

Signal Visibility in Luxuries & Electronic Word-of-Mouth (eWOM) Communication

Background

Prior researches found that an individual sharing WOM is due to **self-enhancement** (Dichter, 1966; Packard and Wooten, 2013).

People purchase luxuries to boost **self-esteem**, express their identity and signal superiority or gain social status (Veblen; 1899).

Some people tend to purchase luxuries by its **signal visibility**: some prefer to purchase **conspicuous** luxuries (e.g., luxuries with obvious logos or recognisable patterns), while some prefer **inconspicuous** ones (e.g., subtle / small logos, or even no logos).

Not much is known with respect to what kind of eWOM consumers of luxury products would engage in.

Research Aim

This research aims to determine whether people with different levels of signal visibility (conspicuous / inconspicuous) in luxury consumption affect how they engage in eWOM.

Research Questions

- H1: People who purchase conspicuous luxuries are more likely to be an opinion leader on social networking sites than inconspicuous-luxury consumers.
- H2: People who purchase inconspicuous luxuries are more likely to share eWOM with family members than conspicuous-luxury consumers.
- H3: People who purchase conspicuous luxuries are more likely to share eWOM in general than those who purchase inconspicuous luxuries.

Literature Review




In the modern era people share their opinions has changed. The use of **Electronic Word-of-Mouth** (eWOM) communication, which is a nontraditional, one-to-many, written communication via electronic media (Godes et. al., 2005) has grown exponentially (Das and Chen , 2007).

One form of WOM communication is **opinion leadership**. Compared with non-leaders, opinion leaders are stick to one product category (Childers, 1986) and are loyal to particular products (Godes and Mayzlin, 2009). They are willing to provide information for others and be influential to others' consumption decision (Iyenger et.al., 2011).

Possessions and behaviours can be signals of ones' identity (Berger and Heath, 2008; Goffman, 1959; Holt, 1998; Wernerfelt, 1990). However, individuals may choose **a subtle or quiet logo** when they choose a luxury product so as to avoid ostentatious status symbols (Brooks, 2001; Davis, 1992) or feeling guilty about being a conspicuous consumer (Seabrook, 2001). It is predicted that inconspicuous-luxuries users are more willing to share eWOM with family members than conspicuous-luxury users.

Methodology I

Data Collection
Quantitative method. 108 online self-completion questionnaires (Google Form) were collected. The sampling strategy used was snowball sampling on social media platforms:



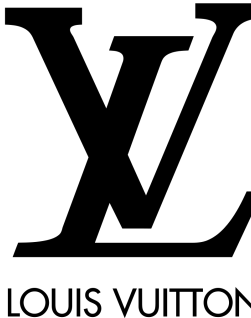




Facebook Twitter WhatsApp

Participants were invited to complete the survey online on their own device. 7-point likert scales (1 = Strongly Disagree; 7 = Strongly Agree) were used to indicate and rate the likeliness in particular situations.

Methodology II

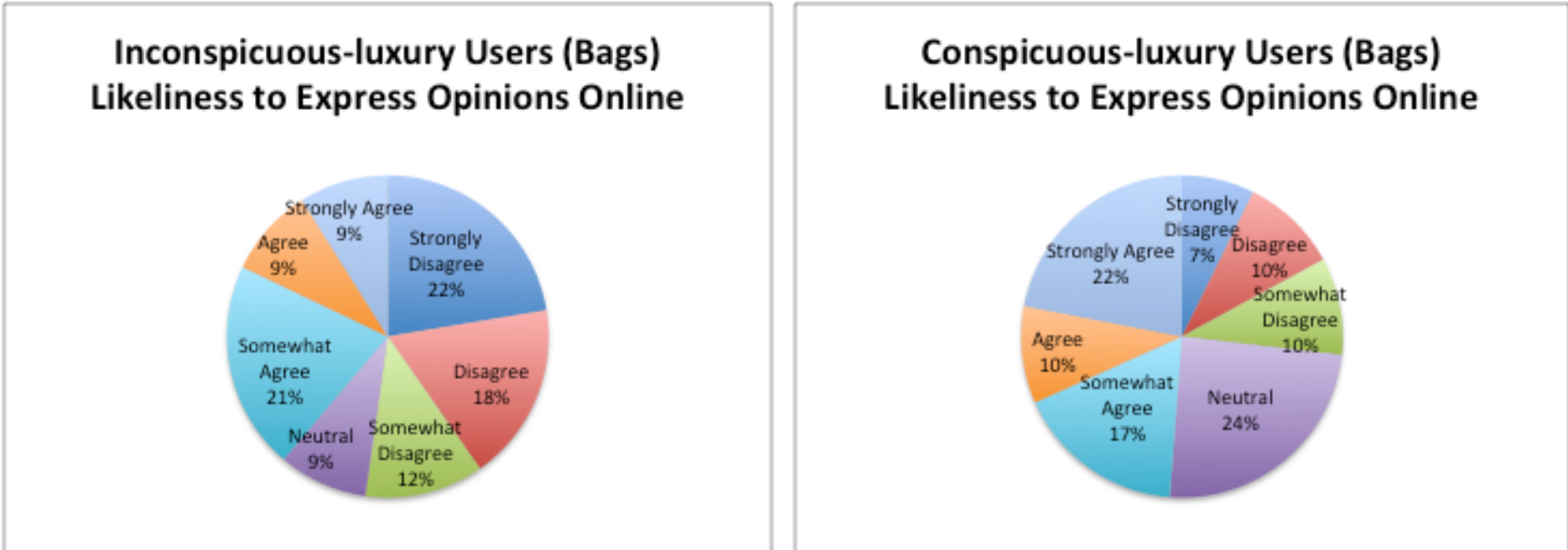
Data Analysis
All statistical data were sent to the SPSS software with the use of regression analysis.

To understand the types of users (conspicuous / inconspicuous users), participants were asked to pick a bag and a scarf below that they prefer in two scenario cases:

Brand	Conspicuous Products		Inconspicuous Products	
 LOUIS VUITTON				
 BURBERRY LONDON				

Preliminary Findings

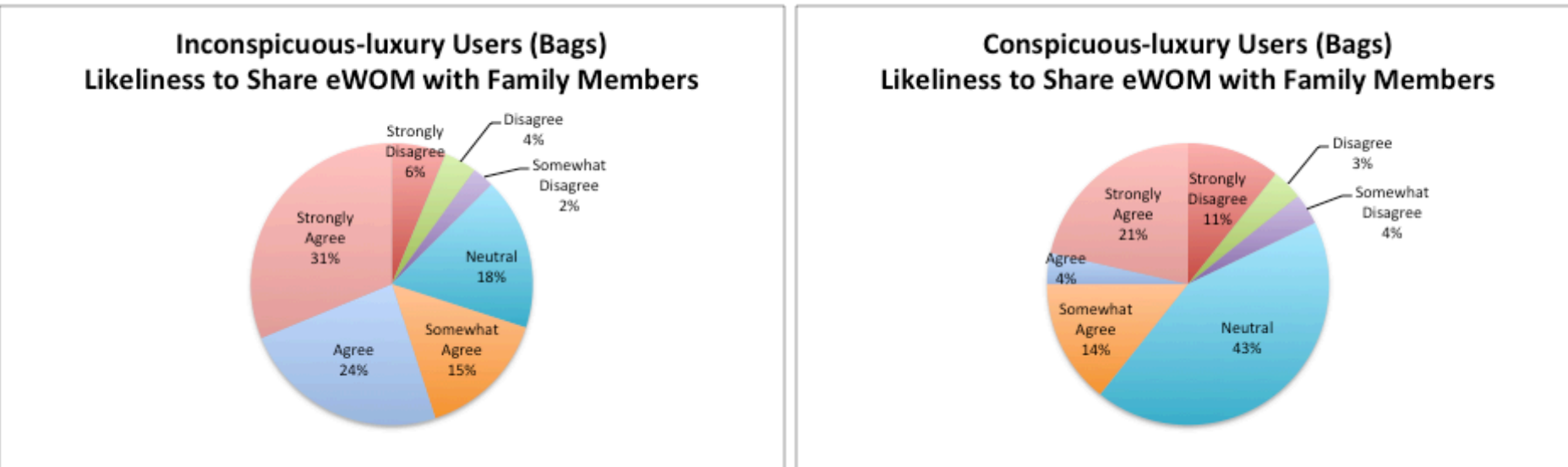
The initials result shows that conspicuous-luxury users are more willing to express their opinions online as shown below:



39% of inconspicuous-luxury users somewhat agree / agree / strongly agree to share their opinions online.

49% of conspicuous-luxury users somewhat agree / agree / strongly agree to share their opinions online.

Another finding is that inconspicuous-luxury users are more likely to share eWOM with their family members as shown below:



Conclusion & Limitation

The findings from the survey illustrates that one's behaviour in sharing eWOM is possible to be predicted by the product signal visibility (conspicuous / inconspicuous). Future research can investigate whether different levels of product signal visibility, i.e. how big is the logo, would affect participants in sharing eWOM (e.g., positive / negative; informational / emotional). The analysis is still an ongoing process, therefore, the final result could change.

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