



Sculpting global leaders

DRIVERS OF CONSPICUOUS CONSUMPTION AMONGST BLACK SOUTH AFRICAN PROFESSIONALS

BY

TSHENOLO KOLOANE

381988

A research project submitted to the Faculty of Commerce, Law and Management,
University of the Witwatersrand, in partial fulfilment of the requirements for the
degree of Master of Management in Strategic Marketing.

SUPERVISOR: PROF. FANNY SARUCHERA

JOHANNESBURG, 2024

DECLARATION

I, **Tshenolo Koloane**, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other University.

Tshenolo Koloane

Signed at Johannesburg, South Africa

On the 28th day of February 2024

DEDICATION AND ACKNOWLEDGEMENTS

This research report is greatly dedicated to my family and friends, who consistently encouraged me to push through even when faced with challenges. A special dedication to my mother, Dinah Koloane, and my beautiful children, Langelihle and Langalibalele Nene, who are my source of inspiration. I cannot forget to thank my wonderful and encouraging spouse, Buhlebezwe Nene, as well as my fabulous sister, Grace Kesiamang.

I would like to express my heartfelt appreciation to the following:

- My research best friend, Nontuthuko Mhlaba, thank you for being my accountability partner throughout this tumultuous journey.
- The 2021 MMSM cohort, who continued to support me and shared knowledge that propelled me to get to this point.
- Prof. Fanny Saruchera, my Supervisor, for not giving up on me.

ABSTRACT

Previous inequalities presented to black people within South Africa have resulted in the rise of conspicuous consumption. Developing countries like South Africa are witnessing a rise in the levels of conspicuous consumption of luxury brands. Therefore, this study explores the drivers of conspicuous consumption amongst black South African professionals and delves into the drivers that have been prompted by compensatory behaviour. The theory of buyer behaviour, compensation consumption and conspicuous consumption provided the theoretical grounding of the study. The study adopted a quantitative approach, which involved conducting an online self-administered survey. A total of 234 responses were collected from the research sample. Six hypotheses were tested through the utilization of Structural Equation modelling with the assistance of the SPSS 28 and AMOS software in further deriving the descriptive statistics. The study found that there is a significant relationship between socio-cultural factors, interpersonal effects, informative effects and compensatory behaviour, as well as compensatory behaviour and conspicuous luxury consumption, whilst an insignificant relationship was established for normative effects, income effects and compensatory behaviour. Theoretical implications of the study contribute to the existing body of knowledge on conspicuous consumption driven by compensatory behaviour. Managerial implications provide insights for companies to ascertain the external factors that propel consumers to partake in conspicuous consumption to develop strategies with bespoke messaging appeals to ensure a sustained competitive advantage within the luxury market. The recommendation for marketing practitioners is to utilize the insights gained from the study to develop targeted marketing strategies that appeal to the identified factors motivating conspicuous consumption. Future studies could conduct a comparative study that draws on a comparison between generation X and Y to ascertain whether they are driven by the same factors that are explored in the study to participate in conspicuous consumption.

Keywords: *Conspicuous consumption, luxury brands, compensatory behaviour, interpersonal influences, social-cultural, informative effects, normative effects, income effect.*

Table of Contents

DECLARATION	II
DEDICATION AND ACKNOWLEDGEMENTS	III
ABSTRACT	IV
LIST OF TABLES.....	VIII
LIST OF FIGURES.....	IX
CHAPTER 1: GENERAL INTRODUCTION.....	1
1.1 INTRODUCTION	1
1.2 BACKGROUND OF THE STUDY	1
1.3 CONTEXT OF THE STUDY	2
1.5 PROBLEM STATEMENT	6
1.6 RESEARCH OBJECTIVES	7
1.7 RESEARCH QUESTIONS	8
1.8 PURPOSE OF THE STUDY.....	8
1.9 CONTRIBUTION OF THE STUDY	9
1.10 PRACTICAL CONTRIBUTION	10
1.11 THEORETICAL CONTRIBUTIONS.....	10
1.12 DELIMITATIONS OF THE STUDY	11
1.13 DEFINITION OF TERMS	11
1.14 ASSUMPTIONS	12
1.15 CONCLUSION.....	13
1.16 RESEARCH STRUCTURE	13
CHAPTER 2: LITERATURE REVIEW	14
2.1 INTRODUCTION	14
2.2 BACKGROUND DISCUSSION	15
2.3 THEORETICAL GROUNDING.....	15
2.3.2 COMPENSATION CONSUMPTION THEORY	15
2.3.3 CONSPICUOUS CONSUMPTION	16
2.3.4 CONSUMER BEHAVIOUR: THEORY OF BUYER BEHAVIOUR	17
2.4 CONCEPTUAL DEVELOPMENT	19
2.4 CONCEPTUAL MODEL AND HYPOTHESES DEVELOPMENT	23
2.4.1 SOCIAL-CULTURAL FACTORS AND COMPENSATORY BEHAVIOUR	24
2.4.2 INTERPERSONAL INFLUENCES AND COMPENSATORY BEHAVIOUR	26
2.4.3 INFORMATIVE EFFECTS AND COMPENSATORY BEHAVIOUR	27
2.4.4 NORMATIVE EFFECTS AND COMPENSATORY BEHAVIOUR.....	27
2.4.5 INCOME EFFECTS AND COMPENSATORY BEHAVIOUR	28
2.4.6 COMPENSATORY BEHAVIOUR AND CONSPICUOUS CONSUMPTION.....	29
2.5 CONCEPTUAL MODEL	30
2.6 CHAPTER SUMMARY.....	31
CHAPTER 3: RESEARCH METHODOLOGY	32
3.1 INTRODUCTION	32
3.2 RESEARCH PARADIGM.....	32
3.3 RESEARCH DESIGN.....	33
3.4 POPULATION AND SAMPLE	34
3.4.1 TARGET POPULATION.....	34
3.4.2 SAMPLING FRAME AND SIZE	34
3.4.3 SAMPLING METHOD.....	35
3.5 THE RESEARCH INSTRUMENTS.....	36
3.5.1 THE RESEARCH INSTRUMENT ITEMS.....	36
3.6. PILOT TESTING	37
3.7 PROCEDURE FOR DATA COLLECTION.....	38
3.8 DATA ANALYSIS	38
3.9 VALIDITY AND RELIABILITY	38
3.9.1 EXTERNAL VALIDITY	39
3.9.2 INTERNAL VALIDITY.....	39
3.9.3 RELIABILITY	39

3.10 STUDY LIMITATIONS	40
3.11 ETHICAL CONSIDERATIONS	40
3.12 CHAPTER SUMMARY	41
CHAPTER 4: DATA ANALYSIS AND PRESENTATION OF RESULTS.....	42
4.1 INTRODUCTION	42
4.2 DESCRIPTIVE STATISTICS: DEMOGRAPHIC PROFILE	42
4.2.1 EMPLOYMENT.....	42
4.2.2 AGE GROUP.....	43
4.2.3 EDUCATION LEVEL	43
4.2.4 OCCUPATION LEVEL	44
4.2.5 INCOME.....	45
4.2.7 GEOGRAPHIC LOCATION	45
4.3 MEASUREMENT SCALES	46
4.3.1 SOCIAL-CULTURAL (SOCIOCULTURAL) FACTORS.....	46
4.3.1.1 SOCIAL-CULTURAL (SOCIOCULTURAL) FACTORS MEASUREMENT SCALES	46
4.3.2 INCOME EFFECTS	47
4.3.1.2 INCOME EFFECTS MEASUREMENT SCALES	47
4.3 TESTING RELIABILITY AND VALIDITY	52
4.3.1 CRONBACH ALPHA.....	53
4.3.2 COMPOSITE RELIABILITY	54
4.4 VALIDITY MEASURES	55
4.4.1 DISCRIMINANT VALIDITY	55
4.4.2 INTER-CONSTRUCT CORRELATION MATRIX.....	55
4.4.3 HIGHEST SHARED VALUE	56
4.4.3 MODEL FIT ASSESSMENT	57
4.5 CONFIRMATORY FACTOR ANALYSIS	59
4.6 PATH MODELLING AND HYPOTHESES TESTING.....	60
4.6.2 HYPOTHESES TESTING.....	61
4.8 CHAPTER SUMMARY	64
CHAPTER 5: DISCUSSION OF THE RESULTS	65
5.1 INTRODUCTION.....	65
5.2 DEMOGRAPHIC PROFILE OF RESPONDENTS.....	65
5.3 DISCUSSION OF HYPOTHESES RESULTS	67
5.3.1 SOCIAL-CULTURAL (SOCIOCULTURAL) FACTORS AND COMPENSATORY BEHAVIOUR.....	68
5.3.2 INTERPERSONAL INFLUENCES AND COMPENSATORY BEHAVIOUR	69
5.3.3 INFORMATIVE EFFECTS AND COMPENSATORY BEHAVIOUR	70
5.3.4 NORMATIVE EFFECTS AND COMPENSATORY BEHAVIOUR	70
5.3.5 INCOME EFFECTS AND COMPENSATORY BEHAVIOUR	71
5.3.6 COMPENSATORY BEHAVIOUR AND CONSPICUOUS LUXURY CONSUMPTION.....	72
5.4 CHAPTER SUMMARY	73
CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS.....	75
6.1 INTRODUCTION	75
6.2 CONCLUSION OF THE STUDY	75
6.2.1 SOCIAL-CULTURAL (SOCIOCULTURAL) FACTORS AND COMPENSATORY BEHAVIOUR.....	76
6.2.2 INTERPERSONAL INFLUENCES AND COMPENSATORY BEHAVIOUR	76
6.2.3 INFORMATIVE EFFECTS AND COMPENSATORY BEHAVIOUR	76
6.2.4 NORMATIVE EFFECTS AND COMPENSATORY BEHAVIOUR.....	76
6.2.5 INCOME EFFECTS AND COMPENSATORY BEHAVIOUR	77
6.2.6: COMPENSATORY BEHAVIOUR AND CONSPICUOUS LUXURY CONSUMPTION.....	77
6.3 IMPLICATIONS OF THE STUDY	77
6.3.1 THEORETICAL IMPLICATIONS	77
6.3.2: PRACTICAL IMPLICATIONS.....	77
6.4 RECOMMENDATIONS FOR FUTURE RESEARCH	78
6.5 LIMITATIONS OF THE STUDY	80
REFERENCE LIST	81
APPENDICES	93
APPENDIX A: ETHICAL CLEARANCE CERTIFICATE.....	93

APPENDIX B: PARTICIPATION INFORMATION SHEET	94
APPENDIX C: RESEARCH INSTRUMENT	95
APPENDIX D: LANGUAGE EDITING MEMORANDUM.....	106

List of Tables

Table 1.1 Weighted participation of employed workforce	6
Table 3.1: Demographic profile of respondents.....	35
Table 3.2: Variable Measuring Instruments	37
Table 4.1: Social-cultural (sociocultural) factors measurement scales	46
Table 4.2: Income effects measurement scales	47
Table 4.3: Compensatory behaviour measurement scales	48
Table 4.4: Interpersonal influences measurement scales	49
Table 4.5: Informative effects measurement scales	50
Table 4.6 Normative Effects Measurement Scales	51
Table 4.7 Conspicuous Luxury Consumption Measurement Scales	52
Table 4.8: Cronbach's alpha	53
Table 4.9: Composite reliability	54
Table 4.10: Average variance extracted	55
Table 4.11: Inter-item correlation matrix.....	56
Table 4.12: Highest Shared Value	56
Table 4.13: Model fit assessment.....	57
Table 4.14: Hypotheses testing results	62

List of Figures

Figure 2.1 The Theory of Buyer Behaviour	18
Figure 4.1: Respondents' employment status	42
Figure 4.2: Respondents age group	43
Figure 4.3: Respondents' education level	43
Figure 4.4: Respondents' level of occupation.....	44
Figure 4.5: Respondents' monthly gross income level	45
Figure 4.6: Respondnets' geographic location.	45
Figure 4.7. Confirmatory Factor Analysis	60
Figure 4.8. Path Modelling	61
Figure 4.9. Conceptual model	61

CHAPTER 1: GENERAL INTRODUCTION

1.1 Introduction

Conspicuous consumption has been widely studied and is often used in a broad descriptive meaning to refer to any non-utilitarian forms of consumption or simply to those that are deemed excessive, opulent, or wasteful Memushi (2013). Conspicuous consumerism is still a prevalent phenomenon in emerging economies like South Africa, particularly when considering historical backgrounds. Developing countries tend to exhibit a higher degree of conspicuous consumerism as a result of significant disparities in wealth (Memushi,2013). This has been the case with black consumers within the South African environment. Therefore, this study aimed to investigate the drivers and determinants of conspicuous amongst black South African professionals with the influence of compensatory behaviour. The analysis will explore the factors driving purchasing behaviours among black South African professionals through the constructs of conspicuous consumption. The chapter will detail the background and context of the study, followed by the problem statement, research questions and objectives. Lastly, the purpose, contribution, delimitations, definition of the terms, and assumptions of the study will be covered.

1.2 Background of the study

Luxury companies from around the world are increasingly looking to emerging markets in Africa as a means of ensuring their continued existence and expansion (Makhita, 2021). The growing middle class in emerging markets offers more spending and consumption opportunities (Dawson, 2022). Since 1994, South Africa has observed a rise in middle- and high-income customers (Saruchera and Mthombeni, 2023). This is a result of the economic reforms that have been implemented in the country since 1994 (Makhita, 2021). Black economic empowerment has been crucial in addressing economic disparities following years of apartheid and has been vital in the transformative changes occurring in South Africa. Black South Africans were elevated to more highly respected and financially rewarding positions, evidenced by the increase in the number of black workers in specialized occupations and

their higher salaries (Ponte, Roberts & Sittert, 2007). According to Burger et al. (2015), an additional 3.1 million black individuals entered the middle class between 1993 and 2008. This transformation was crucial not just for markets and economic progress. However, it can also be seen in a broader sociological context as an indication that South African society has become more open and dynamic (Saruchera & Mthombeni, 2023). Black consumers are investing in luxury and branded products due to their recently acquired affluence and lucrative job opportunities (Makhita, 2021). Preceding South African events of injustices such as apartheid fostered the inequality of certain social groups, predominantly blacks, which propelled them to challenge and bridge the inequality gap through their apparent access to income that contributes to their participation in conspicuous consumption (White, 2011). Past studies of black consumer behaviour have shown that black consumers buy luxury goods, engage in conspicuous consumption and validate their new and social status in society caused by their previous deprivation of being Unable to get high-end or status possessions (Adele, Bertha & Arda, 2016).

1.3 Context of the study

1.3.1 Overview of the luxury market in South Africa

China is currently the largest market for conspicuous consumption. It is responsible for a third of the global luxury goods market, with a 10% growth per year in the past ten years (Liang, He, Chang, Dong & Zhu, 2018). Globally, there has been a shift towards conspicuous consumption, with people convinced that possession of products can lead to an improvement in the quality of life (Boonchoo & Thoumrungroe, 2017). In the past, perceptions were that conspicuous purchasing was only reserved for the elite (Charoennan & Huang, 2018). However, this has changed globally, with luxurious brands becoming more accessible because of access to the internet and social media; conspicuous consumption has become a part of greater society, including the South African market (Charoennan & Huang, 2018). The global luxury brand market amounts to \$289 billion and continues to grow by 10% annually. It is, therefore, a profitable market for brands to venture into (Goenka & Thomas, 2020).

The expansion of the high-end market in South Africa has resulted in the emergence of luxury brands such as Cartier, Burberry, Louis Vuitton, Fendi, Gucci, and Salvatore Ferragamo at luxury retail locations like the V&A Waterfront in Cape Town or Sandton Mall and Hyde Park Corner in Johannesburg (Crosswaite, 2014). Euromonitor International reports that luxury goods spending in South Africa increased from US dollars 628.5 million in 2007 to US dollars 1 billion in 2012 and further predicted that the aforementioned is expected to persist as South African continues to indulge in luxury products and services (Research, 2015).

Emerging countries in Africa have been the focus of global luxury businesses seeking survival and expansion of global luxury brands. The expanding middle class in developing economies has increased prospects for more spending and consumption (Makhita, 2021). Since 1994, South Africa has experienced a rise in middle- and high-income levels consumers (Ponte et al., 2007). This stems from the economic changes implemented in the country since 1994 (Adele et al., 2016).

Black customers are investing in luxury and branded products due to their newfound affluence and high-paying job prospects (Makhita, 2021). Preceding South African events of injustices such as apartheid fostered the inequality of certain social groups, predominantly blacks, which propelled them to challenge and bridge the inequality gap through their apparent access to income that contributes to their participation in conspicuous consumption (Adele et al., 2016). Previous studies on black consumer behaviour have indicated that black consumers purchase luxury goods and engage in conspicuous consumption to validate their newfound social status in society, resulting from their past inability to access or afford high-end or prestigious products (Ponte et al., 2007).

1.3.2 Generational cohorts

Segmentation has played a pivotal role within the marketing sphere when it comes to the various consumers. Therefore, generational differences are critical when attempting to establish the driving factors of conspicuous consumption amongst black South African professionals. The generational differences present opposing views on how the two generations partake in conspicuous consumption. According to Lissita and Kol (2016), academic studies in consumer behaviour have focused heavily on the distinctions between generations, with particular attention between Generation X and Generation Y. Generation X

is renowned for relying on conventional decision-making processes, preferring detailed information about a product's features and the reasons why those qualities are essential (Eastman, Lyer, Eastman, Gordon-Wilson & Modi., 2021). Generation Y is viewed as an engraved to be socialized in a materialistic society and tends to use status-seeking purchases to demonstrate affluence and purchasing power (Lissita & Kol, 2016).

Generation Y globally has become the focal point in marketing studies as a result of the influence that technology has had on their daily lives. Furthermore, access to the internet increases their exposure to luxury brands beyond South African borders (Pentz, Preez and Swiegers 2020). The South African luxury market is saturated with international bands which are perceived to be of higher quality than their South African luxury brand counterparts. There is, therefore, a gap in understanding what drives this perception of black professionals when one delves into marketing segmentation.

Generation X and Y in the South Africa Context

Black generation X cohort members in the South African labour market were previously disadvantaged in opportunities limited by the Apartheid laws. Laws such as the Group Areas Act 41 of 1950 and the Industrial Conciliation Act 28 of 1956 ensured that African South Africans had limited opportunities to get high skilled labour with high earning potential (Fredericks & Yu, 2018). Rogan and Reynolds (2019) note the high levels of employment as a result of the Apartheid period, which lasted from 1948 to the early 1990s when the ANC (African National Congress) government came into power, and the economy was opened up to previously disadvantaged African south Africans to participate in the economy.

Considering DaVaney (2015), Generation X's first employees would have come of age at 18 and entered the employment market the job market in 1983 right in the centre of Apartheid law enforcement. Therefore, after 1990, when the economy was officially opened for Generation X, they would have been in their Mid-20s. However, hindered by continued discriminatory education laws, entry into skilled and higher-paying markets would have remained limited to a select educated few.

The Generation Y cohorts among black South Africans have had distinct experiences in the labour market. They have benefitted from multiple legislation changes post-1994, which have opened up the labour market to better and higher paying opportunities (Fredericks & Yu,

2018). The Labour Relations Act of 1995, the Basic Conditions of Employment Act of 1997, the Employment Equity Act of 1998 and most recently, the Broad-based Black Economic Employment Act 53 of 2003 have all opened the South African Labour Market to allow African Generation Y to hold higher paying jobs (Fredericks & Yu, 2018). Considering the age of suitability to work, generation Y would have joined the work force in 1999 in time to take advantage of newly relaxed exclusion laws (Fredericks & Yu, 2018).

Below is a further look at the South African Workforce landscape, looking further into the current work force landscape demographics as of 2020.

1.3.3 South African Employment Land Scape

After 1994, with the introduction of the aforementioned laws, there has been a sharp increase in the amount of black participation in the South African workforce. While from 2013 to 2016, there was a slowdown in terms of the white and coloured workforce, there continued to be an increase in the African population participation. Figure 1.1 further elaborates on the demographics of the South African workforce outlook.

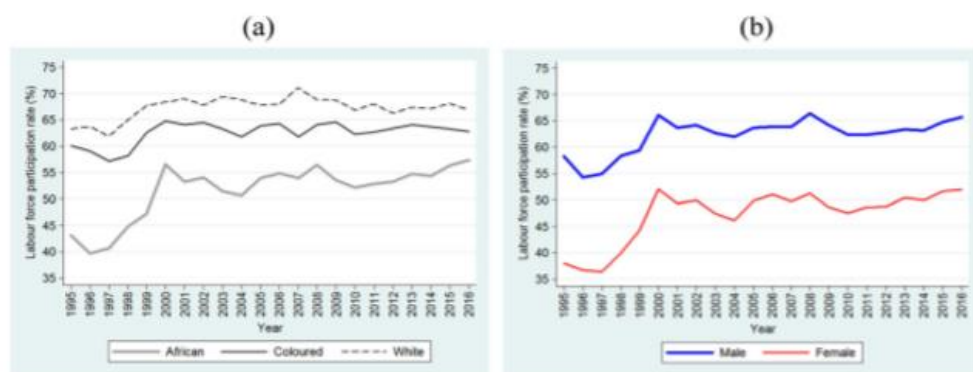


Figure 1.1: Black South African Labour Force Participation

The figure below demonstrates the weighted average of South African worker demographics, showing black professionals grouped as generational cohorts as the largest contributors, comprising an aggregate of 65% of South Africa's workforce.

Table 1.1: Weighted participation of employed workforce by demographic (2008-2015)

Data from NIDS-CRAM Wave 1, all adults aged 18-59 inclusive	# of obs.	Unweighted %	Weighted %
Total sample	6,096		
<i>By gender</i>			
Male	2,426	39.80	47.95
Female	3,67	60.20	52.05
<i>By race</i>			
African/Black	5,302	86.98	81.05
Coloured	531	8.71	9.32
Asian/Indian	60	0.98	2.17
White	203	3.33	7.46
<i>By geographic area</i>			
Traditional	1,093	17.94	13.87
Urban	4,733	77.70	82.47
Farms	265	4.35	3.66
<i>By age group</i>			
Youth (18-29)	1,797	29.48	34.82
Prime (30-49)	3,564	58.46	50.73
Older(50-59)	735	12.06	14.45
<i>By education group</i>			
<matric	3,094	50.93	46.55
matric	1,566	25.78	26.39
matric+	1,415	23.29	27.06

1.5 Problem Statement

The research on conspicuous consumption has been extensively studied in other parts of the world. There has been a gap in establishing the drivers that motivate black professionals to partake in conspicuous consumption with an influence of compensatory behaviour due to their newly increased propensity to consume in a developing market like South Africa (Makhita, 2021). The emergence of luxury brands in South Africa has instilled a sense of achievement and desire among black professionals. Therefore, it is crucial to examine the factors influencing their conspicuous spending behaviour, considering the influence of compensatory behaviour. Although there is a steady increase in the purchasing power of black consumers (Coopers, 2012), there is limited information on the drivers that compel them to consume luxury products (Adele et al., 2016).

This study sought to address the gap in the literature on conspicuous consumption by presenting a comprehensive framework that specifically examines the drivers of conspicuous consumption through a relationship of compensatory behaviour over a geographical and demographic perspective of the South African landscape. Black consumption patterns deserve special consideration because they differ significantly from other racial groups due to historical disparities stemming from the apartheid era, consequently, differences in spending habits between solvent and insolvent individuals (Nieftagodien & Berg, 2000). The

consumption patterns of black people provide a strong insight into the emerging black middle class and their shift towards their monumental participation in conspicuous consumption (Nieftagodien & Berg, 2000). Numerous studies have examined the consumption patterns of visible goods by various racial groups or the variables influencing the status consumption of ethnic groups in nations like Kuwait and Bolivia. Although black urban consumers' purchasing power has increased, there is no study on the variables that drive them to engage in conspicuous buying due to compensatory behaviour (Koles, Wells & Tadjewski., 2018).

The initial studies on the emerging black middle class mostly examined this demographic as a desirable consumer segment, depicting its members as very ambitious and aspirational in their purchasing behaviour (Burger et al., 2015). This behaviour is supported by the group's significant investment in education, which is further strengthened by the recent expansion in credit extension. Additionally, the group's expanding earnings, resulting from black economic empowerment initiatives, contribute to upward social mobility and economic progress (Saruchera & Mthombeni, 2023).

The study was grounded by various theories that were evident as common themes that facilitated the derivation of the factors that probe black professionals to engage in conspicuous consumption motivated by compensatory behaviour.

1.6 Research objectives

The study aimed to identify the drivers that influence conspicuous consumption amongst black South African professionals. The drivers focused on the internal and external drivers that influence purchasing behaviour motivated by compensatory behaviour with the inference of conspicuous consumption.

1. To investigate the relationship between sociocultural factors and compensatory behaviour.
2. To investigate the relationship between interpersonal influences and compensatory behaviour.
3. To investigate the relationship between informative effects and compensatory behaviour.
4. To investigate the relationship between normative effects and compensatory behaviour.

5. To investigate the relationship between income effects and compensatory behaviour.
6. To investigate the relationship between compensatory behaviour and conspicuous luxury consumption.

1.7 Research questions

The pertinent and overarching research question was to establish the drivers of conspicuous consumption amongst black South African professionals by studying the relationship of compensatory behaviour with the inference of conspicuous consumption with existing knowledge and literature.

1. What is the relationship between social-cultural (sociocultural) factors and compensatory behaviour amongst black South African professionals?
2. What is the relationship between interpersonal influences and compensatory behaviour amongst black South African professionals?
3. What is the relationship between informative effects and compensatory behaviour amongst black South African professionals?
4. What is the relationship between normative effects and compensatory behaviour amongst black South African professionals?
5. What is the relationship between income effects and compensatory behaviour amongst black South African professionals?
6. How does compensatory behaviour influence conspicuous luxury consumption amongst black South African professionals?

1.8 Purpose of the study

The purpose of this study was to determine the consumption values that drive spending choices with a strong focus on conspicuous consumption triggered by compensatory behaviour amongst black South African professionals. According to Makhita (2021), black people account for eighty percent of the entire South African population. After 1994, millions of Black households gained a middle-class status and joined a consumer class with significantly more disposable income (Dawson, 2022). This allowed Black people to have access to better jobs and financial inclusion (Adele et al., 2016). This aimed to offer insights that will serve as essential findings for marketing practitioners to clearly understand the black consumer landscape, more so after the segregation system that excluded black people from partaking in conspicuous consumption (Lappeman, 2021). In addition, research on the focus

of consumer purchasing behaviour is vast and has taken various dimensions (Dubihlela, 2017). Certain groups of consumers are more interested in various outcomes when it comes to consumption, which relates to different purchasing decisions (Zheng, Baskin & Peng, 2018).

This study aimed at articulating the inequities that emanated from the apartheid era and how the series of events relatively contributed to the behaviour of black South African professionals in participating in conspicuous consumption. The study on conspicuous consumption in affiliation with consumer behaviour is immense and has taken assorted dimensions across diverse cultures. This body of work will extend knowledge on the already extensive studies conducted on conspicuous consumption by adding a layer of compensation behaviour.

However, with insufficient awareness provided within the black South African professional context now with the current state of conspicuous consumption and the growth of luxury brands in South Africa. This was tested through the hypotheses presented that both internal and external factors drive black professionals' engagement in conspicuous consumption. Therefore, the study aimed to establish the key factors that influence black professionals to engage in conspicuous consumption.

1.9 Contribution of the study

The shift in the consumer behaviour of black professionals has been affected by numerous factors in how they ultimately consume and partake in conspicuous consumption. It is of paramount importance to be cognizant of the changes and various drivers amongst the reference group. The focus on black consumption patterns provides better insights into the emerging black middle class and what drives their consumption patterns. The study gratified the gap in the literature on conspicuous consumption by presenting a comprehensive framework that examines the drivers of conspicuous consumption through an influence of compensatory behaviour through a geographical and demographic perspective of the South African landscape.

There are numerous reasons why black consumption patterns warrant separate attention in that their consumption patterns differ tremendously due to prior systematic differences

pertaining to the history of the apartheid era, which caused a significant discrepancy between the solvents and insolvents across the racial groups (Nieftagodien & Berg, 2000). Therefore, the purchasing patterns of black people offer valuable insights into the growing black middle class and their increasing engagement in conspicuous consumption. This will ensure that marketers disseminate different marketing strategies when communicating to various generational cohorts of black professionals, in that an absolute approach should be avoided in delivering effective messaging of luxury products.

1.10 Practical contribution

Numerous studies have explored the internal factors of conspicuous consumption, and thus, this study aimed to investigate the external factors that constitute the drivers of conspicuous consumption with the influence of compensatory behaviour. The study further covered the geographic and economic aspects within the South African context amongst black professionals by providing extensive knowledge on how marketers can further gain an understanding of the emergence of black professionals in their purchasing behaviour driven by conspicuous consumption for luxury brands facilitated by compensatory behaviour. The study aimed to enhance marketers' understanding of the external factors driving consumers to engage in conspicuous consumption. This knowledge would facilitate the development of effective marketing strategies and messaging tailored to the aforementioned group of black professionals.

1.11 Theoretical contributions

The study aimed to theoretically investigate the influence of compensatory behaviour with the inference of conspicuous consumption by providing deeper insights into black professionals within the South African context. This will add to the already existing body of knowledge presented by Veblen (1899), who explores the drivers that have been influenced by previous predispositions faced by black professionals in their participation in the conspicuous consumption of luxury products.

1.12 Delimitations of the Study

The study was limited to black South African professionals employed in South Africa. The scope of the sample was narrowed to respondents between the ages of 22 to 54. The study was constrained by the selected theoretical framework to explore the drivers influencing conspicuous consumption, possibly excluding alternative pertinent viewpoints or methodologies.

1.13 Definition of Terms

For the exceeding comprehension of this study, the following terms are defined for the context of the study: Conspicuous consumption, luxury brands, compensatory behaviour, interpersonal influences, informative effects, normative effects, social-cultural, social status, social comparison, peer pressure and income effects.

Conspicuous consumption:

According to Trigg (2001), conspicuous consumption refers to the deliberate act of acquiring and displaying luxury items as a way of attaining and preserving social status.

Luxury brands:

A luxury brand, according to Ko (2019), is a branded product that consumers perceive to be of either of the following: 1) be of greater quality, 2) Provide authentic value through desired benefits or 3) have a distinguished reputation in the market based on certain characteristics.

Compensatory behaviour:

According to Koles et al. (2018), compensatory behaviour is the actions consumers take to meet perceived needs, wants, and deficits that cannot be directly supplied.

Interpersonal influences:

Interpersonal influences refer to the inclination to adhere to the expectations of others regarding purchasing decisions (Sahn & Nasir, 2022).

Informative effects:

They are inclined to acquire knowledge regarding items and brands that they believe will positively influence others before deciding what to buy (Bearden, Netemeyer & Teel., 1989).

Normative effects:

Purchase decisions that have an impact on a consumer's assumptions of what will impress others and are either utilitarian or value-expressive (Sahn & Nasir, 2022).

Social-cultural:

Social-cultural or sociocultural factors are defined as social classes, education or behaviours, attitudes or beliefs (Woodruffe-Burton & Richard, 2005).

Social status:

A desire among consumers to elevate their social standing and status through the acquisition of status symbols sensitive to others' opinions (Jaramillo, Kempf & Moizeau., 2001).

Social comparison:

Consumers contrasting themselves with others to be trendy or to keep up with their peer groups (Sahn & Nasir, 2022).

Peer pressure:

Consumers varied experience levels of pressure to fit in depending on their personal propensity to accept social standards set forth by important reference groups (Chang & Nguyen, 2018).

Income effects:

The purchase of luxury items is influenced by consumer income, with a higher proportion of income being allocated to luxury goods due to increased financial resources (Alghanim & Ndubisi, 2022).

1.14 Assumptions

Assumptions that were prudent in the study were the following:

- The research assumed that all participants illustrated a clear comprehension of the research to be able to populate online questionnaires.
- The study also assumed that participants answered all questions posed truthfully and were not subjective when completing the questionnaire.
- The study assumed that respondents were frequent buyers of luxury brands.

1.15 Chapter Summary

The research background, context and problem statement were discussed, highlighting the key factors that were explored throughout the study. Research questions and objectives were clearly outlined, leading to the purpose of the study and how it added to the existing literature.

1.16 Research Structure

Chapter 1 – Introduction: This chapter will discuss the background, context, and significance of the study, as well as provide its significance and problem statement. The research objectives and questions will be outlined and further discussed.

Chapter 2 – Literature review: The critical theories relevant to the investigation will be discussed, along with the study's hypotheses and conceptual framework.

Chapter 3 - Research Methodology: The research approach and methods will be discussed, including the research design, data collection, sample size, and the validity and reliability of the study.

Chapter 4 – Results: This chapter will present the findings of the study and further discuss the descriptive statistics of the study.

Chapter 5 – Discussion of the Findings: This chapter offers a detailed analysis of the results and hypotheses derived from Chapter 4.

Chapter 6 – Conclusions: This chapter discusses the conclusions of the study, as well as limitations and recommendations for future research.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the literature on the theory of compensatory influences, the theory of conspicuous consumption and consumer buying behaviour as the focal themes that have materialized. It further explored the relationship between conspicuous consumption and different variables. There appears to be a common thread between the aforementioned themed theories in that they induce an improved comprehension of the research topic and its objectives of tackling the problem statement. The theories investigated the common themes that facilitated deriving the factors that probe black South African professionals to engage in conspicuous consumption.

According to Koles et al. (2018), compensatory consumption theory is a comprehensive concept that includes consumer intentions and behavioural reactions influenced by prior predispositions. Compensatory practices are known as reactions to a discrepancy between individuals, who, therefore, acquire relevant products that potentially symbolize accomplishment (Mandel, Rucker, Levav & Galinsky, 2017). This theory addresses consumer response to situations of being socially excluded and various other triggers (Woodruffe-Burton & Richard, 2005). Self-discrepancy, as a triggering factor, contributes to the type of consuming behaviour an individual chooses as a coping mechanism. Additionally, if the domain of self-discrepancy is dependent on fitting in, then the individual may purchase certain products that may fill the emptiness of self-discrepancy (Reid-Partin & Chattaraman, 2023) .

Conspicuous consumption has been researched in many ways across multiple studies. However, it was first used by Veblen (1899) in his attempt to describe expenditure as non-essential goods with no particular purpose other than enjoyment (Gierl & Huettl, 2010).

Conspicuous consumption has also been discussed as a theory that is both economic in nature and has a psychological aspect to it. From an economic perspective, the economic environment that an individual finds themselves in influences the decision to conspicuously consume. From a psychological perspective, the need to belong or to receive acknowledgement from others is another motivator for conspicuous consumption (Trigg, 2001). However, the author acknowledges that other factors drive the behaviour of conspicuous consumption (Corporate Finance Institute, 2019).

Consumer behaviour is synonymous with conspicuous consumption, and therefore, conspicuous consumption cannot be explored in isolation to understand consumer behaviour. Schiffman and Kanuk (2007) define consumer behaviour as the mannerisms shown by consumers when looking for, buying and utilizing all the way to the disposal of the product. Solomon and Bamossay (2006) further add the additional aspect of group dynamics when purchasing with the inclusion of social influences.

2.2 Background Discussion

2.2.1 Luxury Brands

Luxury is a social construct that has a variety of connotations, including uncommon and unique (Crosswaite, 2014). It has a dreamy quality to it, and it provides a unique sensory experience of sophisticated aesthetics, sensuality, and enjoyment. One does not consume or even own an object if one lives in luxury. Instead, you form a bond with the luxury item, and it becomes an extension of your personality. Luxury encompasses multiple constructs, as it can also be classified as dependent, meaning it cannot be interpreted from a single individual's perspective alone. Luxury brands are branded products or services that consumers perceive to be of high quality, offer authentic value via desired benefits, whether functional or emotional, are worthy of commanding a premium price and capable of inspiring a deep connection or resonance with the consumer (Kastanakis & Balabanis, 2014). Many studies in the past have looked into the reasoning behind individuals wanting luxury goods. Periodically people seek out luxury products for their intrinsic benefits since having access to luxuries can be deemed to improve one's self-perception and self-esteem (Wang & Griskevicius, 2013).

2.3 Theoretical grounding

2.3.2 Compensation consumption theory

Compensation consumption theory was, according to Woodruffe-Burton and Richard (2005), first studied by Dichter in the early 1960s (Dichter 1960; 1964), then the concept emerged in

Gronmo's 1988 study that attempted to develop theories and concepts related to compensatory behaviour, focusing mostly on consumers and their consumption habits (Woodruffe-Burton & Richard, 2005). Gronmo analysed research that concentrated on demographic groups experiencing economic difficulty and various types of deprivation and viewed compensatory behaviour as a way to address the underprivileged or repressed (Woodruffe-Burton & Richard, 2005). The study continues to define and imply that compensatory consumption is a consumer behaviour that is strongly influenced by a response to, and an effort to compensate for, a widespread lack of self-esteem or self-actualisation (Mandel et al., 2017).

Thus, based on the above definitions, the aforementioned tie to black South African professionals who, as mentioned, have faced economic alienation due to historic predispositions and drivers has since been formulated as their reasoning for partaking in conspicuous consumption.

2.3.3 Conspicuous consumption

Conspicuous consumption has been extensively researched over the years, with a vast amount of literature exploring its various aspects. It is a concept that was developed by Veblen (1899), who defined it as the behaviour and practice of engaging in efficient and unproductive actions. Further elaborated and explored by Gierl and Huettl (2010), conspicuous consumption has three elements: 1) publicly visible acquisition and consumption, 2) demonstrating status, originality, and conformance, and 3) obtaining and consuming rare or special products. The study identifies conspicuous consumption as the key determinant of consumer behaviour and, in essence, drives and informs the buying behaviour of consumers in their definite preferences of luxury when it comes to their buying behaviour (Wang, Zhu, Zhao, Song & Wang., 2023). There is an expansion of the diaphragm of conspicuous consumption (Charles et al., 2009) that involves the idea that goods serve not just utilitarian purposes but also act as symbols of affluence and tools for social communication.

2.3.4 Consumer behaviour: theory of buyer behaviour

Consumer behaviour has evolved over the years and has responded to the conception and growth of modern marketing to encompass a more holistic range of activities that impact consumer decisions (Blackwell et al., 2001). In understanding conspicuous consumption, it is thus paramount to relate it to consumer behaviour, according to Solomon:

“Consumer behaviour is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.” (Soloman, Bamossay et al. 2006, p6).

There is a second approach to the definition of consumer behaviour in accordance with Schiffman and Kanuk (2007), who define it as the actions individuals take when seeking, buying, using, assessing, and discarding items and services to meet their requirements. The concept of buyer behaviour involves combining social, psychological, and marketing factors that impact customer choices into a logical sequence of information processing. (Foxall, 1990). This theory is used to analyse a wide range of purchasing scenarios, and as such, the term “buyer” was preferred over consumer so as not to exclude commercial purchases (Loudon & Della, 1993).

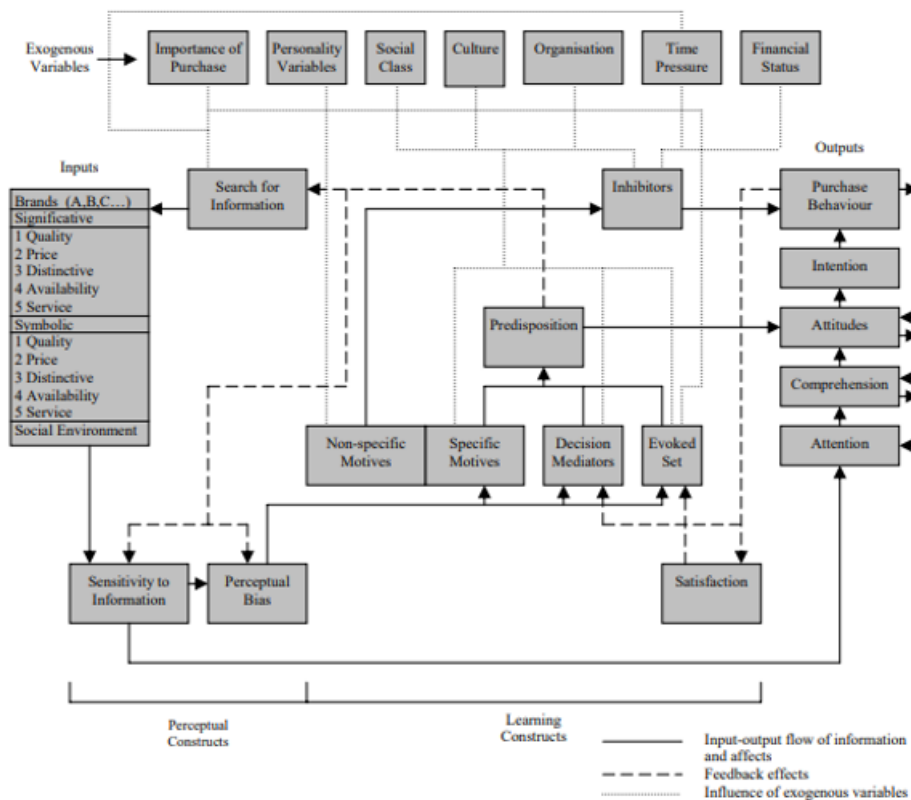


Figure 2.1 The Theory of Buyer Behaviour

Source: Loudon and Della (1993).

The five outputs represented in the above diagram are an illustration of the buyer's response and the step-by-step purchase process according to Loudon, Della and Bitta (1993):

1. The amount of information the buyer receives (Loudon et al., 1993).
2. Understanding: the processed and understood information used (Loudon et al., 1993).
3. Attitude: the buyer's assessment of the potential of a particular brand to satisfy the purchase motivation (Loudon et al., 1993).
4. Intent: the buyer's prediction of which product they will buy (Loudon et al., 1993).
5. Purchasing behaviour: the real buying behaviour, which reflects the purchaser's purchasing tendency after being modified by any inhibitory factors (Loudon et al., 1993).

The study can enhance the consumer behaviour theory by illuminating the dynamic aspect of consumer behaviour.

2.4 Conceptual Development

The subsequent sections will explore the variables of social-cultural factors, interpersonal influences, informative effects, normative effects, income effects, compensatory behaviour, and conspicuous consumption in the conceptual framework.

2.3.1 Social-cultural factors

Taking into account the comprehensive studies being done on influencing factors of conspicuous consumption, social-cultural factors amongst black South African professionals will be explored as a driver of conspicuous consumption. Social and cultural factors are derived from constructs such as social classes, education, and purchasing behaviours that will be explored for the purpose of establishing the drivers of conspicuous consumption amongst black South African professionals.

The disparity in social standing between an individual and others is referred to as social class (Chen, Gao, Liu, Luo, Chen & Bu., 2022). The difference is determined by the individual's self-perception of their social status as well as their material resources (Ga-Eun, 2021). Compensatory behaviour becomes necessary as a means of coping with psychological threats when people's subjective perceptions of their social class place them in inferior positions (Reid-Partin & Chattaraman, 2023). For instance, some consumers try to develop or preserve their identity by acquiring and employing brands or items that have desirable symbolic value. This can help them compensate for the gaps in social status that they experience (Chen et al., 2022).

2.3.2 Interpersonal influences

Interpersonal influence is widely renowned as a major determinant of consumer behaviour (Calder & Burnkrant, 1977). It is considered to be the sociological level of group membership or belonging, such as a particular social class. In relation to the study at hand, interpersonal factors allude to the suggestion that consumers must identify with or enhance their self-image in the eyes of significant others through the acquisition and use of products and brands. Chaudhuri and Majumdar (2006) state that consumers show a desire to conform to the expectations of others, which can be deemed as pressure groups.

The expectations can be further exacerbated by platforms such as social media, where, according to O'Cass and McEwen (2006), conspicuous consumption also occurs due to the social comparison that takes place on social media platforms, where the networks and environments exacerbate such a comparison. Therefore, social media is deemed to strengthen comparisons in the areas of wealth and material possessions, leading to an increase in the purchase of luxury items to show the reasons for conspicuous consumption status (Jang, Park & Song, 2016).

Amonrat and Thourmtungroie (2014) indicate that social media can influence consumer consumption through electronic word of mouth or what is depicted visually. Based on previous research on the impact of social media, social media use can result in irrational decisions by consumers in terms of spending on luxury items. Social media allow people to show their consumption visible on online platforms to meet a variety of social requirements. This involves displaying consumption and belongings associated with one's anticipated self (Choi & Seo, 2017). Taylor and Struttin (2016) suggested that social media usage might increase "conspicuous consumption" by emphasizing the snob appeal of an individual's assets, position, or experiences. The interpersonal factors of wanting to belong have been further enhanced by the introduction of mediums such as social media in recent years, more so since black professionals appear to be gaining more purchasing power within the South African emerging market.

2.3.3 Informative effects

Informative effects describe how individuals utilize their consumption decisions to communicate information about themselves to others. The importance of providing information is demonstrated by consumers seeking to make well-informed decisions based on the opinions of reference groups like friends and family, who may offer insights on a premium product (Sahn & Nasir, 2022). Strong relationships within a social network wield significant influence over network members, affecting the information exchanged within the network. The informational role of reference groups has a pronounced impact on consumers in rational decision-making (Thoumrungroje, 2014). Deutsch and Gerard (1955) described informative effects as the inclination to consider information from others as proof of reality. Informative effects can arise in two ways (Bearden et al., 1989). Individuals can seek

information from experts or conclude by observing others' behaviour. Informational influence impacts customer decision-making in product assessments (Thoumrungroje, 2014).

2.3.5 Normative effects

According to Krause et al. (2019), Normative effects are identified as a significant factor influencing an individual's conspicuous consumption behaviour. Normative effects are the influence that other individuals have on an individual's behaviour. Based on this theoretical framework, individuals are not just guided by their beliefs and ideals but are also impacted by the actions of others (Perkins, Linkenbach, Lewis & Neighbors., 2010). A study by O'cass and McEwen (2004) categorizes normative effects into two main types: descriptive and injunctive norms. Descriptive norms are people's assessment of the behaviour of important others in their surroundings. Injunctive norms are people's perceptions of behaviours that others in their context would approve of, indicating potential rewards or penalties for engaging in or refraining from certain behaviours (Meleady, 2021). Normative effects strongly affect compensatory behaviour by harmonizing with normative expectations to evoke ostentatious expenditure in the pursuit of social approval.

2.3.5 Income effects

Income effects play an enabling role in the participation of conspicuous consumption, more so luxury brands, in that, according to (Bhar, Sharachchandra, & Narasimba., 2022), recognising the causes that lead people to utilize their money for more conspicuous. Income has been categorized as an enabler that signals higher status in a society, more so for emerging markets (Alghanim & Ndubisi, 2022). Alghanim and Ndubisi (2022) identify consumer income as a key component that might elucidate the consumption rate of luxury items. In terms of economics, luxury is viewed as a function of consumer income, where a higher percentage of income is allocated to luxuries due to a rise in income (Banuri & Nguyen, 2023). The income of black professionals is what drives them to indulge in conspicuous consumption as luxury products have become easily accessible.

When income is higher, luxury purchases tend to occur frequently (Bhar et al., 2022). Nonetheless, the democratization of luxury has made high-end products affordable for consumers with low and intermediate incomes (Alghanim & Ndubisi, 2022).

2.3.6 Compensatory behaviour

According to Koles et al. (2018), Compensatory consumption is the act of making up for a deficiency caused by imagined unattainable aspirations and ambitions. The term compensatory consumption describes the attention paid to or consideration given to the procurement of and usage of goods in reaction to a shortfall brought on by imagined requirements and aspirations that are not immediately satisfied (Woodruffe-Burton & Richard, 2005).

Compensatory behaviour is a broad phrase that encompasses several characteristics, including retail therapy conspicuous consumption that is often masqueraded as impulsive buying and hedonistic shopping (Koles et al., 2018). The common thread in the aspects is that the behaviours often arise in reaction to an antecedent, such as poor self-esteem or having been previously disadvantaged (Lisjak, Bonezzi, Kim & Rucker., 2015). Typically, compensatory behaviour is a response to an imbalance or incongruence between people's ideal and true perceptions of themselves (Reid-Partin & Chattaraman, 2023).

The possibility of compensating behaviour arises when a person sees self-discrepancy, which can be provoked by social exclusion, which might widen the gap between one's real and desired degree of belonging (Mandel et al., 2017).

People frequently look for and purchase pertinent goods or services that denote achievement in order to alleviate feelings of self-incongruence (Koles et al. (2018). Consumers can boost their overall consumption by investing more in self-affirming products or using products that advertise desirable characteristics, signalling to their target market a longing for self-enhancement, authority, prestige, or masculinity (Lisjak et al., 2015). The consumption can also be a resolution to decreasing self-discrepancy (Mandel et al., 2017). Amidst various schools of thought on what propels the compensatory behaviour of consumers, there has been insufficient focus on individuals who were systematically excluded from society (Koles et al., 2018). It was seen that these groups utilized their spending as a means to get the respect they were denied in the labour sector since they were not part of conventional forms of work (Zheng et al., 2018). Therefore, in essence, product symbolism served as their path to making up for their lack of ability to progress socially and professionally (Chowdhury & Swaminathan, 2023).

2.3.7 Conspicuous Luxury Consumption

Conspicuous consumption is a concept that has been widely researched and has strong origins in Veblen (1899), who is deemed the father of conspicuous consumption. According to Veblen's thesis, being prominent is a purposeful behaviour in which status considerations are paramount (Chaudhuri & Majumdar, 2006). City dwellers raise the bar for their usual level of conspicuous consumption in an endeavour to excel in their material circumstances or to outdo one another (Thomas, 2020). Veblen continues by stating that he views conspicuous consumption as planned, conscious behaviour on the part of consumers intended to advance their social status (Trigg, 2001).

Veblen has been credited with creating the concept of conspicuous consumption. However, he was not the first economist to study this behaviour (Memushi, 2013). Only a few number of the concepts or theories were not developed by Veblen (Memushi, 2013). Adam Smith contended that men do not seek wealth itself but rather the respect and favourable opinions that come with being affluent (Chowdhury & Swaminathan, 2023). Karl Marx observed that extravagant spending may be seen as a vital aspect of doing business and a representation of credibility, aiming to draw in further investments (Patsiaouras & Fitchett, 2012). Conspicuous consumption is not a new concept, as it dates back to ancient civilizations where leaders who possessed power were regarded as the upper class and thus partook in wasteful consumption (McCollough, 2020). Conspicuous consumption continues to be prevalent in modern societies, as people live in an image-conscious society, and consumers are encouraged to consume conspicuously (Memushi, 2013). Conspicuous consumption has also become a common behaviour among the masses, where it previously resided solely with the upper class (Ga-Eun, 2021).

2.4 Conceptual model and hypotheses development

This section presents the conceptual framework, which is organized according to the drivers of conspicuous consumption investigated in the study: social-cultural factors, interpersonal influences, informative effects, normative effects, income effects, and compensatory behaviour with the outcome of conspicuous consumption. The hypotheses will clarify the relationships between the variables.

2.4.1 Social-cultural factors and compensatory behaviour

Social-cultural dispositions broadly refer to an individual's values and worldviews, which determine how they filter and concretize abstract ideas into preferences and choices (Bhar et al., 2022). Social-cultural elements, such as cultural values and beliefs, can have a substantial impact on how consumers behave in terms of their attitudes toward material possessions, their spending patterns, and the kind of products they are interested in buying (Bhar et al., 2022).

Social-cultural factors to acquire social status are exacerbated by social comparison and peer pressure through the participation of luxury consumption that is motivated by compensatory behaviour (Chang & Nguyen, 2018). Conspicuous consumption theory suggests that individuals tend to engage in increased spending as a way to compensate for feelings of danger, ostracism, or neglect (Chen et al., 2022). This can be a result of social marginalization in the pursuit of fitting in, hence engaging in compensation behaviour that evokes conspicuous consumption patterns.

Social status

Status fulfils social needs as a means of expression, and the desire for prestige drives consumers. The status is how the group and community perceive the individual (Sahn & Nasir, 2022). The quest for status implies the utilization of items locally with the aim of acknowledgement in a materialistic local area, and this sort of economic well-being is frequently achieved by showing the utilization of an extravagance item (Pelser, Schalkwyk & Schalkwyk., 2023). The use of luxury products is driven by consumers' needs to improve their self-perception and project a desired image to their social circles. This suggests a potential correlation between the symbolic utilization of luxury items and an individual's social standing (Jaramillo et al., 2001).

The desire for financial prosperity leads individuals to use luxury goods as a means to gain prestige, driven by the external influence of conspicuous consumption associated with luxury (Sahn & Nasir, 2022). The act of indulging in extravagant and noticeable spending, driven by external influences, can lead to a rise in the purchase of status symbols by those who seek to align themselves with a certain social group (Ga-Eun, 2021). The idea of opportunists was

raised by Packard to depict those in ceaseless work to show the visual proof of their case to their place in the public eye (Sahn & Nasir, 2022).

Social comparison

The social comparison demonstrates that people will contrast their own capacities and perspectives with everyone around them to acquire self-information. However, in the context of this study, it is suggested that upward and downward social comparisons are included (Sahn & Nasir, 2022). When individuals make up friendly examinations, they will encounter the view of detriment, and on the other hand, they will encounter the impression of prevalence (Reid-Partin & Chattaraman, 2023). The phenomenon of "keeping up with the Joneses" is sometimes attributed as the rationale for this behaviour (Pelser et al., 2023). Consumers with lower levels of possessions compare themselves to well-off consumers, recognize the disparity in possessions, and re-establish their superiority by attaining and publicly displaying the same level of possessions as those in better financial standing (Pelser et al., 2023).

On the side of this record, mental exploration shows that the desirable luxury goods that someone else has triggered a rash inclination to gain those products and inspires a more prominent readiness to pay for those extravagant products (Sahn & Nasir, 2022). Furthermore, when consumers contrast themselves with individuals who have advantages over them in life, they often feel inferior (Reid-Partin & Chattaraman, 2023). Consumers are driven to overcome feelings of inferiority and restore feelings of superiority due to the negative psychological impact of inferiority. To achieve a buyer's predominant purpose, one might acquire or display luxurious material possessions (Reid-Partin & Chattaraman, 2023). Therefore, consumers will be motivated to restore superiority through conspicuous consumption by upward social comparisons that are unrelated to consumption (Sahn & Nasir, 2022).

Peer pressure

Chang and Nguyen (2018) highlight that peer pressure affects consumers' decisions when it comes to purchasing luxury products. Researchers define peer influence as the strong urge individuals have to conform and gain acceptance within social circles. An occurrence that leads someone to succumb to peer pressure, affecting the degree to which peers influence an individual's perspectives, convictions, and actions

(Chang & Nguyen, 2018). Therefore, individuals may be influenced to partake in the consumption of particular luxury products based on the peer influence from their social circle, which could be comprised of peers, family and acquaintances (Sahn & Nasir, 2022). Consumers' cultural preferences are significantly shaped by their social class standing. Belonging to a specific social class can also be shown by exhibiting the appropriate lifestyle, which indicates the possession of specific lifestyles that can be manifested from peer pressure from peer groups that hold the same cultural values and standards. (Sahn & Nasir, 2022). Based on this review, the study thus proposed the following hypothesis:

H1 – There is a positive and significant relationship between social-cultural factors and compensatory behaviour.

2.4.2 Interpersonal influences and compensatory behaviour

Interpersonal influences draw a strong focus on the need to belong and be unique, thus drawing a strong correlation with the conspicuous consumption construct. According to Chaudhuri and Majumdar (2006), uniqueness was first explained by Leibenstein (1950) as the “snob effect”. This is a means for consumers to self-express the types of luxury brands they purchase. Uniqueness can be considered as a function of interpersonal factors, as it takes into account that individuals have personal and emotional aspirations while using luxury brands, which are also impacted by and impact the behaviours of others (Bearden et al., 1989).

The second aspect of interpersonal influences is social conformity, which, according to Chaudhuri and Majumdar (2006), is conceptualised as the mirror image and an antecedent to Leibenstein's snob effect is driven primarily as a motivation to conform (Carnevale & Kachersky, 2022). Research indicates that individuals often conform to the prevailing views of group members when shaping their attitudes, driven by a personal inclination for public conformity to enhance their self-perception (Bearden et al., 1989). Empirical evidence also shows that this motivation becomes more prevalent and important when conspicuous consumption is noticeable, triggered by compensation behaviour (Carnevale & Kachersky, 2022). The study thus proposed;

***H2** – There is a positive and significant relationship between interpersonal influences and compensatory behaviour.*

2.4.3 Informative effects and compensatory behaviour

The informational dimension functions by adhering to social norms and is demonstrated when an individual tries to meet others' expectations in order to get rewards or avoid punishment (Sahn & Nasir, 2022). A singular's self-idea is improved by certain reactions from life partners, which build up their way of behaving as these reactions' capabilities are sure rewards (Corkindale, 2021). Consumers may prevent emotions of exclusion by purchasing products that are acceptable or appropriate and receive recognition from the group as a reward (Sahn & Nasir, 2022). Therefore, understanding social standards might lead to an individual's conformity with group norms when purchasing luxury products (Ding et al., 2020). This adherence will motivate an individual to willingly trust in luxury items endorsed or bought by the reference group (Ding et al., 2020). Therefore, it can be implied that informative effects can affect the ostentatious display of luxurious products driven by compensating behaviour. The following hypothesis was proposed:

***H3** – There is a positive and significant relationship between informative effects and compensatory behaviour.*

2.4.4 Normative effects and compensatory behaviour

Luxury goods that are regarded as prestigious and focused on status are defined by the normative effect (Sahn & Nasir, 2022). Regularising influences how consumers want to surround themselves with products and brands that provide clear evidence of the superior status they promise in an effort to solve status-related anxieties (Meleady, 2021). Therefore, consumers' participation in conspicuous luxury consumption is a means for them to see luxury items as enhancements to their societal reputation (Sahn & Nasir, 2022).

Normative effects are most commonly observed in the setting of social interaction. Individuals will sense the need to adhere to group standards and actively establish identification with other members during the process of interpersonal contact (Ding, Lin & Zhang., 2020). Individuals often compare themselves to the reference group, conduct significant self-

evaluation, and make certain alterations that are congruent with the reference group (Meleady, 2021). Based on this background, H4 was thus proposed:

***H4** – There is a positive and significant relationship between normative effects and compensatory behaviour.*

2.4.5 Income effects and compensatory behaviour

Income ability plays a role in the participation of conspicuous consumption in that income serves as a motivation to propel people to utilize increased income towards more conspicuous consumption (Hennigs et al., 2012). Income plays an enabling role in the choice or preference of luxury brands. Prior research indicates that conspicuous consumption was a phenomenon that was reserved solely for the elite and more affluent classes of developed countries. Klaus-Peter, Nadine and Astrid (2007) argue that the previous empirical evidence provided has evolved as we now witness the emergence of emerging markets such as South Africa.

Therefore, witnessing the empowerment of black professionals changing as more and more are now entering the workplace and starting to be financially emancipated. This has led to specific social dynamics, such as if the demand for the pertinent commodities rises if people from lower income groups strive to live up to higher income groups' standards of living (Kaus, 2013). Nevertheless, higher-income groups are compelled to stand out from lower-income groups and, as a result, focus their spending on luxury items with more visibility (Banuri and Nguyen, 2023).

Consumer income impacts are a significant factor that might elucidate the consumption rate of premium items (Bhar et al., 2022). In economics, luxury is determined by the percentage of consumer income allocated to luxury goods (Banuri & Nguyen, 2023). Furthermore, past research has found that not only high-income customers but also low-income consumers acquire luxury products (Bhar et al., 2022). Luxury companies have broadened their range of products by establishing new product lines, extensions, or new brands that are more inexpensive and accessible in order to appeal to a larger client demographic (Klaus-Peter et al., 2007). Once exclusive to the upper class, luxury goods are now accessible to individuals with lower and intermediate incomes due to the democratization of luxury (Kaus, 2013).

A comparative study conducted by Burger et al. (2015) demonstrates how black consumers' spending patterns differ from those of their white counterparts, primarily due to their vulnerability as relatively recent entrants into the workforce and the acquisition of earning power. As a result, their desire to strongly signal their status through conspicuous consumption may have increased with the motivation of compensatory behaviour. The following hypothesis was thus proposed:

H5 – *There is a positive and significant relationship between income effects and compensatory behaviour.*

2.4.6 Compensatory behaviour and conspicuous consumption

Compensatory behaviour is depicted to help overcome perceived deficiencies like powerlessness and low self-esteem. Therefore, Individuals frequently make up for the shortcomings in their lives by striving to fulfil their desires for self-esteem and self-actualization. Woodruffe-Burton and Richard (2005) indicate that conspicuous consumption is centred around luxury goods and materialism and the assumption that acquiring more material items would improve one's social status and self-esteem.

Numerous aspects of consuming behaviour are compensatory, according to the literature Koles et al. (2018). For instance, compulsive buying is a severe kind of compensatory consuming behaviour that is chronic (Koles et al., 2018). The aforementioned claim is strengthened by further characteristics of the phenomena outlined by O'Guinn and Faber (1989). For example, they draw attention to the fact that for many individuals, compulsive buying appears to be closely correlated with their need for support and affection from others (Koles et al., 2018). In other words, according to the authors, this can be taken to suggest that they are filling a perceived gap (Koles et al., 2018).

A study was carried out by Wang et al. (2023) to investigate the correlation between conspicuous consumption and compensating behaviour. The findings confirmed the existence of a positive association between the two behaviours. The research participants' increased inclination toward conspicuous consumption may indicate that they believe that such behaviour assists others in mitigating the impacts of uncertain situations by functioning as a useful kind of compensation (Wang et al., 2023). Conspicuous consumption has thus

been found to be a useful method for individuals to address feelings of inadequacy caused by self-doubt and to regain a sense of assurance.

Looking at the South African context, a study looking at the conspicuous behaviours of wealthy black South Africans showed that the desire to reach a higher social status seems to be influenced by feelings of relative deprivation compared to a more fortunate group (Koles et al., 2018), The motives shifted towards keeping up with rich black individuals who were members of the participants' social group once accomplished (Koles et al., 2018). The study thus proposed:

H6 – *There is a positive and significant relationship between compensatory behaviour and conspicuous consumption.*

2.5 Conceptual model

A conceptual framework was developed, as presented in Figure 2.2 below, that outlines the independent five variables that tested the relationship with compensatory behaviour as well as the relationship between compensatory behaviour and conspicuous consumption that was applied to the sample group of black South African professionals in order to determine the key motivations of engaging in conspicuous consumption generated by compensation behaviour.

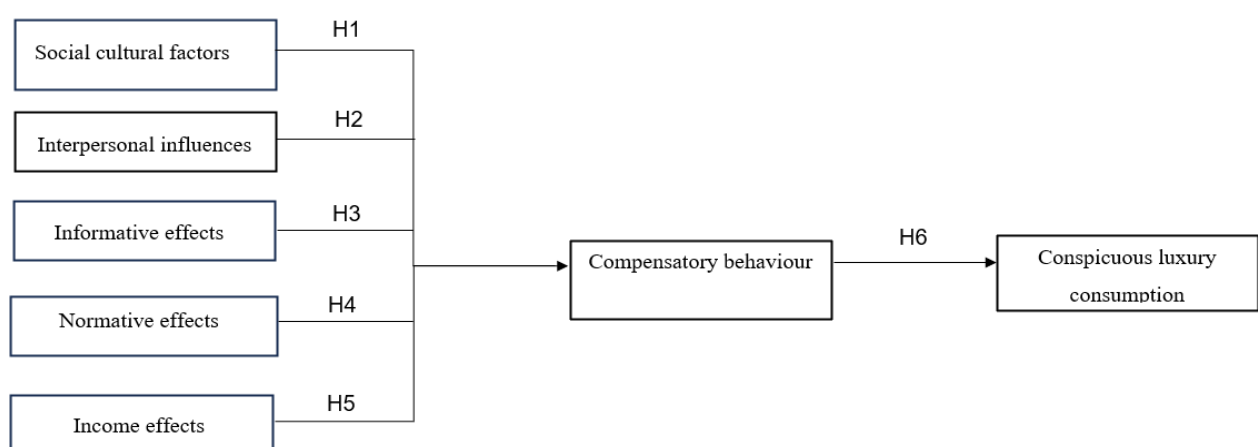


Figure 2.2: Conceptual Framework of the study

Source: Developed for this study

Based on the literature review provided, this study hypothesised the following:

H1: *There is a positive and significant relationship between social-cultural (sociocultural) factors and compensatory behaviour.*

H2: *There is a positive and significant relationship between interpersonal influences and compensatory behaviour.*

H3: *There is a positive and significant relationship between informative effects and compensation behaviour.*

H4: *There is a positive and significant relationship between normative effects and compensatory behaviour.*

H5: *There is a positive and significant relationship between income effects and compensatory behaviour.*

H6: *There is a positive and significant relationship between compensatory behaviour and conspicuous consumption.*

2.6 Chapter Summary

The chapter presented a theoretical framework of conspicuous spending and compensating behaviour. The literature evaluated based on a suggested paradigm that examined the elements contributing to conspicuous consumption driven by compensatory behaviour. The conceptual model demonstrated how constructs such as social-cultural (sociocultural) factors, interpersonal influences, informative effects, normative effects, and income effects might lead to compensating behaviour in consumers who engage in conspicuous consumption. Six (6) hypotheses were introduced to address the research objectives as well as answer the research questions.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter comprises the following segments: 1) Introduction; 2) the research Paradigm, 3) The Research Design; 4) population and the Sampling, 5) sampling method, 6) research instrument, 7) pilot testing, 8) data analysis; 9) validity and reliability; 10) limitations of the study, 11) ethical considerations and finally 12) a conclusion.

3.1 Introduction

The study utilized a deductive quantitative approach to further assist in responding to the research problems that have been posed and to investigate the hypothesized relationships. The quantitative approach refers to the explanation of a research phenomenon caused by collecting numerical data analysed utilizing a mathematically appropriate method, more so a statistical method (Sinaga, 2014). The quantitative approach quantified the behaviours of black South African professionals, as well as added to the extensive body on conspicuous consumption and compensatory behaviour. Furthermore, adding a view that is yet to be explored through looking at Black South African corporate professionals. Economic power is shifting to black professionals within the emerging economy of South Africa; therefore, understanding their consumer behaviour and their key drivers in participating in conspicuous consumption with an influence of compensatory behaviour when it comes to luxury brands is imperative for either South African or international brands for their future advertising messaging appeals.

3.2 Research paradigm

The study took on a positivist paradigm, which uses logical reasoning, the creation of hypotheses, and the testing of those hypotheses, aimed to find the cause-and-effect relationships to reach a conclusion and establish research results (Rehman & Alharthi, 2016). A research paradigm is a set of abstract ideas and principles that determine how a researcher views the world and interprets and acts within it (Kivunja & Kuyini, 2017). The researcher assesses the methodological aspects of their research project to determine the research methodology to use and how to analyse the data (Rehman & Alharthi, 2016).

The positivist paradigm supports the use of quantitative research techniques to be precise in the description of the parameters and coefficients in the data that is gathered, analysed, and interpreted in order to comprehend relationships embedded in the data analysed (Kivunja & Kuyini, 2017). Therefore, the variables listed in the study were quantified by quantitative research through the utilization of a numerical evaluation (Rehman & Alharthi, 2016). The quantitative data that the positivists' approach will use is through an online survey utilizing close-ended questionnaires, and the numeric data collected through this method will be introverted to descriptive statistical analysis (Rehman & Alharthi, 2016).

3.3 Research design

This study aimed to ascertain and obtain a greater understanding of the factors that contribute to conspicuous consumption amongst black South African professionals with the motivation of compensatory behaviour. This was accelerated by using a quantitative research approach. An online survey was conducted.

An explanatory, descriptive approach was employed as it is aimed at analysing a scenario or a problem in order to explain the relationships between the variables and also strives to describe the persons, events, or situations (Saunders & Lewis, 2012) accurately. This approach was highly applicable in that the research topic is on establishing the drivers of conspicuous consumption amongst black South African professionals.

The cross-sectional survey methodology, through the utilization of a questionnaire, was the anticipated research approach, which took on a deductive approach. The approach allows researchers to focus on the uniqueness and individuality of the respondents (Rahman, 2016). It can explore a wide range of other people's experiences, motives and opinions (Rahman, 2016). The aforementioned properties contributed to the descriptive exploratory nature of the study, as it delved into verifying the uniqueness and individuality of the targeted respondents.

3.4 Population and Sample

3.4.1 Target population

The target population is defined as the sub-group of the population that is available for the selection of a sample (Saunders & Lewis, 2012). The targeted population of this research study was extracted from the South African population comprised of black professionals consisting of both male and female, who are employed within corporations in South Africa derived from all nine provinces and operating in diverse sectors at all hierarchical levels within their companies. The study utilized respondents who were between the age range of 23 and 54 years of age to ensure that there was an adequate gap between them and also to allow a heterogeneous result.

The target population for this study was as follows:

- Age: between the age range of 23 – 34, 35 – 44 and 44 - 54 years of age.
- Race: black.
- Employment status: Employed.
- Occupation level: non-managerial, junior, middle, senior managers and directors/executives.
- Industry: Across all various industries.
- Geographic: Respondents resided in all nine provinces within South Africa: Eastern Cape, Free State, Gauteng, KwaZulu Natal, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape.

3.4.2 Sampling frame and size

The sampling frame is to provide a means for choosing the particular respondents of the target population that are to complete the questionnaire (Saunders & Lewis (2012).

The targeted sample size comprised an aggregate of 243 respondents from all nine provinces within South Africa. The Raosoft sample size calculator was utilized to estimate the optimal sample size for the study. With a population size of 10,000, a 90% confidence level, and a 5% margin of error, the calculator advised a sample size of 264 (Raosoft). The dispersion in

location was to ensure that a sufficient number of respondents was reached and to eliminate any abrupt prejudice (Saunders & Lewis, 2012). There has been substantial debate over what constitutes an adequate sample size for statistically valid results; nonetheless, different authors propose that sample sizes for quantitative research range from 200 to 300 participants (Kevin & Robert, 2015). When a sample is very diverse, being a sample of cities, the population is likely to be assorted (Bryman et al., 2014). As a result, the more variability of a population there is, the larger the sample size required (Bryman et al., 2014).

3.4.3 Sampling method

The form of sampling that was utilized was non-probability through purposive and snowballing sampling techniques, as the research topic is focused on a specific population.

Respondents were chosen purposively to meet the requirements of the set criteria and were representative of the population (Saunders & Lewis, 2012). Purposive sampling is well suited due to how the survey was distributed and administered online, as purposive sampling is available to the researcher by virtue of its accessibility (Bryman et al., 2014).

The snowball sampling approach is a sampling strategy that is used when a qualified participant extends an invitation to additional subjects who meet the requirements specified for the targeted population and who are comparable to them (Kirchherr & Charles, 2018). Initial participants will identify and gain access to more participants so that the sample size increases like a snowball (Saunders & Lewis, 2012).

Table 3.1: Demographic profile of respondents

Race	Black
Age	Between 23 – 54 age range
Education level	From Matric - Hons/Masters/PhD
Occupation level	From non-managerial– Director/Executive
Total monthly income	From R10,000 – R60.000+
Geographic location	South Africa

3.5 The research instruments

The questionnaire was administered in the form of a self-completion survey online, where the respondents were required to complete the questionnaires by themselves. The questionnaire was an instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Questionnaires can reach a large number of people relatively easily and economically provide quantifiable responses to analyse seamlessly (Saunders & Lewis, 2012). Self-completion questionnaires are frequently quick to conduct and allow respondents to complete them at their own pace (Bryman et al., 2014).

3.5.1 The research instrument items

The first section comprised open-ended questions that addressed demographic inquiries concerning the respondents, such as age, gender, education level, occupation level, total monthly income and geographic location. The second section comprised the variables such as interpersonal influences, social-cultural (sociocultural) factors and income effects, and informative and normative effects that will measure the motivational constructs of compensatory behaviour and conspicuous consumption (Adele et al., 2016). Likert-scale questions were applied as they were often used to measure the direction and intensity of attitudes (Heale and Twycross, 2015). The questionnaire adopted a 5-point Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree).

Each point on the scale had a score, and the Likert scaling approach gave each of the five responses a value (Kothari, 1990). The same thing was done with respect to every statement in the instrument. This way, the instrument yields a total score for each respondent, which would then measure the respondent's favourability towards the given point of view (Bryman et al., 2014).

The research items and summarised sample questions that were included in the questionnaire are presented in Table 3.2.

Table 3.2: Variable Measuring Instruments

Section A: Qualifier questions	What is your ethnicity? Are you currently employed?
Section B: Demographic questions	Please indicate your age group.
Section C: Social-cultural (sociocultural) statement questions	I believe that owning luxury products enhances my social status or reputation amongst my peers.
Section D: Income effects statement questions	My income level influences my desire for luxury products.
Section E: Compensation behaviour statement questions	I have experienced a negative emotion that prompted me to purchase a luxury product.
Section F: Interpersonal influences statement questions	I like to know what brands and products make good impressions on others.
Section G: Informative effects statement questions	I frequently gather information from friends or family about a luxury product before I buy.
Section H: Normative effects statement questions	I purchase luxury products for the pleasurable experience it provides.
Section I: Conspicuous luxury consumption statement questions	I often purchase products that some would consider luxury.

3.6. Pilot testing

A pilot study was conducted to ensure that the questions were clear and concise and that the desired results in refining the questionnaire were ascertained (Saunders & Lewis, 2012). The importance of piloting is not limited to ensuring that survey questions perform properly; piloting also plays a role in ensuring that the research instrument as a whole functions properly (Bryman et al., 2014).

Pretesting questionnaires aids in discovering and resolving unforeseen issues with questionnaire administration, such as wording, question order or length, determining the necessity for any more questions or removing unwanted ones (Saunders & Lewis, 2012).

The sample from the population used to pre-test should be similar in characteristics to those who will be included in the actual study (Bryman et al., 2014). The method of gathering data should be the same as the anticipated for the actual study (Saunders & Lewis, 2012).

3.7 Procedure for data collection

Respondents received a hyperlink that was generated from Qualtrics that served as a formal invitation to participate in the survey. Respondents were provided with a clear statement detailing the study's aims and invited to participate. The link was shared on WhatsApp, LinkedIn and Instagram.

3.8 Data analysis

This study provided descriptive statistics, which are defined as concise descriptive coefficients that summarize a particular data set (Hayes, 2019). Descriptive statistics are broken down into measures of central tendency and measure variability spread (Hayes, 2019). These include the mean, median and mode, while measures of variability include standard deviation, variance, minimum and maximum variables (Hayes, 2019). Encoding was aided by data analysis tools, SPSS (Statistical Program for the Social Sciences), version 27 and AMOS. SPSS was used to analyse the questionnaire variables (Bryman et al., 2014). AMOS assisted with formulating the model fit summary and diagram, which is the Confirmatory Factor Analysis and Path Modelling.

Data analysis measure:

1. Data loaded into an Excel document.
2. Data was cleaned and imported onto SPSS 28 and AMOS.
3. Descriptive statistics analysis.
4. Model fit analysis.
5. Path modelling.

3.9 Validity and Reliability

When conducting research, it is paramount to take into account the validity and reliability of the data collection tools or instruments (Heale & Twycross, 2015). Although they are closely connected, the terms validity and reliability represent various characteristics of the measuring instruments (Heale & Twycross, 2015).

It is paramount to consider the validity and reliability of the data collection tools or instruments when conducting research. The concepts of validity and reliability are closely related; however, they express different properties of the measuring instrument (Heale & Twycross,

2015). Researchers must test both the validity and reliability and ensure that the measuring instrument satisfies the two conditions (Heale & Twycross, 2015). Heale and Twycross (2015) indicate that the degree to which a concept is accurately quantified in a quantitative study is known as validity. The consistency of the results that data collection techniques and processing procedures will yield is referred to as reliability (Chetwynd, 2022).

3.9.1 External validity

External validity refers to the extent to which the findings of a study may be generalized to various populations, locations, and time frames (Heale & Twycross, 2015). Retrieving data that is appropriate for the measuring equipment's intended use is the definition of validity (Chetwynd, 2022). Validity is a measure of how well a measuring tool fulfils its purpose by determining if it measures the behaviour or quality that it is designed to assess (Heale and Twycross, 2015). Respondents were obtained from all nine provinces within South Africa. This ensured that a varied sample was obtained for the external validity of the study.

3.9.2 Internal validity

Internal validity can be defined as the condition that observes the differences between the dependent (Heale & Twycross, 2015). This was expedited by ensuring that all surveys conducted presented the same information to the indicated sample and population. The survey questions were formulated and guided by the research questions and objectives.

3.9.3 Reliability

Reliability relates to the consistency of a measure. A participant completing an instrument meant to measure motivation should have approximately the same responses each time the test is completed (Heale & Twycross, 2015). Bryman et al. (2014) indicate that reliability will be tested with the enrolment of Cronbach's alpha values, as well as composite reliability values. It essentially calculates the average of all possible split-half reliability coefficients. It computes the mean of all feasible split-half reliability coefficients. The alpha correlation is calculated between 0 (no correlation and therefore no internal consistency) and 1 (perfect correlation and so entire internal consistency) (Bryman et al., 2014).

The pilot study was further utilized to measure the reliability of the study, at which the Cronbach Alpha values were above 0.6 for the variables besides income effects, as that particular variable can be deemed as an anomaly due to the importance of including the variable in the study.

3.10 Study limitations

- The sample selection process only targeted participants within a particular ethnic group.
- Snowball sampling may introduce sample bias since participants were recruited through recommendations from current participants, making it non-representative of the general population (Bryman et al., 2014).
- Response bias might have been introduced into the study if the respondents gave answers that were not accurate in reflecting their actual consumption patterns of luxury goods.

3.11 Ethical considerations

This research obtained consent and permission from all participants, followed by a clear description of the purpose and intended outcome of the research that was shared with the respondents. In addition, a guarantee of confidentiality and anonymity of the participants through adherence to the POPI Act pertaining to participants' information. The Wits Business School Academic Ethics Committee reviewed the research proposal as well as the questionnaire and granted ethical clearance before the research was conducted.

Respondents were informed that their responses would be kept confidential and anonymous, and participation would be voluntary. Respondents were not requested to provide their names or identification numbers, as they remained anonymous in the entire completion of the questionnaire. Respondents were advised of their voluntary participation, as a cover letter was provided before they partook in the research questionnaire that provided the following options: 1) I consent and 2) I do not consent. The respondent's data was stored and protected in password-protected storage in order to ensure that the data was adequately secured.

3.12 Chapter Summary

The chapter aimed to interpret the research design and the methodology of the study through the discussion of the research paradigm, population and sample, sampling method, research instruments, pilot testing, data analysis, validity and reliability, and study limitations, followed by ethical considerations, thus concluded the chapter. The next chapter presents and analyses the data collected.

CHAPTER 4: DATA ANALYSIS AND PRESENTATION OF RESULTS

4.1 Introduction

This chapter presented the results attained from the n=234 respondents who completed the online survey. The analysis was concluded utilizing SPSS and AMOS 23. Descriptive statistics is introduced to outline the demographic profile of the respondents, followed by an interpretation of the measurement scales connected to the variables discussed in the study. Reliability and validity measurements are illustrated and discussed. In addition, Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM) are explored and presented. Lastly, the hypotheses test results are presented, and a conclusion of the chapter is provided.

4.2 Descriptive statistics: demographic profile

The following section is descriptive statistics on the demographic profile of the respondents, comprised of open-ended questions, with ethnicity and employment questions being qualifying questions for the participation of the study.

4.2.1 Employment

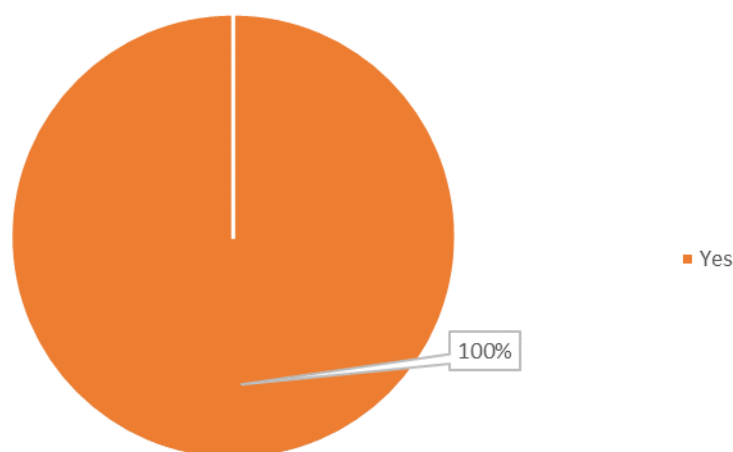


Figure 4.1: Respondents' employment status

Figure 4.1 shows that all respondents were employed as it formed a qualifying question.

4.2.2 Age group

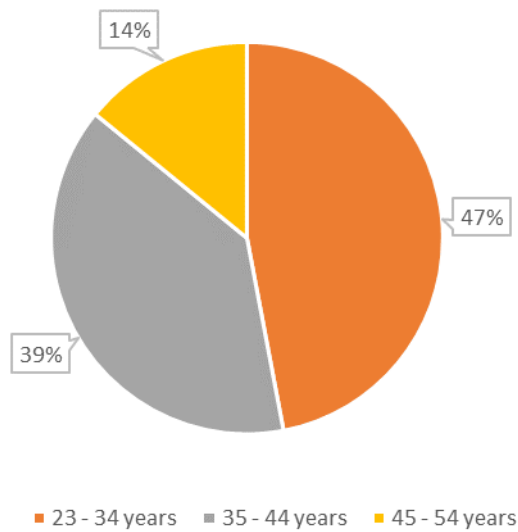


Figure 4.2: Respondents age group

Figure 4.2 indicates that a majority of the respondents were represented in the 23-34 years age group 47% of the respondents, followed by 39% of the respondents between the age range 35-44 years, and lastly, 14% of the respondents consisted of the age range of 45-54 years.

4.2.3 Education level

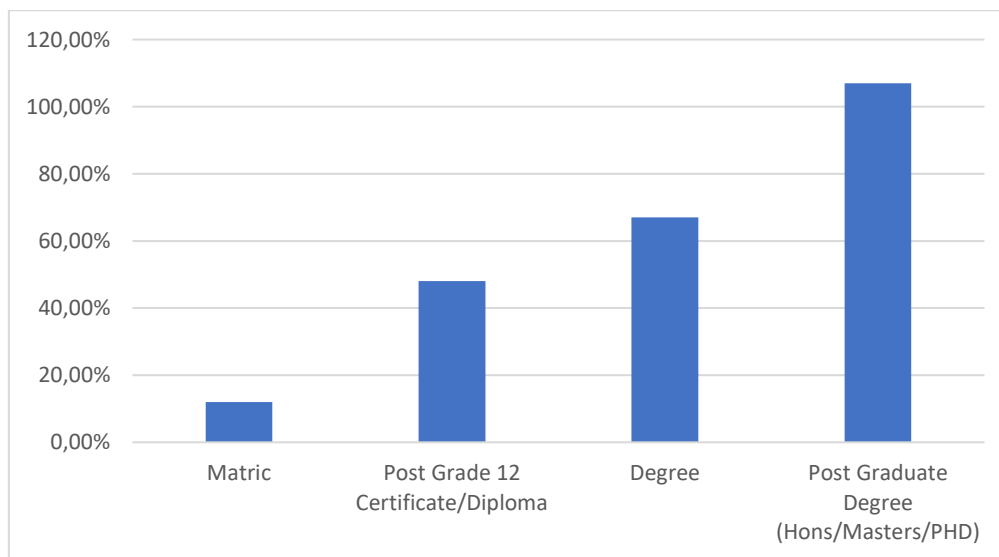


Figure 4.3: Respondents' education level

As presented in Figure 4.3, 45,7% of the respondents possess a postgraduate degree, 28,6% have a bachelor's degree, 20,5% obtained post-grade 12 certificates or diplomas, and lastly, 5.1% have matric.

4.2.4 Occupation level

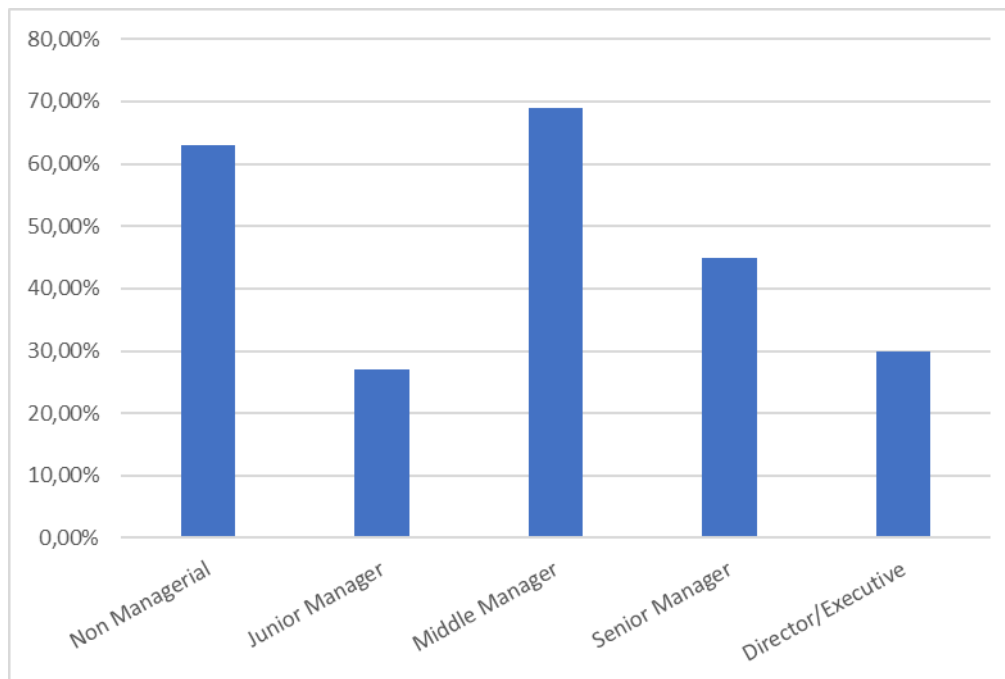


Figure 4.4: Respondents' level of occupation

Figure 4.4 depicts the occupation level of the respondents, with a majority at 29,5% middle management level, followed by non-managerial at 26,9%. 19,2% of the respondents are at senior management level, and 12,8% are directors or executives. Lastly, there was a minority of 11,5% grouped under junior managers.

4.2.5 Income

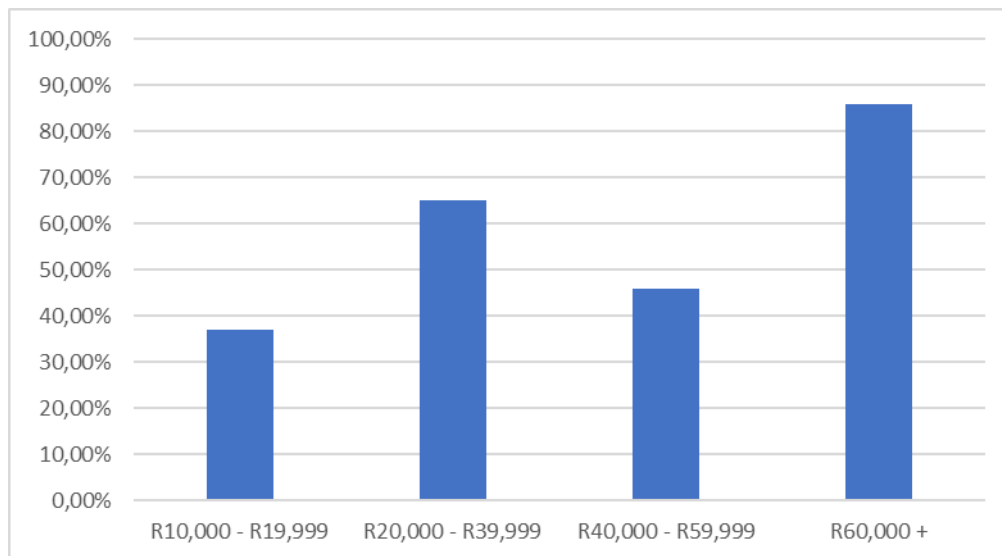


Figure 4.5: Respondents' monthly gross income level

As illustrated in Figure 4.5, 36,8% of the respondents fell under the R60,000 + income bracket, followed by 27,8% that were grouped under the R20,000 – R39,999 income bracket. 19,7% of the respondents earns between R40,000 – R59,999 and lastly, 15,8% were grouped under the R10,000 – R19,999 income level.

4.2.7 Geographic location

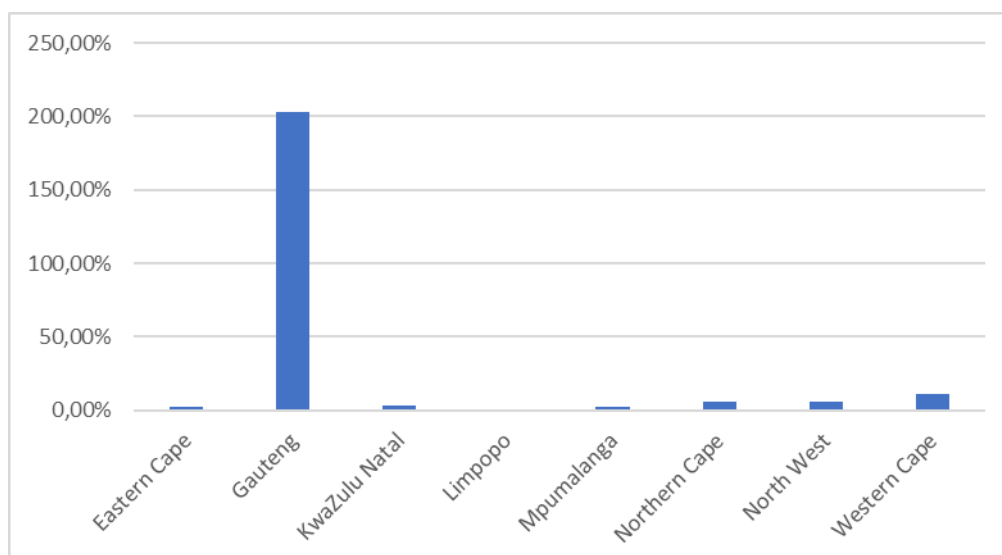


Figure 4.6: Respondent's' geographic location.

Presented in figure 4.6 is the geographic location of all the respondents, whereby Gauteng had the largest number of respondents, 86.8%, The Western Cape had 4.7% respondents, whilst both the Northern Cape and North West had 2.6%. 1.3% were from KwaZulu Natal, and a further minority of 0.9% were from the Eastern Cape and Mpumalanga and lastly Limpopo with 0.4% of the respondents.

4.3 Measurement scales

The following section presents results from the five-point Likert scales of the variables collected from respondents. The results are presented in accordance with the proposed hypotheses and literature.

4.3.1 Social-cultural (sociocultural) factors

4.3.1.1 Social-cultural (sociocultural) factors measurement scales

Table 4.1: Social-cultural (sociocultural) factors measurement scales

Item	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
I feel pressure to own or purchase luxury products based on cultural or societal expectations.	33.8%	21.8%	16.2%	21.8%	6.0%
I believe that spending on luxury brands is a symbol of success or achievement within my cultural or social groups.	39.3%	14.5%	11.1%	23.1%	11.1%
My cultural background or upbringing influences my desire for luxury products.	37.2%	14.1%	15.4%	23.1%	9.8%
It is important for me to fit in with cultural or social groups in terms of owning luxury products.	50.4%	18.4%	12.4%	15.0%	3.0%

Table 4.1 presents a higher percentage of strongly disagreeing with the statements on social-cultural (sociocultural) factors. This implies that respondents did not resonate with the

statements about luxury products based on societal or cultural pressures. 50.4% of the respondents strongly disagreed with the statement of the importance of fitting in with cultural or social groups in terms of owning luxury products. 39.3% also strongly disagreed with the statement that spending on luxury brands is a symbol of success or achievement within their cultural and societal groups. In addition, 23.1% of the respondents somewhat agreed with the statements that their cultural background or upbringing influences their desire for luxury products and that luxury brands are a symbol of success or achievement.

4.3.2 Income effects

4.3.1.2 Income effects measurement scales

Table 4.2: Income effects measurement scales

Item	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
My income level influences my desire for luxury products.	23.1%	16.7%	15.4%	29.5%	15.4%
I believe that owning luxury products is a reflection of my financial success.	38.5%	20.5%	15.8%	19.7%	5.6%
I forgo saving in order to purchase a luxury product/s	45.7%	18.8%	14.1%	15.0%	6.4%

Table 4.2 presents a high percentage of 45,7% of respondents that strongly disagree with the statement that they forgo saving in order to purchase luxury products. 38.5% strongly disagree with the statement that owning luxury products is a reflection of their success. 29.5% somewhat agree that their income level influences their desire for luxury products. This affirms that respondents are not influenced by the desire for luxury products based on their income levels. There was also a good number of respondents who somewhat disagreed with all three statements, ranging from 16.7% to 20.5%. A fair amount of between 14.1% and 15.8% were neutral in all three statements. This substantiates that respondents neither agree nor disagree that their income levels influence their desire for luxury products.

Table 4.3: Compensatory behaviour measurement scales

Item	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
I have experienced a negative emotion that prompted me to purchase a luxury product.	45.3%	17.1%	12.8%	19.7%	5.1%
I believe that owning luxury products can help me cope with negative events or emotions.	60.3%	14.5%	9.4%	12.0%	3.8%
I believe that owning luxury products is a way to gain acceptance by others.	48.7%	13.2%	14.5%	18.4%	5.1%

As shown in Table 4.3, 60.3% of the respondents strongly disagree with the statement that they believe that owning luxury products can help them cope with negative events or emotions, 14.5% were neutral to the statement, and 12.0% somewhat agreed. This confirms that the majority of the respondents do not believe that owning luxury products can help them cope with negative ordeals. 48.7% strongly disagreed that owning luxury products is a way to gain acceptance by others, 18.4% somewhat agreed, and 14.5% were neutral to the statement, meaning that they neither agreed nor disagreed with the statement. 45.3% of the respondents affirmed that they strongly disagree with the statement that they have experienced a negative emotion that prompted them to purchase a luxury product, and 17.1% further somewhat disagreed with the statement. 19.7% somewhat agreed, and 12.8% were neutral, stating that they neither agreed nor disagreed with the statement.

Table 4.4: Interpersonal influences measurement scales

Item	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
I like to know what luxury products make good impressions on others.	31.2%	17.1%	22.6%	23.1%	6.0%
When buying luxury products, I generally purchase those brands that I think others will approve of.	56.0%	16.7%	8.5%	13.2%	5.6%
I purchase luxury products as a means to improve my social image in society.	47.9%	16.7%	14.1%	16.2%	5.1%

56.0% of the respondents strongly disagreed that when buying luxury products, they generally purchase the brands that they think others will approve of, as presented in Table 4.4. 16.7% somewhat disagreed with the statement, whilst 13.2% somewhat agreed. 47.9% of the respondents strongly disagreed that they purchase luxury products as a means to improve their social image in society, and 16.7% somewhat disagreed with the statement. 16.2% somewhat agreed with the probability of purchasing luxury products as a means to improve their social image in society, and 14.1% were neutral; thus, neither agreed nor disagreed with the statement. 31.2% of the respondents strongly disagreed that they like to know what luxury products make good impressions on others, with 17.1% somewhat

disagreeing with the statement. 23.1% somewhat agreed with the statement that they like to know what luxury products make good impressions on others, and 22.6% neither agreed nor disagreed with the statement by being neutral.

Table 4.5: Informative effects measurement scales

Item	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
I frequently gather information from friends or family about a luxury product before I buy.	48.7%	12.0%	15.4%	17.9%	6.0%
I have purchased a luxury product because I saw someone else owning or using it.	35.5%	10.7%	12.8%	31.6%	9.4%
I often identify with other people by purchasing the same luxury product/s they purchase.	52.1%	17.5%	10.7%	15.0%	4.7%

Table 4.5 indicates that 52.1% of the respondents strongly disagreed that they often identify with other people by purchasing the same luxury products they purchase, and 17,5% somewhat disagreed with the statement. 15.0% somewhat confirmed the aforementioned statement by somewhat agreeing, whilst 10.7% neither agreed nor disagreed, and lastly, only 4.7% of the respondents strongly agreed. 48.7% strongly disagreed with the statement that they frequently gather information from friends or family about a luxury product before they buy, and 12.0% somewhat disagreed with the statement. 17.9% somewhat agreed to assert that they frequently gather information from friends and family about a luxury product before they buy, 15,4% of the respondents presented a neutral response to the statement, and 6.0% strongly agreed.

Table 4.6 Normative Effects Measurement Scales

Item	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
I purchase luxury products for the pleasurable experience it provides	15.4%	11.1%	12.8%	28.2%	32.5%
I often purchase luxury products to stand out from the crowd.	42.7%	13.7%	12.8%	23.9%	6.8%
The status associated with owning luxury products is important to me.	47.4%	21.8%	12.0%	16.2%	2.6%

Table 4.6 indicates that the majority of the respondents, 47.4%, strongly disagreed that the status that is associated with owning luxury products is important to them, and 21.8% also somewhat disagreed with the statement. 16.2% somewhat agreed by confirming that the status that is associated with owning luxury products is important to them, with 12.0% neither agreeing nor disagreeing by being neutral and lastly, 2.6% strongly agreed. 42.7% of the respondents strongly disagree with the statement that they often purchase luxury products to stand out from the crowd, while 23.9% somewhat agree with the statement, 12.8% are neutral by neither agreeing nor disagreeing, and 6.8% strongly agree. 32.5% affirm that they purchase luxury products for the pleasurable experience they provide, with a strong agreement to the statement, and 28.2% of the respondents somewhat agree. 15.4% strongly disagree with the pleasurable experience of luxury products, whilst 11.1% somewhat disagree. Lastly, 12.8% present a neutral stance that neither agrees nor disagrees with the aforementioned statement.

Table 4.7 Conspicuous Luxury Consumption Measurement Scales

Item	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
I often purchase products that people would consider luxury.	12.3%	9.7%	15.1%	27.8%	35.1%
I purchase luxury products that will set me apart from others.	10.6%	12.9%	6.2%	30.2%	40.1%
I often feel happier after making a luxury purchase.	13.1%	12.6%	7.0%	17.7%	49.6%

Table 4.7 presents that the majority of the respondents, 49.6%, strongly agreed with the statement that they often feel happier after making a luxury purchase, 17.7% somewhat agreed, 13.1% strongly disagreed, 12.6% somewhat agreed, and 7.0% remained neutral. This is followed by 40.1% who strongly agreed that they purchase luxury products that will set them apart from others; 30.2% somewhat agreed, 12.9% somewhat disagreed, 10.6 % strongly disagreed, and 6.2% were neutral by neither agreeing nor disagreeing with the statement. 35.1% strongly agreed that they often purchase products that people would consider as a luxury, 27.8% somewhat agreed with the statement, 15.1% remained neutral by neither agreeing nor disagreeing, whilst 12.3% strongly disagreed and 9.7% somewhat agreed.

4.3 Testing reliability and validity

The following segment presents the reliability and validity results that tested the measurement scales of the presented variables.

4.3.1 Cronbach Alpha

The Cronbach Alpha is articulated to be a measure of internal consistency (Taber, 2018). Alpha values are designated to have a threshold of 0.6 to be at a sufficient or satisfactory level (Tavakol & Dennick, 2011). The study constructs presented in Table 4.8 show a satisfactory level of the alpha values of the constructs, with the exception of one variable income effect that has a low value of 0.48. The slight increase of questions could have possibly led to the acceptable value for Cronbach Alpha. According to Tavakol and Dennick (2011), a low value of alpha could be due to a low number of questions. Thus, the questions could not be removed, as the variable is an integral part of the study.

Table 4.8: Cronbach's alpha

Research Construct		Descriptive Statistics		Cronbach's Test		C.R. Value	AVE Value	Factor Loading
		Mean Value	Standard Deviation	Item - total	α value			
SCF	Q8SCF_1	2,44	1,32	0,62	0,78	0,64	0,49	0,69
	Q8SCF_2	2,52	1,48	0,59				0,74
	Q8SCF_3	2,53	1,43	0,50				0,56
	Q8SCF_4	2,01	1,23	0,63				0,76
IE	Q9IE_1	2,97	1,42	0,35	0,49	0,73	0,32	0,44
	Q9IE_2	2,33	1,31	0,40				0,79
	Q9IE_3	2,18	1,32	0,19				0,34
CB	Q10CB_1	2,22	1,34	0,51	0,71	0,65	0,44	0,55
	Q10CB_2	1,85	1,23	0,56				0,68
	Q10CB_3	2,18	1,34	0,52				0,76
IPI	Q11IPI_1	2,56	1,30	0,59	0,80	0,62	0,49	0,66
	Q11IPI_2	1,96	1,30	0,69				0,77
	Q11IPI_3	2,14	1,31	0,64				0,82
INFE	Q12INFE_1	2,21	1,37	0,51	0,75	0,65	0,44	0,56
	Q12INFE_2	2,69	1,46	0,61				0,73
	Q12INFE_3	2,03	1,29	0,63				0,83
NRME	Q13NRME_1	3,51	1,43	0,44	0,74	0,65	0,40	0,44
	Q13NRME_2	2,38	1,41	0,69				0,77
	Q13NRME_3	2,05	1,22	0,61				0,90
CLC	Q14CLC_1	3,67	1,33	0,68	0,72	0,64	0,51	0,60
	Q14CLC_2	2,54	1,32	0,67				0,73
	Q14CLC_3	2,07	1,26	0,59				0,82

SCF: Social-cultural (sociocultural) factors

IE: Income effects

CB: Compensatory behaviour

IPI: Interpersonal influences

INFE: Informative effects

NRME: Normative effects

CLC: Conspicuous luxury consumption

4.3.2 Composite reliability

Composite reliability is a measure of internal consistency in scale items (Padilla and Divers, 2016); composite reliability is correlated through a structural equation model (SEM) and is proportionate to coefficient omega (Padilla & Divers, 2016). Presented in Table 4.9 are composite reliability values that vary between 0.84 and 0.76, with the exception of Q9IE_1 and Q9IE_3, which had a low standardised estimate and thus resulted in the low number of the composite reliability for IE.

Table 4.9: Composite reliability

Standardised regression Estimates (all variables and instruments included)							
			Estimate	Composite reliability (CR)			
				$(\sum \lambda Y_i)^2$	$\sum \epsilon_i$	summation of error terms	$CR\eta=(\sum \lambda y_i)^2/[(\sum \lambda y_i)^2+(\sum \epsilon_i)]$
							CR
SCF	<---	Q8SCF_1	0,69	7,57	0,52	1,40	0,84
	<---	Q8SCF_2	0,74		0,45		
		Q8SCF_3	0,56				
	<---	Q8SCF_4	0,76		0,43		
IE	<---	Q9IE_1	0,44	2,47	0,81	2,06	0,54
	<---	Q9IE_2	0,79		0,37		
	<---	Q9IE_3	0,34		0,88		
CB	<---	Q10CB_1	0,55	3,93	0,70	1,67	0,70
	<---	Q10CB_2	0,68		0,53		
	<---	Q10CB_3	0,76		0,43		
IPI	<---	Q11IPI_1	0,66	5,07	0,56	1,30	0,80
	<---	Q11IPI_2	0,77		0,41		
	<---	Q11IPI_3	0,82		0,33		
INFE	<---	Q12INFE_1	0,56	4,54	0,68	1,45	0,76
	<---	Q12INFE_2	0,73		0,46		
	<---	Q12INFE_3	0,83		0,31		
NRME	<---	Q13NRME_1	0,44	4,44	0,81	1,41	0,76
	<---	Q13NRME_2	0,77		0,41		
	<---	Q13NRME_3	0,90		0,19		
CLC	<---	Q14CLC_1	0,60	4,60	0,64	1,44	0,76
	<---	Q14CLC_2	0,73		0,47		
	<---	Q14CLC_3	0,82		0,33		

- SCF:** Social-cultural (sociocultural) factors
- IE:** Income effects
- CB:** Compensatory behaviour
- IPI:** Interpersonal influences
- INFE:** Informative effects
- NRME:** Normative effects
- CLC:** Conspicuous luxury consumption

4.4 Validity measures

4.4.1 Discriminant validity

The process of establishing discriminant validity requires a suitable Average Variance Extracted (AVE) analysis (Zait & Berteau, 2011). The purpose of an AVE analysis is to determine if the square root of any AVE value associated with a construct is greater than the correlation between any latent constructs (Ronkko & Cho, 2022). The value of AVE for each construct should be at least 0.50 (Zait & Berteau, 2011). The AVE values presented in Table 4.10 vary between 0.57 and 0.69 and are thus deemed to be above the correlation coefficients (Ronkko & Cho, 2022).

Table 4.10: Average variance extracted

Average Variance Extraxted			Estimate	λy_i^2	$\sum \lambda y_i^2$	$\hat{\epsilon}_i$	$\sum \hat{\epsilon}_i$	$\sum \lambda y_i^2 / (\sum \lambda y_i^2 + \sum \hat{\epsilon}_i)$
SCF	<---	Q8SCF_1	0,69	0,48	1,92	0,31	1,25	0,61
	<---	Q8SCF_2	0,74	0,55		0,26		
		Q8SCF_3	0,56	0,31		0,44		
	<---	Q8SCF_4	0,76	0,57		0,24		
IE	<---	Q9IE_1	0,44	0,19	1,57	0,56	1,43	0,52
	<---	Q9IE_2	0,79	0,63		0,21		
	<---	Q9IE_3	0,34	0,12		0,66		
CB	<---	Q10CB_1	0,55	0,30	1,33	0,46	1,02	0,57
	<---	Q10CB_2	0,68	0,47		0,32		
	<---	Q10CB_3	0,76	0,57		0,25		
IPI	<---	Q11IPI_1	0,66	0,44	1,70	0,34	0,75	0,69
	<---	Q11IPI_2	0,77	0,59		0,23		
	<---	Q11IPI_3	0,82	0,67		0,18		
INFE	<---	Q12INFE_1	0,56	0,32	1,55	0,44	0,87	0,64
	<---	Q12INFE_2	0,73	0,54		0,27		
	<---	Q12INFE_3	0,83	0,69		0,17		
NRME	<---	Q13NRME_1	0,44	0,19	1,59	0,56	0,89	0,64
	<---	Q13NRME_2	0,77	0,59		0,23		
	<---	Q13NRME_3	0,90	0,81		0,10		
CLC	<---	Q14CLC_1	0,60	0,36	1,56	0,40	0,86	0,65
	<---	Q14CLC_2	0,73	0,53		0,27		
	<---	Q14CLC_3	0,82	0,67		0,18		

4.4.2 Inter-construct correlation matrix

The inter-item correlation matrix is exhibited in Table 4.11, whereby the results range from 0.50 to 0.64. This identifies how closely related different variables are, and it is therefore considered that the closer the number is to 1 (or -1), the stronger the correlation (Paulsen & BrckaLorenz, 2017).

Table 4.11: Inter-item correlation matrix

	SCF	IE	CB	IPI	INFE	NRME	CLC
Social-cultural (sociocultural) factors (SCF)	1						
Income effects (IE)	.64	1					
Compensatory behaviour (CB)	.59	.50	1				
Interpersonal influences (IPI)	.64	.63	.64	1			
Informative effects (INFE)	.50	.53	.54	.66	1		
Normative effects (NRME)	.60	.58	.57	.68	.56	1	
Conspicuous Luxury Consumption (CLC)	.52	.55	.51	.62	.51	.621	1

** Correlation is significant at the 0.01 level (2-tailed).

4.4.3 Highest shared value

The discriminant validity was assessed using Fornell and Larcker (1971), indicating that the Average Value Extracted (AVE) above 0.50 signified strong validity of both the concept and the individual variables (Hamid, Sami & Sidek., 2017). Discriminant validity is confirmed by the data in Table 4.12, which shows that the AVE is more than the maximum shared values.

Table 4.12: Highest Shared Value

	SCF	IE	CB	IPI	INFE	NRME	CLC
SCF	1	.64	.59	.64	.50	.60	.51
IE	.64	1	.50	.63	.52	.58	.63
CB	.59	.50	1	.64	.54	.57	.50
IPI	.64	.63	.64	1	.66	.67	.52
INFE	.50	.52	.54	.66	1	.56	.53
NRME	.60	.58	.57	.67	.56	1	.60
CLC	.51	.63	.50	.52	.53	.60	1

** Correlation is significant at the 0.01 level (2-tailed).

** Numbers in bold italic represent the highest correlation shared by two variables.

SCF: Social-cultural (sociocultural) factors

IE: Income effects

CB: Compensatory behaviour

IPI: Interpersonal influences

INFE: Informative effects

NRME: Normative effects

CLC: Conspicuous luxury consumption

4.4.3 Model fit assessment

According to Hooper et al. (2008), Structural Equation Modelling (SEM) is a preferred approach among academics in various fields. Structural equation modelling is a comprehensive and wide-ranging field of study that assesses measurement models (i.e., relationships among indicators and latent variables) and to investigate the structural model of the relationships among latent variables (Rigdon, 2016). Structural equation modelling provides a quantitative method for evaluating substantive theories, and it explicitly accounts for measurement inaccuracy (Hooper et al., 2008).

A collection of indices attracts a researcher to select those that illustrate a good model fit (Goretzko, Siemund & Sterner., 2024). The selected indices below offer an interpretive value in evaluating the exploration of the model fit presented in Table 4.13 (Hooper et al., 2008).

Table 4.13: Model fit assessment

Model Fit	Acceptable Threshold	Outcome
CMIN/DF	<3	2,42
NFI	>0,90	0,92
GFI	>0,90	0,94
RFI	>0,90	0,90
IFI	>0,90	0,97
TLI	>0,90	0,95
CFI	>0,90	0,97
RMSEA	<0,08	0,04

CMIN/DF – Chi-square test

NFI – Normed Fit Index

GFI – Goodness of Fit Index

RFI – Relative Fit Index

IFI – Incremental Fit Index

TLI – Tucker-Lewis Index

CFI – Comparative Fit Index

RMSEA – Random Measurements of Standard Error Approximation

a. Chi-square (X^2/DF)

The Chi-Square value is the usual metric for evaluating the overall model fit and assesses the magnitude of discrepancy between the sample and fitted covariances matrices (Hooper et al., 2008). According to Goretzko et al. (2024), an acceptable ratio for this statistic ranges from as high as 5.0 to as low as 2.0. Presented in Table 4.13 is a chi-square value of 2.42, thus confirming that this is an appropriate fit.

b. Normed fit index

This index is a statistic that assesses the model by comparing the x^2 value of the model to the x^2 of the null model (Hooper et al., 2008). Values for this statistic range between 0 and 1. However, Goretzko et al. (2024) highlight that values greater than 0.90 indicate a good fit. The value exhibited in Table 4.13 is 0.92 and above the aforementioned good fit, therefore confirming that this is an acceptable threshold.

c. Goodness of fit index

This index calculates the proportion variance that is accounted for by the estimated population covariance (Hooper et al., 2008). Values with 0.90 coefficients or greater demonstrate well-fitting models (Hooper et al., 2008). The value in the study and presented in Table 4.13 is 0.94 and is therefore considered an acceptable threshold as it is greater than 0.90.

d. Relative fit index

RFI close to 1 indicate a good fit. Therefore, the value in Table 4.13 is 0.90 and can be deemed a good fit as it is close to value 1.

e. Incremental fit index

A value over 0.90 is considered a good fit and thus is exhibited in Table 4.13, which is 0.97, which confirms that the model is a good fit as the value is greater than 0.90.

f. Tucker-Lewis index

This index resolves some of the issues of negative bias (Hooper et al., 2008). A TLI value close to 1 indicates a good fit, with values above 0.90 generally considered acceptable (Hooper et al., 2008). The value exhibited in Table 4.13 is 0.95 and is close to 1, therefore attributing a good fit.

g. Comparative fit index

Values for these statistics range between 0.0 and 1.0, with values closer to 1.0 indicating a good fit to ensure that unspecified models are not accepted (Hooper et al., 2008). The value presented in Table 4.13 is 0.97 and is closer to 1.0, thus indicating a good model fit.

h. Random measurements of standard error approximation

The RMSEA informs us how well the model, with unknown but optimally chosen parameter estimates, would fit the population covariance matrix (Hooper et al., 2008). RMSEA values range from 0 to infinity, and lower values illustrate a better fit. The value presented in Table 4.13 is 0.04, which is less than 0.05 and, therefore, indicates a close model fit.

4.5 Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) examines the connection between observed indicators and underlying latent variables, serving as a foundational stage in structural equation modelling (SEM) (Harrington, 2009). The hypothesis-type nature of CFA is one of its core characteristics (Brown, 2015). CFA is used during the process of scale development to examine the latent structure of a research instrument and, therefore, verifies the number of underlying dimensions of the research instrument factors and the pattern of item-factor relationships (factor loadings) (Brown, 2015).

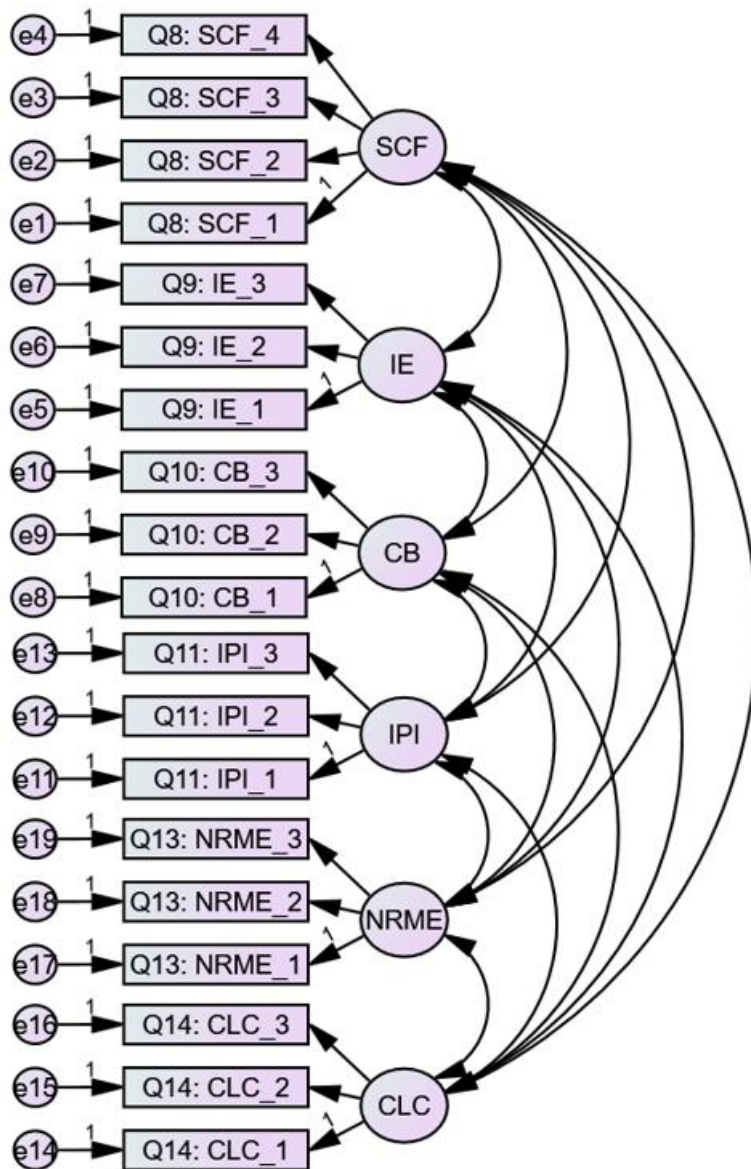


Figure 4.7. Confirmatory Factor Analysis

4.6 Path Modelling and Hypotheses Testing

Figures 4.9 and 4.10 illustrate the Modelling and hypothesis testing.

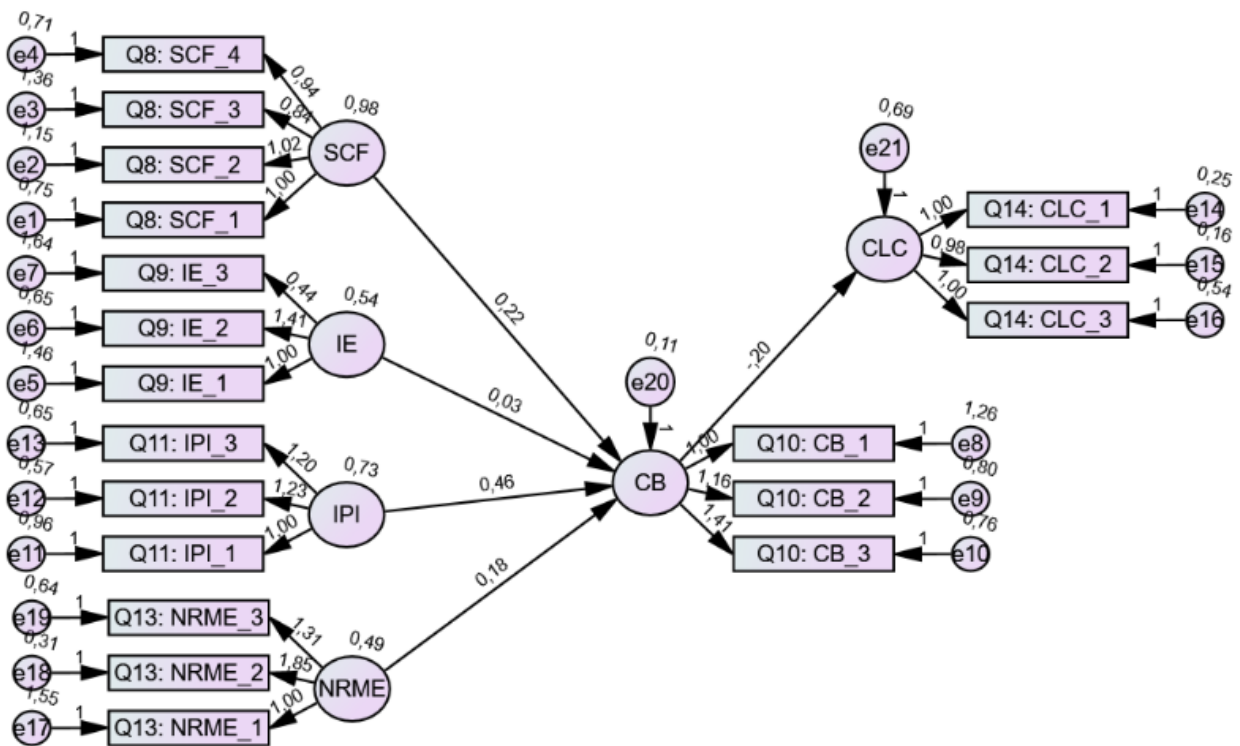


Figure 4.8. Path Modelling

4.6.2 Hypotheses testing

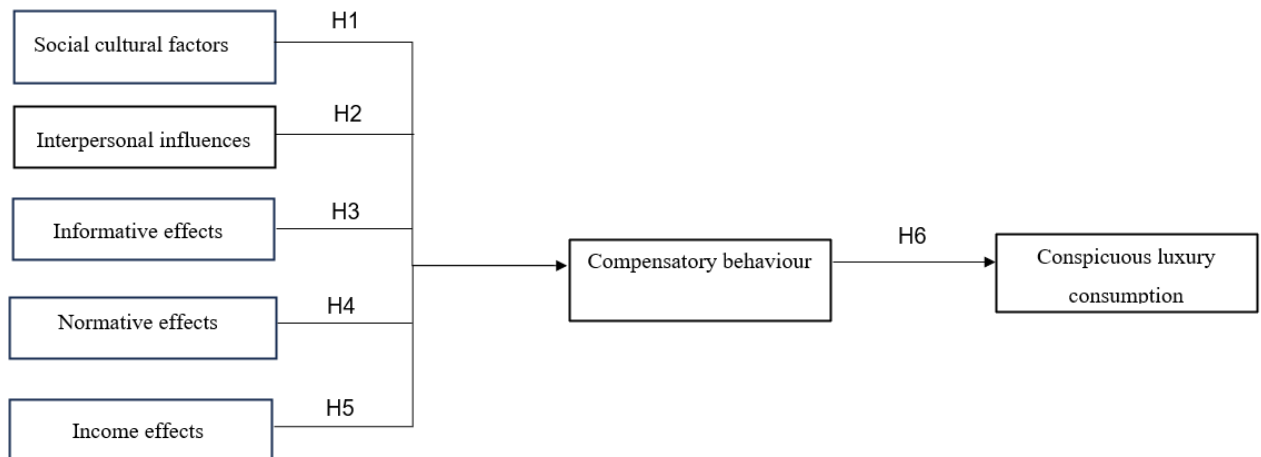


Figure 4.9. Conceptual model

Table 4.14: Hypotheses testing results

Hypothesis	Hypothesised Relationship	Path coefficient	P-value	Outcome
H ₁	SCF → CB	0,51	***	Significant and supported
H ₂	IPI → CB	0,78	***	Significant and supported
H ₃	INFE → CB	0,30	***	Significant and supported
H ₄	NRME → CB	0,12	0,10	Insignificant
H ₅	IE → CB	-0,16	0,12	Insignificant
H ₆	CB → CLC	0,61	***	Significant and supported

Notes: (*ns*) is not significant at *** $p < 0.01$; ** $p < 0.05$; * $p < 0.1$)

SCF=, IE=, NRME=, INFE=, IPI=, CB=

*SCF – Social-cultural (sociocultural) factors

*IPI – Interpersonal influences

*INFE – Informative effects

*NRME – Normative effects

*IE – Income effects

*CB – Compensatory behaviour

*CLC – Conspicuous luxury consumption

4.6.2.1 H1: *Social-cultural (sociocultural) factors have a positive effect on compensatory behaviour*

The path coefficient estimate of H1 was 0.51, and this supports a significant relationship between SCF and CB. 0.01 is the P value presented that was conducted at a 95% confidence interval with a 5% room for error; hence, the P value is less than 5%, thus confirming the acceptance of the results.

4.6.2.2 H2: *Interpersonal influences have a positive effect on compensatory behaviour*

The path coefficient of H2 was 0.78 and thus supports and signifies the relationship between IPI and CB. The relationship was conducted at a 95% confidence interval and 5% room for error, as the P value exhibited is less than 5%, therefore meaning that the results are accepted.

4.6.2.3 H3: *Informative effects have a positive effect on compensatory behaviour*

The path coefficient for H3 was 0.30, and this supports a significant relationship between INFE and CB. The relationship was conducted at a 95% confidence interval with 5% room for error; hence, the P value presented was 0.01, which is less than 5%, which approves a level of confidence in the results.

4.6.2.4 H4: *Normative effects have a positive effect on compensatory behaviour*

The path coefficient for H4 was 0.12, and this indicates that the relationship between NRME and CB is not supported. The P value exhibited was 0.10, which was above 5%, and hence, the proposed hypothesis must be rejected and accept the null that NRME does not have a positive and significant relationship with CB.

4.6.2.5 H5: *Income effects have a positive effect on compensatory behaviour*

The path coefficient for H5 was -0.16, and this indicates that the relationship between IE and CB is not supported. The P value displayed was 0.12, which is above 5%, and therefore, we have to reject the proposed hypothesis and accept the null that IE does not have a positive and significant relationship with CB.

4.6.2.5 H5: *Compensatory behaviour has a positive effect on conspicuous luxury consumption*

The path coefficient for H6 was 0.61 and, therefore, supports a significant relationship between CB and CLC. The relationship was conducted at a 95% confidence interval with 5% room for error. The P value exhibited was a 0.01 level of confidence, which is less than 5%, meaning that the results can be accepted.

4.8 Chapter Summary

In conclusion, this chapter extensively presented the statistical analysis of the results found from the data collected from 234 respondents, which were then analysed through SPSS and AMOS 28. The study considerably meets the reliability and validity requirements connected to the measuring instrument with an anomaly of one variable that had a Cronbach Alpha of below 0.6, which was identified as the acceptable threshold. A path model and Confirmatory factor analysis were presented from the hypotheses testing and conceptual framework. The hypotheses test results indicated that only H1, H2, H3 and H6 were significant and supported, thus leaving H4 and H5 as outliers with results of insignificant relationships. Chapter 5 will delve into in-depth discussions of the hypotheses' results.

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

The following chapter extensively discusses and interprets the results from Chapter 4 with a desired focus on the study's research hypotheses and conceptual framework that were presented in the literature review section. The results were derived from the 234 respondents who answered the questionnaire. The conclusions and findings were supported by examining and analysing the data collected from the online survey. The high number of responses was attributed to the snowballing sampling technique utilized in reaching the targeted sample by sending the questionnaire link to contacts on social media platforms such as WhatsApp and LinkedIn.

Descriptive statistical analysis was utilized to illustrate the percentages of each of the open-ended questions and statements in the survey. There were 261 respondents. However, 27 respondents were excluded from the data based on the qualifying questions about their ethnicity and employment status. The discussion further draws on the corroborating literature from prior studies.

5.2 Demographic profile of respondents

The respondents in the study were mainly black respondents, as black South Africans were the focus of the research, thus showing a 100% representation. The age group of the respondents was 47% of the 23-34 years, followed by 39% of those between 35-44 years. Lastly, the 45-54 age range presented a minority of 14%. There was a full presentation of employed respondents from the 236 that participated in the survey. The respondents' level of education = varied, thus reflecting a diverse representation of the respondents, whereby 45.7% obtained a Postgraduate education level, followed by 28.6% with a bachelor's degree, 20.5% obtained a post-grade 12 certificate or diploma and 5.1% with matric. Makhita (2021) discovered that consumers' willingness to pay premium pricing for luxury goods varied depending on their educational attainment. Therefore, the education level representation from the study is paramount in establishing the aforementioned differences.

The occupation level of the respondents varied in that 29.5% were predominantly on the middle management level, followed by 26.9% on the non-managerial level, 19.2% represented senior manager roles, 12.8% were directors or executives and lastly, 11.5% being on the junior manager level. The income levels of the respondents also varied tremendously as a majority of 36.8% fell under the R60,000+ income bracket, 27.8% were between the R20,000 – R39,999 income range, 19.7% between R40,000 – R59,999 and lastly, 15.8% fell under the R10,000 – R19,999 income level. According to Wang et al. (2011), there are disparities in the spending patterns of luxury customers across different luxury brand categories as a result of their varying income levels. This means that consumers' buying behaviours towards luxury brands vary by income level. Evidence by Adele et al.(2016) indicates that the buying patterns of black consumers vary across various income brackets.

The survey tendered respondents from differing geographic locations. However, the majority of 86.8% of respondents were from Gauteng, 4.7% from the Western Cape, 2.6% from the Northwest and Northern Cape, 1.3% from KwaZulu Natal, 0.9% from Eastern Cape and Mpumalanga and 0.4% from Limpopo.

Table 5.1: Respondents demographic profiles

Ethnicity	Frequency	Percentage
Black	234	100.0%
Total	234	100%
Age group	Frequency	Percentage
23-34	110	47.0%
35-44	91	39.9%
45-54	33	14.1%
Total	234	100%
Education	Frequency	Percentage
Matric	12	5.1%
Post Grade 12 Certificate/Diploma	48	20.5%
Degree	67	28.6%
Post Graduate Degree (Hons/Masters/PhD)	107	45.7%
Total	234	100%
Occupation	Frequency	Percentage
Non-Managerial	63	26.9%
Junior Manager	27	11.5%
Middle Manager	69	29.5%

Senior Manager	45	19.2%
Director/Executive	30	12.8%
Total	234	100%
Income	Frequency	Percentage
R10,000 - R19,999	37	15.8%
R20,000 - R39,999	65	27.8%
R40,000 - R59,999	46	19.7%
R60,000 +	86	36.8%
Total	234	100%
Location	Frequency	Percentage
Eastern Cape	2	0.9%
Gauteng	203	86.8%
KwaZulu Natal	3	1.3%
Limpopo	1	0.4%
Mpumalanga	2	0.9%
Northern Cape	6	2.6%
North West	6	2.6%
Western Cape	11	4.7%
Total	234	100%

Lastly, the respondents from the study are all black and employed, as participants who indicated that they were not employed nor chose others as an ethnic group were subsequently excluded from the study.

5.3 Discussion of Hypotheses Results

Presented in Table 5.1 is a synopsis of the hypotheses test, which will be followed by an extensive discussion of each hypothesis based on established empirical results.

Table 5.2: Summary of Hypotheses results

Hypothesis	Hypothesised Relationship	Path coefficient	P-value	Outcome
H ₁	SCF → CB	0,51	***	Significant and supported
H ₂	IPI → CB	0,78	***	Significant and supported
H ₃	INFE → CB	0,30	***	Significant and supported
H ₄	NRME → CB	0,12	0,10	Insignificant
H ₅	IE → CB	-0,16	0,12	Insignificant
H ₆	CB → CLC	0,61	***	Significant and supported

5.3.1 Social-cultural (sociocultural) factors and compensatory behaviour

The study proposed that there is a positive relationship between social-cultural (sociocultural) factors and compensatory behaviour. The path coefficient estimate of H1 was 0.51, with a P value of 0.01, which indicates that the relationship is significant and supported. This proves and provides evidence that higher levels of social-cultural (sociocultural) factors are associated with a greater probability of engaging in compensatory behaviour.

This aligns with the study conducted by Koles et al. (2018), whereby social-cultural (sociocultural) factors and compensatory behaviour have been identified as ways in which social interactions can impact an individual's tendency to engage in compensatory actions of consuming luxury brands. Social comparison, social pressure and social status have been identified as the key components of social culture.

Social comparison: individuals often compare themselves to others in social situations. Whereby if they are perceived as falling short in comparison to their peers, they may engage in compensatory behaviour to restore a sense of balance and self-worth (Koles et al., 2018). Sahn and Nasir (2022) state that consumers with fewer possessions than others compare themselves to wealthier individuals, acknowledge the difference in possessions and regain their sense of superiority by acquiring and showcasing similar possessions through actions of compensating for perceived deficiencies and reinforcing their feeling of superiority. Therefore, consumers will be motivated to restore superiority through the consumption of luxury brands to retain a sense of balance.

Social pressure as a component of social-cultural (sociocultural) factors highlights that external pressures from social groups or expectations can contribute to compensatory behaviour (Koles et al., 2018). Conforming to societal standards or meeting social expectations may drive individuals to engage in actions to compensate for perceived inadequacies (Mandel et al., 2017).

Social status as an attribute of social-cultural (sociocultural) factors indicates that consumers' position or rank within a social structure proves that consumers within a specific position engage in compensatory behaviour to preserve or improve their perceived social standing by conspicuously consuming expensive products (Mandel et al., 2017).

A study conducted by Adele et al. (2016) on conspicuous consumption by wealthy black South Africans found that a sense of relative hardship had a role in motivating them to aspire to emulate the lifestyle of a more privileged, predominantly white reference group.

However, after achieving a certain level of success, the goal became to sustain a similar quality of life as wealthy individuals within the black community, who were considered part of the participants' peer group.

Koles et al. (2018) found that the goals prompting engagement in compensatory behaviour are a combination of needs aimed at achieving social status, reputation, and rank used to exhibit affluence and prestige through the consumption of luxury products.

5.3.2 Interpersonal influences and compensatory behaviour

The path coefficient of H2 was 0.78 and thus supports and signifies the relationship between IPI and CB. The relationship was conducted at a 95% confidence interval and 5% room for error, as the P value exhibited is less than 5%, therefore meaning that the results were accepted. This suggests that customers enhance their self-image in the eyes of others by acquiring and utilising luxury items accelerated by compensatory behaviour that involves actions taken to make up for perceived drawbacks in order to gain validation from others (Mandel et al., 2017).

Chaudhuri and Majumdar (2006) have shown that individuals often conform to the prevailing views of group members when shaping their attitudes, driven by a desire for public acceptance to enhance their self-image. Further evidence also depicts that motivation becomes more prevalent and important when conspicuous consumption is noticeable and is triggered by compensatory behaviour (Chaudhuri & Majumdar, 2006).

The study's results by Koles et al. (2018) confirm that the desire to conform to social norms and gain acceptance within a reference group leads to compensatory behaviour aligned with prevailing group standards. Seeking validation within a reference group by purchasing luxury products can drive compensatory behaviour as consumers strive to meet perceived social expectations (Koles et al., 2018).

The social relationships of friends, family and broader social networks prove the influence and impact of social influences pertaining to the participation of conspicuous consumption of luxury products on compensatory behaviour of consumers, rectifying perceived insufficiencies (Mandel et al., 2017). DongHee Kim (2014) found that consumers experience varied degrees of pressure to conform depending on their particular proclivity to accept social norms imposed by conspicuous reference groups. As a result, the more consumers' susceptibility to interpersonal influence, the more likely they are to engage in status consumption (DongHee Kim, 2014).

5.3.3 Informative effects and compensatory behaviour

The path coefficient for H3 was 0.30, and this supports a significant relationship between informative effects and compensatory behaviour. The relationship was conducted at a 95% confidence interval with 5% room for error; hence, the P value presented was 0.01, which is less than 5%, which approves a level of confidence in the results.

Sahn and Nasir (2022) established that consumers may prevent emotions of exclusion by purchasing products that are acceptable or appropriate and are rewarded with acceptance by the group. Therefore, comprehending social standards leads to an individual's conformity with group norms when purchasing luxury products (Sahn & Nasir, 2022). The aforementioned compliance encourages a consumer to willingly believe in luxury products endorsed or bought by one's social circle (Elibol, 2023). This then implies the positive relationship between informative effects and compensatory behaviour.

The significant role of informative effects and compensatory behaviour is that consumers consistently observe and seek the knowledge of reference groups through social relationships, such as family and friends, when purchasing luxury products in order to gain value for their social identity and status (Koles et al., 2018).

5.3.4 Normative effects and compensatory behaviour

The path coefficient for H4 was 0.12, and this indicates that the relationship between normative effects and compensatory behaviour is not supported. The P value exhibited was 0.10, which was above 5%; hence, the proposed hypothesis was rejected. According to Kastanakis and Balabanis (2014), normative effects and influences have been an important

attribute for symbolic products such as luxuries, especially for public consumption; and further argued that consumers with a higher than average susceptibility to norms are more likely to use luxury products that make a good impression because of their desire to enhance their inter-dependent self-image by associating with their aspirational reference group additionally, by fulfilling the expectations of important individuals in order to obtain rewards.

The results show a different perspective, indicating that the connection between normative influences and compensatory actions is not significant. This contradicts the findings of Kastanakis and Balabanis (2014) and reduces the compensatory behaviours linked to luxury consumption. Respondents may adhere to social norms by following modest and responsible conventional shopping habits showing little interest in luxury items, which leads to a reduced inclination to partake in compensatory behaviours linked to luxury products.

There could be numerous factors that contribute to the negative relationship of normative effects and compensatory behaviour with an inference of conspicuous consumption, as a universal approach cannot be applied as the study provided different age groups of black professionals. Therefore, there could be a layer of generational differences added, whereby it can be noted that different generations respond differently to the appeasing of reference groups through the acquisition of luxury brands, which can contribute to future research.

5.3.5 Income effects and compensatory behaviour

The path coefficient for H5 was -0.16, and this indicates that the relationship between income effects and compensatory behaviour is not supported. The P value displayed was 0.12, which is above 5%, and therefore, we have to reject the proposed hypothesis. A study by Kaus (2013) acknowledges that the substantial rise and increasing purchasing power of black urban consumers are likely to have a growing impact on their luxury products buying behaviour. The results presented have offered a contrasting view of the relationship between income effects and compensatory behaviour, in that the black respondents from this study do not adopt actions or strategies to counteract a perceived deficiency of previously being disadvantaged in order to partake in the consumption of luxury products.

The negative relationship indicates that black consumers, even with their previous dispositions and with their increased affluence and higher-paying professional positions and jobs, individuals may afford luxury products. However, this does not serve as a motivator to

address feelings of inferiority related to power and self-actualization (Klaus-Peter et al., 2007).

Another realm and study by Bhar et al. (2022) demonstrate the democratization of luxury, whereby previously, it was perceived that luxury products were only purchased by consumers with higher incomes, but even those with lower incomes are now consuming luxury products. Therefore, it is evident based on the aforementioned that despite where a consumer falls on the income spectrum, they do not engage in compensatory actions to make up for perceived shortcomings or nullify negative experiences that can lead to the consumption of luxury products.

5.3.6 Compensatory behaviour and conspicuous luxury consumption

The path coefficient for H6 was 0.61, affirming a significant relationship between compensatory behaviour and conspicuous luxury consumption. The relationship was conducted at a 95% confidence interval with 5% room for error. The P value exhibited was a 0.01 level of confidence, which is less than 5%, meaning that the results can be accepted. The findings align with the study by Lisjak et al. (2015), which suggests that conspicuous consumption is deemed as a coping strategy for compensatory behaviour. The coping technique is a method used to make up for perceived deficiencies and uncertainties in their social status. Thus, compensation is reduced by consuming conspicuous luxury things that serve as a signal of social status.

Wang et al. (2023) set out to find out whether there is a connection between conspicuous spending and compensatory behaviour. The results showed that there is a positive correlation between the two actions. According to Wang et al. (2023), research participants may have a belief that conspicuous consumption helps others cope with uncertain times. This might explain their higher predisposition toward such behaviour. Consequently, those who suffer from self-doubt and feel inadequate often find that engaging in conspicuous consumption helps them re-establish their confidence.

A study looking at the South African context, looking at the conspicuous behaviours of wealthy black South Africans, showed that the desire to reach the same level of privilege as a more affluent group seems to be influenced by feelings of relative deprivation.

(Koles et al., 2018), the objectives shifted towards keeping up with rich black individuals who were part of their peer group once they achieved their goals (Koles et al., 2018)

5.4 Chapter Summary

Chapter 5 detailed the demographic characterisation of the research respondents. Furthermore, a comprehensive discussion of the hypotheses displayed that four (4) hypotheses were significant and supported with a P value indicating a 0.01 level of confidence, showing that the aforementioned hypotheses have a positive and significant relationship, whilst the remaining two (2) were proven to insignificant with a P value of 0.10 and 0.1.

The findings show a positive and significant relationship between social-cultural (sociocultural) factors and compensatory behaviour in that it denotes that consumers with fewer possessions than others acknowledge the difference and strive to regain a sense of superiority by acquiring and showcasing similar possessions, engaging in actions to address perceived shortcomings and enhance their feeling of superiority (Koles et al., 2018). The positive and significant relationship between interpersonal influences and compensatory behaviour is affirmed by a study by Chaudhuri and Majumdar (2006) that stipulates that the relationship becomes more prevalent and important when conspicuous consumption is noticeable and is triggered by compensatory behaviour. The findings show a positive relationship between informative effects and compensatory behaviour and is confirmed by a study by Sahn and Nasir (2022) that identifies that consumers may prevent emotions of exclusion by purchasing products that are acceptable or appropriate and are rewarded through group acceptance. The study proved the relationship between normative effects and compensatory behaviour to be insignificant and thus not supported, as that offered an opposing view to the study conducted by Kastanakis and Balabanis (2014). The relationship between income effects and compensatory behaviour also showed that it is not significant and supported. It provides a contrasting view to the research by Kaus (2013) that indicates that income can be a driver of luxury consumption when motivated by compensatory behaviour. The positive relationship between compensatory behaviour and conspicuous luxury consumption was aligned with the studies conducted by (Koles et al., 2018).

The following chapter concludes the research study and has identified limitations that could provide possibilities for future research.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter thoroughly covers the study's conclusions and suggestions based on the results of the hypotheses testing carried out in Chapters 4 and 5. Additionally, the study will discuss the theoretical and practical implications, limitations and recommendations for future research. Chapter 1 presented the purpose of the study, which is to investigate the drivers of conspicuous consumption amongst black South African professionals by drawing on the influence of compensatory behaviour. The drivers were discussed in the following areas: social-cultural (sociocultural) factors, interpersonal influences, informative effects, normative effects, income effects and compensatory behaviour.

The objectives of the study aimed to determine the relationship between social-cultural (sociocultural) factors, interpersonal influences, informative effects, normative effects, income effects and compensatory behaviour. There were six (6) hypotheses proposed and tested, whereby three (4) were deemed to be significant and supported, thus showing a positive relationship and two (2) that provided a negative test, whereby the relationship proved to be insignificant. Both positive (supported) and negative (rejected) results present an opportunity and value for marketers to offer an integrated and targeted marketing and advertising strategy to drive consumer engagement and retention.

6.2 Conclusion of the study

Chapter 1 presented the purpose of the study, which is to investigate the drivers of conspicuous consumption amongst black South African professionals by drawing on the influence of compensatory behaviour. The drivers were discussed in the following areas: social-cultural (sociocultural) factors, interpersonal influences, informative effects, normative effects, income effects and compensatory behaviour.

The objectives of the study aimed to determine the relationship between social-cultural (sociocultural) factors, interpersonal influences, informative effects, normative effects, income effects and compensatory behaviour. There were six (6) hypotheses proposed and tested, whereby three (4) were deemed to be significant and supported, thus showing a positive relationship, and two (2) provided a negative test, whereby the relationship proved

to be insignificant. Both positive and negative results present an opportunity and value for marketers in offering an integrated and targeted marketing and advertising strategy to drive consumer engagement and retention.

6.2.1 Social-cultural (sociocultural) factors and compensatory behaviour

The study shows that there is a positive relationship between social-cultural (sociocultural) factors and compensatory behaviour. The result is further aided by previous studies that had social-cultural (sociocultural) factors as a motivation for conspicuous consumption. Therefore, the findings can contribute to a deeper understanding of how social comparison, social pressure and social status can influence consumers' compensatory behaviour actions associated with the consumption of luxury products.

6.2.2 Interpersonal influences and compensatory behaviour

The results confirm the positive relationship between interpersonal influences and compensatory behaviour, and this presents a myriad of opportunities for marketers to provide more personalized marketing strategies with a focus on emotive advertising that will gain entry and insight into the interpellation of consumers.

6.2.3 Informative effects and compensatory behaviour

The study showed that there is a positive relationship between informative effects and compensatory behaviour, and this can offer academic and marketing practitioners the opportunity to implement more informed marketing strategies that will empower consumers with knowledge and insights into luxury products to increase desirability in the market.

6.2.4 Normative effects and compensatory behaviour

The study established negative results between normative effects and compensatory behaviour, and the relationship proved to be insignificant; therefore, it prompts academics and marketing practitioners to apply a robust targeted segmented and positioning strategy, such as niche marketing, to consumers seeking to defy societal norms and expectations.

6.2.5 Income effects and compensatory behaviour

The results provided a negative test whereby the relationship between income effects and compensatory behaviour proved to be insignificant. This can offer insights for marketing practitioners on how to develop marketing strategies that communicate accessibility, value and quality when it comes to luxury products.

6.2.6: Compensatory behaviour and conspicuous luxury consumption

Marketers can take advantage of the positive correlation between compensatory behaviour and conspicuous consumption to their advantage by developing campaigns that promote a more sustainable consumer culture, one in which people do not place their value on luxury products alone.

6.3 Implications of the study

The following section discusses the theoretical and practical implications of the study.

6.3.1 Theoretical implications

The study contributes to existing literature by offering new insights from a geographic and race perspective. It further contributes to the understanding of consumer behaviour and social-cultural (sociocultural) dynamics, thus indicating that this form of consumption is not homogenous. It further contributes to Veblen's theories of conspicuous consumption as well as the compensatory behaviour model. The study has the potential to expand academic knowledge, as it carries theoretical implications across multiple disciplines beyond Marketing, encompassing sociology and psychology studies. Existing theories and research on consumer behaviour and social dynamics can benefit from increased knowledge of the incentives behind and effects of compensating behaviour on the conspicuous consumption of luxury products.

6.3.2: Practical implications

The growing competition within luxury markets warrants that marketers no longer offer consumers homogenous communication marketing strategies in order for brands to ensure a sustained competitive advantage within the market. According to Sahn and Nasir (2022),

one step ahead of the competition goes to those who have the best understanding of their consumers and act appropriately. Hence, marketing tactics and approaches are inherently intertwined with consumer behaviour.

The findings of the study offer multiple implications for marketers in how to comprehend the motivations and behaviours that drive conspicuous consumption with the influence of compensatory behaviour. Various facets of marketing can be explored, such as advertising messaging, product positioning, retail, consumer education and sustainability.

6.4 Recommendations for future research

The recommendations put forth below are derived from the hypotheses of the study.

6.4.1 Social-cultural (sociocultural) factors and compensatory behaviour

Comprehending the cultural and social values, preferences, and inclinations of consumers is crucial for developing focused marketing campaigns that exploit social and cultural elements to attract specific consumer segments. Enhancing the appeal of luxury products to individual buyers is a strategy for achieving this goal. Retailers can better meet customer needs by designing stores that are inclusive and welcoming to people from diverse backgrounds. Designers, decorators, and customer service representatives may do their part to foster inclusivity and belonging by paying homage to many cultures. Consumers may feel compelled to act in a way that is rooted in their cultural affinity and admiration as a way to compensate for this.

6.4.2 Interpersonal influences and compensatory behaviour

Marketers may increase their use of aspirational branding, which portrays luxury products as symbols of social accomplishment and prestige, by capitalizing on the demonstrated association of interpersonal influences and compensatory behaviour. This approach can address customers' desires to feel better about themselves and their social status. To increase the allure of high-end goods as a way to forge connections with others and strengthen feelings of belonging and status, experiential marketing has the potential to promote and facilitate social interactions and networking opportunities.

6.4.3 Informative effects and compensatory behaviour

Utilizing brand storytelling to communicate the uniqueness of luxury products to consumers and how it can further increase their perceived worth is a significant way to leverage the informative effects and compensatory behaviour relationship. This will ultimately motivate consumers for compensatory actions that are driven by a desire for exclusivity and authenticity. To help buyers make educated purchase decisions based on the perceived value of the product, it is crucial to create comprehensive messaging about luxury goods, including their characteristics and legacy. Marketers may provide customers with more meaningful and informative experiences by giving them more information and insights.

6.4.4 Normative effects and compensatory behaviour

The negative results, proving the relationship between normative influences and compensatory behaviour proved to be insignificant, justify the implementation of niche marketing tactics that focus on precise targeting and appeal to customers who value non-conformity in connection to luxury items as a justification for the rejected association between compensatory behaviours and normative effects. Marketers may take advantage of advertising that encourages non-conformity by targeting customers who are looking to show off their individuality through their purchasing choices.

6.4.5 Income effects and compensatory behaviour

In order to encourage compensating behaviour based on emotional fulfilment rather than financial status, marketers may use emotional storytelling to inspire aspirational feelings. These emotions can resonate with customers across different income levels. The rejected hypothesis between income impacts and compensating behaviour might help make this opportunity more appealing. It is crucial to prioritize inclusion when creating tailored communications for consumers of all income levels. This method has the potential to make luxury more accessible while also dispelling the notion that it is reserved for an elite few. Online and outlet shopping's meteoric rise could make luxury products more accessible to consumers with limited financial means, thus facilitating compensatory behaviour by making luxury goods more inexpensive.

6.4.6 Compensatory behaviour and conspicuous consumption

Marketers can leverage the positive relationship by crafting messages that promote minimalism, simplicity, and mindful consumption through different media channels using social influencers. This strategy can challenge societal norms and present new perspectives on success. Cultural movements such as minimalism have the potential to change attitudes towards consumption and redefine ideas of status and identity.

6.5 Limitations of the study

There are some limitations to the study in that the respondents were predominantly from Gauteng, and therefore, one can argue that it does not represent the broader population and, therefore, gives reference bias whereby respondents were recruited from South Africa. In addition, the demographic profile of the respondents only focused on black professionals and can present bias as there is no representation of the broader population. Improving the allure of luxury products for individual buyers is a strategy to attain this objective. Retailers can enhance customer satisfaction by creating stores that are inclusive and hospitable to individuals from diverse backgrounds.

6.6 Suggestions for future research

Future studies can contribute significantly to the understanding of consumer behaviour by conducting a generational comparative study that draws a comparison between Generation X and Y among black professionals to ascertain how they are differently motivated to participate in the consumption of luxury products with an influence of compensatory behaviour. The study can utilize a qualitative methodology to investigate the motivations behind conspicuous consumption thoroughly. This can be achieved through conducting interviews and observations to gain deeper insights into the drivers of luxury consumption in their natural settings. The relationship between gender and luxury product purchases can be explored within the South African landscape. A study by Vigneron (2017) found that gender influences the purchasing of luxury items and confirmed that male and female buyers take distinct criteria into account when purchasing luxury products. Future studies could explore the democratization of luxury products, as consumers' buying power is increasing, and so is their access to luxury products.

Reference List

- As'ad, A., & Alhadid, A. (2014). The impact of social media marketing on brand equity: An empirical study on mobile service providers in Jordan. *Review of Integrative Business & Economics Research*, 3(1), 315–326.
- Alghanim, S., & Ndubisi, N. O. (2022). The Paradox of Sustainability and Luxury Consumption: The Role of Value Perceptions and Consumer Income. *Sustainability*, 14(1), 1-22.
- Banuri, S., & Nguyen, H. (2023). Borrowing to keep up (with the Joneses): Inequality, debt, and conspicuous consumption. *Journal of Economic Behavior and Organization*, 206(1), 222-242.
- Bearden, W. O., Netemeyer, R. G., & Teel, J. E. (1989). Measurement of Consumer Susceptibility to Interpersonal Influence. *Journal of Consumer Research*, 15(2), 473-481.
- Bhar, S., Sharachchandra, L., & Narasimba, D. R. (2022). Beyond income: correlates of conspicuous and luxury consumption in India. *Sustainability: Science, Practice and Policy*, 18(1), 142-157.
- Bhat, S & Reddy, S.K. (1998). Symbolic and functional positioning of brands. *Journal of Consumer Marketing*, 15(1), 32 – 43.
- Blackwell, R., Miniard, P., & Engel, J. (2001). *Consumer behaviour* (9th ed.). Orlando: Harcourt.
- Brown, T. A. (2015). *Confirmatory factor analysis for applied research* (2nd ed.). The Guilford Press.
- Bryman, A., Bell, E., Hirschsohn, P., Santos, D., & Du Toit, D. (2014). *Research methodology: Business and management contexts*. Oxford University Press.
- Burger, R., Louw, M., Pegado, I. O., Barbara, B., & van der Berg, S. (2015). Understanding consumption patterns of the established and emerging South African black middle class. *Development Southern Africa*, 32(1), 41-56.

- Burnsed, K. A., & Bickle, M. C. (2018). Satisfaction with independent fashion stores environment.
- Carnevale, M., & Kachersky, L. (2022). The influence of interpersonal relationships on brand-related behaviours for gifted brands. *Consumer Psychology*, 33(2), 346-362.
- Chang, S. C., & Nguyen, T. A. (2018). Peer pressure and its influence on consumers in Taiwan. *African Journal of Business Management*, 12(8), 221-230.
- Charoeman, W., & Huang, K.-P. (2018). The antecedents and consequences of conspicuous consumption of luxury fashion goods in a social media platform. *The International Journal of Organizational Innovation*, 11(1), 23-40.
- Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty. *Journal of Marketing*, 65(2), 81-93.
- Chaudhuri, H. D., & Majumdar, S. (2006). Of diamonds and desires: Understanding conspicuous consumption from a contemporary market perspective. *Academy of Marketing Science Review*, 11(4), 1-18.
- Chen, J. G., Liu, Z., Luo, Y., Chen, M., & Bu, L. (2022). Luxury in emerging markets: An investigation of the role of subjective social class and conspicuous consumption. *Sustainability*, 14(2096), 16-33.
- Chetwynd, E. (2022). Critical analysis of reliability and validity in literature reviews. *Journal of Human Lactation*, 38(3), 392-396.
- Chowdhury, F., & Swaminathan, S. (2023). Does reference-group comparison impact compensatory consumption for bottom-of-the-pyramid (BOP) consumers? *Journal of Marketing Theory and Practice* 1(1), 1-24.
- Coopers, P. W. (2012). *South African Retail and Consumer Products Outlook 2012 - 2016*. PWC. Retrieved from <https://www.pwc.co.za/>.

- Corkindale, D. N., M., & Bellman, S. (2021). Product placement and integrated marketing communications effects on an informational TV program. *Journal of Advertising* 1(1), 1-23.
- Cronje, A., Jacobs, B., & Retief, A. (2016). Black urban consumers' status consumption of clothing brands in the emerging South African market. *International Journal of Consumer Studies*, 1(1), 40-60.
- Crosswaite, I. (2014). Afro Luxe: The meaning of luxury in South Africa. *Luxury Brands in Emerging Markets*, 1(1), 187-200).
- Dabija, D. C., Bejan, Brîndua, M., & Tipi, N. (2018). Generation X versus Millennials' communication behaviour on social media when purchasing food versus tourist services. *E+M Economie a Management*, 21(1), 191–205.
- Dawson, H. J. (2022). Faking it or making it: The politics of consumption and the precariousness of social mobility in South Africa. *Journal of the Royal Anthropological Institute*, 29(1), 145-162.
- DeVaney, S. (2015). Understanding the Millennial Generation. *Sustainability* 69(6), 11-14.
- Ding, S., Lin, J., & Zhang, Z. (2020). Influences of reference group on users' purchase intentions in network communities: From the perspective of trial purchase and upgrade purchase. *Sustainability*, 12(1), 1-18.
- DongHee Kim, S. S. J. (2014). Motivational drivers for status consumption: A study of Generation Y consumers. *International Journal of Hospitality Management*, 38(1), 39-47.
- Drago, J. (2006). Generational theory: Implications for recruiting the Millennials. USAWC Strategy Research Project. Pennsylvania: Army War College.(2), 81-93.
- Dubihlela, J. D. (2017). *Young South African consumers' conspicuous consumption*. Routledge Taylor & Francis Group.

- Eastman, J. K., Iyer, R., Eastman, K. L., Gordon-Wilson, S., & Modi, P. (2021). Reaching the price-conscious consumer: The impact of personality, generational cohort, and social media use. *Journal of Consumer Behaviour* 1(1), 1-12.
- Elibol, F. (2023). The effect of conspicuous consumption on brand loyalty and the mediating role of reference groups. *Journal of Administrative Sciences*, 21(1), 1099-1123.
- Four facts about our provincial economies. (2019). Retrieved July 10 from <https://www.statssa.gov.za/?p=12056>.
- Foxall, G. (1990). *Consumer psychology in behavioural perspective*. London: Routledge.
- Fredericks, F., & Yu, D. (2018). Examining employment discrimination in South Africa, 1997–2006. *Development Southern Africa*, 35(4), 1-32.
- Ga-Eun, G. (2021). Social class, social self-esteem, and conspicuous consumption. Institute of International Business and Governance, 7.
- Gardiner, S., Kings, C., & Grace, D. (2012). Travel decision making: An empirical examination of generational values, attitudes, and intentions. *Journal of Travel Research* 1(1), 1-19.
- Gierl, H., & Huettl, V. (2010). Are scarce products always more attractive? The interaction of different types of scarcity signals with product suitability for conspicuous consumption. *International Journal of Research in Marketing*, 27(1), 225–235.
- Goenka, S., & Thomas, M. (2020). The malleable morality of conspicuous consumption. *Journal of Personality and Social Psychology*, 1(1), 1-16.
- Golzar, J., Noor, S., & Tajik, O. (2022). Convenience sampling. *International Journal of Education and Language Studies*, 1(1), 1-10.

- Goretzko, D., Siemund, K., & Sterner, P. (2024). Evaluating model fit of measurement models in confirmatory factor analysis. *Educational and Psychological Measurement*, 84(1), 123-144.
- Hamid, A., Sami, W., & Sidek, M. H. M. (2017). Discriminant validity assessment: Use of Fornell & Larcker criterion versus HTMT criterion. *Journal of Physics* 1(1), 1-13.
- Harrington, D. (2009). *Confirmatory factor analysis*. In *Confirmatory factor analysis*. Oxford University Press.
- Hayes, A. (2019, September 27). White collar. Investopedia. Retrieved from <https://www.investopedia.com/terms/w/whitecollar.asp>.
- Hayes, A. (2019, 27 September). Descriptive statistics. Retrieved from https://www.investopedia.com/terms/d/descriptive_statistics.asp.
- Heale, R., & Twycross, A. (2015). Validity and reliability in quantitative studies. *Evidence-Based Nursing*, 18(1), 1-18.
- Hennigs, N., Wiedmann, K.-P., Klarmann, C., Strehlau, S., Godey, B., Pederzoli, D., Neulinger, A., Dave, K., Aiello, G., Donvito, R., Taro, K., Jung, J. T.-P. C. R. S. J., & Oh, H. (2012). What is the value of luxury? A cross-cultural consumer perspective. *Psychology and Marketing*, 29(12), 1018-1034.
- Hooper, D., Coughlan, J., & Mullen, M. R. (2008). Structural equation modelling: Guidelines for determining model fit. *Business Research Methods*, 6(1), 53-60.
- International Journal of Higher Education. (2018). Retrieved from <http://ijhe.sciedupress.com>.
- Jang, K., Park, N., & Song, H. (2016). Social comparison on Facebook: Its antecedents and psychological outcomes. *Computers in Human Behavior*, 62(1), 147-154.

- Jonck, P., Van Der Walt, F., & Sobayeni, N. A. (2017). Generational perspective on work values in a South African sample. *SA Journal of Industrial Psychology*, 43(1), 1-19. <https://doi.org/10.4102/sajip.v43.1393>.
- Jaramillo, F., Kempf, H., & Moizeau, F. (2001). Conspicuous consumption, social status, and clubs. *Social Interactions and Economic Behavior*, 1(1) 63-64.
- Kastanakis, M., & Balabanis, G. (2014). Explaining variation in conspicuous luxury consumption: An individual differences perspective. *Journal of Business Research*, 67(1), 2147-2154.
- Kaus, W. (2013). Conspicuous consumption and race: Evidence from South Africa. *Journal of Development Economics*, 100(1), 63-73.
- Kevin, O. G., & Robert, M. (2015). *Research methods for business and management: A guide to writing your dissertation (2nd ed.)*. Goodfellow Publishers Ltd.
- Kirchherr, J., & Charles, K. (2018). Enhancing the sample diversity of snowball samples: Recommendations from a research project on anti-dam movements in Southeast Asia. *PLOS ONE*.
- Kivunja, C. K., A. (2017). Understanding and applying research paradigms in educational contexts. *International Journal of Higher Education*, 6(5), 1-16. <https://doi.org/10.5430/ijhe.v6n5p26>.
- Klaus-Peter, W., Nadine, H., & Astrid, S. (2007). Measuring consumer's luxury value perception: A cross-cultural framework. *Academy of Marketing Science Review*, 7(1), 1-12.
- Ko, E. C., JP., & Taylor, CR. (2019). What is a luxury brand? A new definition and review of the literature. *Journal of Business Research*, 99(1), 405-413.
- Koles, B. W., V., & Tadajewski, M. (2018). Compensatory consumption and consumer compromises: A state-of-the-art review. *Journal of Marketing Management*, 34(1), 96-133.

- Kothari, C. R. (1990). *Research methodology: Methods and techniques* (2nd revised ed.). New Age International Publishers.
- Krause, H.-V., Krasnova, H., Baumann, A., Wagner, A., Deters, F., & Buxmann, P. (2019). Keeping up with the Joneses: Instagram use and its influence on conspicuous consumption. *International Conference of Information Systems* 1(1), 1-16.
- Kuvunja, C. (2018). Distinguishing between theory, theoretical framework, and conceptual framework: A systematic review of lessons from the field. Retrieved from <https://doi.org/10.5430/ijhe.v7n6p44>
- Lappeman, J., Egan, P., Rightford, G., & Ramogase, T. (Eds.). (2021). *Marketing to South African Consumers* (1st ed.). UCT Liberty Institute of Strategic Marketing & UCT Libraries.
- Lewis, M. S., & P. (2012). *Doing research in business and management*. London: Pearson Education Limited.
- Lisjak, M., Bonezzi, A., Kim, S., & Rucker, D. D. (2015). Perils of compensatory consumption: Within-domain compensation undermines subsequent self-regulation. *Journal of Consumer Behaviour*, 14(5), 1186-1203.
- Lissita, S., & Kol, O. (2016). Generation X vs. Generation Y – A decade of online shopping. *Journal of Retailing and Consumer Services*, 31(1), 304-312.
- Loudon, D. L., et al. (1993). *Consumer behaviour: Concepts and applications* (4th ed.). New York: McGraw Hill.
- Majumdar, H. D. C. S. (2006). Of diamonds and desires: Understanding conspicuous consumption from a contemporary market perspective. *Academy of Marketing Science Review*, 11(1), 1-18.
- Makhita, K. M. (2021). Black consumers' perceptions towards luxury brands in South Africa. *Research in Business & Social Science*, 10(4), 28-36.

- Mandel, N., Rucker, D. D., Levav, J., & Galinsky, A. D. (2017). The compensatory consumer behaviour model: How self-discrepancies drive consumer behaviour. *Journal of Consumer Psychology*, 27(2), 133-146.
- Memushi, A. (2013). Conspicuous consumption of luxury goods: Literature review of theoretical and empirical evidence. *International Journal of Scientific and Engineering Research*, 4(12), 250-254.
- Kastanakis, M. N., & Balabanis, G. (2014). Explaining variation in conspicuous luxury consumption: An individual differences perspective. *Journal of Business Research*, 67(1), 2147-2154.
- Nieftagodien, S., & Berg, S. v. d. (2000). Consumption patterns and the black middle class: The role of assets. *Bureau for Economic Research*, 1(1)1-24.
- O'Cass, A., & McEwen, H. (2004). Exploring consumer status and conspicuous consumption. *Journal of Consumer Behaviour*, 4(1), 25–39.
- Padilla, M. A., & Divers, J. (2016). A comparison of composite reliability estimators: Coefficient omega confidence intervals in the current literature. *Educational and Psychological Measurement*, 76(1), 436-453.
- Paton, E. (2017, May 29). *Luxury goods market will return to growth in 2017, Bain Report says*. The New York Times. Retrieved from <https://www.nytimes.com/2017/05/29/fashion/luxury-goods-outlook.html>.
- Patsiaouras, G., & Fitchett, J. A. (2012). The evolution of conspicuous consumption. *Journal of Historical Research in Marketing*, 4(1), 154-176.
- Paulsen, J., & BrckaLorenz, A. (2017). Internal consistency reliability. NY: Sage

- Pelser, T., Schalkwyk, P. J. v., & Schalkwyk, J. H. v. (2023). The correlation between materialism, social comparison, and status consumption among students. *South African Journal of Higher Education*, 37(1), 185-200.
- Pentz, C., Preez, R. U., & Swiegers, L. (2021). *The online shopping behaviour of technologically enabled consumers: A South African Generation Y study*. Department of Business Management, Stellenbosch University.
- Perkins, H. W., Linkenbach, J. W., Lewis, M. A., & Neighbors, C. (2010). Effectiveness of social norms media marketing in reducing drinking and driving: *A statewide campaign*. *Addictive Behaviors*, 35(10), 866-874.
- Ponte, S., Roberts, S., & Sittert, L. V. (2007). "Black Economic Empowerment", business and state in South Africa. *Development and Change*, 38(4), 933-955.
- Rahman, M. S. (2016). *The advantages and disadvantages of using qualitative and quantitative approaches and methods in language*. Queen's University: UK.
- Ranchhod, V., & Daniels, R. (2021). Labour market dynamics in South Africa at the onset of the COVID-19 pandemic. *South African Journal of Economics*, 89(1), 1-19.
- Raosoft. (n.d.). Raosoft Sample Size Calculator. Retrieved from <http://www.raosoft.com/samplesize.html>.
- Redda, E. (2020). The influence of utilitarian and hedonic consumption values on consumer attitude towards online shopping and purchasing intentions. *Journal of Reviews on Global Economics*, 1(2), 331-342.
- Rehman, A. A., & Alharthi, K. (2016). An introduction to research paradigms. *International Journal of Educational Investigations*, 3(8), 51-59.
- Reid-Partin, K., & Chattaraman, V. (2023). Social comparisons and compensatory consumption: The art of buying a superior self. *Sustainability*, 15(3), 1-16.

- Research, L. M. (2015). *The luxury fashion industry in South Africa*. Switzerland Global Enterprise.
- Rigdon, E. E. (2016). Choosing PLS path modelling as analytical method in European management research: A realist perspective. *European Management Journal*, 34(4), 598-605.
- Rogan, M., & Reynolds, J. (2019). Trends in the working poverty rate (WPR) in post-apartheid South Africa, 1997–2012. *Development Southern Africa*, 36(5), 1-16.
- Rogers, W. M. (2023, February 23). The association between Black buying power and greater income equity. Retrieved from <https://www.stlouisfed.org/openvault/2023/february/association-black-buying-power-greater-income-equity>.
- Ronkko, M., & Cho, E. (2022). The updated guideline for assessing discriminant validity. *Organizational Research Methods*, 25(2), 6-14.
- Roux, E., Tafani, E., & Vigneron, F. (2017). Values associated with luxury brand consumption and the role of gender. *Journal of Business Research*, 71(1), 102-113.
- Sahn, O., & Nasir, S. (2022). The effects of status consumption and conspicuous consumption on perceived symbolic status. *Journal of Marketing Theory and Practice*, 30(1), 68-85.
- Saruchera, F., & Mthombeni, L. (2023). Antecedents to the conspicuous consumption of luxury fashion brands by middle-income black South Africans. *Journal of Fashion Marketing and Management*, 27(6), 944-964.
- Saunders, M., & Lewis, P. (2012). *Doing research in business & management: An essential guide for planning your research*. England: Pearson Education Limited.
- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students (5th ed.)*. Pearson Education Limited.

- Sinaga, A. M. (2014). Qualitative and quantitative analysis and how it should be applied in our research. *Academia*, 1(1), 6-8.
- Bhar, S., Sharachchandra, L., & Narasimba, D. R. (2022). Beyond income: correlates of conspicuous and luxury consumption in India. *Sustainability: Science, Practice and Policy*, 18(1), 142-157.
- Strydom, O. K.-M. (2017, July 27). The end of Stuttafords: After 159 years, Harrods of South Africa shuts shop. *Business Times*.
- Suanpang, P. (2013). Travelers' Behaviors and Attitudes Towards Using Social Media for Tourism. In *Proceedings of the 2013 International Conference on Tourism, Transport and Logistics: Challenges and Opportunities of Increasing Global Connectivity*, 1(1) 1–6.
- Taber, K. S. (2018). The Use of Cronbach's Alpha When Developing and Reporting Research Instruments in Science Education. *Science Education Centre*, 48(1), 1273-1296.
- Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, 2(2), 53-55.
- Taylor, D. J., Harrison, D., & Kraus, S. (2008). *The new elite: Inside the minds of the truly wealthy*. New York, NY: AMACOM.
- Thomas, S. G., & M. (2020). The Malleable Morality of Conspicuous Consumption. *Journal of Personality and Social Psychology: Personality Processes and Individual Differences*, 118(3), 562-583.
- Thoumrungroe, A. (2014). The influence of social media intensity and EWOM on conspicuous consumption. *Procedia – Social and Behavioral Sciences*, 148(3), 7-15.
- Trigg, A. B. (2001). Veblen, Bourdieu, and Conspicuous Consumption. *Journal of Economic Issues*, 35(1), 99-115.

- Ungerer, L. M., & Joubert, J. P. R. (2011). The use of personal values in living standards measures. *Southern African Business Review*, 15(3), 4-25.
- Vickers, J. S., & Renand, F. (2003). The marketing of luxury goods: An exploratory study of three conceptual dimensions. *The Marketing Review*, 3(4), 459–478.
- Voss, K. E., Spangenberg, E. R., & Grohmann, B. (2003). Measuring the hedonic and utilitarian dimensions of consumer attitude. *Journal of Marketing Research*, 40(3), 310-320.
- Wang, Y. A., & Griskevicius, V. (2013). Conspicuous consumption, relationships, and rivals: Women's luxury products as signals to other women. *Journal of Consumer Research*, 2(3), 23-40.
- Wang, Y., Sun, S., & Song, Y. (2011). Chinese luxury consumers: Motivation, attitude and behaviour. *Journal of Promotion Management*, 17(3), 345-359.
- Woodruffe-Burton, H., & Richard, E. (2005). Compensatory consumption and narrative identity theory. *Association for Consumer Research*, 32(6), 461-465.
- Zait, A., & Berteau, P. E. (2011). Methods for testing discriminant validity. *Management & Marketing*, 5(3), 218-224.
- Zheng, X., Baskin, E., & Peng, S. (2018). Feeling inferior, showing off: The effect of nonmaterial social comparisons on conspicuous consumption. *Journal of Business Research*, 90(4), 196-205.

APPENDICES

APPENDIX A: Ethical Clearance Certificate

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg



Wits Business School Ethics Committee
Constituted under the University Human Research Ethics Committee (Non-Medical)

Ethics Clearance Certificate

Ethics protocol number: WBS/SM381988/243

*This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).
This certificate is only valid if permission has been granted by the Registrar's Office of Wits University.*

Project title	Drivers of conspicuous consumption amongst black South African professionals
Investigator / Researcher	Ms Tshenolo Koloane
Nature of Project	MM (Strategic Marketing)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.
Issue Date of Certificate	2023/11/13
Expiry date	Date of submission of the project / research report
Chairperson	Dr Pius Oba +27 11 717 3976 +27 82 733 6587 pius.oba@wits.ac.za

Declaration by Researcher

One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature

15/11/2023

Date:

Start of Block: Consent

*Skip To: End of Survey If Dear Participant, thank you for agreeing to take part in this study that seeks to investigate the...
= I do not consent.*

APPENDIX C: Research Instrument

Q1: ETHN What is your ethnicity?
If Other is selected, survey will be terminated immediately.

- ☐ Black (1)
- ☐ Other, thank you for participating (2)

Skip To: End of Survey If What is your ethnicity? If Other is selected, survey will be terminated immediately. = Other, thank you for participating

Q2: EMP Are you currently employed?
If No is selected, survey will be terminated immediately.

- ☐ Yes (1)
- ☐ No, thank you for participating (2)

Skip To: End of Survey If Are you currently employed? If No is selected, survey will be terminated immediately. = No, thank you for participating

Q3: AGE Please indicate your age group.

- ☐ 23 - 34 years (1)
 - ☐ 35 - 44 years (2)
 - ☐ 45 - 54 years (3)
-

Q4: EL Please indicate your education level.

- ☐ Matric (1)
 - ☐ Post Grade 12 Certificate/Diploma (2)
 - ☐ Degree (3)
 - ☐ Post Graduate Degree (Hons/Masters/Ph.D.) (4)
-

Q5: OL What is your current level of occupation?

- ☐ Non-Managerial (1)
 - ☐ Junior Manager (2)
 - ☐ Middle Manager (3)
 - ☐ Senior Manager (4)
 - ☐ Director/Executive (5)
-

Q6: IL Please indicate your total monthly gross income level.

- ☐ R10,000 - R19,999 (1)
 - ☐ R20,000 - R39,999 (2)
 - ☐ R40,000 - R59,999 (3)
 - ☐ R60,000 + (4)
-

Q7: GL Please indicate your geographic location.

- ☐ Eastern Cape (1)
- ☐ Free State (2)
- ☐ Gauteng (3)
- ☐ KwaZulu Natal (4)
- ☐ Limpopo (5)
- ☐ Mpumalanga (6)
- ☐ Northern Cape (7)
- ☐ North West (8)
- ☐ Western Cape (9)

Page Break

Q8: SCF **Social-cultural factors**
Below is a list of statements to determine social-cultural factors as a driver of conspicuous consumption.

Please tick only one number for each statement.

	1. Strongly disagree (1)	2. Somewhat disagree (2)	3. Neutral (3)	4. Somewhat agree (4)	5. Strongly agree (5)
I feel pressure to own or purchase luxury products based on cultural or societal expectations. (1)	☐	☐	☐	☐	☐
I believe that spending on luxury brands is a symbol of success or achievement within my cultural or social groups. (2)	☐	☐	☐	☐	☐
My cultural background or upbringing influences my desire for luxury products. (3)	☐	☐	☐	☐	☐
It is important for me to fit in with cultural or social groups in terms of owning luxury products. (4)	☐	☐	☐	☐	☐

Q9: **IE** **Income** **effects**
Below is a list of statements to determine income effects as a driver of conspicuous consumption.

Please tick only one number for each statement.

	1. Strongly disagree (1)	2. Somewhat disagree (2)	3. Neutral (3)	4. Somewhat agree (4)	5. Strongly agree (5)
My income level influences my desire for luxury products. (1)	☐	☐	☐	☐	☐
I believe that owning luxury products is a reflection of my financial success. (2)	☐	☐	☐	☐	☐
I forgo saving in order to purchase a luxury product/s. (3)	☐	☐	☐	☐	☐

Page Break

Q10: CB Compensation behaviour
Below is a list of statements to determine compensation behaviour as a driver of conspicuous consumption.

Please tick only one number for each statement.

	1. Strongly disagree (1)	2. Somewhat disagree (2)	3. Neutral (3)	4. Somewhat agree (4)	5. Strongly agree (5)
I have experienced a negative emotion that prompted me to purchase a luxury product. (1)	☐	☐	☐	☐	☐
I believe that owning luxury products can help me cope with negative events or emotions. (2)	☐	☐	☐	☐	☐
I believe that owning luxury products is a way to gain acceptance by others. (3)	☐	☐	☐	☐	☐

Page Break

Q11: IPI Interpersonal influences
 Below is a list of statements to determine interpersonal influences as a driver of conspicuous consumption.

Please tick only one number for each statement.

	1. Strongly disagree (1)	2. Somewhat disagree (2)	3. Neutral (3)	4. Somewhat agree (4)	5. Strongly agree (5)
I like to know what luxury products make good impressions on others. (1)	☐	☐	☐	☐	☐
When buying luxury products, I generally purchase those brands that I think others will approve of. (2)	☐	☐	☐	☐	☐
I purchase luxury products as a means to improve my social image in society. (3)	☐	☐	☐	☐	☐

Page Break

Q12: **INFE** **Informative** **effects**
Below is a list of statements to determine informative effects as a driver of conspicuous consumption.

Please tick only one number for each statement.

	1. Strongly disagree (1)	2. Somewhat disagree (2)	3. Neutral (3)	4. Somewhat agree (4)	5. Strongly agree (5)
I frequently gather information from friends or family about a luxury product before I buy. (1)	☐	☐	☐	☐	☐
I have purchased a luxury product because I saw someone else owning or using it. (2)	☐	☐	☐	☐	☐
I often identify with other people by purchasing the same luxury product/s they purchase. (3)	☐	☐	☐	☐	☐

Q13: **NRME Normative effects**
Below is a list of statements to determine normative effects as a driver of conspicuous consumption.

Please tick only one number for each statement.

	1. Strongly disagree (1)	2. Somewhat disagree (2)	3. Neutral (3)	4. Somewhat agree (4)	5. Strongly agree (5)
I purchase luxury products for the pleasurable experience it provides. (1)	☐	☐	☐	☐	☐
I often purchase luxury products to stand out from the crowd. (2)	☐	☐	☐	☐	☐
The status associated with owning luxury products is important to me. (3)	☐	☐	☐	☐	☐

Page Break

Q14: **CLC Conspicuous luxury consumption**
Below is a list of statements to determine normative effects as a driver of conspicuous consumption.

Please tick only one number for each statement.

	1. Strongly disagree (1)	2. Somewhat disagree (2)	3. Neutral (3)	4: Somewhat agree (4)	5. Strongly agree (5)
I often purchase products that people would consider luxury. (1)	☐	☐	☐	☐	☐
I often purchase luxury products that will set me apart from others. (2)	☐	☐	☐	☐	☐
I often feel happier after making a luxury purchase. (3)	☐	☐	☐	☐	☐

End of Block: Qualifying questions

APPENDIX D: Language Editing Memorandum

EDITING CONFIRMATION

To whom it may concern:

This memo serves to confirm that the manuscript/research project detailed below has been language-edited and/or proof-read.

Regards,

-SM001-

S.M. (Cert. Lang. Ed.)
Language Editor

Manuscript Title:

DRIVERS OF CONSPICUOUS CONSUMPTION AMONGST BLACK SOUTH
AFRICAN PROFESSIONALS

Author:

TSHENOLO KOLOANE

Issued on:

28/02/2024

Disclaimer:

The editor/proofreader makes no claim as to the accuracy of the manuscript contents nor the objectives of the author. While all possible efforts have been made to ensure the text as edited is readable and grammatically correct, the author(s) have the option to accept or reject suggestions and trackable changes made to the document before submission.



sarchcot@gmail.com