics are.

Luxury is an abstract notion that has experienced substantial changes during the course of history (Kapferer, 2008) and due to its constant development it is safe to presume that the notion of luxury will continue to change in the future. Luxury can be concretely represented by both products and services and is part of an extensive industry which caters to the consumers who can pay the price in order to access that high quality. To comprehend better how the notion of luxury is perceived nowadays it is beneficial to review some determinant historical and economic elements that have influenced and shaped our perception of luxury today (Scholz, 2014).

3.1 Origin

The perception of luxury has varied immensely according to social evolution and economic and political context throughout the development of history. Over the years, the display of luxury has repeatedly been exposed to moral and ethical criticism.

Etymologically, in Latin, luxury derives from the term “luxus” which signifies “*soft or extravagant living, sumptuousness, opulence*” (Dubois et al., 2005, p115). The concept also has a common root with the term “luxuria,” which has a more negative connotation; it signifies “*excess, lasciviousness, negative self-indulgence*” (Castelli, 2013, p827).

Luxury was, in ancient Greece, seen as a threat because it was believed that its consumption would bring the population’s attention from the city and community to private life (Castelli, 2013).

During medieval times, luxury was seen as unnecessary and superfluous (Chevalier & Gutsatz, 2013). Luxury goods were perceived as more complicated than the basic goods that could be used to achieve the same function. Very few had access to luxury products and they were used to differentiate themselves from others.

The negative significance of luxury was emphasized further by moral and philosophical doctrines in Europe during the 17th and 18th centuries (Scholz, 2014). The concept was broadly utilized to define the excessive consumption and lifestyle of upper social classes. Indeed, the noble class was using luxury to indicate their power and to demonstrate the social distinctions between them and the rising bourgeoisie. At the time, the concept of luxury was correlated to excessiveness and outrageousness and was denounced as being immoral and indecent. With the rising of the bourgeoisie, luxury became related to the notion of splendid surroundings in the sense that it was considered to make life more comfortable (Castelli, 2013). The shift of luxury into precious objects and sumptuous living was indispensable to make it more accessible and spread to other social classes.

During the Industrial Revolution of the 18th and 19th, mass production became of norm which led a greater part of the population into slowly growing prosperity. Products that were until then out of reach became more affordable which resulted in a more positive perception of luxury (Castelli, 2013). The secularization of luxury and the broaden accessibility of luxury goods enabled the concept to be linked with good taste and elegance. Luxury was no longer attached to moral judgment and therefore lost a significant part of its negative connotation (Scholz, 2014).

As a consequence of the Industrial Revolution, companies were created specifically to produce goods of superior quality in order to sustain the lifestyle of the high-class of society. Previously, luxury goods were produced by hand and sold mainly on local markets. Companies started to expand in foreign countries in order to broaden their consumer base and created as a consequence the foundations for today's global luxury companies (Antoni et al., 2004). In the twentieth century the development of the industry increased the number of consumers and well-established brands were revolutionized by the prestige of outstanding quality. Indeed, at the beginning, manufactured goods reached the appellation luxury product mainly due to their exceptional quality as well as their durability, and aesthetics (Castelli, 2013).

In the 1970s numerous trends appeared that in turn transformed the luxury market such as: the increase of luxury product range, the development of the traveling sector as well as the

improvements in the distribution networks (Castelli, 2013). As a consequence people were significantly more exposed to luxury brands in the 1980s.

More recently, a movement of massification has appeared with an increase in demand, expansion to emerging markets and the development of accessible luxury goods (Catry, 2003; Dalton, 2005). Consequently, as luxury democratizes itself new categories of consumers appear as well as new conceptions of luxury.

3.2 Definition

It is impossible to talk about luxury without trying to define the concept. Numerous authors have discussed the meaning of the notion of luxury, however; it seems that they were not able to settle for a single definition approved of all (Castelli, 2013). By analyzing the forever changing historical context of luxury it appears clearly that its complex and abstract nature hinders the establishment of a straightforward definition. In order to comprehend the complexity of the notion, we are going to look at a few definitions present in the literature that are often referred to:

Berry (1994), has defined luxury goods as those that increase desire and give pleasure to the people who consume it.

Nueno and Quelch (1998, p. 61), qualify luxury goods as *“those whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high.”*

Phau and Prendergast (2000), believe that luxury goods are goods that consumer perceive as portraying exclusivity, brand image, brand awareness and excellence.

Cornell (2002, p47), has characterized luxury as *“A strong element of human involvement, very limited supply and the recognition of value by others are key component.”*

Vigneron and Johnson (2004), have defined luxury goods as those that fulfill functional and psychological needs through the perception of certain characteristics such as: quality, uniqueness and hedonism.

Kapferer (2011), has attempted to define luxury goods by saying that luxury products should indicate well-constructed, hedonistic and aesthetic objects. Furthermore, their price should exceed greatly their functional utility. They should also be delivered in exclusive stores that give consumers a unique experience. In addition, luxury brands are likely brands with history and heritage. Finally, all of these elements together should procure a feeling of rareness and exclusivity.

These different definitions clearly illustrate the fact that when it comes to defining luxury goods the points of view of experts are very different and have very little in common, making it difficult to establish a single definition.

The development of the notion of luxury in the past centuries demonstrates that the concept is not certain but whether subjective and relative (Kapferer, 2008). Experts agree that luxury is not represented by a distinguished type of products but that it is instead strongly related to conceptual and symbolic dimensions, which are greatly connected with the cultural ideologies of the society at a precise time in history (Silverstein and Fiske, 2003). To understand the concept of luxury it is necessary to pin point a specific period in time but also to specify a specific social and economic context as the starting point of the analysis (Scholz, 2014). Luxury is just as relative as notions as wealth and poverty. For that reason, on top of social and historical circumstances it is imperative to take into consideration the subjective character of luxury in the sense that it should reflect the individual's economic status.

The numerous attempts to define the term luxury and luxury goods have led to many ambiguities. For that reason, it could be useful to choose to concentrate on the features that compose luxury products and luxury brands rather than to try to determine how to define luxury (Castelli, 2013).

3.2.1 Luxury Goods Characteristics

Another way to try to define luxury is to determine the numerous characteristics composing luxury goods (Chevalier & Gutsatz, 2013). What are the underlying components that define some products as being luxury products?

Price: Luxury goods are often seen as being valuable because they are expensive; they are characterized by their relative price (Ng, 1987). However, some argue that luxury cannot be characterized exclusively by high prices (Prendergast & al. 2000). Indeed, according to Dubois and Czellar (2002), expensive goods are not always perceived as being a luxury product. Therefore, high prices are a fundamental condition when defining a luxury good it is, however, not enough in itself (Castelli, 2013).

Quality: An obvious feature of luxury products is quality. According to Kapferer (2001), luxury brands must showcase outstanding quality and must also utilize distribution channels that are specialized. In order to show quality the packaging must also be refined (Chevalier & Gutsatz, 2013). Through quality also comes the perceived value of luxury which is an important element of the luxury product (Castelli, 2013).

Exclusivity: One of the fundamental components of luxury is exclusivity. In order to be exclusive, luxury goods should be rare and be to some extent more complicated to obtain (Chevalier & Gutsatz, 2013). Furthermore, the consumer must be able to pinpoint what makes this good different from other goods. Also, by using the product, the buyer, must have the impression that he/her distinguishes himself/herself from others by displaying refinement and exceptional taste. According to Kapferer (2001), with exclusivity and rarity comes another substantial component which is the prestige of the brand.

Brand image: Quelch (1987), states that on top of having traditional skills and outstanding quality, luxury goods must be correlated to a strong brand image. Brand image plays a crucial part when it comes to evoking brand exclusivity (Phau and Prendergast 2000). The brand image must be well known to consumers, but it also be perceived as being unique and different while still having distinctive characteristics recognizable and know of all (Chevalier & Gutsatz, 2013).

Some affirm that another characteristic of luxury goods is that they are consumed to impress others and to indicate richness (Piccione and Rubinstein, 2008). In this case luxury is primarily a matter of status (Chevalier & Gutsatz, 2013).

In conclusion, Beverland (2003), states that it is complicated to reach a balance between the four components of luxury. Consumers are prepared to pay the high price tag because

through these four characteristics, luxury goods bring unforgettable experiences and can also satisfy their needs on an emotional level (Chevalier & Gutsatz, 2013). Indeed, luxury goods have a form of hedonism and should provide a sense of personal satisfaction.

3.3 Different Types of Luxury

Many authors have tried to categorize levels of luxury goods according to their degree of luxury (Dalton, 2005). Few have suggested that the notion of luxury be divided into different categories.

D'Arpizio (2014), came up with a categorization of luxury brands with three levels of luxury:

1. **Absolute luxury brands:** are defined by elitism and singularity. In this category we can find brands that have been historically identified with traditional luxury known for its outstanding quality products. Example, Hermes.
2. **Aspirational luxury brands:** are brands that are recognizable and distinctive. Example, Gucci and Yves St. Laurent.
3. **Accessible luxury brands:** are more affordable than brands in the aspirational luxury category. Example, Tiffany & Co. and Burberry.

From this model we can deduce that the absolute luxury brands, being very elitist, are going to be the most expensive brands. We can also suppose that aspirational luxury brands are going to be, price wise, more of an intermediate between absolute brands and accessible brands. And then finally we have accessible luxury brands that D'Arpizio clearly states as being price-wise the least expensive brands within luxury.

The democratization of luxury has made luxury products that were once only accessible to the wealthy, available to a bigger part of the population (Hauck and Stanforth, 2007). As a consequence, accessible luxury products arose and became widely distributed (Thomas, 2007). This transformation shows the shift from products that were very exclusive to products that are cheaper and not considered as rare (Crane, 1997).

Traditional luxury (or old luxury) targets first-class consumers that value authenticity based on the materials, heritage and craftsmanship. Part of the attractiveness of a product is its lasting quality.

However, younger consumers that are very fashion-aware usually favor products that have a unique look and prefer products that have an exclusive character rather than a rare character (Hanna, 2004). To appeal to this type of consumer it is important to focus on brand image which is the main concept of accessible luxury (or new luxury).

Silverstein and Fiske (2003) have identified within the accessible luxury category, three types of products:

- 1. Accessible super premium goods:** are goods that are, price wise, almost at the top of their category but that average consumers can purchase because they remain fairly inexpensive. For example, fragrances are considered to be accessible super premium goods.
- 2. Old luxury brand extensions:** are a less expensive adaptation of the products that are usually very high in price and only available for the wealthy. For example, the brand Marc by Marc Jacobs is an old luxury brand extension, as it is less expensive than the main Marc Jacobs brand.
- 3. Masstige** (contraction of the words mass and prestige): are considered premium products that are halfway between mass-produced products and prestige products. Price-wise, these products are cheaper than the most expensive items in their category. For example, the iPhone is a masstige product.

It is important to remark that there is a concession between exclusivity and availability as exclusivity is necessary in order to have real luxury while accessibility means that luxury products have to be broadly available (Dalton, 2005).

3.4 Conclusion

In this chapter, we noted that the perception of luxury has continuously evolved throughout history, developing to suit the context of a particular era and is strongly influenced by the socio-economic context of different eras.

However, the absence of a single definition for luxury lets us believe that luxury remains a complex and subjective concept, often depending on the perception that someone has according to his/her social position and economic situation at a given time.

On the other hand, despite sometimes profound adaptations to meet the context of a particular period some of the luxury features have traversed time.

It is well recognized that luxury products in general often have a degree of higher quality and offer some exclusivity to the consumer, also conveyed by the strong image of the brand, and the high price that one needs to be ready to pay to own such products.

We may assume that the notion of luxury will continue to evolve and that millennials will also contribute to this evolution in the coming years.

Chapter 4: Millennials and Luxury

Each generation has its own style of life and thereby, different tastes and tendencies (CNBC, 2015). For luxury brands, the millennial generation will become the most important buyers and will bring new values and a different vision into the marketplace (Danziger, 2015a). The luxury industry is at a turning point, because young consumers, with their infatuation with technology and their increased interest in high-end experiences are changing the luxury market (CNBC, 2015). It can be expected that millennials as they prosper will question traditional luxury marketing with their different points of view regarding luxury, conscious consumption and status symbols (Danziger, 2013).

4.1 Importance of the Millennial Segment in the Luxury Market

We saw in the previous chapters the potential that the millennials will represent in general as a segment. Clearly, this will also be important for luxury marketers as millennials will turn into a crucial target market for them over the next years (Danziger, 2004).

For the future, it is interesting to note that the global luxury market will be less culturally linked (Danziger, 2004). This is partially due to the massive use of the internet and entwine of social media by young people, which will make the share of new trends in the luxury market faster than ever and trends will therefore become more globalized and homogeneous amongst millennials worldwide.

2016 was the year when a significant portion of millennials reached the age of 36, a time at which revenues usually begin to rise, with a culmination of income estimated to be attained between 35 and 55 years old on average (Danziger, 2015a). Young consumers that are less than 45 years old are more important for the marketers in the luxury industry and profitable because they have a tendency to spend more on luxury goods than consumers that are older than 45. This is due to the fact that young consumers are at the age in their life when they make their first purchases when it comes to luxury goods. Older consumers, however, have already made such purchases in their lifetime, reason why they become less of a target for luxury marketers.

The unavoidable transition from one prevailing generation (baby boomers and generation X) to another (millennials) will kick off around 2018 to 2020 and must be sufficiently prepared by the luxury marketers in order to capture the market share of millennials who will be engaged at that moment on a path to wealth (Danziger, 2015b).

Previously, luxury brands positioned themselves to attract the baby boomers. This positioning is no longer valid (Leone, 2015). Today the most important is to be aware that millennials have different luxury needs from those of their parents or grandparents. They want luxury that fits their expectations and millennials will shape a complete new style of luxury, revealing new approaches, facilitating the emergence of new brands with their faithfulness, and new purchasing practices based on their purchasing power (Danziger, 2015b).

It is thus understandable that the stakes are substantial for luxury brands, who would like to ensure a relationship with millennials before they reach their highest point in terms of purchasing power (Gustafson, 2015). It will be crucial for luxury brands who wish to continue to thrive beyond 2020 to think about their positioning relative to the special needs and aspirations for luxury of the millennials and to offer products, services and strategies that correspond to the aspirations and wishes of what that generation requests (Danziger, 2015b).

4.2 Millennials and Luxury Consumption Behavior

The millennial generation has specific expectations in luxury consumption that we are going to explore. We are also going to see how these specific expectations in luxury consumption fit in with their characteristics and behavior pattern stated in chapter 2.

4.2.1 Experiences

For older generations, particularly the baby boomers, luxury products were considered luxury because they were high-priced and they were high-priced because they were considered luxury (Rowe, 2015). They were spending their money without asking questions for luxury products with designer logos that represented the pinnacle of luxury.

Unlike the baby boomers, millennials do not feel the need to buy material goods to portray who they are and do not consider them to be rewards or a type of trophy (Rowe, 2015). For millennials, luxury brands don't symbolize their self-identity, their character, reason why there are not keen on owning things. However, this does not mean that millennials are not ready to engage in luxury brand products, but for them, it is important that some key criteria are met to justify the purchase of such a product, for example, the exceptional quality of it.

However, a Mintel market investigation found that, compared to the previous generations, millennials give more importance to experiences rather than material belongings. They are on the lookout for unique experiences for which they will gather memories like a mark of worthiness (Rowe, 2015), such as for example, staying in a lodge in the middle of the nature and to be dropped off by a helicopter on top of a mountain and live an unforgettable skiing experience (Lenhart, 2016). This example of a unique experience might not represent the traditional concept of luxury but it is an utmost luxury experience for someone passionate about skiing and ready to pay a high price that this type of experience demands.

Experiences are also what millennials increasingly want to share on social networks, they want to brag by posting their compelling stories, and these exchanges have become the new social currency (Rowe, 2015).

In different studies, it was found that the fact of winning a sporting event or advancing in their academic career brought them more reward and satisfaction than purchases (Danziger, 2013). Nowadays people have substantially more material comfort than previously which leads to a change in personal fulfillment that is now suffused by experiences. In this context, it can be discussed that luxury has become more about experiences and an authentic character (Yeoman & McMahon-Beattie, 2010), than about the cost. This spotlight on experiences conveys an expanding prominence for personal transformation. It signifies that they want to upgrade and enhance their lives. This phenomenon has been recognized by several authors as the feminization of luxury, which means that luxury has shifted from its masculine trophies and status image to experiences and gratification (Danziger, 2005; Israel, 2003; Gambler, 1997).

So the millennials are changing the signification of luxury by straying away from material belongings and exclusive goods towards lifestyle and experiences (Univision, 2015).

This aspect of luxury consumption is perfectly in line with the search of well-being in their life, seen in chapter 2 that characterizes millennials.

4.2.2 Conscious Consumption through Luxury Product Renting

The millennial consumers are giving more importance to the values surrounding their luxury purchases. They will include ethical values when making a purchase such as environmental or social values, which is portrayed in their renting rather than buying approach (Danziger, 2013).

Those new trends in luxury consumption show us that this new generation, who might be tempted to prefer to rent rather than to buy, no longer wants to be pretentious by showing an exterior sign of wealth and are also more and more against wasteful consumption (Yeoman, 2011). In that spirit, the emergence in the last decade, of new luxury rental companies, such as "Rent the Runway" and "Bag, Borrow or Steal," enables consumers to rent a product for a limited time instead of buying it.

Indeed, according to the research of the Future Foundation (2010), more than a quarter of 15-24s and over than a fifth of 25-34s are supportive when it comes to the concept of accessing luxury goods by renting them. And 80% of consumers believe that renting has some real benefits (Rowe 2015).

The Future Foundation (2010), also shows that although they will continue to indulge in luxury every now and then purely for pleasure, they will be more attentive to the eco-sensitivity which will change their behavior and will have an impact on consumption.

This keen interest in having access rather than buying illustrates well the need for meaning in consumption that characterizes millennials, as we have mentioned in chapter 2.

4.2.3 The Luxury Label is No Longer Enough

For millennials the word “luxury” is just a tag that marketers use. As they are very aware consumers when it comes to marketing techniques, for them, the word luxury is a commercial image used to push them to purchase instead of a term used to communicate something significant about the good or service (Danziger, 2013). Instead of reaching for traditional luxury, they will favor products that bring them closer to the life they want to live. They want the luxury product or experience to be useful and efficient for them to legitimize the expense (Rowe, 2015).

Due to the magnitude of the internet, millennials, who have been immersed in it at a young, are very savvy consumers (Lenhart, 2016). They proceed to extensive research and talk it over with other people. They have access to a great source of information.

For millennials who are better educated and more conscious shoppers than older generations, luxury strategies and positioning can appear as being very superficial as they are very aware of marketers' intentions (Lenhart, 2016).

The luxury label does not appeal to millennials as they are very skeptic when it comes to the term luxury (Lenhart, 2016). They assume it is a term used to increase and justify the price. It conveys little to them and pushes them away.

Regarding luxury, millennials nowadays pay attention to quality and accessibility (Rowe 2015). More than half of them declare that quality would participate to their loyalty to a brand (Krautkremer, 2016). Indeed, they judge that quality is more important than customer service or even price.

4.2.4 Inclusive Exclusivity

Millennials will favor luxury brands with whom they can exchange and communicate on social networks, an important information knowing they will be the main consumers of luxury goods in the future (Leone, 2015). In order to stay competitive it is important to innovate, which starts by interacting with millennials by using their channels of predilections, were millennials are looking to find attractive marketing campaigns that strengthen the brand's image of excellent quality.

This makes them feel included in an exclusive way (Leone, 2015). As an example, 56% of American millennials would be willing to communicate their location to brands if in return they can get discounts at close by stores. They want brands to be present in their day-to-day lives and they worthy the actions that brands take to allow them to have insider access or to have a preview of what is happening behind-the-scenes during the creation of luxury goods.

This aspect portrays the need for collaboration and brand-customer relationship, as seen in chapter 2, that characterizes millennials.

4.2.5 Luxury Brand Loyalty

As previously described in the chapter 2 “Millennials Characteristics”, this generation lacks brand loyalty and this lack of loyalty that identifies millennials is also applicable when it comes to luxury brands. In addition, they are further inclined to try out new rising brands (CNBC, 2015). Consequently, this could work in favor of new lesser-known luxury brands (Brinded, 2016).

However, a recent study revealed that 89% of millennials stated that they are more inclined to be loyal to luxury brands if each time they purchase a product from them they have a good experience and if the brand is standing for something they believe in (Fahrenheit212, 2016).

The difficulty for old traditional fashion house brands well known in the luxury industry will be to attract millennials in their market considering that they are not loyal consumers (Brinded, 2016).

4.3 Luxury Brands Millennials Like

Not too long ago a survey was conducted to ask millennials about their favorite brands (all categories included) and the results show that only two luxury brands made it in their top 15 favorite brands (Brinded, 2016). Those two brands are Chanel and Ralph Lauren. Another research by the Shullman Research Center (2016), asked millennials, generation X and baby boomers what was their top favorite luxury brand in the world in order to build a top 20 per generation. For millennials Gucci wins the top spot, followed by Lexus in second place, and Louis Vuitton in third. What is interesting to see is that in their top 20, we can find 8 luxury

automobile brands. Another interesting observation is that the brand Ralph Lauren is unique to the top 20 of millennials as it does not appear in the top 20 of the generation X or of the baby boomers. This shows that the perimeter of luxury is widening and now includes brands that older generations might not have considered as luxury brands such as indeed Ralph Lauren or Hugo Boss, Lacoste and Calvin Klein (Casper & Briones, 2014).

4.4 Conclusion

Through this chapter we highlighted the significant differences displayed by the millennial generation concerning their relationship with luxury goods, an approach that is both more complex and personal, and in opposition with many aspects regarding the approach that older generations had with luxury.

Today millennials are no longer ready to accept as such what luxury brands offer, they want instead to have the possibility to participate more with brands that their point of view and their values, such as the fact that they want to consume more responsibly, be taken into account, as well as the fact that they want to have access to more personalized products.

But as we have seen, for them, luxury is no longer limited to bearing products with the logo of designers to justify a high price, and they no longer attach the same importance to the necessity of possessing such products.

On the other hand, an important element for millennials resides in looking for unique experiences to live but according to their own vision of luxury. It is no longer important for them to appear in a luxurious five-star hotel but rather to get a unique traveling experience that will mark them forever even if the price to pay to enjoy this experience is high.

In this context, luxury brands will have to rethink their strategies and be able to adapt themselves in order to answer the expectations of this generation of millennials if they do not want to miss what will become the biggest segment of buyers on the market, consisting of these young hyper-connected, highly educated and with careers will continue to grow in the coming years.

The growing influence of millennials is contributing to the change in meaning of the word luxury (CNBC, 2015).

Part 2: Practical Part

Chapter 5: Methodology

We have in our literature review discussed theoretical concepts regarding millennials and their characteristics, motivations and consumption behaviors as well as their relationship to the luxury industry. We are now going to detail the methodology that we have followed in order to gather and analyze our data.

5.1 Qualitative Research

In order to conduct our research we have decided to use a qualitative approach and this for three specific reasons.

Firstly, the qualitative approach is most favorable when the research problem does not include variables that are clearly identified and that require further investigation (Creswell, 2012). The existing literature could be lacking the information needed regarding the object of the research and therefore, it is necessary to find additional information from respondents through exploration. According to Yin (2011), a qualitative research allows to broaden the existing theoretical framework and to outline new theories. We feel that this is very representative of our research as little was found in the literature regarding the characteristics and behaviors of millennials as consumers, and even less regarding their characteristics and behaviors as luxury consumers. We needed to fill in those gaps by investigating more in depth the thoughts of that generation when it comes to their association of values and luxury brands.

Secondly, one of the main components of a qualitative study is to attempt to gather a more accurate understanding and vision regarding the explanation of human behaviors (Yin, 2011). Furthermore, it is designed to collect meaningful and thorough information concerning the various elements of consumer behavior (Pellemans, 1999). The data retrieved from qualitative studies could be tested in a quantitative way afterwards. This reason also coincides with the purpose of our research as we are trying to gather an in depth understanding of millennials' attitudes and buying behaviors of luxury.

Lastly, we have demonstrated in our review of the literature that the perception and definition of luxury was very subjective and specific to each person. Therefore, because of the abstractness of the topic it was necessary to conduct a qualitative research to fully understand the perception of millennials when it comes to luxury.

5.2 Problematic and Research Questions

We initiated the qualitative research procedure by identifying the research problem of the study and elaborating sub-questions. In a qualitative research it is important to start with an accurate examination of the problematic in order to establish the object of the research:

“What are the characteristics representing millennials that affect their motivations and consumption behavior in the luxury industry?”

In order to respond to this question it is necessary to develop some sub-questions:

- What does luxury mean to millennials?
- What motivates them to buy luxury goods and services?
- According to them, what are the important characteristics that luxury brands should have?
- How do their characteristics apply to their purchasing motivations and behavior regarding luxury products and services?

5.3 Forms for Qualitative Data Collection

As shown in table 5.1 below, there are different forms available to gather qualitative data.

Table 5.1: Different Forms of Qualitative Data Collection.

Forms of Qualitative Data Collection		
Forms of Data Collection	Type of Data	Definition of Type of Data
Observations	Field notes and drawings	Unstructured text data and pictures taken during observation by the researcher
Interviews and Questionnaires	Transcriptions of open-ended interviews or open-ended questions on questionnaires	Unstructured text data obtained from transcribing audiotapes of interviews or by transcribing open-ended responses on questionnaires
Documents	Hand-recorded notes about documents or optically scanned documents	Public (e.g., notes from meetings) and private (E.g., journals) records available to the researcher
Audiovisual Materials	Pictures, photographs, videotapes, objects, sounds	Audiovisual materials consisting of images or sounds of people or places recorded by the researcher or someone else.

Source: Creswell, 2012, p214.

We have decided to use interviews, where we ask respondents open-ended questions that are more general. This allows us not to influence and confine the visions and beliefs of the respondents as they can state their experience freely without distortions. Unlike in quantitative research, where already established instruments are used, researchers using a qualitative approach elaborate their own questions (Creswell, 2012).

As Kvale (1996, p14), mentioned: *“The qualitative research interview is a construction site for knowledge. An interview is literally an interview, an interchange of views between two persons conversing about a theme of mutual interest”*. The qualitative approach is a compelling tool when it is needed to gather profound understanding and observations about people’s attitude and feelings regarding the social world (Mack et al., 2005).

Interviews have the advantage to specify valuable data that cannot be directly observed (Creswell, 2012). Indeed, they allow respondents to explain more in depth precise

information about themselves. Another advantage is that the researcher can, to some extent, regulate and intervene in the exchange, if he/she feels that something said by the respondents is interesting and could be, furthermore, investigated he/she can ask additional questions.

Interviews have, however, also some disadvantages. Firstly, it can be said that interviews only permit to collect information that has in some way been filtered by the judgment of the researcher (Creswell, 2012), mostly due to the influence of the literature review. Secondly, the presence of the researcher might in some way influence the responses of the participants.

We have decided to conduct semi-structured interviews. With this category of interview, the researcher elaborates a series of questions to guide him/her through the interviews but can add at any given time questions that he/she might feel relevant in order to identify new issues (Dawson, 2002). The majority of the questions are, however, identical to each interview in order to be able to compare the answers of participants. The questions have been elaborated based on the literature review. The main component of semi-structured interviews is its flexibility as the researcher can also ask the participants for more details by asking them to deepen their answers or to clarify.

We have decided to use both one-on-one interviews and phone interviews for participants that lived in other countries (see section 5.4).

We have then established a guide for our interviews (see Appendix 1) that will allow us to follow a logical sequence during the interviews.

In our interview guide we have classified our questions by theme. The different themes in our interview guide are:

- The Meaning and Definition of Luxury according to millennials
- Motivations to Purchase luxury according to millennials
- Luxury Brand Characteristics according to millennials
- Millennials Characteristics and Luxury

5.4 Elaboration of the Sample

The next step consists of the elaboration of the sample. This resides in determining and choosing the people who we are going to interview. In qualitative research, respondents are chosen on a purposeful sampling, meaning that the people selected are people who can help us the most to comprehend the phenomenon we are investigating (Creswell, 2012).

In the selection of our sample there were several criteria that we took in consideration when selecting respondents. First of all, because we are trying to determine the behavior of the millennial generation, it was necessary for the participants to be part of that generation. Therefore the first criterion was to select people between the ages of 17 and 36 years old. Secondly, we wanted to be able to see if the beliefs and behaviors changed according to the fact that people were older millennials or younger millennials. For that reason we tried to select millennials of each sub-age category, not to have all respondents be around the same age. Thirdly, we are looking at millennials in general, so we selected both men and women. And lastly, as we have seen in our review of the literature, although millennials are different in each country, due to globalization, they are globally more alike than any previous generation. Indeed, it is believed that they have common tendencies and similar consumption habits. For that reason, we have decided to interview millennials from different countries in order to see if their consumption motivations and behaviors as well as their perception of luxury were actually similar. We were able to interview millennials from Belgium, France, The Netherlands, Germany and Spain.

5.5 Sample Segmentation

Most studies focus on the millennial generation as a whole; however, it would be interesting to see how attitudes and behaviors vary depending on age within that generation as almost 20 years separate the youngest members from the oldest ones. We have therefore decided to carry out a segmentation according to different age brackets. We have defined four age brackets: 17 to 20 years old, 21 to 25 years old, 26 to 30 years old and finally 31 to 36 years old.

5.6 Description of the Sample

In total we interviewed 16 people, 8 women and 8 men. Respondents range from 17 years old to 36 years old. We have decided to use a quota sampling method in order to have equivalent depiction of men and women in each age bracket. Table 5.2 displays participants' name, gender, age, profession, country of residence and age range.

Table 5.2: Participants' Demographics

	Name	Gender	Age	Profession	Country of Residence	Age Range
1	Lili	F	29	Advertiser	Spain	26-30
2	Armin	M	26	Student	Germany	26-30
3	Coline	F	24	Student	France	21-25
4	Diego	M	20	Student	Spain	17-20
5	Adrien	M	33	Secondary School Teacher	France	31-36
6	Aurélie	F	25	Project Manager	France	21-25
7	Martin	M	22	Student	Belgium	21-25
8	Yolande	F	36	Employee in a non-profit organization	Belgium	31-36
9	Léonie	F	17	Student	France	17-20
10	Aisha	F	30	Assistant manager	Netherlands	26-30
11	Marlon	M	31	Physical therapist	Netherlands	31-36
12	Pol	M	23	Accountant	Spain	21-25
13	Morgane	F	18	Student	Belgium	17-20
14	Adèle	F	35	Administrative assistant	Belgium	31-36
15	Alain	M	30	HR officer	Belgium	26-30
16	Arthur	M	20	Student	France	17-20

5.7 Analytical Method

In order to analyze qualitative data there are three main different methods (Pellemans, 1999).

Data summarizing analysis: The purpose is to summarize the important points of each interview (Saunders et al., 2009). It consists of condensing the message of a part of the interview into fewer words.

Content analysis: In these types of analysis the approach is more automated (Dawson, 2002). The procedure consists of coding according to the different contents. The researcher appoints a code to particular characteristic in the text.

Thematic analysis: which is an analysis in between the summary analysis and the content analysis; it uses aspects present in both methods. The thematic analysis is an approach that requires identifying, analyzing and communicating the themes found in data.

For our study we have decided to focus on a thematic analysis. We had previously elaborated our interview guide according to different theme categories. These different pre-established themes will serve as a foundation to analyze the data retrieved in the interviews.

According to Braun & Clarke (2006, p82), “ *A theme captures something important about the data in relation to the research question and represents some level of patterned response or meaning within the data set.*”

5.8 Transcript of the Interviews

In order to be able to analyze the data, we first had to transcribe the one-on-one interviews. We had expressly recorded the interviews with a voice recorder for that purpose. The phone interviews were not recorded but where, however, transcribed as accurately as possible, as extensive notes were taken during the interviews. All of the transcripts can be found in appendix 2.

5.9 Coding

In order to sort the data that emerged from the different themes it is necessary to code the information. Coding consists of giving labels to assemble and classify data which becomes the foundation to establish the analysis. Within our data we have therefore identified text passages that were similar, regarding the ideas and we have given each idea a code to be able to treat the data more easily and to also establish comparisons to use in our analysis.

Chapter 6: Results

As we have mentioned, in our methodology, we are using a thematic analysis to interpret our data which consists of highlighting key information from the semi-structured interviews in order to classify them by theme and to attribute a code to each relevant citation or mention from participants in order to be able to classify them.

In order to make it easier to read the tables, it is imperative for us to explain how to interpret the numbers and how we proceeded to analyze the data. First of all, it is necessary to remind for further comprehension that all of our analyses are based on a sample of 16 participants. Secondly, the numbers in the table represent the number of times an idea has been mentioned. For example, if we look at table 6.1, we see at the intersection between the row “expensive” and the column “17-20,” the number 3. This means that the idea “expensive” has been cited 3 times by participants in the 17-20 age range. In order to facilitate the reading, we have used a color code with the darker color representing the ideas that were most cited in each age category and the lightest color the ideas that were least cited.

Finally, most of our analyses are based on the number of times an idea has been mentioned and not based on what a percentage of participants said. Indeed, it is not always possible to interpret the data by saying that a certain percentage of the sample expressed a particular idea as it is often not the case. For instance, if we are looking at how participants define luxury (Table 6.1) we see that the “expensive” criteria has been mentioned 13 times we cannot conclude that 13 of our participants mentioned the criteria of price as maybe some participants referred themselves several times to the idea of price but in different ways. For that reason, the only thing that we can conclude is that price is the most cited, that it was cited 13 out of a total of 46 different mentions of ideas.

6.1 Theme 1: The Meaning and Definition of Luxury According to Millennials

The first theme that we have addressed with the participants was in regards to their perception and definition of luxury. The objective was to comprehend better how millennials viewed luxury and what it signified for them. In this theme we also wanted to question

millennials to see if they were receptive to the idea of consuming luxury products and services in the future.

We first asked them what luxury meant to them and how they would define it (Table 6.1).

Table 6.1: Descriptives Used to Define Luxury.

Defining Luxury					
Descriptives	Age Categories				Total
	17-20	21-25	26-30	31-36	
Expensive	3	3	3	4	13
Superior Quality	3	1	2	3	9
Exclusive	2	1	1	1	5
Brand Image	1	2	0	1	4
Rare	1	1	1	0	3
Fancy	1	0	1	1	3
Superfluous	0	0	0	2	2
Superior Buying Experience	1	0	0	0	1
Brings Great Pleasure	0	0	0	1	1
Prestige	0	0	1	0	1
Ostentatious	0	1	0	0	1
Inaccessible	0	1	0	0	1
Nice Presentation/Packaging	0	1	0	0	1
Not Necessarily Superior Quality	0	1	0	0	1
Total	12	12	9	13	46

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

As we mentioned, the idea the most cited is the price, the fact that luxury is expensive represents 28% of total ideas mentioned. The idea of price is relatively consistent amongst all age categories. The second most cited idea is superior quality corresponding to 20% of ideas. This idea is, however, less cited by the 21-25 age category. The third most cited is exclusiveness, with 11%, and fourth is brand image with 9%. It is interesting to see that these are the four criteria most cited to define luxury as those are the four characteristics of luxury that we have evoked in chapter 3 in order to attempt to define what a luxury product is. Furthermore, the fact that the other descriptives used to define luxury are very different amongst our participants shows the abstractness of the luxury notion that we have mentioned previously. One of our respondents perfectly illustrated that idea by saying, *“What is a normal good for me may be a luxury good for someone else. However, what may be a luxury good for me might be a normal good for someone else”* (Yolande).

We have then listed different categories of goods and services and asked participants to indicate which ones evoked the most the idea of luxury to them (Table 6.2).

Table 6.2: Categories that Evoke the Most the Idea of Luxury.

Categories that Evoke the Most Luxury					
Categories	Age Categories				Total
	17-20	21-25	26-30	31-36	
Fashion /leather goods / accessories	4	4	4	4	16
Hospitality / Tourism	4	3	3	4	14
Jewelry /watches	4	4	2	4	14
Perfume / beauty	1	2	1	2	6
Automobile	2	1	1	1	5
Services	1	0	1	3	5
Gastronomy	1	0	0	1	2
Wine / spirits	1	0	0	0	1
Total	18	14	12	19	63

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

In this type of question we are able to analyze the percentage of participants that mentioned each category as it was not possible to cite the same category more than once and therefore one “mention” refers to one participant. This type of analysis is also possible for questions that use a dichotomous approach for example yes and no, or important and not important.

We can see in table 6.2 that 100% (16 out of 16) of participants assimilates the idea of luxury to the fashion, leather goods and accessories category. Close seconds are the Hospitality/Tourism and Jewelry/Watches categories, as 88% (14 out of 16) assimilate those two categories to the idea of luxury. Then we have with 38% (6 out of 16) the Perfume/Beauty category and with 31% (5 out of 16) the Automobile as well as the Services categories. And finally to a lesser extent, Gastronomy with 12% (2 out of 16) and Wine/Spirits with 6% (1 out of 16). It is interesting to see that the first three categories are very close in ranking and nearly homogeneous between the different age categories. The fact that the hospitality/tourism category is so highly ranked shows that our sample also assimilates quite strongly the idea of luxury to non-material things. This confirms what we have seen earlier in our theoretical part, as to the fact that millennials seem more experience and non-material things oriented. This, however, so far does not indicate a preference towards one over the other; it just reveals that they associate luxury strongly to both material goods and non-material goods.

We asked our participants if they were consumers of luxury goods and if not, if they intended to become consumers in the future (Table 6.3).

Table 6.3: Consumption of Luxury Goods Today and in the Future.

Consumption of Luxury Goods					
	Age Categories				Total
	17-20	21-25	26-30	31-36	
Today					
No	2	3	3	1	9
Yes	2	1	1	3	7
In the future					
Yes	4	3	4	3	14
No	0	0	0	1	1
Maybe	0	1	0	0	1
Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category					

In our sample, 44% (7 out of 16) are already consumers of luxury goods. Within those consumers 19% are in the 31-36 age category, followed by 12.5% in the 17-20 category, and finally 6% in the 21-25 and in the 26-30 categories. If we look more attentively at the different age categories we can see that in the 31-36 range, 3 out of 4 (75%) respondents consume luxury, while in the 17-20, 2 out of 4 (50%) are consumers and in the 21-25 and 26-30, 1 out of 4 (25%).

When asked if they expected to become luxury goods consumers in the future (or continue to consume for those that are already consumers), 88% (14 out of 16) of participants replied “yes”. This result is rather homogeneous across age categories. This indicates that the young people of our study are very much open to the idea of consuming luxury in the future. Confirming that they will be an attractive segment for the luxury industry, as mentioned earlier, in regards to the size of the segment and their estimated potential purchasing power but also, regarding their interest in the luxury industry.

6.2 Theme 2: Motivations to Purchase Luxury According to Millennials

The second theme of our interviews regarded the motivations to purchase a luxury product or service. The objective was to uncover the reasons and motives for which millennials would decide to purchase a luxury product. We therefore asked participants, «If you were to buy a luxury product or service what would be your motivations behind it?» (Table 6.4).

Table 6.4: Motivations to Consume Luxury Products and Services.

Motivation to consume a luxury product or service					
Motives	Age Categories				Total
	17-20	21-25	26-30	31-36	
Aesthetic	3	3	3	2	11
Quality	2	3	3	2	10
To Treat Yourself/ Pleasure	0	0	2	2	4
Popular	2	0	0	0	2
Desire	1	0	0	1	2
Recommendation	1	0	0	0	1
To Feel Powerful	1	0	0	0	1
Need/Necessity	1	0	0	0	1
Image it Gives	0	1	0	0	1
Total	11	7	8	7	33

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

The most cited motivation by our millennials was the aesthetic aspect of the product. Out of 33 ideas in total the aesthetic aspect was mentioned 11 times, representing 33% of total ideas. The importance of aesthetics seems rather homogeneous amongst the different age ranges. The accent appeared to be on the uniqueness and innovative aspect of the product.

“If I were to buy a luxury product it would be for the unique and creative designs. I would be willing to pay more money on a product if it is something different and specific that I can’t find anywhere else.” (Lili).

“It should be something out of the ordinary, innovative. It has to be something I really enjoy for what it is and not for the brand it represents.” (Coline).

The second most referred to motive is the quality, which was referred to 10 times, corresponding to 30% of total ideas. Just like the aesthetic motive, the need for quality appears to be comparably homogeneous between the age categories.

The third most cited motive is “to treat yourself” representing 12% of total ideas. This idea is only mentioned by the two oldest age categories the 26 to 30 years old and the 31 to 36 years old. Meaning that for them luxury is more about doing something for them. On the contrary we see that the motive “popular” cited 2 times and representing 6% of total ideas is only mentioned by the youngest, 17-20 age range. This implies that contrary to older age ranges

that consume luxury for themselves, the younger 17-20 do it more because it is popular, by considering others into their motivation to buy.

6.3 Theme 3: Luxury Brand Characteristics According to Millennials

In our next theme we wanted to investigate based on what criteria participants would choose a luxury brand as well as the positive and negative characteristics of luxury brands that could influence their purchase decision. The objective was to put to light the elements that attract millennials to a specific luxury brand.

We first asked our participants based on what criteria they would choose a luxury brand (Table 6.5).

Table 6.5: Criteria Evoked when Choosing a Luxury Brand.

Choosing a luxury brand					
Criteria	Age Categories				Total
	17-20	21-25	26-30	31-36	
Aesthetic	3	3	3	1	10
Price	3	2	0	2	7
Recommendation	1	1	2	1	5
Quality	2	1	0	2	5
Personalized Service	1	0	0	0	1
Brand recognized by others	0	1	0	0	1
Brand Reputation	0	0	0	1	1
Not over the top	0	0	0	1	1
Advertisement	0	0	0	1	1
Total	10	8	5	9	32

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

By looking at table 6.5, we notice that out of the 32 ideas mentioned in total, the aesthetic criteria is the most cited as it was brought up 10 times, which represents 31% of total ideas. We can see that the aesthetic criteria is very important in the 17-20, 21-25, 26-30 age categories but significantly less in the older 31-36 age range who favor more quality and price. We can make an assumption for the 31-36 age range that by saying that this is based on their experience, that they have learned that when it comes to choosing a luxury brand, price and quality are more important than aesthetics. The second most discussed was the price, referred to 7 times and corresponding to 22% of total ideas. We notice that, with the aesthetic criterion, the price is the most mentioned criterion in the 17-20 age range. In fact, the 17-20, referred to price more than any of the other age categories. Comparing prices

seem very important for them when choosing a brand. This is comprehensible, assuming that this age range is probably the one with the lowest purchasing power and therefore the most sensitive to price. Regarding the price criteria it is interesting to see that it was not mentioned once in the 26-30 range. The next most cited criteria, with equal importance, are recommendation and quality, which were each referred to 5 times representing each 16% of total ideas. The two criteria are relatively homogeneous amongst age categories, except for the quality criterion, not mentioned by the 26-30, once again.

The next step consisted of investigating what were the positive characteristics that were important to millennials in a luxury brand (Table 6.6).

Table 6.6: Positive Characteristics of Luxury Brands.

Positive Characteristics of a Luxury Brand					
Characteristics	Age Categories				Total
	17-20	21-25	26-30	31-36	
Values/ Implication in causes	2	3	2	0	7
Advertisement	1	1	2	1	5
Good customer service	1	2	0	2	5
Quality	1	1	0	2	4
Reward Program	1	0	0	1	2
Presentation/ Packaging	1	0	0	0	1
Image of the brand	0	0	1	0	1
Total	7	7	5	6	25

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

For the millennials interviewed, brand values as well as brands' implication in causes is considered the most important characteristic a brand can have. Indeed, out of 25 ideas in total, values and implication in causes was cited 7 times, corresponding to 28% of total ideas. By values, the millennials in our sample mostly expressed ethical concerns, such as the treatment of animals, the respect of working conditions, the respect for environmental matters ...

"I would say what they stand for. I mean their values like the respect for animals and also the respect and integrity for women in their campaigns and communication strategies. I think it is something that could definitely influence my purchase decision in a positive way" (Lily).

"The brand must be environmental and animal friendly" (Coline).

“I really like when a brand supports an association” (Léonie).

Having values be referred to as the top positive characteristic for luxury brands is in line with what we saw in our review of the literature, namely that millennials give more and more importance to conscious consumption and that they want brands to do the same. However, it is interesting to see that the 31-36 age group has not mentioned values at all. We can assume that values are probably not as important to them in regards to luxury. The importance of values in luxury brands is relatively homogeneous in the three other age groups.

In second position we find at equal position advertisement and good customer service. Both were mentioned 5 times, representing each 20% of total ideas. Advertisement seems to be more important to the 26-30 age group than any other age categories. The fact to have a good customer service does not appear to be very important in the 26-30 range as it was not mentioned.

We then wanted to explore, on the contrary, the negative characteristics that could refrain millennials from choosing a certain luxury brand.

Table 6.7: Negative Characteristics of Luxury Brands.

Negative Characteristics of a Luxury Brand					
Characteristics	Age Categories				Total
	17-20	21-25	26-30	31-36	
Values/ Practices	2	2	2	2	8
Too Expensive	2	2	1	1	6
Excessive Designs	0	2	0	2	4
Quality Problem	2	0	1	0	3
Bad Customer Service	1	1	1	0	3
Bad Reputation	1	0	1	1	2
Lack of Creativity	0	0	1	0	1
Total	8	7	6	6	27

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

As we can see in table 6.7, the most cited negative characteristic by our sample of millennials is “values and practices”, or should we say the lack of certain values and the use of unethical practices. Out of a total of 27 ideas, values and practices were mentioned 8 times, equivalent to 30% of total ideas.

“If I know that the brand is not respecting the environment, human rights and animals in their production process, I would definitely refrain from buying from them. For me that is the major no, no” (Coline).

“When, the realization of the products contains harmfulness towards animals. If a brand is known for that I know, I would never buy from them” (Marlon).

Several participants revealed that they would boycott a brand if they knew the brands did not respect certain practices and lacked certain fundamental values important to them. This is very representative of their engagement and need for conscious consumption.

What is interesting to see, is that the 31-36 age category did not talk about values when asked about the positive characteristics of a luxury brand, however, when asked about negative characteristics, values is one of the most cited in that age range. We can conclude that for the 31-36 range values are not necessarily something that they look for in a luxury brand or that they absolutely require, however, if they were aware of some lack of values or unethical practices this would affect negatively their decision to purchase.

The second most mentioned idea is “too expensive.” This idea represents 22% of total ideas. The millennials in our sample hinted that they would not purchase if they considered the price was excessive. One of our participants said, *“If the prices are too excessive. If two brands have the same kind of product, I will go for the cheaper one” (Alain).* This shows they have a certain sensitivity to price and that for comparable products they will choose the cheapest alternative. The comment of Alain also illustrates the lack of brand loyalty of millennials as he says he would be willing to change just for price reasons.

The third most cited negative characteristic is “excessive designs” which represents 15% of total ideas. This idea was, however, only addressed by the 21-25 and 31-36 age categories. The participants that mentioned that aspect said that they were not interested in brands that had excessive designs with very big and visible logos on them.

“If the brand is too obvious, for example if the logo is too big, I will not buy it” (Aurélie).

“I am personally not a fan of brands that use excessively their logo in their designs and where you can tell right away which brand it is” (Adèle).

This is in conformity with what we have seen in our review of the literature regarding the fact that millennials no longer want just to exhibit designer logos for which they pay a high price tag.

We then asked our participants to tell us which luxury brands they liked (Table 6.8).

Table 6.8: Favorite Luxury Brands.

Favorite Luxury Brands					
Luxury Brands	Age Categories				Total
	17-20	21-25	26-30	31-36	
Yves Saint Laurent	1	2	0	1	4
Porsche	2	0	1	1	4
Chanel	1	1	1	0	3
Rolex	1	1	0	1	3
Burberry	0	2	0	1	3
Calvin Klein	0	2	1	0	3
Louis Vuitton	2	0	0	0	2
Ferrari	1	0	0	1	2
Gucci	2	0	0	0	2
Hermès	1	1	0	0	2
Versace	1	0	0	1	2
Audi	1	0	1	0	2
Ralph Lauren	0	1	0	1	2
Kenzo	0	1	0	1	2
Lacoste	0	1	1	0	2
Michael Kors	0	1	0	1	2
Cartier	0	1	1	1	2
Mercedes	0	0	1	1	2
Longchamp	1	0	0	0	1
Louboutin	1	0	0	0	1
Prada	1	0	0	0	1
MAC	1	0	0	0	1
Dior	1	0	0	0	1
Fossil	1	0	0	0	1
Diesel	1	0	0	0	1
Mustang	1	0	0	0	1
Bose	1	0	0	0	1
Vivienne Westwood	0	1	0	0	1
Marc Jacobs	0	1	0	0	1
Guerlain	0	1	0	0	1
Jean-Paul Gaultier	0	1	0	0	1
Tommy Hilfiger	0	1	0	0	1
Balmain	0	0	1	0	1
Moschino	0	0	1	0	1

Range Rover	0	0	1	0	1
Hugo Boss	0	0	2	0	1
Paco Rabanne	0	0	1	0	1
Armani	0	0	1	1	1
Nespresso	0	0	0	1	1
Total: 39 Luxury Brands cited					
Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category					

It is clear that many different brands were mentioned by the millennials from our sample. But it is interesting to see that out of 16 respondents 2 brands were mentioned 4 times each. These two brands are Yves Saint Laurent and Porsche. It is also interesting to see that out of the 39 different brands mentioned 6 are car brands representing 15% of total brands listed. But what is most revealing is that there are quite a few brands considered on the more affordable side, some not even being considered normally as luxury brands. For example, the cosmetic brand M.A.C or the coffee brand Nespresso might be higher-end brands in their categories but are not typically referred to as luxury. A few brands considered as affordable luxury brands were also cited such as Calvin Klein, Ralph Lauren, Lacoste ... This is in line with what we have seen in our review of the literature regarding the fact that millennials are broadening the concept of luxury by including brands that before might not have been considered as luxury. We also see that the accessible category of luxury that we have discussed seems to be quite popular amongst millennials.

6.4 Theme 4: Millennial Characteristics and Luxury

The next theme that we addressed included some of the characteristics specific to millennials identified in our review of the literature which we applied to the luxury industry. The objective was to determine how these different characteristics fit within the luxury context.

6.4.1 Meaning in Consumption and Luxury

In order to establish how conscious consumption could apply to the luxury industry according to millennials we asked our respondents what they thought about luxury brands that support causes (Table 6.9 and Table 6.10).

Table 6.9: Points of View Regarding Luxury Brands that Support Causes.

View of luxury brands that support causes					
Point of view	Age Categories				Total
	17-20	21-25	26-30	31-36	
Positive	4	4	4	3	15
Negative	0	0	0	1	1
Total	4	4	4	4	16

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

The majority of our participants, 94% (15 out of 16), seemed to have a positive view of luxury brands that support causes and judged that it was important for luxury brands to do so.

Table 6.10: Opinions on Luxury Brands that Support Causes.

Opinion on luxury brands that support causes					
Opinion	Age Categories				Total
	17-20	21-25	26-30	31-36	
Brands should also include it in their production process	1	2	1	1	5
I like to know that it is more than just a purchase	1	2	1	0	4
Brands do it for their image/benefit	1	0	2	1	4
It's their duty to give back	1	0	2	0	3
More people can support causes	0	1	1	0	2
Should lead by example	1	0	0	0	1
They can make a difference	0	1	0	0	1
Good impact on young people	0	0	1	0	1
Raises awareness	0	0	0	1	1
More inclined to purchase from a brand that supports causes	0	0	0	1	1
Total	5	6	8	4	23

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

Out of the 23 ideas mentioned in total, the fact that brands needed not only to support causes but to also apply certain values and practices themselves in their production process was the most cited, 5 times, with 22% of total ideas. In second place we have two different ideas that were mentioned the same number of times, 4 times, and that each represents 17% of total ideas. First the fact that our sample of millennials like to know that it is more than just a purchase. Luxury brands by being involved in causes, give millennials the impression that their purchase is more meaningful, that is it not just about the product but that they are contributing to something greater. Then, they mentioned the idea that luxury brands used causes as a way to improve their image. Some participants mentioned that they

thought luxury brands used causes for their benefit and that they were not truly genuine about it. This shows that for them it is not enough for a luxury brand to say they support a cause, they need to believe it. This idea is to a certain extent linked to the idea of including more ethical values in the production process as millennials would give more credibility to luxury brands that do so, rather than luxury brands that just support a cause without themselves applying certain values from the inside.

We then asked participants (Table 6.11) if they knew some luxury brands that supported causes or that applied some ethical values themselves, as millennials seemed to put an accent on that point.

Table 6.11: Knowledge of Luxury Brands that Support Causes.

Knowledge of luxury brands that supported causes					
	Age Categories				Total
	17–20	21–25	26–30	31–36	
Yes	0	2	1	0	3
No	4	2	3	4	13
Total	4	4	4	4	16

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

Only 19% (3 out of 16) of participants were able to name a luxury brand that support causes or that has ethical values in their production process. Out of the 3 participants, 2 were in the 21–25 age category and 1 in the 26–30 age category.

6.4.2 Collaboration and Luxury

As we saw in our review of the literature millennials are very fond of the possibility to collaborate with brands. This collaboration, from consumers' side, often expresses itself by giving their opinion through feedback. We wanted to see how this idea of feedback and collaboration applied to luxury in the minds of millennials.

We first started by asking our participants at what frequency they left feedback (Table 6.12).

Table 6.12: Frequency of Feedback.

Frequencies of feedback					
Frequency	Age Categories				Total
	17–20	21–25	26–30	31–36	
Rarely	1	4	1	1	7
Never	2	0	2	2	6
Sometimes	1	0	1	0	2
Often	0	0	0	1	1
Total	4	4	4	4	16

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

Out of our 16 participants, 44% (7 out of 16) declared rarely leaving feedback or reviews, 38% (6 out of 16) asserted never to leave feedback, 12% (2 out of 16) sometimes and 6% (1 out of 16) often. These results are very different from what we have seen in our review of the literature. Indeed, we had seen that when it came to sharing their opinion millennials were not shy about it and that the majority of them thought it was their duty to leave their feedback to brands about their experiences whether positive or negative.

Within the respondents that told us they rarely, sometimes and often left feedback or reviews, we asked them in which case they left a review (Table 6.13).

Table 6.13: Reasons for Feedback.

Reasons of Feedback					
Reasons	Age Categories				Total
	17–20	21–25	26–30	31–36	
If Negative	1	2	2	3	8
If Positive	1	0	0	1	2
If Request Comes from Brand	1	0	0	0	1
Total	3	2	2	4	11

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

Participants said, 73% of times, they left feedback because they had something negative to say or to complain about. In 18% of cases it was to leave a positive feedback and 9% of times because the request for feedback came from the brand.

Within our participants, 100% think it is important for luxury brands to respond to the feedback they receive from customers. We then asked our participants why they thought it was important (Table 6.14).

Table 6.14: Reasons of Importance of Feedback Responses from Luxury Brands.

Importance of Feedback Responses form Luxury Brands					
Reason	Age Categories				Total
	17–20	21–25	26–30	31–36	
Affects Brand Image	2	2	1	0	5
Shows Good Customer Service	0	2	0	2	4
To Show their customers are important	1	0	3	0	4
They can Improve	1	0	0	2	3
Because Products are Expensive	0	0	2	1	3
To Retain Customers	1	0	1		2
Two Way Communication	0	0	1	1	2
They have enough money to have a good customer service	1	0	0	0	1
I trust them more	0	0	1	0	1
Total	6	4	9	6	25

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

The main reason cited, 5 times, by our sample which represents 20% of ideas, is the fact that it is important for a luxury brand to reply because it affects the brand's image. Our respondent expressed that it could affect both positively or negatively the brand image.

"They need to respond to feedback, otherwise they do not appear as serious brands and luxury brands need to be serious" (Léonie).

The second and third ideas were cited an equal number of times, 4 times, representing each 16% of total ideas. Firstly, our respondents mentioned that the luxury brands that reply to feedback show that they have a good customer service. And then secondly, they referred to the idea that luxury brands that respond to feedback show that their customers are important.

"Not responding would make them look like they don't care" (Arthur).

We then asked our sample of millennials how important it was for them for luxury brands to ask for their opinion and 69% (11 out of 16) said it was important for luxury brands to do so (Table 6.15).

Table 6.15: Reasons of Importance for Luxury Brands to Ask for Customers' Opinion.

Importance for Luxury Brands to Ask for Consumer Opinion					
Reason	Age Categories				Total
	17–20	21–25	26–30	31–36	
Important	3	3	3	2	11
Improve	3	1	1	1	6
Focus on customer expectations	0	2	2	1	5
To have an interaction with the brand	0	0	0	1	1
Not Important	1	1	1	2	5
Hassle	1	0	0	2	3
Time consuming	1	0	0	1	2
Not in the creative process	0	1	1	0	2

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

Within the ideas given to justify why it is important for luxury brands to ask for their customers' opinions the most cited idea mentioned 6 times representing 50% of total ideas (6 out of the 12 mentioned to justify the importance) was that luxury brands could improve based on those opinions. Indeed, our respondents have mentioned that in that sense luxury brands could improve on many aspects, whether it is their products, services or even their marketing and promotion techniques.

"I think it is very important because I believe that sometimes consumers have a better perspective of what a brand can do to improve and they can provide useful insights, especially because they are the ones who are consuming the products and services" (Lili).

The idea of improvement is particularly present in the 17–20 age range. This leads to think that they are the ones that believe the most that luxury brands could improve if they ask the opinion of their consumers.

The second most important idea with 42% (out of the ideas justifying why it is important) was the fact that by asking for the opinion of their consumers, luxury brands could really focus on their customers' expectations and tailor their products and services to what the consumers really want.

"It is important because they need to fulfill their customer's expectations and by asking for their opinion they can do that" (Alain).

Out of our participants 31% (5 out of 16) believed that it was not that important for brands to ask for their opinion. The 31–36 age category seems to express that idea more strongly than the others. The respondents justified their answers by saying that it could be a hassle and time consuming. Certain respondents have also said that they thought brands should not ask consumers their opinion when it comes to the creative process as these should come solely from the brand.

“It’s not that much important. I can always switch to other luxury brands if one brand doesn’t fit my expectations or if I wasn’t satisfied” (Pol). This citation by Pol also shows the fact that millennials are not very loyal to brands.

6.4.3 Self-identity and Luxury

In our review of the literature regarding luxury we have seen that millennials did not use luxury products to affirm their self-identity. Therefore, it was necessary for us to investigate, furthermore, to see if millennials believed that luxury goods could contribute to self-affirmation or not and why.

We first asked our participants if they thought that luxury products provided a way to create self-identity (Table 6.16).

Table 6.16: Opinions on the Effect of Luxury in the Creation of Self-Identity.

Luxury and Self-Identity					
	Age Categories				Total
	17–20	21–25	26–30	31–36	
No	2	2	3	3	10
Popular not personal anymore	2	0	0	0	2
Yes	3	2	1	1	7
Way to market yourself to others	2	1	0	0	3
It sets you apart	0	1	1	0	2
Personal Values	1	0	0	0	1
Identification to the product	0	0	0	1	1

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

The results show that we have more “yes/no” responses than the number of participants. This is due to the fact that one respondent said that the answer could be “yes” in certain scenarios and “no” in others. Therefore out of 17 opinions stated, 59% were “no” and 41% were “yes.”

We notice that there is a difference compared to what we have seen in our review of the literature. Indeed, we had found in literature that millennials did not use luxury products to contribute to their self-identity. However, our participants seem more divided on the question. Even though 59% think that luxury products do not contribute to self-identity, 41% believe it does, which is a significant number.

We can see that the 26–30 and 31–36 categories, meaning the two oldest age ranges, believe more strongly that “no,” it does not provide a way to create self-identity, compared to the two younger age ranges.

The 17–20 participants that said no, explained that the reason they think that is because when a luxury brand becomes very popular everyone wants that brand and therefore if everyone is wearing that brand just because it is popular, it is not personal anymore, therefore you do not create self-identity through it.

“No because every time we buy a product we enter in a sort of group identity with people who buy the same brand, especially when a brand is popular and everyone buys it” (Arthur).

Out of the participants that replied “yes,” the main reason was that it was a way to market yourself to others, meaning that you portray yourself a certain way to others. This idea was mentioned by the two youngest age categories 17–20 and 21–25.

We then asked if they thought that the consumption of luxury goods can be used to reflect personal characteristics and values (Table 6.17).

Table 6.17: Opinions on the Link between Luxury, Personal Values and Characteristics.

Luxury as a Way to Reflect Values and Characteristics					
	Age Categories				Total
	17–20	21–25	26–30	31–36	
Yes	3	3	3	4	13
Reflects the character of a person	2	1	2	3	8
Reflects personal values	1	1	1	1	4
No	2	1	1	0	4
Reflects your look not who you are	1	1	0	0	2
Trendy	1	0	0	0	1

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

We can see that once again we have a total of 17 yes/no answers compared to 16 participants, as one respondent expressed both ideas. Out of 17 opinions, 76% were “yes” and 24% were “no.”

The 31–36 age range seemed to believe slightly more strongly than others that “yes,” the consumption of luxury goods can be used to reflect personal characteristics and values. This is interesting to see as in the previous question they majoritarily said that luxury goods did not provide a way to create self-identity. In conclusion, for them, you cannot create self-identity through luxury goods but luxury goods can reflect a person’s characteristics and values.

Out of the participants that replied “yes,” the main reason was that luxury goods can reflect the character of a person. Respondents mostly mentioned this idea in a negative way.

“Some people consume luxury goods to show off, to portray what they want others to see them like. I think that most of the time it can reflect more negative values and personality of a person” (Yolande).

“People tend to use luxury goods to show off; they like to prove socially how they have succeeded in life” (Alain).

Out of those that said “no,” the most common idea was that luxury goods might reflect your look but it does not reflect who you are as a person.

We then asked our participants if they thought that it was important for luxury brands to offer customized luxury products (Table 6.18).

Table 6.18: Importance of Luxury Brands to Offer Customizable Luxury Products.

Importance of luxury brands to have customized luxury products					
	Age Categories				Total
	17-20	21-25	26-30	31-36	
Important	3	3	4	2	12
Not Important	1	1	0	2	4
Total	4	4	4	4	16

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

It appears that 75% (12 out of 16) of respondents seemed to think that it is important for luxury brands to offer customizable products. The 26-30 category is clearly unanimous on the matter as 100% of respondents in that range think it is important. The most divided are the 31-36 range as 50% of respondents think it is important and 50% think it is not. In general, customizable products appear to be less attractive to that age category. This might also be due to the fact that this age category mostly does not believe that luxury products can create self-identity.

We then asked what appealed to them in customized luxury products (Table 6.19).

Table 6.19: Appeal in Customizable Luxury Products.

Appeal in Customized Luxury Products					
Reason	Age Categories				Total
	17-20	21-25	26-30	31-36	
Special/Unique	2	3	2	1	8
It's really "you."	1	1	0	2	4
Part of the creation process	2	1	0	0	3
More involved with the brand	0	0	1	0	1
More likely to choose a brand that offers this	0	0	1	0	1
Total	5	5	4	3	17

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

The most mentioned idea is "special or unique," representing 47% of total ideas. The millennials in our sample seemed to express that by having customized products you have something truly special, something unique that nobody else has.

"You can take the high brand image of the luxury goods, but at the same time be different from other people by making the item with unique features" (Pol).

"I like that is something that only you have. It's still the brand but with a twist, it's a mix between their design and yours" (Aur lie).

We notice, however, that the appeal of uniqueness through customized luxury goods is less suggested by the 31-36 years old category.

The second most referred to idea, corresponding to 24% of total ideas, is the fact that customized products are really "you," which are tailored to your liking and represents what

you like. This idea is mostly cited by the 31-36 range for whom it is the most important aspect.

“I like the fact that I can have something that reflects my personality, my taste” (Adèle).

The third most cited idea, representing 18% of total ideas, is the fact that you can be part of the creation process. This idea is mostly present in the 17-20 range as for them this seems to be as important as the uniqueness idea of the product.

6.4.4 Social circle and Luxury

We have seen that millennials are a very social generation even when it comes to their decision making and consumption behavior. We wanted to test how this need for socializing and approval from their peers translated in their consumption of luxury goods.

We firstly asked the millennials in our sample if they were concerned about what others thought of their purchases (Table 6.20).

Table 6.20: Concerns About what Others Think of their Purchases.

Concerns About what Others Think of their Purchases					
	Age Category				Total
	17-20	21-25	26-30	31-36	
No	1	1	3	3	8
Yes	3	3	1	1	8
Friends	3	2	1	1	7
Family	1	1	0	1	3
Colleagues	0	1	0	0	1
Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category					

Our respondents are much divided on that aspect as 50% said they were concerned and 50% said they were not concerned at all. It is interesting to see that there are differences in the age categories as 75% of the 26-30 and 75% of the 31-36, which are the two oldest age ranges, said that they were not concerned. However, 75% of 17-20 and 75% of 21-25 said that they were indeed concerned about what others thought of their purchases. This shows that they are more impressionable and can imply that they rely more greatly on others' opinion when making a purchase. It can also imply that they make fashion choices according to others, by following trends and what is popular more easily than other older millennials.

Within the respondents that declared being concerned about what others thought about their purchases we asked them who they were concerned about. As a result, 88% of them said they were concerned about what their friends thought, 37% about what their family thinks and 12% about what their colleagues think. The 17-20 seem to care more about what their friends think than any other category, it is whom they are the most worried about.

We then asked if they would go forward with a luxury purchase without talking it over with someone in their social circle (Table 6.21).

Table 6.21: Purchase of a Luxury Product without Having Someone's Opinion.

Buying Luxury without Asking for Someone's Opinion					
	Age Categories				Total
	17-20	21-25	26-30	31-36	
No	3	3	2	2	10
Because of the price	3	3	2	2	10
Yes	1	1	0	1	3
It's my money	1	1	0	1	3
Yes if a small purchase, no if big purchase	0	0	2	1	3

Within our sample, 62% said that they would not buy a luxury product without consulting someone before, 19% said that they would and another 19% said that it would depend on the significance of the product. Out of the 10 participants that declared not being willing to purchase a luxury product without discussing it beforehand with someone, the same reason was mentioned by all: because of the significant high price of the product or service. Most stated that they would feel reassured and more confident in their choice if they had the opinion of someone. Lili, one of our respondents, told us: *"I would definitely ask for opinions before I buy a luxury good, I would look for both reviews from people and also close relatives 'opinions."* This shows the very social characteristic of millennials both online and offline. It also shows that millennials are very savvy consumers that will research before buying.

As for the respondents that told us they would purchase a luxury product or service without asking for opinions, their main reason was that it was their money and that they were allowed to choose themselves what they could spend it on.

6.4.5 Life Experiences and luxury

We saw in our review of the literature that millennials were supposedly granting more and more importance to life experiences over material goods.

We therefore asked them if they would be more willing to splurge on a life experience or event or on a material good (Table 6.22).

Table 6.22: Likelihood to Spend on Experiences Rather than Luxury Products.

More Likely to Splurge on Experiences or Material Goods					
	Age Categories				Total
	17-20	21-25	26-30	31-36	
Experience	2	4	2	2	10
Memories	1	3	1	2	7
Share with the people I love	2	1	2	1	6
Material goods are not that important	2	1	0	0	3
Both	1	0	2	2	5
Material Good	1	0	0	0	1
It's for me	1	0	0	0	1
Lasts a long time	1	0	0	0	1

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

Out of our 16 participants, 10 (63%) declared they would be more willing to splurge on a life experience, 1 (6%) on material goods and 5 (31%) were undecided between the two saying that it depends on the experience and on the good.

When we look more closely at the different age categories we can see that the 21-25 category is unanimous when it comes to splurging on experiences rather than a material good. The 26 to 30 and 31 to 36 categories seem less in accordance. As 2 participants of each age category say they would rather splurge on experiences and the 2 others say that they are undecided as they would not be able to choose one over the other as it depends on the experience and product. The 17 to 20 range is even more divided, as 2 declare being more willing to splurge on experiences, 1 on material goods and the last participant is undecided between the 2.

Out of the respondents that said they would be more willing to spend on experiences, the main reason with 44% (7 out of 16 ideas) was for the memories. Indeed, participants seemed more willing to spend on experiences knowing that the memories will last forever and that it

is something they will never forget. The second most cited idea was the fact that it is something that they could share with the people they loved. This idea represents 37% (6 out of 16) of ideas regarding experiences.

Next, we asked participants which they thought between life experiences and material goods brought more personal fulfillment (Table 6.23).

Table 6.23: Between Experiences and Material Goods which Brings More Personal Fulfillment.

Between Experiences and Material Goods which Brings More Personal Fulfillment					
	Age Categories				Total
	17-20	21-25	26-30	31-36	
Experience	3	4	3	4	14
Memories	0	3	3	4	10
Share with friends and family	1	2	1	2	6
Material goods bring temporary fulfillment	0	1	2	2	5
Shapes you in the person that you are	2	2	0	0	4
It enriches you	1	0	1	0	2
It's a good time	1	1	0	0	2
Both	1	0	0	0	1
Material Good	1	0	0	0	1
I can possess it a long time	1	0	0	0	1
Personal Satisfaction	0	0	1	0	1

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

The results show that 14 out of 16 participants (88%) said that experiences brought more personal fulfillment. Out of the 29 total ideas referring to experiences, 10 referred to memories, representing 34% of ideas. Indeed, the millennials in our sample addressed the importance of experiences in creating memories. The second most cited idea when it comes to experiences is the fact that it is something that you can share with friends and family. That idea was mentioned 6 times, corresponding to 21% of ideas regarding experiences.

Within the respondents that did not say experiences brought more fulfillment, 6% (1 out of 16) said that both could bring personal fulfillment in different ways and 6% (1 out of 16) said that material goods brought more personal fulfillment. The reason for that choice was that material goods, are there to last and you can possess it for a long time and it brings personal satisfaction.

6.4.6 Social Media and Luxury

Knowing millennials and their desire to collaborate with brands as well as their constant need to socialize and strong infatuation for social media, we wanted to examine what they thought of luxury brands being on social media as well as what they considered the most valuable aspect of their presence on such means of communication.

We started by asking them what they thought about the presence of luxury brands on social media and if they thought that their presence was important (Table 6.24).

Table 6.24: Importance of the Presence of Luxury Brands on Social Media.

Importance of the Presence of Luxury Brands on Social Media					
	Age Categories				Total
	17-20	21-25	26-30	31-36	
Important	4	3	4	3	14
Connect with customers	2	1	2	0	5
For feedback	1	2	0	1	4
Attract next customers	2	1	0	0	3
Promotion/Marketing	1	0	0	1	2
Easiest way to get in touch	1	0	1	0	2
Aspirational	0	1	0	0	1
Easy to keep consumers informed	0	0	1	0	1
Not Important	0	1	0	1	2
Loose exclusive image	0	0	0	1	1

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

The results show that 88% (14 out of 16) of participants think that it is important for luxury brands to be on social media. The idea that was cited the most to justify the importance of luxury brands to be on social media is to “connect with customers.” This idea was referred to 5 times out of a total of 18 ideas justifying the importance. This represents 28% of ideas. The fact that they think it is important for brands to connect with customers shows their desire to establish a relationship and connect with brands. However, we can see that the importance to connect with brands was not mentioned once by the older 31-36 category, implying that they give less importance to their connection with brands.

“I think it is essential for luxury brands to interact with their consumers on social media because it narrows the distance between them and provides a space for more personal dialogue” (Lili).

The second most important aspect for our millennial participants was the possibility to leave feedback as well as to receive answers to their feedback from brands. This idea was mentioned 4 times, corresponding to 22% of total ideas.

“If you want to reach a brand, I think it is the easiest way to leave questions or comments about what you think” (Diego).

The presence of luxury brands on social media is especially important for brands to be known as 17% of participants believe that the presence of luxury brands on social media enables them to attract new customers.

Only 12% (2 out of 16) of participants thought that the presence of luxury brands on social media was not that important, with one respondent suggesting that their presence on social media might make luxury brands lose their exclusive image.

We then asked our sample what they thought was the most valuable aspect of the presence of luxury brands on social networks (Table 6.25).

Table 6.25: Most Valuable Aspects of the Presence of Luxury Brands on Social Media.

Most Valuable Aspects of the Presence of Luxury Brands on Social Media					
Aspects	Age Categories				Total
	17-20	21-25	26-30	31-36	
To be closer to consumers	2	3	2	1	8
Keeping customers informed	0	1	2	1	4
Customer service	0	2	0	1	3
To leave feedback	1	0	1	0	2
Aspiration	2	0	0	0	2
Promotion/marketing	1	0	1	0	2
To reach young people	2	0	0	0	2
Instant/fast	0	0	0	0	2
Transparency	0	0	1	0	1
Brand awareness	0	0	0	1	1
Total	8	8	7	4	27

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

Out of 27 ideas the most cited idea was to “be closer to consumers” which was referred to 8 times, corresponding to 30% of ideas. The millennials in our sample seemed to think that by being on social media brands become more accessible, that they try to close the gap between them and consumers. The second most cited was “keeping customers informed”

which was referred to 4 times, representing 15% of total ideas. Our participants said that with social media brands could keep consumers up to date regarding many different aspects.

We finished our interviews by asking our participants, “to which luxury brand marketing strategies are you particularly sensitive to?»

Table 6.26: Sensitiveness to Different Types of Luxury Brands Marketing Campaigns

Sensitiveness to Luxury Brands Marketing Campaigns					
Marketing Campaigns	Age Categories				Total
	17-20	21-25	26-30	31-36	
Social Media	3	2	3	3	11
TV	1	2	2	4	9
Posters	1	3	0	1	5
Magazines	0	0	1	1	2
Sponsoring	0	0	1	0	1
Total	5	7	7	9	28

Numbers = count of times each idea has been cited ■ Most cited in age category ■ Least cited in age category

We can see in table 6.26, that social media is the favorite type of marketing campaign in general with 69% (11 out of 16) of participants saying they are sensitive to this type of campaign. This result is rather homogeneous across all age categories. This shows the need for millennials to be highly connected that we mentioned in our review of the literature. Indeed, it is the generation that uses social media the most and it is apparent that their tendency to share everything reveals their desire for connection. We had also mentioned that millennials would be more willing to buy from a brand if the brand had a Facebook page. The second most popular type of campaign is TV advertisement with 56% (9 out of 16) of participants saying they feel sensitive to this type of campaign. What is interesting to see is that this type of advertisement is the most popular in the oldest age category, 31 to 36, of millennials as 100% of the participants belonging to that age category declare being sensitive to TV advertisement. On the other hand, the participants in the 17-20 age category are not very sensitive to ad campaigns as only 1 in 4 (25%) participant declared being sensitive to TV advertisement. The third overall most popular type of marketing campaigns is poster advertisement. Indeed, 31% of participants declare being sensitive to this type of advertisement. It is the most popular in the 21-25 age category as 3 out of 4 (75%) of participants in that category claim to be sensitive to poster campaigns. Even more surprising

is that in that age category poster advertisement is the most popular, beating social media campaigns.

Magazine ad prints are less popular as only 12.5% (2 out of 16) of participants declare being sensitive to this type of advertisement. The only two age ranges that mentioned magazines are the two oldest age categories, the 26 to 30 years old and the 31 to 36 years old. The two youngest age categories, 17-20 and 21-25, do not seem to be sensitive to magazine ad campaigns.

Lastly, we have sponsoring which was only mentioned by 6% of participants (1 participant out of 16) in the 26-30 age range.

Chapter 7: Discussion and Conclusion

7.1 Discussion and Overview of the Findings

A few interesting points emerged from our analysis, certain confirming our review of the literature and others, on the other hand, contradicting what we had found.

Regarding the definition of luxury, the four most cited descriptives by the millennials in our sample were the same as the characteristics that we have used in order to attempt to define luxury meaning: price, quality, exclusiveness and brand image. This shows that to many, these four characteristics define majoritarily what luxury is.

Concerning the different categories of luxury products and services, it seems that millennials associate almost as strongly the idea of luxury to material goods as well as to non-material things. In particular, in the non-material categories, the tourism and hospitality sector, which shows as we have seen in our review of the literature that they are also very interested in luxury experiences, especially ones that bring memorable life moments which is what we believe hospitality and tourism is about. Furthermore, it has been brought to our attention that the millennials in our study believe that they will be consuming luxury in the future. This confirms that they will represent an attractive segment for the luxury industry both in terms of their importance in size and purchasing power and in terms of their interest for the luxury industry.

It has appeared that what motivates the most millennials when it comes to purchasing a luxury product is the aesthetics of the product more specifically the fact that it is something unique and innovative, as well as the superior quality of the product. This is coherent with the information found in our theoretical part regarding the importance of quality to millennials, saying that quality could even participate to their brand loyalty. It is therefore consistent with the fact that they declare choosing a luxury brand based on aesthetics and quality majoritarily but also based on the price. Indeed, it has been revealed that they are very savvy consumers and that they will compare prices before making a purchase, this confirms the information found in our review of the literature concerning the fact that millennials are very informed and aware consumers.

Concerning their opinion on the positive characteristics a luxury brand can have the most important to them was the fact that luxury brands apply certain values and be implicated in causes. This fits with what we had addressed in our theory mainly that millennials are looking for meaning in their consumption and that they expect brands to be concerned as well. Furthermore, they have a very positive view of luxury brands that support causes, but expect luxury brands to do more by applying certain values themselves. However, it has been revealed that very few were in fact aware of luxury brands' values and implication in causes. On the contrary, the non-respect of certain values was for them the most significant negative characteristic a luxury brand could have. Excessive price was also mentioned as one of the top negative characteristic as well as excessive designs. This validates the idea found in theory that millennials no longer want to pay a high price just to have the brand's logo.

When asked about their favorite brands we realized that quite a few affordable and accessible luxury brands have been mentioned, this is in line with what we have seen meaning that they are broadening the perimeter of luxury by including brands that might not have been considered as luxury before.

From our interviews we also realized that very few participants left feedback to brands, which is in contradiction with the facts exposed in our review of the literature. Indeed, we saw that millennials liked to share their opinion and felt that it was their responsibility to give brands feedback.

We also noticed some disparities between theory and practice when it comes to self-identity. In theory we saw that millennials did not use luxury products to affirm themselves and create self-identity. However, all of our participants did not agree with that statement as a significant proportion believed that luxury product indeed participated in the creation of self-identity. However, a majority agrees to the fact that luxury consumption can manifest personal characteristics and values.

The majority thinks that customized luxury products are important and that they bring something special and unique. This matches the information found, as to the fact that they like that it is a product tailored to their needs and interests and that, furthermore, younger

customers that are very fashion-aware usually favor products that have a unique look and exclusive character.

Concerning their opinion regarding experiences we saw that the majority would rather spend on experiences rather than material goods, which is coherent with what had been mentioned in our review of the literature. Furthermore, an even bigger majority said that they believed that experiences brought more personal fulfillment. This is consistent with the information exposed in our theoretical part as today people have more material comfort and that therefore personal fulfillment is further suffused by experiences rather than material belongings. Furthermore, we saw that millennials believe that experiences contribute to their self-identity and produce memories of a lifetime.

Millennials are a very social generation, and we investigated that aspect in different ways. First, we investigated how millennials integrated others' opinions in their buying behavior, and found that half of our sample is concerned about what others think of their purchases. As has been stated in our review of the literature, it is even truer for that generation as they are worried about what other people think of them due to their strong sense of community. Furthermore, when it comes to buying a luxury product, the majority say they would not do it without asking for someone's opinion before. Secondly, we also saw that most of our participants believe it is important for luxury brands to be on social media in order to connect with their customers as well as for customers to leave feedback. To them the most important aspect of luxury brands being on social media is to be closer to their customers and keep them informed. This shows the very social characteristic of millennials both online and offline. And in addition confirms that millennials will favor luxury brands with whom they can communicate on social networks.

Lastly, it appears clear that social media is their favorite type of marketing campaign for luxury brands. This emphasizes therefore the need for millennials to be social and highly connected by sharing everything.

7.2 Recommendations

A large majority of our sample emphasized the importance for them for luxury brands to have moral and respectable values and practices as well as for luxury brands to be implicated in causes. It is valuable and meaningful to millennials, and has emerged as the most positive characteristic a luxury brand can have. They would favor brands that apply such values and practices and on the contrary disregard those that do not. However, it appeared clear to us that the majority of the millennials we interviewed were not very aware of luxury brands "values in general. Indeed, when asked to name a brand they knew supported a good cause or applied ethical and moral values in their production process, most were not able to do so. It is surprising to see how little informed they are on that matter. It is therefore crucial for luxury brands that do apply those values and practices considered as important to millennials as well as luxury brands that support causes to put this information forward. Among millennials they should be known for their values and not only for their designs or brand name. We believe that the easiest way for brands to inform the millennial consumers on this subject is through social media. Indeed, we saw that millennials enjoy and prefer to exchange with luxury brands on social networks and that they believe it is a good way to keep consumers informed. By doing so, luxury brands will be able to more easily inform their consumers but will also be able to get them more involved on that aspect as social media allows for easy interaction and reaction from consumers.

Luxury brands that want to reach the millennial segment have to be dynamic and present as this is how they will get noticed and known by millennials. Luxury brands imperatively have to be present on social media to increase their visibility to millennials as this is the mean of marketing and advertisement they are the most sensitive to. On that matter, luxury brands should pay attention to the budget they grant to different types of marketing campaigns. Indeed, if millennials seem sensitive to social media marketing campaigns as well as TV ad campaigns, more so for older millennials than younger ones, however, they seem to be very little sensitive to sponsoring techniques or to magazines print advertisements.

We have also noticed that some sectors and categories of products seemed to be less perceived as luxury to millennials. Indeed, when asked which categories evoked the most the idea of luxury to them, wines, gastronomy, services and automobiles seemed to be less

considered. Luxury brands operating in these categories should manage their visibility in order to be known as luxury brands by millennials and target this segment with significant purchasing power especially because millennials say to be interested in consuming luxury in the future.

Another important aspect to mention is that millennials are not ready to pay a high price tag just because we tell them it is luxury. Indeed, a significant part of our sample referred to excessive prices when asked to define luxury or when asked to list negative characteristics that would restrain them to buy from certain luxury brands. The word excessive signifies *'More than is necessary, normal, or desirable; immoderate'* (Oxford dictionaries, 2016). Meaning that the millennial consumer can sometimes discern a divergence between the high price of the product and the value perceived of the product. In order to convince millennials, it is important to show that the value of the product justifies the price. We believe that this could possibly be achieved by proving the quality of the product. Indeed, we have seen that millennials grant a lot of significance to the quality factor and that quality was one of their main motivations to purchase luxury. Luxury brands must prove that the product is worth the price that they are paying and that the price-to-quality ratio is justified. Luxury brands should insist for example, on the exceptional materials used as well as attempt to show that the product is in the top of its category. In order to justify the price luxury brands should also focus on the aesthetic, an aspect very important to millennials, by emphasizing the uniqueness of the design.

A situation that we believe luxury brands should also focus on is the fact that millennials seem to leave very few feedback. This is baffling considering the fact that they want to collaborate and interact more with brands. They, however, want luxury brands to ask more for their opinion. For that reason we believe that the initiative should come from the brands when it comes to asking for feedback. Indeed, luxury brands should encourage millennials to give them feedback both positive and negative, that way brands will be able to improve and millennials will be satisfied when it comes to brand asking for their opinion. Brands should provide more ways to leave feedback that should be quick and as little constraining as possible. For example, luxury brands could directly ask customers for their opinion in-store

with the use of digital tablets with a few easy and fast questions that are very interactive by using for example 'like' or "don't like" buttons.

Another element to consider that has emerged in our research and been confirmed by the responses of our participants is the importance that millennials give to experiences. Indeed, we identified that more and more millennials are forsaking material goods for unique life experiences and events. Seeing the significance of experiences for millennials this is something that luxury brands should take into account and apply. We realize that for luxury brands that are manufacturing products this is not an easy task to do, as the possibilities to bring experiences to consumers are limited. However, we believe that brands could increase the in-store experience of their customers in order to create a more memorable and unique purchase experience and generate additional value on top of the product itself. Based on the emphasis regarding the significance of experiences for millennials as well as their shown interest and appeal for customized luxury products, we believe that the two could be combined to offer unique and memorable luxury moments. Indeed, the customization of luxury products could be envisaged to be done directly in the store in order to create a truly unique and extraordinary experience for the consumers. The customization would not be something that is quickly done online as more common brands do, but a real collaboration where millennials are fully immersed in the creation and design process. On top of their interest for unique experiences and enthusiasm for customized products, this possibility includes their desire for collaboration and participation with luxury brands. We are mindful of the fact that this option is limited to a small range of products as customization is not viable to all products as well as the fact that all stores will not be able to offer that service. But perhaps if this possibility was introduced in flagship stores or geographically strategic locations it would make the experience even more unique and extraordinary as it would be less common. We are also aware of the fact that the customization possibilities of the product should be kept to a minimum and preselected options in order for it to be feasible. The idea is for customers to participate in the creation process by choosing and mixing from the possible offered options while still keeping the base of the product offered by the brand.

7.3 Limitations of the Study and Recommendations for Future Research

We are aware that our research includes certain limitations.

First of all, we are conscious of the fact that by conducting a qualitative research we are using a limited sample and that therefore in no way can we make generalizations about the results. Our aim was to uncover consumption motivations and behavior reason why a qualitative approach was more appropriate. However, this only sets premises that should be further investigated by applying it to a larger sample. The results found in this research could be used as a base for a quantitative approach in order to question a larger group and therefore possibly emit some generalization.

Secondly, qualitative research presents, furthermore, limitations as it can be highly influenced and therefore to a certain extent biased by the researcher. Indeed, many aspects of the qualitative research are guided by the point of view of the researcher, from the way to ask questions during interviews to the subjective interpretation of the data. There is also a biased when it comes to the interviews. Indeed, the presence of the researcher during the interviews can affect the participants' responses. We are conscious that respondents might restrain from saying certain things that they do not want to openly admit. It is especially true in our research as we were trying to uncover motivations and behaviors. Respondents probably have not told us the full reasons for their motivations and behaviors. This is a biased that could be reduced by conducting a quantitative research, as there is no interviewer involved and that they are anonymous.

Thirdly, we are aware that the lack of specific theoretical framework in the literature regarding our specific topic forced us to have to adapt an existing framework to our needs. This implies that in order to adapt the framework we had to make some assumptions and to a certain extent develop a new typology. Even if this has been a limitation of our research it also highlights an existing gap in the literature which should be further investigated.

Fourthly, we are also conscious of the fact that the topic investigated is very current which has led us to some difficulties at times regarding the availability and reliability of information and data. Indeed, this has been especially true regarding millennials and luxury due to the contemporaneity of the topic, most of the information is found in online sources as few

sources judged as more academic and scientific exist. Although we have when needed to use online sources attempted to select the best ones available, it is true that some sources are not as reliable and certainly not as trustworthy and respectable as academic and scientific sources. It highlights, however, once again, a gap in the literature regarding the topic that merits to be, furthermore, investigated.

Lastly, we are aware that our research was extensive, focusing on several different characteristics and behavioral elements. We believe that nearly every characteristic explored could be the subject of a new research by linking that millennial characteristic to the luxury industry. By doing so, each characteristic related to the luxury industry could be investigated in depth and provide a better understanding of the millennial generation's motivations and behavior pattern. Furthermore, we have decided to do a segmentation by age range and have not investigated a gender segmentation, which could also be the subject of a new research.

7.4 Conclusion

In order to address the problematic “what are the characteristics representing millennials that affect their motivations and consumption behavior in the luxury industry,” this thesis was organized into several parts and chapters.

The first part of this thesis was the literature review composed of four different chapters. The first chapter emphasized the importance of the millennial generation as a segment. The second chapter highlighted the characteristics that define millennials and brought up elements that are important to them such as their enthusiasm for technology, the need to identify with a cause, or the significance they grant to well-being. All of these elements expressed the complexity of the millennial generation that translates into their motivations and buying behavior patterns. The third chapter focused on the luxury industry, emphasizing the constant evolution of the perception of luxury as well as the very subjective character of the term. This led to insinuating that luxury will continue to evolve and change in the future. The fourth chapter regarded millennials and luxury. The literature review conducted revealed that there are gaps in knowledge about the relationship between millennials and the luxury industry. Regardless of the existing gaps and the need for further research, the most meaningful contribution of this research is to further examine the motives, values and beliefs of millennials’ luxury consumption behavior by identifying the specific characteristics of this segment that affects their consumption behavior. The objective is to provide insight into this valuable segment that is considered to be the newcomer in the luxury market. Indeed, with its considerable population size and potential purchasing power, this generation segment is of crucial significance for the luxury industry.

The practical part of the research had the fundamental idea to explore how the specific characteristics of millennials influenced their consumer behavior and purchase motivations and how these applied to the luxury industry. The characteristics analyzed that affect their consumer and buying behavior in the luxury industry can be summarized as follow:

- Significance of the necessity of meaningful luxury consumption and mindfulness for issues and values in the luxury industry;

- Desire for the opportunity of collaboration with luxury brands and the need to establish a relationship and two-way communication;
- Concerns about what peers think of their purchases and need for approval and opinion of others before making a luxury purchase—applicable both online and offline;
- Technologically savvy consumers, internet and social media being a primary source of information to research luxury brands and to interact with luxury brands;

A further contribution from our qualitative research has been the segmentation by age bracket applied to our sample of millennials which has enabled to reveal the existence of certain disparities in consumption behavior, motivations and preferences regarding luxury according to the different age brackets.

Luxury brands that want to maintain their profitable position in the industry have no alternative but to take into account the millennial generation and comprehend their buying motivations. This will necessitate from them a profound reevaluation of their marketing strategies to provide to millennials' expectations and consumer behavior. Luxury brands will have to comprehend the values that this generation associates with luxury and try to position their brand according to those values as soon as possible.

Present marketing strategies may not be the most persuasive method to communicate and promote luxury to these potential new luxury consumers. To target millennials adequately it is necessary to better comprehend their trait of character and consumption motivations.

Targeting millennials is a long-term goal. Indeed, the oldest members of that generation are only starting to enter now their peak earning years but let's not forget that almost 20 years separate the oldest members from the youngest that are now only today 17 years old. The idea for luxury brands is to strengthen their brand image for the long term, to try to appeal to younger consumers as soon as possible in order to raise their awareness and interest for the brand and possibly convert them into future customers.

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