4. Fulfilling identity motives through luxury consumption

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INTRODUCTION

Why do people buy luxury goods? Depending on one's definition of luxury, a luxury good cannot be justified on quality or function alone (Kapferer 2015). Yet people are often willing to pay far more for this "extra something," even when they cannot afford it, risking debt problems and a worsening financial position. At least since Thorstein Veblen's publication of *The Theory of the Leisure Class* (Veblen 1899), lay theories regarding the motivations for luxury consumption revolve around the notion of conspicuous consumption. That is, that extra something is posited to be the signaling power that luxury products provide in terms of indicating wealth, status, or success.

Although using conspicuous consumption to signal wealth or status is undoubtedly one of the underlying motives for consuming luxury brands, in this chapter we propose a more nuanced view of the motives for luxury consumption. We focus on people's use of luxury products to construct, maintain, or bolster important aspects of their self-concept (Shrum et al. 2013), with a specific focus on how luxury products fulfill identity motives (Vignoles et al. 2006). Within this framework, we review research that links the identity motives to specific types of luxury consumption, and explicate the ways in which luxury brands are used to signal self-identity. We conclude with recommendations for future research.

LUXURY CONSUMPTION AND SELF-CONCEPT

Defining Luxury

As the chapters in this volume will attest, there are many different ways to view (and thus define) luxury in the context of luxury brands. Although providing a resolution to these views is beyond the scope of this chapter, some general definition or perspective is necessary in order to link luxury consumption to self-identity. One useful starting point is the origin of the word. *Luxury* derives from the Latin word *luxus*, which refers to "excess" (Soni 2017). This definition of the root word comports well with our reference to the extra something that luxury products provide, and is consistent with the definition of luxury products as those whose price far exceeds their functional value (Kapferer 2015). Other common definitions link luxury to the

concepts of scarcity, high quality, and social recognition (cf. Frank 1999; Kapferer 2015; Veblen 1899; for a review, see Wan 2017).

Although the distinctions may be important when developing brand strategies (positioning, segmentation, targeting), for our purposes, we take a democratic approach and consider luxury products to be ones that consumers (or research participants) say are luxury products, but with the caveat that they are restricted to high-end luxury products, as opposed to mere non-necessities or "frivolous luxuries" (Strahilevitz 1999: 215). Such an approach runs the risk that definitions (and thus research stimuli) may vary greatly across research situations (Soni 2017), but given that our focus is on underlying motivations, this risk has minimal consequences for the objectives of this chapter.

Luxury Consumption and Signaling

An important part of the extra something that luxury products provide over and above their functional value is their signaling value. Conspicuous consumption is an obvious example of such signaling. Generally, the signaling value of luxury products pertains to *other-signaling* (Shrum et al. 2013). Luxury goods, particularly conspicuous ones, may be acquired in order to signal to others that one has wealth, status, and even taste (Chapter 5 in this volume). However, luxury goods can also serve a *self-signaling* function, signaling to oneself particular qualities related to the self-concept (for a review of self-signaling motivations, see Touré-Tillery and Fishbach 2018). For example, consider the purchase of a luxury watch such as a Patek Phillippe. The watch may be purchased in order to signal to others qualities such as wealth and success, or it may be purchased to signal success to oneself. Thus, the same product may have different signaling functions for different people, or the product may serve both other- and self-signaling functions for the same person.

Self-concept: Construction, Maintenance, Repair

People are motivated to hold positive self-concepts: They want to feel good about themselves (Leary et al. 1995). Luxury goods (and goods in general) are one means through which self-identity is constructed (Belk 1988). Once individuals develop a stable sense of self (their ideal self; Higgins 1987), they then attempt to maintain that positive self-concept. However, during everyday life one's self-concept may be threatened, which creates a discrepancy between the actual and ideal selves. In such cases, those individuals are motivated to repair or restore the threatened aspect of the self, and acquisitions such as luxury goods may serve this function (for reviews, see Lee and Shrum 2013; Mandel et al. 2017; Rucker and Galinsky 2013). Similarly, some individuals are chronically insecure, and thus show larger chronic discrepancies between their actual and ideal selves (Rustagi and Shrum 2018). For example, those scoring higher on measures of materialism tend to have lower self-esteem (Gentina et al. 2018b; Richins and Dawson 1992), lower feelings of personal power and autonomy (Gentina et al. 2018b; Kashdan and Breen 2007), are lonelier (Gentina

Table 4.1   *Identity motives, definitions, luxury examples, and relevant research*

Identity Motive	Definition	Brand Slogan Examples	Research
Efficacy	Establishing, maintaining feelings of competence, control, power	Aston Martin: Power, Reality, Soul	Durante et al. (2014); Lee & Shrum (2012); Rucker & Galinsky (2008)
Self-esteem	Maintaining and enhancing positive self-concept	L'Oréal: Because You're Worth It	Charles et al. (2009); Hudders & Pandelaere (2012); Sivanathan & Pettit (2010)
Meaning	Establishing, maintaining feelings that one's life has meaning and purpose	***	Lee & Shrum (2012); McFerran et al. (2014)
Continuity	Maintaining identity across time and situations	De Beers: Diamonds are Forever	Beverland (2005); Morhart et al. (2015); Newman & Dhar (2014)
Distinctiveness	Establishing, maintaining identity that is differentiated from others	S.T. Dupont: Be Exceptional	Berger & Heath (2007); Chaplin & Lowrey (2010)
Belonging	Maintaining closeness to and acceptance of others	Zegna: Great Minds Think Alike	Berger & Ward (2010); Han et al. (2010)

Note: *** No brand slogan example could be found.

et al. 2018a; Pieters 2013), and have lower feelings of a meaningful existence (Kashdan and Breen 2007).

IDENTITY MOTIVES

Individuals are motivated to construct and maintain individual identities, which are subjective concepts of themselves (Swann and Bosson 2010). Although there are many identity motives or fundamental needs (cf. Deci and Ryan 2000; Griskevicius and Kenrick 2013; Kenrick et al. 2010; Maslow 1943; Williams 2007), we focus on the six identity motives identified by Vignoles et al. (2006). The six motives are efficacy, self-esteem, meaning, continuity, distinctiveness, and belonging.

Individuals are motivated to fulfill each of these motives in order to construct, maintain, or bolster their self-concept, and the use of products and services is one way to accomplish this objective. Although any product or service may suffice, our focus in this chapter is on the role that luxury products and services play in defining the self. Moreover, although all individuals presumably have all of these motives, the centrality of the motives for the self-concept will vary across individuals. For example, for some individuals, the motives of belonging, self-esteem, and meaning may be the most important, whereas for others, the motives of efficacy and distinctiveness may be the most important. In the following sections, we discuss in detail each identity motive, their definitions, and examples of how luxury products and services bolster self-identity. Table 4.1 provides a summary, along with references to relevant research (the references are meant to be representative, not exhaustive).

Efficacy

Efficacy motives are those that facilitate feelings of "competence and control" (Breakwell 1993: 205). Competence refers to success and excellence, and control pertains to the ability to control oneself and one's environment. We also include the concept of power and status (Chapter 5 in this volume) as aspects of control. Although control, power, and status are conceptually distinct, there is also clear overlap. For example, power has been defined as having control over socially valuable resources, whereas status refers to levels of admiration and respect (cf. Hays and Bendersky 2015; Magee and Galinsky 2008). Status products also make people feel powerful (Rucker and Galinsky 2008).

Luxury products clearly convey status, a relation that is easily observable in the positioning of luxury brands, as in Mercedes' tagline "The Best or Nothing." Consequently, luxury products are ideal for signaling power, control, and status, particularly when individuals' feelings of efficacy are threatened. For example, men use conspicuous luxury products as a means to attract mates, but women do not (Griskevicius et al. 2007; Janssens et al. 2011; Sundie et al. 2011; for reviews of evolutionary influences on luxury consumption, see Durante and Griskevicius 2018; Chapter 3 in this volume). However, women do use luxury products for other signaling purposes, such as signaling to other women. For example, women use luxury products to signal that their partner has made a substantial investment in them (Chapter 3 in this volume; Wang and Griskevicius 2014).

Similarly, women may use luxury products as a means of competing with other women (but not with men). In one study (Durante et al. 2014), women were given a positional choice task (Frank 2005) in which they had to choose between an option that would maximize their absolute gains (you have a $7,000 diamond ring but other women have $15,000 diamond rings) or their relative gains (you have a $5,000 diamond ring but other women have $1,000 diamond rings). Ovulating women were much more likely to choose the relative gain option ($5,000 ring) than were women who were not ovulating. In another study (Kim et al. 2018), high-fertility women (those near ovulation) preferred conspicuous luxury products with bigger brand logos when the product was for themselves compared to when the product was for another woman, but the reverse was true for non-ovulating women. Finally, women may use luxury brands to signal a particular financial standard they set for a romantic partner (Sundie et al. in press).

Thus, particular situations (attracting a mate, competing for mates) may induce the motive to bolster (signal) power and status to others via luxury goods. Other situations may induce similar motives, but for different reasons. As described earlier, sometimes aspects of an individual's self-concept may be threatened. In the case of efficacy motives, for example, feelings of power and control may be threatened, such as having one's job responsibilities curtailed, or even being fired. In such cases, individuals may be motivated to bolster their feelings of power and control, and one way to do this is through products that signal power, status, and control. Several studies support this reasoning. For example, across several studies, participants whose feel-

ings of power were threatened were willing to pay more for status products (Rucker and Galinsky 2008; Rustagi and Shrum 2019) and engaged in more conspicuous consumption (Lee and Shrum 2012; Lee et al. 2017; Rucker and Galinsky 2009) compared to participants whose power was not threatened.

Another component of efficacy needs pertains to competence. Individuals attempt to maintain feelings of competence and success, and use products to signal these qualities to themselves and to others. For example, consumers will often pay more for products they create themselves than for the same products made by others, termed the *IKEA effect* (Norton et al. 2012), because self-creation signals competence (Mochon et al. 2012). Similarly, when individuals experience threats and insecurities to their feelings of personal competence, they may compensate by acquiring, displaying, or using products that symbolically signal competence. Compared to non-threatened participants, those who were induced to feel insecure about their intelligence preferred and were willing to pay more for products that were symbolic of intelligence, such as fountain pens (Gao et al. 2009; Kim and Gal 2014), books (Rustagi and Shrum 2019), dictionaries (Kim and Rucker 2012), and scientific exhibitions (Rustagi and Shrum 2019).

Luxury products may also fulfill this same symbolic function of competence signaling. Luxury products are by definition expensive, and thus serve as signals of wealth and success. Materialistic individuals in particular view possessions as signals of success, and thus may be especially disposed toward using luxury products as signals of success and competence (Richins and Dawson 1992).

Self-esteem

Self-esteem refers to the motive to maintain and enhance a positive self-image. Although self-esteem is often conflated with the notion of a general self-concept (as opposed to a specific identity motive), for our purposes, we adopt Leary et al.'s (1995) definition of social self-esteem. Individuals' self-esteem partly depends on their reflection of how others evaluate and judge them (*the looking-glass self*; Cooley 1902). Accordingly, a positive sense of self may function as a sociometer and serves as an indicator of an individual's social inclusion (Leary et al. 1995). People exhibit higher self-esteem when they feel valued by others than when they do not (Srivastava and Beer 2005).

Considering that self-esteem partly reflects how one thinks others think about oneself, it is intimately connected to status (Anderson et al. 2015). Thus, signaling one's status to others should be viewed as a means to increase one's social self-esteem. For example, in one study, inducing participants to believe that their performance on a task placed them in the bottom 10 percent of their peer group increased their willingness-to-pay for a rare photograph (but not a mass-produced photograph), compared to feedback that placed them in the top 10 percent (Sivanathan and Pettit 2010). The rare aspect of the photograph increased its status, and acquiring high-status goods has self-affirmational value (Steele 1988).

Self-esteem threats can take on many different forms. In addition to unfavorable performance feedback, relative deprivation also lowers people's self-esteem (Osborne et al. 2015). For example, self-esteem is positively related to income (Twenge and Campbell 2002), leading to a relatively higher interest in conspicuous consumption in lower-income households (Charles et al. 2009; Sivanathan and Pettit 2010). Being socially excluded can also threaten self-esteem (Leary 1990; Leary et al. 1995). Based on Leary's et al.'s (1995) conceptualization of social self-esteem, being socially excluded signals to individuals that they are not viewed with approval by others. Consequently, they are motivated to boost their self-esteem by engaging in what they believe are behaviors that would be viewed positively by their reference group (for example, helping behavior, charitable donations; Lee and Shrum 2012; Lee et al. 2017).

Meaning

Meaning, as an identity motive, refers to establishing and maintaining feelings that one's life has purpose and significance (Baumeister 1991; Vignoles et al. 2006), which may be manifested in feelings of pride and a sense of accomplishment. The literature on subjective well-being distinguishes between two forms of well-being: hedonic and eudaimonic well-being. The former refers to well-being as a feeling of happiness and pleasure, whereas the latter refers to actualizing one's potential or true nature (Waterman 1993). Living a meaningful life positively affects one's sense of eudaimonic well-being (Ryan and Deci 2001). The current literature connects luxury consumption to pleasurable feelings (Hudders and Pandelaere 2012) and thus to the hedonic view on well-being, consistent with the view of luxury consumption as indulgence (Haws and Poynor 2008). However, whether luxury consumption influences eudaimonic well-being is less clear.

The realization of one's potential is connected to a sense of accomplishment, which may allow a connection to luxury consumption. For example, authentic pride—rooted in deserved success experiences—increases the desire for luxury brands (McFerran et al. 2014). However, although luxury goods may be useful for self-signaling authentic pride, they may actually signal a different type of pride to others. Indeed, observers tend to associate luxury consumption of others with hubristic pride, which reflects narcissism and the desire to see oneself and be seen as superior to others (McFerran et al. 2014). Consequently, finding and expressing meaning may be better served by private rather than public luxury consumption. Nevertheless, luxury brands signal success to the self, and their consumption comports with the deservingness that major accomplishments create (Cavanaugh 2014). Thus, luxury brands can serve as reminders and celebrations of one's meaning in life.

As with the other motives, threats to one's feelings of a meaningful existence may spur the consumption of luxury products to boost meaningfulness. For example, threats to meaningful existence increase preferences for conspicuous luxury products (Lee and Shrum 2012). These findings further suggest that luxury consumption can potentially address the search for meaning in one's life.

Continuity

Continuity refers to the extent to which one's self-identity is consistent across time and across situations (Breakwell 1986; Vignoles et al. 2006). Continuity is a critical component of identity (Wiggins 2001), and people strive to maintain consistency. However, continuity does not necessarily mean lack of change. Individuals' identities develop and change over time, and turning points occur over the lifespan. However, individuals strive to ensure these changes still reflect the core self-identity.

One concept that may link the notion of continuity to luxury products is brand authenticity. Morhart and colleagues (2015) conceptualize brand authenticity in terms of four dimensions: credibility, integrity, symbolism, and continuity (see also Chapter 11 in this volume). Continuity is linked to notions of history and timelessness, which transcends trends and sets authentic brands apart from faddish ones. Indeed, the qualities of history and timelessness are key criteria for defining luxury products (Kapferer 2015), and luxury brands emphasize their historical ties in their brand stories (Beverland 2005; Chapter 13 in this volume). Moreover, simple cues that signal a brand's historic and timeless qualities influence perceptions of brand authenticity. For example, Newman and Dhar (2014) manipulated the origin of production of a hypothetical luxury brand. Participants perceived the brand to be more authentic, and were willing to pay more for it, when the description of the brand indicated it was manufactured in the original factory than when it was manufactured in a new factory.

Appeals to continuity are evident in marketing communications of luxury brands. For example, Patek Phillipe's iconic tagline "You never actually own a Patek Philippe. You merely look after it for the next generation" invokes the notion of being part of one's family, even after one has passed away. Continuity is also invoked in De Beers' "A diamond is forever" campaign, implying that a diamond ring is a symbol of arguably one's most important relationship throughout one's adult life.

Distinctiveness and Belonging

We have included both distinctiveness and belonging motives in the same section because in many respects they represent divergent motives. Distinctiveness refers to differentiation from others, whereas belonging refers to an individual's need to foster feelings of closeness with and acceptance of others. On the one hand, individuals are driven to set themselves apart from others, and experience negative affect when they view themselves as too similar to others (Berger and Heath 2007; Fromkin 1980; Snyder and Fromkin 1980). Because products are closely tied to self-identity, and thus act as signals of identity, they are very useful differentiators, particularly for avoidance groups (Berger and Heath 2007; Chaplin and Lowrey 2010; Lowrey et al. 2001).

On the other hand, humans also have a fundamental need to belong (Baumeister and Leary 1995), and assimilation to the behavior of others (conformity) has a long history in psychological research (Asch 1955; Sherif 1936). People generally assim-

ilate to aspirational groups, and just as products can be useful differentiators, they can also be useful signals of belonging, conformity, group membership, and identity (Chaplin and Lowrey 2010; Escalas and Bettman 2003, 2005; Lowrey et al. 2001).

An example of these opposing motives is captured by Brewer's optimal distinctiveness theory (Brewer 1991). The theory posits that all people experience tensions between the need to be distinctive (unique) and the need to belong (conform), and need satisfaction is maximized (optimized) when the right mix of distinctiveness and belonging is found. The optimal level varies within individuals (for example, need for uniqueness; Tian et al. 2001), and within cultures (for example, Western, individualistic cultures tend to be high on need for uniqueness; Snyder and Fromkin 1980). Leibenstein's (1950) distinction between bandwagon effects (increase in demand for a good because other people are buying it) and snob effects (decrease in demand for a good because other people are buying it) also reflects the tension between distinctiveness and belonging in the context of consumer demand.

Although many types of products may be used to signal distinctiveness or uniqueness, luxury products are particularly useful for such signaling. Many luxury products use very prominent logos to allow for quick identification by the target of the signal (Han et al. 2010). For example, the signature logo of interlocking initials for Louis Vuitton immediately identifies the product as a luxury brand, and consequently Louis Vuitton products are highly valued by aspirational groups to signal identity motives of both distinctiveness and belonging. Similarly, the interlocking G's for the Gucci brand, and C's for Chanel, are instantly identifiable.

Unique luxury product designs also function as fast signals. Although most automobile designs often show a high level of conformity, making them difficult to distinguish except for their logos placed on the products, luxury automobiles often have their own distinctive design, which makes them easy to identify and assures accurate signaling. Examples include the distinctive designs of Porsche, Jaguar, Ferrari, and Rolls Royce. That said, relying primarily on distinctive design to communicate brand identity runs the risk that the brand will be misidentified by those who are not knowledgeable of the brand. However, such misidentification may not be problematic if those who misidentify are not the targets of the luxury brand signal (Berger and Ward 2010; Han et al. 2010).

Finally, one additional issue is how individuals deal with the constant tension between the distinctiveness motive and the belonging motive. That is, how does the individual know when to be distinctive and when to conform in terms of identity signaling? This question is important because sending the wrong signals to the wrong group can be detrimental to the signaler. Initial work addressing this issue found that individuals tend to differentiate with identity-relevant products but conform with identity-irrelevant products (Berger and Heath 2007). Later work took a more nuanced view that looked at the tendency to differentiate as a function of product attribute. Consumers tend to assimilate to their in-group on broader product dimensions, such as brand, but differentiate from their in-group members on more unique product attributes, such as color (Chan et al. 2012).

IDENTITY SIGNALING: WHO SIGNALS TO WHOM, AND HOW?

Thus far we have discussed how luxury products can be used to construct, maintain, reinforce, and bolster identity motives. We focused on six identity motives— efficacy, self-esteem, meaning, continuity, distinctiveness, and belonging—and reviewed research that indicates that consumers use luxury products to signal to both themselves and to others that they possess desired "tastes" (products they buy, preferences and attitudes they hold; Berger and Heath 2007: 121). Two important questions we address in this section is to whom consumers signal, and how. This question is important because sending the wrong signal to the wrong person or group not only lessens the impact of the luxury product signal (and thus wastes a lot of money on expensive products that don't fulfill their intended function), but it can also actually have negative (as opposed to null) effects.

   We addressed the question of who signals to whom, to some degree, in our discussion of distinctiveness and belonging motives. Virtually all scholars adhere to the notion that consumers (and people in general) send identity signals to avoidance groups, peer groups, and aspirational groups. A second question pertains to how this process works; that is, what is the optimal way to signal? For example, luxury products have very strong signaling value, at least in cultures or subcultures that can spot the signals and interpret them correctly. However, as most consumers (and researchers) who are familiar with luxury products know, the prominence of the signal varies dramatically across products. Although some luxury brands use prominent logos (for example, Louis Vuitton, Gucci), other luxury brands do not have prominent logos, yet are nevertheless identifiable for those who are familiar with the brand. For example, Bottega Veneta makes leather handbags that carry price tags of several thousand dollars. They do not have prominent (or any) external logos, but their distinctive weave is recognizable by connoisseurs. Christian Louboutin makes women's shoes that cost around $1,000; they have no visible logo, but their (once-) unique red-bottom soles are also similarly instantly recognizable by connoisseurs.

   What can explain the decision of luxury brands to use only subtle signals? This issue was addressed by two prominent papers that integrated the questions of who signals to whom, and how. In what they term subtle (Berger and Ward 2010) or quiet (Han et al. 2010) signals, the two papers argue that those with sufficient 'domain-specific cultural capital' (that is, insiders; Berger and Ward 2010: 556) use subtle signaling in the form of inconspicuous indicators of brand to fulfill distinctiveness motives. Han et al. (2010) push this concept of quiet (versus loud) signaling with luxury goods forward by developing a framework based on two dimensions: wealth and need for status. This framework can be seen in Figure 4.1. They categorize wealth in terms of *haves* and *have-nots*, and need for status in terms of low versus high.

   Based on those dimensions, they identify four groups, which they refer to as the "four Ps of luxury" (Han et al. 2010: 17), whose names are derived from various languages: patricians (the elites), parvenus (strivers), poseurs (pretenders), and the proletarians (lower class, non-materialists). The patricians are the ones that have

what Berger and Ward (2010) refer to as cultural capital: They have the money and the connoisseurship that allow them to accurately read subtle, quiet signals. They are at the top of the pyramid (often referred to as "old money") and do not need to differentiate themselves from the other classes. Rather, they signal horizontally, among themselves. In contrast, the parvenus are striving to move up, and they readily consume to signal status, and the patricians are their aspirational group.

Parvenus have sufficient wealth to afford the same luxury products as the patricians, but they are relatively new to status brands, and thus lack the knowledge of connoisseurs that would allow them to appreciate the subtle signals of luxury. Thus, they use luxury products to signal their similarity to the patricians, and those signals are often loud. However, the parvenus also do not have sufficient knowledge of the patricians and their signaling behavior to know that they should not use loud signals, and thus are unaware that the loud signals are not well-received by the patricians. In addition, the parvenus also want to disassociate from the lower-class poseurs (and to some degree from the proletarians), and in this case, the loud signals are effective.

The poseurs are similar to the parvenus. The patricians, as well as the parvenus, are their aspirational groups, and they use loud signals to signal association with these aspirational groups and dissociation from the other have-nots (proletarians). However, unlike the parvenus, they do not have sufficient resources to afford the authentic status goods. Consequently, they often turn to counterfeit luxury goods (with loud signals) to indicate association with their aspirational groups (Chapter 15 in this volume). Finally, like the poseurs, the proletarians may not have the financial means to afford authentic luxury goods. However, even if they do have the financial means, they do not consume in order to convey status, they are uninterested in signaling either association or dissociation from other groups, and thus are not interested in signaling status to anyone.

RESEARCH OPPORTUNITIES

Although considerable research connects luxury consumption to personal needs, many research questions remain. For example, consumers may engage in luxury consumption to signal a favorable impression to others or to themselves. However, whether these two forms of signaling have different impacts on life satisfaction and subjective well-being is not clear. Presumably, when consumers engage in other-signaling they hope to elicit positive reactions from relevant others, but they may not always receive such reactions. As a result, consumers may be more satisfied with luxury goods bought for self-signaling purposes, which require no reactions from others, than for other-signaling purposes. In addition, if self-signaling addresses self-needs more effectively than does other-signaling, it may also more positively affect subjective well-being.

Whether self-signaling is possible for all personal needs is also unclear. For instance, self-esteem is at least in part social in nature, and addressing self-esteem needs through luxury consumption may require some form of other-signaling. In
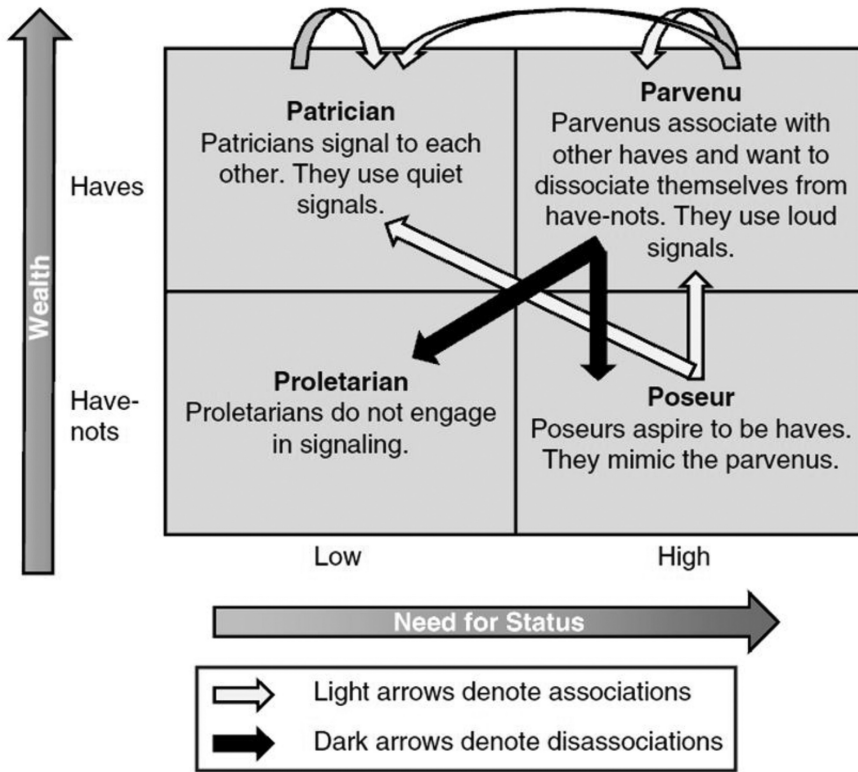
Figure 4.1   Signal preference and classification as a function of wealth and need for status

contrast, searching for meaning through luxury consumption may be connected more intimately to self-signaling than to other-signaling. Finally, other- and self-signaling may have different roots. Consumers may engage in other-signaling to address a lack in one's life (cf. compensatory consumption, Mandel et al. 2017), but engage in self-signaling to uphold a favorable impression of the self.

   Although other-signaling has been well-researched, comparatively little research has looked at the audience knowledge that is required for successful signaling. A signal is effective only if the receivers of the signal can accurately decode it. The parvenus in Han and colleagues' (2010) framework aspire to be part of the group of patricians but lack the patricians' cultural capital. Thus, they signal their status in ways that are not only unacceptable to their aspirational group, but ironically signal disassociation rather than association to the patricians. The idea that successful signaling requires knowledge about the audience to which one signals not only applies to status, but also to belonging. When individuals want to belong to a certain group, they clearly need to understand which brands are acceptable to the target group and

which are not. Thus, the ability to grasp the implicit rules that govern signaling through consumption in aspirational groups may be key to successful versus unsuccessful signaling. Especially when people quickly move up the social ladder (for example, athletes and performers who become famous and wealthy very fast), they may continue to play the signaling game that was appropriate for the group of which they were originally a part, rather than their aspirational group.

Another important question pertains to the durability of a signal. Luxury goods are long-lasting, and therefore may seem good long-term solutions to address self-needs, whereas some brands are more closely connected to fashion cycles, implying a very short-lived signal. If the extra something of luxury consumption involves the signal it provides to the self or others, an important question is when and why consumers would be interested in short-lived signals like fashion luxury goods, or even shorter-lived luxury experiences. Although experiential consumption may impact subjective well-being more than does material consumption (Gilovich and Gallo 2020; Gilovich and Kumar 2015), consumers are less interested in the former when they want to maximize the lasting utility of their expenditures (Tully et al. 2015). If luxury consumers are interested in the longevity of the extra something, they may be more interested in luxury goods than luxury services, especially when luxury consumption represents a strain on their budget (Tully et al. 2015). Moreover, the satisfaction of some personal needs may be achieved better through consumption of certain luxury services than others.

With only a few exceptions (for example, Gao et al. 2009; Rucker et al. 2011, reported in Rucker et al. 2012; Rustagi and Shrum 2019), research has not examined whether consumers can successfully address self-needs through luxury consumption. Moreover, the research that has examined the impact of luxury consumption on self-esteem but has produced mixed findings. For example, using (Wang 2015) or even merely ruminating about (Sivanathan and Pettit 2010) luxury consumption can raise self-esteem. In contrast, in other research, relative to non-luxury products, ownership of luxury products increased life satisfaction but the mere use of luxury products decreased life satisfaction (Hudders and Pandelaere 2015). Thus, the effects of ownership and use of luxury products on the self-concept are not clear (see also Chapter 2 in this volume), it is clear that not all types of luxury consumption may be equally effective. In addition to explicating if and when luxury consumption aids self-esteem (and satisfaction with life), future research should examine which self-needs can be successfully addressed through luxury consumption.

More research is also needed on what observers infer from luxury consumption. Extant research has mostly focused on warmth and competence inferences (Nelissen and Meijers 2011; Scott et al. 2013). Inferences of status and wealth increase the likelihood to interact professionally (Scott et al. 2013), and compliance with interpersonal requests, such as donation requests for charities (Nelissen and Meijers 2011; but see Berger 2017, for a failure to replicate). Somewhat related, driving a luxury car increases the driver's attractiveness in the eyes of observers, at least for male consumers (Dunn and Searle 2010).

Although research has connected luxury consumption to self-esteem, belonging, distinctiveness, and efficacy, little research has connected it to bolstering meaning in life (but see Lee and Shrum 2012). Although we categorized the interest in luxury consumption that stems from authentic pride (McFerran et al. 2014) as an example of a connection with meaning, more research is needed to support that idea specifically, and more generally, what forms of luxury consumption could be construed as a means to address meaning-related issues. A potentially interesting question pertains to the importance of brand stories in the creation of the extra value in luxury consumption. Feeling part of this bigger story may create meaning for luxury consumers.

Finally, luxury consumption has also been connected to pleasure and positive affect (Hudders and Pandelaere 2012). However, what drives these feelings is unclear. On the one hand, such pleasurable feelings may reflect hedonism. On the other hand, part of what makes luxury consumption pleasurable may be the expectation of addressing an important self-need. Further research is needed to provide a better understanding of the causes of positive affect from luxury consumption, and their longevity.

CONCLUSION

Why do people buy luxury goods? One reason is to manage the self-concept, and in particular, to fulfill identity motives. Luxury products can act as identity signals that reflect aspects of the self-concept. We pinpointed six identity motives—efficacy, self-esteem, meaning, continuity, distinctiveness, and belonging—that luxury goods can fulfil. Luxury goods fulfill these basic motives by serving as signals that the person possesses these desired identities. These signals may be sent to peer groups and aspirational groups to indicate belonging and shared tastes, and they may also be sent to avoidance groups to signal differentiation or disassociation from them.

What these signals look like, however, vary across individuals, situations, and brands. Signals can be loud, conspicuous signals, as evidenced by very prominent brand logos that send clear signals. However, signals may also be quiet, inconspicuous ones that send clear signals, but only to those who possess the connoisseurship to read and properly interpret them. Whether the signals are loud or quiet, and well- or ill-received, depends on who is signaling to whom.

Collectively, the research we have reviewed and the arguments we have developed should help luxury brands develop successful strategies for marketing their products. Marketers need to understand the underlying motivations of their consumers. Although there are surely many motivations, constructing, maintaining, and bolstering self-identity play a large role in luxury consumption. However, this process can be complex, and at times counterintuitive. As luxury brands come to better understand these sometimes subtle but complex processes, the better they will be positioned to speak effectively to their customers.

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