Consumer Types versus Stereotypes: Exploring Social Tensions in the Luxury Market of South Africa

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Abstract

This paper investigates the behavior and perceptions of luxury consumers in a situation where groups are competing to own status symbols. It uses the South African luxury market as the context to demonstrate how established elites attempt to prevent status deprivation by inhibiting the misappropriation of their status symbol. In South Africa, the legacies and redresses of apartheid have led to a racial divide between the established elite (the whites) and the emerging elite (the previously disadvantaged blacks). Affirmative action policies have lead to socioeconomic shifts, resulting in contestations for status. Using a mix method of survey and cluster analysis, media analysis, interviews and observations, results are triangulated to capture the shifting luxury consumer landscape in South Africa. Four distinct clusters of consumers are distinguished, and their experiences with, and motivations for, luxury consumption explored. Findings indicate that the “competition” to “own” the luxury status symbol has given rise to stereotypes that debase the black luxury consumer. Consequently, the stereotype-threat influences the behavior of black consumers. These dynamics raise market segmentation and promotional mix issues.

KEYWORDS: Luxury, Misappropriation of Status Symbols, Consumer Behavior, Market Segmentation, South Africa
This article deepens our perspectives on luxury by showing how the purchase of elite brands is affected by social tensions that arise when groups compete to own status symbols. Status symbols hold expressive powers; that is, they express the cultural values, lifestyles, privileges or duties a person holds. They also have categorical powers, namely, they visibly divide the social world. Thus, their misappropriation threatens the social distinctions that maintain hierarchies (Goffman 1951). In general, although the marketing literature recognizes that status is expressed through luxury consumption, it imagines luxury to be a matter of individual wealth and personal choice, treating the consumer segments as if their use of status symbols does not affect the actions or perceptions of individuals in competing segments. This paper will explore what happens when consumers perceive, or are accused of, a misappropriation of luxury. It will use the context of South Africa, an important emerging luxury market, to show how luxury brands are used to maintain racial hierarchies.

The luxury market in Africa has predominantly been disregarded by scholars: the marketing literature has instead focused primarily on the bottom-of-the-pyramid (BOP) consumers (Guesalaga and Marshall 2008). However, as in other emerging markets like China and India, countries in Africa have a high level of income inequality. Great variation in wealth is typical, as shown through high levels of Gini indices (CIA World Factbook 2012), yet the marketing literature has ignored high-end African consumers. Given its growing and youthful elite, Africa has become recognized by the luxury industry itself as “a long-term opportunity too good to miss” (Euromonitor International 2012). Nonetheless, beyond industry reports or macro-level assessments (Atwal and Bryson 2013, D’Arpizio 2012, Crosswaite 2014) there remains a lack of empirical evidence about luxury consumers in Africa. Unlike China and India, South Africa has no books dedicated to its luxury market. The last academic marketing publications on South Africa that did not focus on the BOP were done in the 1960s and focused on differential marketing requirements among the legal
“races” stipulated by apartheid (Thorelli 1968; Wales, Winkle, and Bak 1963). South Africa today is a very different place, but it still reverberates with the echoes of those past arrangements. Thus, this study will also address an empirical gap by investigating luxury consumption in South Africa.

South Africa is a country that has had a long-established elite class of luxury consumers among the older whites who remain from the apartheid era. The attractive and growing market for luxury, however, resides with the emulative nouveau riche and new middle class, formed predominantly by blacks who benefit from affirmative action policies. Occurring alongside these changes in wealth is expanding accessibility. Brand stores for Louis Vuitton, Cartier, Montblanc, Burberry, Porsche, and Maserati are open in the major metropolitan areas, with some of these brands having established boutiques since the early 2000s. As a consequence, there is a concern that luxury goods may be misappropriated by the black emerging middle class. This article explores the effects of the resulting racial tensions. Findings indicate two strategies used by the elite to maintain hierarchies: Shifting to more expensive, and thus more exclusive brands; and inducing stereotypes. In South Africa, negative stereotypes commonly associated with emulative nouveau riche, such as ostentatious, materialistic consumption, are applied broadly to debase black consumers, while white consumers experience no equivalent chastisement. It is postulated that these stereotypes lead to a stereotype threat (i.e., the feeling that one will be judged or treated differently because of a stereotype (Steele, Spencer, and Aronson (2002)), which affects the behavior of black luxury consumers. In response, black consumers adjust their use of luxury to prevent the stereotype, differentiate themselves from “other” black consumers, or deflect the accusations through justifying their use of luxury.

**Background**
Under apartheid, the white elites of South Africa had the means to buy luxury goods, as well as the required knowledge and opportunity to do so. The nation, however, was not an attractive place for investment due to its faltering economy and political instability, both magnified by trade sanctions imposed during the 1980s (Thompson 2001). International luxury brand stores did not exist in South Africa until about 2000. Instead, luxury goods were extreme status symbols that pointed not only to income differences, but also to mobility and access issues related to race.

Since the apartheid regime fell in 1994, affirmative action policies have been put in place to attempt to redress the racial inequalities left in apartheid’s wake. The Black Economic Empowerment (BEE) act, for example, is aimed at supporting the growth of black-owned businesses and blacks in managerial positions; the flipside means BEE can potentially limit job advancement and opportunities for whites. This potential loss of livelihood and the country’s disturbingly high crime rate has contributed to the emigration of approximately 20% of the whites population from South Africa since 1994 (The Economist 2008).

BEE has also been maligned as ineffectual in economically empowering the majority of poor blacks. Stories abound of transfers of company shares acquired disproportionately by a “small number of prominent, politically connected black figures” (Tangri and Southhall 2008: 701) called “fat BEE cats” or buppies (Sagepage Uncolonized 2012). Entrepreneurs who benefit from BEE’s racially directed government tenders are called “tenderpreneurs”—a term that carries a connotation of wealth acquired through political influence (Mail&Guardian 2010). Negative opinions are also prevalent about the public sector, which favors appointment of blacks and is rife with accusations of corruption, kleptocracy, nepotism and cronyism (Plaut and Holden 2012). The prolific usage of such pejorative terms and stereotypes associates new black wealth with greed and dishonest means.
The effects of these policies on income distribution can be seen in Figure 1. Note that, despite a significant shift in income from whites to blacks, the black majority is still very poor. White elites still hold most of the wealth and thus still constitute the main market for luxury. It is estimated that the ratio of white to black millionaires in South Africa is 76:11, although this is shifting (Ramsay Media 2013). Recent results show that black middle-class wealth is outpacing the growth of white middle-class wealth (Selzer and Heller 2010, Unilever Institute 2013). The expected future growth in luxury consumption is thus predicted to come from the upwardly mobile black middle class, locally called “Black Diamonds.” Regardless of the means by which their wealth was acquired, these consumers appear highly motivated to express their achievement materially. Consequently, changes in the affluence of white and blacks alike will transform luxury consumerism in South Africa, and, correspondingly, the luxury market itself will become emblematic of underlying changes in social hierarchies.

(Insert Figure 1 about here)

The current situation means that the expected growth in South Africa’s luxury market will occur against a volatile backdrop of power shifts, stereotypes, and racial tensions. This research shows how established whites react to the visible evidence of their diminishing social dominance as it manifests in the luxury market, and how upwardly mobile blacks use luxury brands to command respect in business dealings and to communicate their new affluent status. Upwardly mobile white consumers may express similar motives, yet because the historical social stratification has been along racial lines, by consuming luxury – the status symbol of the white elite - black luxury consumers stand to be accused of misappropriating luxury goods.

The Literature
The marketing literature does not envision this type of scenario described. It does not address the customer tensions surrounding changes of status or the effects of stereotypes, nor does it discuss the national policies and historical backdrop that may motivate or circumscribe the consumption of luxury. Rather, most studies on luxury have sought to understand its consumption based on a grouping of personal motivations and uses, contrasting consumers at the global or country level. Consumer groups are differentiated according to whether they use luxury for intrinsic or extrinsic self-expression or functionality (e.g., see Hudders, Pandraeere, and Vyncke 2013, Hennigs et al 2012, Widemann, Hennigs and Siebels 2009, Tsai 2005, Vigneron and Johnson 2004).

Frequently these differences are grouped according to socioeconomic status. For example, Dubois and Duquesne (1993) postulate that consumers with high incomes embrace luxury goods for conspicuous consumption (in the tradition of Veblen (1899)), but those high in culture do so for the achievements they symbolize. Han, Nunes and Drèze (2010) find variation in the use of luxury as a status symbol, noting that some consumers high in affluence will use quiet signals (the patricians), while other wealthy consumers, who lack the connoisseurship or culture necessary to interpret subtle signals, use loud signals (the parvenus), or, if they are low in wealth, they are the mimickers of the parvenus (the poseurs). Additionally, Rucker and Galinsky (2008) observe why low-status groups chose high-status luxury goods. They find that it is to compensate for a lack of power. Yet although these studies and others equate luxury goods and motives behind their consumption with status, especially with regards to emerging market consumers (see for example Atwal and Jain 2012, Chadha and Husband 2006), it is seldom noted that status is often contested and is a source of major social friction. Goffman’s (1951) theory about the expressive power of status symbols
is noted (see Kastanakis, Minas, and George Balabanis 2012) but his further emphasis on the way perceived misappropriation can threaten the hierarchy is usually overlooked.

An implicit assumption seems to be that a person’s ability and desire to pay for a luxury item equates to the freedom to consume it. What has not been fully considered is how political conditions and ideological power act to influence individual consumer beliefs about these choices. The importance of ideological power has stopped at a country-level analysis, clustering around cultural distinctions. So while Wong and Ahuvia (1998), Bian and Forsythe (2012) and Shukla and Purani (2012) evaluate the influence cultural differences have on the luxury consumption of Southeast Asians versus Westerners, they do not consider how ideologies about appropriate versus inappropriate consumption shape market segments within a country. Similarly, Bourdieu’s work (1984) has affected thinking in marketing, as Holt (1998) has demonstrated the way enculturation structures the tastes that separate low-culture and high-culture classes. Yet Bourdieu, writing about modern France, and Holt, writing about modern America, did not consider concrete policies, laws, and restrictions that have policed the opportunity to learn upper-class taste in history and in other nations.

This paper will add to the theoretical approach to luxury consumption by instead leveraging Berry’s (1994) extensively documented argument that the acceptability and appropriateness of luxury consumption reflects large-scale, often nation-level, anxieties linked to political stability, which in turn, lead to concrete and ideological efforts to restrict it. Berry’s historical analysis continually emphasizes how societies, since the Greeks, have conceptualized luxury consumption within an overarching competition over the integrity of the body politic, not individual expression. He refers to complex sumptuary laws that have been enacted all over the world to maintain the social order of the past by fixing consumption habits. Taking Berry’s perspective into account expands the analysis of luxury consumption beyond individual preferences and motivations to include social and political forces,
historical and current, that influence and police luxury consumption. These forces produce the substructures of the marketplace in which consumer groups via for status and distinctions.

In South Africa it could be said that the current, predominately black government is contributing to the status competition and anxieties over luxury consumption by abetting the growth of luxury among black consumers through its economic empowerment policies and government spending protocols. This role of the government is a complete reversal from its historical role as a restrictor of luxury consumption. Under apartheid, the laws enforced were similar to sumptuary laws: they created a division in luxury consumption, allowing whites and preventing blacks. Under apartheid, whites could leave the country and experience the global luxury market in foreign boutiques and airport shops. This allowed them the opportunity to become knowledgeable about, and develop the taste for, the luxury goods that Bourdieu (1984), Dubois and Duquesne (1993) and Han, Nunes, and Drèze (2010) describe. South African blacks were relegated to “homelands” (reserves of land treated as separate countries) or “townships” (often underdeveloped, overcrowded urban living areas) and were not allowed to cross into white areas without explicit permission—and only at certain times. Blacks were limited in their consumption not only by economic factors but also supply and access factors. In the homelands blacks had access to inferior goods and services. White retail spaces were emphatically off limits to blacks and racial interactions strictly policed (Thompson 2001). Spatial and economic segregation can no longer be enforced, but the memory lingers among whites and blacks. As noted in this research this racial memory can still be observed in the social discourse and even in behavior at the micro-level of retail space. The literature on luxury marketing techniques does not consider this sort of setting. Articles and texts give the impression that marketers have control over heightening luxury’s appeal of exclusivity through retail design or customer relationship management (e.g., Kapferer and Bastien 2012), but it does not envision the affects of stereotypes or the
interpersonal tensions that may occur between consumer groups that find themselves within such spaces and relationships.

Thus, in this case, “culture” and “class” must expand to include not only race, but also the body politic, racial competition and stereotypes. From a managerial perspective, the risk inherent in such power tensions over status demands attention. Luxury goods can visibly mark social barriers in a way that money alone does not. Failing to manage the perceptions of a brand within a discourse of power is to risk loss of brand equity. This study will start by expanding our knowledge of luxury consumption in emerging markets to include a region of Africa. It will then extend the literature by looking beyond personal motives to consider how power dynamics and the resulting negative stereotypes influence luxury purchases.

**Method**

To understand the different luxury consumer segments in South Africa, the study was conducted in two phases, sampling consumers of a single luxury brand. This brand was chosen because its products were among the first luxury items available in South Africa (sold initially through specialty shops in the 1990s), and the brand was one of the first to establish a boutique in Sandton in the early 2000s. Like many other global luxury brands, this one is known worldwide for a single flagship item, but marketers have extended the line into other product areas, some of which are less expensive, “entry-level” items. By surveying consumers from this single luxury brand, comparability of results increased as it ensured respondents were thinking of the same brand when questioned about their functional, emotional, and self-expressive benefits. Consumers did purchase other luxury brands, and the survey included questions to explore their thoughts about luxury in general.
Phase One

In the first phase, a survey was created in collaboration with the brand’s managers to discern differences between flagship and extension consumers, and to assess whether there were differences between the white established elite and the black emerging middle-class consumer. In each of three main metropolitan areas (Johannesburg, Durban, and Cape Town), twenty surveys were handed out in each of the four types of venues where the goods were sold: store-owned mono-boutiques, airport boutiques, jewelry stores, and other specialty shops. This strategy ensured a good representation from each city (80 survey responses from each city) and venue (60 survey responses from each city), with a total of 240 questionnaires handed out. 238 of the questionnaires were suitable for analysis (a response rate of ninety-nine percent). Nonproportional stratified sampling (with no replacement) was used to obtain relatively equal representation of male/female and black/white respondents, so that differences along gender or racial lines could be tested. To prevent affinity bias and to ensure random sampling, sales representatives were instructed to ask every third customer that fell within each strata to participate in the survey. Pre-screening by sales representatives ensured that customers had purchased the luxury brand products before, were not foreigners, and had not already filled out the survey in another location. Due to nonresponses, 49 percent of respondents were black and 51 percent were white. Approximately 40 percent of the sample was female, with 51 women being black and 46 being white. For the males, 66 were black and 75 were white.

The questionnaire was composed of a number of anchored five-point Likert scales that probed for: emotional, expressive, and utilitarian benefits; the consumer’s association of the brand with the flagship product versus product extensions; perceptions as to the market saturation of the brand’s products; and the consumer’s perceptions of the brand in general. Questions about benefits adapted measures previously used in consumer research, adjusted
for culturally relevant words. The utilitarian benefits included Wiedmann, Hennigs, and Siebels (2009) functional and financial values of luxury, asking respondents to rate the importance of attributes that influence their purchasing decisions (*unimportant* to *important*). The attributes included quality/craftsmanship, value, warranty and design. To measure emotional and expressive benefits, consumers were asked to rate whether they strongly agreed or strongly disagreed with whether the brand and product purchases aroused certain feelings (e.g., *The purchase of this luxury product makes me feel unique*). The emotional benefits included constructs that captured Thomson, MacInnis, and Park’s (2005) emotional brand-attachment dimensions of affection (comforting), passion (exhilarating), and connection (familiar). Expressive benefits included hedonistic benefits (feelings of luxuriousness), identity dimensions (accomplished, confident, competent, unique) and externally expressive dimensions (sophisticated, cultured, fashionable), as suggested in the work of Hudders, Pandelaere, and Vyncke (2013), Vigneron and Johnson (2004) and Tsai (2005).

The initial questionnaire was pretested with ten randomly chosen consumers from the Sandton boutique, with minor word adjustments being made on the basis of the pretests and the comments of the luxury brand’s management and boutique staff. All quantitative data was analyzed using SPSS, with Likert scale results compared using the nonparametric tests of Mann Whitney tests (for comparisons of two independent groups) and Kruskal-Wallis tests (for comparisons of three or more independent groups).

Based on initial analyses, evidence pointed to differences in the valuation of luxury divided predominantly along socioeconomic and demographic lines; however, whether or not the political or ideological landscape affect their consumption was not clear. Additionally, South Africa’s unique story behind its emerging nouveau riche class and its cultural differences from other emerging markets limited the appropriateness of drawing from
existing marketing literature. Thus, a second phase was undertaken to delve into the idiosyncrasies of the South African luxury market.

**Phase Two**

The focus of this part of the study was threefold: To assess what effect the shifting socio-cultural context has on luxury consumption; to determine whether there are accusations about, and reactions to, misappropriations of status symbols; and to uncover if, as a consequence of the latter two dynamics, there were differences between consumers’ luxury consumption experiences.

The second phase of the study adopted the logic of Burawoy’s (1998) extended case method, in which an in-depth study of a phenomenon is used to extend and reconstruct existing theory. As recommended by Hall and Rist (1999), evidence was triangulated by combining an analysis of the local media discourse, forty in-depth, semi-structured interviews, and naturalistic observation of consumers shopping in the brand’s boutiques. The review of local media discourse included over fifty articles from three of the prominent newspapers, *The Mail&Guardian, City Press*, and *The Times*, an online news sources (*IOL.co.za*) and blogs, and broadcasts from the popular investigative journalist show, *3rd Degree*, spanning from January 2010 to June 2014. The observations and interviews occurred in the same metropolitan areas as the questionnaires (Johannesburg, Durban, and Cape Town). Observations, conducted in 2013, lasted on average a week in each location. The respondents for the interviews were drawn from a list of existing customers who could legally be contacted under South Africa’s Consumer Act, ensuring a proportional sampling for race. The final proportion of interviewees was 20 whites and 20 blacks, both female (7) and male (33), from a range of age groups. The majority of interviews were conducted in 2012 and 2013, with a few confirmatory interviews in 2014. Data collection overlapped with
analysis, so that themes emerging from the media or prior interviews would be vetted in future interviews. All interviews were transcribed and fieldnotes typed. The qualitative data was coded and analyzed using Nvivo.

To assess differences between consumers’ experiences and perceptions of luxury, results of the questionnaire and in situ observations were combined with the interviews. The interviews included queries around first luxury purchases, how knowledge was acquired about luxury products, personal motivations driving luxury consumption, and personal purchasing and display behaviors. A projective task, similar to that used by Haire (1950), was included in the interviews to elicit common associations. Respondents were shown a photograph of the flagship product set in a common setting and asked to describe the person who would be in such a place. Afterwards, a photograph of the same setting but with a generic item (in place of the flagship product) was shown and respondents were asked for the same descriptors. The order of showing was randomized. This projective task sought to elicit consumer’s unconscious associations with luxury goods.

To capture the extent to which social tensions, perceptions of misappropriation, and the postulated stereotype threat existed and affected behavior, media analysis results were triangulated with observations and interview techniques. In the interviews another projective task made use of two local fashion features (Styleblogger 2011) that showed a similarly aged black male and a white male wearing premium and luxury clothes and relevant accessories (as seen in the pictures in Figure 2). Respondents were asked to describe both men pictured, the kind of luxury goods they thought the men would consume and what motives they attributed to each men’s luxury consumption. The order, again, was randomized.

(Insert Figure 2 about here)

A pictorial technique was also used in which respondents were shown, collectively, seven pictures featuring South Africans of various ages, races, and socioeconomic statuses.
Respondents were asked to discuss whether they thought the people featured in the photos would or would not consume luxury, and the assumed motives of the luxury consumption. The purpose of these two projective techniques was to elicit the respondent’s opinions and judgments about other luxury consumers in South Africa, and to bring to the fore any underlying stereotypes. If, at the end of the interview, common stereotypes remained unexpressed, more direct questions solicited opinions and gauged the consumers perception as to the veracity of the stereotypes and the impact these stereotypes might have on a respondent’s consumption.

At the completion of the second phase of the study, the findings of the qualitative interview were used to explain patterns and anomalies in the questionnaire data. At this point, clustering procedures in SPSS were performed to segment the respondents. Multiple clusterings were assessed on the basis of the strength of the clustering model (e.g., inter-group homogeneity, between group heterogeneity, predictability), and whether the model reflected the consumer nuances revealed in the interviews.

The most valid and appropriate clustering proved to be a two-step clustering procedure using demographic and socioeconomic data. This two-step clustering procedure was used because the data was a mix of categorical (race, household income level, property ownership, and car ownership) and continuous (age) variables (Norusis 2012). Furthermore, by basing the segments on socioeconomic and demographic information, the study could more fully vet the effects on the luxury market that resulted from the legacy and redresses of apartheid.

The four-cluster solution, shown in Table 1, produced the most stable and suitable results. The silhouette coefficient measuring cohesion within the group compared to separation between groups was deemed to be good at a level of 0.6. The results were validated using Discriminate Analysis, for which 88.8% of the original grouped cases were
correctly classified. Although the size of the groups varied, the number within each grouping still allowed for comparability, and as per the insights of the qualitative interviews, these groupings provide appropriate and managerially useful classifications (Norusis 2012).

Findings

The Luxury Market and Consumer Profiles

A Shifting Market Landscape. The demographic profiles of the consumers reflect the advantage the older white elite experienced historically, but the erosion of white advantage and emergence of a black elite is visible. In the sample population in general, significant differences \( (p<.05) \) in age and income levels are evident: 31 percent of whites were older than 45 compared to 9.4 percent of blacks; 78 percent of whites had incomes higher than R20,000 per month (≈$2,100 in USD as of 2013) as compared to only 61 percent of blacks; and blacks were more likely to have less wealth and assets with 20 percent of blacks reporting household incomes less than R12,500 (≈$1300) per month versus 8 percent of whites and 20 percent of blacks lacking property or car ownership versus only 1 white respondent. When the young adult segments (<35 years old) are compared, however, the racial difference closed: 50% of blacks versus 56.5% of whites who were younger than 35 had household income levels higher than R20,000/month.

These trends in wealth are the products of the legacies and redresses of apartheid. Under apartheid, the whites received superior education and occupational opportunities, which in turn has created the established, older white elite (Lipton 1985; Thompson 2001). Post-apartheid, however, some blacks have been able to accumulate wealth quite rapidly, often through opportunities created through Black Economic Empowerment policies and their entrepreneurial endeavors or promotions within companies. As a result, the South
African economy now has an emerging black elite and a growing black middle class that is outpacing the growth of the white middle class (Selzer and Heller 2010). The growth of a black elite has also trickled down to a younger generation of blacks: these young adults look to prominent black elites as role models, equate luxury goods to status symbols, and purchase luxury even though they have low income levels (Comins 2013, Patta 2012). In addition to these socioeconomic trends giving rise to new consumer segments with the ability to purchase luxury, the accessibility to luxury has also expanded with more luxury brand boutiques opening in high-traffic malls, such as Sandton City in Johannesburg, and the V&A Waterfront in Cape Town.

These socioeconomic trends are apparent in the consumer clusters: There is a distinct group of white elite (the Established Elite) who are older (mean age of 43) and well established with high incomes and asset bases; a younger (mean age of 36.2) predominantly black elite with established asset bases and high incomes (the Emerging Elite); a young consumer group (mean age of 27.5) composed almost equally of whites and blacks who are still building wealth and starting to consume luxury goods (the Elite of Tomorrow); and another young consumer group (mean age of 28), predominantly black, who have low income levels and assets but who are purchasing the entry-level luxury goods (the Trading Ups).

(Insert Table 1 about here)

These consumer groups have distinguishable differences in experiences with luxury and purchasing motives, but they also have some commonalities with regards to the perceived significance of luxury: power. In the interviews, when respondents were shown the pictures featuring the flagship product versus its generic equivalent, both blacks and whites described the flagship item as belonging to a person with power, and often said that the generic item belonged to someone who took commands from the other person in power.
Evidence from the questionnaire and the results of the Kruskal-Wallis test, as shown in Table 2, indicate a significant difference among consumer groups for the attributes of style and design, value, levels of sophistication, feelings of luxuriousness (significant at $p=.05$) and quality and craftsmanship (significant at $p=.1$). Further comparison between groups using Mann-Whitney U tests, as shown in Table 3, drew out the distinguishing luxury motives of each consumer group. These findings, when corroborated with interview material, find that in general the Established Elite valued quality and craftsmanship, the Emerging Elite related to luxury’s expressive merits, the Elite of Tomorrow saw luxury as contributing to their personal style, and the Trading Ups were concerned with brand names and value.

(Insert Table 2 about here)

(Insert Table 3 about here)

_The Desire for Excellence of the Established Elite._ Based on the results of the questionnaire, the Established Elite values luxury predominantly for its quality and craftsmanship. In the interviews six respondents fit this consumer profile. These respondents consistently voiced quality, craftsmanship, and functionality as their motives for luxury purchases. For example, as one interviewee stated, “I only buy the best… At first glance you might say I’m a brand junkie but I’m not… Ferrari, Merc is just very well built and that’s why I have those cars.” This group aligns with Tsai (2005) quality assurance and Hudders, Pandelaere, and Vyncke (2013) impressive-functional motives.

These consumers also have the highest level of affiliation of the brand with its flagship product (Kruskal-Wallis mean rank = 118.55, $p=0.003$). This resonated with the interviewee stories of first purchases, and usual purchases, being the flagship product. Some of the respondents were collectors, but it was evident that all of them used luxury goods as everyday items. Most of them had made their first purchases overseas in the 1990s, when
luxury goods were hard to come by in South Africa, and so they have the longest exposure and experience with luxury.

Because these consumers have lived with wealth for an extended period of time, they see luxury as a part of their lives and purchase goods for their functionality, not to gain status through showing off their wealth. These consumers demonstrate that a person’s value of luxury is vested in aspects of temporality, accessibility and self-identity: extended exposure leads to luxury becoming a normality of a secured affluent life. As one respondent stated:

I don’t see it today as aspirational. I see it as part of my life. I am using this [picks up luxury-branded wallet]. I use it, why? Because it has enough places for my credit cards and enough places for my money. So it has its use. Not to say that it probably isn’t flashy, but… I’ll buy something because I enjoy it. I’m not there to worry about what other people think of me. If I drive a car, I’m not driving a car to impress anyone else, I’m driving it because I want it. If I want to impress somebody then I’ll buy a Ferrari or whatever, but I don’t need to…. You get to a point where you don’t have to impress anybody. You got there so you don’t actually have to go any further.

Although these respondents did not use luxury to demonstrate their wealth, they did want to maintain their status above other groups in society through buying exclusive goods. Anxiety about eroding exclusivity led some respondents to trade up to a higher priced competitor. As one interviewee described:

This brand has always had a prestige thing to it, which I must say, I think is starting to diminish. When I first bought it 15…20 years ago, it was an unheard of thing in this country, where as now you have all these boutique shops…. South Africans only like things you can’t get in this country, and I think that’s imperative, because of the apartheid era we grew up with so much we couldn’t get our hands on... So, for example, fifteen years ago this brand was something very special, where as today
(pause)… I actually bought [a higher-tier luxury brand] when I was in Hong Kong the other day, just because it is something that no one else has got.

The Pursuit of a New Identity of the Emerging Elite. The results of Mann-Whitney U tests for the questionnaire found the Emerging Elite to be the most driven by self-expressive motives compared to other groups. These motives include what Hudders, Pandelaere, and Vyncke (2013) term impressive-emotional (When purchasing a luxury good the attribute of sophistication is (very important)) and Tsai (2005) terms self-directed pleasure (The purchase of a luxury makes you feel luxuriousness) and self-gift giving (The purchase of a luxury makes you feel accomplished). For this group, luxury consumption represented their uniqueness in obtaining success and gave them a sense of confidence in their own abilities to achieve. Brand name came out as an important factor, often in reference to their own familiarity with it, but also with the idea that the brand and product must match to guarantee authenticity and to demonstrate, discreetly, that they had acquired sufficient knowledge about luxury brands and products.

In the interviews with consumers who fit this profile (ten who were black and three who were white), it became apparent that luxury brands were a means for constructing their new identity. The majority came from impoverished backgrounds. For example, in the interviews it was common for the black respondents to talk about their parents working in low-paid professions, or personal experiences of growing up in townships or black homeland areas, and how their lives changed drastically through the opportunities created by Black Economic Empowerment (BEE). As one black respondent stated:

After ‘94, there was a change in the transition to let black South Africans be open for opportunities [sic]… If you are a young South African guy of my age, you can
simply say you were born at the right time. The opportunities opened and it’s for
you to wake up and grab them and run with it.

This respondent was 38 years old and had become a very successful businessman. His father
had been a taxi driver. Although his parents still lived in the township, he lived in an upper-
class city neighborhood and lived a very luxurious life. In commenting on his luxury
consumption, he stated: “It’s something earned which reflects where you are in life…and it’s
how I reward myself for my hard work.”

Whites respondents told stories of their struggle out of an impoverished life, rising to
achieve affluence through perseverance and ambitiousness. For example:

My family died when I was still quite young… and then I had to go make it for
myself. I grew up kind of poor. And I always wanted to go and study but there’s no
money. So I worked for a few years, saved money up and then went and studied. And
I worked my way up. And this was for me…. If I take a [luxury item] it means to me
that…you know… nothing is impossible, impossible is nothing. Even if you come
from an environment in which you had nothing, you can afford one. You can have [it]
if you work for it. That for me is something you work for to enjoy.

In interviews, the respondents would discuss how luxury was used to “fulfill my own
aspirational needs” or how it helped them to exude a sense of confidence and pride. As one
black respondent stated:

When I’ve got my stuff around me I feel professional, I act professional. And I think I
am professional. I’m not saying that if I had a [generic brand product] I wouldn’t be.
But some days when I’m holding a [luxury brand product], it tells me, every so often,
there’s a bit more expected out of you.

Because these consumers were the first generation of their family to be able to afford
luxury, they relied on workmates, friends, and browsing in malls to gather information about
luxury brands. Their first luxury item was either a self-gift or a gift given to them to celebrate an achievement, which in turn led to a process of integrating luxury into their increasingly affluent life:

Premium products…is not an overnight decision. You work. It starts becoming a lifestyle. You start collecting. Because if you have a luxury product, you have to have money to insure it. You have to have a place for safe-keeping. And even where you stay has to be an okay area. Once you’re into that type of a lifestyle, you enjoy knowing, you enjoy collecting…but it’s not an overnight thing.

Within this group there were some critical differences between white and black consumers: black consumers consistently voiced the opinion that they needed to use the luxury goods as a means of endorsement, to communicate to others that they were competent. For example, one black respondent described how:

We are forced to afford a certain lifestyle in order to be admitted in the social circles.

Even in the business society, for you to do business with people, they must see you to be trusted to do the right thing, and the right thing will start by…Can he chose the right stuff, himself?

Black consumers related luxury products to being game changers that “endorses you as a person…saying that, you know…if you strive for the finer things in life then you’re also going to offer a finer quality in your daily activities. People take you more seriously if they see the way you present yourself.”

Luxury consumption became a means of crafting an identity not only for themselves but also for a black elite. As one respondent stated, “In the olden days, when there was apartheid, there were certain things we were not allowed to have. So in terms of trying to belong or being a part of a new class, we’ll go ahead and work harder, aspire, and gather those types of things. Then we’ll look the part.”
However, even though they used luxury to express to others an ideal image, they still valued discreetness, wearing items with small logos or no logos at all, in order that the luxury would “get recognized by certain people of a certain class.” Additionally, luxury items were managed to ensure the external impression created matched the situational context. For example, one black respondent who had a lower-tier luxury watch on, pulled out a higher-tier luxury watch from his bag, and stated:

You can’t wear this [the higher-tier luxury watch] everyday. When you’re wearing this you look like you’ve got money and people will get bothered unnecessarily. But when you are [wearing the lower-tier luxury watch] you are understated and you can move easier. So you chose your meetings. If you’re going for a meeting in which you want to make a mark, then you take the [higher-tier luxury watch].

This is similar to what Han, Nunes, and Drèze (2010) call the Patricians who use quiet signals to signal to each other acquired connoisseurship, yet these examples also show us that the signals are used not just for external status-orientated purposes but also for internal affirmations of accomplishments and new identities.

*The Expression of Superior Style for the Elite of Tomorrow.* In this younger consumer group, quality and craftsmanship and personal style came out as common motivating factors for luxury purchases based on Mann-Whitney U test results. In the interviews, seven black respondents and eight white respondents aligned with the ambits of this consumer segment. An important differentiator from the Emerging Elite is that this group of consumers valued luxury for its self-expressive tendencies or what Tsai (2005) calls congruity with the internal self. Although the image they portray to others did arise as an important issue, especially for black respondents, interviewees would talk more about luxury being a “personal thing” that reflected their “sense of style” or appreciation of aesthetics. They were more likely to buy
higher-tier product extension items, purchasing these items for stylistic purposes. They valued discreetness of labels and chose products based on their congruency with the product’s image and their internal self. As one black respondent stated:

I like good quality products. I like something that is clean cut, you know, elegant, a bit stylish. Also a bit unique. I’m not the guy who would buy, like an expensive pair of shoes that has Prada written all over it or Louis Vuitton written all over it…because I don’t buy stuff for display purposes. I just like nice things and nice things happen to be expensive. It’s unfortunate. But I would consider myself to be very lucky that I can afford it.

For those in this consumer group who were collectors, they would described their collection as “a beautiful thing… It’s art for me,” or they considered it a hobby that brought them self-directed pleasure.

Unlike the Emerging Elite, this consumer group did not have the same level of schism between a previous life of poverty and a new life of affluence. The majority was still in progress of accumulating personal wealth and luxury, although most of them had come from families of middle to higher income levels. For example, many of the white respondents came from a family that traditionally consumed luxury goods; the black respondents had either come from a family that had recently acquired affluence or they had personally benefited from access to the previously white-only education system and the well-paid job opportunities this education afforded. Thus, family, as much as work colleagues and friends played an important role in inculcating and exposing them to luxury consumption.

For those with lower levels of income, luxury was still an infrequent purchase, often tied to the achievement of personal goals. As one white respondent stated: “I’ve always wanted to treat myself when I get to a certain stage. It is almost as if it’s my milestones. I
don’t arrive with an open credit card. It’s every four or five years, you buy your self a nice piece.”

Additionally, their purchase of luxury was often described as a process of accumulating in a “responsible way,” which differentiated them from those accused of being poseurs (Han, Nunes and Drèze, 2010) and ensured they could be not be accused of creating a false impression. As one black respondent describes:

I want a Porsche, but I’m not going to afford it this year nor next year, so I’m willing to wait and work hard for it…and I know the income level I need to be at to buy a Porsche. And even when I get there I will need to have certain things in place. I can’t buy a Porsche if I don’t have a home. Umm…I can’t buy a Porsche and put my child in a cheap…in a rubbish school. Where as an irresponsible person would buy a Porsche whether his family is comfortable or has a home… He’d even go and rent a cheap apartment and go and buy a Porsche, because he just wants to show off with his Porsche.

Thus, although their decision of what product to purchase was driven by a fit with their personal style, their decision of when to purchase was often driven by a sense of achievement and affordability.

Within this group, a concern expressed solely by blacks was the need to portray an image that achieved social acceptance. However, unlike the black Emerging Elite who managed luxury to communicate equality with similar others, the black Elite of Tomorrow had to manage luxury to ensure they did not overstep hierarchies. A young black accountant described it as follows:

The early environment is very strict. There’s a norm and you have to behave in the norm. If you are bit flashy or too…like…you can…be a bit different, but not too much, cuz people have to sit there and discuss your promotion and how much they
have to pay you, and increases and stuff… If they think you’re arrogant and flashy then they won’t…. And there’s also a bit of jealousy. Cuz sometimes I go out with my director and look a lot better… I’ve got more style…. He’s got more money but I’ve got more style… If I earn more than you and you come to work with a Louis Vuitton bag… to me it’s a bit of style, but to him…. For a director, in his mind you’re a manager, he pays you and you should keep your place.

*The Desire of Brands for the Trader Ups.* In the questionnaire, the Trader Ups were those with some of the lowest levels of income who purchased luxury on the basis of brand names. A branded item represented value: it was a good investment that conveyed style. The interviewees that fit this profile (three black; three white) had lifestyles that permitted them to afford only a few luxury items, and so a purchase was something exhilarating, where the product often had an emotional and aesthetic appeal, which led them to save to purchase the luxury good. They acquired knowledge of luxury often through their own search efforts, such as the Internet or through surveying their work environments, or through discussions with friends. Their limited familiarity with luxury meant that they tended not to equate the luxury brand to a specific flagship product; rather, they tended to purchase the entry-level non-flagship items because these products were more affordable and still branded.

Beyond the purchasing habits imposed by socioeconomic limitations, this group diverged in regards to a personal versus social orientation in luxury consumption. For some, the pursuit of brand names was due to a personal brand affiliation and a perceived congruency between the brand identity and their desired style or personality. As one white respondent put it:
It will be a look thing, you know. You’ll resonate with a look…the aesthetic…or the brand itself as a whole. So I make the choice based on if something looks good on me or not.

For others, the pursuit of brand names was to impress others and to communicate their expanding social salience. For example, in describing his appeal to a luxury brand, a black respondent stated:

I think…status driven, and nothing else. It’s like dressing up in the morning nicely. It gives you the kind of image. From the cultural point of view, you know, being black you think, if you are dressing smart, obviously people will treat you, will take you very seriously. You know?

This desire to use luxury brands for external impressions was voiced by the white respondents as well, although it was normally reframed so that it was about identity congruity and not solely an appeal to social status. For example:

You want a nice pair of shoes, you want a nice suit, you know. You want to look the part, and these things help you look the part. You want to be recognized as a professional person. So it is part you have to dress it, but also, I think, for me, it follows through my life…right the way through. I feel professional. I don’t do it because I’m trying to prove something for people.

The propensity for blacks to want to use luxury as a status symbol meant that they valued familiarity of the brand as it related to other consumers, and, as the questionnaire showed, they wanted the brand to expand its marketplace presence (*The availability of the products are too widely available vs too limited*, Kruskal-Wallis mean rank = 130.89, p=0.003). If a brand was not well known the luxury purchase was ineffective. A black respondent described it as such:
When I get into a place with a low-key luxury brand and somebody has, say a Louis Vuitton, we are all A-class, but a lot of people will pick up the Louis Vuitton first because they might have seen it somewhere. You see, I’ve got my luxury brand. It’s classic, it’s nice, I love it. But people don’t know it. They will know it after five years, or after three years…and by then where will I be? So your appreciation comes long after you are gone. But we are in an emerging economy. That says a lot in terms of…I want, when I come in, I’ve got to be appreciated…my luxury good known.

**Stereotypes of the Black Luxury Consumer**

As depicted above, a common trend among the black consumers was the need to manage external perceptions. It is postulated that this is a result of a stereotype threat. The media analysis found that a preponderance of coverage on South African luxury consumption features the emerging black elite. Furthermore, it promulgates the stereotype of the ostentatious black nouveau riche (City Press 2010a) whose lavish lifestyles reflect “bling and debauchery” (City Press 2010b), “greed” (Du Plessis 2010), “corruption, dishonesty” (Gumede 2010) “crass materialism” (Mail&Guardian 2010, Dlanga 2013), “wealth without work, (and) commerce without morality” (Tabane 2010).

In the interviews, the projective techniques found similar judgments. Stereotypes of status seekers, accusations of inappropriate consumption and misappropriation of luxury, as well as pejorative descriptors, such as “flashy”, “ostentatious” and “materialistic” were used far more often to describe blacks than to describe whites who consumed the same brands. Often in interviews, while black consumers were being debased, white consumers were being elevated. Interestingly enough, these views came from blacks and whites alike.

For example, in the responses given for the pictorial motifs found in Figure 2, both black and white respondents often accused the black man as someone who would buy luxury
goods for status or buy brand names with a limited sense of connoisseurship. On the other hand, the white man was someone who would buy luxury goods for artistic expression or an assumed family tradition. For instance, a white consumer looked at the photo of the black man and said:

He wants to really prove he has arrived… He will buy it as soon as he can swing it.

Straight after the Blackberry, after their Hugo Boss suits… they graduate up to these luxury goods. It’s a status symbol. A brand to aspire to own.

But to the ad featuring the white male, the same respondent said:

He would have gotten it given to him or would have bought it… because it’s a good-quality, innovative design. He would like classic things and quality.

A black respondent summarized the differences as follows:

[The black man] has got it because of arrogance. He’s one of those that when I sit down I take out my pen, my wallet, my key holder, my sunglasses, I put them on the table. [The white man] is a very fashionable person. He’s more… he’s a successful person with class.

In conversations and in the media, the three common stereotypes used to describe black luxury consumers suggested that: They consumed only to impress and lacked a true appreciation for luxury products; they consumed luxury in inappropriate ways; and they were misappropriating luxury and thus degrading its value.

Consuming to Impress. Stories told by white and black respondents and featured in the news chastised blacks for engaging in an “ostentatious show of wealth” that lacked an appreciation for the ethos of the brand. As one Established Elite described it:

[The blacks] are the people that have the money today… They are the ones that use this as a sign for others as to how well they are doing in life. Driving the right motor
car. It either has to be a BMW or Range Rover. The right watch. Breitling, Rolex, Panerai. Don’t ask them if it’s comfortable, they would buy the flashiest one they could buy. They don’t understand the value, they understand the bling.

In a series of pictures of common South Africans, the photo of a black middle-class man in the township with a house and a new car, drew appraisals for his success, but condemnations for his desire to buy to “show off.” “He’s probably buying luxury as a tool to make a statement but not because he really appreciates it.”

This stereotype of status-orientated consumption was used to describe those who could afford luxury and used loud signals to communicate their affluence (those Han, Nunes and Drèze (2010) call Parvenus) but also extended to those who could not afford luxury and created a false impression of wealth through engaging in ostentatious acts (those Han, Nunes and Drèze (2010) call Posers). For example, a report by the investigative journalist, Debora Patta (2012), showcased the township phenomenon dubbed Izikotane, in which the youth were:

Spending a fortune on flashy designer gear, and then, in a display of one-upmanship, are trashing the clothes or brazenly burning money, simply to gain social status. It is bling gone obscenely mad.

A black respondent described a similar situation:

People go out just to show off. Even if you don’t drink champagne. [They] get into a proper night club and pop a bottle of champagne. The most expensive. Maybe its Dom Perignon, and I spend that just to show off. Because when they come to your table they put starlights. You know those things with flames and glittery and all of that? Attracts attention. Everyone looks to see the guy that is buying the expensive stuff. So people do that. Where as outside he drives, he doesn’t even have a car.
Possibly he doesn’t even stay in affluent area or has a house. Stays in a cottage back home.

Usually, affluent black respondents would tell these stories of a false consumer or accuse others of misappropriated wealth to legitimize their consumption of luxury or to valorize their status signaling efforts. For example, a black respondent remarked:

Some people could spend twice the amount of money and buy something ridiculous out there purely because its twice the amount of money… The tenderpreneurs, are doing just that. It’s not about themselves. They’re not doing it for themselves, for how they feel. They’re doing it for whatever reason. These [tenderpreneurs] are using these luxury items not as a statement of their understanding of value or quality of these items… They are trying to show that the item means they are successful.

*Consuming Inappropriately.* A second stereotype commonly stressed was that the black elite did not understand the appropriate way to consume luxury. For example, they will dress ostentatiously, show off labels, and drive premium cars in slum areas. Although these judgments were expressed by whites and blacks alike, they were especially prominent in the discourse of the Established Elite. A white respondent recounted what he had seen, saying:

Everything that they do… They’ll buy a suit, and when you buy a suit it has a label on [the outside]…and they’ll leave the label on. I understand it up to a point, but what is happening now is that as the younger people are coming through… what they are picking up on television and internet, they are mixing it in with… We went to a cocktail party a few weeks ago and there was a black guy there wearing very expensive clothing… they were wearing Boss suits that probably cost them R25,000. And one guy was wearing a yellow suit.
This perception of inappropriate consumption also extended to purchasing behavior. As another white respondent describes:

I was in the shop last week. And there was a guy in the shop there that had gold chains and a big Rolex, and he spent his time looking at the watches. Phoned his, whatever, probably no one on the other side, “I’m looking at this watch, it’s two hundred and eight thousand and three hundred rand.” And it was a local black guy. Probably a governmentish kind of thief… But [he] made sure that everyone in the shop knew that he was looking at a 280,000 rand watch. It didn’t impress me too much.

Cognizance of this stereotype often led black respondents to adjust their use of luxury to avoid being accused of inappropriate consumption. As one black respondent stated:

If you meet a client first time… because you don’t know his character you can’t come wearing a blue suit. You’re going to come wearing a black suit and a white shirt because you won’t look like you haven’t dressed properly by being dressed like that. It’s what I always tell my employees… Wear a safe suit. Because, it looks okay. It looks dressy, it doesn’t look in any way less, but it doesn’t look extravagant. Because people are sensitive to different things. So you want to come through as acceptable.

_Misappropriating and Degrading Value._ Accusations of misappropriation of luxury goods by “tenderpreneurs,” beneficiaries of government ties, and the emerging black middle class came from the Established Elite as well as the Emerging Elite who were concerned that a luxury brand would lose its symbolic value. Given that the Emerging Elite has invested money and time to learn about luxury, they were as concerned about misappropriation as the Established Elite. As one black respondent stated:
If you know the politics of the country, then you understand that we have a thing called the black diamonds who will, through the black economic empowerment and a small degree of corruption, become very wealthy in a short period of time. So they have these large amounts of money that they don’t know where to spend it, how to spend it, or on what to spend it. As soon as they hear of luxury brands luxury goods, they buy them, but I think they use them inappropriately. My fear is that if they use the brand irresponsibly then they are going to dilute its value.

For the Established Elite, perceptions of misappropriations were expressed in complaints that blacks are “not right-minded” about purchasing, that they are buying for brand names “to flash wealth.” Comments often bled into racism: when asked to remark on the photograph of the black man, one white respondent said, “He’d steal it”.

**Discussion**

The four consumer groups portrayed exhibit similar luxury motivations as found globally (see recent work by Hennings et al 2012, Shukla and Purani 2011); however, what is distinctive about this study of the South African context is the apparent de-legitimization of black consumers and the resulting response of the black consumers to ward off unwelcome accusations. The stereotypes and devaluation of certain luxury brands is postulated to reflect a racial competition to “own” this status symbol. This competition is a primary example of a reaction to a misappropriation of a status symbol.

Historically, luxury brands in South Africa were the status symbol of those in power: the white elite. This proprietorship over luxury continues to hold sway: The benchmark for “appropriate” luxury consumption still adheres to their standards of connoisseurship and appreciation of quality and craftsmanship; white luxury consumption is not debased in the
news; and the adjectives applied and stories told about white luxury consumers in the interviews were more socially acceptable or elevating, and often reflected the white elite’s power and status in society.

With the socioeconomic and political shifts in the country, however, the status and the status symbols of the white elite are under threat. It is argued here that the stereotypes of blacks and the reappraisals of previously exclusive brands by whites are attempts to defend against status deprivation. As black economic wealth continues to grow, the white Established Elite’s strategy of moving up the luxury value chain to achieve exclusivity will not be sustainable. Thus the stereotypes, employed as an ideological mechanism, act as a necessary evil: they guide black Emerging Elite into what Goffman (1951) calls socialization restrictions, whereby their fashion etiquette is assimilated into a form acceptable to the Established Elite, and cultivation restrictions in which their ideals of tasteful luxury consumption align with the Established Elite. For other consumers, the stereotypes may act as moral restrictions that inhibit some consumers from emulating the elite (Goffman 1951). In this study, because only luxury consumers were chosen, the effect of a moral restriction was not readily discernable. However, the media coverage of incidences such as Izikhotane with township youth, suggests that moral restrictions do not hold sway in preventing the misappropriation of luxury.

Note that the stereotypes are not merely the white elite protecting their status symbols: continuing political instability and perceptions of corrupt wealth feed the stereotypes of black luxury consumption as much as lingering racism and elitism. The stereotypes reflect similar anxieties documented by Berry (1994): a concern that “luxury perverts the good and politic order” (p. 85). Public outcries of misused public funds, pejorative labels of “tenderpreneurs,” and perceptions that the body politic is corrupt, undermines the merits of luxury and may mean that “luxury” becomes defined as “corrupting” rather than an “appreciation for the finer things of life.” The government, once a
restrictor of luxury consumption, has become a destabilizing force that has the potential to shift the balances of power and the “ownership” of luxury.

The misappropriation of luxury goods affects not only the white Established Elite, but also the up and coming Emerging Elite who have recently incorporated luxury into their lives. The black Emerging Elite are walking a tight line of adhering to the socialization restrictions of the whites while trying to etch out a new identity for a black elite that disassociates them from posers and from misappropriated wealth. This has resulted in an internationalization of the stereotype threat. As the responses of the interviewees demonstrated this resulted in various reactions, including: counterstereotypic behavior (Steele, Spencer, and Aronson 2002), such as dressing in a “safe black suit”; deflection of stereotypes through justifying their need to consume luxury for endorsement or “to be taken seriously”; or identity bifurcation, wherein identification is reduced with aspects perceived to be debasing but maintained for aspects perceived to be unproblematic (Pronin, Steele, and Ross 2004). Among the black respondents, the stereotype they often distanced themselves from was the corrupt source of wealth or the ostentatious consumption, while maintaining an affinity with accomplishment and rising above a life of poverty.

In future generations, as wealth and status backgrounds continue to equalize, race may no longer be a defining feature of status and the stereotypes may dispel as more types of consumers enter the market. But in the current political and socioeconomic landscape, race does matter.

**Managerial Implications**

Marketers will need to work against the “contamination” of the brands to prevent the loss of their white elite consumers and to keep their emerging black consumer base. But they
also will need new strategies to appeal to younger consumers, who will, one hopes, be more progressive in their attitudes. In review of the survey results, discussions with clients, and personal observations, there are various tactics that could prove fruitful in mitigating the racial competition.

*Luxury brands should continue to use advertising that expresses shared meanings and use more globally renowned individuals of different race profiles to elevate the image of the brand representatives.* The messaging should emphasize dignity and power, given that these two associations appeal to consumers and form the shared symbolic meaning of the luxury brand. Images should feature either just the products or world celebrities who embody the concepts of dignity and power. Different racial profiles should be featured to create appeal among all racial groups and to establish a new, positive depiction of black luxury consumers. Advertising strategies that associate with local celebrities or fashion looks should be avoided, otherwise the brand may risk ostracizing one group and may feed into the prevailing stereotypes.

*Customer relationship management needs to consider race and the legacies of apartheid.* Education of customers is a critical role that sales representatives must play among those consumers who lack family acculturation with the brand. Ensuring there is narrative material that explains the brand’s heritage and stories behind the flagship products should be on hand at the stores or on the Internet. Such information will start to build consumer appreciation for the brand and product’s quality, and allow opportunities for connoisseurship to grow. Additionally, black and white sales representatives should be hired to ensure store experience for both races aligns with their personal service preferences. The sales forces should be properly trained and racially sensitized to ensure that service levels and engagements with clients do not perpetuate racial biases or inadvertently cause black consumers to experience a stereotype threat. Additional observations of client-service
personal interaction would add much needed insight into the impact of racial competition on consumer behavior and experience in the stores.

*Product and promotional strategies should leverage and target flagship and product extensions in a way that retains the elite and builds the market of the younger consumer.*

Critical to preserving the market of the Established Elite and to conserving the brand affiliation of the Emerging Elite is to appeal to their affinity for high levels of craftsmanship, exclusivity and uniqueness, which could be done through developing limited editions and collectable flagship items or products with no apparent logos or iconic prints. To appeal to the younger and lower middle-class consumers (Trader Ups), stylish product extensions that are not flashy but have appealing designs could be developed. By ensuring an understated but sophisticated look, the brand can protect against being misappropriated for “flashy” purposes. Additionally, advertising product extensions in mediums more frequented by younger consumers and advertising flagship products in mediums more frequented by older consumers could help to appropriately segment and target the market. This, however, would call for further research on differences in media channels.

*A long-term perspective needs to incorporate the views of the younger consumers.* It will be important for long-term marketing strategies to understand whether the younger white consumers are truly more progressive and tolerant, or if they will continue to perpetuate the racial biases and perception of luxury’s misappropriation. If they are the former, more localized ad campaigns might work in South Africa in the future; if they are the latter, more global ad campaigns should be continued. For the younger black consumers, it will be important to assess the influence of the older black elite and to monitor whether new luxury consumption trends, such as Izikhotane or a desire for flashy products, have resulted. If a trend towards bling has increased, brands will need to ensure they offer products with little or no logos and no iconic print. Additional research should be done to understand the
specificities of the younger consumers, especially the effects of their acculturation, perceptions of appropriate luxury consumption and misappropriation, and their reactions to the racial competition.

_Pro-social promotions should be used to offset negative associations with corrupt wealth._ To be legitimate, a luxury brand’s reputation must remain ethical (Kapferer and Bastien 2012). The moral judgments that link the brand with corruptible offenders could be mollified through establishing relations with global charities or foundations. Developing a specific product or holding functions that solidify the brand-charity link could help to protect the brand’s reputation from vulgarization.

**Conclusion and Directions for Future Research**

South Africa’s luxury market presents a significant departure from the BOP African consumer and from conventional views of luxury markets elsewhere. This different perspective challenges us to think beyond current frameworks to take into account how a minority might influence consumption practices. By allowing the nuances of luxury’s morality to become visible, what is potentially a delicate matter—the racial prejudices surrounding luxury consumption—yields great insights. It reveals the mechanisms that consumers use to protect stratification and to offset stereotype threats, the strategies companies can pursue to moderate consumer divides, and the institutional dimensions that need to be addressed for market growth.

There are many ways in which this phenomenon could be extended in future research. Within South Africa, analysis of advertisements, sales management, store politics, and promotional events could investigate the effects of political power and racial tension. In other parts of the world, these kinds of social tension may be expressed through religious affiliation
or ethnic membership. For example, extending this research into India’s luxury market may reveal similar social tensions between castes. Additionally, studying the way prejudices shape other markets, such as racial biases in the hip hop market in America, may reveal other mechanisms used to maintain status hierarchies. The conclusion here is that audience divisions, going far further than the standard breaks indicative of class, may be important to luxury consumption and will need further investigation so that appropriate strategic responses can be advised.
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### TABLE 1

Socioeconomic and Demographic Profiles of South African Luxury Consumers based on Cluster Results

<table>
<thead>
<tr>
<th></th>
<th>Trading Ups (TUs)</th>
<th>Elite of Tomorrow (EoT)</th>
<th>Emerging Elite (EmE)</th>
<th>Established Elite (EstE)</th>
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<td>24</td>
<td>51</td>
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<td>Racial Composition of Group</td>
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<td>9.8% less than R9,500 47.1% R9,500-R20,000 43.1% more than R20,000</td>
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</tr>
<tr>
<td></td>
<td>20.8% property</td>
<td></td>
<td>100% property</td>
<td>100% property</td>
</tr>
</tbody>
</table>
TABLE 2
Significant Differences in Attitudes towards Luxury among South African Consumer Groups

<table>
<thead>
<tr>
<th>Rate the importance of attributes in regards to what you look for when selecting luxury goods (5 point Likert scale - unimportant to important)</th>
<th>Mean Rank for Kruskal-Wallis Test (H)</th>
<th>$\chi^2$ (df=3)</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality/Craftsmanship</td>
<td>TUs</td>
<td>107.67</td>
<td>118.20</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>EmE</td>
<td>126.38</td>
<td>107.81</td>
</tr>
<tr>
<td></td>
<td>EstE</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td>Style/Design</td>
<td>TUs</td>
<td>127.02</td>
<td>123.72</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>EmE</td>
<td>123.27</td>
<td>102.69</td>
</tr>
<tr>
<td></td>
<td>EstE</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td>Familiarity</td>
<td>TUs</td>
<td>129.65</td>
<td>97.88</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>EmE</td>
<td>129.54</td>
<td>96.89</td>
</tr>
<tr>
<td></td>
<td>EstE</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td>Value</td>
<td>TUs</td>
<td>120.74</td>
<td>103.77</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>EmE</td>
<td>117.96</td>
<td>109.00</td>
</tr>
<tr>
<td></td>
<td>EstE</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td>Sophistication</td>
<td>TUs</td>
<td>117.96</td>
<td>109.00</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>EmE</td>
<td>117.96</td>
<td>109.00</td>
</tr>
<tr>
<td></td>
<td>EstE</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td>Luxury products, to you, are something that are... (five point Likert scale strong disagree to strongly agree)</td>
<td>Mean Rank for Kruskal-Wallis Test (H)</td>
<td>$\chi^2$ (df=3)</td>
<td>$p$</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Comforting</td>
<td>TUs</td>
<td>117.96</td>
<td>109.00</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td>Exhilarating</td>
<td>TUs</td>
<td>131.30</td>
<td>107.21</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td>Do you think the availability of the brand's products are... (five point scale: 5= too widely available (market saturation), 3 = just right, 1 = too limited)</td>
<td>Mean Rank for Kruskal-Wallis Test (H)</td>
<td>$\chi^2$ (df=3)</td>
<td>$p$</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Market Saturation</td>
<td>TUs</td>
<td>130.89</td>
<td>108.78</td>
</tr>
<tr>
<td></td>
<td>EoT</td>
<td>22</td>
<td>46</td>
</tr>
</tbody>
</table>

*p ≤ .1 **p ≤ .05 ***p ≤ .01
### TABLE 3
Significant Attributes of Luxury Valued by Different Consumer Groups (Mann-Whitney U Test Results)

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Trading Ups (TUs)</th>
<th>Elite of Tomorrow (EoT)</th>
<th>Emerging Elite (EmE)</th>
<th>Established Elite (EstE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>Mean rank TUs(45.13) vs EoT(34.65) U=441, n(TUs)=24, n(EoT)=51, p=.026**</td>
<td>Mean rank EoT(69.06) vs EstE(54.17) U=1323, n(EoT)=51, n(EstE)=69, p=.017**</td>
<td>Mean rank EmE(83.53) vs EstE(62.9) U=1910, n(EmE)=76, n(EstE)=71, p=.001***</td>
<td>Quality/Craftsmanship Mean rank EstE(79.3) vs EmE(69.95) U = 239,0 n(EstE) = 72, n(EmE) = 76, p=.031**</td>
</tr>
<tr>
<td><strong>Feeling Hip/Trendy</strong></td>
<td>Mean rank TUs(55.91) vs EstE(42.84) U=541, n(TUs)=22, n(EstE)=69, p=.037**</td>
<td>Mean rank EoT(71.25) vs EmE(59.14) U=1568.5, n(EoT)=51, n(EmE)=76, p=.02** Mean rank EoT(66.83) vs EstE(57.67) U=1538.5, n(EoT)=51, n(EstE)=71, p=.06*</td>
<td>Feeling Sophistication Mean rank EmE(83.62) vs EstE(64.88) U=2043, n(EmE)=76, n(EstE)=72, p=.003**</td>
<td>Feeling Unique Mean rank EmE(80.99) vs EstE(64.44) U=2025.5, n(EmE)=75, n(EstE)=70, p=.011**</td>
</tr>
<tr>
<td><strong>Feels Exhilarating</strong></td>
<td>Mean rank TUs(55.54) vs EstE(43.39) U=585.5, n(TUs)=23, n(EstE)=69, p=.045**</td>
<td>Mean rank EoT(68.94) vs EmE(60.68) U=1686, n(EoT)=51, n(EmE)=76, p=.05**</td>
<td>Quality/Craftsmanship Mean rank EmE(80.83) vs EstE(66.69) U=2179, n(EmE)=76, n(EstE)=71, p=.025**</td>
<td>Feeling Confident</td>
</tr>
<tr>
<td><strong>Feeling Competent</strong></td>
<td>Mean rank TUs(55.74) vs EstE(44.13) U=604, n(TUs)=23, n(EstE)=70, p=.061*</td>
<td>Mean rank EoT(68.94) vs EstE(60.68) U=1686, n(EoT)=51, n(EstE)=76, p=.05**</td>
<td>Feels Luxurious Mean rank EmE(63.96) vs EstE(59.5) U=1471, n(EmE)=76, n(EstE)=71, p=.026**</td>
<td>Feeling Accomplished</td>
</tr>
<tr>
<td><strong>Brand Name</strong></td>
<td>Mean rank TUs(56.27) vs EstE(45.91) U=677.5, n(TUs)=24, n(EstE)=72, p=.082*</td>
<td>Mean rank EoT(68.62) vs EstE(56.56) U=1444, n(EoT)=50, n(EstE)=72, p=.062*</td>
<td>Buys Product Extensions Mean rank EmE(66.97) vs EoT (54.74) U=1462, n(EmE)=73, n(EoT)=50, p=.041**</td>
<td></td>
</tr>
<tr>
<td><strong>Wants brand to increase market saturation</strong> Mean rank TUs(54.70) vs EstE(38.17) U=413.5, n(TUs)=22, n(EstE)=62, p=.001*** Mean rank TUs(59.59) vs EmE(41.67) U=460, n(TUs)=22, n(EmE)=69, p=.002***</td>
<td></td>
<td></td>
<td>Brand Name Mean rank EmE(80.47) vs EstE(68.20) U=2282.5, n(EmE)=76, n(EstE) = 72, p=.052*</td>
<td></td>
</tr>
<tr>
<td><strong>No Affiliation to Flagship Product</strong> Mean rank TUs(35.07) vs EstE(52.13) U=530.5, n(TUs)=23, n(EstE)=72, p=.000***</td>
<td></td>
<td></td>
<td>Familiarity Mean rank EmE(79.2) vs EstE(67.65) U=2242.5, n(EmE)=74, n(EstE)=72, p=.082*</td>
<td></td>
</tr>
<tr>
<td><strong>Buys Entry Level Products</strong></td>
<td>Mean rank TUs(61) vs EstE(43.85) U=529, n(TUs)=23, n(EstE)=72, p=.007***</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p ≤ .1 **p ≤ .05 ***p ≤ .01
Figures

FIGURE 1

Changes in Per Capita Income Segments by Race in South Africa

(Source: South African Institute of Race Relations 2011)

Note: In South Africa, socioeconomic status is commonly segmented by race to measure changes in the status of groups previously disadvantaged under apartheid. These previously disadvantaged groups include Africans, Coloreds, and Indians. For the purpose of this article, all previously disadvantaged groups were classified as black respondents.
FIGURE 2

Photos of Black Male and White Male used in Projective Techniques

(Source: Styleblogger 2011)