

A Comparison of the Influence of Personal and Cultural Values on the Consumption of Luxury Goods across Arab Regions: Levant versus Gulf

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ABSTRACT

“Expensive clothing is a poor man’s attempt to appear prosperous.”

Mokokoma Mokhonoana

Consumption patterns across different cultures are influenced by several factors, including personal and cultural. Collectivist cultures play a major role in the consumption decision making that an individual has to make as people habitually share parallel cultural traits. This in turn affects the consumption patterns as well as consumers taste orientation, specifically towards luxury goods. The World Market for luxury goods has experienced significant growth, from being valued at \$60 billion in 1990, it is expected to be worth over \$240 billion by 2015. Accordingly, this study aims to further investigate the relationship and influence of *face saving* and *group orientation* on the perception of luxury goods across four Arab countries, grouped into two regional markets, namely: the Levant versus the Gulf. A survey was completed by a representative sample of the Lebanese, Jordanian, Qatari and Omani populations consisting of 400 consumers from different universities in the cities of these countries. The results indicated that not all luxury pertaining factors influence face saving in the Levant and Gulf regions, and none influence group orientation in neither the Gulf nor the Levant. In fact, some beliefs were challenged due to the results obtained which indicates the slow changes in the Arab cultures. These findings prove helpful to marketers who aim to promote luxury products in such cultures as it provides them with a greater understanding of consumers and their perception of such related products.

Keywords: Luxury consumption, consumer motives and values, conspicuous, Arab

INTRODUCTION

Culture, as a dynamic process, assumes that cultural differences instigate distinctions in consumer behaviour within and across national borders (Miller, 1995). In light of the dynamic growth in the luxury market and the ease of accessibility to luxury products to a broader proportion of consumers, consumer behaviour is no longer unexpectedly altered when national borders are crossed (Farley & Lehmann, 1994). In fact, consumers markets may at times be more similar across national boundaries than within a same nation (Hassan & Katsanis, 1994).

It is believed that collectivist cultures play a major role in an individual's life, and more particularly in one's consumption decision making, consumption patterns and taste orientation, specifically towards luxury goods. The World Market for luxury goods has experienced remarkable boom. In fact, from being valued at \$60 billion in 1990, it is expected to be worth over \$240 billion by 2015 (Dubois & Duquesne, 1993; Euromonitor, 2011). The growth in this specific market could be explained by the fact that consumption has become "a means of self-realization and identification, as consumers no longer merely consume products; they consume the symbolic meaning of those products, the image" (Chaudhuri & Majumdar, 2006).

With all its intricacies, the Arab region which consists of 22 countries and a population of 422 million (World Arabic Language Day, 2012) is no exception to the luxury market growth. In an interview for the Arabian Business magazine, David Macadam, the regional director at Jones Lang LaSalle, says: "luxury around the world continues to perform well, but I think the Arab region is special; it goes from strength to strength here" (Broomhall, 2011).

Wiedmann, Hennigs, & Siebels (2007) believe that people's cultural values shape what is considered significant to them and can often affect their perceptions of luxury. Engel, Blackwell,

& Miniard (1990) define culture as “the set of values, ideas, artefacts and other meaningful symbols that help individuals to communicate, interpret and evaluate as members of society.

Cultures are largely categorized into two main groups: collectivist versus individualistic ones (Hofstede, 1980). Particularly, the Arab region is known for being a highly collectivist society, where the emphasis is on the group rather than on the individual, and where norms and values are usually passed down over generations, consequently affecting in a comparable manner consumer behaviour (Barakat, 1993).

The word luxury originates from the Latin word “luxus”, which entails the indulgence of the senses, irrespective of cost (Moote 2004). Luxury goods have diverse characterizations, some pertaining to quality, others to hedonism, while some to conspicuousness (Vigneron & Johnson, 2004). Seringhaus, (2002) explains that a luxury product is recognized based on the exceptional labour and skills and the expected outstanding quality of the raw materials that go into production which gives a brand its identification as premium and luxurious.

Luxury or status goods have been defined as goods for which “the mere use or display of a particular branded product brings prestige to the owner, apart from any functional utility” (Husic & Cicic, 2009). According to the theory of impression management, consumers are greatly influenced by the internal urge to create a desirable social image through their purchase behaviour (Sallot, 2002). Indeed, luxury-driven consumption is meant to improve one’s social status and personal image; this is an outcome particularly sought by Arab consumers for whom status is of noteworthy relevance due to social pressures (Riquelme, Rios, & Al-Sharhan, 2011). Veblen (1899) initially described the latter type of consumption as the “ostentatious use of goods or services to signal status to other members of a society”. However, some debate still surrounds Veblen’s theory as researchers such as Acikalin, Gul, & Develioglu (2009) argue that

conspicuous consumption is not limited to consumers from upper and elite classes but also to people from diverse social groups.

Indeed, a number of sociological studies have tested both face saving and group orientation together (e.g. Jin & Kang, 2011). The Confucian principle of 'face' distinguishes sustaining one's public dignity and standing (Lee, 1990). Moreover, to gain face one has to put considerable effort to win the approval of others in the group. As such, being a vital member of a group is a common belief that is shared among collectivist societies (Triandis, 1995). Nonetheless, relying on the group equips the individual with a feeling of safety, along with the 'collective identity' (Haglund 1984; Abosag & Farah, 2014). This study particularly aims to investigate the influence of these two major collectivist cultural values namely, *face saving* and *group orientation*, on the perception of luxury goods across two Arab Market regions; Levant versus Gulf. The results of this research would be valuable to marketers who aim to promote luxury products in cultures where group orientation is a major factor affecting consumption patterns, providing them with a greater understanding of how consumers in such cultures perceive related products.

LITERATURE REVIEW

Culture and Luxury Consumption

Considered as a factor that could be used to describe consumption among diverse cultures (Dubois & Paternault, 1997), luxury is a key aspect that distinguishes a brand in a product category (Kapferer, 1997), and an essential force directing consumers' preferences and usages (Dubois & Duquesne, 1993). The consumption of luxury goods is a practice that spans across geographical and cultural boundaries; with the latter being consistent among cultures in the Arab region where consumers fancy exhibiting their possessions as a symbol or evidence of their

social standing (Belk, 1988). Culture has long been linked to human behaviour as individuals' behaviours are usually believed to reflect their cultural value system (Teimourpour & Hanzaee, 2011). Purchase decisions and choices seem at times not to be made by the individual but rather the group, this cultural influence is apparent in Arab cultures that are more disposed towards the group (Kabaskal & Bodur, 2002). Individuals often refer to members of their own group or members from a desired group to collect information on which products or brands could grant them status or social desirability (Riquelme, Rios, & Al-Sharhan, 2011).

Accordingly, culture seems to be playing a pivotal role in the consumption of luxury goods. In cultures where success is measured largely based on one's financial situation, the consumption of luxury goods is often prevailing and influential in assigning each individual's 'place' in society (Wiedmann et al., 2007). For instance, a luxury handbag may be appealing to wealthy consumers who aim to signify their social status and economic power, to less wealthy but aspiring consumers who want to materialize their ambitions, and to younger consumers who look for identity assertion and a sense of belonging by owning such goods (Park, Rabolt, & Jeon, 2008). The relatively recent economic boom witnessed by a number of Arab countries as a result of their natural resources excavations (Vel, Captain, Al Abbas, & Al Hashemi, 2011) appears to be an instigator of an increase in conspicuous and luxurious consumption in some of these cultures.

Collectivism versus Individualism

Ample evidence demonstrates that the dynamics of consumer behaviour include economic, demographic and cultural issues, which in turn reveals how family and social values influence consumers' decision making (Costa & Bamossy, 1995). Hofstede's (1980) landmark model on the dimensions of culture differentiates cultures according to five dimensions, one of which is a

continuum distinguishing between collectivist and individualistic cultures. In individualist societies, ties between individuals are often loose and everyone is likely to look after personal – or utmost one's nuclear family– matters and interests. On the other hand, collectivist cultures are "societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families, which continue to provide protection in exchange for unquestioning loyalty" (Teimourpour & Hanzae, 2011). People from collectivist cultures highly regard interdependence (Hui & Triandis, 1986) and are usually more concerned about doing the right thing and acting suitably than doing what they personally would like to do (Triandis, 1995). A familiar trait of individuals within these cultures is the concern with acquiring the approval of their group; failing to do so initiates distressing feelings of shame (Hui & Triandis, 1986).

In Arab cultures, individuals exhibit an "affiliation-oriented nature" whereby family and group values and collective interests are set as a priority compared to one's private life. As Hofstede (1991) suggests, Arab societies are more inclined to group than to individual judgment and decision making; "group harmony, consensus, and cooperation" often being preferred over individual initiative (Dirani, 2008). In Lebanon, individuals feel a stronger need to conform to their local social groups' expectations than to the broader national group requisites (Dirani, 2008; Farah & Newman, 2010). Pertaining to the Levant region, and similarly to the Lebanese culture, the Jordanian culture is also assumed to be collectivist due the similarity of their social traits (Alkailani, Azzam, & Athamneh, 2012). Collectivist as well, the Gulf Corporation Council populations share similar traditions, customs, cultures, faith, local tongue and political structures and as a result may be regarded as homogenous (At-Twajri & Al-Muhaiza, 1996). These similarities were at the heart of creating the GCC (Ibrahim, 1989). In fact, people from the State of Qatar value cultural norms, and abide closely by the influence of their extended family which

largely shapes their individual decision making processes and choices (Kamal, 1893). Oman, which is also part of the GCC, shares similar characteristics to those of Qatar, allowing it to be labeled as a collectivist culture as well.

Face Saving and Group Orientation

In recent times, a growing number of sociological studies have tackled the cultural values of "face saving" and "group orientation" concurrently (Jin & Kang, 2011), which relate to the idea of self-concept, in other terms, the conviction that individuals possess about their own traits and overall image (Solomon, Bamossy, Askegaard, & Hogg, 2010). In effect, 'face' corresponds to a Chinese term indicating one's dignity based on an appropriate relationship between an individual and the group to which he or she belongs. Collectivist cultures are reputed for their individuals being 'face-conscious' (Hofstede, 1983). Obtaining face requires rigorous effort to reach other's admiration, respect and consequently group integration. This can be achieved, although not entirely, through the external facade of rank and prosperity (Bond, 1991).

In collectivist cultures, individuals are considered insignificant without the presence of others and as such form social circles (Doi, 1962). In such communities, the interdependent self plays a crucial role for integrating the individual in the group (Monkhouse, Barnes, & Stephan, 2011). Social identity is the individual's self-concept derived from perceived membership of social groups (Hogg & Vaughan, 2002). Relying on the group equips the individual with a collective identity, which provides a comforting sense of security (Haglund, 1984). Hence, conformity is looked upon as a positive attribute of collective cultures, which provides a path to smooth social relations and the ability to maintain social harmony (Tran, To, Nguyen, Lam, & Tran, 2008). Tajfel and Turner (1979) identify three variables accountable for in-group favoritism: (a) the

degree to which individuals relate to a particular group which affects one's adherence to that group and hence their self-concept aspect, (b) the degree to which the established context allows for contrast between groups, (c) the perceived significance of the comparison group, which is altered by the status of the in-group. Individuals are likely to exhibit favoritism when an in-group is fundamental to their self-definition and a particular comparison is consequential (Tajfel and Turner, 1979). In these societies, a consumer's decision making process especially that related to luxury products is highly shaped by the strong influence of one's family, as related choices often reflect the family's overall stand in the society (Vel, Captain, Al Abbas, & Al Hashemi 2011).

The consumption of luxury products is the result of five factors. First of all, *quality*, which plays a key role pointing towards the choice of a luxurious product, is central as it indicates what it does and how it functions (Berthon, Pitt, & Campbell, 2009). Gentry, Putrevu, Shultz, & Commuri (2001) found that one of the reasons consumers buy luxury brands is the superior quality mirrored by the brand name. Fine quality is seen as an essential characteristic of a luxury product in terms of a 'sine qua non' (Quelch, 1987). Particularly, Arab countries have developed the belief that products created in the West possess a superior quality unlike their counterparts produced in the MENA region (Vel, Captain, Al Abbas, & Al Hashemi, 2011). Moreover, acknowledging the fact that individuals who value face saving place bigger concern on how others see them, the quality attribute of luxury goods is regarded as significant in that aspect as it plays a role in the positive way a group will view these individuals. As such, it is likely that these consumers will opt for a product with superior quality, which impresses other group members. Accordingly, we hypothesize:

H₁: Arab consumers who highly value face-saving will have high perceptions of the quality dimension of luxury.

H₂: Arab consumers who highly value group orientation will have high perceptions of the quality dimension of luxury.

The second factor, *hedonism*, describes the assumed usefulness and intrinsically tempting goods acquired from the buying of lavish products to stimulate feelings and emotional states, attained from personal rewards and fulfillment (Sheth, Bruce, & Gross, 1991). The latter type of consumers seeks out the pleasurable emotion stirred by these possessions, and the feeling of personal gratification and self-indulgence that they provide (Vigneron & Johnson, 1991). Similarly, Dubois (1993) argues that while some consumer researchers have built up a hedonic lookout according to which luxury goods purchase largely satisfies a buyer's taste for symbolic meanings, others have reiterated consumers' yearnings to enhance their personality through their possessions. Consequently, assuming the collectivist nature of the Arab societies under investigation in this study, typically supposed to be more concerned with the groups' considerations and personal image within that group than with personal interests and satisfactions, we hypothesize:

H₃: Arab consumers who highly value face-saving will have low perceptions of the hedonistic dimension of luxury.

H₄: Arab consumers that highly value group orientation will have low perceptions of the hedonistic dimension of luxury.

The third factor behind luxury brand consumption is related to *conspicuousness*, which appears to be the primary drive behind such acquisitions. Conspicuousness has been conventionally defined as buying to impress others (Mason, 1992), and to provide status regardless of the consumer's earnings or social class (Belk, 1988). Displaying wealth considerably becomes an important social symbol, and verifying that an individual possesses it makes it more likely for him/her to climb the social ladder (O'Cass & Frost, 2002). In fact, though collectivist cultures focus on humility, they still encourage more sophisticated consumption should it be considered essential to one's social station (Yang, 1963). This study

aims to test the positive impact of face saving and group orientation in collectivist cultures such as the Arab ones on the conspicuous dimension of luxury; hence we hypothesize:

H₅: Arab consumers who highly value face-saving will have high perceptions of the conspicuous dimension of luxury.

H₆: Arab consumers who highly value group orientation will have high perceptions of the conspicuous dimension of luxury.

Uniqueness, the fourth factor, defines how a luxury product is mainly perceived. Uniqueness pertains to exclusivity, which mirrors the real nature of luxury goods. Uniqueness is also supported by the supposition that the believed exclusivity of a limited product enhances the consumer's desire or preference for a brand (Pantzalis, 1995). This desire is increased when the brand is regarded as expensive (Verhallen & Robben, 1994), which is related to the financial evaluation of the luxury item. In Arab societies, whereby the concern is mainly geared towards group harmony and one's image and status in his social group, we aim to test the following concerning the importance of the uniqueness aspect:

H₇: Arab consumers who highly value face-saving will have high perceptions of the exclusive dimension of luxury.

H₈: Arab consumers who highly value group orientation will have high perceptions of the exclusive dimension of luxury.

Finally, the *extended-self* points to the social value associated with luxury (Wiedmann, Hennigs, & Siebels, 2009). This social value confirms the importance of possessions and the desire to use luxury items in order to integrate symbolic meaning into a particular identity. The consumption of luxury goods particularly in collectivist culture involve purchasing a product that represents value not only to the individual but also, and more importantly to one's reference group. Consumers may use luxury items to incorporate the associated emblematic significance

into their self (Vigneron & Johnson, 2004), or to build up and maintain their existing identity (Dittmar, 1994). In the context of the assumed collectivist Arab societies, we hypothesize that:

H₉: Arab consumers who highly value face-saving will have high perceptions of the extended-self component of luxury.

H₁₀: Arab consumers who highly value group orientation will have high perceptions of the extended-self component of luxury.

METHODOLOGY

The literature review on luxury purchasing in the Arab culture and its different underlying causes were at the base of the proposition of the ten hypotheses to be tested to explain the motives behind the purchasing behaviour of luxury products in four Arab countries. A positivist approach was adopted, whereby a survey was conducted to explain the influence of both cultural and personal values on the consumption of luxury goods in the Arab world.

Sampling Design and Data Collection

Due to the exploratory nature of this study in the Arab World, the researchers opted for a non-probabilistic sampling design, based on a convenience sample. The questionnaire required around ten minutes to complete, and was directed towards a number of university students, faculty and personnel in all of: Lebanon, Jordan, Qatar and Oman. Universities were chosen to be representative of all different social classes, as such some public and private ones.

From 3 million students in 1998/99 to about 7.5 million students in 2007/08, and a three-fold increase in the number of universities, the Arab world witnessed a remarkable increase in higher education in the last years of the twentieth century. Moreover, higher education in the Arab region has shifted more toward "increased privatization, though considerable differences occur between countries; Bahrain, Lebanon, Oman, Palestine, and the UAE have the highest

percentage of students enrolled in private universities (above 50 percent), while Iraq, Libya, Morocco, and Sudan have the lowest percentage of enrollment in private universities (20 percent or less)" (Bhandari & El-Amine, 2012). This shows that in the Arab world, a high percentage of individuals go on to complete their university degrees due to the presence of a variety of private and public university choices which cater to students from different backgrounds and social classes.

The sample of respondents was chosen to give a general indication of luxury product purchase motives for the populations under study, allowing for a comparison between Levant and Gulf cultures. The sample size from each country was chosen to be equal given the fact that the four countries under scrutiny have similar population sizes. In fact, the population size for Lebanon is 5,882,562; 7,9300,491 for Jordan; 2,123,160 for Qatar; and finally 3,219,775 for Oman (Central Intelligence Agency, 2014). In order to assure a target sample size of 400 usable questionnaires, with a minimum of 100 admissible surveys per country, and to counteract any error due to inadmissible questionnaires -based on multiple answers per question or incomplete questionnaires-, 150 questionnaires were distributed in each of the countries.

Since part of the study was conducted outside the country of residence of the researchers, a group of overseers, mainly faculty members, supervised the completion of self-administered questionnaires in the aforementioned countries. To assure that the prospective respondents were demographically varied though taken from a university setting, overseers were asked to hand out the questionnaires in more than one class whenever possible. Potential respondents were all assured of their anonymity and the confidentiality of their answers.

Out of the original 600 questionnaires distributed, 446 questionnaires were filled, of which 400 qualified as adequate for the purpose of the study. Forty six surveys were inadmissible due

missing answers and/or items with more than one response. Nevertheless, there were no remarkable differences in response rates among the universities in each of the four countries.

Instrument Description

In order to obtain a deeper insight on how cultural and personal values influence the consumption decision of luxury goods in the Arab world, a quantitative survey was adopted based on a study developed by Monkhouse, Barnes, and Stephan (2011). The survey contained 38 statements reflecting the various constructs under study. The first part of the questionnaire comprised four demographic questions related to: gender, age, education level and nationality.

The second part of the questionnaire required participants to reveal their level of agreement or disagreement on a 34 items based on a seven-point Likert scale ranging from strongly disagree (-3) to strongly agree (+3). These scales relate to the constructs of: quality, hedonism, conspicuousness, exclusivity, extended-self, face saving and group orientation. A list of high-end fashion brands such as Channel No. 5 perfume, a Lacoste shirt, Gucci sunglasses, a Louis Vuitton handbag, a Tag Heuer or Rolex watch, Bang & Olufsen Hi-Fi system or BMW 7-series car is given as examples of high-end luxury brands.

Quality, the first item, was measured using the following 6-item scale: luxury goods are bought for their: (a) their excellent quality, (b) their excellent design, (c) their brand names, (d) their country of origin, (e) their excellent customer service, and (f) luxury goods are very suitable as a gift for others.

Hedonism, which indicates a person's willingness to behave in a way that brings personal pleasure, was measured using five statements: (a) luxury goods make people dream, (b) luxury

goods are bought for a feeling of fulfillment, (c) luxury goods are bought for self-indulgence, (d) luxury goods bring pleasure to the owner, and (e) luxury goods bring excitement.

Conspicuousness, which describes the buying of expensive items to impress others and enhance an individual's social prestige, was tackled by six questions: (a) luxury goods should look expensive, (b) people like to buy luxury goods in prestigious shops, (c) luxury goods are bought for their distinctive brand design, (d) luxury goods should be easily recognized by others, (e) luxury goods are a symbol of high social status, and (f) luxury goods impress people.

Exclusivity, meaning that a certain niche of people prefer to buy certain items due to the fact that they will be the only ones owning them, was measured by four items: (a) it is good to be among a very few people owning a truly luxury product, (b) I would buy luxury goods to make myself stand out, (c) once a product becomes mass-produced, it is not luxurious any more, and (d) luxury goods are bought because they are exclusive.

Extended self, which denotes the social value associated with luxury purchasing was assessed using five statements, namely: (a) people buy luxury goods to reveal a little of who they are, (b) people buying luxury goods belong to an elite class, (c) buying luxury goods is synonymous with success, (d) buyers of luxury goods are wealthy people, as well as (e) buyers of luxury goods are sophisticated people.

Face saving, which refers to preserving one's image as well as the family's one, was measured using four statements: (a) I am concerned with not bringing shame to myself, (b) I pay a lot of attention to how others see me, (c) I am concerned with protecting the pride of my family, and (d) I feel ashamed if I lose my face.

The last item measured by the questionnaire is *group orientation*, describing how involved individuals are with their group and the importance placed on social norms, was gauged through

the following statements: (a) I recognize and respect social expectations, norms and practices, (b) when I am uncertain how to act in a social situation, I try to do the same as what others do, (c) when I buy the same things my friends buy, I feel closer to them, and (d) If there is a conflict between my interest and my family's interest, I'll put priority on mine.

The more a respondent agreed with the proposed statements, the higher his/her desire for conspicuous consumption and the more importance this individual places on cultural and personal values. Combined, these factors affect an individual's consumption choices.

To limit validity issues, a pilot stage allowed the checking for difficult or confusing questions. This risk is typically increased when the survey instrument is translated into several languages. In the case of this study, the original survey was in English. It was translated to Arabic and then re-translated to English to rule out differences in the Arabic translation that would compromise the intended meaning. Both versions were equally distributed to a sample of 40 people who provided the researchers with their respective comments for validity checks.

ANALYSIS AND RESULTS

Characteristics of the Sample

Of the 600 questionnaires distributed, 446 questionnaires were filled, 400 of which judged as appropriate, leading to a response rate of 89.68%. The 46 unusable questionnaires were excluded due to multiple questions unanswered or with multiple responses. The final sample consisted of 164 males and 236 females (41.0% and 59.0% of the sample, respectively). The demographic analysis (Table 1) showed the highest concentration of participants being in the 18 to 25 years old age category (66.8%). The age distribution reflects the higher percentage of undergraduates in universities with the bulk of participants (77.3%) pursuing an undergraduate degree, and the

remaining percentages divided across different degrees. The respondents were equally distributed among the 4 universities approached.

Insert Table 1 Here

Table 1 also portrays the results of the demographic distribution for both the Levant and Gulf regions. In the Levant, the percentages of female and male respondents were respectively 52.5% and 47.5%, compared to 65.5% of females and 34.5% of males in the Gulf region. The age distribution among both regions was similar. Ages ranging between 18 and 25 held a percentage of 67.5% in the Levant region and 66% in the Gulf.

The level of education distribution between the two regions showed different results. The percentage of respondents pursuing an undergraduate degree varied significantly between the Levant (67.5%) and the Gulf (87%). The percentage of people attending a Master's program was higher in the Levant (27.5%) than in the Gulf (11.5%). There were also large variations in terms of participants holding a doctoral degree between the Levant (3%) and the Gulf (0.5%) region.

Though insightful in terms of the samples characteristics, demographics are supposed to implicitly affect respondents' beliefs, values, and hence consumption orientations.

Assessment of Measures

This research uses confirmatory factor analysis (CFA) using LISREL since it is testing an existent theory. Table 2 reveals the results obtained conducting the CFA, and provides support for the scales reliability for both regions. Results confirm that all the items of the survey load substantively on their related factor with no significant cross-loadings identified for either region. Table 3 demonstrates the model fit (hypothesis testing), and proves that the seven-factor

paradigm was adequate in both the total sample and each region separately. The model fit was specifically evaluated by calculating each of: (a) the root mean square error of approximation (RMSEA) where values less than 0.06 indicate a good fit; (b) the Tucker-Lewis index (TLI), and (c) the comparative fit index (CFI) where any value above 0.90 indicate a reasonable fit . The Chi-squared was also computed, though it is to be noted that this statistic is typically sensitive to sample size, as such for our sample size of 400 respondents, the chi-squared results should be bigger than the cut-off tabulated value of 559.4 to indicate a good fit. The model fits the data well both for the total sample and each of the regions. Table 4, includes the regression analysis for the total sample conducted to test the hypotheses proposed.

Insert Table 2 Here

Both a standardized factor loading and an average variance extracted (AVE) were computed to further validate this model for each regional market. In factor loading, each sub-item should load higher than 0.6 on its own construct yet remarkably lower on the other constructs. A value of 0.6 and above is generally considered excellent, values between 0.5 and 0.6 are moderate and any value below 0.5 is questionable (Hair, Anderson, Tatham, & Black, 1992). As for the average variance extracted (AVE), also known as convergent validity, values should be equal or above 0.5 (Hair et al. 1992).

The standardized factor loading for each sub-item of the *quality* construct loaded differently. Almost the entire total sample loaded within and above the acceptable range of 0.6 except for two sub-items; however few factors had questionable loadings but were not far off from the accepted value. The AVE for the Levant region is 0.46 and 0.41 for the Gulf region; both results are lower than the accepted 0.5 cut-off value, yet not far off from it. The standardized factor

loading for the construct of *hedonism* had adequate loadings for each of its sub-item's total sample and individual market region. The AVE for both regions Levant (0.57) and Gulf (0.62) were above the required value of 0.5. As for the *conspicuousness* construct, all its sub-items had a factor loading above the acceptable range except one. The AVE values for both Levant (0.54) and Gulf (0.52) were higher than 0.5. The construct of *exclusivity* had four sub-items, all of which had a factor loading comfortably above 0.6 for the region markets. Levant and Gulf regions also scored higher AVE's than the standard value; 0.58 for Levant and 0.65 for Gulf. *Extended self* which is the fifth construct, had relatively excellent factor loadings for all its five sub-items across the two market regions with few factor loadings results in the Levant being questionable. The AVE for this construct was above the standard value of 0.5 for the Gulf (0.65), yet slightly lower than the normal value for the Levant region (0.47). The construct of *face saving* had excellent factor loadings for both regions. The AVE for this construct for the Levant (0.61) and Gulf (0.73) were both considerably higher than the standard value of 0.5. The final construct in this research topic was *group orientation*. The standardized factor loadings for both regions were all within or above the acceptable value of 0.6. However, the AVE's for both market regions were considerably below the accepted value of 0.5, where the AVE for Levant was 0.37 and 0.38 for Gulf.

Both Cronbach's alpha and composite reliability were calculated to measure the overall reliability and independence of the scale for each regional market. The higher Cronbach's alpha is the more reliable the model is, and the higher the composite reliability is, the more independent the latent variables of the scale are. Cronbach's alpha and composite reliability for the constructs of quality, hedonism, conspicuousness, exclusivity, extended self and face saving proved to be reliable across both markets. All of the alpha values were above the standard value

of 0.7, further proving the reliability and independence of the items. The only construct whose Cronbach's alpha was fairly reliable and a poor composite reliability was that of group orientation. This could be due to the fact that there is a shift in the attitudes of individuals in these regions from focusing on the group to focusing on the individual more.

Testing the Model Fit

A test for the model fit was conducted (table 3). In order to demonstrate model fit, several conditions must be fulfilled: (a) The RMSEA values should all be less than or equal to 0.06; (b) both the CFI and TLI should surpass the value of 0.90; (c) the results of the Chi-squared test should be higher than the tabulated value of 559.4. The RMSEA for the total sample was 0.047, indicating a good fit on that aspect. Both the Levant (0.043) and Gulf regions (0.046) also had reasonable results that fit the criteria. The CFI results for both the total sample (0.93) and each region alone, in other words, Levant (0.94) and Gulf (0.93), exceeded the required value of 0.90. The TLI values for the total sample and those of each region were also all above the required 0.90. Lastly, the chi-squared results for the total sample (954.32), for the Levant (689.11) and for the Gulf (720.40) exceeded the tabulated cut off value of 559.4.

Insert Table 3 Here

Correlation Analysis

Table 4 describes the correlation metrics of Confucian values with the factors of luxury perception for both the total sample as well as each market region individually. The Confucian values of group orientation and face saving both have a relatively significant correlation with each construct of the luxury perception as well as with each other in the total sample. In group orientation, this correlation is statistically significant with face value at a degree of 0.336. Group

orientation with quality and hedonism show a statistical significance but are relatively weak at values 0.125 and 0.138 respectively. Each of the factors related to the extended self, exclusivity and conspicuousness showed a statistical significance with group orientation at values of 0.281, 0.201 and 0.202 correspondingly. As for face saving, each factor was strongly correlated with it at different levels (0.01 and 0.05 level of error). Face saving had a correlation value with quality of 0.317, 0.364 with extended self, 0.346 with exclusivity, 0.263 with conspicuousness and 0.272 with hedonism; all proving statistically significant.

Regarding the correlation values of the factors considered to analyze the luxury perception, these correlations were higher and more significant. Quality has a correlation value of 0.420 with extended self, 0.490 with exclusivity, 0.540 with conspicuousness and 0.460 with hedonism all of which at the 0.01 level of error. The correlation values of the extended self with each of exclusivity, conspicuousness and hedonism is statistically significant at the 0.01 confidence level with values of 0.592, 0.543, 0.454 respectively. Exclusivity is highly correlated with both conspicuousness and hedonism yielding values of 0.582 and 0.527 respectively. Lastly, the strongest of correlations is evident between conspicuousness and hedonism with a value of 0.627.

Comparing the correlations of both market regions, Levant and Gulf, to one another, minor discrepancies were found. Also, most factors yielded significant statistical correlations with one another except for 3 in the Levant region. Group orientation and face saving both have significant statistical correlations, yet that correlation is stronger in the Gulf than in Levant with values of 0.388 and 0.275 respectively. Quality, however, did not have any significant correlation with group orientation in the Levant with a value of 0.009, yet portrayed a significance statistical value in the Gulf with a value of 0.248. As for quality and face saving, in

both regions its correlation was significant whereby it had a value of 0.245 in Levant and a higher value in the Gulf with 0.387. The extended self factor was statistically significant to both group orientation and face saving in both regions. The correlation between extended self and group orientation in the Levant was 0.201 and much higher and stronger in the Gulf at 0.408. As for the correlation with face saving, the extended self yielded similar correlation of 0.376 in the Levant and 0.367 in the Gulf. The exclusivity factor did not witness a significant correlation with group orientation in the Levant region contrary to the Gulf region where its correlation was significant at the value of 0.307. The other Confucian value, face saving, was significantly correlated with exclusivity in both regions yielding a value of 0.241 in the Levant and a stronger correlation value of 0.429 in the Gulf. Conspicuousness in both regions was statistically significant for group orientation as well as face saving; however, this correlation was stronger in the Gulf region as its values were higher than that of the Levant where values were 0.183 for the correlation of conspicuousness with group orientation in the Levant and 0.282 in the Gulf; 0.203 for conspicuousness with face saving in the Levant and 0.338 in the Gulf. The final factor whose correlation was studied was hedonism; though it did not witness a significant relationship with group orientation in the Levant, it did in the Gulf; correlation values were 0.095 and 0.202 respectively. As for the correlation between hedonism and face saving, it had a statistically significant correlation in both the Levant and the Gulf, at values of 0.154 and 0.382 correspondingly.

As for the correlations of the factors constituting the perception of luxury with one another, the majority of these factors yielded high correlations with one another. Quality and extended self portrayed a similar significant correlation in both Levant and Gulf regions at 0.420 and 0.444 respectively. Exclusivity, yielded a relatively high correlation with (a) quality in the

Levant 0.441 and a higher correlation in the Gulf 0.541, (b) and with extended self in both regions as well, 0.540 in Levant and 0.649 in the Gulf. In addition, conspicuousness had much higher significant correlations in the Gulf region than that of the Levant. First, the correlation of conspicuousness with quality in the Levant was 0.521 compared to 0.583 in the Gulf. Second, the correlation values of conspicuousness and extended self were also significant with the value of 0.452 for the Levant and a higher value of 0.622 in the Gulf. Lastly, the correlation of both conspicuousness and exclusivity also portrayed higher values in the Gulf 0.693 than in the Levant 0.490. The final factor, similar to all previous ones, yielded higher values in the Gulf than in the Levant. The correlation of hedonism with (a) quality in the Levant was 0.399 and 0.535 in the Gulf, (b) extended - self in the Levant was 0.327 and 0.556 in the Gulf, (c) exclusivity was 0.418 in Levant and a value of 0.632 in the Gulf, and (d) conspicuousness was 0.507 in the Levant compared to an excellent value of 0.747 in the Gulf.

The significance of these correlations is identified in the rationale that when the correlation between two factors is high, people who agree on the first factor will be more likely to agree on the second and vice versa. However, when the correlation between the two factors is relatively low, then people are likely to have a perfect agreement or disagreement on both indicators at the same time. Also, it is evident from the correlation values in both regions, that the population of the Gulf sample has stronger feelings to maintain the group harmony.

Insert Table 4 here

Hypotheses Testing: Regression Analysis

The regression analysis related to face saving allowed concluding that quality affects positively the latter both in the Gulf and in the Levant; however, the effect of quality on face

saving is statistically higher in the Levant than in the Gulf. As such, H_1 was proved. Conspicuousness also positively influences face saving in both the Levant and the Gulf though its effect is statistically more significant in the Levant than in the Gulf. Accordingly, H_3 was disproved. As for exclusivity, face saving has a positive influence for both market regions, although this influence is higher in the Gulf region than it is in the Levant, the difference between both regions is not significant as the results show that exclusivity drives face saving in the Gulf more than in the Levant, although the β coefficient is higher in the Gulf than in the Levant ($p=7.200\%$). As a result, H_5 was proved. Extended self also appears to have a positive effect on face saving in both the Levant and the Gulf, yet the effect of the extended self is statistically more significant in the Gulf than it is the Levant ($p=2.400\%$). Consequently, H_7 was proved. The final factor to consider was hedonism whose influence on face saving was also positive in both Levant and Gulf, with that influence being higher and more statistically significant in the latter ($p=0.100\%$). Hence, H_9 was proved.

The second dependant variable assessed was group orientation. Regression results show that there is no statistical evidence to conclude that there is a difference in effect of group orientation on any of the five dependent variables between both Levant and Gulf. Moreover, statistical results disprove the five related hypotheses, namely H_2 , H_4 , H_6 , H_8 and H_{10} .

Insert Table 5 Here

Discussion and Future Research

The Arab World Consumer

Since Arab people are known to depend more on the group than on their individuality (Kabaskal & Bodur 2002) some of the results were of no surprise, whereas others were relatively unforeseen. Acknowledging the mindset of the Arab consumers and how they place high

importance on group harmony as well as on maintaining a positive social image, the results obtained in this study have both significant academic and managerial implications for luxury brands marketers operating in the Arab World. The hypotheses proposed in this study shed light on the different as well as changing social makeup within the various countries of the Arab World. The cultural dimensions of face saving and group orientation appear to influence the significance of the following factors pertaining to luxury, namely: quality, hedonism, conspicuousness, exclusivity and extended self. This study validated some previously established Arab countries characteristics proposed by Hofstede work (1991), while challenging some other attributes like collectivism in countries like Qatar and Jordan which were found to be more individualistic (Aldulaimi & Zedan, 2012).

The results of this study imply that Arab consumers who value both face saving and group orientation particularly emphasize the aspect of quality which plays a major role in the choice of products and brands by utilitarian consumers. When purchasing an item, Arab consumers appear to emphasize the effort, quality and work put into this product, which in turn allows others to perceive this product as a luxurious one. Consumers who can afford the price of quality products are typically viewed more favorably by others within their group; which helps them maintain their face and join the group they aspire to.

On the other hand, although hedonism is not an important factor in the purchase decision related to a luxury product in most Arab countries, this idea is fast changing as Arab societies are now shifting gradually towards individualism due to modern times challenges. Though the extant literature proposes that hedonism is negatively perceived in light of face saving and group orientation (Monkhouse, Barnes, & Stephan, 2011), the opposite is perfectly explainable in the context of Arab markets. Indeed, hedonism can have a somewhat positive impact on both face

saving and group orientation. Individuals need to feel confident and satisfied when making a luxury purchase. As such, the pleasure from obtaining a product can be projected on the group, and hence can positively influence this group to reinforce future purchases of the same brand while implicitly saving the initial purchaser's face. This is where the positive impact of hedonism is apparent. For this matter, Arab consumers have been slowly shifting towards increasingly appreciating hedonism, though still heavily emphasizing group harmony.

Conspicuousness is related to both group orientation and face saving. Conspicuousness gives the consumer the opportunity to belong to a certain group as a result of the apparent social status inferred from such consumption. The way Arab societies are structured whereby one's social position is bestowed upon him from birth, conspicuousness allows that person to portray belongingness to a particular social group in a tangible manner through his/her possessions. However, since research results propose that a majority of Arab citizens value group orientation (Kabaskal & Bodur, 2002), flaunting conspicuousness may not always be appreciated as it may cause group disharmony. Islam is the dominant religion in the Arab region, its' teachings emphasize the importance of leading a simple life with little emphasis on worldly possessions. This explains why conspicuousness may not be viewed favorably by certain groups.

Social groups in Arab societies are exclusive to its members; as such, individuals who seek to save their face and to remain in their particular group will naturally value the dimension of exclusivity. Accordingly the feeling they experience when purchasing a luxury product that is readily available only for a small portion of the population will make them feel closer to individuals within their elite group. Group orientation and harmony in this context is a two edge sword. Belonging to a specific exclusive group may cause disharmony at the larger group level. In Arab societies, very often, an individual belongs to several groups at the same time. As such,

exclusivity may have its drawbacks on the choices an individual makes whereby all the groups he/she belongs to should be taken into consideration so as to maintain harmony amongst them.

Finally, as individuals in Arab societies are known to care for the benefit of the group on a large scale, it is no surprise that individuals regard highly both group orientation and face saving when considering the extended self component. For long, similarly to other eastern cultures, Arab people have not only cared for the nuclear family but also cherished the interests of the extended one (Barakat, 1993). The group orientation and face saving characteristics in the Arab World appear to consistently impact one's perception of his/her extended self as one's belongings, similar to those possessed by others in one's surrounding, are perceived as a means to emphasize group harmony, unity and one's public image.

A comparison between the Levant and the Gulf consumers

Though one could assume that there are no major differences amongst the Levant and the Gulf, this assumption is challenged by the fact that discrepancies between different regions do exist as shown by the findings of this study. Surprisingly, the consumers in the Levant appear to put relatively more importance on both face saving and group orientation. As countries in both regions have been witnessing changes in the make-up of their societies, these affect their culture and social norms.

It is no secret that the social make up of the Gulf region comprises mostly expatriates who have helped build these countries' economies and infrastructure. As such, it appears that family bonds and social norms will become less important and a shift towards individualism will be more dominant as every individual is keen on proving his/her potential. Though Levant countries have expatriates, they are not as spread and large in numbers as those in the Gulf countries. Face

saving and group orientation both play a significant role when consumers from the Levant are choosing a product and considering the several factors pertaining to luxury, and to a lesser extent to consumers from the Gulf region. An item of a high quality is viewed more favorably to consumers in the Levant region, as the latter still take into consideration the group to which they belong or wish to be affiliated with. Group orientation is viewed more favorably in the Levant than in the Gulf due to the different social make up of both regions and as such quality is not an important factor when choosing a product. In fact, individuals will most likely choose the items they see appropriate for them regardless of the perceived quality.

Conspicuousness is clearly more important to individuals in the Levant than to people in the Gulf, as there is no need for the latter consumers to buy any product to impress others. Consumers of the Gulf seem to buy products according to their own liking with no concern for group orientation or face saving; whereas people in the Levant appear to be more concerned with satisfying the group.

Hedonism will play a major factor for consumers in the Gulf as they are more likely to seek self-pleasure compared to the Levant. Those who seek self pleasure with little concern for the group or face saving will actually appreciate more the feeling of exclusivity. This will further prove the success of these individuals. However, in the Levant, both hedonism and exclusivity are not viewed favorably as they are seen to disrupt group harmony which in turn will embarrass individuals seeking self pleasure. Exclusivity in the Levant could mean two things: either the individual belongs to an exclusive group, or this individual is in a place of his/her own, far away from other members of that group. Both instances cause group disharmony.

Moreover, though the Gulf appears to be shifting more towards individualism, it should be taken into consideration that these changes are partially as a result of the large number of

expatriates, however the nationals still firmly hold onto the group and focus on harmony among individuals in their close knit community. Nevertheless, expatriates could influence some Gulf nationals who appear to be more content doing what they see fit for their own good.

As individuals in both regions are known to look after one another, focus on group harmony and care for face saving, the perceptions of the extended self regarding one's belongings are perceived as a means to either emphasize group harmony, unity and one's public image or to refute these factors. In both regions, this aspect to luxury perception appears to be similar.

Managerial Implications, Limitations and Future Research

The findings of this study support the belief that characteristics like inclinations towards interpersonal impact and concern about others' opinions are motivators of status consumption irrespective of financial capabilities or social status. Arab consumers appear to be willing to pay for prominent products which imply rank. The study results allow marketers, advertisers and retailers to target this attractive consumer segment. Moreover, interested parties can benefit from the psychographic dimensions examined to categorize status seekers. Individuals who seek status typically evaluate themselves according to how their reference group views them. Marketing managers who are able to correctly identify trend setters in groups or societies, can capitalize on influencing followers who value what others in their reference group believe. Moreover, as Arab countries are known to enjoy a relatively young population, marketers would benefit by shifting their focus to the younger adults as the latter are the consumers who are most influenced by what others think, and who depend heavily on social referencing to make an agreeable buying decision (Aldulaimi & Zedan, 2012). Identifying the importance that Arabs place on group opinion, harmony and acceptance, it is important for managers of western luxury brands to properly

position their offerings to the 'Arab Consumer'. In contrast with the near past whereby marketers needed to promote the "sense of group belonging and conformity" and to stress the use of luxury goods in terms of social status reflection, marketers must today recognize the perceptible shift in social values towards increased individualism across the Arab World (Aldulaimi & Zedan, 2012). Accordingly, marketers may need to adjust the advertisement campaigns of luxury brands to emphasize the spreading perception of hedonistic value.

Regardless of what this research has to offer, its limitations are recognized. First and foremost, the research is restricted to only certain aspects of personal values and cultural factors influencing one's luxury products purchase intention. Future studies could tackle additional personal and cultural factors affecting conspicuous consumption and look into the intricacies of different Arab societies characteristics. Secondly, the sample size of this study, though sufficient to get an overall feel of the university population, is not big enough to generate generalizable findings to other Arab countries. A bigger sample would be valuable to further validate these results across Arab markets. Studying only four countries has undoubtedly its limitations; as such, carrying a cross-cultural study across all Arab countries could be insightful to luxury brands retailers. Lastly, acknowledging that convenience sampling undeniably restricts the capacity of the research to fairly represent the target population, the broadening of the results beyond this specific sample would be inappropriate. Though this method is deemed useful for investigative research, additional research can be carried out with a more diverse consumer probability sample.

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Table 1: Demographics by regional distribution: the Gulf vs. Levant.

	LEVANT		GULF		TOTAL	
	Frequency (n _{Levant} =200)	Perc.	Frequency (n _{Gulf} =200)	Perc.	Frequency (n=400)	Perc.
Gender (%)						
Female	105	52.5	131	65.5	236	59.0
Male	95	47.5	69	34.5	164	41.0
Age (%)						
18-25	135	67.5	132	66.0	267	66.8
26-35	48	24.0	51	25.5	99	24.8
36-45	11	5.5	13	6.5	24	6.0
46 and above	6	3.0	4	2.0	10	2.5
Level of Education (%)						
A vocational/technical degree	4	2.0	2	1.0	6	1.5
A bachelor's degree	135	67.5	174	87.0	309	77.3
A master's degree	55	27.5	23	11.5	78	19.5
A doctoral degree	6	3.0	1	.5	7	1.8

Table 2: Confirmatory Factor Analysis: Total versus by regions (Levant vs. Gulf)

Construct	Item	Standardised Factor Loading (Levant, Gulf)	Cronbach's α (Levant, Gulf)	Composite Reliability (Levant, Gulf)	AVE (Levant, Gulf)
Quality (QUA)	QUA1	0.80/0.65	0.76/0.72	0.83/0.81	0.46/0.41
	QUA2	0.76/0.57			
	QUA3	0.35/0.57			
	QUA4	0.62/0.48			
	QUA5	0.68/0.74			
	QUA6	0.78/0.79			
Hedonism (HED)	HED1	0.82/0.85	0.83/0.84	0.87/0.89	0.57/0.62
	HED2	0.76/0.76			
	HED3	0.71/0.80			
	HED4	0.70/0.83			
	HED5	0.78/0.68			
Conspicuousness (CON)	CONS1	0.67/0.75	0.83/0.81	0.87/0.86	0.54/0.52
	CONS2	0.76/0.70			
	CONS3	0.79/0.71			
	CONS4	0.61/0.45			
	CONS5	0.78/0.81			
	CONS6	0.78/0.84			
Exclusivity (EXC)	EXC1	0.75/0.90	0.77/0.82	0.84/0.88	0.58/0.65
	EXC2	0.90/0.89			
	EXC3	0.60/0.72			
	EXC4	0.76/0.71			
Extended Self (EXTS)	EXTS1	0.42/0.68	0.71/0.86	0.81/0.90	0.47/0.65
	EXTS2	0.82/0.84			
	EXTS3	0.49/0.82			
	EXTS4	0.83/0.83			
	EXTS5	0.77/0.86			
Face Saving (FS)	FS1	0.80/0.86	0.78/0.88	0.86/0.91	0.61/0.73
	FS2	0.60/0.85			
	FS3	0.82/0.82			
	FS4	0.87/0.89			
Group Orientation (GO)	GO1	0.79/0.60	0.59/0.41	0.58/0.68	0.37/0.38
	GO2	0.69/0.80			
	GO3	0.58/0.67			
	GO4	0.47/0.65			

Note: All factor loadings significant as a minimum $p < 0.01$. Correlations among all item measurement errors are restricted to 0. All latent factors are allowed to co-vary freely.

Table 3: Model Fit Testing for total versus regional markets

Sample	N	RMSEA	90% CI		CFI	TLI	χ^2	(df)
<i>Levant</i>	200	0.043	0.048	0.072	0.94	0.93	689.11	506
<i>Gulf</i>	200	0.046	0.042	0.074	0.93	0.93	720.40	506

Notes: 90% CI reports the 90% confidence interval of RMSEA.
Correlations among all item measurement errors are restricted to 0.
All latent factors are allowed to co-vary freely; $p > 0.001$

Table 4: Correlation Matrices

	CONFUCIAN VALUES		LUXURY PERCEPTION				
	Group Orientation	Face Saving	Quality	Extended Self	Exclusivity	Conspicuousness	Hedonism
AGGREGATE SAMPLE (n=400)							
Group Orientation	1						
Face saving	.336**	1					
Quality	.125*	.317**	1				
Extended self	.281**	.364**	.420**	1			
Exclusivity	.201**	.346**	.490**	.592**	1		
Conspicuousness	.202**	.263**	.540**	.543**	.582**	1	
Hedonism	.138**	.272**	.460**	.454**	.527**	.627**	1
LEVANT vs. GULF REGIONS: Levant (n_{LEVANT}=200, below diagonal) / Gulf (n_{GULF}=200, above diagonal)							
Group Orientation	1	.388**	.248**	.408**	.307**	.282**	.202**
Face saving	.275**	1	.387**	.367**	.429**	.338**	.382**
Quality	.009	.245**	1	.444**	.541**	.583**	.535**
Extended self	.201**	.376**	.420**	1	.649**	.622**	.556**
Exclusivity	.083	.241**	.441**	.540**	1	.693**	.632**
Conspicuousness	.183**	.203**	.521**	.452**	.490**	1	.747**
Hedonism	.095	.154*	.399**	.327**	.418**	.507**	1

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

* . Correlation is significant at the 0.05 level (2-tailed).

Table 5: Regression Analysis: Summary Table

	Standardized Beta Coefficients				P-Value {Levant vs. Gulf}	
	Levant		Gulf		Sig. (If SIG. or $p < 5\%$, the difference between the beta coefficients of the Gulf and the Levant are significant.)	
	FS	GO	FS	GO	FS	GO
QUAL	0.710	0.502	0.589	0.259	0.000%	24.700%
CONS	0.743	-0.023	0.662	0.017	0.100%	86.400%
EXC	0.657	0.070	0.760	-0.415	7.200%	43.900%
EXTS	0.634	0.478	0.698	0.370	2.400%	43.500%
HED	0.506	0.260	0.645	0.418	0.100%	95.600%