Is luxury sufficient to create brand desirability? A cross-cultural analysis of the relationship between luxury and dreams

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Abstract: A key feature of the luxury industry is its ability to sell dreams, such that consumers often refer to luxury products as desirable dream objects. This study aims to assess the empirical validity of this proposition. Does luxury actually fuel dreams? Because brands are manifestations of these dreams, this study examines if the dream value of an expansive set of brands relates directly to perceptions of them as luxury brands. More than 3,200 real luxury buyers, from six countries, participated in interviews about 60 luxury brands. The results reveal a strong correlation between luxury perceptions and the dream value of brands, across all countries. Yet, despite being categorised as luxury representatives though, many brands are not endowed with as much dream value as might be expected. Being perceived as a luxury product is not sufficient to evoke dreams and boost brand desirability. This is important for luxury brand management.

Keywords: luxury; dream; desirability; cross-cultural; China.

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1 Introduction

Luxury is a thriving sector, currently worth about 1,044 billion euros (Bain & Co., 2016). Far from being reserved for the happy few in developed nations, luxury has reached the happy many internationally. In developing countries in particular (Chadha and Husband, 2007), the new upper middle classes happily pursue rare pleasures, handcrafted products, and prestigious brands as markers of material success, if not happiness. Debates continue about the exact definition of luxury and how to measure consumers' luxury perceptions (Berry, 1994; Vigneron and Johnson, 1999; Hennigs et al., 2007), but a general agreement has emerged about the criteria that qualify an object or service as a luxury version. De Barnier et al. (2012) combine three well-known luxury scales to identify their common factors:

1 elitism (measured by traits such as being expensive or not for everybody)

2 exceptional quality (noble ingredients, rarity, know how)

3 beautifulness

4 hedonistic experience

5 prestige and glamour, mainly linked to the brand and its clients.

Another interesting perspective comes from the luxury producers. Luxury exists only because luxury companies and brands hire artisans, craftspeople, and artists to work for them. They produce the retail experience and products that determine consumers' perception and understanding of what luxury is. Accordingly, all over the world, the same brands are systematically cited as prototypical of luxury. Arnault (2001, p.117), the CEO of LVMH, the world's leading group that encompasses more than 70 luxury brands, describes luxury products as "items that serve little purpose in the lives of consumers except to fulfill dreams. And those dreams don't come cheap". Polet (2008), the former CEO of Gucci Group (now called Kering), explicitly noted, "We are in the business of selling dreams". Longinotti-Buitoni, President and CEO of Ferrari North America, even titled his book *Selling Dreams* (Longinotti-Buitoni and Longinotti-Buitoni, 1999). In line with this view, typical luxury magazines feature articles and advertisements citing dream houses, dream yachts, dream cars, and dream cruises, to name a few. Although the luxury industry thus implicitly adheres to these expressions of its very purpose, little empirical research has addressed the question: Does luxury really sell dreams?

In this article, we present a specific theoretical framework that introduces distinctions among the needs, desires, and dreams that surround luxury products and brand consumption. We review prior research that deals with dream-related consumption. Our empirical research design then seeks to determine if the 'dream value' of brands is strongly associated with their luxury perception. On practical grounds, we also identify whether some brands might possess a low dream value, despite being perceived as luxuries, which might signal a lack of desirability. To address external validity concerns, this research project spans six prominent luxury markets across the world, from both emerging and mature countries, in Asia and the West. Furthermore, we collect data only from actual luxury consumers.

2 Theoretical framework

2.1 Needs, desires, and dreams

Despite some challenges in academic contexts, Maslow's hierarchy of needs remains a well-known depiction of the factors that drive human behaviour, from the fulfilment of physiological needs, to needs for safety, needs for affiliation, love, and esteem, to self-respect needs. At the apex of the pyramid of needs, we find self-actualisation. The pyramid generally reflects the Hindu caste system, in which the Brahmins – intellectuals who do not prioritise possessions or wealth – rest at the top, rather than the wealthiest members of the society.

Luxury theory, similar to luxury brands, instead proposes a parallel, tripartite distinction of purchase drivers: needs, desires, and dreams (Kapferer and Bastien, 2012). Luxury theory defines needs (or wants) as passive, imperative, immediate but transient. Needs reflect classical marketing thought, such as when marketing researchers survey consumers about their conscious or unconscious needs, lack of satisfaction, or unresolved issues. Marketing helps create the supply to meet identified needs, which explains the success of consumer goods companies such as Procter & Gamble, Unilever, Colgate, or L'Oréal: they identify consumer needs through interviews or probes and then innovate to address them.

Desire is active, lasts a little, and is strongly felt as to be fulfilled. Periodically re-igniting desire is the main function of the fashion system (producers, media, bloggers, agencies, trend analysts, brands), which attempts to enable consumers to be unique, just like everyone else around (Crane, 2000). Fashion changes season to season, so these brands must spark immediate desires, which they can transform rapidly into actual purchases, before the item falls out of fashion (Hines and Bruce, 2008; Corbellini and Saviolo, 2009). Accordingly, fashion brands such as Burberry were among the first (among prestige brands) to introduce the technology that allowed consumers, while watching fashion shows and scanning advertisements on their mobile devices, to click and immediately purchase the products they see. Indeed, many luxury fashion brands do now promote the adoption by the whole industry of the 'See, click and wear' system. These digital tactics capitalise on people's immediate desires and transform them into cash or working capital. Desires also are not limited to objects; as Girard and Williams (1996) show, often desire is fuelled by imitation of an idealised other. The consumer does not want the object but instead desires items that also are desired by some others (often aspirational figures, celebrities), so that by purchasing, the consumer effectively becomes these other persons, through the object that constitutes an extended self (Belk, 1988). Many luxury brands also have shifted toward a fashion business model, such as by promoting the ‘it bag’ of the season, which consumers must buy immediately to be recognised as a very fashionable person. Desires can be intense and must be acted on immediately, before another desire arises. The endless search for newness also results from these never satisfied desires (Baudrillard, 1998).

In the luxury theory, finally, dreams last long, stay always unfulfilled: dreams are beyond time. The luxury market is driven by dreams, those of the life style that is associated to each brand. The dream is also linked to the legends, myths, stories, histories attached to the brands. Indeed brands embed the dream: they accumulate symbolic capital. The luxury brands also develop long lasting iconic products that can embody a personal dream (e.g., “Someday I will own a Porsche 911! Or a Rolex Oyster Perpetual”). Time is essential to luxury, in the sense that luxury brands encompass time, tradition, and long-lasting visions, in contrast with the short, seasonal lives of fashion brands. Luxury products need extended time to be manufactured, and their value increases over time. Purchases of a Ferrari California or famous Bordeaux Grands Crus wines increase their resale value. Thus, luxury is intemporal, and consumers do not need to worry about it losing value. The business model for luxury brands, or ‘the luxury strategy’, in turn entails two main elements:

- Intense communication to create hype and relevance for modern elites, both existing and new. Such communications mainly occur through social events, for which the selection of guests is a central message (i.e., luxury brands select clients, instead of the other way around). In luxury economics, the nature of demand creates value.
- Long-lasting icons. Chanel No. 5 is almost a century old; the Cartier Tank watch was first introduced in 1914. Yet, these luxury icons remain current and appealing, offering lasting sites for affixing dreams.

A dictionary definition of a dream refers to ‘the realisation of an ideal’, as exemplified in the notion of the ‘American dream’ shared by immigrants throughout the world who hope to migrate to this promised land where dreams can come true. The similar challenge for luxury brands is to help make dreams come true. If consumers dream all their lives but never turn those dreams into reality, no purchases take place. In this sense, celebrations (birthdays, wedding anniversaries) offer one route to encourage consumers to transform their dreams into purchases, for themselves or others (i.e., gift market). Another route is through travel, both figuratively and literally. That is why, during a vacation, consumers often forget their constraints, and they also might encounter lower prices, owing to currency differences between countries, or very well manufactured counterfeits. Thus, travel is an ideal occasion to fulfil dreams. The luxury automobile industry induces purchase by offering very good credit conditions: a Porsche for only 999$ per month.

2.2 Measuring the dream value of brands

Very little research has focused on luxury brands’ dream value. Because brands are generally the focus of dreams and the manifestations of luxury, Dubois and Paternault (1995) adopt brands as the central object of their study of luxury, undertaken in the USA. That is, instead of focusing on a sample of consumers, they considered a sample of 34 luxury brands. Luxury brands vary considerably in their ability to fuel dreams, so it may be possible to compare brands according to their dream value and analyse what allows some brands to invoke more dreams than others. To measure brands’ capacity to evoke dreams, Dubois and Paternault (1995) used a simulation of a lottery – "Imagine that you are given the possibility of choosing a beautiful present because you won a contest. Which are the five brands you would like the best?" – in an attempt to eliminate the price factor. Winning a prize makes the person suddenly rich, so price is no longer a barrier. Their research revealed two main levers, brand awareness and brand purchase, that enter what they call the 'dream formula':

$$\text{Dream} = 0.58 \text{ Awareness} - 0.59 \text{ Purchase} - 8.6\left(\mathrm{R}^2 = 0.78\right).$$

This equation unveiled that brand awareness is a prerequisite of the dream, of brand desirability. It is impossible to dream of an unknown brand. Consider the two main facets of luxury value, namely, for oneself (reward, indulgence, escapism, hedonism, self-pampering) and for relevant others (conspicuousness, pride, making a statement, exhibiting taste). If a brand is unknown, its logo cannot be decoded as significant by others so it can only create an intimate pride but cannot stimulate the benefits of conspicuousness (admiration, respect, seduction). It is only a luxury for the self, such that it creates only half the value at best and commands lower prices.

The dream equation also reveals the potential negative effect of purchases on the dream value of luxury brands. After purchasing a Rolex Daytona, for example, a consumer ultimately regards the item as just a watch, and Rolex as just a brand, rather than a dream. In contrast, purchases of consumer goods tend to intensify brand connections and consumer engagement: The more Big Macs a person eats or Cokes drunk, the more he or she wants them (Sharp, 2010; Romaniuk and Sharp, 2016).

Despite the clear foundation for the dream equation, two studies using the same methodology and measurements of brands' dream value, conducted in Hong Kong and Singapore, instead failed to confirm that purchases diluted the dream value of luxury brands (Wong and Zaichkowsky, 1999; Phau and Prendergast, 2000). These findings might suggest that in Asia, consumers like and dream only about well-known brands and are not disturbed by the ever extending penetration of these luxury brands. The famous Nathan Road in Hong Kong features dozens of Rolex logos and advertisements: The bigger the brand, the more beautiful it appears. The authors offer no specific explanation for their contradictory results, but we posit that they might reflect a general pressure toward conformity in Asian cultures, where being unique is not as valued as it is in more individualistic Western societies (Wong and Ahuvia, 1998). The two studies also were based on very small, convenience samples, so they need replications to confirm their validity.

A more recent study undertaken in France (Kapferer and Valette-Florence, 2014) replicated and extended the pioneering US findings (Dubois and Paternault, 1995), by adding a heritage/tradition variable, such that the revised dream equation becomes

$$\text{Dream} = 0.31 \text{ Awareness} - 0.40 \text{ Purchase} + 0.58 \text{ Tradition} - 7.0\left(R^2 = 0.64\right).$$

This French replication used a simple, straightforward measure of the dream value of the 60 brands it presented to 1,286 interviewees: 'Does this brand make you dream?'. Research shows that this simple wording is typical of spontaneous communications (Godey et al., 2013), by both consumers and prospects, about luxury brands. An exploratory analysis of consumers' spontaneous narratives from six countries reveals that they use the word 'dream' as a salient, discriminant attribute of luxury. Although the present study does not seek explicitly to test the dream equation again, the preceding studies indicate that the dream value of a brand can be measured in many ways. Therefore, research on luxury needs to be undertaken across multiple countries, to test the influences of Asian vs. Western settings and mature vs. emerging economies.

3 Hypotheses and methodology

From a strategic perspective, the future of the luxury sector depends on its ability to control its diffusion and growth, so that it can continue to command price premiums and maintain a distinction from mass-prestige brands that tend to mimic luxury codes but aim to sell large volumes (Nueno and Quelch, 1998; Silverstein and Fiske, 2005). The ability to charge a high price rests on the capacity of luxury brands to sustain their ability to make people dream about them. It is also an expectation of stock exchanges (Kapferer and Tabatoni, 2011). Yet, it remains to be proven that luxury really fuels dreams, as claimed by most luxury CEOs who manage brands' long-term value. Testing this claim is the main research objective of the present study. Formally,

H1 An important lever of a brand's dream value is the perception that it is a luxury brand.

In addition, we investigate whether the close relationship between dream potential and luxury perception is a universal feature. That is, is it valid across countries, levels of economic development (mature vs. emerging), and cultures (Asian vs. Western)? Formally,

H2 Luxury perception is a strong lever of a brand's dream value across countries, cultures, and levels of economic development.

To test these predictions, we recruited luxury consumer samples from six countries: four mature economies (the USA, Japan, Germany, and France) and two emerging ones (China and Brazil), of which two represented Asian nations (Japan and China) and four were Western (the USA, Brazil, Germany, and France). Moreover, we sought to test the dream-luxury link among actual luxury buyers (i.e., not possible or eventual buyers, rare buyers, or college students), who constitute the current luxury market and its profits. In each of the six countries, we thus selected a sample of respondents from internet panels, using identical behavioural criteria: They had to have self-declared prior purchases from a list of products, above a certain price. The products were such that both genders could answer (eyewear, shoes, jacket, champagne, and skincare). The threshold prices used to select the sample of interviewees were the median of luxury prices revealed in a recent international study of luxury price thresholds (Kapferer and Laurent, 2016), including for example 100 euros for a bottle of Champagne. Among the 3,217 luxury buyers who took part in this survey, 56.5% were men and 43.5% women. Those between 25 and 34 years of age represent 30.2% of the total, those between 35 and 44 years account for 22.8%, and those between 45 and 54 years make up 19.3% of the sample. On average, 90% of the respondents lived in households of at least two people, and 16% earned between 10,000 and 15,000 euros per month (2.6% earned more than 15,000 euros monthly). Table 1 details the socio-demographic variables of the respondents across the six countries.

Table 1 Gender, age and net income characteristics per countries

Gender	*Size*	*Country*						*Total*
		France	*USA*	*China*	*Brasil*	*Germany*	*Japan*	
Men	N	267	313	324	337	292	283	1,816
	%	50.1%	62.5%	48.2%	62.6%	57.0%	61.4%	56.5%
Women	N	266	188	348	201	220	178	1401
	%	49.9%	37.5%	51.8%	37.4%	43.0%	38.6%	43.5%
Total	N	533	501	672	538	512	461	3217
Age	*Size*	*Country*						*Total*
		France	*USA*	*China*	*Brasil*	*Germany*	*Japan*	
18–24	N	74	66	86	107	91	56	480
	%	13.9%	13.2%	12.8%	19.9%	17.8%	12.1%	14.9%
25–34	N	106	145	204	196	140	179	970
	%	19.9%	28.9%	30.4%	36.4%	27.3%	38.8%	30.2%
35–44	N	117	121	188	124	127	57	734
	%	22.0%	24.2%	28.0%	23.0%	24.8%	12.4%	22.8%
45–54	N	99	99	141	80	121	80	620
	%	18.6%	19.8%	21.0%	14.9%	23.6%	17.4%	19.3%
55–75	N	137	70	53	31	33	89	413
	%	25.7%	14.0%	7.9%	5.8%	6.4%	19.3%	12.8%
Total	N	533	501	672	538	512	461	3217
Net income per month	*Size*	*Country*						*Total*
		France	*USA*	*China*	*Brasil*	*Germany*	*Japan*	
< 3,000 euros	N	203	96	206	236	117	106	964
	%	38.1%	19.2%	30.6%	43.9%	22.9%	22.9%	29.9%
3,000–4,999 euros	N	177	142	201	160	188	169	1037
	%	33.2%	36.1%	29.9%	29.7%	36.7%	36.6%	32.2%
5,000–9,999 euros	N	88	181	162	62	144	117	754
	%	16.5%	24.2%	24.1%	11.5%	28.1%	25.4%	23.4%
10,000–14,999 euros	N	18	59	41	18	24	32	192
	%	3.4%	11.8%	6.1%	3.3%	4.7%	6.9%	5.9%
> 15,000 euros	N	16	28	15	19	13	19	110
	%	3.0%	5.6%	2.2%	3.5%	2.5%	4.1%	3.4%
Total	N	533	501	672	538	512	461	3217

The unit of observation is brands, reflecting the key role that brands have in creating value around their names. The brand, as it develops in accordance with the exquisite product and its famous clients, exemplifies and embeds the dream. When considerable symbolic capital has been attached to a brand name, it can leverage this capital to enter virtually any sector. Luxury brands thus extend their ranges across multiple product categories. Once a saddler, Hermès now sells scarves, watches, leather goods, shoes, clothes, linens, and tableware. By extending into accessories markets, luxury brands also can reach wider target audiences and earn more profits (Kapferer and Tabatoni, 2011).

For this study, we identified 60 luxury brands from multiple sectors, featuring both products and services, from lists produced by Comité Colbert and Fondazione Alta Gamma in Italy, as well as their equivalents in the UK and Germany. These collective organisations promote luxury in their home countries and abroad. We also included several Swiss and US luxury brands. Most of these brands function in multiple product and service categories and thus could believably achieve high awareness throughout the affluent samples recruited in each country. The 60 brands also represented very famous star brands (e.g., Louis Vuitton, Gucci, Rolls Royce, and Ferrari), along with more discrete or bespoke ones (Bottega Veneta and Hermès), as well as brands that some observers would deem 'masstige brands' (e.g., Ralph Lauren and Lacoste). Because our research goal is to test the link between luxury perceptions and dream value, it was necessary to include many brands, with possibly a wider classification of luxury than many experts would establish. Had we only selected top luxury names (e.g., Rolls Royce and Ferrari), the study would have been handicapped by the lack of variance in the independent variable.

The luxury perception measure used a simple, binary question ('Is this brand a luxury brand for you?'). This choice reflected the trade-off of the type of measurement, the wide range of brands (n = 60 brands), and the nature of the consumer sample (i.e., real luxury customers). With the relatively limited time that such respondents have available to answer questionnaires, we preferred to use a wider range of brands and a valid sample of respondents, which required the use of straightforward binary questions. To avoid carry-over effects, respondents first answered the luxury perception question for the brands; subsequently, they answered the dream question for the same brands. To reduce the length of the interview, the respondent sample also was divided into four groups, each of which considered 15 brands. The order of presentation of the brands was random.

4 Results

To test the correlation between the dream and luxury, we asked interviewers to indicate, for each brand, whether:

- They knew the brand, more than just by name (yes/no).
- They deemed it a luxury brand.
- This brand made them dream.

Table 2 summarises the test of the first and second hypotheses, such that it reflects the simple regression of the dream factor on luxury perception. As Table 2 reveals, all simple regressions are significant. Being perceived as a luxury strongly boosts the dream.

The global values in Table 2 reveal a similar pattern across all six countries, whether mature or emerging, from the East or West. These results are especially striking in that the 60 luxury brands were all quite famous and well-known. Thus, the findings cannot be spuriously attributed to some outliers that lack brand awareness or perceptions of some brands as non-luxury offerings.

Table 2 Simple regression results

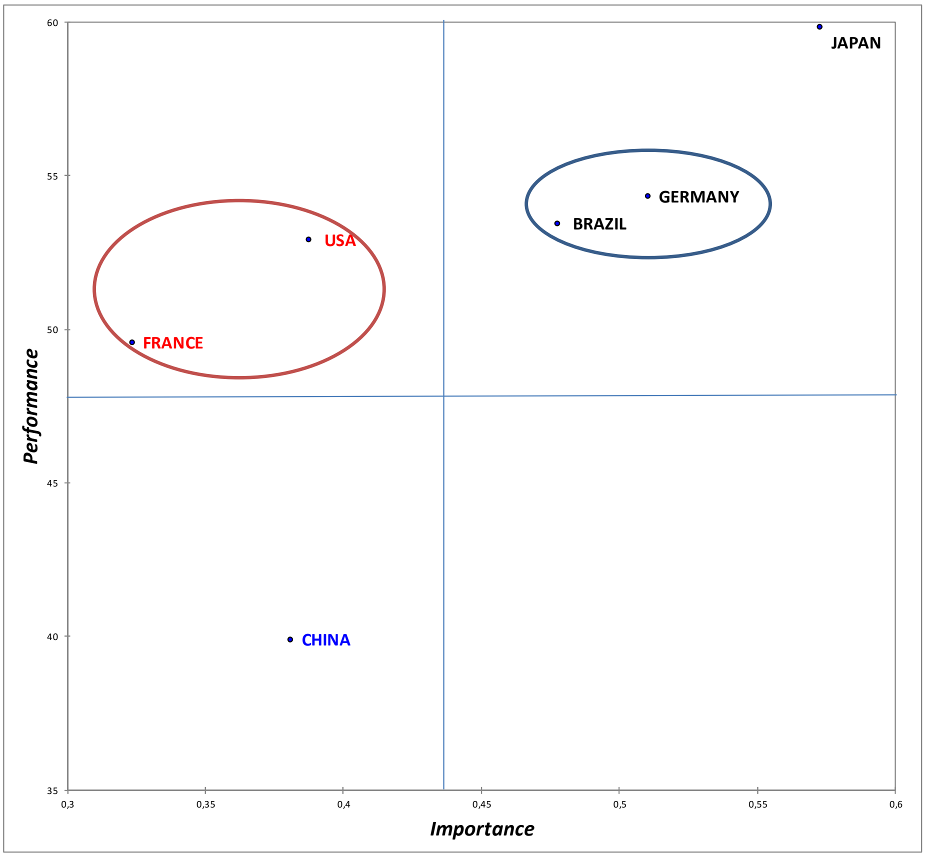
Country	Standardised coefficients			ANOVA results		R^2
	Beta	t	Sig.	F test	Sig.	
Brazil	0.478	4.139	0.000	17.133	0.000	0.228
China	0.381	3.137	0.003	9.838	0.003	0.145
France	0.323	2.602	0.012	6.769	0.012	0.105
USA	0.387	3.199	0.002	10.237	0.002	0.150
Germany	0.510	4.516	0.000	20.395	0.000	0.260
Japan	0.572	5.317	0.000	28.274	0.000	0.328

However, even if the overall pattern is similar, we find some differences. To assess the differences across countries, we relied on a bias-corrected bootstrap analysis (5,000 replications). The results are displayed in Table 3, which reveals a notable pattern. In particular, Japan always exhibits a stronger influence of luxury perceptions on the dream, compared with the remaining countries. In addition, Brazil and Germany, which do not differ themselves, are significantly distinct from France and the USA. On the one hand, France, the USA, and China seem to share a similar characterisation in terms of the influence of luxury on the dream. On the other hand, Germany and Brazil share a different characterisation. Furthermore, China and Japan appear quite opposite in terms of the magnitude of the influence of luxury on the dream. These findings suggest it is inappropriate to refer to Asian countries as a single block when it comes to the luxury industry. Instead, it is necessary to clearly differentiate mature Asian countries (Japan) from developing ones (China). The vision of luxury in Japan rests upon the highest quality of the product. For the Chinese, brand and prices are most important levers of luxury perception.

Table 3 Bootstrapped difference tests between countries

Standardised coefficients (Luxury -> Dream):					
	Difference	t	df	Sig.	Result
China vs. Brazil	0.097	2.047	118	0.043	Yes
France vs. Brazil	0.154	1.999	118	0.048	Yes
France vs. China	0.058	0.451	118	0.653	No
Germany vs. Brazil	0.033	0.737	118	0.463	No
Germany vs. China	0.129	2.156	118	0.033	Yes
Germany vs. France	0.187	2.327	118	0.022	Yes
Japan vs. Brazil	0.095	2.156	118	0.033	Yes
Japan vs. China	0.192	2.287	118	0.024	Yes
Japan vs. France	0.249	2.333	118	0.021	Yes
Japan vs. Germany	0.062	2.337	118	0.021	Yes
USA vs. Brazil	0.090	2.024	118	0.045	Yes
USA vs. China	0.007	0.064	118	0.949	No
USA vs. France	0.068	0.362	118	0.718	No
USA vs. Germany	0.123	2.100	118	0.038	Yes
USA vs. Japan	0.185	2.314	118	0.022	Yes

Figure 1 Graphical display of IPMA results (see online version for colours)



These results also indicate the need for a finer analysis, to investigate the relative importance of the various predictors, alongside the impact of the independent variable on the dream variable. To do so, we undertake an importance-performance matrix analysis (IPMA) (Slack, 1994), an approach that recently has been popularised as an element of the partial least squares structural equation modelling method (e.g., Völckner et al., 2010; Höck et al., 2010). Specifically, IPMA builds on the standardised regression coefficients (*importance* of the beta weights) and adds another dimension to the analysis: the mean level of the predictor variable's value in each country, expressed as percentage (*performance*). For this study, the IPMA maps the importance of luxury perceptions in each country on the dream value for the 60 brands. The result is a priority map for management, as displayed in Figure 1. This figure identifies two main groups of countries:

a Brazil and Germany

b the USA and France.

Japan and China each stand alone and very far apart from each other. Although both China and Brazil are emerging countries, in China, luxury perceptions do not appear to have reached the same level as in Brazil, which instead seems quite similar to Germany.

France also is somewhat distinct, in that luxury perceptions of all 60 brands are average (close to 50%), yet the impact of these luxury perceptions on the dream is the lowest of all six countries. Considering the rather low R^2 and beta values, we posit that other variables, such as creativity or prestige, might explain the dream as well, rather than luxury perception alone. Another explanation might refer to French consumers' relatively blasé attitudes toward luxury. They recognise it but are no longer sparked to dream by it; France has known and produced luxury for too long. Japan also stands apart, in that it represents the highest beta weight for the effect of luxury on dream (0.572) and the highest average perception of luxury (close to 60%), without any apparent ceiling effect. This result might reflect the cultural obsession of Japanese consumers with product excellence: They not only recognise it but worship it. Chinese consumers do not perceive the luxuriousness of the brands as much (average 40%), and the impact of luxury on the dream is only moderate for them (0.381). Evidently, Chinese buyers expect more than product quality. They want their purchase to make them stand out, which helps explain the importance of status brands for these buyers.

To offer more managerial insights, we also developed six scatterplots to illustrate the relationship of the dream, as the dependent variable, with brand luxury perceptions, as the independent variable. As expected, we find positive and significant slopes, such that the more luxuriously perceived a brand is, the stronger the dream becomes. A brand-by-brand analysis proves further enlightenment. Brands to the right of the scatterplot and below the regression line actually suffer a 'desirability or dream deficit': They are recognised as luxury and fulfil the criteria to be categorised as such, but they do not fuel a strong dream in this study sample. In the USA, this scenario appears common for well-known brands such as Louis Vuitton, Gucci, and Versace. Although China seemingly is the main market for Louis Vuitton today, we find still no evidence of a desirability deficit for this brand: Louis Vuitton retains the dream level that we would expect, based on its luxury perception level in China.

Yet, some brands evoke stronger desirability than might be expected by their luxury perceptions – that is, they appear to the left of the scatterplot but above the regression line, such as Mercedes or Cadillac in Germany. Mercedes is no longer regarded as a luxury car in Germany, where its market penetration is too high to evoke exclusivity. Instead, it functions more like a premium brand. Yet, it still evokes dreams, likely due to its heritage, tradition, and success in races such as the F1 or Le Mans. Audi is positioned at the bottom left of the German scatterplot, almost on the regression line; its dream value is exactly as expected according to its (weak) luxury perception there. This brand, a member of Volkswagen Group, has no real history, tradition, or past; derived from the merger of three smaller brands, it started as a basic brand but adopted a long-term, ambitious goal to beat Mercedes. Audi's slogan also differs from that of other luxury brands, in that it relies on technology as a source of differentiation and claims progress for the future. This is not the claim of a luxury brand but rather that of a premium brand. However, the brand is situated quite differently in other countries, as exemplified by the pertinent scatterplots.

5 Discussion

5.1 Implications for theory

This research has aimed to identify regularities in the luxury market worldwide, across both brands and countries. In so doing, it offers a validation of the views of luxury firm CEOs: The luxury industry sells dreams. We find a strong correlation between perceptions of luxury and the dream value of brands, across six very different countries, spanning Asia to the West, from mature countries to emerging ones, from South to North, from the US to Europe. The vast sample of brands and respondents (all of whom were actual luxury buyers) reinforces the validity of this study. The results also appear reasonable in general. For example, the presence of cars in the right quadrants of the scatterplots, above the regression lines, is no surprise. Ferrari, Porsche, and Rolls Royce are all dream cars, attached to the lifestyles of the happy few, because they are both expensive and exclusive. Other luxury brands from various sectors also take positions in this cluster, such as Rolex and Chanel in China. France also offers an interesting case, in that it is one of the main luxury producers' countries in the world, and it exhibits the smallest R^2 and the smallest beta weight among the six selected countries. Seemingly, luxury has lost its dream-nurturing capacity in the very heart of luxury production (Thomas, 2008). Are French people simply blasé, because the French luxury brands that seduce the world are just the same old brands they have known for so long? Or do they perceive the luxury products they produce as today targeted mainly at foreigners, mostly those from Asian nations? In this sense, the international and travel-based markets for luxury might create negative externalities. The products qualify as luxury, but they are no longer a local dream.

5.2 Implications for management: has the dream moved beyond luxury?

These findings have notable managerial implications. It seems clear why masstige brands try to mimic the codes of luxury brands, namely, because such a categorisation would enable them to charge the prices attached to the dream of an exclusive life. The country-by-country scatterplots in Figure 2 offer an acute diagnosis about where each brand stands in the minds and hearts of luxury buyers. Being perceived as a luxury is a categorisation issue, based on specific questions: Does the brand exhibit what makes it a luxury option? Is the product rare, exclusive, and expensive? Is it handmade, by craftspeople who reproduce a heritage based on their tacit know-how? Is its distribution sufficiently selective, selling only in exclusive outlets and channels? Does it maintain a limited presence on an open access e-commerce platform?

But dreams require something beyond these markers of luxury status, that is, some history or story that sparks the imagination, creates uniqueness, elevates buyers to some sense of spirituality or status, and provides incredible experiences. The questions thus shift: Does the luxury product reflect the tastes of the elite, locally and internationally? Does it go beyond conventional limits? Does it relate the present to a magic tradition or heritage? For example, simply mentioning a long heritage is not enough to induce a dream. That heritage needs to be accompanied by tradition and history, romantic settings, legendary characters (i.e., famous early clients), and a compelling narrative (e.g., overcoming challenges) to be able to invoke the luxury dream. When they seek to develop a new luxury brand, designers often spend weeks in libraries, to find a spirit that can animate their brand, its identity, and its codes, revealed through some recounted history that encourages a cult-like following.

Figure 2 Scatterplots between dream and luxury

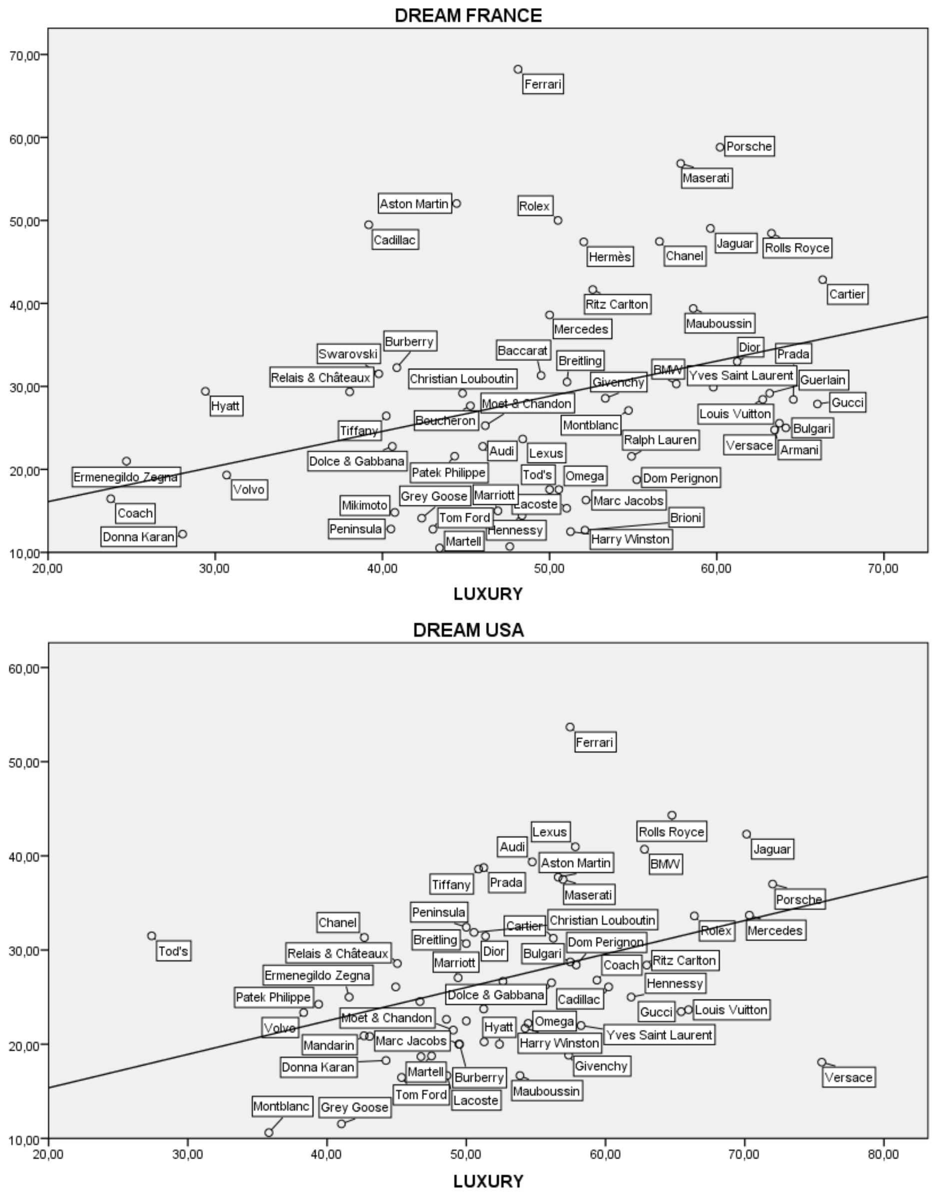


Figure 2 Scatterplots between dream and luxury (continued)

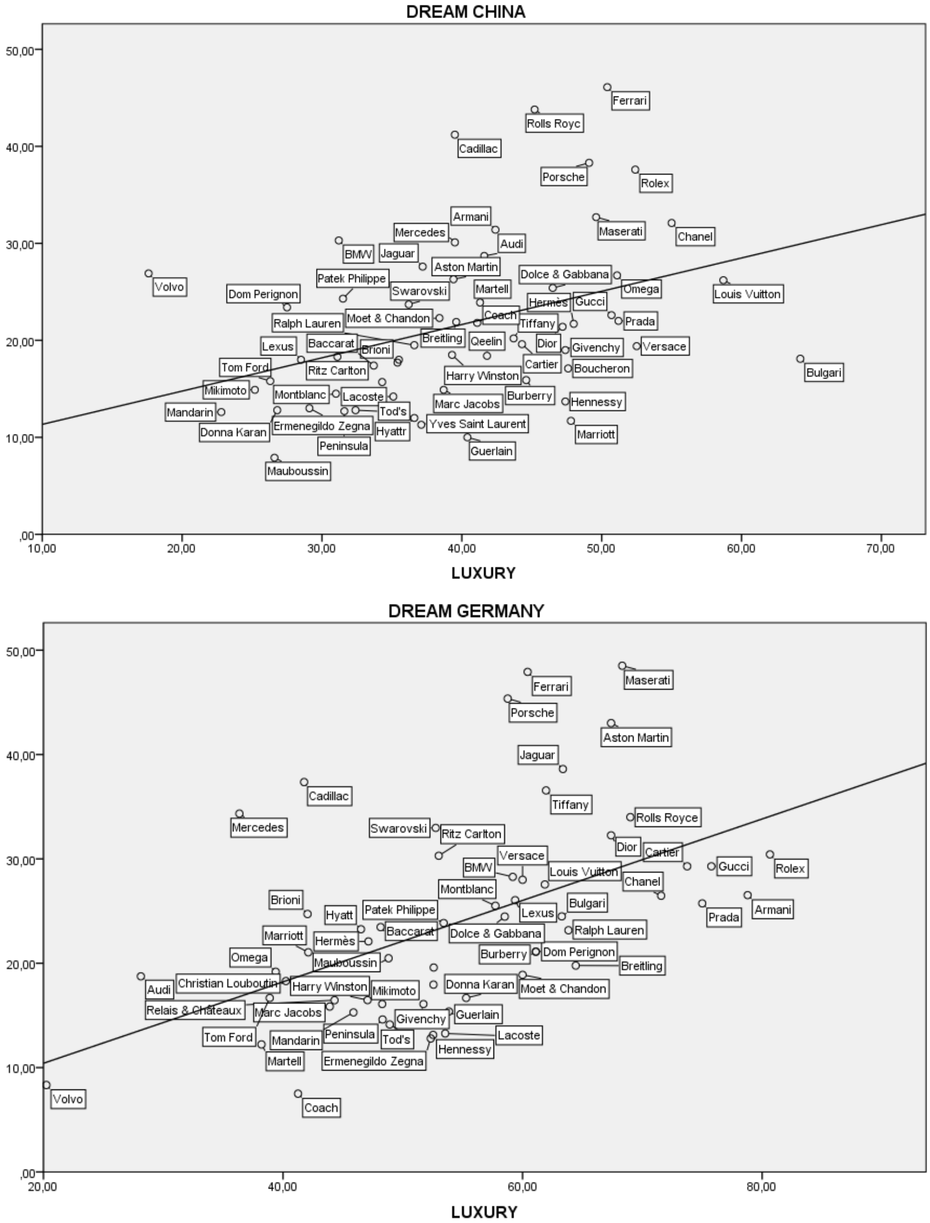
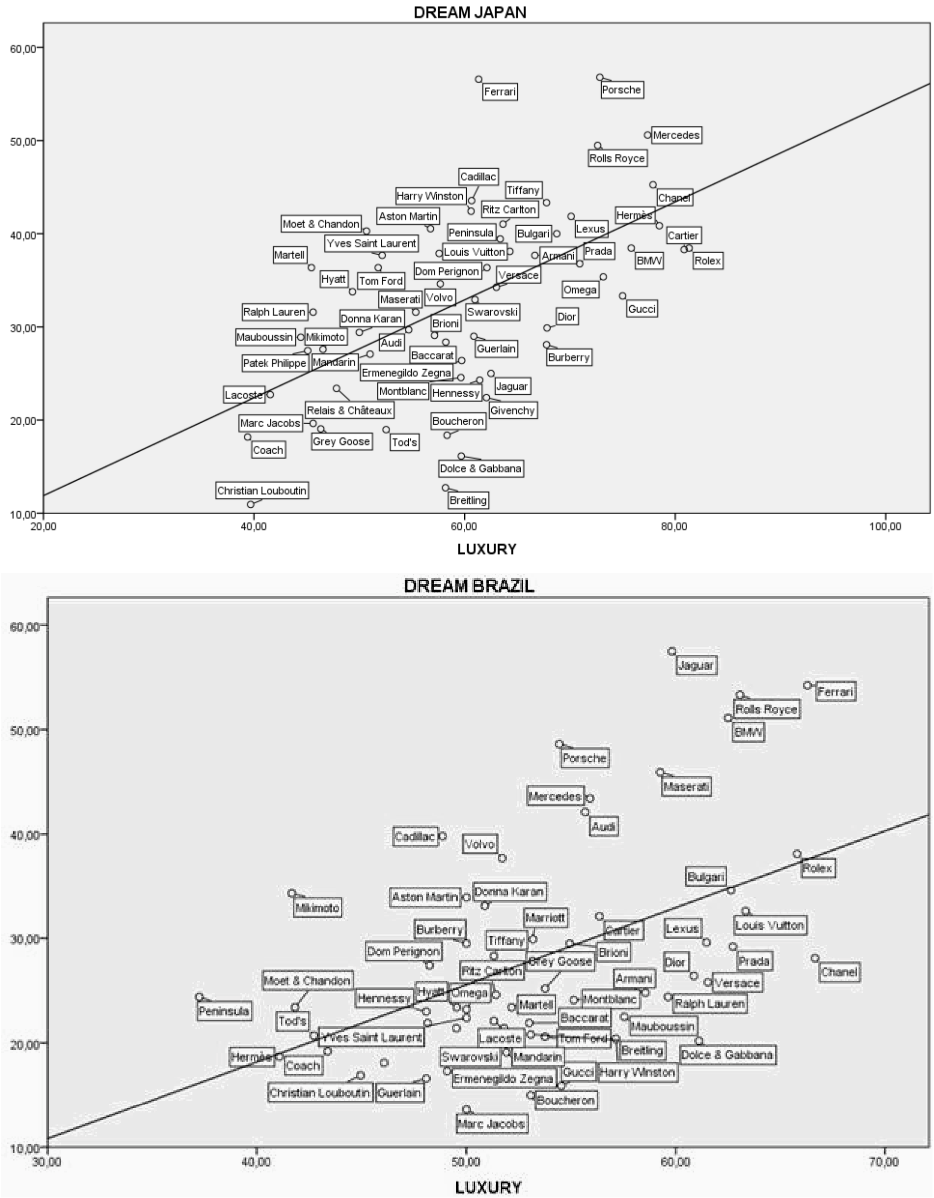


Figure 2 Scatterplots between dream and luxury (continued)



Thus, the levers of luxury are not exactly the same as those that prompt the luxury dream. Luxury does not need to be expensive (Kapferer and Laurent, 2015), but dreams do since they figure products or experiences so far out of reach. Glamour is a lever of dream, but it is not a necessary constituent of luxury. The brand's ability to project distinctiveness onto clients is another element of the dream. In this sense, the paths toward the luxury dream do not always entail perceptions of luxury. Ferrari's position, as the most dreamed about brand, such that it falls far above the regression line in all six countries, shows that luxury alone cannot explain the Ferrari dream. Rather, its mythical magic, its history and many stories make a critical contribution as well. Beyond price and rarity, other paths to the dream need to be explored (Kapferer and Valette-Florence, 2016).

Individual differences also are more evident in dream perceptions compared with luxury perceptions. Brands can be categorised as 'luxury' according to some consensus – that is, just because everyone else says so. These brands are easily recognisable, with shops on the same high streets or high-end malls in each capital city. In contrast, identifying a brand as one's dream is a personal feeling. Consider, for example, the perceptions of Louis Vuitton across the six countries in our sample, as depicted in Table 4. Its categorisation as a luxury is stable across countries, but its consideration as a dream brand, that is to say being desirable by oneself, instead varies widely across countries.

Table 4 Percentage of luxury buyers who view Louis Vuitton as luxury and as dream

	Dream (desirability)	*Luxury perception*
France	27%	60%
USA	22.5%	62%
China	23.4%	59.4%
Brazil	16%	60.6%
Germany	26.1%	58.7%
Japan	33.9%	56.9%

5.3 Limitations and further research

This study addresses a gap in extant luxury research by assessing the link between the dream value of brands and their luxuriousness. To provide robust conclusions, we studied six countries representing diverse horizons, cultures, and economic levels. To ensure the relevance of the findings, we focused on actual luxury buyers. Replications of this study might seek to compare additional categories in the luxury market, such as consumers who constitute the new riches versus old money, movie or sport celebrities versus corporate managers, or older versus younger buyers. In addition, we expect the effects of the global regression to be robust, as in our sample. However, the position of specific brands might vary, especially as global elites fight other global elites in an effort to promote their own preference as the 'right' form of dominant luxury. Brands represent expressions of both their taste and their distaste.

Also, investigating other developed or emerging countries could offer additional insights. For example, it might be pertinent to focus on wealthy Middle East countries such Saudi Arabia, Qatar, and Kuwait, where luxury is a sort of art of living. Expanding the list of luxury brands similarly might be insightful, in that this category remains limited in its number and breadth. Ultimately, as the example of France in our study suggests, other predictive variables might need to be investigated too, such as tradition or creativity.

Finally, it would be worthwhile to analyse the impact of the dream value also on non-luxury brands. In order to explain whether the dream value is to be found also on masstige, premium, consumer, etc. goods. But here it would be dreams commanding lower prices.

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