

**ÇANKAYA UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
MASTER'S IN BUSINESS ADMINISTRATION**

MASTER THESIS

**THE EFFECT OF BRAND EQUITY
ON INTRINSIC AND EXTRINSIC MOTIVATIONS OF CONSUMERS
FOR LUXURY CONSUMPTION TENDENCY**

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SEPTEMBER 2020

ABSTRACT

THE EFFECT OF BRAND EQUITY ON INTRINSIC AND EXTRINSIC MOTIVATIONS OF CONSUMERS FOR LUXURY CONSUMPTION TENDENCY

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Master Thesis

Graduate School of Social Sciences

M.A., Business Administration

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September 2020, 90 Pages

Consumption is not only to meet basic needs today. Consumers' consumption preferences and understanding of consumption are also changing with the effect of its globalization. In this sense, some consumers tend to conspicuous consumption, while others have adopted a plain and simple lifestyle. In today's world, women make their presence felt in both working and social life and at the same time, women achieved their economic independence and reached a noticeable majority. Social and financial changes in recent years show that women are an important part of the producing and consuming society. Women's participation in luxury consumption varies according to age, marital status, education level and income level. The intent of this study is to investigate the effects of brand equity and its dimensions - brand loyalty, brand awareness, brand associations, perceived quality - on the intrinsic and extrinsic motivations of working women consumers on

luxury goods purchasing behavior and luxury consumption tendency. The universe of the research consisted of working woman consumers over the age of 18 and in Turkey's three-largest province of Ankara, Istanbul, and Izmir. In the research, the survey method has used to collect data and 3 different scales have used to evaluate the data. The data obtained were analyzed with the statistical package program SPSS 25.0. The Multiple Regression Analysis methods, which is a parametric test, was used to define the relationship between variables.

According to the results obtained in the study, it observed that working women, who constituted the sample of the research, preferred shoes from the product groups they found luxurious. It has been seen that the brand plays a crucial role in the purchasing behavior of consumers. It has been confirmed that brand equity and its dimensions have a positive and decisive effect on the luxury consumption tendency. Among these dimensions, it is seen that the effects of brand loyalty and brand awareness on purchasing behavior are greater than other dimensions. Luxury consumption tendency is a tool that enables the consumer to accept himself and socialize. Consumers motivated by extrinsic factors have a higher propensity to consume luxury than consumers motivated by intrinsic factors. Externally motivated female consumers purchase luxury products not only for their quality but likewise for social purposes such as image and influencing others.

Key Words: Brand, Brand Equity, Consumer Behaviors, Intrinsic and Extrinsic Motivation, Luxury Good Tendency

ÖZET

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Tez Danışmanı: Doç. Dr. ELİF AKAGÜN ERGİN

Eylül 2020, 90 Sayfa

Tüketim günümüzde sadece temel ihtiyaçları karşılamak için gerçekleşmemektedir. Küreselleşmenin de etkisiyle birlikte tüketicilerin tüketim tercihleri ve tüketim anlayışı da değişmektedir. Bu anlamda bazı tüketiciler gösterişçi tüketime yönelirken bazıları da sade ve basit yaşam tarzını benimsemiştir. Günümüzde kadınlar çalışma hayatında ve sosyal hayatta varlıklarını hissettirmekte ve ekonomik bağımsızlığını ele alarak fark edilir bir çoğunluğa ulaşmıştır. Son yıllardaki sosyal ve finansal değişimler kadınların üreten ve tüketen toplumun önemli bir parçası olduğunu göstermektedir. Kadınların tüketime katılmaları yaş, medeni durum, eğitim seviyesi ve gelir seviyesine bağlı olarak değişiklik göstermektedir. Bu çalışmanın amacı marka değeri ve bileşenleri olan marka sadakati, marka farkındalığı, algılanan kalite ve marka çağrışımlarının çalışan kadın tüketicilerin lüks ürün satın alma davranışına ve de lüks ürün satın alma eğilimine olan içsel ve dışsal motivasyonlarına olan etkisini incelemektir. Araştırmanın evrenini Türkiye'nin en büyük üç ili olan Ankara, İstanbul ve İzmir'deki 18 yaş üstü çalışan kadın tüketiciler olmaktadır. Araştırmada veri toplamak için anket yöntemi kullanılmış ve verileri

değerlendirmek için 3 farklı ölçekten yararlanılmıştır. Elde edilen veriler istatistik paket programı SPSS 25.0 ile analiz edilmiştir. Değişkenler arasındaki ilişkiyi belirlemek için parametrik bir test olan Çoklu Regresyon Analizi yöntemi kullanılmıştır. Araştırmada elde edilen sonuçlara göre; araştırmanın örneklemini oluşturan çalışan kadınların, lüks buldukları ürün gruplarından ayakkabı tercih ettikleri görülmüştür. Tüketicilerin satın alma davranışlarında markanın önemli bir rol oynadığı görülmektedir. Marka değeri ve bileşenlerinin tüketicilerin lüks tüketimi eğilimi üzerine olumlu bir etkisi olduğu doğrulanmaktadır. Bu bileşenler arasında marka sadakati ve marka bilinirliğinin satın alma davranışında etkilerinin diğer bileşenlere göre daha fazla olduğu görülmektedir. Lüks tüketim eğilimi, tüketicinin kendini kabul etmesini ve sosyal tanınmasını sağlayan bir araçtır. Dışsal faktörlerle motive olmuş tüketicilerin lüks tüketime eğilimi, içsel faktörlerle motive olmuş tüketicilere göre daha yüksek olduğu çıkan sonuçlar arasında yer almıştır. Dışsal motive olmuş kadın tüketiciler, lüks ürünleri sadece kalitesi için değil aynı zamanda imaj ve diğerlerini etkilemek gibi sosyal amaçlar doğrultusunda da satın almaktadırlar.

Anahtar kelimeler: Marka, Marka Denkliği, Tüketici Davranışları, İçsel ve Dışsal Motivasyon, Lüks Tüketim Eğilimi

ACKNOWLEDGEMENTS

I would like to express gratitude to Assoc. Prof. Dr. ELİF AKAGÜN ERGİN for her supervision, special guidance, suggestions, and encouragement through the development of this thesis. I would like to extend my endless thanks to my beloved family, who have always supported me throughout my life and who were with me in all my difficult times.



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INTRODUCTION

There are many products and services in the marketplace to meet the needs of buyers. Some of the goods and services are offered to consumers under a certain brand and attain a place in the market. Therefore, the brand has great importance in marketing goods or services in regards to both consumers and the producer. A brand is an exceedingly broad concept. Also, the brand is an active factor that simplifies the customer's purchasing decision and meets customer expectations (Keller, 2008:2). In this regard, the creation of the brand is not enough. What is important is that after the creation of the brand, it must carefully manage. A cleverly managed brand will create value for consumers and thus will become very valuable for the company (Yen and Chen, 2007:134). Aaker argues that the concept of brand equity includes several assets or liabilities which has associated with name and image. These several capitals and debts increase or decrease the advantage to customers by product or service (Aaker, 1991:15).

Today, it had known that the reason for consumption is not only to meet physiological needs, and also it was known that with the increment in the number of luxury brands, changes in the purchasing behavior of consumers are beginning to emerge. According to Veblen, people compete for status by buying luxury goods. The prestige of a luxury product, such as a car, watch, or dress, is the most crucial indicator for the person's social status in society (Veblen, 1899:59). For these reasons, purchasing behavior in the luxury consumption tendency and intrinsic and extrinsic motivations of the consumers and the examination of brand equity have gained importance.

In the first chapter of the study, brand equity is generally defined and explained with its components on customer based.

In the second chapter, consumer behavior determined, and factors affecting consumer behavior has explained under four main headings cultural, social, personal, and psychological factors. (Kotler and Armstrong, 2008:7). According to the cognitive approach developed by Tolman (1932) and Lewin (1938), motivation is the significant action that influences the choice of individuals among the various alternatives of behavior (Kanfer, 1990:76). Therefore, motivation is defined and explained based on the goals and components of intrinsic and extrinsic motivations.

The third part consists of the luxury concept, the definition of luxury goods, and Veblen conspicuous consumption theory. In accordance with all this information and literature research, the effect of brand equity on the intrinsic and extrinsic motivation and consumer behavior of the consumer in purchasing luxury products was investigated.

For the last part of this study, a survey of working women consumers over the age of 18 and in Turkey's three-largest province of Ankara, Istanbul, and Izmir were conducted to examine the impact of brand equity on both intrinsic and extrinsic motivations of consumers luxury consumption tendency.

CHAPTER I

BRAND EQUITY and ITS DIMENSIONS

1.1. Definition of a Brand

There are many products and services in the marketplace to meet the needs of buyers. Some of these goods and services are offered to consumers under a certain brand and attain a place in the market. Therefore, the brand has a great importance in marketing goods or services in regards of both consumer and the producer. A brand is an exceedingly broad concept. Many definitions of brand have been developed in the marketing, therefore, there is no single definition of brand in marketing literature.

Kotler and Armstrong define the brand as “*A title, term, sign, image, style, or a mix of them that distinguishes the goods or services of one vender or gathering of dealers and seperates them from those of competitors.*” (Kotler, et al., 2008:226). In accordance to Aaker, “*a brand may be a image, logo, either symbol that identifies the product manufacturer either a service provider and distinguishes it from those of its product or service competitors*” (Aaker, 1991:8). The American Marketing Association’s (1960), brand definition focuses more on the products and services and the physical property of the brand are featured (Kotler, P. and Keller, K. L. , 2006:274).

All three of these relevant definitions direct the goods or services and emphasize physical characteristics of brand. In other words, these definitions describe the brand as tangible, and point out its characteristics such as the name, logo, brand design, but do not refer benefits of the brand to the consumer, therefore, only focus on a goods or service, and company. The brand ensures that a good or service differ from competitors” brands through a combination of visualization such

as name, logo, images, or symbol. According to this, the brand represents the identity of the firm.

World today, the brand does not represent only the product and service at the same time, forge a link between consumers and firms. In another definition of the brand is stated that the brand has more significant meaning than naming or symbolizing the product and service. The brand represents a past and a future of the products and context. In addition to this, the brand builds a relationship between the firm and the buyer (Kapferer, 2008:9). A brand is an efficient factor that simplifies the customer's purchasing decision and meets customer expectations (Keller, 2008:2).

Conversely, as studies on the brand become more across the world, and more comprehensive definitions of the brand have included names, brands meet both the emotional and the physical demands and needs of consumers. In this respect, the brand also adds the emotive meaning and enrich to functional products. Thus, brand shapes consumers' preferences and buying behaviors (Schmitt and Rogers, 2008:6).

1.2. The Various Function of Brand

In today's world, redirecting consumer preferences, conditions of market and competition has become more complicated and difficult. Therefore, brand has turn into a very important subject for both consumers and companies. In this chapter, the brand is aimed to be addressed both in the functions of consumers and companies.

1.2.1. The Functions of Brand for Consumers

Consumers form the basis of understanding about brands. Because the formation processes of brands and the decisions about them are carried out according to the specifications, needs, and demands of the people who are in the position of

consumers. A brand will have very poor chance to succeed, if it is structured without considering the existing and potential consumers (Keller, 2008:8-9).

The abstract meanings attached to the brand provide a sense of belonging and individuality by establishing a bond between the brand and the consumer. For example, purchasing an expensive and prestigious brand show that consumers are wealthy and exclusive (Wilke and Zaichkowsky, 1999:15).

According to Kapferer, the eight elements of the brand for consumers listed as “*identification, practicality*” these two elements building and regard the expression of the brand; that is, to act as a perceived image to encourage decision and to save times; “*guarantee, optimization, badge*” diminish the risk and build trust; “*continuity, hedonistic, and ethical*” point out the emotional satisfaction that formed by brand attractiveness, intimacy, and image (Kapferer, 2008:22).

Aaker address an issue of brand personality to explain the importance and the concept of brand for consumers. Brand personality enables consumers to perceive brands and enrich their understanding of the brand (Aaker, 1995:173-174).

The brand benefits consumers at many points. One of these advantages is provided by the brand name, which allows consumers to recognize the products. At the same time, the brand gives the consumers an idea about the quality of the products. Consumers always prefer to purchase brands that they know their qualities, benefits, and qualities (Kotler and Armstrong, 2008: 226).

1.2.2. The Functions of Brand for Companies

Brand undoubtedly offers advantages to businesses in many ways. In today's conditions of competition, brand is one of the most important values that provides continuity to the company. Brand name, production process and packaging design; can be ensured by marking, patenting and copyrights. The company can continue to

invest in the brand and earn returns from this valuable asset in virtue of these rights (Kotler and Keller, 2006:274).

Brand ensures to develop consumer perceptions about brand quality levels and build up reliability in company's product claim. If consumers have a pleasant experience with product, company receive a positive comment and consequently it increases the probability of repurchase (Erdem and Swait, 1988:153). According to Farquhar, brand ensures competitive advantage by enabling to resist against competitive attacks, crisis situations, reduced firm support or changes in consumer tastes (Farquhar, 1989:26).

The brand is a kind of assurance for manufacturers. By committing to give the promised benefit to the consumer, it strengthens the relationship between the manufacturer and the consumer and creates loyalty towards the brand. Customer loyalty can be facilitated by branding and it provides an easier distributor support (Assael, 1993:400).

The brand informs businesses about the quality level to be determined to satisfy customers and provides a financial return (Keller, 2008:9).

1.3. Brand Equity

The creation of the brand is not enough. What is important is that after the creation of the brand, it must be carefully managed. A cleverly managed brand will create value for consumers and thus will become very valuable for the company. How a brand is perceived by the customer will affect the customer's behavior related to that brand. Thus, perceived brand will give direction to consumer-based brand value (Yen and Chen, 2007:134).

Brand equity is a fact that occurred in the 1980s. It has become important for companies in the market. Therefore, it has been used as one of the effective methods

in determining the equality of brands for marketing of branded products and services. In accordance to Keller, the brand equity is the consumers' reaction through the brand within the promoting, and has three realities (Keller, 2008:37-48):

1. "*Distinctive impacts*"
2. "*Brand awareness*"
3. "*Consumer reaction to promoting*"

Aaker explains brand equity as follows: "*It determines diversity by increasing or decreasing brand's capital and debt depending on a brand, its title and logo; it also combines with the reputation given by an item and benefits a firm's clients.*" According to Aaker, the formation of the brand equity depends on the relationship between the brand name and/or symbol and assets and liabilities (capitals and debts) of the organization (Aaker, 1991:15).

Kotler and Armstrong refer to the high brand equity in the brand equity description, which means that a strong brand has great brand equity. Brand equity is the distinction impact on the customer who knows the name of the brand and intervenes in both product and marketing. In one respect, it is a measure of the brand's ability to capture consumer preference and loyalty. The most valued thing of brand equity is the value of customer relations created by the brand. A valuable brand is able to establish long-term, profitable, and strong communication with customers (Kotler and Armstrong, 2008:231).

Farquhar defines brand equity as "*the combined utility*" that the brand name empowers the products, also indicates the brand equity as financial assets (Farquhar, 1989:24). Simon & Sullivan express that brand equity about the branded goods' cash flows moves higher than the from non-branded products (Simon and Sullivan, 1993:29). According to Kotler and Keller, brand equity is a combined value granted to goods and services. The Value is explained by whence consumers "*imagine, sense, and move*" the interest in a brand and by reflecting on prices, market share,

and profitability (Kotler and Keller, 2006:276).

When the definitions and explanations made about the brand equity evaluates, it may say that five factors are important in determining the brand equity (Lassar et al., 1995:12):

1. It is more depends on consumer perception rather than objective values.
2. It depends on a universal value of the brand.
3. This universal value associated with the brand gains importance with the brand name as well as the physical properties of the product.
4. Brand equity is relatively competitive, but not fully.
5. Brand equity affects financial performance positively.

In the literature, two different approaches are mentioned depending on the brand equity. These are (1) customer-based brand equity that adds value to customers (2) financial-based brand equity that adds value to company.

1.3.1. Customer-Based Brand Equity

Aaker argues that the definition of brand equity includes several of assets or liabilities which has associated with name and image. These several of capitals and debts increase or decrease advantage to customers by product or service (Aaker, 1991:15), and, consequently, Aaker categorized the brand equity in five major dimensions; ” (1) *brand loyalty*, (2) *brand awareness*, (3) *perceived quality*, (4) *brand associations*, and (5) *other proprietary brand assets* (Aaker, 1991:16).”

Keller (1993) focused on better understanding of conceptual framework of

consumer-based brand equity and measuring brand equity in relationships between consumer's responses and dimensions. Keller identified brand knowledge, brand awareness, and brand image. He expanded brand knowledge relation with brand awareness and brand image, and provided conceptual framework to build, measure and manage consumer based brand equity with direct and indirect approaches. This study aimed to help managers for understanding consumer behavior based on brand equity.

Keller's definition focuses on consumers' attitudes towards different brands in marketing. According to him, two elements, namely brand awareness and brand image, have emerged that enable to develop brand awareness and brand image through the brand information in the mind of the buyer. These elements impact of consumers' preferences to purchasing product in the market (Keller, 2008:37-48).

1.3.2. Financial-Based Brand Equity

Financial-based brand equity has been defined by various researchers, and its approaches focus on evaluating brand equity upon financial performance.

Farquhar (1989) defines the financial-based brand equity as "*the added value*" that the brand name empowers the goods. He believes that high brand equity adds value to the product and allow of a high pricing in this way companies derive higher revenues and profit (Farquhar, 1989:24).

Simon and Sullivan (1993) use a financial method based on the financial market that evaluates brand-linked profits. They examined evaluation technics of financial markets as applied two different approaches; macro and micro, to measure the company's brand equity. This method analyzes expenses of advertisements, operating period of the company, market share, and investment of research and development with variables. According to Simon and Sullivan, the brand equity is the change in volume and time in the incremental cash flow contributed by a branded

goods or services, and branded product provides more cash flow than a non branded product. (Simon and Sullivan, 1993:29).

1.4. Brand Equity Dimensions

Aaker's study (1991) is a well-known method used to explain dimensions of brand equity. Many researchers have used these components in their studies.

Lee and Fayrene (2011) considered that brand equity is a crucial topic in the business world and marketing management. They referred to financial-based brand equity, however, focused on definitions of consumer-based brand equity and its dimensions. Within that aim, they reviewed academic publishing about brand equity and clarified Aaker's conceptual framework of brand equity and its dimensions. In their study indicated Aaker's brand equity dimensions are the most common measure in all different models. Consequently, the consumer-based brand value has divided into four dimensions, which are listed: brand association, brand awareness, brand loyalty, and perceived quality. Lee et al. referred to consumer perception of the brand name.

Atilgan, Aksoy, and Akinci (2005) focused on the customer-based brand equity figure through the perspective like practicality also implementation, in the light of Aaker's conceptual framework of brand equity. A structural comparison modeling is applied to observe the cause and effect relation between the dimensions of brand equity and the general idea of brand equity. The result of the study shows that there is no direct effect between perceived quality, brand awareness, and brand associations. Among these five dimensions, brand loyalty is the most powerful dimension of brand equity.

Buil, Martinez, and Chernatony (2013) focused on determining the brand equity with its dimensions furthermore examined the effect of brand equity on consumer purchasing behavior. Buil et al. applied Aaker's conceptual framework and

only focused on four dimensions of brand equity - brand awareness, brand associations, brand loyalty, perceived quality, and the relationship between them. The result of this study shows that brand awareness has an effect on perceived quality and brand association, and the brand association has a decisive impact on brand loyalty. Brand royalty is the most powerful dimension of brand equity. Brand equity has a decisive effect on consumer purchasing behavior.

Pappu, Quester, and Cooksey (2005) highlighted the need to develop a present customer-based brand equity measurement. In their research, Pappu et al. concentrated on scale brand equity and the relation between brand awareness and brand associations, under Aaker's conceptual framework of brand equity. The result of their study supports Aaker's measurement of brand equity and indicated four dimensions: brand awareness, brand loyalty, brand association, and perceived quality. Pappu et al. refer to measure brand association through the brand personality and organizational associations.

1.4.1. Brand Loyalty

Brand loyalty is one of the most significant and main dimensions of brand equity on consumer-based. Consumers prefer to purchase or repurchase the same brand despite the competitors' brand in the market that offer reasonable price, better aspects (Aaker, 1991:39-40).

Odin et al. (2001:77) refer that brand loyalty focuses on two structural components: behavioral brand loyalty that consists of continual purchases of the same brand, and attitudinal brand loyalty that reflects the loyalty being an attitude.

Brand loyalty is classified under two different approaches: behavioral and attitudinal (Assael 1998 as cited in Chaudhuri and Holbrook, 2001:82).

Behavioral approach express consumers' frequently purchase of the same

brand. According to this approach, the purchasing frequency of the consumer is sufficient for loyalty. Attitudinal approach, consumer purchases the brand with the personal agency. Consumers feel an emotional and psychological commitment to the brand. Aaker explains consumers' attitudes towards the brand by five-different levels. These levels describe the intense of loyalty and varied marketing power. (Aaker, 1991:40).

1. Consumers who are not interested in brand – No loyalty
2. Consumers who purchase based on habit
3. Consumers who pleased by cost
4. Consumers who emotively involved by the brand
5. Consumers who has an intense engagement to the brand

Brand loyalty is the scale of consumer commitment towards the brand. With increased brand loyalty, the customer base is less likely to impair from competitor activities. Brand loyalty directly impacts the company's expected sales revenue. For many companies, gaining new customers may be more costly than retaining existing customers, especially loyal customers (Aaker, 1991: 18-19).

Oliver (1997) focuses on the emotional context of the loyalty. In the market, there are conditional effects which may make a change of consumer's behavior besides the marketing activities of the competitors. According to him, brand loyalty is a promise to continue to repurchase the chosen product or service or to be a consumer of the same brand in the future in spite of these conditions (Oliver, 1997:392).

1.4.2. Brand Awareness

Pappu et al. (2005:145) refer to brand awareness is the power of a brand's existing within the minds of consumers. In order for consumers to purchase a product, they must first know that the product exists (Baldauf, 2003:223).

According to Aaker (1991: 61-62), brand awareness indicates that the consumer recognizes and remembers the brand. He points out the connection between product types and the brand. The role of brand awareness on brand equity varies according to awareness degree, and Aaker explains the degree of brand awareness of consumers with a pyramid. This pyramid has four different levels, and the bottom level shows that the name of the brand is comprehensively unknown to the consumers. The second level is about whether or not consumers have already heard the brand name of a particular product class. In other words, recognition allows the brand to be separated and evaluated from other brands within the product class. Recognizing the brand is very powerful when consumers intend to purchase a brand product at the market. The third level indicates that brand awareness as remembering the brand. This level is about whether or not a brand has within a given product class is recognized by consumers. The top-level of brand awareness is to be the premier brand to come to mind. Consumers at this level are fully aware of the brand. Almost all consumers specify the only brand name for a particular product class.

In accordance with Keller, brand awareness comprises of brand recognition and brand remembering features. Brand recognition is related to the capacity of consumers to prove the old known information about the brand in their minds. On the other hand, brand recognition states that consumers distinguish the brand among other brands they have previously seen or heard. Brand remembering ("brand recall") had expressed as the capability regarding consumers to combine the brand name with product in their mind when the product class specified to consumers (Keller, 2008:54).

1.4.3. Perceived Quality

In his study, Zeitham (1988:3) defined perceived quality is “*superiority*” or “*excellence*” depending on consumers' decisions. According to Aaker, the perceived quality concept is a factor that directly affects the buying choice and brand loyalty, especially if the consumer does not hold a piece of detailed knowledge about the brand (Aaker, 1991:19).

Perceived quality, primarily is a perception of customers. In this sense, the perceived quality varies from the following approaches: (Aaker, 1991:85)

- Real or objective quality: Exceptional service delivering the degree of goods or service
- Product-based quality: Kind and quantity of contents, features or services
- Manufacture quality: Compliance with standards, and zero error standard target.

Additionally, perceived quality is connected to consumer’s emotion towards to brand which supported by product’s trustworthiness and efficiency.

Perceived quality involves the attaining of products or services to standards with or without actual quality criteria. One of the most crucial factors in determining brand equity have examined as the quality perceived by the consumer. The most important reason for this; consumers are contented to pay additional fees when the quality they perceive regarding products and services is high (Seetharaman et al., 2001:245).

Perceived quality designated as a general assessment of both the internal characteristics of the brand, such as performance and durability, and external features such as cost and brand name. (Kirmani and Baumgartner, 2000: 300).

Consumer's quality perception might impact by personal product preferences, individual demands, and consumption conditions. High perceived quality means the differentiation and priority of the brand brought by the long-term experience of the buyer with the brand. Thus, brand equity will increase based on consumers' perception about brand quality. (Yoo, Donthu, and Lee, 2000:197)

1.4.4. Brand Associations

Everything that comes to the mind of the customer about the brand and appears is called the brand association. Associations are the reason for consumers' purchasing decisions and loyalty towards the brand. (Aaker, 1991:109-110) Brand associations emphasize different elements for each brand and create different images. For this reason, Aaker listed the brand associations under 11 headings: (1) Product features (2) Intangible features (3) Benefits of consumers (4) Relevant Price (5) Relate to usage or function (6) Kind of product user and consumer (7) connecting a famous person or person (8) Lifestyle or person's character (9) Product category (10) Competitors (11) Country or Geographic region. (Aaker, 1991:114)

Although Aaker categorizes brand associations into eleven divisions, Keller (1993: 4) narrows them down into "*features*," "*benefits*," and "*attitudes*."

Characteristics are identifying elements related products or services, and reflect general attitude of the consumers to the brand such as what they consider about product and service, or purchasing and consuming the product and service. Attributes are divided into two group: (1) internal features such as product class, product properties, price, packaging, usage area, and user image which affect the product performance. (2) External features such as packaging, price, usage area and user profile that not related to the product.

Benefits are the values that consumers personally put on to goods and services are this thought regarding what the products and services provide for consumers. These benefits are listed below (Park, Jaworski, and MacInnis, 1986:136):

“*Functional Benefits*” are related features with product and the advantages provided for the consumption of products and services.

“*Symbolic Benefits*” are not related features with the product and the most external benefits based on elements such as group affiliation and self-improvement.

“*Experiential Benefits*” are related features with the product and it refers to what is felt when using.

Attitudes are the fundamental of consumer behavior as it is a whole of thoughts, feelings, and behaviors. In general, it is the consumers’ assessments of the brand.

In the work of Low and Lamb, it is seen that consumers have a more advanced memory system for the brands they are more acquainted with. It has been determined that consumers have multi-dimensional brand associations about the recognized brands. Consumers have made more efforts in purchasing choice and collecting information compared to brands they know and unknown brands. (Low and Lamb, 2000:361)

Brand associations are highly important for comprising and replacing information which is related to brand in consumers’ mind and besides that to create attitudes toward to brand. (Aaker, 1991 see also Yoo *et al.*, 2000:197).

CHAPTER II

CONSUMER BEHAVIORS

2.1. Definition of Consumer

Consumer definitions have similar and complementary features. In all of these definitions, there is a common opinion that consumers realize consumption due to a need.

People gain their consumer identity from the moment they are born and continue to live their life as a consumer; they regularly buy goods and services following the basic needs and objectives such as feeding, dressing, staying healthy, reading, watching, traveling, studying (Priest et al., 2001:1/1).

Consumer is the person who determine the needs and wants, who buys the products and then use them (Solomon, 2017:29). According to Noel (2009:10/11), the consumer is a person who describes his\her needs or wants, who is looking for goods to meet his\her needs and wants, who purchase the goods and then consumes the goods to gratify the need.

Kotler (1984:171) expresses the consumer as an individual trying to reach the requirements of his\her family or himself\herself. Put it differently, a consumer is a person who purchases the goods and services offered for sale by marketing theories to satisfy the needs or wants of the person or household (Nicosia, 1996: 29).

Consumers can be divided into two groups in the market depends on the purpose of purchasing goods or services:

1. “Individual consumers” are those who purchase the goods and service for their personal or family needs.

2. “Organizational consumers” purchase in order to maintain their own activities, to support their production, to resume their economic activities such as reselling, or to continue their daily activities (Kardes, Cronley and Cline, 2008: 8-9).

2.2. Definition and Characteristics of Consumer Behavior

Consumer behavior has been defined as a series of decision-making processes and physical activity, including the purchase, use and disposal of products and services (Khan, 2006:1). Consumer behavior shows the actions that people perform to meet their needs. It can be considered as a process that determines what a consumer will buy and why, when, and how (Lake, 2009:9). In addition to physical behavior, such activities also include the cognitive and emotional process (Wilkie, 1986:12).

According to Solomon (2017:28), consumer behavior consists of the series of actions to achieve result related to choosing, buying, using, or eliminating of goods, services, thoughts, knowledges to meet the desires and needs of individuals or group of people and the factors affecting these progresses.

The characteristics of consumer behavior can be listed as follows (Wilkie, 1986: 10-20):

1. The consumer is motivated by his/her motivation.

The consumer purchases goods and services to meet his/her various demands and prospects. Thus, the consumer will be motivated and take action following his / her aim.

2. Consumer behavior consists of various activities.

There are many cognitive and behavioral activities such as thinking, feeling, planning, decision making, purchasing and evaluation in consumer behavior.

3. Consumer behavior refers an effective process.

Consumer behavior is not only limited to purchasing. It has been observed that the stages in the purchasing process affect each other.

4. Consumer behavior is a complex behavior that can differ in timing.

The consumer intends to be satisfied with the product he / she is planning to purchase. As the consumer expects to benefit from the product to be purchased, the decision-making process becomes complex, and as a result, this process can be extended.

5. The consumer intends to be satisfied with the product he / she is planning to purchase.

As the consumer expects to benefit from the product to be purchased, the decision-making process becomes complex, and as a result, this process can be extended.

6. Consumer behavior is affected by environmental factors. Consumer behavior will be affected by the social environment such as family, social class, reference groups, and economic conditions also affect the direction of this behavior.

7. Consumer behavior varies from person to person.

The fact that people have different personality characteristics leads to the emergence of different consumer characteristics.

2.3. Factors Affecting Consumer Behavior

Factors affecting consumer behavior are examined under four main headings cultural, social, personal and psychological factors. (Kotler and Armstrong, 2008:7).

Table 1: Factors affecting Consumer Behavior

Cultural Factors	Social Factors	Personal Factors	Psychological Factors
Culture	Reference group	Age and life cycle stage	Motivation
Subculture	Family	Occupation	Perception
Social Class	Roles and Status	Economic situation	Learning
		Lifestyle	Beliefs and Attitudes
		Personality and self-concept	

Source: Kotler, P., Armstrong, G. (2007) *Principles of Marketing*. 12th Ed. by Pearson Education, Inc., Upper Saddle River, New Jersey, p.131.

2.3.1. Cultural Factors

Cultural factors affecting consumer buying behavior are examined in three sub-titles as culture, subculture and social class components.

2.3.1.1. Culture

Culture is the root cause for the person's wish and behaviors. Therefore, individuals are greatly influenced by culture when making any consumption decisions. Culture is the base values, perspectives, desires, and reactions received from individuals and family members in society (Kotler and Armstrong, 2007/8:131).

According to Schiffman and Kanuk (2010:367-387), culture is an entirety of symbols that contains a society's knowledge, religious values, customs and traditions, language, food, music, art, moral rules, and values. This definition shows that culture is the identity of a society.

The characteristics of culture in terms of consumer behavior can be listed as follows.

- Culture provides ideal behavior and standards to the individuals and allows individuals to satisfy their physiological, personal and social needs as using the habitual ways.
- In contrast to biological characteristics, culture is not hereditary, it is learned later and this learning lasts a lifetime.
- Culture is shared by community members.
- Culture is dynamic. It develops slowly and continuously.

2.3.1.2. Subculture

The subculture is the culture created by various groups with common experiences and beliefs, unlike other parts of society. Each consumer is a member of many subcultures. These subcultures consist of age, race or ethnic origin, place of residence, religion and similar groups (Solomon, 2010:463-464).

The subcultures are important market segments because marketers adjust marketing programs and product designs to meet subcultures' needs (Kotler and Armstrong, 2007/8:131).

2.3.1.3. Social Class

Social class is a structure of personalities that share the same behaviors and values. There are multiple elements that determine the social class such as income

levels, occupation, qualifications, assets, education, and professional achievement (Kotler and Armstrong, 2007/8:134). These elements lead consumers to purchase goods and services, where they can display their status or they can perform conspicuous consumption. In other words, the quality and quantity of the goods that are purchased are influenced by the social class in which the individual belongs. (Noel, 2009:16). These effects are seen more intensively in the goods and services consumed in the public arena, especially in cars, clothes and leisure activities (Kotler and Keller, 2006:252).

2.3.2. Social Factors

Social factors affecting consumer buying behavior are examined in three sub-titles as reference groups, family, and roles and status components.

2.3.2.1. Reference Groups

Reference groups consist of groups that directly and indirectly affect a person's attitudes and behaviors. (Kotler, 2000/1984:89). Reference groups that affects the consumer's behavior realize this effect in two approaches. These approaches are listed as normative effect and informational effect. Normative effect is a result that when consumer wants to meet someone else's expectations. The information effect is based on the information a consumer receives from a reference group for purchasing a product (Noel, 2009: 53-54). The effect of reference groups differs in purchasing goods and services. The strong impact of the reference groups seen as a purchase of luxury goods, services, also brands will give consumers dignity in the community (Kotler and Armstrong, 2007/8:135).

2.3.2.2. Family

A family concept is a body consisting of a couple or more than two people living together or linked to each other who have blood and marital bond (Khan, 2006:68). According to Peter and Olson (2010:257), not only the personality and motives of the individual, but also the relationships within the family also affect the consumer behavior.

Family members play the following exhibit behavior in their consumption decisions (Hawkins and Mothersbaugh, 2010:208):

- Starter(s) \ Parents or Children: One of the family members who first realized the need or started the purchasing transaction.
- Information Collector(s) \ Parents: The person who has relevance and knowledge in a specific purchasing. Each of the family members can obtain different information depending on time and product during the purchasing process.
- Effector(s) \ Children: The family member who effects assessments, opinion and definite decision.
- Final decision maker(s) \ Parents or Children: One of the family member makes the last decision besides the family members can make a concurrent decision.
- Buyer(s) \ Adult or Teenager: It is the family member who buys the product.
- Consumer(s) \ Children: One or more of the family members who uses the product.

The role and effects of family members in purchasing various products and services is one of the issues studied in the field of marketing. These roles and effects vary extensively in various countries, cultures and social classes (Kotler, 2002/1984:89).

2.3.2.3. Roles and Status

Individuals join in a different type of groups like family, clubs, organizations. The place of a person in the group can be expressed in the point of a person's role and status. The role consists of a series of activities to be performed by the individual. Each role has a status and affects buying behavior. People generally prefer products that adapt to their role and status in society. For example, business managers often use luxury brand cars and wear expensive clothing. (Kotler, 2002/1984:91).

According to Schiffman and Kanuk (2010:338), socioeconomic variables such as family income, occupational status, and education level are used to determine the social class. When purchasing power increases, individuals begin to have more status. Individuals with limited purchasing power, have a lower status.

2.3.3. Personal Factors

Age and life cycle stage, occupation, economic situation, lifestyle, and personality and self-concept are the personal factors affecting the purchasing behavior of consumers.

2.3.3.1. Age and life cycle stage

The products and services that people desire and need vary in different stages of their lives (Armstrong and Kotler, 2007:139). According to Solomon (2010:13, 501), in addition to a difference in consumer behavior of age groups; people of the same age group have common values and cultural experiences throughout their lives, even if they differ in many other ways. As the age progresses, the needs and thoughts of the consumer change in a manner consistent with the others who are in the same age. Therefore, age has a notable influence on consumers' personality.

For instance, consumers over 65 years old are in the tendency to use healthcare services much more than other age groups and more loyal to the brands that have to use. Younger consumers want to make use of their spare time more active, and they are in the tendency to join the activities, wear different clothes and eat different kinds of foods (Noel, 2009:75).

The family life cycle has an impact on purchase. The family life cycle is the stages that the families go through as they mature. Marketers work on life cycle stages to classify the target market and develop proper products (Armstrong and Kotler, 2007/8:139).

2.3.3.2. Occupation

Consumers' occupations create the need and desire for specific products. The clothing needs of an employer and an employee, the brands they prefer, the modes of transportation, the places they spend their holidays, and the tools and equipment they use differ (Kotler and Armstrong, 2007/8:139).

If the distribution of consumers in terms of their professions known, it is seen that occupations, lifestyles, desires, and needs are different. Thus, the volume of demand for goods or services can be determined more accurately (Kotler, 2002:92).

2.3.3.3. Economic Situation

The income level of the consumer is the crucial determinant that instantly impacts the consumption behavior of consumers. The economic situation affects consumers' choice of products and services as well as the target market choice of marketers (Kotler and Armstrong, 2007/8:140). Marketers observe individuals' income, savings, and interest rate movements for income-sensitive products. If the financial notices aim to a slowdown, marketers immediately make an effort by redesigning, repositioning, and re-pricing their products. (Kotler, 1984:92).

2.3.3.4. Lifestyle

In terms of consumption, the way of life is the choice of how to spend the time and money of the person. The way people spend their income and their time determine their lifestyle (Solomon, 2010:578). Lifestyle is affected by environmental variables such as cultural values, demographic factors, social class, subculture, and internal variables such as motivation, emotion, values, life cycle, past experiences, and personality (Hawkins and Mothersbaugh, 2009:435).

People from the same culture, status, also profession can become completely various styles of life. The way of life has expressed by the person's activities, interests, and opinions. This is known as AIOs, and marketers analyze the relationships between their goods and lifestyle groups (Kotler, 1984:92).

2.3.3.5. Personality and Self-concept

Personality generally indicates all personal attributes such as self-confidence, self-esteem, respect for others, dominance, independence, and easy adaptation to others. Everyone has a particular personality that influences purchasing behavior.

Personality can be a useful variable in examining consumer behavior (Armstrong and Kotler, 2008/71:141).

Consumption and self-concept cannot be evaluated separately from each other. Individuals usually purchase and use the brand personality that defines their real self-concept. The effect of the ideal self on consumer behavior is more common in the luxury goods, services and brands consuming in the social sphere (Kotler and Keller, 2006:183).

The most important factor of the personality is self-concept which about how a person perceives himself/herself. Self-Concept has two fundamental dimensions depending on people's perception: (1) The “*Actual Self*” is the perception that a person perceives himself/herself as it is. (2) The “*Ideal Self*” involves the characteristics that the person desires and is about what he/she wants to be (Solomon, 2010:226-227).

2.3.4. Psychological Factors

2.3.4.1. Perception

Perception is the classification of the individual by detecting the stimuli from the external environment, and evaluation. Individuals evaluate stimulus differently because they perceive the same things as different (Schiffman and Kanuk, 2010:175).

The stimulated individual is set to move. The way an individual perceives a circumstance will affect whereby he or she acts. We try to understand the flow of information around us by seeing, hearing, smelling, touching and tasting, which are our five senses. Individuals undertake this process to accept, organize and interpret this sensory information (Kotler and Armstrong, 2007/8:143).

Kotler (1984:94-95) explains the reason why individuals perceive the same stimulus differently in 3 different processes.

1. *Selective attention*: Individuals encounter a variety of stimuli every day, and it is impossible for all of these stimuli to act under the influence of all of them. Therefore, it ignores most of the information it faces.

2. *Selective distortion*: It occurs when the information obtained by individuals does not match their own needs, habits, attitudes, and beliefs. To avoid this situation, the individual distorts this information.

3. *Selective retention*: The individual keeps and protects information that is compatible with his / her attitude, beliefs and habits but forgets the non-compliant information.

2.3.4.2. Learning

Learning is the permanent change that occurs in the behaviors of individuals as a result of their knowledge and experience increased during their lives (Schiffman and Kanuk, 2010:210).

In other words, learning is the changing behavior of individuals according to their experiences (Kotler, 1984:95).

According to Solomon (2010:89) learning refers to the permanent change in the behavior of people as a result of their experiences. Sometimes individuals learn by coincidence without trying or observing the events or acts of others. Learning is also a continuous process such as perception.

2.3.4.3. Beliefs and Attitudes

Beliefs and attitudes affecting consumer behavior do attain through learning and practice. Belief is the definitive knowledge that the person has accepted and approved about something. Attitude is expressed as the tendencies, emotions, and evaluations of a person against objects and thoughts (Kotler and Armstrong, 2007/8:144). According to Noel (2009:97), the attitude consists of three components, (1) “*cognitive*” the beliefs that include the evaluation of the product, (2) “*affective*” the emotions about the product, and (3) “*conative*” the behavioral tendencies towards the product.

2.3.4.4. Motivation

The concept of motivation is one of the commonly used terms in many different areas of the study derives from the Latin word “*moveo-movere*” which means “*to move*”. Motivation can define being an impact that drives individuals to behave within an accurate style and helps to discover the reasons behind the behavior of people (Svobodová, 2015:10). Motivation can be defined as the act of obtaining the motive that shapes the behavior of the person (Buchbinder and Shanks, 2016:42). For this reason, motivation relates to features of all impulse and goals such as dynamism, aspect, endurance, and equableness (Ryan and Deci, 2000:69).

According to the cognitive approach that developed by Tolman (1932) and Lewin (1938), motivation is the major action that influences the choice of individuals among the various alternatives of behavior (Kanfer, 1990:76).

Humphreys and Revelle (1984:157) indicates that motivation is a psychological construct. This psychological structure is also the result of a combination of individual needs and desires that are traditionally used to describe and explain the intensity and direction of behavior.

Motivation consist of closely associated with beliefs, senses, worth, interests, and behaviors. Correspondingly, motivation can have different attitudes and give an attention to them. These attitudes can be divided as conceptual behaviors (observation and strategy use) and non-conceptual behaviors (senses, beliefs, and behaviors) or both of them (Emily R. Lai, 2011:5).

The motivation process intends to accomplish the goals for the starting of an activity and it is more complex than expected. Motivation has the power to impact the individuals or feelings of individuals and these kinds of impacts cause the individual to display definite behaviors (Milkovic, 2007:53).

In contrast to the different approaches to the definition of motivation, Mitchell (1982:81) reveals four distinct aspects that he has acquired from many other definitions to create a more complete definition:

- Motivation is unique to person. Every people is different than each other, therefore they have distinctive needs, perceptions, values, behavior, and targets. The principles of motivations bear inimitability that has shown in some way or another way.
- Motivation is premeditated. Most of the actions that an individual chooses to do are behaviors affected by motivation.
- Motivation is multi-directional. Excitation (activation, energizers) and behavior (preference) are two important aspects of it.
- Motivation is behavior prediction. Motivation is related to the intrinsic and extrinsic forces that affect behavior and preference of behavior. Motivation is neither behavior nor performance. Behavior is the action chosen and is sometimes a good image of performance.

Ryan and Deci (2000:55,60) states that the concept of motivation is a conception that based on self-determination. The self-determination theory focuses on the reasons that accelerate action and target in the individual. According to self-determination theory, motivation has been examined as intrinsic motivation and extrinsic motivation.

Intrinsic motivation is a fact that the individual is enjoying what he or she does, and doing what he or she wants to do because he or she finds it interesting. Extrinsic motivation is a response of the benefits to be obtained which is a result of the activity rather than enjoyment of the activity for the individual is seen as the focal point.

2.3.4.4.1. Intrinsic Motivation

Intrinsic motivation refers that the individual performs an activity towards his \ her pleasure and satisfaction. In this context, when the individual is internally motivated, he \ she does not perform the activity in connection with external motivators such as tension or rewards, but rather for his \ her own pleasures and difficulties (Ryan and Deci 2000:56).

Frey and Osterloh (2002:8) refer to types of intrinsic motivation: (1) In the position to the conclusion of the activity, the activity itself is seen as a basis of satisfaction for people and this provides a pleasant experience. (2) It is the individual's ability to meet certain standards such as respect for himself or herself, commitment to group members and various ethical standards. (3) It is about the desire of the individual to achieve the goals he has set for himself or herself.

According to Armstrong (1999:109), intrinsic motivation is the effect of self-created aspects on the individuals determined act and behavior and this inner motive comes from individuals inside. Since these motivations are inherent, they tend to have a longer-term effect than the external motivators.

Ryan and Deci (2000:68) focus on determining self-determination theory and its correlation with intrinsic and extrinsic motivation. In order to identify motivations, they aimed to reflect three components of psychological needs; “*autonomy*” (deCharms, 1968; Deci, 1975, as cited in Ryan and Deci 2000), “*competence*” (Harter, 1978; White, 1963, as cited in Ryan and Deci 2000), and “*relatedness*” (Baumeister and Leary, 1995; Reis, 1994, as cited in Ryan and Deci 2000). According to theory, in order to meet the needs of the individual growth, integration, development, mental health and well-being of individuals is necessary.

The definition of autonomy is made as to the freedom to choose one's activities and self-direction in choosing one's activities. In other words, the individual accepts his / her own behaviors completely (Andersen et al., 2000:269). Competence was determined as a person will influence his or her environment distinctively. Additionally, it is all about the interaction, learning and harmony of the individual with his / her environment. (Deci, E. and Ryan, R., 1985:27). Relatedness is described as a need for the individual to be connected to other people. It is the feeling of belonging to the individual within the social environment (Kowal and Fortier, 1999:358).

Kasser and Ryan (1996) studied intrinsic and extrinsic motivation based on motivation's goals and components. Intrinsic motivation had described as internal aims such as “*self-acceptance, affiliation, community feeling, and physical fitness*” which are the satisfaction of the needs of the individual. These goals indicate psychological needs about autonomy, relatedness, competence, and growth that were fulfill intrinsically (Deci and Ryan, 1985; Maslow, 1954; Rogers, 1961, as cited in Kasser and Ryan, 1996).

Tsai (2005:1,10) described the intrinsic motivation as personal oriented in the terms of luxury goods consumption, and this motivation internally directs the individual for consumption of luxury goods for self-satisfaction. At this point, Truong (2010:673) aimed to examine the impact of intrinsic and extrinsic motivations on consumers' purchasing decisions for luxury products. The

conclusions of his research show that intrinsically motivated consumers buy luxury goods for quality and self-directed satisfaction.

2.3.4.4.2. Extrinsic Motivation

Extrinsic motivation is the focus of the benefits that will be gained as a result of the activity instead of enjoying the activity. Extrinsic motivation is more result oriented. (Ryan and Deci, 2000: 71).

According to Ryan and Deci, extrinsic motivation is classified in four different ways:

(1) “*External regulation*” occurs when an individual is interested in response to obtaining an external reward either to avoid a penalty. People are motivated by external regulation depending on an external effect. Motivation change is based on behavior that will result in reward or penalty.

(2) “*Identified regulation*” directs the individual to provide personal benefits and to act for personal importance. The individual does not have to enjoy the behavior, and as a result does not have to be a reward immediately.

(3) “*Introjected regulation*” is related to whether the behavior to be performed is considered as a culpability or the individual's personal expectations diminish or not. This motivation is internalized. Culpability, anxiety or embarrassment is the source of motivation that puts pressure on behaviors.

(4) “*Integrated regulation*” is a sort of motivation that happens when a person integrates motive within itself. The individual motivated by internal resources and self-awareness and acts in integrity with his\her own values (Ryan and Deci, 2000: 61-62).

Kasser & Ryan (1996:280) listed the components of extrinsic motivations based on individual's life purposes. In their terminology, extrinsic aims are "*financial success (money and luxury)*," "*social recognition (fame)*" and "*appealing appearance (image)*."

Extrinsic motivations indicate conspicuous consumption, which states that individuals buy luxury goods refer to their assets and state (Veblen 1899, as cited in Truong and McColl, 2011:555). According to Amaldoss and Jain (2005:1449-1450), the essence of extrinsic aspirations makes individuals particularly relevant to luxury consumption. Considering the potential of luxury goods to give status and reputation to individuals rather than functionality, it is possible that extrinsic aspirations may affect the consumption behavior of individuals.

Tsai (2005:1,10) described the extrinsic motivation as social oriented in the terms of luxury goods consumption, and this motivation externally directs the individual for consumption of luxury goods to influence the other people. As stated by Veblen (1899, as cited in Truong, 2010) externally directed social consumption which expresses consumers' wealth and status. In accordance with these statements, Truong (2010:673, 667) aimed to investigate the force of intrinsic and extrinsic motivations on consumers' purchasing tendency for luxury goods. The outcomes of this study show the powerful correlation among extrinsic motivations and luxury goods consumption. Externally motivated consumers purchase luxury goods for social aims such as fame, image or impact the others at the same time for quality of the luxury goods and self-directed satisfaction.

2.3.4.4.3. Motivation Theories

Motivation is a powerful force that causes individual characteristics to be activated (Schiffman and Kanuk, 2010:106). According to Reisinger (2009:304), the motive is the main factor that enables the consumer to act. Motivation directs the individual to be satisfied with his\her needs by moving the individual intrinsically

and extrinsically. Each of the individuals has some demands, hence, exhibit behaviors and responses to meet their needs and wants.

There are many theories about how motivation in consumer behavior develops or occurs; Abraham Maslow's Hierarchy of Needs, Sigmund Freud Theory, and Frederick Herzberg. One of the most well-known is Abraham Maslow's Hierarchy of Needs (Kotler and Keller, 2006:184).

2.3.4.4.3.1. Maslow's Hierarchy of Needs

According to theory, to know motives, it is necessary to recognize the demands and to determine the degree of priority of these needs. Human needs have organized in a hierarchical order from the most challenging to the least demanding. These steps constitute a priority sequence, and the needs at the upper levels do not address the needs of the lower levels. People will first try to meet their most crucial needs (Kotler and Keller, 2006:185).

Maslow addresses human needs in five stages (Maslow, 1943:372-382):

- i. *Physiological needs*; eating, drinking, sleeping, etc.
- ii. *Safety needs*; protection against danger, resistance.
- iii. *Social needs*; love, friendship, belonging to a group.
- iv. *Self-respect*; glory, fame, independence, respect, etc.
- v. *Self-actualization needs*; proof about confidence, creativity, power, etc.

That is to say, the physiological needs of people are the top priority the most basic is their needs. Basic needs such as air, water, and safety need to be meet in

order for human life to continue. After the physiological needs, the need for security appears. However, if the physiological need has met, it can pass to the next level of meeting the security needs which is an upper level. Individuals try to feel safe, to protect themselves against dangers and to guarantee their future. Then, individuals reach the third level with social needs and meet their social needs such as living with others, being accepted by others, friendship, belonging and love. The level of self-respect meets the need to be valued helps to the development of belief in self-confidence and success. In the last level of this hierarchy, self-actualization appears, in other words, is a personal success and self-proving and satisfying needs such as satisfaction and power activated (Schiffman and Kanuk, 2010:116-119).

2.3.4.4.3.2. Herzberg's Theory

The aim of the Herzberg theory is determining the expectations of the employee from the working environment, which factors motivate the employees or increase their reluctance to work. According to Herzberg, the individual not be motivated unless he\she reaches the degree of satisfaction. The motivation of power and the degree of achievement depends on the factors.. These factors are called motivational factors and hygiene factors. Hygiene factors include the salary of the employee, working conditions, occupational safety, company policy and management, and interpersonal relations. Motivational factors include success, responsibility, work itself, and personal development and promotion (Drafke, 2005:281-282).

The first group of factors (motivational\satisfiers factors) causes discontentedness and the second group of determinants (hygiene\maintenance factors) encourages contentedness. “*Satisfaction*” and “*dissatisfaction*” are not opposed to each other because they are not in the same continuity by this definiton.

2.3.4.4.3.3. Alderfer's Erg Theory of Needs

ERG theory (Drafke, 2005:280), which has similarities to Maslow's hierarchy of needs, was developed by Alderfer. The theory consists of three different needs: (1) *Existence Needs* (2) *Relatedness Needs* (3) *Growth Needs*, and *ERG*, which is the name of the theory, consists of the first letters of these needs.

1. *Existence Needs*: It is the lower level and refers the basic needs of the individual. The need for existence refers to the physical and material needs of individuals such as drinking, eating, housing, safety.

2. *Relatedness Needs*: Following the completion of the basic needs of the individual, the relationship between the other people begins. This need includes the individual's relationships with his\her family, reputation, and recognition.

3. *Growth Needs*: This level indicates the need for self-respect and self-actualization such as personal development, morality.

CHAPTER III

LUXURY GOODS and CONSPICUOUS CONSUMPTION

3.1. Definition of Luxury and Luxury Goods

The definition of luxury includes the happiness, comfort, satisfaction or perception of convenience provided to individuals. In addition, the luxury has a content that is actually defined as demand which is "not necessary" when considered as a need while having these features (Heilman, Kaefer, and Ramenofsky, 2006:3). According to Nia and Zaichkowsky (2000:86), there is no complete consensus about the definition of concept of luxury, but all definitions include at least one or more of elements like prestige, status, need, quality and high price. While they do not necessarily have to be included in the definition, any one of them must be included in the concept of luxury).

Shukla (2011:243) defines luxury products as the products that offers convenience in terms of pleasure and comfort besides their functions and benefits and that are not easy to acquire and provides prestige to the person who uses the product. In the definitions of luxury product, it is mentioned that these products are far from functional benefit, they are ease of use, or they are considered as a sign of reputation that is offered for the user of a particular brand. Therefore, luxury products allow consumers to meet both their psychological and functional needs. The main factor that distinguishes luxury products from non-luxury products or counterfeit products is the psychological benefits of luxury products. (Vigneron and Johnson, 1999:486). The basis of luxury products is their symbolic characteristics. Symbolism shapes the luxury character of the brand. Thus, it helps luxury brands maintain their status and high price demand (Matthiesen and Phau, 2010:203). Luxury products are considered not only as a symbol of wealth but also as a symbol

of the success of individuals. If a society is too much concentrated on economic status differences, then it means that it gives such level of importance to symbolic products which will reveal these differences. (O’Cass, 2002:72).

Luxury products have different characteristics when compared to the products in the luxury product categories. Quality, aesthetics, rarity, extraordinariness, symbolic meanings and over-pricing are among these characteristics. Luxury product groups are divided into 5 categories (Heine, 2012:55).

1. Personal vs. Impersonal Luxury Products:

According to Vigneron and Johnson, the consumer builds up a connection with the luxury product and uses this connection to reflect his image and this characteristic is used to develop luxury strategies. (1999:4). Examples of products related to people's images include watches, clothes and glasses, while impersonal products include bathroom equipment and garden furnishing (Heine, 2012:58).

2. Publicly vs. Privately Consumed Luxury Products:

These types of luxury products differ by the social setting of consumption. For example, while the car is publicly seen by others, the kitchen appliances are not seen by others as much as by the cars since they are consumed privately. (Heine, 2012:59)

3. Accessible vs. exceptional luxury products:

Accessible and exceptional luxury products can be distinguished as a result of comparison made based on the selling price. For example, perfume as a luxury product is sometimes affordable, while exceptional luxury products such as private jet are affordable only for very few people (Dubois and Laurent, 1993:33).

4. Unique pieces, limited editions, expanded-diffusion products:

Luxury products are divided into the following groups in terms of their exclusivity and production volumes.

(a) Unique pieces: They are at the top level of the group. It shows the ideal of the luxury level and focuses on the idea of creating a unique product (Kapferer, 2001:323 as cited in Heine, 2012:60).

(b) Limited editions: Luxury products in this group are produced in a limited quantity (Trommsdorff and Heine, 2008:1669 as cited in Heine, 2012:60).

(c) Limited-diffusion products: The most important feature of this group of luxury products is that they are rare and require an advanced handwork and craftsmanship (Sicard, 2003:72 as cited in Heine, 2012:60).

(d) Expanded-diffusion products: Although production volume of luxury products in this group is relatively limited compared to mass market products, their production process is similar to the mass market serial production (Sicard, 2003:72 as cited in Heine, 2012:60).

5. Conspicuous vs. Understated Luxury Products:

In conspicuous products, manufacturers focus on the product image of being expensive, therefore, they equip the products they manufacture with symbols of wealth such as big logos and intense designs (Heine, 2012:60).

According to Veblen, people compete for status by buying luxury goods. The prestige of a luxury product, such as a car, watch or dress, is the most important indicator of the individual's social status in the society (Veblen, 1899:59). The luxury product mainly consists of branded products, which the consumers purchase primarily to show others and attract the attention of others and in which the functionality is in the second place (Vigneron and Johnson, 1999:486). Consumption of luxury brands is important for individuals who seek social representation and position. This means that the social status associated with a brand is an important factor in conspicuous consumption (Vigneron and Johnson, 1999:489).

3.2. Definition of Conspicuous Consumption

In the literature, there are various definitions of conspicuous consumption. Gierl & Huettl (2010:226) describes the conspicuous consumption as mostly consuming luxury products and services to meet social needs. According to O’Cass and McEwen (2004:27), conspicuous consumption is the consumption behavior that individuals perform to show that they belong to the higher social class. With the intention of increasing prestige in society, the person purchases or uses the products and services in order to impress other people and satisfy his ego. In addition, according to Souiden et al. conspicuous consumption is a motivational process in which an individual tries to belong to other class or group by consuming and using distinct consumption products that give the status (2011: 330).

The individual is motivated to convey his or her image to others. In this process, he or she displays a conscious behavior about the purchase, retention, and use of products and services equipped with scarce economic and cultural capital (Chaudhuri, Mazumdar, and Ghoshal, 2011:217). People consume noticeable products in order to show their wealth and differences to others (Perez-Truglia, 2013:146).

Thorstein Veblen who is an economist and sociologist conceptualized and described the conspicuous consumption in his book „The Theory of the Leisure Class” in 1899. According to Veblen, conspicuous consumption is a classification process that leads to distinctions in the social system. The products of the conspicuous consumption bring individuals together. Hence, social groups are formed and separated from each other hierarchically. The products of the conspicuous consumption support the individual's status in a particular status group (Segal and Podoshen, 2012:190).

3.3. Veblen's Conspicuous Consumption Theory

The conspicuous consumption is accepted in the literature broadly, it is a concept that was especially generalized by Veblen in 1899. Veblen considers the community that turns the consumption as the indicator of their existence without working in his work “The Theory of Leisure Class.” The needs changing the habits of people with reference to the cases, also resulted with some changes in the nature of people (Veblen, 1899:114). Certainly, Veblen not uses the “leisure” term to refer to the indolence or inactivity. He determines the consumption of the time without any production (Veblen, 1899:26).¹⁷³ The leisure class includes the upper class and the religious community coming after the priest. They are engaged in various sectors which do not have any industrial components that are the common economic feature of the leisure class (Veblen, 1899:4-5).

Veblen describes the basis of the conspicuous consumption with the class distinction. Thus, he indicates the conspicuous consumption as the consumption with the intention of the vanity of upper-level social class and the groups trying to be like this upper class (Veblen, 1899:39-56).

The most important factor in conspicuous consumption is to show the expensive products to the people. In addition that, the effort of individuals to be like someone else and to imitate others are also included in this consumption. The conspicuous brands to be purchased due to external goals is a sign that the individual is different from others and belongs to a group with reference to the wealth (Amaldoss and Jain, 2005: 1450).

Veblen indicates the definition of conspicuous consumption over the consumption and status instead of interest, consumption, and prices. In fact, the importance of the price in conspicuous consumption reflects status. In case the consumers are willing to pay more to a product that is the same in terms of the functional specifications and equivalent, the effect of the Veblen theory is seen (Bagwell and Bernheim, 1996: 349).

Veblen emphasizes that different social classes are in need of indicating their status and prestige through the activities that they perform in their spare times and conspicuous consumption. Those individuals who did not need to be paid try to exhibit their prestige with their consumption. Therefore, according to Veblen, the consumption is the indicator of the vanity which turns to an activity to make others jealous (Veblen, 1899:39-57).

3.4. The Impact of Conspicuous Consumption in Society

There are factors that lead to directing the consumption habits to symbolic products that are not functional enough, i.e. branded products. These factors include the increase in purchasing power, the adoption of mass production, and elimination of trade barriers. (Chaudhuri and Majumdar, 2010:57). The consumption of luxury brands is of great importance for individuals who want to have a social image and who are looking for a position. Therefore, the social status that the brand offers plays an important role in the conspicuous consumption. (Vigneron and Johnson, 2004: 489).

Conspicuous consumption leads to emergence of a market where overpayment is made due to a product's brand rather than its benefit and functional needs. For this reason, consumers who buy the brand show that they are able to pay more for a higher quality product. (Shipman, 2004: 280).

When income distributions are considered, it is observed that the amount of consumption among the people in the lowest segment of society increases. This is because of the increasing high status density, especially with the influence of technology. The conspicuous consumption is considered as equivalent to wealth and nevertheless, these products are constantly renewed as the access of individuals with low income and in the lowest segment to products that are considered conspicuous increases (Ordabayeva and Chandon, 2011:27). Consumers tend to exhibit the status symbols, regardless of their economic level, to show that they belong to a social

class, and they do so by buying products that reflect the image that they are wealthy (Goffman, 1959; Freedman, 1991 as cited in Perez, Castano and Quintanilla, 2010:219).

The basis of conspicuous consumption is that the products or services purchased are perceived as a sign of image by the society (O'Cass and McEwen, 2004:26). It is argued that conspicuous consumption is realized with ordinary or inexpensive objects. With the transformation of cultural accumulation into signs with limited financial power, the individual can reflect his personal image to others (Chaudhuri and Majumdar, 2010:59). The purpose of individual in conspicuous consumption is to impress others with the products he owns and services he gets and thus to satisfy his ego and improve his prestige in the society (O'Cass and McEwen, 2004:27).

It is observed that the initial studies generally dealt with the concepts of conspicuous consumption and status consumption together and attempted to determine the factors that are influential in these two consumption concepts. For example, culture is one of the factors that affect both the conspicuous and status consumption. The tendency of society to status or conspicuous consumption is guided by the ways adopted by the society to show its wealth and richness. This means that such types of consumption are accepted in societies that have approved exhibiting one's assets clearly or making consumption based on the status. The social stratification and social status symbols are more widely recognized in collective cultures compared to the others. Because in such societies, having the assets of the upper social class gives respect and power to individuals. Therefore, it is of great importance to have a certain status within a society or group or to own the products that support this status. But it is different in individualistic societies. Individuals mainly buy products for their own wishes and happiness. For this reason, it is observed that the tendency of conspicuous consumption in individualistic societies is low (Chen, 2002:33).

It is also reported that gender differences suggest the category in which men and women make impulse buying. According to the studies, women buy the category of wearing apparel objects impulsively, while men buy more products impulsively in the categories related to technology and entertainment (O' Cass, 2001 cited as Segal and Podoshen, 2012:193). Some authorities believe that women's behaviors are more sensitive to impulse buying. They base this on the fact that women's behaviors are more emotional and more clearly expressed psychologically than that of men. In fact, Coley and Burgess' study clearly shows that women are more emotional and cognitively more impulsive than men, that is to say that when compared to man, they are more likely to have more cognitive thinking, purchasing, positive buying and reluctance to experience such emotions. Studies conducted on the logic behind the impulse buying has discovered that women tend to impulse buying (Coley and Burgess, 2003:285-286).

CHAPTER IV

ANALYZES OF THE RESEARCH

4.1. Objective of Research

All kinds of goods and services find their place in the international market with the disappearance of trade borders between countries in the globalizing world. It has known that with the increase in the number of luxury brands, changes in the purchasing behavior of consumers are beginning to emerge.

Today, it has known that the reason for consumption is not only to meet physiological needs. Consumers can purchase the products even though they do not need it due to the luxury consumption tendency. However, the brand's impact on consumers' buying behavior is also known. For these reasons, purchasing behavior in the luxury consumption tendency and intrinsic and extrinsic motivations of the consumers and the examination of brand equity have gained importance.

In our country, female consumers are effectively involved in working life. In this context, the research aims to investigate the effect of brand equity on intrinsic and extrinsic motivation in the tendency of working women to luxury goods consumption and to find results.

4.2. Data Collection Method

The survey method, one of the quantitative data collection methods were preferred to collect data for the research. A survey is a method of achieving particular information about an identified problem. The data obtained after the

analysis and exposition of the research provides a better understanding of the problem. The sample universe, sampling method, nature of the problem, and sample size vary depending on the type of survey. The survey is an important aspect of current research design. The preparation and application of the survey requires considerable expertise. (Chisnall, 2005:134-135)

3 different scales have used in the research. These are brand equity, luxury consumption tendency, and consumers' intrinsic, and extrinsic motivations.

The attitude and behavior of the consumer towards the luxury consumption have measured with brand equity. When the current literature is examined, it is seen that the consumer-based brand equity scale developed by Aaker (1991) and Keller (1993) for brand equity is generally accepted. The questionnaire deals with the various dimensions of brand equity like brand awareness, brand loyalty, perceived quality, brand association and the general attitude of consumers. 5-point Likert scale technique was employed ranging from strongly disagree to strongly agree.

The intrinsic and extrinsic motivation of the consumers, who constitute the research sample, is examined depending on the attitude towards luxury goods consumption. Self-acceptance, affiliation, community feeling, and physical fitness, which are intrinsic motivation variables, and the measurement of financial success, attractive appearance, and social recognition, which are extrinsic motivation variables, were taken from the study of Grouzet et al. (2005). 5-point Likert scale (1: Strongly disagree, 5: Strongly agree) technique was employed ranging from strongly disagree to strongly agree.

Consumers' luxury consumption tendency, and their components have examined. The distribution of questions has made respectively as uniqueness, expensiveness, symbolic meanings, arbitrary desire, and belonging to an exclusive minority. The scale of the research has taken from the study of Dogan et.al. (2018) 5-point Likert scale (1: Strongly disagree, 5: Strongly agree) was used for this section.

The survey method of this research is divided into 3 section. These are various preparation questions, the questionnaires of measurement of the variables- brand equity, luxury consumption tendency, consumers' intrinsic, and extrinsic motivations- and demographic questions. Demographic questions for this study includes age, marital status, education and monthly income.

Subjects of reliability and validity were given significance during the conception and implementation of the research study. Reliability refers to the level at which a measuring tool can achieve the same results from applications made at different times. It concerns the question of whether the research will be repeated in terms of the procedures used and whether the same findings will achieve more or less. (Field, A., 2014)

Cronbach's Alpha has used to measure the reliability of the scale. This test is one of the most commonly used tests in the social sciences to examine whether the scale is reliable. It determines whether the measurement is done correctly by the rules. (Hatcher, 1994)

At the end of the analysis 0,80 was used as the Cronbach alpha coefficient to measure the reliability of the scale used in the study. The results indicated that the scale was highly reliable.

4.3. Samples of the research

The universe of the research consisted of working woman consumers over the age of 18 and in Turkey's three-largest province of Ankara, Istanbul, and Izmir. According to the results of the 2019 Turkey Statistical Institute (TSI) based on household labor force aged 15 and over in Turkey database shows that the total number of women working population was 10 million 686 thousand. According to these data, the universe of the research is 10 million 686 thousand people.

This research aimed to have a 95% confidence level with a $\pm 5\%$ error margin. As a result of the calculation, the sample diameter was calculated as minimum 384 people and 412 questionnaires were included as a result of the application. Accordingly in situations where the target population was more than 500.000 the size of the sample had to be at least 383 persons to justify the calculation with the tolerated error amount.

The research of this thesis was held with survey questionnaire which will be distributed to a large sample of people online prepare with the "e-surv.org online survey site" in April-May 2020, and online surveys were transferred to the SPSS 25.0 (Statistical Package For Social Scientist) package program. Due to the COVID-19 epidemic, face-to-face surveys cannot be conducted, online surveys were preferred. In addition, there are three assumed reasons for choosing online survey today.

1. It saves a lot of time and fast.
2. It provides the highest level of convenience for the respondents.
3. It reduces the cost and very easy for respondents to complete. (Schonlau et. al., 2002:362).

Since the web-based questionnaire method was preferred in the study, convenience sampling was used, one of the improbable sampling methods. In convenience sampling, data are collected in the speedy, easy and cost effective way. (Malhotra, 2004:321). Sampling error is an important problem in research and web surveys where the population is large or the population is generally targeted. There is no central registry of all internet users or e-mailing list. Also, not everyone uses the internet. Therefore, not everyone can be included in the survey with the same possibility. (Pedraza, et. al., 2010)

4.4. Limitations

The major limitation of the research was online surveys were preferred because face-to-face surveys were not conducted due to the COVID-19 pandemic. When surveyed in other regions and cities of Turkey results may vary. Generally, the perceptions about the tendency towards luxury products were tested. Similar research can be done for a specific luxury product or service. The research was conducted among female consumers over the age of 18, the same research can be done among male consumers and between different demographic characteristics.

4.5. Hypotheses of the Research

5 hypotheses were developed to show the effect of brand equity on the attitudes of working women towards luxury consumption and purchasing decisions and to determine the effect of brand equity on their intrinsic and extrinsic motivation that affects consumers' luxury consumption tendency.

H1 = Brand equity has a significant impact on consumers' luxury consumption tendency.

H2 = Brand equity has a significant impact on consumers' attitudes towards luxury consumption tendency. .

H3 = Brand equity has a significant impact on consumers' purchase decision for luxury consumption tendency.

H4 = Brand equity has a significant impact on consumers' intrinsic motivations for luxury consumption tendency.

H5 = Brand equity has a significant impact on consumers' extrinsic motivations for luxury consumption tendency.

4.6. Data Analysis

The data collected through the questionnaire were analyzed and sorted with the statistics package program SPSS 25.0 for Windows. SPSS is generally used in the analysis of research results on social sciences and includes comprehensive statistical analysis techniques.

Multiple Regression Analysis method, which is a parametric test, were used to determine the relationship between variables.

4.7. Findings of the Research

Descriptive statistics regarding the sample profile of the study are included in this section. The demographics part contains age, marital status, income level, and education of respondents.

4.7.1. Demographic Distribution of the Respondents by Age Group

The details of the age of the respondents is given in Table 2.

Table 2 shows the percentage distribution of respondents by age. In terms of age groups, the respondents aged between 18-24 comprise 11,7% of the total, those 25 to 31 years 27,4%. The 26,5% of the consumers are between the ages of 38 and 44. The 22,3% of the consumers are between the ages of 32 and 37. The 12,1 % of the consumers are over the age 45. The table shows that most of the respondents came in range of ages between 25 and 31.

Table 2: Age of the Respondents

Age groups	Frequency	Percent
18-24	48	11,7
25-31	113	27,4
32-37	92	22,3
38-44	109	26,5
45 over	50	12,1
Total	412	100,0

4.7.2. Demographic-Distribution of the Respondents by Marital Status

The details of the marital status of the respondents is given in Table 3.

The Table 3 shows that among the 412 respondents, 235 of them are single with 57.0% and 154 of them are married with 37,4%. 4,9% of the respondents are divorce when 0,7% of the respondents are widows.

Table 3: The Marital Status of The Respondents

Marital Status	Frequency	Percent
Single	235	57,0
Married	154	37,4
Divorce	20	4,9
Widow	3	,7
Total	412	100,0

4.7.3. Demographic-Distribution of the Respondents by Education Level

The details of the education level of the respondents is given in Table 4.

The Table 4 shows that the majority of the respondents are graduated from university with 66,3%. 17,7 % of the respondents are master degree and 5,3% of the

respondents are doctoral degree, followed by associate degree (2 years) with 6,6%. The minority with 4.1% for high school graduates.

Table 4: The Education Level of The Respondents

	Education Status	Frequency	Percent
Valid	High School	17	4,1
	Associate's Degree	27	6,6
	University	273	66,3
	Master Degree	73	17,7
	Doctoral Degree	22	5,3
	Total	412	100,0

4.7.4. Demographic-Distribution of the Respondents by Income Level

The details of the income level of the respondents is given in Table 5.

As can be shown in the Table 5, 55,1% of the respondents have monthly incomes above 7000 TL and 2,4% have monthly income between 1500 TL and 3499 TL. In addition, 42,5% of the respondents have 3500-6999 TL monthly income.

Table 5: The Income Level of The Respondents.

	Income Level	Frequency	Percent
Valid	1500 – 3499 TL	10	2,4
	3500 – 6999 TL	175	42,5
	7000 TL and above	227	55,1
	Total	412	100,0

4.7.5. Frequency of type of luxury products purchased

The details of the income level of the respondents is given in Table 6.

Table 6: Frequency of type of luxury products purchased

Type of Luxury Products	Frequency	Percent
Tops	89	21,6
Bottoms	26	6,3
Shoes	179	43,4
Bags	108	26,2
Others	10	2,4
Total	412	100,0

The Table 6 indicates that 179 consumers who make up the 43,4% of the respondents purchase shoes as a luxury products. 108 of the consumers that compose 26,2% of the respondents purchase bags. When 21,6% of the respondents purchase tops, 6,3% of the respondents purchase bottoms. , 2,4% of the respondents purchase others.

4.8. Hypothesis Testing

H1 = Brand equity has a significant impact on consumers' luxury consumption tendency.

Model Summary - Hypotheses 1

Table 7: Regression Analysis Results for H1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,871a	,758	,756	,30022	2,790

Dependent Variable: Purchase

Table 8: Coefficients Results for H1

Coefficients								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
(Constant)	2,277	,059		38,449	,000			
1	Expensiveness	,347	,025	,618	13,776	,000	,296	3,374
	Expensiveness	-,293	,018	-,536	-16,558	,000	,568	1,760
	Expensiveness	,464	,018	,974	26,341	,000	,436	2,292
	Expensiveness	-,171	,024	-,343	-6,977	,000	,246	4,058

Dependent Variable: Purchase

In the H1 hypothesis of the research, it is aimed to measure the effect of brand equity on the luxury consumption tendency of the consumers. In this direction, the H1 hypothesis is measured by multiple regression analysis.

The analysis results showed that the statistical impact of brand equity on the luxury consumption tendency of consumers has found to be significant (sign $0.000 < 0.05$) because its significance level (sign = 0,000) was smaller than 0,05 and H1 hypothesis has been accepted.

Regression analysis defines the process of explaining the relationship between variables separated as dependent variables and independent variables with a mathematical formula (Bryman, A. and Cramer, D., 2009).

According to this, it has been reached to the extrapolate that brand loyalty, brand awareness, brand association and perceived quality variables are positively affected by the consumer trend of luxury consumption.

The Durbin Watson statistic is a number used to test whether the terms are not correlated after a regression model has been estimated. If this number comes out around 2, it shows that we cannot reject the null hypothesis "there is autocorrelation".

(Montgomery et. al., 2001). In this context, in order to see the autocorrelation in the regression model, Durbin Watson test was performed on the data and it was determined that there was no autocorrelation in the model according to the obtained Watson value. (DW=2,79)

The variance increasing factor method was used in the study to determine whether there was a multiple connection or not, and it was observed that there was no multicollinearity problem between the variables according to the calculated VIF values. In statistics, the variance inflation factor is the division of the variance in a model with multiple terms relative to the variance of a single term model. It measures the severity of multiple linearity in an ordinary least squares regression analysis. (Akinwande et. al., 2015) In practice, VIF values above 5 or 10 are indicative of a strong multicollinearity (Alper, 2013). No multicollinearity were found according to the VIF values calculated for this hypothesis.

When the relationships between variables are examined, it is possible to indicate that there is a positive and very strong correlation between variables. (R = 0.870)

In accordance with the coefficient of determination ($R^2 = 0,75$) it was seen that brand loyalty, brand awareness, brand association and perceived quality 75%.

When the β coefficients were examined, it was determined that the most effective brand equity dimension in the luxury consumption tendency was brand loyalty. ($\beta = 0,974$)

H2 = Brand equity has a significant impact on consumers' attitudes towards luxury consumption tendency.

Model Summary - Hypotheses 2

Table 9: Regression Analysis Results for H2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,883a	,780	,778	,27867	2,347

Dependent Variable: Tendency

Table 10: Coefficients Results for H2

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2,056	,055		37,399	,000		
Expensiveness	,218	,023	,398	9,314	,000	,296	3,374
1 Expensiveness	-,182	,016	-,341	-11,048	,000	,568	1,760
Expensiveness	,374	,016	,805	22,852	,000	,436	2,292
Expensiveness	,005	,023	,011	,232	,816	,246	4,058

Dependent Variable: Tendency

In the H2 hypothesis of the research, it is aimed to measure the effect of brand equity on the consumers' general attitude towards luxury consumption tendency.

The analysis results showed that the statistical impact of brand equity on attitude towards luxury consumption tendency of the consumers has found to be significant (sign $0.000 < 0.05$) because its significance level (sign = 0,000) was smaller than 0,05 and H2 hypothesis has been accepted. Accordingly, it is possible to state that the brand equity is effective in the behavior of the consumers towards to the consumption of luxury products.

When the relationships between variables are examined, it is possible to indicate that there is a positive and moderate correlation between variables. (R = 0.88)

In accordance with the coefficient of determination ($R^2 = 0,78$) it was seen that brand loyalty, brand awareness, brand association and perceived quality 78%.

No multicollinearity were found according to the VIF values calculated for this hypothesis.

When the β coefficients were examined, it was determined that the most effective brand equity dimension in the luxury consumption tendency was brand loyalty and brand awareness ($\beta = 0,805$)

H3 = Brand equity has a significant impact on consumers' purchase decision for luxury consumption tendency.

Model Summary - Hypotheses 3

Table 11: Regression Analysis Results for H3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,830a	,689	,686	,36523	2,230

Dependent Variable: Tendency

Table 12: Coefficients Results for H3

Model	Coefficients						
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1,805	,072		25,047	,000		
Expensiveness	,124	,031	,205	4,030	,000	,296	3,374
1 Expensiveness	-,069	,022	-,118	-3,214	,001	,568	1,760
Expensiveness	,295	,021	,578	13,782	,000	,436	2,292
Expensiveness	,131	,030	,246	4,407	,000	,246	4,058

Dependent Variable: Tendency

In the H3 hypothesis of the research, it is aimed to measure the effect of brand equity on the consumers' purchasing behavior for luxury consumption tendency.

The analysis results showed that H2 hypothesis was accepted because its significance level (sign = 0,000) was smaller than 0,05. Accordingly, it is possible to state that brand equity influence the purchasing behavior of the consumers towards the consumption of luxury products.

When the relationships between variables are examined, it is possible to indicate that there is a positive and moderate correlation between variables. ($R = 0.83$). In accordance with the coefficient of determination ($R^2 = 0,68$) it was seen that brand loyalty, brand awareness, and perceived quality 68%.

No multicollinearity were found according to the VIF values calculated for this hypothesis.

When the β coefficients were examined, it was determined that the most effective brand equity dimension in the luxury consumption tendency was brand loyalty and brand awareness ($\beta = 0,578$)

H4 = Brand equity has a significant impact on consumers' intrinsic motivations for luxury consumption tendency.

Model Summary - Hypotheses 4

Table 13: Regression Analysis Results for H4

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,643a	,413	,408	,36557	2,166

Dependent Variable: Brand.Equity

Table 14: Coefficients Results for H4

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	4,724	,106		44,409	,000		
1 Uniqueness	-,225	,022	-,436	-10,344	,000	,813	1,231
1 Uniqueness	,269	,021	,644	12,900	,000	,581	1,722
1 Uniqueness	-,240	,028	-,443	-8,591	,000	,543	1,842
1 Uniqueness	-,039	,020	-,075	-1,962	,050	,996	1,004

Dependent Variable: Brand.Equity

H4 = Brand equity has a significant impact on consumers' intrinsic motivations for luxury consumption tendency.

In the H4 hypothesis of the research, it is aimed to measure the effect of brand equity on the consumer's intrinsic motivation in luxury consumption tendency.

The analysis results showed that H4 hypothesis was accepted because its significance level (sign = 0,000) was smaller than 0,05. Accordingly, it is possible to state that brand equity influence the intrinsic motivation of the consumers' consumption luxury tendency.

When the relationships between variables are examined, it is possible to indicate that there is a positive and moderate correlation between variables. (R = 0,64).

In accordance with the coefficient of determination ($R^2 = 0,41$) it was seen that brand loyalty, brand awareness, and perceived quality 41%.

No multicollinearity were found according to the VIF values calculated for this hypothesis.

When the β coefficients were examined, it was determined that the most effective brand equity dimension in the luxury consumption tendency was brand loyalty and brand awareness ($\beta = 0,644$)

H5 = Brand equity has a significant impact on consumers' extrinsic motivations for luxury consumption tendency.

Model Summary Hypothesis 5

Table 15: Regression Analysis Results for H5

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,721a	,520	,515	,41179	1,362

Dependent Variable: Tendency

Table 16: Coefficients Results for H5

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1,696	,120		14,154	,000		
1 Uniqueness	-,062	,024	-,097	-2,544	,011	,813	1,231
Uniqueness	-,191	,023	-,367	-8,145	,000	,581	1,722
Uniqueness	,345	,032	,510	10,934	,000	,543	1,842
Uniqueness	,398	,022	,615	17,845	,000	,996	1,004

Dependent Variable: Tendency

In the H5 hypothesis of the research, it is aimed to measure the effect of brand equity on the consumer's extrinsic motivation in luxury consumption tendency.

The analysis results showed that H5 hypothesis was accepted because its significance level (sign = 0,000) was smaller than 0,05. Accordingly, it is possible to state that brand equity influence the extrinsic motivation of the consumers' consumption luxury tendency.

When the relationships between variables are examined, it is possible to indicate that there is a positive and moderate correlation between variables. (R = 0,72).

In accordance with the coefficient of determination ($R^2 = 0,52$) it was seen that brand loyalty, brand awareness, and perceived quality 52%.

No multicollinearity were found according to the VIF values calculated for this hypothesis.

When the β coefficients were examined, it was determined that the most effective brand equity dimension in the luxury consumption tendency was brand loyalty and brand awareness ($\beta = 0,615$)

CHAPTER V

CONCLUSION

5.1. Conclusion

Consumption is not only to meet basic needs today. With the effect of globalization, consumer preferences and behaviors of consumers are also changing. Thorstein Veblen, who was a sociologist and an American economist, claimed that consumption also could be done for conspicuous consumption purpose in his book called “The Theory of The Leisure Class”. Veblen mentions different motivations regarding luxury consumption in his book. According to him, the individual motivates to reflect his own unique image to the members of his elite class or to differentiate from individuals of different lower classes that he or she is not a member of it. However, recent studies on the luxury consumption tendency show that there is more than the two motivations that Veblen mentioned.

In today's world, women make their presence felt in both working and social life. At the same time, women achieved their economic independence and reached a noticeable majority. Social and economic data show that women have an important place in the producing society. Their participation in consumption and their tendency to luxury consumption are included in research related to consumption. Their participation in luxury consumption varies according to age, marital status, education level and income level.

When the researchers conducted are examined, it is seen that brand play an important role in the purchasing behavior of consumers. Brands become indispensable for consumers and create value for the consumer. Brand has an important place in the field of marketing as well. Investments made by companies

regarding branding draw attention. Because the brand means high profit, growth and asset value for companies. Having a strong brand helps the company to increase its sales volume and helps the company to have a long-term and permanent place in the market. In this context, it becomes important to define brand loyalty, brand awareness, perceived quality and brand associations, which are brand equity and dimensions that belong to Aaker (1991) and Keller (1993).

In this context, the research aims to investigate the effect of brand equity on intrinsic and extrinsic motivation as well as the effect on purchasing behavior and attitudes towards purchasing in working women's tendency to consume luxury goods. The universe of the research consisted of working woman consumers over the age of 18 and in Turkey's three-largest province of Ankara, Istanbul, and Izmir. In the research, the survey method was used to collect data and 3 different scales were used to evaluate the data.

It has been observed that working women, who constitute the sample of the study, prefer shoes from the product groups they consider to be luxury.

Aaker and Keller's (1991) brand equity model was used to investigate the effect of brand equity on consumers' luxury consumption. It has been observed that brand awareness, one of the dimensions of brand equity, is effective on consumers' luxury consumption tendency.

In brand equity, the consumer recognizing the brand and remembering it accordingly creates brand awareness. It is important to realize brand loyalty in terms of repetitive purchasing behavior. After brand loyalty, the most effective brand equity dimensions in purchasing decision are brand awareness, brand association and perceived quality, respectively.

The attitude and behavior of the consumer towards the luxury consumption have measured with brand equity and when the data obtained are examined, the general finding of this study confirms that all four dimensions of brand equity have

an effect on consumers' luxury consumption. It has also been that brand loyalty and brand awareness are the most effective dimensions of brand equity. It has also been found that other dimensions and general brand equity have a statistically significant and positive effect on the attitude and behavior of the consumer towards luxury consumption. In order for the brand equity to be applied effectively, the consumer must know and recognize the brand. Accordingly, brand awareness should be created so that consumers remember the brand positively, distinctively and strongly in their minds.

This study also aims to investigate the brand equity effects on intrinsic and extrinsic motivation towards to the luxury consumption. These motivations are intrinsic motivations such as self-acceptance, commitment, sense of community and physical fitness (health) and extrinsic motivations such as financial success, attractive appearance (image), social recognition.) (Kasser and Ryan, 1996). In each of the consumption of people, there are personal reasons that motivate them. This study shows that consumer self-acceptance and social recognition are effective in luxury goods consumption. In other word, the tendency of luxury consumption is a tool that enables the consumer to self-acceptance and social recognition and the tendency of externally motivated consumers to luxury consumption was higher than that of internally motivated consumers. The intrinsic motivation internally directs the individual for consumption of luxury goods for self-satisfaction. (Truong, 2010:673) Externally motivated consumers purchase luxury goods for social aims such as fame, image or impact the others at the same time for quality of the luxury goods and self-directed satisfaction (Truong, 2010:673, 667)

How a brand is perceived by the customer will affect the customer's behavior related to that brand. Thus, perceived brand will give direction to consumer-based brand value (Yen and Chen, 2007:134).

The expensiveness of the luxury product positively affects the consumer motivation for luxury good consumption. This means that as the cost of the product increases, the rate of tendency increases. Shipman's work on this subject also

supports the conclusion that consumers perceive luxury branded products as high quality and expensive and states conspicuous consumption leads to emergence of a market where overpayment is made due to a product's brand rather than its benefit and functional needs. For this reason, consumers who buy the brand show that they are able to pay more for a higher quality product. (Shipman, 2004: 280).

Consumption of luxury brands is important for individuals who seek social representation and position. This means that the social status associated with a brand is an important factor in conspicuous consumption (Vigneron and Johnson, 1999:489)

When the literature on the subject is examined, depending on the result of the study, it is seen that brand loyalty is one of the most important and major dimensions of brand equity accordingly consumer based. Odin et al (2001:77) refer that brand loyalty focus on two structural components: behavioral brand loyalty which consist of continual purchases of the same brand and attitudinal brand loyalty which reflects loyalty as an attitude. Considering the effect of brand equity on the luxury consumption tendency of the consumer in general, it is seen that the companies in the luxury brand market should attach importance to their efforts to create brand equity. Also, the companies should pay attention to issues such as the quality of their products, the awareness of their names, that is, how brand awareness creates an association in the minds of the consumer. The companies need to show the necessary care in order to create brand loyalty.

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WEB SOURCES

TÜİK (2019) İşgücü İstatistikleri/Bölgesel İstatistikler/Yaş gruplarına göre işgücü
<https://biruni.tuik.gov.tr/bolgeselistatistik/tabloOlustur.do>



APPENDICES

APPENDIX 1:

QUESTIONNAIRE OF BRAND EQUITY

This questionnaire is for Çankaya University Institute of Social Sciences, Department of Business Administration. Prepared under the supervision of Assoc. Prof. Dr. Elif AKAGÜN ERGİN. It is part of my thesis on “The Effect of Brand Equity on Intrinsic and Extrinsic Motivations of Consumers in Luxury Consumption Tendency”. The data obtained will only be used for academic purposes. Thank you for your contribution to this academic study.

Prepared by: Nuray VARAN

Advisor: Assoc. Prof. Dr. Elif AKAGÜN ERGİN

I. LUXURY BRAND QUESTION

1. From the products groups below –among the ones you considered luxurious- which one do you prefer to buy more? (Please mark only one)

Shirt, blouse, jacket, sweater, dress etc.

Pants, skirt, jean etc.

Shoes, boot etc.

Bag

Other (.....)

2. Please rank in order (1=most frequently, 5=lowest) the luxury brands you buy most according to the level of importance.

1.
2.
3.
4.
5.

II. BRAND EQUITY QUESTIONS

Please indicate your level of agreement with the following statements below.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I consider myself to be loyal to X.					
X would be my first choice.					
I will not buy other brands if X is available at the store.					
The likely quality of X is extremely high.					
The likelihood that X would be functional is very high.					
I can recognize X among other competing brands.					
I am aware of X.					
Some characteristics of X come to my mind quickly.					
I can quickly recall the symbol or logo of X.					
I have difficulty in imagining X in my mind.					
It makes sense to buy X instead of any other brand, even if they are the same.					
Even if another brand has the same features as X, I would prefer to buy X.					
If there is another brand as good as X, I prefer to buy X.					
If another brand is not different from X in any way, it seems smarter to purchase X.					

III. EXTRINSIC and INTRINSIC MOTIVATION QUESTIONS

Please indicate your level of agreement with the following statements below.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I will be efficient.					
I will choose what I do, instead of being pushed along by life.					
I will feel free.					
I will deal effectively with problems in my life.					
I will feel good about my abilities.					
I will overcome the challenges that life presents me.					
I will have insight into why I do the things I do.					
People will show respect to me and I will to them.					
I will feel that there are people who really love me.					
Someone in my life will accept me as I am, no matter what.					
I will express my love for special people.					
I will have a committed, intimate relationship.					
I will assist people who need it, asking nothing in return.					
The things I do will make other people's lives better.					

I will help the world become a better place.					
I will be in good physical shape.					
I feel good about my level of physical fitness.					
I will be relatively free from sickness.					
I will be physically healthy.					
I will have many expensive possessions.					
I will be financially successful.					
I will have enough money to buy everything I want.					
I will have a job that pays well.					
My image will be one others find appealing.					
I will achieve the “look” I have been after.					
People will often comment about how attractive I look.					
I will successfully hide the signs of aging.					
I will be admired by many people.					
My name will be known by many different people					
Most everyone who knows me will like me.					

IV. LUXURY CONSUMPTION TENDENCY QUESTIONS

Please indicate your level of agreement with the following statements below.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I buy a product/service since it is different from other products/services.					
In my purchase decisions, I consider whether the product/service has unique features.					
I am interested in products/services that have unique features that other products/services do not have.					
I desire to purchase a product/service that is specially produced for me.					
I happily buy expensive products/services.					
I do not care about finding the best deal/price.					
I do not prefer to buy low-priced products/services.					
I prefer an expensive product/service over a cheap product.					
I care more about what a product/service symbolizes than its functional features.					
I would buy a product/service if it has a luxury symbolic meaning for the people around me.					

Please indicate your level of agreement with the following statements below.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
When I am buying products/services, I consider what these products/services make sense to people around me.					
Whether the product/service make senses to other people around me is important for me.					
I shop according to my desires, even when I do not need to shop.					
When I am buying products/services, I do not question whether I need this product/service.					
I usually buy products/services that I do not need physically but rather emotionally.					
I do not enjoy buying a product/service that can be bought by the vast majority of society.					
It bothers me when many of the people around me have a product/service that I have.					
I would like to feel that I belong to an exclusive minority through products/services I purchase.					

V. DEMOGRAPHIC QUESTIONS

Please check the most suitable option for you.

1. Age

- 18 – 24 25 – 31 32 – 37
- 38 - 44
- 45 and over

2. Marital Status

- Single Divorced Widow
- Married

3. Education

- Primary School Bachelor Degree
- High School Master Degree
- Associate's Degree Doctoral Degree

4. Monthly Income (in Turkish Liras)

- 500 – 1499 TL
- 1500 – 2499 TL
- 2500 – 3499 TL
- 3500 – 4999 TL
- 5000 – 6999 TL
- 7000 TL and over

APPENDIX 2:

Analysis of Survey Questions:

BRAND EQUITY

I consider myself to be loyal to X. X would be my first choice. I will not buy other brands if X is available at the store.	Brand Loyalty
The likely quality of X is extremely high. The likelihood that X would be functional is very high.	Perceived Quality
I can recognize X among other competing brands. I am aware of X.	Brand Awareness
Some characteristics of X come to my mind quickly. I can quickly recall the symbol or logo of X. I have difficulty in imagining X in my mind.	Brand Association
It makes sense to buy X instead of any other brand, even if they are the same. Even if another brand has the same features as X, I would prefer to buy X. If there is another brand as good as X, I prefer to buy X. If another brand is not different from X in any way, it seems smarter to purchase X.	Over all

EXTRINSIC and INTRINSIC MOTIVATION

I will be efficient. I will choose what I do, instead of being pushed along by life. I will feel free. I will deal effectively with problems in my life. I will feel good about my abilities. I will overcome the challenges that life presents me. I will have insight into why I do the things I do.	Intrinsic Goals Self-Acceptance
People will show respect to me and I will to them. I will feel that there are people who really love me. Someone in my life will accept me as I am, no matter what. I will express my love for special people. I will have a committed, intimate relationship.	Intrinsic Goals Affiliation
I will assist people who need it, asking nothing in return. The things I do will make other people's lives better. I will help the world become a better place.	Intrinsic Goals Community feeling
I will be in good physical shape. I feel good about my level of physical fitness. I will be relatively free from sickness. I will be physically healthy.	Intrinsic Goals Physical fitness
I will have many expensive possessions. I will be financially successful. I will have enough money to buy everything I want. I will have a job that pays well.	Extrinsic Goals Financial Success
My image will be one others find appealing. I will achieve the "look" I have been after. People will often comment about how attractive I look. I will successfully hide the signs of aging.	Extrinsic Goals Attractive Appearance
I will be admired by many people. My name will be known by many different people Most everyone who knows me will like me.	Extrinsic Goals Social Recognition

LUXURY CONSUMPTION TENDENCY

I buy a product/service since it is different from other products/services.

Uniqueness

In my purchase decisions, I consider whether the product/service has unique features.

I am interested in products/services that have unique features that other products/services do not have.

I desire to purchase a product/service that is specially produced for me.

I happily buy expensive products/services.

Expensiveness

I do not care about finding the best deal/price.

I do not prefer to buy low-priced products/services.

I prefer an expensive product/service over a cheap product.

I care more about what a product/service symbolizes than its functional features.

Symbolic Meanings

I would buy a product/service if it has a luxury symbolic meaning for the people around me.

When I am buying products/services, I consider what these products/services make sense to people around me.

Whether the product/service make senses to other people around me is important for me.

I shop according to my desires, even when I do not need to shop.

Arbitrary Desire

When I am buying products/services, I do not question whether I need this product/service.

I usually buy products/services that I do not need physically but rather emotionally.

I do not enjoy buying a product/service that can be bought by the vast majority of society.

Belonging to an exclusive minority

It bothers me when many of the people around me have a product/service that I have.

I would like to feel that I belong to an exclusive minority through products/services I purchase.

PERSONAL INFORMATION

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WORK EXPERIENCE

Accounting Assistant/Business Office Administrator, Oasis International School, Ankara – Turkey	07/2009 - Currently Work
Executive Assistant To The Vice President, Özaltın Holding, Ankara-Turkey	06/2008 – 06/2009
Kitchen Volunteer, Lee Abbey Devon, England UK	12/2005 – 11/2006

EDUCATION

Bachelor Degree of BBA, Anadolu University –Turkey - 2016
Associated Degree of Tourism, Anadolu University –Turkey - 2002
İzmir Balçova High School - 1996

ADDITIONAL SKILLS

Microsoft Office package: Microsoft Word, Excel, Power Point

Database operation: Quick Books

Statistical operation: SPSS

LANGUAGES

English–Fluency

HOBBIES

Swimming, handcrafts, traveling, music.

