The Impact of Cultural Orientation on the Societal Motivations of Luxury Good Consumption of IT Professionals in Sri Lanka

1 author:

L. D. A. D. Dissanayake
Sri Lanka Institute of Information Technology
8 PUBLICATIONS   **9** CITATIONS

Some of the authors of this publication are also working on these related projects:

Human Resource Management View project

The Impact of Cultural Orientation on the Societal Motivations of Luxury Good Consumption of IT Professionals in Sri Lanka

L. D. A. D. Dissanayake

Abstract The primary objective of the study is to examine the impact of cultural orientation on the societal motivations of luxury good consumption of IT professionals in Sri Lanka. Thus, the study has used a sample of 103 IT practitioners in Sri Lanka. Correlation and regression analysis have been used to achieve the primary objectives. Consequently, among the four independent variables; horizontal individualism, vertical individualism, horizontal collectivism and vertical collectivism, only vertical individualism has a significant and positive relationship towards the societal motivation of luxury good consumption. The other variables have negative none significant relationship towards social luxury good consumption. Regression analysis concludes that only vertical individualism is a significant predictor of social luxury good consumption motivation of IT professionals. The other variables are not significant predictors.

Keywords Luxury goods · Cultural orientation · IT professionals

1   Introduction

Sri Lanka has been maintaining slow but steady economic growth over the years. After ending nearly three decades long civil war in Sri Lanka, there have been many development projects to improve the infrastructure facilities to facilitate more robust agricultural and industrial development, while paying attention to improve the service sector in the country. The Sri Lankan economy has been transitioning from a predominantly rural-based economy towards a more urbanized economy, oriented around manufacturing and services sectors (The World Bank 2018). According to The World Bank (2018), the country has made a significant progress in its socio-

L. D. A. D. Dissanayake (✉)
Sri Lanka Institute of Information Technology, Malabe, Sri Lanka

economic and human development indicators. With the various progressive development initiatives, Sri Lanka has transformed from lower income country into a lower middle-income country. Sri Lanka is now recognized as a Lower Middle-Income Country (LMIC) with an approximate per capita income of 4073 USD as by 2017 (The World Bank 2018). Moreover, it is said that Sri Lanka demonstrates characteristics similar to Upper- Income Countries (UIC) as well (Education Today 2018). With the enhanced income, the middle class in Sri Lanka has increased and the consumption patterns of recognizable portion in the society have significantly changed.

Arunatilake and Omar (2013) have explained that there is a rising middle class in Sri Lanka. Thus, there are signs of emerging demand for more developed services and luxury products by the Sri Lankan consumers. The luxuries, which poor or near poor cannot afford have been rising in demand in Sri Lanka. For exemplifications, the advertisements offering holiday packages to foreign countries are published daily basis in newspapers and in social media, vehicle sales have been steadily increasing and also the demand for luxury apartments in the city areas have been increasing over the past years. These are the signs of growing middle class in Sri Lanka and changing consumption patterns of Lankan consumers, who are now looking to consume more luxuries. Thus, due attention should be paid to this area and the research on this field should be encouraged. This highlights the significance of the current study since it addresses a contemporary need in the country.

Kapferer (1997) describes luxury goods as the goods that "provide the owners with additional pleasure, act simultaneously on all senses and constitute an imminent distinguishing element of the ruling classes". Wiedmann et al. (2007) explain that luxury goods present four types of values that function within the luxury goods; first the financial value that represents the price which is a specific investment of capital, second the functional value that directly relates to quality, performance, uniqueness, usability and individuality of luxury goods, third values are individual values that are related to material, emotional and hedonistic values, fourth and the last value is the social value, as the prestige, the demonstration effect and the manifestation of social status.

Past studies describe theoretical perspectives regarding the purchase of luxury goods. Mainly, Veblen (1899) has highlighted the symbolic motivation of luxury good consumption motivation which describes an individual's desire to utilize luxury goods as symbols to communicate meanings about themselves to others. Moreover, hedonic motivation of luxury good consumption motivation has been highlighted by Hirschman and Holbrook (1982). Accordingly, the sensory benefits such as taste, smell, texture, and visual, which are to be derived from luxury consumption can motivate persons to consume luxury goods. Wong and Ahuvia (1998) have stated the instrumental motivation which refers to the perceptions of quality regarding the luxury goods, sometimes are thought to be of higher intrinsic quality. It can motivate individuals to consume luxury goods (Veblen 1899; Hirschman and Holbrook 1982; Wong and Ahuvia 1998; Yu 2014).

Culture has been defined as the set of attitudes, values, beliefs, and behaviors shared by a group of people, but different for each individual, communicated from

one generation to the next generation. It is complex pattern of ideas, emotions, and observable demonstrations that tend to be expected, enhanced, and rewarded by and within a particular group. The consumption patterns of individuals are influenced by the various cultures that they live in.

Professionals increase the existing of knowledge, apply scientific or artistic concepts and theories, or teach in a systematic manner. Most occupations in this category such as engineers, lawyers, economists, computing professionals, teachers and health professional require skills at graduate and postgraduate education (Department of Census and Statistics 2017). These people have higher potential to demand for more luxury goods. Therefore, understanding their cultural orientation and the motivations to consume luxury good is crucial.

In addition to the value of the topic addressing to an ongoing need in the country, the current study is very significant from academic and commercial perspectives. It explores how the cultural orientation of Sri Lankan professionals, who occupy in a booming industry in Sri Lanka, impact on the societal motivation to consume luxury goods. The consumption patterns and motivations of Sri Lankans are rapidly changing with the accelerating economic growth and due to related socio-economic changes. Academically, there are many studies done regarding the luxury goods by many scholars in Sri Lankan context. Nevertheless, apparently not many studies have done regarding the cultural orientation and luxury good consumption motivation of Sri Lankan citizens. Therefore, the study has an academic significance. Moreover, since there is an economic and cultural trend to consume luxury goods, considering the commercial aspect, this study will be vital for companies who are targeting the consumers, who are willing to consume luxury goods in Sri Lanka. Hence, the current study has a commercial significance as well.

2   Literature Review

Veblen (1899) has defined luxury goods as items that do not necessarily have functional utility but displaying them can bring prestige to the owner. Wealthy individuals often consume highly conspicuous goods and services to advertise their wealth, hence, gain greater social status (Veblen 1899). Black and Myles (2012) have defined luxury good as goods or service whose consumption increase more than the proportion to an increase in income. Dubois and Duquesne (1993) have explained that luxury goods are expensive. Despite the market being identified the luxury goods as expensive products, some individuals consider them as trivial products, without any clear functional advantage, over the non-luxury counterparts. Therefore, producers who manufacture luxury goods believe that their customers are fundamentally coming from upper income class.

Luxury goods provide the owners with additional pleasure and act simultaneously on all senses and establish an imminent distinguishing element of the ruling classes (Kapferer 1997). Consumers do not decide to purchase luxury goods due to the functionality and usability of them. Therefore, luxury goods are rarely treated as

a practical or as the basic goods. Luxury goods are purchased by the consumers due to the hedonistic and symbolic values of them. It also explains that purchasing luxury products is kind of an investment for its buyers. They invest to buy luxury products because they believe that the view of themselves in the eyes of others will quickly increase. Customers who buy luxury goods want to buy exclusive goods due to its value over time, beauty, elegance and sophisticated taste associated with the art and craftsmanship of their production (Kasztalska 2017). These commodities, which are considered status-conveying, all have the feature of being either easily seen by others or easily talked about, in social conversations (Fan and Burton 2002).

Even though conspicuous consumption has been defined in different ways, there is one attribute which is common to all definitions; it is a consuming behaviour motivated by the display of self-identity. Conspicuous consumption is a generic conception. It is a type of consumption that is motivated by displaying self-identity (Yu 2014). Conspicuous consumption has been defined as a form of economic behaviour in which self-presentational concerns override desires to obtain goods at bargain prices (Sundie et al. 2011). Chaudhuri et al. (2011) explain conspicuous consumption as cautious behaviour of consuming visible products that are with scarce economic and cultural capital to communicate distinctive self-image to others.

Yu (2014) has mentioned that the motivations to consume luxury goods are influenced by a combination of physical, social-demographic, and cultural factors. According to Richins (1994) individuals are motivated to consume luxury goods for materialist reasons. Symbolic motivation of luxury good consumption is the desire to exhibit social prestige. Hedonic motivation of luxury good consumption is the motivation to meet inner thoughts and feelings, pleasure and excitement (Yu 2014). Hirschman and Holbrook (1982) define hedonic consumption as "consumers' multisensory images, fantasies and emotional arousal in using products." Instrumental motivation of luxury good consumption is defined by Vigneron and Johnson (1999) as the motivation for quality, where quality is assumed to be related with a higher price.

Han et al. (2010) explain that wealthy consumers, who are low in need to demonstrate their status, wish to associate with their own kind and pay a premium for quiet goods only they can identify. However, affluent consumers, who are high in need for status, use loud luxury goods to signal to the less wealthy that they are not one of them. Then, there are those individuals who are high in need for status, but cannot afford true luxury good, thus use loud counterfeits to match those they recognize to be wealthy.

Past studies focus on three main factors that affect motivations to engage in luxury good consumption; materialism, collectivism, and social dominance. Richins and Dawson (1992) explain materialism as an individual's identity by the ownership of possessions. Materialists think possessions are the centre of life (acquisition centrality), possessions bring well-being in life (acquisition happiness), and possessions as material symbols of success (acquisition success). Collectivism means the extent to which one considers the opinions of others in their decision making. The collectivists consider how others may feel about their decisions. Collectivistic indi-

viduals are more motivated by the perceived norms of their connectedness to others (Triandis 1995). Social dominance is conceptualized within the context of literature regarding hierarchical and egalitarian personalities (Yu 2014).

Culture is defined as beliefs, values, norms and behavioural patterns of a group (Leung et al. 2005). Culture forms patterns of ideas and values that shape human behaviour. Culture has a significant and direct impact on human behaviour (Kroeber and Parsons 1985). Cultural identity is a power variable for segmenting the market for luxury items (Dubois and Duquesne 1993). The researcher has highlighted that there is a strong relationship between a positive attitude towards the cultural change and consumption of luxury goods. Furthermore, Dubois and Duquesne (1993) explain that luxury producers should analyse the customers' value system. There is an increasing interest in the impact of culture on consumption and it is said that culture plays a vital role in individuals' consumption (Jun et al. 1993). Moreover, Mourali et al. (2005) have mentioned that the values of culture have influenced consumer behaviour and motivations.

Triandis (1995) has classified culture into two typical dimensions; collectivism and individualism. The researcher has described that collectivism and individualism can be explained based on four characteristics; how individuals define themselves which can be interdependent or independent, the priority of group goals and personal goals, the significance of rationality compared with relatedness, and emphasis on attitudes and norms as the main attributes of social behaviour. Individuals from collectivism-oriented culture view norms are more important than attitudes. In such a culture, individuals view themselves as interdependent with others and are rooted in their group and society. In collectivist culture, people concentrate on society and give priority to groups' goals and welfare against their own individual goals. On the contrary, people coming from individualistic culture consider that each person is a unique entity and thus treat themselves as independent from others. They give priority to the achievement of personal goals instead of group goals. The researcher further explains that even individualistic or collectivistic culture is different (Triandis 1995). Both collectivism and individualism may be horizontal or vertical depending on their relevant emphasis on horizontal or vertical. Thus, we can categorize it as horizontal collectivism, vertical collectivism, horizontal individualism and vertical individualism (Singelis et al. 1995; Triandis and Gelfland 1998).

Individuals from horizontal collectivist cultures are interdependent who attached to the common goals of their groups, but they do not obey authority easily. Individuals from vertical collectivist-oriented cultures are willing to obey the norms of their groups and sacrifice their personal goals to fulfil and benefit the group goals, while accepting the authority. Past studies highlight that despite the willingness to be unique, independent and self-reliant, individuals who recognize themselves as horizontal individualists have no desire to distinguish themselves from the rest and have thus no interest to be different and to have high status. Vertical individualistic individuals want to pursue high status, winning and be unique. Thus, they treat themselves as independent and different to others (Singelis et al. 1995; Triandis and Gelfland 1998). According to Triandis (1995) in each culture, the cultural orientation of an individual contains different combinations within collectivism-

individualism patterns and horizontal-vertical patterns. Mooij (2017) has mentioned that the values associated with horizontal and vertical and collectivist and individualist orientations have implications for understanding consumption motivation across cultures.

3   Problem Statement

After the end of civil war in 2009, Sri Lankan economy has been growing. World Bank states that Sri Lankan economy has grown at an average of 5.8% during the period of 2010–2017. Moreover, Sri Lankan social indicators rank among the highest in South Asia and also better compared to those of other middle-income countries. Extreme poverty is rare to find where the country has comfortably surpassed most of the MDG targets set for 2015 and was ranked 73rd in the Human Development Index in 2015 (The Wold Bank 2018).

The economic changes which have been happening in Sri Lanka has led to bigger middle class and created new cultural trends in Sri Lanka. Arunatilake and Omar (2013) have highlighted that there are signs of increasing demand for more developed services and luxury products by the Sri Lankan consumers due to the rising middle class in the country. They further explain that the luxuries, which poor or near poor cannot afford have been rising in demand in Sri Lanka (Arunatilake and Omar 2013). Therefore, researcher should pay more attention in the field of luxury good consumption and explore more on the area which will be beneficial for academic and commercial reasons.

Purchasing motivation of demanders of goods is influenced by many factors such as family, background, education, experience, geographic distance and imbalanced development of different cities, and this will lead to different luxury purchasing motivations (Zhang 2017). Thus, the current study explores about the professionals' consumption motives and motivations. Professionals increase the existing of knowledge, apply scientific or artistic concepts and theories, or teach in a systematic manner. Most occupations in this category such as engineers, lawyers, economists, computing professionals, teachers and health professional require skills at graduate and postgraduate education (Department of Census and Statistics 2017). These people have higher potential to demand for more luxury goods. Therefore, understanding their cultural orientation and the motivations to consume luxury good is crucial.

There are many researches done regarding the luxury goods consumption internationally. Indeed, there are considerable amount of research done regarding the luxury good consumption of Sri Lankans too. However, the research linking the cultural orientation of Sri Lankans and their luxury good consumption has been researched limitedly; which is the gap to be addressed by the current study.

4 Research Objectives

The main objective of the research is;

- To examine the impact of cultural orientation on the societal motivations of luxury good consumption of IT professionals in Sri Lanka.
  The sub objectives of the research are;

- To examine the impact of horizontal individualism on social luxury good consumption motivation of IT professionals in Sri Lanka.
- To examine the impact of vertical individualism on social luxury good consumption motivation of IT professionals in Sri Lanka.
- To examine the impact of horizontal collectivism on social luxury good consumption motivation of IT professionals in Sri Lanka.
- To examine the impact of vertical collectivism on social luxury good consumption motivation of IT professionals in Sri Lanka.

5 Conceptualization (Fig. 1)

The conceptual framework has been developed, based on the literature review. The framework is mainly adopted from the study done by Zhang (2017). According to the framework, the cultural orientation is the independent variable and social luxury
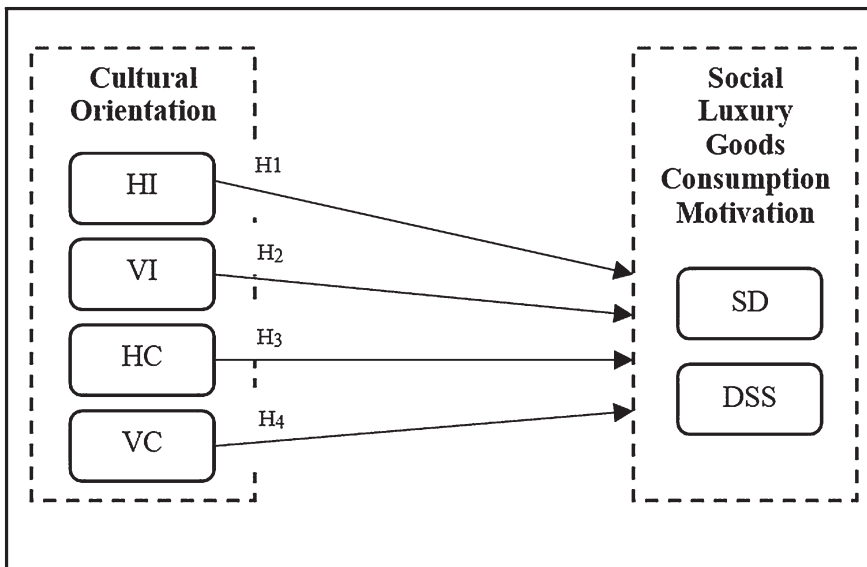

Fig. 1 Conceptualization. Source: Zhang (2017). Note: *HI* Horizontal Individualism, *VI* Vertical Individualism, *HC* Horizontal Collectivism, *VC* Vertical Collectivism, *SD* Social Demand, *DSS* Desire for Status Symbol

good consumption motivation is considered as the dependent variable. Cultural orientation consists of four dimensions; horizontal individualism, vertical individualism, horizontal collectivism and vertical collectivism and social luxury good consumption motivation includes social demand and desire for status symbol.

6 Hypothesis of the Study

The following hypotheses have been developed according to the conceptual framework:

H_1: Horizontal individualism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka.

H_2: Vertical individualism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka.

H_3: Horizontal collectivism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka.

H_4: Vertical collectivism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka.

7 Data and Methodology

The data of the current study has been collected from the IT practitioners employed in multiple reputed IT oriented organizations in Sri Lanka. Quantitative research design has been adopted in the study. The quantitative research design is ordinarily linked with the deductive research approach and positivist research philosophy. This approach initiates with a theory and narrows it down to specific hypothesizes that study supposed to test. In reference to that, observations are made to address relevant hypothesizes and it would direct to test hypothesizes with collected data and lastly develop a confirmation about original theory.

The population of the study comprised the practitioners in the IT industry in Sri Lanka. Non-probability, convenience sampling method has been utilized in this study. The sample of this study includes 103 individuals from various reputed IT oriented organizations in Sri Lanka. The researcher has continuously collected data from the professionals in IT field, until the required quantity of respondent size was fulfilled. The researcher has collected data from 103 respondents.

The instrument employed for the study is structured questionnaire. The questionnaire is entirely based on the theoretical framework adopted by Zhang (2017). All the questions in the questionnaire are close-ended. The questionnaire has been pre-tested by conducting a pilot study. Through the pilot study, the researchers have ensured the items in the questionnaire are interpreted in an intended way and to acquire that few items have been changed. The questionnaires have been

distributed to the respondents and they have been given 2 weeks to complete the questionnaire.

Data analysis of the study begins with demographic profile of the sample. Afterward, Pearson's correlation coefficient and regression analysis have been employed to understand the relationship and impact between the variables. All the gathered data of the study were analyzed and interpreted by using Statistical Package for Social Sciences (SPSS).

8   Results and Discussion

The reliability of the instrument was tested using Cronbach's alpha, which is usually considered as reliable when the coefficient is more than 0.6 and if it is less than 0.5 the instrument is unacceptable. All the variables indicated in the questionnaire has more than 0.6 coefficient values and that elaborates reliability of each variable is acceptable and in addition overall research instrument is reliable.

8.1   A Subsection Sample

The female and male distribution of respondents through the selected sample is 33 and 67% respectively. Hence, most participants in the study have been identified as male respondents. This is due to the male dominance in the field of IT in Sri Lanka. The majority (50.5%) in the sample is in the age group of 27–30 years old. According to the Department of Census and Statistics (2017) 65.6% of the professionals, which is the majority, is in the age group of 25–44 years old. Therefore, the characteristic of the sample is representing the trend in Sri Lanka. Moreover, 35% in the sample is having postgraduate degree qualifications. 38.8% in the sample is generating an income more than LKR 100,000. It shows that professionals who engage in the sector tend to pursuit higher education, even after their first degree and it might give them possibilities to have pay raises (Table 1).

84.5 percent in the sample owns a luxury product. It implies the great interest of the respondents in the consumption of luxury goods. Majority in the sample possesses at least 3–6 luxury products where 68% have purchased a luxury product in the past year (Table 2).

8.2   Pearson Correlation Coefficients

The researcher has adopted Pearson correlation to determine whether there is a relationship between two variables and also to indicate the strength and direction of the relationship.

Table 1 Demographic Information

Demographic information	Frequency	Percent
Gender		
Female	34	33
Male	69	67
Age		
18–20	1	1.0
21–23	3	2.9
24–26	22	21.4
27–30	52	50.5
>30	25	24.3
Education		
Undergraduate degree	28	27.2
Graduate degree	34	33.0
Postgraduate degree	36	35.0
Other	5	4.9
Income		
<30,000	7	6.8
30,000–50,000	9	8.7
50,000–70,000	20	19.4
70,000–90,000	14	13.6
90,000–110,000	13	12.6
>110,000	40	38.8

Table 2 Information of luxury good consumption

Luxury good consumption	Frequency	Percent
Ownership of a luxury brand product		
Yes	87	84.5
No	16	15.5
How many luxury products do you own		
<3	43	41.7
3-6	38	36.9
7–10	7	6.8
>10	14	13.6
0	1	1.0
Bought luxury brand products in the past year		
Yes	70	68.0
No	33	32.0

As presented in Table 3, the correlation coefficient value and significant value between the horizontal individualism (1) and social luxury good consumption are $r = -0.022$ and 0.822 ($p > 0.005$) respectively. This denotes that there is a negative relationship between the two variables and additionally, it also represents that horizontal individualism has a very week relationship towards the social luxury consumption. Furthermore, according to the significant value, it indicates that there is no significant relationship between the two variables.

Table 3 Correlation coefficients and significant values

Correlations		HI (1)	VI (2)	HC (3)	VC (4)	SLC (5)
HI (1)	Pearson correlation	1				
	Sig. (2-tailed)					
VI (2)	Pearson correlation	0.109	1			
	Sig. (2-tailed)	0.273				
HC (3)	Pearson correlation	0.219	0.153	1		
	Sig. (2-tailed)	0.026	0.123			
VC (4)	Pearson correlation	0.186	0.112	0.368	1	
	Sig. (2-tailed)	0.060	0.259	0.000		
SLC (5)	Pearson correlation	−0.022	0.195	−0.005	−0.038	1
	Sig. (2-tailed)	0.822	0.048	0.964	0.704	

The vertical individualism (2) indicates Pearson correlation (r) value of 0.195 and significant value of 0.048 towards the social luxury good consumption. This demonstrates a positive relationship between the two variables. Nonetheless, the relationship is still very weak. The p-value similarly indicates a significant relationship between two variables.

The variable of horizontal collectivism (3) has correlation coefficient value (r) of −0.005 and sig. Value of 0.964 (p > 0.005. This depicts that there is a negative and very weak relationship between horizontal collectivism towards social luxury good consumption. Additionally, there is no significant relationship between the two variables.

The last independent variable of vertical collectivism (4) has a correlation (r) value of −0.038 and significant value of 0.704 (p > 0.005). This explains that there is a still a negative very week relationship towards the social luxury good consumption, while the significant the value indicates that there is no significant relationship between the two variables.

Thus, among the four independent variables; horizontal individualism, vertical individualism, horizontal collectivism and vertical collectivism, only vertical individualism has a significant and positive relationship towards social luxury good consumption, where the other three variables have a negative none significant relationship towards social luxury good consumption.

According to the Table 4, it shows that the Pearson correlation (r) is 0.049 and significant (p) value is 0.623. It denotes that the cultural orientation (1) has a positive, but still a very week relationship towards social luxury good consumption (2) of IT professionals in Sri Lanka. Moreover, there is no significant relationship between the two variables. This finding highlights a vital and an interesting outcome of luxury good consumption of young Sri Lankan professionals. The societal motivation of them to consume luxury good is not triggered by their cultural orientation.

Table 4 Correlation coefficients and significant values of model

		CO (1)	SLC (2)
CO (1)	Pearson correlation	1	
	Sig. (2-tailed)		
SLC (2)	Pearson correlation	0.049	1
	Sig. (2-tailed)	0.623	

Table 5 The model summary

Model	R	R square	Adjusted R square
1	0.207[a]	0.043	0.004

[a]Predictors: (constant), VC, VI, HI, HC

8.3   Regression Analysis

The researcher has employed regression analysis to discover variance in predictor variables predict the level of change in the outcome variable.

According to Table 5, R Square = 0.043 (Adjusted R Square = 0.004) and that indicates only 4.3% of the variance in the social luxury good consumption motivation is explained by the four predictor variables of the horizontal individualism, vertical individualism, horizontal collectivism and vertical collectivism.

In the Table 6, the researcher attempts to determine whether the predictor variables of the study account for significant variance in the outcome variable and in other words statistically significance of regression model. As per to the above table the sig. Value is $p > 0.001$ (sig. = 0.362). It shows the sig. Value is considerably higher than the sig. Value of $p = 0.05$ and for that reason, the results demonstrates there is no significant variance between predictor variables and outcome variable which is societal luxury good consumption motivation.

The Table 7 demonstrates the coefficient of predictor variables which are horizontal individualism, vertical individualism, horizontal collectivism, and vertical collectivism respectively. Horizontal individualism, horizontal collectivism, and vertical collectivism have negative relationship towards the social luxury good consumption, except vertical individualism which has a positive relationship. The sig. Values resulted in the table represent the horizontal individualism (Unstandardized coefficients B is −0.042 at sig. Value of 0.746), vertical individualism (Unstandardized coefficients B is 0.280 at sig. Value of 0.043), horizontal collectivism (Unstandardized coefficients B is −0.015 at sig. Value of 0.927) and vertical collectivism (Unstandardized coefficients B is −0.064 at sig. Value of 0.634). From these results, the researcher has determined that only vertical individualism is a significant predictor of social luxury good consumption motivation of IT professionals. The other three variables; horizontal individualism, horizontal collectivism, vertical collectivism are not significant predictors of social luxury good consumption motivation of IT professionals.

Table 6 ANOVA table

Model		Mean square	F	Sig.
1	Regression	0.661	1.097	0.362
	Residual	0.603		
	Total			

Dependent variable: Socal_Lux_Con
Predictors: (constant), VC, VI, HI, HC

Table 7 The coefficient table

Model		Unstandardized coefficients	Standardized coefficients	t	Sig.
		B	Beta		
1	HI	−0.042	−0.033	−0.325	0.746
	VI	0.28	0.206	2.049	0.043
	HC	−0.015	−0.01	−0.091	0.927
	VC	−0.064	−0.051	−0.477	0.634

Table 8 The coefficient table

Model		Unstandardized coefficients	Standardized coefficients	t	Sig.
		B	Beta		
1	(constant)	2.644		3.240	0.002
	Cul_Ori	.104	0.049	0.494	0.623

The Table 8 shows the coefficient of predictor variable of cultural orientation. It has a positive relationship towards social luxury good consumption. The sig. Value stated in the table represents the cultural orientation (Unstandardized coefficients B is 0.104 at sig. Value of 0.623). From this result, the conclusion is drawn that the cultural orientation is not a significant predictor of social luxury good consumption motivation of IT professionals in Sri Lanka (Table 9).

8.4 Hypothesis Testing

Table 8 highlights the summary of the hypotheses tested in the study. Hence, only the second hypothesis; vertical individualism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka, is supported where the three other hypotheses are not supported by the study.

Table 9 The summary of tested hypotheses

No	Hypotheses	Results
H_1	Horizontal individualism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka	Not supported
H_2	Vertical individualism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka	Supported
H_3	Horizontal collectivism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka	Not supported
H_4	Vertical collectivism has a significant impact on the societal motivation of luxury good consumption of IT professionals in Sri Lanka	Not supported

9   Conclusions

The primary objective of the study is to examine the impact of cultural orientation on the societal motivations of luxury good consumption of IT professionals in Sri Lanka. As explained in the findings, the Pearson correlation analysis and regression analysis are used to achieve the objectives and to test four hypotheses.

The primary objective of the research is to examine the impact of cultural orientation on the societal motivations of luxury good consumption of IT professionals in Sri Lanka. The cultural orientation has a positive, but still a very week relationship towards social luxury good consumption motivations of IT professionals in Sri Lanka. Moreover, there is no significant relationship between the two variables. Furthermore, cultural orientation is not a significant predictor of social luxury good consumption motivation of IT professionals. These findings highlight a vital and an interesting outcome of luxury good consumption of young Sri Lankan professionals. The societal motivation of them to consume luxury good is not triggered by their cultural orientation.

In addition to the primary objective there are four sub objectives; to examine the impact of horizontal individualism, vertical individualism, horizontal collectivism and vertical collectivism (independent variables of the study) have on the social luxury good consumption motivation of IT professionals in Sri Lanka. Consequently, among the four independent variables, only vertical individualism has a significant and positive relationship towards social luxury good consumption. The other three variables have a negative none significant relationship towards social luxury good consumption. Regression analysis concludes that only vertical individualism is a significant predictor of social luxury good consumption motivation of IT professionals in Sri Lanka. The other three variables; horizontal individualism, horizontal collectivism, vertical collectivism are not significant predictors of social luxury good consumption motivation of IT professionals. Thus, only the second hypothesis is supported where the other hypotheses are not supported. The fact that only the vertical individualism has significant relationship with the societal luxury good consumption indicates that the professionals are more concern with their hierarchy, they strive to be distinct and they desire special status by consuming luxury goods. Vertical individualistic cultural oriented people treat themselves as totally

independent. Furthermore, they identify that there is inequality existing amongst individuals within the society and they can admit it. May be they need to be independent by consuming luxury goods, which motivate them to purchase more luxury goods.

However, the research finding that the cultural orientation is not a significant predictor of social luxury good consumption motivation of IT professionals in Sri Lanka, is contradicting to the findings of Zhang (2017). A similar study has conducted by Zhang (2017) where the researcher has concluded that the cultural orientations do impact on the luxury consumption motivations of young Chinese consumers in London. But the current study shows that cultural orientation has no impact on the societal luxury motivations of IT professionals in Sri Lanka. Thus, the factors which have an impact on the luxury good consumption might be other factors, than the cultural orientation. The future researchers can do further research on this aspect.

References

Arunatilake, N., & Omar, M. (2013). The Sri Lankan global middle class – Trends and effects on the economy. In *The State of the Economy Conference, Sri Lanka*.

Black, J. N. H., & Myles, G. (2012). *A dictionary of economics* (4th ed.). Oxford: Oxford University Press.

Chaudhuri, H. R., Mazumdar, S., & Ghoshal, A. (2011). Conspicuous consumption orientation: Conceptualisation, scale development and validation. *Journal of Consumer Behaviour, 10*, 216–224.

Department of Census and Statistics. (2017). *Sri Lanka labour demand survey*. Battaramulla: Department of census and statistics.

Dubois, B., & Duquesne, P. (1993). The market for luxury goods: Income versus culture. *European Journal of Marketing, 27*(1), 35–44.

Education Today. (2018). *Sri Lanka: To be an upper middle income Country*. Retrieved January 2, 2019, from https://www.educationtoday.lk/upper-middle-income-sri-lanka/

Fan, J. X., & Burton, J. R. (2002). Students' perception of status-conveying goods Association for Financial Counselling and Planning Education. *Financial Counselling and Planning, 13*(1), 35–47.

Han, Y. J., Nunes, J. C., & Drèze, X. (2010). Signaling status with luxury goods: The role of brand prominence. *Journal of Marketing, 74*(7), 15–30.

Hirschman, E., & Holbrook, B. (1982). Hedonic consumption: Emerging concepts, methods and positions. *Journal of Marketing, 46*(3), 92–101.

Jun, S., Ball, A., & Gentry, W. (1993). Modes of consumer acculturation. *Advances in Consumer Research, 20*(2), 203.

Kapferer, J. (1997). Managing luxury brands. *Journal of Brand Management, 4*(4), 251–260.

Kasztalska, A. M. (2017). The economic theory of luxury goods. *International Marketing and Management of Innovations International Scientific E-Journal, 2*, 77–87.

Kroeber, A., & Parsons, T. (1985). The concept of cultures and of social systems. *American Sociological Review, 23*(12), 582–583.

Leung, K., Buchan, N., Erez, M., & Gibson, C. (2005). Culture and international business: Recent advances and their implications for future research. *Journal of International Business Studies, 30*(4), 211–232.

Mooij, M. (2017). Comparing dimensions of national culture for secondary analysis of consumer behavior data of different countries. *International Marketing Review, 11*(26), 265–254.

Mourali, M., Laroche, M., & Pons, F. (2005). Individualistic orientation and consumer susceptibility to interpersonal influence. *Journal of Services Marketing, 19*(3), 164–173.

Richins, M. L. (1994). Valuing things: The public and private meanings of possessions. *Journal of Consumer Research, 21*(3), 504–521.

Richins, M. L., & Dawson, S. A. (1992). Consumer values orientation for materialism and its measurement: Scale development and validation. *Journal of Consumer Research, 12*(19), 303–316.

Singelis, T. M., Triandis, H. C., Bhawuk, D., & Gelfand, M. J. (1995). Horizontal and vertical dimensions of individualism and collectivism: A theoretical and measurement refinement cross-cultural research. *The Journal of Comparative Social Science, 29*(3), 240–275.

Sundie, J. M., Griskevicius, V., Vohs, K. D., Kenrick, D. T., Tybur, J. M., & Beal, D. J. (2011). Peacocks, Porsches, and Thorstein Veblen: Conspicuous consumption as a sexual signaling system. *Journal of Personality and Social Psychology, 100*(4), 664–680.

The Wold Bank. (2018). The World Bank in Sri Lanka. Retrieved January 2, 2019, from https://www.worldbank.org/en/country/srilanka/overview

Triandis, H. C. (1995). *Individualism & Collectivism*. Boulder, CO: West View Press.

Triandis, H. C., & Gelfland, M. J. (1998). Converging measurement of horizontal and vertical individualism and collectivism. *Journal of Personality and Social Psychology, 74*(1), 118–128.

Veblen, T. (1899). *The theory of the leisure class*. Retrieved from http://moglen.law.columbia.edu/LCS/theoryleisureclass.pdf

Vigneron, F., & Johnson, L. W. (1999). A review and a conceptual framework of prestige-seeking consumer behavior. *Academy of Marketing Science Review, 1999*(3), 237–261.

Wiedmann, K. P., Hennigs, N., & Siebels, A. (2007). Measuring consumers' luxury value perception: A cross-cultural framework. *Academy of Marketing Science Review, 7*, 1–21.

Wong, N. Y., & Ahuvia, A. C. (1998). Personal taste and family face: Luxury consumption in confucian and Western societies. *Psychology & Marketing, 15*(5), 423–441.

Yu, D. (2014). *Motivations of luxury consumption in America vs. China*. Ames: Iowa State University.

Zhang, Y. (2017). *The acculturation impact on luxury consumption motivations: A case of Chinese young consumers living in the UK*. London: Brunel University London.