

# “Luxury consumers’ behavior: a cross-cultural aspect”

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# LUXURY CONSUMERS' BEHAVIOR: A CROSS-CULTURAL ASPECT

## Abstract

A comprehensive study of the consumers' needs and demands, the patterns of their social and cultural behavior are essential to the success of the modern luxury companies in their market activity. The purpose of research is to study the possible differences and similarities in the perception of luxury and motivation to purchase these goods by consumers in different parts of the world and selection of acceptable marketing tools. The study is built on the results of analysis of cultural values in some countries using the country comparison tool developed by Hofstede and the results of analysis of scientific articles on the behavior of luxury goods consumers in different countries. The methodology approach – Hofstede's model of national culture and scientific studies belonging to cultural impacts on luxury consumers' behavior – is applied to explore cross-cultural differences in luxury consumption behavior. The findings of the study are as follows: consumers from countries with high power distance, collectivism, and masculinity, long-term orientation, and low indulgence primarily perceive social values in consuming luxury goods and are sensitive to conspicuous luxury-status. In cultures with high individualism, masculinity, indulgence, and low power distance, consumers display to perceive individual and functional values and are sensitive to "emotional hedonistic luxury." The consumption of luxury goods in the Asian region is characterized by significant focusing on social values and status consumption, more than in the rest of the world. The motives of achievements in the form of self-realization and self-actualization are among the main reasons for the luxury consumption of European Union consumers.

## Keywords

luxury market, consumers' behavior, perception of luxury, marketing tools

## JEL Classification

M31, D12

## INTRODUCTION

The cultural environment significantly influences the basic values of the society, and cultural norms affect the life, the behavior of people, and the motivation to buy luxury goods. The shifts in the development of culture should be taken into account offering and promoting the new products and services in the luxury market, as well as trying to retain its target audience, especially in times of economic crises.

The cultural factor as a major impact on the behavior of luxury consumers in a given country has been theoretically and empirically investigated through surveys and interviews (Černevičiūtė, 2006; Stankevičienė & Butkutė, 2008; Wiedmann, Hennings, & Siebels, 2009; Shukla, 2010; Bian & Forsythe, 2012; Sarma, 2018).

To understand why consumers purchase the luxury goods, what they perceive the luxury, and how their perception of luxury affects their consumption behavior are the key tasks for the luxury companies. The marketing tools should be chosen as the most appropriate, based on the cross-cultural characteristics of the concrete country.

The culture impacts on the consumers' luxury value perception and behavior are investigated with the renowned model of Hofstede's cul-

tural dimensions for such nationalities as: British and Indian consumers (Shukla & Purani, 2012), French and Norwegian (Grange, 2015), Chinese young consumers living in the UK (Zhang, 2017), Iranian (Teimourpour & Heidarzadeh Hanzadeh, 2011), Chinese, French, Arab and American (Lavastrou, 2016), American and Chinese (Bian & Forsythe, 2012).

The above mentioned researches have some limitations. The major one is that they only explore one of Hofstede's cultural dimensions and only for several nationalities.

## 1. LITERATURE REVIEW

### 1.1. Luxury consumers' behavior in different cultures

An approach to considering the behavior of an individual in the market of luxury goods and services mainly from the point of view of cross-cultural features is widely used by scientists.

De Barnier and Valette-Florence (2013) have elaborated on the phenomenon of luxury consumption in various cultures in the book "Luxury Marketing. A Challenge for Theory and Practice." This book is the basis for future marketing research in this scientific environment (Wiedmann & Hennigs, 2013).

Hennigs et al. (2012) investigated both the homogeneity and aspects linked to the economic and cultural distance in the luxury market between the various countries using the cluster segmentation approach (*k*-method), that identified four types of consumers:

- cluster 1: the Luxury Lovers (mainly consists of United States (25.9%), Indian (16.6%), Hungarian (10.4), and Brazilian (10.1%) consumers), who highly aspiration luxury goods overall and value the sensation of being particular, unique and distinct from others;
- cluster 2: the Status-Seeking Hedonists (United States (22.5%), Indian (16.1%), Japanese (13.3), and Brazilian (10.4%) consumers), who link luxury consumption with pleasure, self-gift giving, and status, they embrace the social and individual dimensions of luxury goods as the most substantial factors;
- cluster 3: the Satisfied Unpretentious (Spanish (17.9%), Hungarian (13.2%), and Slovakian

(12.9%) consumers), who expressly associate luxury with the exclusivity and uniqueness aspects and is available to privileged people;

- cluster 4: the Rational Functionalists (United States (36.2%) and German (14.8%) consumers), who assess the essential features and excellent quality of luxury goods as higher than the prestige aspect and they delight luxury in private.

The researchers (Hennigs et al., 2012) reached the following conclusions: the primary motivational impetuses of luxury consumers are similar (financial, functional, individual and social dimensions of luxury value perception) across the countries in their sample, differ only in the relative significance of these value dimensions; in order to be prosperous for luxury brand managers importantly to focus on all value dimensions (to provide that their goods are qualified as the luxury brands in customers' minds; the brand must orientate on the cognitive needs and affective customers' desires; to explore the individual estimations of target customers).

Wong and Ahuvia (1998) studied the difference in luxury consumption of Southeast Asian and Western cultures and concluded that the Southeast Asian consumers would pay greater attention to their assets (are both public and explicit), such as designer-labeled goods, costly cars, precious jewellery, etc., unlike them the Western consumers orientate on the private meanings of their properties. In their view, demonstrable materialism (is characteristic to materially focused, family-oriented, and hierarchical culture) can or cannot represent internal personal preferences, but Southeast Asian consumers make purchases in subjection to the opinions and/or actions of others (social conformism).

Chattalas and Garcia (2009) detected the consumers of the higher level of collectivism cultures show a more auspicious assessment of utilitarian (i.e., functional) goods, but at the same time, less auspicious relation to hedonic (personal-oriented) consumption.

Park and Reisinger (2009) analyzed the substantial disparities in purchasing of luxury and travel goods among Western, Asian, and Hispanic tourists, and reckon that greater emphasis should be placed on tourists' national culture while set out marketing strategies to address their luxury customer preferences by marketers' luxury companies. These types of the luxury consumer tourists were described by the perceived importance of luxury consumer goods' characteristics, and the major findings are as follows: Asian tourists place a higher value on "one buys for pleasure," and like buying luxury gifts, for Western tourists, it is important to get goods of "premium quality." They explain the production and promotion of luxury goods needed to be carried out in the light of behavioral features and profiles of tourists-customers, i.e., "a distinct culture-oriented strategy should be developed for each group of tourists-shoppers" (Park & Reisinger, 2009, p. 774).

Asian consumers have high level in "susceptibility to normative interpersonal influence", thus they are motivated to reinforce their social image via brands and to be admired, in contrast to them, Western consumers put first such characteristics of luxury brands, like product quality, self-concept, and self-pleasantness (Yi-Cheon Yim, Sauer, Williams, Lee, & Macrury, 2014).

It should be noted that scientists are currently actively engaged in studying Asian consumers' behavior as buyers of luxury goods due to the great growing luxury market over the past ten years.

The main promptings to status luxury consumption regardless of financial capabilities or social status for Arabian consumers are the propensity to interpersonal influences and "concern about others' opinions." Therefore, "marketing managers who can correctly identify trendsetters in groups or societies can capitalize on influencing followers who value what others in their reference group believe" (Farah & Fawaz, 2016).

The five aspects (aesthetics, premium quality, personal history about products, costliness, and self-pleasure) are most topical for consumers' perception of luxury in the United Kingdom, France and Russia are defined by De Barnier, Rodina, and Valette-Florence (2006). Consumers from analyzed countries apply the same hedonic approach to luxury goods or services, enjoying genuine satisfaction from their aesthetics, quality, and personal history. Self-pleasure, as a new dimension of luxury perceptions, is common for these cultures. However, there are distinguishing aspects have been caused by cultural, social, and economic differences: for French – aspiration and product conspicuousness, for British – functionality and luxury atmospherics, for Russians – functionality. "By examining these differences, managers can create a more valued image of luxury products that could enhance their competitive positions versus non-luxury ones" (De Barnier, Rodina, & Valette-Florence, 2006).

## 1.2. The directions of luxury companies to stimulate purchasing decisions

The luxury companies apply the communication (emotional and image-based) strategies direct on creating inspiring dreams through great desirable messages, and in the luxury brand advertisements make use of exceptionally imagery without text (Amatulli, De Angelis, Pichierri, & Guido, 2018).

Roy, Jain, and Matta (2018), Motta and Barbosa (2018), Černikovaitė (2015), Tarabasz (2014) mark the marketers have an opportunity to impact on consumer's behavior at various levels and provide guidance for them: develop the correct communication to contribute affirmative motivations and auspicious associations with the brand; be attentively in monitoring the social influence on the consumer's behavior (monitoring social media, e.g. Facebook and Twitter); examine the post-consumption thoughts/feelings as a feedback in order to update the strategy.

The use of social media for luxury companies mean to recognize "the most valuable consumers and offer personal relevant ad messages continuously" (Yu, Hudders, & Cauberghe, 2017 Mičák & Mičudová, 2018).

Today, social media platforms serve as conduits of information for customers of luxury goods where can share unusual aesthetic emotions, feelings, and knowledge, Quach and Thaichon (2017), Starostová, Zimmermann, and Stříteský (2018) and Grębosz-Krawczyk (2018) advise to luxury companies to expand the greater efforts and resources on social network sites, use feedback and online responses to gain additional market advantages and strengthen their positions.

Content analysis of interviews with luxury customers in Paris was conducted and discovered 11 separate social media engagement behaviors by Pentina, Guilloux, and Micu (2018). Their key findings provide to determine tips for luxury marketers to “preserve their unique positioning in social media by offering top-quality visual content reinforcing the desired brand associations to a) generate active and creative behaviors by influential; b) promote low-effort, high-virality behaviors by consumers motivated by less complex needs” (Pentina, Guilloux, & Micu, 2018).

Many luxury goods are experiential and enable luxury marketers to apply the principles of experiential marketing that consider consumers as emotional persons, wishing to obtain enjoyable experiences (Atwal & Williams, 2017).

Social media marketing is a powerful tool for building the luxury brands and consumer engagement that can work both for the goods and to the detriment of the business.

Therefore, the purpose of the research is to study the possible differences and/or similarities in the perception of luxury and motivation to purchase these goods by consumers in different geographic regions and the selection of applicable marketing tools.

## 2. METHODOLOGY

### 2.1. Statistical sources

We use the reports of “Global Powers of Luxury Goods” by Deloitte for the period 2015–2018, that have broader and deeper information than global luxury market reports are composed by Bain &

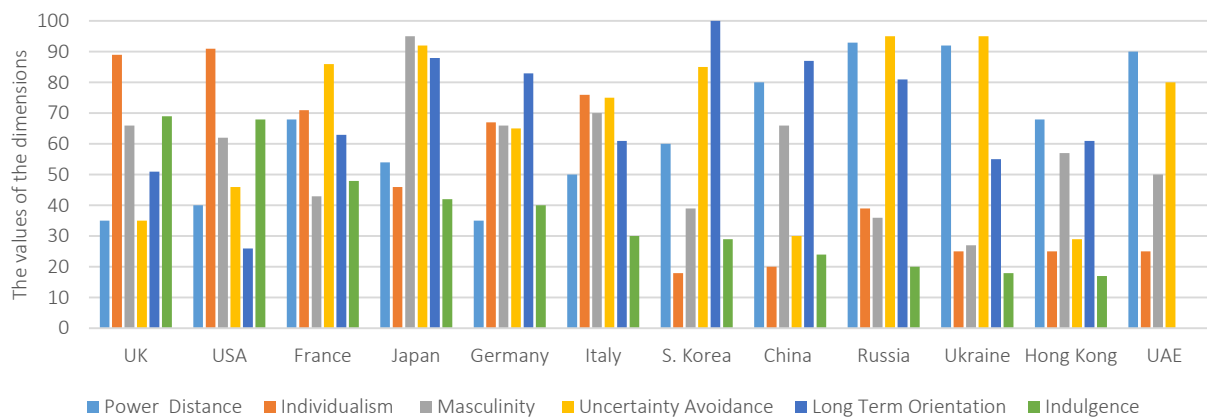
Company, to analyze the dynamics of consumption on the global market of luxury goods, in particular, by the number of companies producing luxury goods across analyzed countries, by product groups, by sales of luxury goods across countries. We construct the corresponding graphical illustrations (Figure 2 and Table 1), based on the data from these reports by Deloitte, and through the inductive method are made the conclusions about the regularity of luxury goods consumption in the studied countries of the world. In the reports by Deloitte explored and “listed the 100 largest luxury goods companies globally, based on publicly available data for consolidated sales of luxury goods” in the financial years 2013, 2014, 2015, 2016 (Deloitte, 2015, 2016, 2017, 2018).

### 2.2. Theoretical and methodological approaches to research

We apply the scientific methods of comparison, synthesis, and analysis to generalize and systematize the modern theoretical and methodological approaches to study the cross-cultural aspect of the luxury consumers’ behavior. The study presents an analysis of the culture of luxury goods consumption, is built on the synthesis of data sources such as 1) the results of the analysis of cultural values across studied countries using the country comparison tool (Figure 1 – graphic illustration is built by the authors, on the basis of the empirical data of Hofstede’s six dimensions of national cultures model), is developed by Hofstede on the website ([www.hofstede-insights.com](http://www.hofstede-insights.com)); 2) the results of the analysis of scientists’ articles on the behavior of luxury goods consumers in different countries using the deductive method (Bezzaouia & Joanta, 2016; Beata et al., 2016; Bian & Forsythe, 2012; Chattalas & Garcia, 2009; De Barnier & Valette-Florence, 2013; Bilan, 2013; Farah & Fawaz, 2016; Hennigs et al., 2012; Lavastrou, 2016; Shukla & Purani, 2012; Teimourpour & Heidarzadeh Hanzae, 2011; Wong & Ahuvia, 1998, Zhang, 2017).

The authors select the studied countries for comparison between Western, Western-Eastern (countries: Ukraine and Russia) and Eastern culture of luxury goods consumption. The countries we have selected are the largest consumers of luxury goods according to the reports of “Global Powers

Source: Created by the authors, based on Hofstede Insights (2018).



**Figure 1.** The values of the Hofstede's cultural dimensions

of Luxury Goods” by Deloitte for the period 2015–2018; therefore, these countries are of interest for this study.

### 3. RESULTS

#### 3.1. Worldwide luxury goods market trends

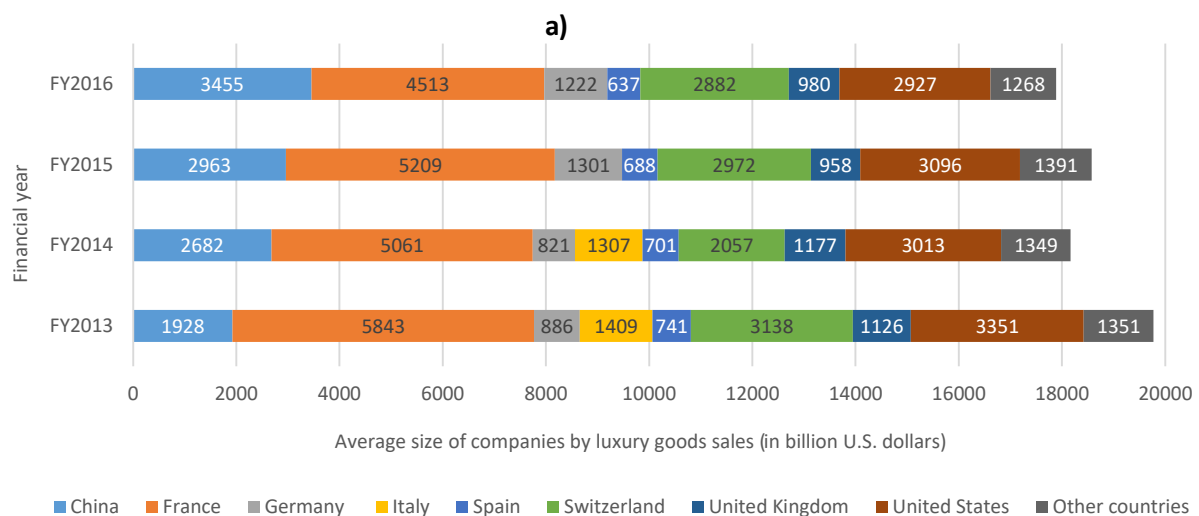
As we have seen in Figure 2 (built on data from Deloitte reports), Italy consistently occupies a leading position among countries in the number of companies in the rating of 100 leading producers of luxury goods, namely, 26 companies (almost twice ahead of France), while France is the leader in terms of sales – 5.1 billion U.S. dollars as of the financial year 2016 (the company's financial year ends June 30). Italian companies, most of which

are family-owned businesses and their far fewer, have average sales of luxury goods – 1.3 billion U.S. dollars (Deloitte, 2018). The sector of clothing and footwear sales is the undoubted leader in the number of companies in the top 100 of the luxury goods sectors.

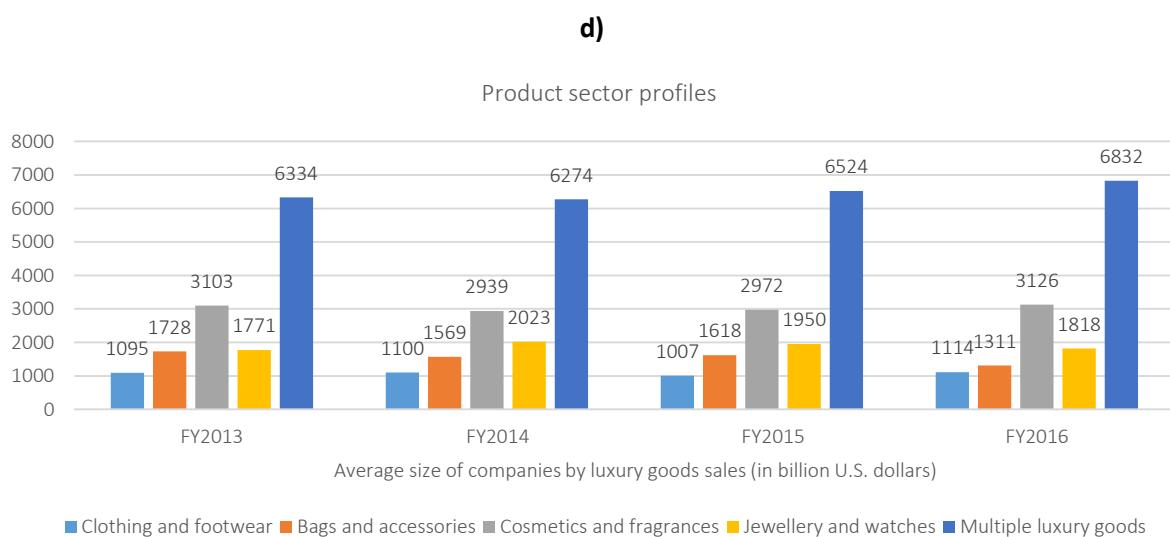
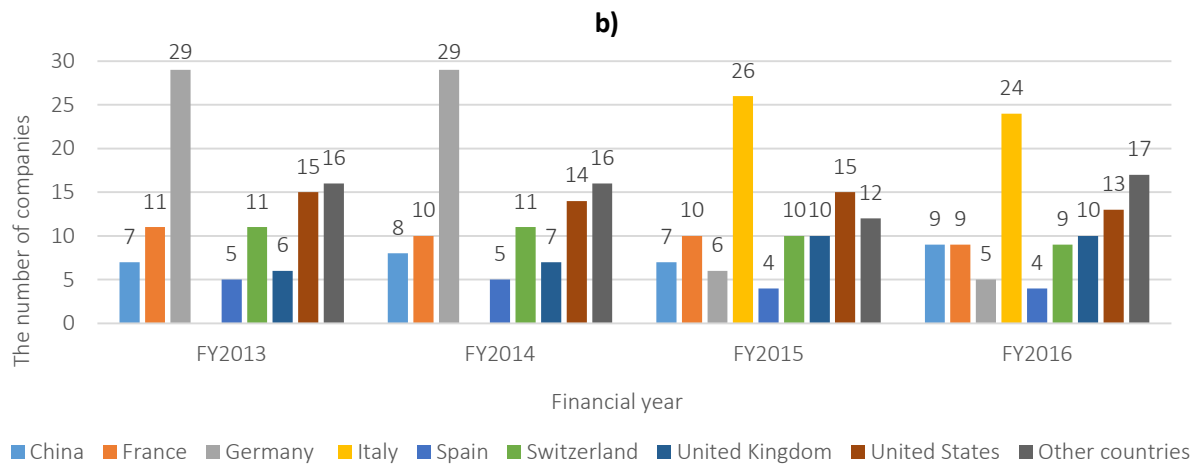
The main statistics are presented in Table 1 and show the basic trends shaping the luxury market worldwide from the financial year 2013 to 2016. The indicators of the growth rate of product sales and net profit margin return on assets have been decreasing for the second consecutive year.

The market for luxury goods, as well as art is still sensitive to crises but responds to them late. Changes in the luxury goods market are largely dependent on changes in demographics. “Collectively, millennials and Generation Z will

Source: Created by the authors, based on Deloitte (2015, 2016, 2017, 2018).







**Figure 2.** The portrait of worldwide luxury market from 2013 to 2016

**Table 1.** The main data of the top 100 luxury companies from 2013 to 2016

Source: Created by the authors, based on Deloitte (2015), Deloitte (2016), Deloitte (2017), Deloitte (2018).

Indicator	FY2013		FY2014		FY2015		FY2016	
Average luxury goods sales of Top 100 companies, in billion U.S. dollars	↓	2.1	↑	2.2	↓	2.1	↑	2.2
Aggregate net luxury goods sales of Top 100, in billion U.S. dollars	↓	214.2	↑	222	↓	212	→	217
Minimum sales required to be on Top 100 list, in million U.S. dollars	↓	142	↑	191	→	180	↑	211
Composite year-over-year luxury goods sales growth, %	↑	8.2	→	3.6	↑	6.8	↓	1
Composite return on assets, %	↑	8.6	↑	9	→	7.9	↓	6.9
Composite net profit margin, %	→	10.3	↑	11.4	→	9.7	↓	8.8
Economic concentration of Top 10, %	↑	48.9	→	47.9	→	48.1	↓	47.2

represent more than 40 percent of the overall luxury goods market by 2025, compared with around 30 percent in 2016. Unlike Baby Boomers, many millennial luxury consumers expect to interact with brands across a range of digital platforms, rather than only through traditional channels. Big luxury groups should be aware of digital transformation in retail technology, which is changing how affluent consumers shop and driving growth of independent luxury brands” (Deloitte, 2018).

All luxury brands are one way or the other represented on Instagram, have a YouTube channel, etc. It should be mentioned that luxury goods are not comparative. This circumstance does not reduce the desire of customers to have a luxury product and to buy it in conditions of the rapid growth of digital PR in this market.

### 3.2. The cross-cultural aspects of luxury consumers' behavior in different countries

Bezzaouia and Joanta (2016) noted, “Eastern cultures prefer certainty, whereas Western cultures are uncertainty oriented,” the individualism and self-orientation pervade Western society due to people, who are focused on uncertainty, enjoy getting to learn new facts about themselves.

Okonkwo-Pézar (2017) asserts that luxury as a concept is defined within the scope of socio-psychology as a result of its connection to culture, state of being and lifestyle, whether it is personal or collective.

Attention deserves the point of view of the scientists Beata, Ana, Lutfu, and Michael (2016), they claim that although national culture can serve as an explanatory factor, they believe that the percep-

tion of luxury in emerging markets shares other, mainly social and economic commonalities, that explain the findings in a more precise manner.

**Japan.** According to Hofstede's model of six dimensions of national cultures, Japanese society in the behavioral aspect, is determined by a high level of competition and an aspiration to achievements and successes (scores 95 on masculinity) in combination with the orientation on collectivism (54 scores). Japanese consumers perceive luxury goods in terms of social value and less financial value. Consumers are not susceptible to the characteristic of product rarity, because collectivism is developed there, and not the individualism (is characteristic of American consumers). The consumption of luxury goods is based on the demonstration of social identity and social position in society. Also, a commitment to perfection is one of the motivations among Japanese purchasers of luxury goods. The tradition of presenting expensive gifts is well developed in Japan. The producers of luxury goods should pay increased attention to such marketing tools: the regularity of price increases, opinion leaders, developing official luxury websites and high-quality promotional videos, waiting list.

**China.** Chinese consumers of luxury goods have the inherent desire to emphasize their social status. However, if this status is critically to emphasize for the Japanese, as a result of achievements and success in work, the Chinese, by consuming luxury goods, demonstrate their high social position in terms of social inequality (the high weight of power distance – 80 scores). Among the motives of consumption by Chinese buyers of luxury goods, the motives of demonstrative consumption and hedonism prevail. In concordance with Hofstede's model, Chinese society is characterized



as a restrained society (the indulgence dimension – 24 scores); therefore, the behavior of the Chinese depends on his viewpoint of what society will think about him, and his actions are strictly controlled by social norms. It should also be pointed out like a high collectivism score is also manifested in the pressure of society on the buyers to purchase luxury goods to confirm their affiliation with the rich and meet their social norms of behavior. The Chinese have mental fears of being rejected by society if they do not follow the socially accepted norms of their behavior. It is important for the producers of luxury goods to develop and maintain the loyalty of Chinese consumers by adding such marketing tools to their arsenals as celebrity endorsement, digital PR, quality content about luxury goods and create a platform where community members (luxury buyers) have a lot of opportunities and different types to interact with each other.

**Hong Kong.** The high-power distance score – 68 indicates the public acceptability of inequality in the level of household income. The collectivism score is 75, which confirms collectivist social trends in the consumption of luxury goods. Consequently, the social value of the product, notably, its prestige among rich people who are highly educated, have a developed taste, can appreciate the high quality and sophistication of luxury is one of the priority motivations in the consumption of luxury goods in Hong Kong, as well as in China and Japan. While in China, there are big restrictions on access to social networks, in Hong Kong it is free, because the demand for luxury goods is elasticity to the high-quality content about the brand in the social networks. At 61, Hong Kong has a high score on long term orientation and displays an ability to adapt traditions easily to changed conditions, despite strong family traditions, a propensity to invest, and perseverance in achieving results.

The growing share of luxury goods consumption in Hong Kong is closely related to the rising purchasing power of young millennials and Generation Z. It should also be noted that due to demographic factors, there are many young buyers in Hong Kong who have higher education and experiential motivation, such as hedonism, plays an initial role in their motives of consumption. The marketing

tools should include by the producers of luxury goods in Hong Kong: quality leadership, communication of the luxury brand personality, hedonic advertising, digital PR.

**South Korea.** Customer behavior in South Korea in the luxury market are adjusted by social norms hierarchical society as reflecting inherent inequalities (power distance is a high – 60 scores). South Korea has 39 scores on the masculinity dimension reveals a feminine society. It leads to focus on “working to achieve high quality of life,” Therefore customers perceive deeply social value as well as the functional value of the luxury product. The focus in consumption is on well-being, quality, and perfectionism, and the status is not always shown. Long term orientation for South Korea score at 100, and it means South Korea has one of the most pragmatic and long-term oriented societies in the world. Korean consumers of luxury goods greatly value their reputation and career achievements. At the same time, the behavior of Korean consumers is characterized by a focus on the value of the perception, so their behavior is restrained by social norms, and they feel that indulging themselves is somewhat wrong (the indulgence dimension – 29 scores). High uncertainty avoidance in South Korea (85 scores) displays that consumers of luxury brands focus on quality, service, information, and warranty. The producers of luxury goods are predominantly needed to use high-quality multimedia, perfect digital PR, and service to keep consumers with developed high brand awareness.

**The United Arab Emirates.** The behavior of consumers of luxury goods in the United Arab Emirates is largely subordinate to the hierarchical order, causes a demonstrative consumption and bandwagon effect. Arab consumers value social status, and they are motivated to hedonistic consumption. Consumers of luxury goods in the United Arab Emirates exhibit high uncertainty avoidance (80 scores). It appears in their behavior in the form of the aspirations to accuracy, quality, high level of safety, stability, strict observance of traditions, and conservatism. The marketers and advisers also should pay particular attention to analyze the demographic factor of the United Arab Emirates, besides the cultural characteristics, and consider them from the point of synergy. If there are more consumers of luxury goods among

young people in Asian countries, there are no such significant differences between age groups of consumers in the United Arab Emirates. Focusing on entertainment and striking, quality, rarity, uniqueness should be taken into account in choosing marketing tools to manage luxury brands by the marketers.

**The United States of America.** American consumers are stood out for their high individualism (91 scores), competition, and extensive awareness of the luxury brand, compared to the Asian and Arab countries. According to Hofstede's model, American consumers are characterized by a low power distance (40 scores), democratic behavior in the consumption of luxury goods. Such consumers react neutrally to traditions and hierarchy in society; they are well aware of their human rights and the means to protect them, in particular, remedies. In the perception of luxury, they are guided by individual, functional, and social values. In comparison with Asian and Arab consumers, Americans derive self-satisfaction from consuming luxury goods. They are susceptible to the uniqueness of the product in order to emphasize their individuality. The natural and technological rarities are dominated among the motives for the consumption of luxury goods. In the US, high masculinity (62 scores), because American luxury consumers place greater value on material wealth and success. The producers of luxury goods should always choose marketing tools to provide a natural or perceived rarity of the product – innovation, high quality, high price, limited edition while developing products for American consumers.

**The United Kingdom.** The data of Hofstede's model on power distance (35 scores) appear to contradict the perception of the historical system of the British social class, as the perception of equality and respect for the individual in the society of this country is even higher than in the USA. Hence, the status symbols are not as important for English consumers of luxury goods, as for Asian and Arab countries. High level of individuality (89 scores) reveals individual and functional values in luxury consumption in the UK. British consumers, buying luxury goods, focus on functional utility, high quality, aesthetic refinement, and originality. The high masculinity (66 scores) confirms the desire of British consumers to achieve success

and improve the quality of their life. The comfort and excellence of the product are significantly for British purchasers and not its prestige in society, which also correlates with a high indulgence (69 scores). British consumers are less affected by social pressure in choosing brands than consumers of other analyzed countries in this article, and they invest money in the purchase of luxury goods at their discretion, not thinking how society will react to this. As a result, to have a personal perception of the brand quality is crucial for British consumers, but not its popularity in the world and the exciting attractive promotion of a brand in the market. To pay tribute to the quality leadership and developing services is principal for the producers of luxury goods.

**Germany.** German consumers of luxury goods are not described by demonstrative consumption, as indicated by the low dimension of power distance (35 scores). Based on the high rates of individualism (67 scores) and masculinity (66 scores), it can be argued that German luxury consumers are geared to individual and functional values. Their consumption of luxury goods is motivated by the confirmation of the high quality of their life, so they are not sensitive to the prestige of luxury goods. Dimension of uncertainty is high (83 scores) and this reflects the desire of German consumers to give preference to technological reliability, their consumption experience, and not to the price of goods or social factors in choosing luxury goods. German consumers very deliberately and carefully think about investing in the purchase of luxury goods; they are not peculiar to impulsiveness are provoked by marketing campaigns in promoting luxury goods in the Asian countries. The producers of luxury goods should give much attention to German consumers in the context of maintaining a high brand reputation, technological excellence, and product reliability.

**France.** French consumers are inherent to perceive inequality in society as a norm, emotional dependence on people, which have higher position in society unlike them, as indicated by the high level of power distance (68 scores). As compared with the other countries, which are analyzed in this work, French consumers of luxury goods belong more to the financial value that defines the rarity, inaccessibility to other consumers. French consumers aim

for self-realization in life, relate to their successes in work with respect. Developed aesthetic taste is characteristic of French consumers; they highly appreciate elegance, sophistication, and uniqueness.

French consumers of luxury goods enjoy the pleasure of owning a luxury product; their important traditions and legends are associated with the luxury brand. They perceive luxury goods not only as high quality and uniqueness but also as a display of their culture and individual style. Luxury goods for French consumers are art and perfection rather than prestige. The behavior of French luxury consumers is distinguished by the presence of a snob effect, in contrast to the Asian countries, where the bandwagon effect and Veblen effect prevail. The producers of luxury goods should rely on such marketing tools as iconic product, storytelling, digital PR, and superlative pricing to keep the French customers' interest.

**Italy.** The average value of the power distance (50 scores) shows that Italian luxury consumers are characterized by a perception of justice in society, the absence of a rigid hierarchy, and power decentralization. Italian consumers perceive luxury in terms of financial, individual, and functional values. At the same time, they are neutral to the social value. Italian luxury consumers tend to dominate the hedonistic consumption motives. Italian consumers of luxury goods have a specific behavior, which is supported by a combination of high masculinity (70 scores) and uncertainty avoidance (75 scores) and this fact explains their perception of life as rather complex and tense. Thereby, high emotionality and passion in behavior are shared by Italian consumers, unlike German consumers, who are emotionally quite restrained, although they get a combination of masculinity (66 scores) and uncertainty avoidance (65 scores). Italian consumers of luxury goods have an inherent orientation towards the future in their behavior, instead of a concentration on heritage, however, they carefully relate to their cultural traditions. For them, it is important to have high quality, innovation, pleasure and joy from using, as opposed to owning luxury goods. The producers of luxury goods should use such marketing tools in maintaining the loyalty of Italian consumers as: creating a high level of innovation and utility of their products, high quality and high prices.

**Russia.** The power distance value versus all countries, which are analyzed in this article, is the highest (93 scores), signifies the consumers of the luxury goods are aware of a strong hierarchy and injustice in the distribution of resources in their society, and the significance of status symbols. The demonstrative consumption is predominated among Russian consumers of luxury goods, via that they emphasize their power in society. Russian consumers perceive luxury goods from the standpoint of social and financial values. The Russian customers focus on the name of the brand, its popularity among members of their social group, and on impressions of the consumption of goods when deciding on the purchase of a product. The value of indulgence dimension is low (20 scores), which explains why Russian consumers are extremely susceptible to what the members of their social group think and say about them. A high level of uncertainty avoidance (95 scores) shows a negative attitude to changes in their social status, therefore, with decreasing in income, they will tend to buy luxury goods anyway, even on credit. Russian consumers of luxury goods are greater impressible to the attractiveness and aesthetics of the external form of the product, service and high price, rather than the high internal quality of the product. The producers of luxury goods priority should be given to circumstance that Russian consumers are more receptive to such marketing tools for promotional products as storytelling, digital PR, key opinion leaders, than to iconic product and quality leadership.

**Ukraine.** The high-power distance (92 scores) points out to have a sense of belonging to the elite of society is important for Ukrainian consumers of luxury goods. The behavior of Ukrainian consumers of luxury goods is described by the demonstrative motives. Due to the low indulgence (18 scores), Ukrainian society dictates via mass media and social networks the image of the luxury buyer as the higher class of society, to which other buyers are strongly trying to match in any way possible. Like Russian consumers, Ukrainians, with the development of their culture, have a prevalence of luxury snobbery in the consumption of luxury goods. They are more focused on the acquisition of goods that testify to a personal high social status in the country, despite the integration into Europe, where individual value predominates in the consumption

of luxury goods. Ukrainian consumers perceive luxury from the position of the concept of “conspicuous luxury-status”, to a lesser extent the concept of “emotional hedonistic luxury”. Ukrainians relate with respect to fashionable Ukrainian luxury brands by reason of the consumption of such goods underlines their national authenticity. The elasticity of Ukrainians’ demand for luxury goods is affected by prestige, high price, rarity, design, but not technological uniqueness, high quality in terms of reliability and safety. The marketing tools actively should be used by the producers of luxury goods, namely storytelling, digital PR, key opinion, high price, superlative priced product.

## 4. DISCUSSION

The study provides a theoretical basis that reveals the impact of cultural differences on the perception and motivation of buying luxury goods in different geographical regions of the world.

When conducting the study, it was important for us to find out what factors of motivation affect the consumption of luxury goods in the world, what is common and what are the differences in the motivation of buyers of luxury goods in the Eastern and Western regions of the world.

Our study showed that, indeed, cultural differences to a large extent determine differences in the

perception of luxury – the desire to acquire, use, demonstrate ownership of luxury goods to others, even with the same level of income of such consumers and the level of economic development of the country.

**Asian region.** The consumption of luxury goods of the Asian region is characterized by significant focus on the social values and status consumption more than the rest of the world. The formed symbols of a developed aesthetic taste and a high level of well-being are used to distinguish the social differences between the classes of society by the ruling elite.

**USA.** For wealthy Americans are very momentous: the public recognition, admiration for their outstanding achievements in their careers and businesses, because the followers’ reaction from social networks to their consumption of luxury goods are relevant for them.

**European region.** Hofstede (1991) suggests that “it would be possible to draw attention to societal norms”. The motives of achievements in the form of self-realization and self-actualization are one of the main reasons for the luxury consumption of European consumers, which are analyzed in this article. While the dominance of belonging to the elite of society motives via the consumption of luxury goods is typical for Asian, Arab, Russian and Ukrainian consumers.

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## CONCLUSION

Luxury goods marketing in the face of globalization, volatility of financial markets and rapid growth of the digital market should focus on the identity of consumer, on his/her ideas about himself/herself and societies’ ideas about him. This thesis is also confirmed by generalization of results of scientific research, which showed that the success of luxury goods producers largely depends on cultural values.

Marketers are making great efforts in developing new concepts and innovative marketing tools to conquer and retain interest and desire for their products. The analysis allows concluding that the effectiveness of all these contemporary tools can be reduced up to zero in the luxury goods market, if marketers do not take into consideration the cross-cultural characteristics of consumers of luxury goods. There is no single recipe for the success of a luxury product for different geographic segments. Therefore, it’s stated that cultural factor in the luxury consumers’ behavior has a significant influence on the choice of marketing strategies by luxury goods producers. Consumers in the Asian and Arab regions are sensitive to the perception of social values of owning luxury goods; also prestige is important to them. Americans, who are focused on personal achievements, are sensitive to the financial values of owning luxury goods. Europeans experience the joy of using luxury goods in terms of functional values; high



quality is important to them. In Russia and Ukraine, consumers focus on the demonstration of belonging to the elite class through the consumption of luxury goods; so for them, functional values are in the second place. At the same time, the analysis of the luxury consumers' behavior has shown one common feature – development of digital PR as a key marketing tool for all cultures.

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