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The Evolution of Luxury: How Young People are Redefining What Luxury Means in Fashion

Mariana Miguel Albuquerque Teixeira

Master in Management

Supervisors:

Ph.D, Inês Vazão Miguel, Assistant Invited Professor

ISCTE - Instituto Universitário de Lisboa

Ph.D, Alexandra Etelvina Martins Marques Fernandes, Associate Professor with Habilitation

ISCTE - Instituto Universitário de Lisboa

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Acknowledgments

"Success is most often achieved by those who don't know that failure is inevitable." – Coco Chanel

This dissertation has been one of the most challenging things I've ever had to complete, not just academically but emotionally too. There were days I wanted to give up, moments everything felt overwhelming, and times I questioned whether I was good enough.

To my grandparents and parents, thank you for being my foundation and for absolutely everything. You have supported me on my lowest moments, believed in me when I couldn't believe in myself and made sacrifices, I will never be able to repay. Your strength and endless support held me together in the moments I was falling apart. You have given me more than I could put into words and I hope this makes you proud.

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Resumo

O luxo na moda tem sido tradicionalmente associado à exclusividade, artesanato e património, representado através de status e prestígio, sendo visto como acessível a poucos. No entanto, essas noções estão a ser desafiadas pelas Gerações mais jovens, particularmente a Geração Y (Millennials) e a Geração Z, que estão a redefinir o que significa luxo nos dias de hoje. Os seus valores enfatizam a identidade, o consumo experiencial e a responsabilidade social e ambiental, refletindo mudanças culturais e tecnológicas.

Este estudo recorre a uma metodologia qualitativa, baseada em entrevistas semiestruturadas aprofundadas com 18 participantes de diferentes gerações, com o objetivo de explorar as suas perceções, valores, comportamentos e motivações relacionadas com o luxo. Para efeitos de comparação, foram analisadas as respostas da Geração X de modo a identificar mudanças e continuidades nas perceções e padrões de consumo de luxo.

Os resultados indicam que as Gerações Mais Jovens priorizam o luxo de forma personalizada, com conexão digital e considerações éticas. E importa salientar que alguns valores e perceções permanecem consistentes entre gerações, como a importância da qualidade e do património. Além disso, mesmo os participantes com mais idade adotam cada vez mais os canais digitais para se informarem e interagiram com marcas de luxo. As diferenças entre gerações e géneros revelam mudanças subtis no comportamento do consumidor e nas expectativas em relação às marcas de luxo.

O estudo revela uma transformação notável no significado de luxo, mostrando como os valores tradicionais coexistem com a crescente procura dos mais jovens por exclusividade e experiências. Ao evidenciar tanto os padrões que permanecem como as mudanças geracionais, a investigação oferece informação crítica sobre a evolução entre consumidores e marcas de luxo, destacando a necessidade da indústria continuar a inovar, preservando ao mesmo tempo o seu legado, para se manter cultural e economicamente relevante no mercado global em constante mudança.

Palavras-chave: luxo na moda, Gerações Mais Jovens, comportamento do consumidor, comparação geracional, perceções de luxo, marketing de luxo

Classificação JEL: M31- Marketing; L81- Retalho e Serviço ao Consumidor; M37: Publicidade

Abstract

Luxury in fashion has traditionally been associated with exclusivity, craftsmanship and heritage, representing status and prestige accessible to few. However, these traditional notions are being challenged as Younger Generations, particularly, Generation Y (Millennials) and Generation Z, redefine what luxury means. Their values emphasize personal identity, experiential consumption and social and environmental responsibility, reflecting broader cultural and technological changes.

This study employs a qualitative methodology, based on in-depth semi-structured interviews with 18 participants from different generations, to explore their perceptions, values, behaviours and motivations related to luxury. For comparison, responses from Generation X were analysed to identify changes and continuities in luxury perception and consumption patterns.

Findings indicate that Younger Generations prioritize experiential and personalized luxury, digital engagement and ethical considerations. Importantly, some values and perceptions remain consistent across generations, such as the importance of quality and heritage. Moreover, even older participants increasingly adopt digital channels for information and engagement with luxury brands. Differences across generations and genders reveal nuanced shifts in consumer behaviour and expectations for luxury brands.

The study reveals a notable transformation in the meaning of luxury, demonstrating how traditional values coexist with Younger Generations' increasing demand for exclusivity, personalization and experiential engagement. By highlighting both generational continuities and shifts, the research provides critical insights into the evolving relationship between consumers and luxury brands, emphasizing the need for the industry to continue to innovate while honouring its legacy to remain culturally and economically relevant in a rapidly changing global market.

Keywords: luxury fashion, Younger Generations, consumer behaviour, luxury perceptions, luxury marketing

JEL Classification: M31- Marketing; L81- Retail and Consumer Services; M37- Advertising

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1. Introduction

The concept of luxury in Fashion has been historically associated with exclusivity, opulence, and heritage. Traditional luxury brands have built their reputation on craftsmanship, high-quality materials, and a sense of prestige accessible only to few. However, this traditional notion is undergoing a transformation. Young people (particularly Millennials and Generation Z) are reshaping what luxury means in the fashion industry. Their values, priorities, and purchasing behaviours are driving a shift from materialistic definitions towards more personalized, experiential, and value-driven interpretations.

Over the years, and the world rapidly changing due to digitalization, consumer behaviour and lifestyle priorities have evolved significantly, influencing the way people perceive and engage with luxury. Unlike previous generations, the youngest are less impressed by wealth and more interested in products that reflect their personal values and identity. The rise of social media, globalization, and increased awareness of social and environmental issues have contributed to this shift. Brands are now challenged to adapt by offering transparent, ethical, and engaging experiences.

This study addresses one main objective which is determine how Younger Generations are redefining what luxury means and to achieve this, the research focuses on three key research questions.

The first research question aims to identify the values and characteristics that younger generations associate with luxury in fashion. This question explores the attributes that define luxury for the three generations in study, in order to understand if patterns exist and if the concept is really changing.

The second research question investigates generational differences, highlighting both continuities and shifts in perceptions of luxury. It examines how traditional values coexist with emerging preferences.

The third research question aims to explore the implications of these perceptions for luxury brand marketing strategies. This question examines practical consequences for the luxury fashion industry, including how brands can adapt communication, product offerings and engagement channels to meet evolving expectations of younger consumers while maintaining heritage and prestige.

To achieve this, a qualitative methodology was adopted, based on in-depth interviews, which allowed a deeper understanding of participants' motivations, attitudes and associations with luxury. By comparing perspectives across generations, this research seeks to contribute to a broader understanding of how luxury is being redefined in contemporary society and the implications this transformation holds for fashion brands' marketing strategies.

Although interviews will follow a script, all participants will have the freedom to make personal comments and share their honest opinions on this subject.

This study is particularly significant because understanding how the youngest define and interact with luxury is crucial for both academic research and practical marketing strategies. While prior studies have primarily focused on traditional luxury consumers, few have conducted comparative analysis between generations to examine what changed and even fewer have adopted qualitative approaches, which limits the ability to capture more genuine responses, particularly among Millennials and Generation Z.

This dissertation is structured as follows. Chapter 1 introduces the research objectives. Chapter 2 reviews the literature on luxury fashion, consumer behaviour and generational perceptions. Chapter 3 presents the conceptual model and research hypotheses. Chapter 4 describes the methodology, including data collection and analysis. Chapter 5 presents the results of the qualitative analysis, organized by thematic categories. Chapter 6 discusses the findings in relation to the literature, highlighting generational and gender differences and implications. Finally, Chapter 7 concludes with the main findings, managerial implications, limitations and recommendations for future research.

2. Literature Review

Understanding how luxury is being redefined in modern fashion requires an exploration of its historical roots, market dynamics, and consumer perceptions. This literature review examines the historical concept of luxury in fashion, the dynamics of the luxury market, and the unique perceptions of Young Generations.

2.1. The Historical Concept of Luxury in Fashion

Luxury began as something exclusive. Prestige products are expected to deliver the highest standards of quality and value, be distributed in limited quantities, and be available only to consumers willing to pay a premium price (Prince, 2005), the “happy few”, the only ones who could afford it. Items like a Chanel Flap Bag, priced $10,200 (Biondi A, 2023), or a Rolex, which can reach up to $90,000, highlight the extravagance. The desire for luxury has always been part of human nature. The word itself comes from the Latin *luxus*, meaning "excess," "extravagance," or even "vicious indulgence" (Berthon et al., 2009).

The notion of luxury is often ambiguous. For some, luxury may be a designer dress, a yacht, a five-star hotel, or an exceptional piece of jewellery; for others, it could be something as simple as time for themselves, their relatives, or good health (Chantal, 2014). As a result, because luxury is so symbolic and personal, it cannot be defined by just one concept.

A luxury brand's identity is shaped by its attributes, such as exceptional quality, exclusivity, and scarcity, which together create and project its persona (Jain & Shankar, 2023). When this persona aligns with an individual’s idealized self-image, the brand becomes highly desirable. This synergy is vividly illustrated by the naming of iconic bags after influential women, such as the *Lady Dior* for Princess Diana, demonstrating how brand personas become strongly connected with cultural narratives of prestige and aspiration.

A clear example of exclusivity is the *Birkin bag* by Hermès. It is handcrafted by skilled artisans, its limited production and lack of advertising create high demand and low availability, and only selected clients gain access, while most rely on the resale market to obtain one.

Luxury brands like Louis Vuitton and Dior are deeply rooted in a history of quality, and tradition. Their iconic names and signature designs provide a sense of reliability and credibility. This reduces the perceived risk of purchasing high-priced items (Dion & Mazzalovo, 2016).

Fashion represents society's identity, shaped over time by historical events, cultural traditions, religious beliefs, political movements, economic trends, psychological factors, and, most recently, technological advancements (Okonkwo, U., 2007).

The revolution of Luxury in fashion began on 19th century with the rise of haute couture in Paris. Designers like Charles Worth who redefined luxury as art and Gabrielle Chanel who replaced restrictive designs with modern and comfortable elegance (Krik, 2004), redefined luxury as artistic and personal, paving the way for its modern evolution. Europe's industrialization and development of manufacturing techniques drove the rise of the fashion industry. It was in this period that many luxury brands were launched such as Louis Vuitton.

Then on 20th century, after World War II, luxury had another significant transformation - Christian Dior introduced the concept of the "New Look," and established luxury as more than something exclusive but a symbol of prosperity.

Since the mid-20th century, the fashion industry has witnessed the rise of "Neo-Luxury," making high-quality products more accessible to middle-class consumers. This shift involved trading up, spending more on premium items with superior quality and design, while trading down on less valued categories. As a result, luxury has evolved into a multifaceted concept, blending personal fulfilment, emotional satisfaction, and identity (Silverstein et al., 2005).

Now, the digital revolution of the 21st century transformed the luxury landscape, with social media, e-commerce, and digital-native Millennials and Generation Z who are reshaping how luxury is marketed and consumed with new values and perspectives.

Brands are actively adapting to Younger Generations, as seen with Gucci's creation of a "shadow committee" of millennial advisors to build stronger connections with Generation Z through digital innovation and cultural transformation (Segran, 2019).

Social Media platforms such as Facebook, YouTube and Instagram have already been heavily used by luxury fashion brands such as Louis Vuitton, Ralph Lauren and Gucci. Through this new social media strategy, brands can provide an interaction between their consumers, strengthening relationships and their loyalty (Kim & Ko, 2012).

2.2. The Dynamics of The Luxury Fashion Industry

The luxury sector has grown extraordinarily in the last century. In the 1980s, the luxury sector was valued at over €15 billion (UKEssays, 2018). It was globalization that drove the market's growth, reaching €920 billion by 2018, with projections estimating it will surpass €1.3 trillion by 2025 (BCG, 2019).

Luxury brands have experienced around 10% annual growth over the past decade (Bain & Company, 2023). However, luxury, implies uniqueness, exclusivity, and scarcity (Kapferer, 2015). This creates a paradox: to what extent is such rapid growth sustainable without diluting the brand's core identity? Selling exclusivity to millions appears contradictory and challenges the fundamental principles of luxury branding.

Despite ongoing economic ups and downs and the lingering effects of COVID-19, the global luxury market reached around $1.4 trillion in 2022 and is expected to keep growing (McKinsey, 2024). Within this market, personal luxury goods, especially apparel (from haute couture to ready-to-wear), are considered a major focus (Bain & Company, 2022).

As the market has grown in luxury industry, luxury products are no longer exclusive to the elite. Luxury has always been a relative concept, it has become increasingly mass-marketed, especially due to its popularity, for example, in Asian markets. (Perez, 2010)

This growing demand has not only fuelled the aggressive promotion of renowned luxury brands but also led to a surge in counterfeit goods. The significance of brand names and logos among consumers has transformed luxury into a symbol of social status, driving the trend of publicly displaying these items, a phenomenon often referred to as "luxurification." (Perez, 2008). The growing mass-market appeal of luxury brands can offer economies of scale but risks eroding brand equity and exclusivity, which are core to their value (Štrach and Everett, 2006), the problem is that when a luxury brand becomes more affordable, it loses its uniqueness and the exclusivity that defines its value.

The former CEO Patrick Thomas once observed: *"The more desired a brand becomes, the more it sells; but the more it sells, the less it is desired."* This highlights the tension between exclusivity and commercial growth in luxury branding. (Roll, 2020)

In recent years, the focus has shifted from seeking high-quality, well-crafted products to prioritizing items from specific luxury brands. For instance, consumers are more likely to search

for a "Prada bag" or "Dior bag" rather than a general "leather bag". Now, consumers are increasingly loyal to specific brands, using them as a way to express their identity. It is about what the brand represents, the emotions it evokes, and its image that drives the desire to buy, rather than the product's actual quality or craftsmanship (Kapferer J.N., 2015).

Consumers of luxury goods can be categorized into three groups: "Elitist" (viewing luxury as suitable for a select elite – items from Delvaux or Hermès), "Democrat" (embracing a modern perspective where luxury is accessible to a broader audience – brands such as Michael Kors or Coach), and "Distant" (those who are indifferent or uninterested in luxury – the ones who buy fast fashion, for instance) (Dubois et al., 2005). Luxury brands never offer sales or discounts in order to preserve their intrinsic value and exclusivity.

With this expansion, fostering strong consumer relationships has become essential for luxury brands. Emotional connections play a crucial role, as they enhance consumer loyalty. When consumers develop emotional bonds and experience brand love, their engagement and commitment to luxury brands increase significantly (Hwang and Kandampully, 2012).

Luxury aspirations highlight the deep connections that brands build with their consumers, reflecting strong brand loyalty. These luxury brands go beyond mere desire, fashion trends, or status symbols. They provide added value to aspirational consumers, offering both personal significance and social recognition.

Cultural differences also influence how luxury brands balance awareness and growth with maintaining or enhancing their desirability in the marketplace. For example, Italian luxury brand Gucci has embraced a bold, fashion-forward approach, targeting younger generations through vibrant designs and digital innovation. In contrast, British luxury brand Burberry focuses on a more understated aesthetic, emphasizing its heritage. These different strategies highlight the complex dynamics that luxury brands must navigate to maintain their appeal in a competitive and evolving global market.

2.3. Motivations behind the Purchase of Fashion Luxury Goods

Luxury is a deeply personal concept, what feels indulgent and meaningful to one individual may hold little significance to another, each person shapes their own perception of what defines a luxury good.

A Luxury Brand can be understood through three key dimensions: functional, experiential, and symbolic (Berthon et al., 2009). The functional dimension involves the material embodiment of the brand, although it is often less emphasized in luxury goods, which typically prioritize personal and social identity. The experiential dimension reflects an individual's subjective taste, providing hedonic value, sensory pleasure, and cognitive stimulation. Lastly, the symbolic dimension represents the brand's ability to communicate meaning, satisfying the consumer's need for self-enhancement and identity. Luxury brands are thus positioned along a continuum based on their perceived value in these dimensions, which varies according to individual perception.

The perception of luxury extends beyond a three-dimensional model, requiring a more comprehensive framework that accounts for both non-personal and personal factors. This refined approach incorporates five key dimensions, balancing elements such as perceived conspicuousness, perceived uniqueness, and perceived quality with personal perceptions like perceived extended-self and perceived hedonism (Vigneron and Johnson, 2004). Moreover, it is emphasized that while social factors: including status, reputation, success, and the desire to impress others, play a significant role, they do not solely define luxury value perception. Instead, they propose four primary components: financial value (price value), functional value (usability, quality, and uniqueness), individual value (self-identity, hedonic, and materialistic aspects), and social value (conspicuousness and prestige). When a brand reaches this status, it promotes a greater consumer inclination towards luxury fashion brands (Loureiro et al., 2020).

Consumer motives for luxury consumption can be divided into two broad categories, based on the orientation of the motivation that influences attitudes and drives behaviour (Ryan and Deci, 2000): intrinsic or extrinsic motivations. Intrinsic motivations pertain to purchases driven by internal self-fulfilment objectives. In contrast, extrinsic motivations are associated with purchases influenced primarily by the importance of others' perceptions of the consumer. Additionally, when behaviour is driven by intrinsic motivation, the individual derives satisfaction solely from participating in the consumption itself. In contrast, extrinsic

motivations are tied to outcomes beyond the activity or consumption itself, such as gaining positive recognition from others or achieving social status.

There is also a notable difference between the terms of "old rich" and the "new rich." The old rich prefer subtlety, avoiding luxury brands that become too popular, while the new rich actively use status-symbol brands to showcase their wealth (Kapferer & Bastien, 2012). As young generations like Millennials and Generation Z gain prominence, this divide has shifted, highlighting the importance of understanding their distinct impact on luxury consumption.

Prior research has demonstrated that the motivations driving Millennials' luxury purchases differ considerably from those of previous generations. Empirical studies indicate that Millennial luxury consumers tend to be highly self-conscious and brand aware. (Bian & Forsythe, 2012). It was also found that both the need for uniqueness and a desire for group conformity played important roles in shaping Millennials' intentions to purchase luxury fashion items (Park et al., 2008)

Social media plays a big role in creating "online spaces" for luxury consumption, where people can share their belongings and receive validation from others. This digital showcase helps them promote themselves and build a carefully crafted online image (Kim & Ko, 2012).

Some of the major reasons why consumers decide to purchase luxury brands include monetary appreciation, the potential for items to become vintage, inheritance value, social-adjustive motives, utilitarian motives, and hedonic motives. Meaning that the presence of heritage and history increases the value of each of these drivers and therefore increases willingness to purchase (Halwani, 2021).

2.4. Young Generations Perceptions and Attitudes Towards Luxury

Traditionally, the luxury industry was focused on older, wealthy consumers, prioritizing exclusivity, rarity, and the idea that luxury was reserved for the privileged ones. Younger generations, such as Millennials and Generation Z, have become key players in the luxury market, particularly in fashion. These groups were responsible for all the growth in the luxury goods market in 2022, contributing 30% of total sales (Bain & Company, 2022).

Millennials (born between 1981 and 1997) have become increasingly significant for luxury brands due to their growing purchasing power (Finneman et al., 2017). This generation was profoundly influenced by the digital revolution. Unlike earlier generations, Millennials grew up with technology in their daily lives, making them the first true "digital natives." They are accustomed to instant access, with nearly everything just a click away. They place a higher value on corporate social responsibility and sustainability than previous generations.

They are more likely to remain loyal to brands that actively prioritize positive societal and environmental impact (Cheng, 2019). This commitment to sustainability is also reflected in their growing use of second-hand luxury platforms like Vestiaire Collective. For them, the pursuit of unique and vintage items, adds an element of individuality to their consumption practices (Lee et al., 2020).

Generation Z (born between 1997 and 2010) is quickly becoming a key audience in the luxury market, shaped by their unique values, behaviours, and preferences. Unlike previous generations, they emphasize meaningful connections with brands and influencers that align with their beliefs. Social media influencers are not just a tool for product discovery but a bridge to communities that share their ideals and foster a sense of belonging (Shin, H. et al., 2022).

For Generation Z, consumption is a way of expressing their identity, driving their preference for personalized and customizable products. Additionally, their purchasing decisions are deeply rooted in ethics, expecting brands to take clear stands on ethical and environmental issues. Transparency is crucial, as Generation Z sees no distinction between a brand's products and its social and environmental actions (Francis & Hoefel, 2018).

Gen Z is open-minded and adaptable to change, place a strong emphasis on sustainability and is more willing than their predecessors to purchase green products (Kautish & Sharma, 2019).

The luxury industry has recognized Generation Z as the fastest-growing consumer segment globally (Langer, 2019). Luxury brands are actively targeting these young consumers, drawn to their willingness to invest in high-quality products and their potential to possess more disposable income compared to older demographics (Sanyal et al., 2021).

Brands are actively adapting to younger generations, as seen with Gucci’s creation of a “shadow committee” of millennial advisors to build stronger connections with Generation Z through digital innovation and cultural transformation (Segran, 2019).

Young consumers are now embracing new forms of luxury defined by rare digital assets, and interactive virtual experiences. As a result, some luxury fashion brands are adapting by launching blockchain-backed Virtual Luxury Non-Fungible Tokens (VL-NFTs), which serve as digital representations of clothing and accessories (Khelladi et al., 2023). These digital assets allow young consumers to connect VL-NFTs with traditional luxury, seeking similar values and prestige in the virtual space (Bao et al., 2024).

Christian Dior, Gucci and Burberry are examples of brands that took advantage of internet practices to create a great awareness level and reinforce their presence in the fashion world (Okonkwo, 2007). As so, in some social media plans, the goal is for campaigns to create awareness and go as viral as possible.

For example, Bottega Veneta notably removed its official presence from social media platforms in 2021, opting to reinforce exclusivity and rely on word-of-mouth and editorial exposure rather than digital advertising, thereby redefining luxury marketing strategies. This decision followed persistent evidence that social media underperformed for luxury brands, with only 30% of companies finding Instagram “very effective” and even lower results on other platforms. By stepping away from the noise and mass-market nature of social media, Bottega Veneta highlighted the importance of creativity, curation, and authentic engagement with high-net-worth audiences, potentially setting a precedent for the future of luxury brand communication. (Danziger, 2021)

3. Conceptual Model and Research Hypothesis

The main objectives of this dissertation are: (1) to gather insights into how younger generations define and perceive luxury in fashion; (2) to determine the key values and characteristics driving, particularly, Millennials and Generation Z's redefinition of luxury; and (3) to analyse the implications of these changing perceptions for luxury brands' strategies and marketing approaches.

This project aims to investigate how young people are redefining the concept of luxury in the fashion industry and to understand the implications of this shift for fashion brands. It seeks to explore the key factors driving the change in young consumers' perceptions of luxury fashion, examining how values such as sustainability, authenticity, and personalization influence their definition of luxury. The study will analyse the challenges and opportunities that traditional luxury fashion brands face in responding to this redefined concept of luxury. By delving into these aspects, the dissertation intends to provide insights into the evolving landscape of luxury fashion and offer recommendations for fashion brands on how to engage effectively with young consumers who are reshaping the meaning of luxury in this modern era.

As illustrated in Figure 1, the main objective is understanding how young people are redefining what Luxury means in Fashion. The research questions are: What are the defining characteristics and values that Young Generations associate with luxury in high-end fashion, how do Young Generations' perceptions of luxury differ from those of Generation X and what implications do Young Generations' definition of luxury have for the values and marketing strategies of luxury brands?

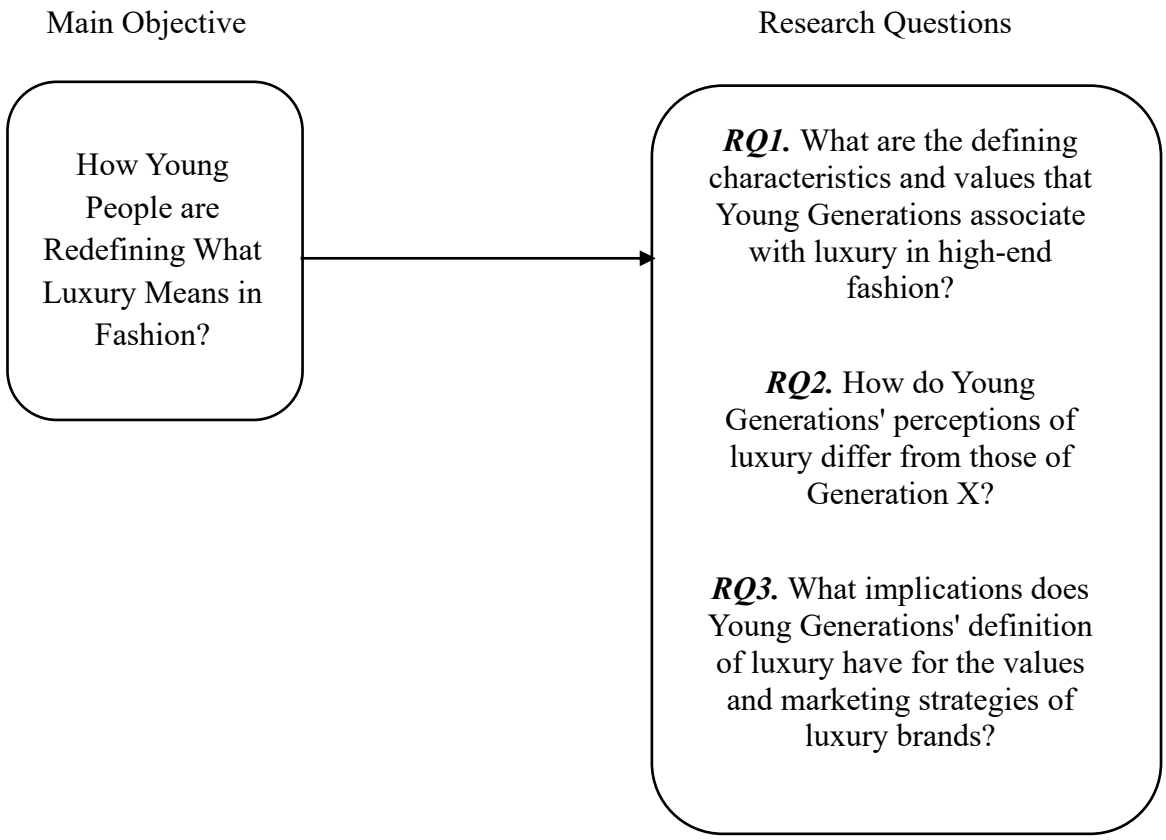


Figure 1 - Scheme of Model of Investigation (Source: Author's elaboration)

3.1. Values and Characteristics of Luxury

Over time, and in response to rapid global digitalization, the understanding of luxury in fashion has undergone significant changes. The existing literature shows that for Millennials and Generation Z, luxury is increasingly associated with self-expression and ethical or sustainable considerations (Kapferer & Bastien, 2012). Furthermore, digital technologies and social media platforms have become pivotal, shaping the way consumers engage with luxury brands (Okonkwo, 2009).

The first goal of this dissertation is therefore to identify the values and characteristics that Younger Generations associate with luxury in fashion. Understanding these attributes will provide insight into what these consumers truly value in luxury products and how these

preferences must reflect in trends. It is also important to understand the motivations and limitations behind luxury consumption, the brands that participants associate with the concept of luxury and the price ranges they consider representative of luxury. The interview questions covering these themes are designed to elicit rich insights and will directly contribute to answering this research question.

Therefore, the first research question is formulated as follows: What are the defining characteristics and values that Young Generations associate with luxury in high-end fashion?

3.2. Generational Differences in Luxury Perceptions

The study seeks to investigate how different generations perceive luxury in fashion and to identify potential differences and similarities in their values and attitudes. It is important to explore the patterns and common opinions across generations in order to determine which aspects of luxury perception have evolved and which remain consistent. As a complement to the other interview responses, participants were asked to express their opinions on the values associated with both younger and older generations, proving additional insights into whether they themselves perceive differences or continuities between generations.

The second research question is therefore formulated: How do Young Generations' perceptions of luxury differ from those of Generation X?

Addressing this question will allow the research to capture nuanced generational differences and continuities, proving a comprehensive understanding of how luxury is interpreted and experienced across generational cohorts.

3.3. Implications for Luxury Brand Marketing

As consumer expectations evolve, luxury brands face the challenge of aligning their marketing strategies with the values of younger generations while preserving the traditional values. Understanding the practical implications of these evolving perceptions is essential for designing effective marketing strategies, communication campaigns and brand experiences that resonate with all generations.

A key aspect of this research is to analyse the channels though which consumers interact with luxury brands. This includes assessing whether traditional channels, such as magazines or in-store experiences, remain relevant, and whether digital platforms are considered an alternative or one of several options. Evaluating the relevance of these channels will help determine how luxury brands should prioritize and adapt their marketing strategies to reach different generational cohorts effectively.

The third research question addresses this area: What implications does Young Generations' definition of luxury have for the values and marketing strategies of luxury brands?

Investigating this question provides insights into how brands can innovate and adapt, balancing traditional values with the new expectations of younger consumers.

4. Methodology

In this section, it is explained what methodological procedure was used to collect enough data to be able to answer the research questions. Having in mind that the main purpose of this dissertation is to understand how luxury in fashion is being redefined by the younger generations a qualitative approach was chosen. This methodology section follows the following sequence, starting by the research approach, followed by the data collection and data population. After data collection, an analysis was performed to gather relevant information and categorize it, aiming to understand patterns and identify topics that were mentioned most often.

4.1. Research Approach

Understanding how younger generations (Generation Z and Millennials) redefine the concept of luxury requires choosing the most suitable methodological approach. In research, two main paths can be followed: quantitative and qualitative. Quantitative research focuses on numerical data, aiming for statistical generalization through structured tools and large samples. In contrast, qualitative research seeks to explore meanings, emotions, and perceptions in depth, making it ideal for uncovering complex consumer behaviours. (Creswell, 2017)

Given the interpretative nature of the topic a qualitative approach was chosen. This allows a more detailed understanding of how individuals relate to luxury, beyond what closed questions could reveal. Among the different types of qualitative research, this study adopts in-depth interviews, which are particularly more appropriate for examining personal values and attitudes (Malhotra & Birks, 2007).

The study employed semi-structured in-depth interviews as the primary method of data collection, selected for their effectiveness in capturing detailed insights into participants' values, attitudes, and preferences regarding luxury fashion. This qualitative approach combines a consistent framework of core questions with the flexibility to adapt to each participant's perspective. Such format is particularly suited to exploring how younger generations perceive and redefine luxury, offering both structure and openness to uncover nuanced, individual interpretations (Malhotra & Birks, 2005).

To maintain coherence across interviews, an interview guide was developed to address key themes such as personal definitions of luxury (e.g., premium, exclusive), brand preferences, and symbolic values attributed to luxury goods. Open-ended questions were designed to encourage participants to reflect critically on traditional attributes of luxury and compare them with modern expectations.

This study adopts a qualitative approach to explore how individuals perceive and define luxury in a changing cultural and generational landscape. By focusing on personal experiences and values, this method supports the dissertation's goal of uncovering key generational differences and offering relevant guidance to fashion luxury brands adapting to the shift on consumer expectations. It is particularly useful in contexts where limited information is available about a subject, with the goal of gaining deeper insight through individuals' experiences and perspectives (Antwi & Kasim, 2015).

By accessing participants' thoughts, emotions, beliefs, and behaviours, this methodology provides a robust foundation for exploring the complex drivers of luxury consumption (Malhotra & Birks, 2007).

An exploratory design is characterized by its flexibility and evolving structure, typically based on small samples to generate insights and understanding. In this study, this research proved especially appropriate not only to grasp a complete view of the context in which the desire or purchase of luxury fashion items occurs, but also to address the challenges respondents may face in articulating motivations and satisfaction that stem from subconscious processes (Malhotra & Birks, 2005). A qualitative approach increases the likelihood of eliciting genuine emotional and motivational responses, benefiting from the empathy and adaptability such methods allow.

Among the many qualitative approaches, the project employed a direct method: the aim of the study was made clear to participants, and information was gathered through in-depth, one-to-one interviews. (Malhotra & Birks, 2007).

As the primary method of data collection, in-depth interviews were conducted. This technique involves a one-on-one conversation in which the interviewer explores the respondent's deeper motivations, beliefs, attitudes, and feelings related to the topic under investigation. (Malhotra & Birks, 2005).

The interviews followed a semi-structured format, which offered a balance between thematic consistency and conversational flexibility. The use of this type of interview was particularly important due to the inexperience of the interviewer - if an unstructured typology had been applied, the results would have been more susceptible to the interview's influence and, consequently, their quality compromised (Malhotra & Birks, 2005). A semi-structured approach, by contrast, provided enough structure to ensure coverage of essential topics, while allowing space for meaningful and spontaneous responses.

There were two main reasons which supported the choice of semi-structured in-depth interviews over alternative qualitative methods. First, this approach allows for the use of probing questions, which encourage participants to elaborate on their answers and provide richer information, particularly crucial when exploring motivations that may not be fully conscious (Hair et al., 2009). Second, interviews can vary in their level of structure, and a semi-structured typology enables flexible interaction while ensuring consistency across interviews (Saunders et al.,2007)

The adoption of an exploratory qualitative research design based on semi-structured in-depth interviews is well aligned with the objective of this dissertation: to generate a deeper understanding of generational perceptions of luxury fashion and provide actionable insights for brands responding to evolving consumer expectations.

4.2. Data Collection

In this dissertation, to have an accurate set of answers, the population (from Generations X, Y and Z) to be interviewed had to fit at least in one of the categories below:

- People who acquire fashion luxury products.
- People who have active interest in the luxury sector (whether through consumption, research, frequent following of brands and trends, or the appreciation of the luxury universe).

The participants were contacted by phone, and the interviews were all done in Portuguese and for that reason, the citations that will appear were transcribed to English.

The interviews were conducted in August of 2025, and the average duration was 15 minutes. Participants were able to answer and develop their thoughts. The script was not provided to the participants, each question was asked separately, to capture genuine and spontaneous responses, allowing participants to say exactly what comes to their minds. This approach enabled a more authentic understanding of perceptions regarding the topic under study; the script can be found in Annex B (where the corresponding question to each category is indicated).

There were 20 questions designed to answer the Research Questions, ensuring that data collection would provide relevant insights and evidence. All questions were asked openly, with the aim of not influencing the perspective of each interviewee. (Malhotra & Birks, 2005).

4.3. Data Population

There were 18 interviewees (6 from each generation – X, Y and Z). Generation X is relevant in this study in order to compare to the youngest generations. An equal number of men (9) and women (9) were included to ensure gender balance, comparability of responses, and to reduce bias in the findings. The age range in this sample was between 18 and 53 years old.

In terms of sectors of activity, the participants came from a diverse range of fields, including Economics and Finance, Law, Insurance and Risk Management, Administration, Healthcare, Technology, Marketing and Media and Entrepreneurship. As the study focused also on Generation Z, it inevitably included students, capturing perspectives from individuals still studying.

The interests mentioned by the participants were: sports (7), watch collecting (2), fashion (9), travel (3), royalty (1), music (2) and luxury market (4).

Annex A presents a comprehensive overview of the demographic characteristics of each participant.

4.4. Interview Procedure

The interview guide was structured based on qualitative research principles, prioritizing open-ended questions aligned with the dissertation objectives (Malhotra & Birks, 2007).

In qualitative research, the formulation of interview questions is guided by key methodological principles: using open-ended questions to enable participants to freely express their point of view (Creswell, 2014), adopting neutral and non-leading language to avoid introducing bias (Kvale, 1996), ensuring a logical flow from general to specific to build rapport and gradually focus the discussion (Patton, 2002), and maintaining alignment with research objectives so that each question meaningfully contributes to answering the central research question (Flick, 2021).

4.5. Data Analysis

For this study, content analysis was the chosen method. Content analysis assumes that groups of words reveal underlying themes and that simultaneous occurrences of keywords that can be interpreted as reflecting the association between concepts (Duriau, 2007). Regarding management research, content analysis offers a replicable methodology for accessing individual information, such as values, intentions, and attitudes (Carley, 1997).

After the data collection, interviews were transcribed. All interviews were then reviewed, and corrections were made, if necessary.

Then, using MAXQDA 24, the interviews were coded to identify and categorize relevant information. For the purpose of comparative analysis, participants were divided into two groups: Younger Generations (encompassing Generation Y and Z) and Generation X, enabling a focused exploration of potential differences and contrasts in their responses. Main categories were also created for each group: Definition & Perception of Luxury, Consumer Behaviour, Purchasing Habits, Contact with Luxury/ Digital Influence, and Generational Comparison (in the interviewers' perspective), these categories were analysed, allowing the interview data to be transformed into meaningful information that aided in interpreting the results. The codification of main categories was created and can be found in Annex C and a more detailed one with some subtopics in Annex D. These categories align with the study's objectives, and

the subcategories were created based on the responses. A total of 630 codes were generated (420 from Younger Generations and 210 from Generation X).

5. Results

5.1. Definition & Perception of Luxury

5.1.1. Product, Values and Perceptions

One of the objectives of the interviews was to explore how Younger Generations define and perceive the concept of luxury. Participants highlighted a range of characteristics associated with luxury, with several terms recurring across interviews.

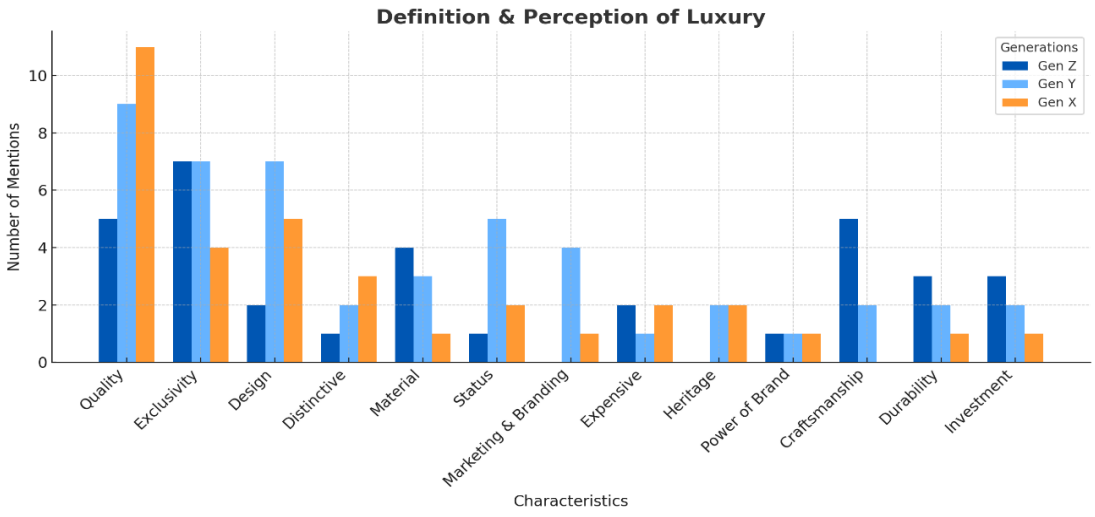


Figure 2 - Attributes mentioned during Data Collection

Source: Author's Creation

The graphic above illustrates the frequency with which each generation referenced specific attributes when defining and perceiving luxury. The data is based on the total number of mentions rather than the number of participants, as some individuals referred to the same attribute multiple times in response to different questions. This approach provides a clearer indication of the relative prominence of each attribute and establishes the basis for interpreting generational differences in the perception of luxury.

Quality was the most mentioned attribute across the interviews with a total of 25 references, and it was more frequently cited by participants from Generation X. Participants commonly used this term to describe what differentiates luxury from ordinary products. As one interviewee explained, *"I believe it's the quality. Price is a consequence and ends up being a distinguishing factor, but quality comes first."* (Participant M7, Gen X). Other participant expressed a similar view, stating that *"What sets it apart is the quality, 100%."* (Participant F8, Gen X), These citations illustrate the centrality of *Quality* in participants' definitions of luxury.

This term was followed by Exclusivity with 18 mentions reflecting its prominence in participants' definitions of luxury. This attribute was more mentioned by Younger Generations specially in terms of what motivate them to purchase luxury, as some explained, *"Something that is exclusive above all; exclusivity is the key."* (Participant F1, Gen Z) and *"It always comes down to the fact that a luxury brand is an exclusive brand; it always ends up being the factor of exclusivity that defines it."* (Participant M4, Gen Y)

Among the Younger participants, Generation Y demonstrated also stronger associations with Design, Status and Marketing & Branding, whereas Generation Z referred more frequently to Material and Craftsmanship. Gen X remained primarily focused on Quality, complemented by occasional references to Design and Heritage.

5.1.2. Brands & Iconic or Desired Products

The three most frequently mentioned *luxury brands* across all generations were Louis Vuitton, Chanel and Rolex. Generation X, particularly, male participants, referred more often to *watch brands* such as Rolex and Patek Philippe, while Younger Generations showed greater preference for luxury fashion houses brands like Hermès and Chanel, due to its *Exclusivity*.

In terms of Iconic or Desired products, Generation X highlighted watches as symbols of luxury, by comparison, referred more often Louis Vuitton bags and specifically, Birkin from Hermès as ultimate luxury.

The *Chanel black Classic Flap Bag* emerged as the most emblematic item across participants from all generations in study, recognized as a timeless symbol of luxury.

5.1.3. The Role of Price in Defining Luxury

Participants were asked, *"From what price do you consider a fashion product to be luxurious?"*. The findings show clear generational differences in the price range associated with luxury fashion products. Overall, price perceptions ranged from €200 to €5,000 across all respondents.

Generation X generally perceived lower price ranges as sufficient to consider a product luxurious and with values they associate to a luxury product (range: 200-999€). The Younger Generations, particularly, Generation Y, associated luxury with higher price values (range: 1000-5000€). These findings suggest that younger participants link luxury more strongly to higher monetary value, indicating a perception that price is a key determinant of what qualifies luxury.

5.2. Consumer Behaviour

5.2.1. Motivations & Limitations to buy luxury items

The analysis of participants' motivations to purchase luxury items revealed once more some distinct generational patterns. For the Younger Generations, motivations were primarily linked to Design and Durability of the items (Generation Y) as well as Investment and Exclusivity (emphasized by Generation Z). In contrast, Generation X participants identified Quality as the main motivation to purchase luxury products associating it to excellence.

Overall, these findings suggest that the Younger Generations tend to be motivated to buy luxury mainly for aesthetic, financial return and the feeling of exclusivity and Generation X is more a matter of product quality.

Then, when asked about the limitations, participants from all generations referred to financial constraints. The high price of luxury items was consistently mentioned as the main barrier, reflecting the perception that luxury remains largely inaccessible to the average consumer. Across generations, limited purchasing power and budget restrictions were cited as key reasons for not buying luxury goods as often. This suggests that all age groups recognise the economic inaccessibility of luxury as a defining characteristic of luxury as well.

5.2.2. Percentage (%) of income willing to spend on luxury items

To understand the value individuals attribute to luxury, participants were asked to indicate *what proportion of their income they would be willing to allocate to luxury purchases*, considering their current or expected financial situation. This question aimed to explore not only the economic capacity of each generation but also the perceived importance and prioritisation of luxury within their personal budgets.

The results revealed considerable variation in the percentage of income participants were willing to allocate to luxury purchases, ranging from 5% to 50%. Generation X appeared the most conservative, with most respondents indicating 5–15% and a maximum of 30%.

In contrast, Younger Generations participants showed the highest willingness to spend, with 3 participants stating over 50% of their income. Despite two of them being students, they justified this intention as a future behaviour, viewing luxury more in an investment perception rather than consumption. As Generation Z's participant explained, *"It's mainly about the investment, besides liking the design and the piece itself, knowing that these items increase in value over the years is what would make me set aside a significant amount to acquire"* (Participant F1).

5.3. Purchasing Habits

This section explores participants' purchasing habits, focusing on the type of products they most frequently acquire (fast-fashion, premium, luxury or others), their preferred purchasing methods (online or in-store) and their engagement with second-hand or counterfeit markets. It also examines the luxury products previously purchased, providing insights into possible consumption patterns between generations.

5.3.1. Product Category Preferences & Luxury Products Acquired

By identifying interviewees' preferences and underlying reasons for purchasing across *fast-fashion, premium, luxury* or other categories, this analysis highlights the generational differences that influence product choices.

Generation X participants predominantly purchase premium products, valuing their *quality-cost ratio* and *durability.* All respondents from this generation reported only buying premium, with only two female respondents mentioning fast-fashion purchases.

The Younger Generations show a mix across all categories, with female participants preferring fast fashion for being *accessible* and *affordable* and male participants favouring premium. In total, four participants reported buying luxury products, mainly for investment or durability.

When asked about the luxury products they had acquired, most participants referred to items within the category of accessible luxury. Gender differences were evident, as female participants predominantly mentioned handbags from *Louis Vuitton*, *Michael Kors*, *Furla* and *Longchamp*, and male participants, watches from *Rolex* and *Omega*, and clothing from *Polo Ralph Lauren*. A few participants also mentioned purchasing sunglasses and fragrances, illustrating a preference for entry-level luxury items that combine brand recognition with relative affordability.

Overall, Generation X demonstrates a quality-driven and pragmatic approach, while Younger Generations reveal a more consumption-oriented behaviour. Female respondents buy more fast fashion, while male prefer premium options.

5.3.2. Interaction with Second-Hand and Counterfeit Markets

Regarding second-hand products, most participants from all ages expressed openness to purchasing from this market, with two respondents stating that they had already done so, mainly due to *"more accessible prices"* and the *"good condition of the items"*.

Generation X participants were generally more selective, with some indicating that they would consider buying only accessories, as one respondent noted *"I would buy, but only accessories, never used clothing"* (Participant M9, Gen X).

In contrast, the Younger Generations appeared more flexible, showing little concern about the type of product and enhanced the importance of the sustainability factor as it was said *"I would also buy because of the sustainable aspect".* (Participant F1, Gen Z)

The most cited reasons for buying second-hand items were their *"good condition", "greater affordability"*, while only two participants mentioned they would do so only if inherited or passed on by someone they knew.

When discussing Counterfeit products, the majority of participants express negative feelings towards this market. The only exception was a Generation Z respondent who stated, *"With so many dupes available, and since what matters to me is the design itself, I would buy a good counterfeit"* (Participant F2). Some younger participants mentioned having counterfeit items as children but noted that they wouldn't do so now.

Negative perceptions were shared across all generations with comments such as *"they harm the market", "they have low quality*" or even *"if I bought it, I would feel false, as if what I wear is fake, then what am I inside?".* (Participant M6, Gen Y). Overall, participants demonstrated a clear opposition to counterfeit market, showing little willingness to purchase such products.

5.3.3. Purchasing Methods: Online or In-store

The analysis of purchasing methods revealed a clear preference for In-store shopping across all generations.

Among the Younger Generations, eight participants stated that they preferred to buy exclusively In-store, just two indicated a preference for online shopping and remaining participants reported being indifferent between the two.

Within Generation X, only one respondent mentioned that would purchase online *"Only if I am familiar with the product"* (Participant M8), while the majority preferred physical stores.

Overall, participants across all generations valued the *"in-store customer experience"*, particularly the ability to see and touch the product and have an advisor nearby. In the meantime, the Younger Generations showed greater willingness to purchase online, with participants highlighting *"convenience"* and *"ease of access"* as motivating factors.

5.4. Contact with Luxury, Digital Influence & Marketing Channels

To address the research question on the implications of Younger Generations' definitions of luxury for brand values and marketing strategies, the interviews included questions aimed at understanding how participants have contact with luxury brands, and the role digital influence in shaping these interactions. The findings reveal the main channels though which different generations engage with luxury, as shown in the chart below, providing insight into whether traditional channels still hold relevance and the growing role of digital platforms in shaping brand perception and consumer engagement.

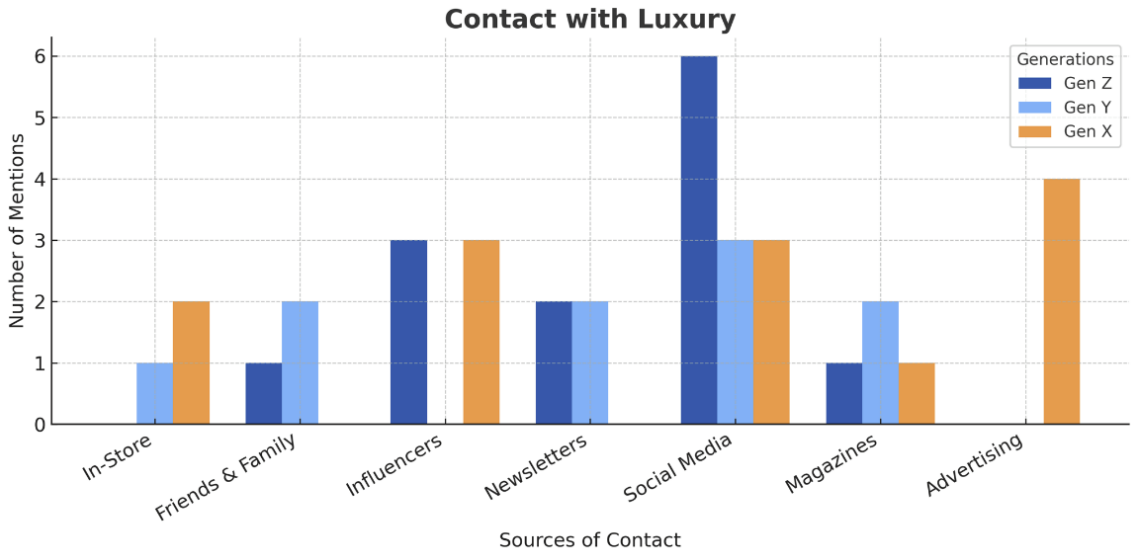


Figure 3 - Sources of Contact with Luxury mentioned during Data Collection

Source: Author's Creation

The results show different generational patters in how participants engage with luxury brands and access information about new products, but a clear tendency to digital ones.

Generation X respondents primarily mentioned Advertising (either on television or digital platforms) as their main source of contact, being the only generation mentioning this channel. Additionally, half of the participants from this sample group reported following social media and influencers *"because they do reviews, and that influences the decision-making process."* (Participant M8), while two respondents stated that they relied exclusively on in-store experiences, valuing the opportunity to *"see and touch the product"*.

In other hand, among Younger Generations some distinct responses were also noted. Generation Y participants showed, in general, no interest in influencers, relying instead on magazines (the generation most strongly associated with this traditional format) alongside brand social media pages, newsletters and family and friends. All Generation Z respondents reported contact with luxury brands through social media, half through influencers and some through newsletters.

Overall, the findings indicate that traditional channels still maintain some relevance and are still an option, but digital platforms are becoming increasingly dominant, even among Generation X.

5.4.1. Emotional Connection to Luxury

Participants were asked Question 16 of the interview script (Annex B), if they ever felt an emotional connection to a luxury brand due to its digital presence and to give an example. The majority stated that they hadn't experienced such a connection or could not recall any instance that had left a strong impression.

Within Generation X, two participants reported having felt an emotional connection. One male respondent (M8) mentioned that brand ambassadors played a crucial role in this connection, explaining that *"brands choose ambassadors you follow, and the combination with strong personalities like David Beckham or Lewis Hamilton creates a catalyst for the brand."* Another female participant described her connection with Dior, driven by her admiration for Princess Diana, noting that although not entirely digital, it fostered a strong personal identification with Dior.

In Younger Generations, emotional connection emerged through storytelling and marketing content. One respondent from Generation Y cited Chanel, explaining that the brand's

storytelling on social media and a specific advertisement with *Keira Knightley* prompted her to explore its history further. Another participant referred to Jacquemus, describing its marketing as "unbelievable". Among Generation Z, two participants mentioned feeling a connection without elaborating, while others referred to Louis Vuitton, through consistent social media engagement, and Hermès, for sharing craftsmanship processes and behind-the-scenes videos that create authenticity and attachment.

Although many respondents explicitly stated that they had not formed an emotional connection, their reflections in other parts of the interview often revealed implicit emotional associations with certain brands, suggesting that digital storytelling, authenticity and influencer engagement can form subtle meaningful emotional bonds with consumers.

5.5. The Future of Luxury

To explore perceptions about the Future of Luxury, participants were asked Question 20 (Annex B) *"Can you identify a brand or product that for you represents the future of luxury? Why?"* and their responses revealed a combination of admiration for heritage brands and recognition of emerging players that embody innovation and are changing the luxury sector.

The brands most frequently mentioned were Louis Vuitton (three mentions from different generations), Rolex (three mentions from Generation X), followed by Jacquemus (three mentions from Younger Generations). Louis Vuitton was associated with enduring dominance, durability and growing commitment with sustainability, as reflected in comments highlighting its ability to *"dominate and continue the luxury sector"* and *"reinvent itself through sustainable products".* Rolex, mentioned exclusively by male participants, was linked to its prestige and strong visibility, amplified by social media exposure. In other hand, Jacquemus, cited only by female participants, was seen as creative, authentic brand with *"spectacular marketing"* and a modern and more accessible approach to luxury.

Four participants reported that no brand stood out as representing the future of luxury. Overall, participants highlighted technology in the world of watches and sustainability as the defining characteristics of luxury in the years ahead.

5.6. Generational Comparison

To explore differences in the perception of luxury across age groups, participants were asked complementary question: Question 19a for Generation X and Question 19b for the Younger Generations (Annex B). The findings reveal contrasting and interconnected views, highlighting how the meaning of luxury has evolved over time.

5.6.1. Generation X Perspective

Most of the Generation X participants perceived that Younger Generations associate luxury with social display. Several mentioned that younger consumers purchase luxury primarily to *"expose on social media"* or to *"show-off"*. Some described it as a *"question of status and affirmation nowadays"*, contrasting it with their own generation, which they associated with comfort and personal achievement, as one participant explained: *"In my generation, luxury was more about rewarding milestones and reaching goals."*

Others noted that Younger Generations care more about sustainability, particularly through second-hand markets, while at the same time caring less about quality and viewing luxury as more available than in the past. A participant summarised this shift by saying, *"Nowadays, young people acquire luxury also due to the liberalisation of consuming second-hand luxury, and they value brands and logos much more than my generation did."*

5.6.2. Younger Generations' Perspective

From the view of the Younger Generations, Generation X is perceived as being less focused on social validation and more oriented towards quality, durability and heritage. Several participants attributed this difference to the absence of social media during Generation X's younger years, which reduced the tendency to display luxury publicly. As one respondent stated, *"Older generations preferred quality over quantity; for them, buying was about achievement"* Others linked Generation X's perception of luxury to design, saying that *"older generations associate it more with design itself"*.

In the meantime, younger participants acknowledged their own generation's stronger connection to trends and digital visibility recognising that *"Gen Z wants to adhere to trends at all costs and show it"* (Participant F2, Gen Z). Also, some noted an increasing concern about sustainability, arguing that *"today's generations value more sustainability"*

6. Discussion

This chapter aims to determine whether the findings of the interviews align with the existing literature review presented in Chapter Two.

As previously mentioned, the objectives were to gather insights into how younger generations define and perceive luxury in fashion and how it differentiates from an older generation (Generation X); and to analyse the implications of these changing perceptions for luxury brands' strategies and marketing approaches.

These interviews enabled a deeper understanding of the interviewee's opinions regarding how luxury is defined, perceived and experienced across generations, as explored through the themes of consumer behaviour, purchasing habits, contact with luxury and digital influence, the future of the luxury market and generational perceptions.

The interviews provided information that was mostly consistent with the existing literature review; however, the current study offers a more detailed and nuanced perspective, addressing aspects that are not yet deeply explored.

Regarding the definitions and perceptions of luxury, and in line with Research Question 1, many participants acknowledged that Younger Generations are significantly reshaping what luxury means in the context of high-end fashion. The findings indicate that Younger Generations define luxury not only through traditional markers such as quality, craftsmanship and exclusivity, but increasingly through brand identity, emotional resonance and symbolic meaning. Modern consumers are more likely to seek products from specific luxury brands such as *"Prada bag"* rather than focusing solely on the intrinsic quality of the item (Kapferer J.N, 2015).

The study confirms that heritage brands such as Louis Vuitton and Dior continue to play a central role in shaping perceptions of luxury (Dion and Mazzalovo, 2016). Participants emphasized the importance of brand credibility, iconic and timeless products and historical reputation.

The *Chanel black Classic Flap Bag* emerged as the most emblematic item across participants from all generations and genders in this study, recognized not only as a timeless symbol of luxury but also as a product that consistently *"retains and increases in value over time"*. This finding aligns with the historical significance of the brand founded by Gabrielle

"Coco" Chanel who established Chanel as an enduring symbol of elegance (Krick, 2004). The respondents associated the *Classic Flap Bag* with both heritage and emotional connection, reinforcing its status as an icon that transcends generational boundaries. Similarly, the Hermès Birkin bag was frequently mentioned, particularly by Younger Generations, as an example of high exclusivity and long-term investment due to its scarcity. The Birkin is considered a symbol of desire, which enhances both its symbolic and economic value (Newsom, 2016). These perceptions demonstrate that, alongside quality and craftmanship, rarity and aspirational appeal remain central in defining what consumers consider iconic luxury. In addition, Rolex watches were highlighted mainly by male participants, as a product that embodies timeless value and especially social status. These most mentioned iconic items illustrate how emotional attachment, brand heritage and investment potential are core components of luxury perception.

Concerning purchasing habits, in this study, the participants demonstrated an appreciation for both accessible and high-end luxury items, often blending purchases across fast-fashion, premium and high-end luxury categories. According to the responses, consumers tend to prefer investing in premium products for quality-to-price ratio, while maintaining flexibility in less valued categories such as fast fashion due to its variety, low prices and easy access. The participants' purchasing behaviours also reflect different consumer types: "Democrat" consumers tend to but more accessible luxury items, such as Michael Kors, balancing affordability with the desire for luxury, whereas "Distant" consumers primarily purchase fast-fashion items, often due to financial constraints rather than lack of interest in luxury. Overall, luxury consumption is less given the high prices compared to the low purchasing power, representing the main limitation across participants.

Regarding counterfeit goods, participants generally expressed a negative attitude, despite the constant growth of this market, emphasizing concerns about quality, authenticity and ethical implications.

In contrast, the second-hand luxury market was viewed positively, increasingly associated with sustainability, offering products in good conditions at lower prices, and facilitated by platforms such as Vestiaire Collective (Lee et al., 2020). Younger consumers in this study mentioned sustainability as an important aspect of luxury nowadays and in the future, which aligns with the literature suggesting that they are more likely to remain loyal to brands that demonstrate a positive environmental impact (Cheng, 2019). The participants also reported engaging with second-hand luxury platforms, seeking unique and vintage items (Lee et al.,

2020) "*at more accessible prices"* and *"because there are pieces that increased in value over time."* as some participants mentioned. These findings confirm that Younger Generations balance these values with a strong interest in trendy and iconic luxury items, reflecting both ethical and social motivations.

Regarding purchasing methods, participants largely valued the in-store experience, with many preferring to buy luxury items physically to *"see and touch"* the products and to have a personalized service with an experienced advisor nearby, the majority choose this form as the predilect. Some participants, however, indicated a preference for online purchases because of the convenience or if the product is already familiar to them, and interestingly two Generation X participants reported purchasing online always. These findings suggest that, although digital channels are growing in importance, luxury houses should continue to preserve the in-store experience, which remains a key factor in customer engagement and brand perception. On the other hand, Generation X is increasingly adopting online shopping showing that older consumers are keeping pace with digital advancements. This indicates that luxury brands should also continue to invest in digital channels, as multiple generations now value both online and in-store experiences.

In terms of motivations to purchase luxury products, the findings indicate that it is a combination of intrinsic and extrinsic reasons (Ryan & Deci, 2000). In line with Halwani (2021), participants highlighted that monetary appreciation, potential vintage value, social status, utilitarian benefits and hedonic enjoyment all contribute to their purchase decisions. Notably, the presence of heritage and brand history was emphasized as a factor that enhances the perceived value of these drivers, increasing consumers' willingness to purchase. When asked about brands they were motivated to purchase they cited iconic heritage brands, as mentioned before, as Chanel, Hermès and Rolex, suggesting that the historical significance and reputation of brand reinforce both emotional attachment and perceived investment value. Additionally, given the widespread adoption of fast fashion, participants highlighted that one of the key motivations to purchase luxury items is the exclusivity they provide, allowing consumers to differentiate themselves and avoid *"being the same as everyone else".* These findings demonstrate that, across generations, luxury purchases are not merely transactional but are influenced by a complex interplay of financial, functional, social and emotional factors, which brands can strategically leverage to strengthen engagement and loyalty. Nevertheless, the study revealed that financial constraints remain a significant limitation to luxury consumption. Participants across generations frequently mentioned high prices, limited

purchasing power, and low personal budgets as key barriers, indicating that even when intrinsic or extrinsic motivations are strong, the ability to act on them is often constrained by financial considerations.

Following this, participants were asked about the proportion of income they would be willing to allocate to luxury purchases, Generation X tended to limit this to around 5-15%, reflecting a more cautious approach constrained by practical financial considerations. This also indicate that, as they value quality more, they are often willing to opt for less expensive alternatives rather than pursuing luxury for its own sake, as it was mentioned *"I like premium brands, the quality is quite similar. With luxury brands, you're mostly paying for the name."* (Participant M8). In contrast, Younger Generations indicated a higher willingness, generally between 20-30%, with three participants even expressing readiness to spend 50% on luxury purchases as long-term investments. Importantly, for the younger consumers, luxury is valued not only as a financial or social investment but also personal enjoyment and aesthetic appreciation, reflecting a deeper desire and engagement with high-end fashion compared with Generation X. Empirical research suggests that Generation Y consumers are highly brand conscious and aware of their social image (Bian & Forsythe, 2012). Their purchase intentions are influenced not only by desire to stand out through unique choices but also by the need to peer group expectations (Park et al., 2008). These findings help contextualize the study's results, highlighting how Younger Generations navigate the tension between personal expression and social signaling in their engagement with luxury fashion. Additionally, this shows that younger consumers tend to place a higher value on luxury products and demonstrate a stronger desire to acquire them compared to older consumers, suggesting that attracting younger consumers may be more straightforward. However, luxury brands also need to develop strategies to engage and appeal to older consumers as well to remain desirable across all generations.

These results may be influenced by the fact all participants were Portuguese, reflecting the country's relatively moderate purchasing power and limited integration in fashion luxury market. This suggests that economic context can play a critical role in shaping luxury consumption patterns, particularly in markets where high-end fashion remains less accessible.

In terms of brand engagement and purchasing behaviour, the results indicate that both Younger Generations and Generation X are highly responsive to digital platforms and social media and are increasingly willing to invest in luxury despite limited disposable income (Sanyal

et al., 2021). Millennials and Generation Z have become a central force in the luxury fashion market, contributing to 30% of total market revenue (Bain & Company, 2022). This aligns with the study, which indicates that the youngest tend to engage more actively with luxury and willing to pay more for it.

Regarding the findings on digital influence and marketing channels, and in line with Research Question 3, there are trends noted in the literature. Brands such Dior and Gucci have leveraged online practices to strengthen awareness and reinforce their presence in the luxury market (Okonkwo, 2007). Participants confirmed that social media and influencer content are central to their emotional engagement and brand perception, particularly to emerging brands such as Jacquemus which was mentioned several times, but also to heritage luxury brands like Chanel and Hermès which through their social media channels share content *"for example, Hermès shares on social media the craftsmanship process behind their products, through videos they post on Instagram, and that behind-the-scenes perspective creates a connection, even if you are not a consumer"* (Participant F1, Gen Z). The study also highlighted the role of cultural icons in shaping all generations emotional connections to luxury brands. For example, one participant from Generation X described a connection with Dior through its association with Princess Diana, particularly noting the *Lady Dior* bag as an aspirational item she wished to own. Similarly, a younger participant reported building connections to luxury products and brands by seeing them featured in television series, where characters' choices and styling fostered aspirational connections to the items, the example of Fendi *Baguette* bag frequently associated with the character Carrie Bradshaw in *Sex and the City* series was given. The study also underlined the influence of brand ambassadors in shaping emotional engagement: one participant associated with Keira Knightley with Chanel and another Lewis Hamilton to Formula 1, demonstrating how celebrity endorsements reinforce brand desirability across generations. These instances show how storytelling through digital and media references can create strong emotional engagement. This supports prior literature emphasizing the importance of narrative and symbolic meaning in luxury consumption (Kapferer, 2015).

Beyond traditional media, digital innovations are increasingly shaping luxury consumption among Younger Generations. Notably, one Generation Y participant mentioned having contact with luxury through an NFT from the luxury brand *Yves Saint Laurent*, demonstrating that the new consumers are embracing the new forms of luxury, including rare digital assets. This trend reflects broader industry practices, with some luxury brands launching these digital representations of clothing and accessories (Khelladi et al., 2023)

Taken together, and in line with Research Question 2, these findings illustrate how sustainability, digital engagement and innovation intersect with generational consumption patterns. Young Generations value ethical practices, digital interaction and exclusivity, with Generation Z in particular showing grater open-mindedness and adaptability, being willing to pay more for green products (Kautish & Sharma, 2019), which aligns with the insights shared during interviews. Generation X continue to rely on heritage and design, now complemented by a gradual integration of digital channels. This demonstrates that luxury brands must balance tradition with innovation to maintain emotional engagement and loyalty across generations.

Finally, the interviews revealed a shared view that the future of luxury will depend on brands ability to combine innovation with heritage. Among the brands mentioned Jacquemus stood out as the most cited, particularly by Younger Generations, who praised its creative marketing and strong digital presence. For many, it represents a new kind of luxury, one that feels modern, emotional and accessible.

At the same time, Louis Vuitton and Rolex were highlighted as examples of heritage brands that continue to innovate, maintaining their relevance while preserving tradition. A few participants also associated the future of luxury with technological products that blend functionality and exclusivity, such as watches. Together these perspectives suggest that the future of luxury lies at the mix of heritage, creativity and technology.

The findings from the interviews indicate that Younger Generations are reshaping luxury consumption in ways that differ from the older ones, corroborating the Bain & Altagamma Luxury Goods Worldwide Market Study (2022), which highlights that Millennials (Generation Y) and Generation Z are becoming the new and largest group of luxury consumers. Participants in this study also reported that they have the perception that Younger Generations tend to purchase more luxury products than the older generations, often driven by trends, social visibility and digital engagement, whereas older consumers focus more on quality, heritage and durability. This distinction can be understood thorough the concepts of “old rich” and “new rich”: older wealthy consumers tend to avoid trending brands, valuing timelessness and discretion, whereas younger consumers often use status-symbol brands to showcase their wealth (Kapferer and Bastien, 2012).

7. Conclusion

This study aimed to explore how Younger Generations are redefining what luxury means, by collecting qualitative data from eighteen (Portuguese) people across three different generations. The study's results have been compared with existing literature reviews, providing an overview of the perceptions, generational comparison and the implications of this shift have for the values and marketing strategies of luxury fashion brands.

7.1. Conclusions and Theoretical contributions

The collected data revealed how younger generations are redefining what luxury means in the context of high-end fashion, comparing their perceptions, values, purchasing behaviour and evolving concept, shaped by both traditional and emerging values. While quality, heritage and exclusivity remain essential, younger consumers have expanded the definition to include sustainability, ethical issues, digital engagement and personal expression, making a clear shift from material ownership to a more value-driven consumption.

In addressing RQ1, the findings show that Younger Generations define luxury not only through tangible product attributes but also through intangible emotional and symbolic dimensions. They associate luxury with identity, authenticity, exclusivity and experience, confirming the multidimensional model proposed by Vigneron and Johnson (2004), which integrates both personal and non-personal factors such as perceived hedonism and uniqueness. This generation’s interest in sustainability and ethical practices aligns with previous literature, yet the study adds nuance by showing that these values coexist with a strong appreciation for a trend-driven and digital expressions of luxury. While existing literature suggests that the functional aspects of luxury, such as practicality, have become less relevant, this study demonstrates that, for Younger Generations, the quality aspect still holds significant value in their luxury consumption decisions.

Regarding RQ2, the research highlights clear generational differences. Generation X continues to associate luxury with heritage, durability, status and achievement-related purchases, valuing quality and practicality, whereas Younger Generations (Y and Z) perceive luxury as a blend of self-expression, trend and exclusivity. Younger consumers show a higher

willingness to spend a greater share of their income on luxury products, viewing them as a both emotional and financial investments. The older generation (Generation X), in contrast, demonstrate a more conservative approach, appreciating luxury but often opting for less expensive alternatives. These contrasts reflect a shift from luxury as a symbol of achievement and high quality to luxury as an expression of personal identity and belonging.

In response to RQ3, the study underscores the growth importance of digital channels and storytelling in shaping modern luxury perceptions. Social media, influencers and digital content emerged as key touchpoints through which consumers connect with brands emotionally and where they are aware of the constant news and trends of the sector. These channels play a big role in creating "online spaces" for luxury consumption, where people can share and receive validation from others, they feel it is important to promote and build a carefully crafted online image of themselves (Kim & Ko, 2012). Meaning that the presence of heritage and history increases the value of each of these drivers and therefore increases willingness to purchase (Halwani, 2021). At the same time, the in-store experience remains highly valued, across all generations, reinforcing that the power of the touch and customer experience continues to be a defining element of the luxury experience. Moreover, the growing acceptance of the second-hand market, associated with sustainability and products with lower prices but good conditions, highlights an evolution in consumer behaviour. Conversely, counterfeit goods continue to be viewed negatively, despite their market growth globally, reaffirming the value of authenticity, trust in luxury branding and ethical considerations. Finally, the study reveals how cultural and media representations such as the *Lady Dior* bag linked to Princess Diana, the Fendi Baguette's association with the character Carrie Bradshaw, and Rolex associated with the Formula 1 world continue to shape emotional connections to luxury across generations. Meanwhile, younger consumers are also embracing new forms of digital luxury, as shown by references to NFTs and virtual fashion, which extend the boundaries of what luxury represents in the digital age. These insights emphasize that the future of luxury lies in the intersection between tradition and innovation, where authenticity, timeless items, creativity and technology coexist.

In terms of theoretical contributions, this research makes several contributions to the academic understanding of luxury fashion consumption and generational behaviour. It extends existing frameworks (Vigneron & Johnson; Kapferer J.N, 2015) by illustrating how Younger Generations integrate sustainability and digital connection into the traditional constructs of luxury, thereby redefining its meaning beyond wealth.

This study contributed to the literature on generational differences by providing qualitative evidence of how Generation Y and Z differ from an older generation (Generation X) not only in their motivations but in their perceptions. This adds depth to existing quantitative findings, offering a more nuanced understanding of how each generation interprets luxury's symbolic and functional aspects. It also leads to the conclusion that younger consumers seek both self-expression and social validation.

Overall, this research provides an updates generationally informed framework for understanding how young people are redefining luxury in fashion, offering valuable theoretical insights for future academic work and for brands navigating a rapidly evolving market landscape.

7.2. Managerial Implications & Recommendations

The results of this study provide several important insights for luxury brand management, particularly as Younger Generations redefine the meaning of luxury.

Firstly, brands must acknowledge that luxury is no longer limited to exclusivity and heritage but now includes values as authenticity, sustainability and identity. Younger consumers expect transparency and ethical responsibility; therefore, brands should integrate sustainability into their core strategy and communicate it consistently to maintain credibility and trust.

Secondly, while digital engagement has become essential, and for some, social media and internet are the only channels where they are aware of the news and trends about luxury fashion brands, especially through influencers, the in-store experience remains central to luxury perception and consumption. Brand ambassadors also play a key role in shaping consumers' emotional connections and perceptions, reinforcing brand desirability, and brands should continue to invest in these partnerships. Managers should aim to balance digital innovation with traditional physical experiences, creating integrated omnichannel strategies that preserve the emotional and sensory aspects that define luxury.

Finally, the rise os the second-hand luxury market presents an opportunity for brands to expand their reach while they reinforce sustainability. For example, collaborating with certified platforms or developing in-house resale initiatives can help brands maintain control over their image and at the same tine appeal to the younger generations.

The generational segmentation is crucial. While Generation X values durability, quality and heritage, younger ones seek personalization and trends. Successful brands will be those that balance heritage with innovation, adapting their messages and experiences to resonate with both established and emerging consumers of all generations.

7.3. Limitations and Further Research

The dissertation and its results are subject of some limitations. Firstly, the sample size was relatively small, with only eighteen participants, which can limit the generalizability of the findings. A larger sample, including participants from additional generations such as Baby Boomers, could provide a more comprehensive understanding of how luxury is perceived across age groups.

Furthermore, the geographical scope of the study was restricted to Portuguese people, which may have influenced the results due to local lifestyle, purchasing power and cultural factors. Portugal's limited integration with the luxury fashion market also made it challenging to identify participants who are in contact with luxury or active consumers.

Future research could therefore include participants from major fashion capitals such Paris or Milan, as well as from emerging luxury markets as Asian markets, which are increasingly shaping global luxury consumption trends. For a more holistic profile, subsequent studies should involve larger and more diverse samples across generations, cultural contexts, and socioeconomic backgrounds. This approach would allow for a richer analysis of cross-generational and cultural differences, offering valuable insights for luxury brand strategy, marketing and consumer engagement and how the future of luxury could be.

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9. Appendices

Annex A - Demographic Description of Participants

Participant	Generation	Age	Occupation	Interests
F1	Z	21	Student/Intern	Fashion & Luxury
F2	Z	22	Student	Fashion & Luxury
F3	Z	25	Economist	Luxury & Music
M1	Z	18	Student	Sports & Fashion
M2	Z	24	Accountant	Sports
M3	Z	25	Marketeer	Entrepreneurship
F4	Y	35	Nurse	Fashion
F5	Y	38	Podcast Producer	Fashion & Travel
F6	Y	43	Bank officer	Fashion & Travel
M4	Y	30	Trader	Sports, Music & Travel
M5	Y	36	Economist	Sports
M6	Y	40	Operations Manager	Sports
F7	X	45	Economist	Fashion
F8	X	46	Accountant	Fashion & Travel
F9	X	53	Office Assistant	Fashion & Royalty
M7	X	47	Lawyer	Sports & Watch Collector
M8	X	48	Computer Engineer	Startups & Watch Collector
M9	X	53	Insurance Manager	Sports

Annex B – Script

Interview Structure

Part One: Introduction

A brief introduction to the context and objectives of the study is given to the participant, as well as an indication of how the interview will be conducted to make the participant more comfortable. It is emphasized that the study focuses on the concept of luxury in fashion (that includes retail, accessories and beauty items). Participants are also informed that the interview is going to be recorded, and their explicit consent is requested before proceeding. They are also reminded that their participation is entirely voluntary, they may choose not to respond to any question and that all responses will be considered valid.

Part Two: Main Questions

1. Can you briefly tell me about yourself? (age, occupation, interests)
2. Would you say you consume more fast fashion, luxury brands, or other types of brands? Why? (Category: Purchasing Habits)
3. How would you personally define the concept of "luxury" in fashion? (Category: Definition & Perception of Luxury)
4. Can you name one to three brands that represent your concept of luxury in fashion? Why these brands specifically? (Category: Definition & Perception of Luxury)
5. In your opinion, what distinguishes a luxury fashion brand from a premium or common brand? (Category: Definition & Perception of Luxury)
6. What would motivate you to buy a luxury item? And what would limit you? (Category: Definition & Perception of Luxury)
7. From what price do you consider a fashion product to be luxurious? (Category: Definition & Perception of Luxury)
8. Approximately, what percentage of your income would you be willing to comfortably spend on luxury products? (Category: Consumer Behaviour)
9. Do you usually purchase products from brands considered luxury? If yes, which brands? (Category: Purchasing Habits)

10. If you were to buy a luxury fashion item right now, what would it be and from which brand? (Category: Iconic & Desired Products)
11. If you had to choose a single product from a luxury brand that, for you, represents the concept of luxury, which one would it be? (Category: Iconic & Desired Products)
12. Would you buy second-hand luxury items? Why? (Category: Purchasing Habits)
13. Would you buy a counterfeit product? Why? (Category: Purchasing Habits)
14. Would you buy a luxury product online, only in-store, or would it be indifferent? (Category: Purchasing Habits)
15. Usually, through which channels do you have contact with information, news, and content related to luxury products or brands? (Category: Contact with Luxury/ Digital Influence & Marketing Channels)
16. Have you ever felt an emotional connection to a luxury brand due to its digital presence or social media? Can you give an example? (Category: Contact with Luxury/ Digital Influence & Marketing Channels)
17. How do influencers, content creators or famous people affect your perception of luxury brands? (Category: Contact with Luxury/ Digital Influence & Marketing Channels)
18. If social media did not exist, would your perception of luxury brands be different? How? (Category: Contact with Luxury/ Digital Influence & Marketing Channels)
19.

    19a. Do you think your generation sees luxury differently from younger generations? In what ways? (Generation X participants only) (Category: Generational Comparison)

    19b. Do you think Generation X sees luxury differently from your generation? In what ways? (Generation Y and Z participants only) (Category: Generational Comparison)

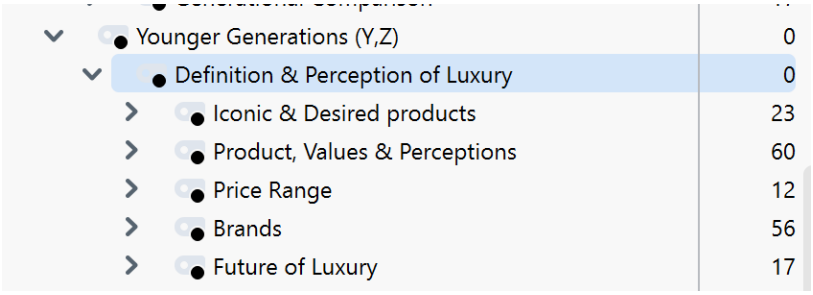
20. Can you identify a brand or product that, for you, represents the future of luxury? Why? (Category: Definition & Perception of Luxury)

Annex C – Main Categories codes in MAXQDA

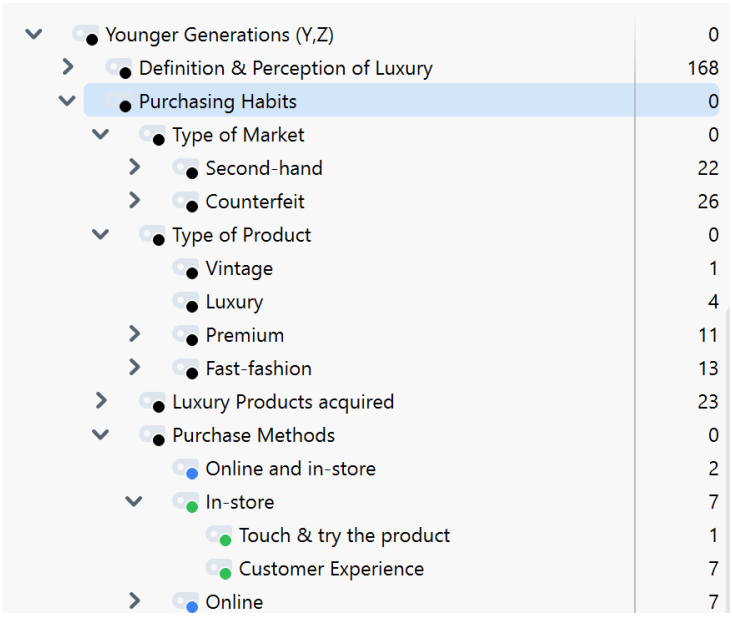


Annex D – Subtopics codes in MAXQDA

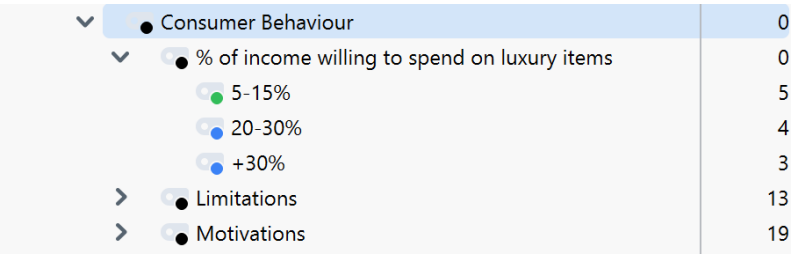
Subtopics on the Category: *Definition & Perception of Luxury*



Subtopics on the Category: *Purchasing Habits*



Subtopics on the Category: *Consumer Behaviour*



Subtopics on the Category: *Contact with Luxury, Digital Influence & Marketing Channels*



Subtopics on the Category: *Generational Comparison*

