UNDERSTANDING CONSUMER BEHAVIOUR
IN THE PRESTIGE CAR MARKET

A thesis submitted in partial fulfilment of the requirements for the degree of
Doctor of Business Administration

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DECLARATION

This work is that of the candidate alone except where due acknowledgement has been made in the text of the thesis. It contains no material previously submitted, in whole or in part, to qualify for any other academic award. The content of the thesis is the result of work which has been carried out since the official commencement of the DBA program in 2005. Any editorial work carried out by a third party is acknowledged. The ethics procedures and guidelines have been followed.

Silvia Maria Seibold

December 2010.

CONFIDENTIALITY

For the purposes of confidentiality in this study, the names of the interview respondents have been changed.

SOURCE OF MATERIALS

The source of materials in the thesis is the author. The source of graphs or tables is only indicated if they are adapted from another source.
For Lia and Luis
ACKNOWLEDGEMENTS

First of all, I would like to thank Dr Paul Gibson, my academic supervisor. Who would have thought that a 3am phone call from Paul one morning in February 2005 (I was on a business trip in Europe at the time), would not only start my day a little earlier than normal, but, more importantly, become the start of an exciting doctoral journey? Thank you for nurturing me through the program, providing me with guidance and stimulating ideas, and making me think and write outside the square. Truly, you became my mentor and ‘Doktorvater’.

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Most importantly, thank you to Fabian, my husband, partner and best friend, for the challenges and inspirations. Thank you for believing in me, for encouraging me and for reassuring me how precious I am. I look forward to our future together.
ABSTRACT

This dissertation takes the investigation of consumer needs and motivations much deeper than the literature currently available, by exploring the behaviour of consumers in a complex luxury market, and on more than one dimension. Using Choice Theory and Self-Determination Theory, the researcher provides significant new insights on the topic, concentrating on the motivations of a particular consumer group – those purchasing eco-friendly luxury cars. The researcher demonstrates how this new understanding will be valuable both to academic researchers and to marketing professionals. If a brand manages to integrate both the luxury and the environmental attributes in their brand philosophy, their brand management and their communication, a newly-defined understanding of luxury should be created, that is, ‘eco-luxury’.

The application of Choice Theory and Self-Determination Theory in this research leads to some inspiring outcomes. The dissertation is based upon qualitative research which demonstrates the applicability of the theories’ fundamental hypotheses, but, more importantly, the researcher explains how comprehensive theorising, backed by strong empirical data, can lead to considerable improvements, not only in marketing practice and patterns of consumption, but in social practices, enhancing outcomes for both individuals and their communities. As marketing professionals, we are entitled to be strategic when we inform people why and what they need to change. But we should also provide them with information on how to implement these
actions, and a clear sense of the advantages, both for themselves and the wider community. The researcher believes that by integrating and applying illuminative and explanatory theory to brand management, marketers will assist consumers to integrate more internalised environmentally positive motivation into their consumption behaviour, increasing their personal well-being, at the same time as they help make the world a better place for all.

KEY WORDS: brand management, brand loyalty, luxury brands, eco-conscious behaviour, Choice Theory, Self-Determination Theory
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In the modern marketplace, brand loyalty is an increasingly dominant strategic objective. As a result, managers are continuously searching for innovative ways to understand, motivate and communicate with their consumers. They do this in order to build stronger and more lasting consumer-brand relationships, since the stronger this relationship is, the higher the loyalty rate will be (Fournier 2007). This, in turn, creates more shareholder value for the company (de Wit & Meyer 1998; Doyle 2001; Lotter 2005; Vigneron & Johnson 2004). In the past, luxury brands managed to create identity values simply by delivering a luxury brand image and high-end products (Firat, Sherry & Venkatesh 1994; Holt 2004; Silverstein & Fiske 2005; Solomon 2004; Vigneron & Johnson 2004). Today, this is no longer enough.

Modern consumers are striving for more individualisation and self-actualisation than ever before (Armstrong 2009), and social responsibility and environmental values have become increasingly important to consumer identity.

There is evidence currently available which suggests that consumers are increasingly loyal to those luxury brands associated with a sense of social and environmental responsibility (Demetriou, Papasolomou & Vrontis 2010). These brands are likely to deliver better well-being for both individuals and society as a whole (Armstrong 2009). One of the primary goals of the present study, then, is to suggest how the role of marketing for luxury brands might be redefined in order to ensure that they
establish the right connection between their luxury image and positive social and environmental values (Danziger 2008; Mathioudakis 2008).

A further goal is to use this greater knowledge as the basis for both theoretical and practical applications. The researcher proposes a new category of luxury products, ‘eco-luxury’, a category intended to increase the emotional connection between consumers and specific luxury brands by creating an emotional point of difference between those brands and their competitors. Emotional points of difference are much harder for competitors to imitate. They also generate greater distinctiveness for the brand involved by creating a new brand ‘personality’ (de Wit & Meyer 1998; Ginsberg & Bloom 2004; Interbrand 2009; Solomon 2004). But in order to engage consumers with eco-luxury, marketers need first to refine their understanding of consumers’ needs and motivations.

The researcher has selected Australian automotive consumers as her focus, more specifically those who have purchased an eco-friendly luxury car. Products are defined as eco-friendly if, in some way, they aim at reducing a product’s negative environmental impact (Haanpää 2007; Moisander 2007) and provide measurable improvements throughout the entire product lifecycle (Ha 2007). At the present time, very little is known about the needs, values and motivations of these consumers. Understanding how their purchasing decisions reflect their needs and aspirations
will help businesses better target marketing strategies, increase brand loyalty and 
help make environmental values a more conscious part of consumer behaviour.

This research is guided by the following goals:

1) To determine what is important to those Australian consumers who purchase an 
eco-friendly luxury car;

2) To determine how and in what ways luxury brands matter to those consumers;

3) To determine how and in what ways environmental factors motivate these 
consumers;

4) To determine how luxury and environmental factors affect their car purchase 
decision;

5) To explore the needs, motivational differences, and the relationship between 
need–attitude–behaviour, among these consumers.

The research has been designed to improve our understanding of consumer 
behaviour by applying Choice Theory (Glasser 1998) and Self-Determination 
Theory (Deci & Ryan 2000), to investigate the role played by needs, motivations 
and values in the decision to purchase luxury items. Previous research employing 
Self-Determination Theory has tended to focus on consumer motivation in relation
to just a single factor, such as personal relationships or environmental values. Life, however, is multi-dimensional, and so are the motivations of consumers that may impact upon their purchase behaviour. In this study, for the first time, multidimensionality has been taken explicitly into account in explaining consumer behaviour: the researcher has used a two-dimensional grid (‘Chess Board of Motivations’) rather than a one-dimensional continuum to explore the different impacts a brand’s luxury profile and its environmental profile might have on consumer decisions.

The three fundamental needs of love/relatedness, responsibility/autonomy and power/competence (Deci & Ryan 2008; Glasser 1998), familiar from both Self-Determination Theory and Choice Theory, are considered a useful yet not sufficient descriptive and conceptual apparatus for explaining the needs of luxury brand consumers. To overcome this limitation, Glasser’s (1998) Choice Theory incorporates two additional needs, fun and survival, which are also used in this research. Together with the five fundamental needs of Choice Theory, Self-Determination Theory will help to capture the process that leads individuals to higher levels of self-determination and well-being, through their decision making as consumers.

A primary goal of the dissertation is to integrate Choice Theory and Self-Determination Theory into a new and more powerful model of consumer behaviour and thereby improve marketing analysis and the implementation of marketing
strategies, and to use that new analytical tool to investigate the role of luxury and ecology in the luxury car market.

The following research question has been formulated:

- What understandings of the motivations and choices of those Australian consumers who purchase an eco-friendly luxury car – understandings that are pertinent to the practical concerns of marketing professionals – can be reached through an investigation that is informed by Choice Theory and Self-Determination Theory?

The structure of this dissertation is described in the following section.

Chapter Two begins with an extensive review of relevant literature on brand management and consumer behaviour. In the first part of the chapter the researcher investigates ways in which brands matter to consumers in order to improve existing brand management strategies aimed at strengthening brand loyalty. She contextualises the sociological and psychological needs of consumers along two parameters, luxury and environmental value, explaining how existing literature on this issue connects with her research objectives. In the second part she examines two prominent human behaviour theories, Choice Theory and Self-Determination Theory,
and explains how they will be modified for use in the present study in order to deepen understanding of consumer needs and motivations.

In Chapter Three, the researcher describes her research methodology and research design which is qualitative, involving interpretive analysis of interview transcripts. She explains the data collection process and the data analysis techniques, and provides a detailed overview of the research participants, including the criteria for their selection and any factors identified as constraining or limiting the findings.

Chapter Four analyses the data and presents the findings emerging from the interviews interpreting them within the conceptual framework of both Choice Theory and Self-Determination Theory. The chapter begins with separate analyses and applications, and explains in what ways the data do or do not support the claims made by those theories. Finally, the chapter demonstrates how a deeper understanding can be obtained by integrating both theories into a more powerful and flexible model for explaining both the sociology and psychology of consumer behaviour.

In Chapter Five, the researcher discusses the value of her findings to marketing professionals engaged in the sale of luxury brands, and also their relevance to academic literature on brand management and consumer behaviour. She argues that the data have significant implications for marketing strategy, demonstrating how her theoretical approach might be applied in practice, and why marketing strategies should be shaped by concepts derived from both Self-Determination Theory and
Choice Theory. It is also argued that marketers might use this knowledge to guide their professional practice.

In Chapter Six the dissertation concludes with a summary and some suggestions for future research.
CHAPTER TWO: LITERATURE REVIEW

Chapter Introduction

In this chapter the researcher reviews literature relevant to the primary research question. First, she briefly returns to key elements of the first chapter – the aim of the research, the primary research question, and related research objectives. Second, she outlines the purpose and structure of the literature review. Finally, she reviews the most important literature currently available on her research question and objectives, highlighting its limitations. It is these limitations the current study is designed to address.

In this dissertation the researcher aims to achieve a better understanding of the factors motivating an emerging group of Australian automotive consumers – those purchasing an eco-friendly luxury car. Little is so far known about the personal values of these consumers. Their needs and motivations are therefore examined to help clarify relationships that exist between perceptions of a brand’s luxury and environmental profile in guiding purchasing decisions. By using qualitative methodologies, the researcher seeks, as it were, to enter the world of that consumer group and gain insight into their subjectivity as luxury consumers, exploring their needs and motivations with the help of two theories of human behaviour, Choice Theory and Self-Determination Theory.
The researcher’s interest in this topic is twofold: As a researcher, she is concerned to improve understanding of the relationship between consumer motivations and behaviour. As a marketing professional she would like to understand that relationship and identify how that understanding might be used to influence behaviour through targeted marketing strategies, especially in relation to the enhancement of brand loyalty.

The research question has been formulated as follows:

- What understandings of the motivations and choices of those Australian consumers who purchase an eco-friendly luxury car – understandings that are pertinent to the practical concerns of marketing professionals – can be reached through an investigation that is informed by Choice Theory and Self-Determination Theory?

In Table 1 the research objectives are linked to the relevant literature reviewed.
Table 1: Research Objectives and Reviewed Literature

<table>
<thead>
<tr>
<th>Research Objectives</th>
<th>Reviewed Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>To determine what is important to those Australian consumers who purchase an eco-friendly luxury car</td>
<td>Consumer psychology and consumer sociology (identity issues, lifestyle, self-image, self-reflection)</td>
</tr>
<tr>
<td>To determine how and in what ways luxury brands matter to those consumers</td>
<td>Consumer-brand relationships, consumer behaviour, green marketing and brand management, with a special focus on luxury brands (ideology, beliefs)</td>
</tr>
<tr>
<td>To determine how and in what ways environmental factors motivate these consumers</td>
<td>Green consumerism</td>
</tr>
<tr>
<td>To determine how luxury and environmental factors affect their car purchase decision</td>
<td>Consumer behaviour, such as purchase decision process, brand loyalty</td>
</tr>
<tr>
<td>To explain explore the needs, motivational differences, and the relationship between need–attitude–behaviour, among these consumers</td>
<td>Choice Theory and Self-Determination Theory</td>
</tr>
</tbody>
</table>

In the following section the researcher outlines the purpose and structure of her literature review.

**Purpose and Structure of the Literature Review**

In Part One of this chapter the researcher investigates literature relevant to consumer-brand sentiment. In order to assess the effectiveness of existing brand
management strategies and their impact upon brand loyalty, she reviews academic and industry literature with a particular focus on luxury brands and eco-friendly products. The goal is to clarify the relationship between the needs, motivations, attitudes and behaviours of consumers. In addition, she assesses current academic literature on consumer-brand relationships and contextualises the sociological and psychological needs of consumers in relation to the two brand characteristics in question: luxury and ecology.

In Part Two of this chapter, the researcher explains why Self-Determination Theory and Choice Theory have been chosen for her data analysis, and her decision to integrate elements from both theories into a new and more powerful description of consumer behaviour that is then applied to her data. This decision is justified on the basis of an assessment on the literature currently available that utilises these theories.

The researcher critically reviews existing literature, and identifies potential gaps that might have a bearing on the current research. She relates each section of her literature review to her research goal and notes areas for further investigation. Limitations in the current literature mean there is a need to take the investigation beyond secondary sources and to gather and analyse primary data.

The structure of this literature review is set out in Table 2.
Table 2: Structure of Literature Review

<table>
<thead>
<tr>
<th>Area of Investigation</th>
<th>Further investigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part One: Consumer-Brand Relationships</td>
<td></td>
</tr>
<tr>
<td>Brand Management</td>
<td>Managerial implications in Chapter Five based on data analysis in Chapter Three</td>
</tr>
<tr>
<td>- Brand loyalty</td>
<td></td>
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<td>- Role of luxury brands</td>
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<td>- From status to reason</td>
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<td>- Consumer sophistication</td>
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<td>- Role of eco-friendly products</td>
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<tr>
<td>- Some external effects on brands</td>
<td></td>
</tr>
<tr>
<td>Consumer Behaviour</td>
<td>Primary data in Chapter Three, analysed in Chapter Four, in relation to Choice Theory and Self-Determination Theory</td>
</tr>
<tr>
<td>- Consumer needs and motivations</td>
<td></td>
</tr>
<tr>
<td>- Consumer attitude and perception</td>
<td></td>
</tr>
<tr>
<td>Part Two: Human Behaviour Theories</td>
<td>Chapter Three and Chapter Four</td>
</tr>
<tr>
<td>- Choice Theory</td>
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<tr>
<td>- Self-Determination Theory</td>
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Part One: Consumers and their Brands

Despite the increasing attraction for consumers of luxury brands (Anurit, Newman & Chansarkar 1999; Vigneron & Johnson 1999, 2004) and the increasing awareness of eco-friendly products (Charter et al. 2002; Eriksson 2001; Fraj & Martinez 2007; Haanpää 2007; Peattie & Crane 2005; Pelletier & Sharp 2008; Ratushny 2008), there is a gap in the existing literature, with limited research so far into the relationship between these brand attributes. In fact, literature on ‘green luxury consumers’ (Danziger 2008) can only be found in industry studies and market research reports, such as Brandchannel (2010), none of which are based on objective academic research methodologies. One of the goals of the current study is a fuller understanding of this relationship, and so available research on this topic, academic and industry, is reviewed in what follows. The researcher starts her review by examining the literature on consumer-brand relationships.

In academic literature, consumer behaviour and its significance for business success have frequently been discussed (Fournier 1998; Lotter 2005; Meyer, C & Schwager 2007; Schiffman et al. 2005; Sheth & Banwari 2004; Solomon 2004). In order to obtain in-depth knowledge of consumer behaviour, which is the aim of this research, we need to consider the larger context in which the relationship between consumers and brands is embedded.
The nature of the consumer-brand relationship is complex. A brand has no objective existence as such: it is a collection of perceptions which are held in the consumer’s mind and can only act through the activities of those who control or manage them (Fournier 1998). The researcher takes Fournier’s statement that a ‘brand cannot act or think or feel’ (p. 345) and translates it in her own terms: luxury and environmental brand attributes only exist when both consumers and marketers consider them relevant for their own or larger societal purposes. This issue of brand perceptions and attitudes will be addressed at a later point in Part One.

Despite the abstract and intangible nature of the consumer-brand relationship, enhancing brand loyalty remains the primary objective for many manufacturers of luxury products (Doyle 2001; Fournier 1998; Holt 2004; Keller 2003; Vigneron & Johnson 2004). Brand loyalty may be defined as the consumer’s willingness to stay with the brand when competitors provide equally attractive alternatives. Under these circumstances, history and a level of trust in the original brand may be the only factors guaranteeing such loyalty (Holt 2004; Keller 2003; Kotler 2003).

Brand loyalty is also important because it provides the company with planning reliability and creates greater shareholder value (Doyle 2001; Keller 2003; Kotler & Armstrong 2009). Marketers should initiate brand loyalty with each prospective consumer, as the importance of customer retention offers significant benefits, such as lower costs for retaining current customers as opposed to acquiring new customers, and an increase in profits through the reduction of customer defection. In
order to further explore consumer-brand relationships and brand loyalty for this research, current literature on the two brand attributes in question, luxury and the environment, will be reviewed in the following section.

**The Relevance of Consumer-Brand Relationships**

The luxury brand market has grown progressively over the past twenty years (Doyle 2001; Silverstein & Fiske 2005; Vigneron & Johnson 2004) and profits continue to increase (Interbrand 2009). There has also been significant academic interest in luxury brands (Armstrong 2009; Holt 2004; Silverstein & Fiske 2005; Vigneron & Johnson 2004), and this has shown that they require greater levels of interest from prospective consumers, and deeper knowledge and higher commitment in decision-making than non-luxury brands (Allsop 2005; Doyle 2001; Vigneron & Johnson 1999). This is largely because luxury goods often relate more strongly to consumers’ self-perception (Silverstein & Fiske 2005; Vigneron & Johnson 2004). In luxury industries, then, the dominant source of value is the brand. Both industry and academic research recognise the brand as a crucial source of strength. It creates shareholder value and maximises future cash flow (Doyle 2001). Consumer-brand relationship management (Verhoef 2003) is a prominent part of today’s marketing practices and integral to the marketing strategies of most organisations involved in the production and sale of luxury products. It is a concept companies use to
understand consumers and respond quickly to their changing desires, and includes the active shaping and control of relationships to establish trust and build loyalty (Dyche 2001; Schiffman et al. 2005). The researcher’s conclusions about how specific marketing measures, tailored to the needs of particular consumer groups, should become part of a company’s strategy are outlined in Chapter Five.

A considerable amount of marketing literature has focussed on loyalty programmes which use rewards to ensure customer retention (Keller 2003). However, according to Ariely (2008), and Pelletier and Sharp (2008), influencing purchasing behaviour through rewards is not the key to brand loyalty. Given that brand loyalty is crucial to business success (Reichheld & Markey 2000), and that successful consumer-brand relationship-building is complex, we need to look more deeply into the needs and motivations of our consumer group.

Human behaviour theories such as Self-Determination Theory and Choice Theory can help explain these needs and motivations, and are introduced in Part Two of this chapter. However, the current research does not focus solely on luxury brands, but more narrowly on the consumer-brand relationships for those who purchase an eco-friendly luxury brand. The ways in which the values of consumers in this group are dependent on the luxury and/or environmental attributes of the brand is an important issue which has received little detailed attention in current research.
Luxury Brands and Consumer Identity

Research into brand image and individual choice suggests consumers develop a higher emotional awareness of luxury brands (Anurit, Newman & Chansarkar 1999; Silverstein & Fiske 2005; Vigneron & Johnson 1999), whereas its functional benefits, such as superior quality and performance, are largely taken for granted. However, research to date does not explain the source of those emotions, nor is it able to specify precisely their effect on consumption. This dissertation therefore examines the fundamental needs and deeper motivations of luxury consumers, with a particular focus on the relationship between ‘luxury’ and ‘environmental’ values in determining patterns of consumption.

Previous research has shown that consumers’ purchasing decisions are often motivated by a desire either to make positive statements about current and prospective identities (Holt, Quelch & Taylor 2004; Silverstein & Fiske 2005) or to distinguish themselves in relation to others (Schiffman et al. 2005). The purchase of luxury brands, in particular, fulfils this need for status and recognition (Armstrong 2009; Vigneron & Johnson 2004), stimulating feelings of well-being and happiness (Armstrong 2009), by fusing the symbolic meaning of the brand with the consumer’s own identity (Doyle 2001). A luxury purchase provides consumers with the opportunity to demonstrate their success in life and express their individuality and personal values (Doyle 2001; Schiffman et al. 2005; Vigneron & Johnson 2004). Luxury brands, in other words, carry identity meanings and reflect how individuals
want to be perceived (Firat, Sherry & Venkatesh 1994; Holt 2004; Silverstein & Fiske 2005; Solomon 2004; Vigneron & Johnson 2004). While research has been conducted into luxury brands and identity, what has not so far been considered is the relationship between luxury and environmental values and the resultant influence on consumer status and identity. This issue is examined in Chapters Three and Four.

**From Status to Reason**

Armstrong (2009) differentiates between well-being/happiness and flourishing. In his view (pp. 75-85), people’s self image should be raised from the far too common level of ‘status’ (individual satisfaction through purchasing luxury brands) to the level of ‘reason’ (where self-actualisation is linked to a more altruistic appreciation of what is good for humankind), reflected in purchasing patterns that are socially responsible (Demetriou, Papasolomou & Vrontis 2010) or eco-conscious. If consumer self-image can be modified in this way, this will deepen the quality and intensity of consumer-brand relationships, and increase consumer loyalty. To more fully understand these processes, we need an answer to the following question: what values are those consumers who purchase an eco-friendly luxury car most influenced by – status or reason? This, too, is investigated in Chapters Three and Four.

Humanity’s survival depends on the quality of the environment (Armstrong 2009; Fraj & Martinez 2007; Pelletier et al. 1998). Years of environmental neglect have
threatened human well-being and, in the last couple of decades, awareness of environmental problems has risen (Brandchannel 2010; Ha 2007; Pelletier & Sharp 2008). As a consequence of this raised level of environmental awareness, there is a growing expectation among consumers that companies will behave in a socially and environmentally responsible manner. It is reasonable to assume that this expectation will influence purchasing decisions, and a deeper understanding of this new situation can then be used by marketers to increase brand affinity and loyalty (Demetriou, Papasolomou & Vrontis 2010; Horx 2003; Mandelbaum 2008; Ratushny 2008).

At the first look, marketing, as an instrument to stimulate consumption, and eco-movement seem to be contradictory. Whereas marketers focus on satisfaction of consumer needs and wants, ecologists advocate consumption limitation in order to protect the quality of life in the future. Sustainable or green marketing is a new vision to effectively use resources and take into consideration long term interests of both the society and the environment (Bradley 2007; Charter et al. 2002; Louppe 2006; Polonsky 1994). To carry on this orientation, it is necessary to design a marketing strategy with specific characteristics.

So, what can companies do to tap into environmental values? This issue needs to be investigated further. What we do know is that the success of a brand can no longer be guaranteed by its luxury image or prestige status alone: it can only be achieved by a long-term commitment to product quality (Doyle 2001; Silverstein & Fiske 2003; Vigneron & Johnson 2004) combined with sustainability (Charter et al. 2002; Fuller
To be competitive, companies need to continuously develop their products in order to meet changing consumer needs and attitudes (Anurit, Newman & Chansarkar 1999; Seidel, Loch & Chahil 2005) and gain marketing advantages over their rivals (Wit & Meyer 1998). To succeed economically, and build a good corporate reputation (Demetriou, Papasolomou & Vrontis 2010; Miles & Covin 2000) companies now need to combine quality and innovation with a focus on lasting environmental (Charter et al. 2002; Glorieux-Boutonnat 2004; Seyfang 2004) and social responsibility (Armstrong 2009; Polonsky 1994). In response to these changing consumer values, companies in nearly every industry, particularly luxury brands, have begun to integrate social responsibility and environmental sustainability into their product development (BMW Group 2010a, 2010b; Frazier 2008; GfK Roper 2007; Ginsberg & Bloom 2004; Hales 2008; Horx 2003) and marketing strategies (Bradley 2007; Demetriou, Papasolomou & Vrontis 2010; Glorieux-Boutonnat 2004; Horx 2003; Louppe 2006; Mandelbaum 2008; Ottman 2008; Queensland Government 2006). Given the recent nature of this change, there is still considerable scope for research into both the consumer attitudes involved, and the best means for marketing to this new, environmentally aware consumer group. How, for example, luxury automotive companies could embed environmental messages in their marketing strategy is an important challenge which is addressed in Chapter Five. It is shown there that the role of marketing needs to move from creating consumer needs and desires, to informing and educating consumers.
(Charter et al. 2002; Glorieux-Boutonnat 2004) about how well a brand or product meets their existing expectations, for prestige, quality and environmental awareness (Armstrong 2009). The focal product here is eco-friendly luxury cars, although it will be argued the findings are just as relevant to other luxury commodities. Again, specific implications for marketing will be outlined in Chapter Five.

It is difficult, however, to find a product that is one hundred percent eco-friendly. Products are defined as eco-friendly if, in some way, they are designed to reduce negative environmental impact (Bradley 2007; Haanpää 2007; Moisander 2007) and provide measurable improvements throughout the entire product lifecycle (Ha 2007). What this means for the automotive sector will be described in Chapter Three.

In a world of complex purchase decisions (Underhill 1999), consumers want to feel good about what they purchase or consume. Hence, eco-friendly consumption can be characterised as a highly complex form of consumer behaviour, both intellectually and morally, that will continue to grow in importance into the future. This dissertation therefore aims to extend existing research and take brand management from the level of status to the level of reason (Armstrong 2009), focusing on eco-friendly values as a key component of the modern luxury brand. Now and for the foreseeable future, both luxury and environmental values will profoundly affect the
consumer-brand-relationships. Both, therefore, need to be taken in account in future strategies for marketing luxury brands and for managing the consumer-brand relationship. The human behaviour theories which are reviewed in Part Two of this Chapter are critical in helping us understand the needs and motivations of this emergent consumer group. In turn, these theories contribute to the data analysis in Chapter Three, and findings based on their application are presented in Chapter Four.

**Consumer Sophistication**

While buying eco-friendly products may not appeal to everyone, an increasing number of luxury consumers do demonstrate eco-friendly sentiments in their purchasing behaviour or, at least, are potentially receptive to such sentiments (Danziger 2008). Understanding this particular consumer group will help marketers of luxury brands know whether ‘environmental-friendliness’ is a significant marketing value, and enable marketers to develop better strategies for incorporating this value into the marketing mix (Bradley 2007; Louppe 2006; Meffert & Bruhn 1996). Current industry literature, such as Frazier (2008) and Ginsberg and Bloom (2004), gives only limited advice, and even fewer clear answers to the questions asked in the present study. It is claimed, for example, that, although consumers may express a desire to support companies that act in an eco-friendly manner, their actual purchase behaviour often remains unaffected by environmental concerns. One
reason may be that consumers are uninformed about the ethical and eco-friendly behaviour of particular companies. According to Carrigan (2001), eco-friendly consumerism, at least in Western societies, is driven by the fact that consumers are better informed, more educated (Charter et al. 2002; Glorieux-Boutonnat 2004) and their awareness is greater. Without this awareness, there is little motivation to consume in environmentally responsible ways. Therefore, it is suggested that marketers should provide animated, emotive information (Ginsberg & Bloom 2004; Meyer, A 2007; Ottman 2008) in order to engage consumers and ensure the message is heard. But does increasing environmental awareness automatically lead to more eco-conscious behaviour? The evidence here is less clear-cut. Consumer sophistication is no guarantee of participation in environmentally sound or ethical buying practices (Carrigan & Attalla 2001; Newholm & Shaw 2007). Even though there is widespread information available on environmental issues and environmental awareness is growing, only a limited proportion of consumers seem committed to behaving in an eco-conscious way. This is perhaps because consumers require further environmental education (Charter et al. 2002; Glorieux-Boutonnat 2004; Peattie & Crane 2005) in order to understand the consequences of their behaviour. But, according to Carrigan (2001), too much knowledge about consumer products can sometimes detract from, rather than enhance, choice. The same may be true of comprehensive environmental information. Nevertheless, even if environmental awareness will not guarantee eco-friendly behaviour, the researcher considers information and education fundamental to optimising the potential for eco-
conscious consumer behaviour and the marketing advantages that might result. She therefore outlines informational and educational marketing measures addressing environmental issues in Chapter Five.

Anecdotally, commitment to environmental values has been widely claimed to lead to eco-conscious behaviour. However, academic support for this contention is hard to come by in the literature. People are certainly aware of global and local ecological problems, yet they often show limited commitment to eco-conscious behaviour (Pelletier & Sharp 2008). Consumers may be willing in some instances to purchase eco-friendly products but when faced with constraints or conflicts between environmental values and their perceived need for specific luxury or high-status goods, they frequently manifest resistance to adopting eco-conscious behaviour. For example, consumers may want to be environmentally responsible but still maintain their existing lifestyle (McDaniel & Rylander 1993; Schwartz, SH 1990). In these circumstances, they may not be prepared to sacrifice convenience or personal desires (Stern et al. 1999). In the context of the research carried out for this dissertation, this means that when consumers desire to purchase a luxury or prestige-brand car, they expect great performance and quality (Ginsberg & Bloom 2004; Ottman 2009; Schlegelmilch, Bohlen & Diamantopoulos 1996; Stern et al. 1999; Wong, Turner & Stoneman 1996) such as dynamic driving capabilities, and they are willing to pay a price premium (Peattie 1995) for such a car. But is this willingness reduced if
environmental concerns are assumed to limit the high performance values that attracted them to the brand in the first place? Literature on this complex question, involving a trade-off between performance and environment, is limited. Questions about consumers’ willingness or reluctance to pay more for positive environmental attributes will be investigated later in this part and also in Chapter Four. It may be an instance where an attitude-behaviour gap (Pelletier et al. 1998; Roberts 1998) occurs for those consumers contemplating the purchase of an eco-friendly luxury car. This is further explored in Part Two of this chapter and analysed in Chapter Four.

It is widely believed that environmental benefits and social responsibility are unlikely to be the over-riding determinants of product and brand choice. At best, they represent just one among a number of possible factors that may add value to a luxury item (Carrigan & Attalla 2001; Ottman 2009; Wong, Turner & Stoneman 1996), and are not likely to prove determinative on their own. On the contrary, eco-friendly products must match the core attributes, such as quality and price (Demetriou, Papasolomou & Vrontis 2010; Louppe 2006), which are available with more conventional products. What is it, then, that makes people buy an eco-friendly luxury car? Until now this question has remained unanswered. What is missing from the American, European and Australian literature is any attempt to analyse the mix of values governing luxury consumption, or to explain their derivation. We still do not know, for example, how and why environmental factors affect purchase decisions. Why some consumers behave in a more eco-conscious manner than others
is another key question this dissertation attempts to answer. Research into consumer psychology might provide an answer. For this reason, two important theories on the psychology of consumption, Choice Theory and Self-Determination Theory are employed for the analysis in Chapters Three and Four. The existing literature on these theories, and their potential for the present study, are issues considered in Part Two of this chapter. Before turning to address this question, the next section will briefly examine literature on the significance of positive environmental values to the success of luxury brands in the modern marketplace.

The Relevance of Eco-Friendly Products for Luxury Brands

What is the impact of eco-friendly attributes on consumer decision-making about luxury brands? In situations where two products are perceived as equal in all respects, except that one is superior in its environmental performance, environmental benefits may determine consumer preference and choice (Ottman 2009). This may be particularly important as a differentiation strategy for brands that are increasingly difficult to distinguish otherwise, or in mature markets where there is more intense competition. The product’s environmental performance may then provide a point of real differentiation, and influence consumer choice.

This is true of the luxury automotive market. While this market continues to grow (Mellor et al. 2010), car companies globally need to define new, more eco-friendly
and sustainable strategies and position themselves accordingly if they are to achieve and maintain a competitive edge (Hill 2010). Environmental factors may be important here, since the commitment of some consumers means that they may even accept some reduction in quality or performance in order to buy a product that delivers significant environmental benefits (Ottman 2009). Here, however, it is possible to identify a limitation in Ottman’s research: rating environmental benefits over quality and performance may be possible for conventional brands. For luxury brands, however, higher levels of performance and quality are crucial elements (Silverstein & Fiske 2005; Vigneron & Johnson 2004) and consumers are reluctant to compromise (Ginsberg & Bloom 2004; Ottman 2009; Schlegelmilch, Bohlen & Diamantopoulos 1996; Stern et al. 1999; Wong, Turner & Stoneman 1996). There is frequently consumer scepticism (Ottman 2008) about the relative performance of environmental products, and problems may also arrive if environmental expectations for the product do not match consumer experience. In both cases, this will have a markedly negative impact on the product’s appeal (Wong, Turner & Stoneman 1996).

Although the prominence of environmental issues provides a great opportunity for companies to demonstrate ecological commitment (Danziger 2008; Pelletier & Sharp 2008), the challenge for luxury companies is to develop products and design marketing strategies that are positive in environmental terms, while also meeting the expectations of their customers for quality and performance. The marketing
Some External Effects on Brands

What are the effects of pricing? In conjunction with limited supply, consumers perceive high price as one of the main indicators of luxury (Vigneron & Johnson 2004), to the extent that a higher price on its own may indicate quality and prestige (Allsop 2005). Other authors (Anurit, Newman & Chansarkar 1999; Lotter 2005; Vigneron & Johnson 2004) attach less importance to price as an indicator of prestige, but put greater emphasis on the effect luxury brands’ pricing has on consumers’ perceptions of exclusivity. Exclusivity in turn enhances the desire for a brand, and this desire is increased when the brand is perceived as expensive. In this context, the brand is considered even more valuable (Vigneron & Johnson 2004). Consumers of luxury brands express their need for exclusivity by searching for something difficult to obtain (Vigneron & Johnson 2004), and luxury brands should therefore position themselves to appeal to this particular segment of the market. Little is said in the literature about whether environmental factors can further enhance the perceived value of a luxury car. This is therefore investigated in Chapter Four.

Since a growing number of consumers in Western societies are willing to pay a premium for sustainable or eco-friendly products (Ginsberg & Bloom 2004; Ottman
2008) if there is a perception of additional product value (Queensland Government 2006), some authors encourage companies to charge a ‘juste prix’ (fair price, p. 16) (Louppe 2006) premium in order to recover additional costs incurred in the production, marketing and disposal of environmentally positive items (Fuller 1999; Peattie 1995; Wong, Turner & Stoneman 1996). This is in addition to the usual rates charged to ensure profitability. Academic and industry analysis on this issue is, however, inconclusive. According to industry views (Brandchannel 2010; GfK Roper 2007) those consumers who are more receptive to environmental products and purchase them by choice are willing to pay more for the environmental benefit. But Schwartz (1990) and Fuller (1999) suggest that consumers are not prepared to pay a higher price unless the environmental benefit is perceived to create personal rather than primarily social advantages (Ottman 2009). Since this remains an open question, the price-elasticity of those consumers who purchase an eco-friendly luxury car and their degree of self-interest for personal benefits (Kammerer 2009) and rewards is examined in greater depth in Chapter Four.

What is the effect upon eco-friendly, luxury purchases when the economy slows? Research has shown that, contrary to expectations, luxury purchases do not depend directly on economic conditions (Vigneron & Johnson 1999). Silverstein and Fiske (2005) state that luxury consumers buy at any time and at any point in the economic cycle, and are not greatly affected by economic conditions. Smith (2008), in contrast,
argues that environmental concerns decrease in importance in relation to self-preservation in periods of economic decline. Other sources (Haanpää 2007; Moisander 2007; Shapiro & Gottesman 2008) differentiate between consumers’ awareness as opposed to behaviour: Whereas the awareness and attitude of consumers towards the environment will not decrease during periods of financial instability or crisis, their behaviour might alter, as lifestyle is not dependent solely on choice, but is also connected to socio-economic factors, such as available resources. Companies can minimise the impact of economic factors by investing in solid marketing strategies to ensure product differentiation (Hooley et al. 2008; Kotler & Armstrong 2009). A potential strategic marketing direction is outlined in Chapter Five.

Can environmental attributes of a luxury product lead to negative effects? Firstly, companies should refrain from undifferentiated initiatives and misleading messaging that undermines credibility (Bradley 2007; Glorieux-Boutonnat 2004; Queensland Government 2006), such as ‘green-washing’: that is, false or misleading environmental claims of the sort that were prevalent in the 1980s and early 1990s (Ginsberg & Bloom 2004; Ottman 2008). Today, global standards and certifications are meant to allow consumers to identify green products easily, and marketing needs to reflect that fact. Secondly, even if consumers care for the environment, the complexity of environmental information and the lack of credibility of much that is
available, can make them hesitant to act upon their environmental concerns (Moisander 2007). Furthermore, while consumers may express willingness to purchase in an eco-friendly manner, they typically do not wish to be inconvenienced in order to do so. They may even be cynical about differentiation between companies based on environmental criteria. Since little is said on this issue in the literature, it is explored in Chapter Four. There, the researcher discusses negative associations of environmental values and the impact they might have on consumer behaviour.

Whether price, quality, and the value of luxury brands outweigh environmental criteria in determining consumer purchase behaviour is examined in Chapters Three and Four. Companies need to find ways to convince consumers of their environmental integrity (Pelletier & Sharp 2008; Ratushny 2008) and show how their purchase behaviour can make a difference in environmental terms. This issue is addressed in Chapter Five.

From Brand Management to Consumer Behaviour

In Moisander’s (2007) view ‘green consumerism’ is too heavy a responsibility for any individual to bear. Consumers who are willing to be environmentally responsible want to co-operate and contribute to the production of more sustainable practices, but as the contribution of a single consumer can only be marginal, the
short-term benefits of ignoring eco-conscious behaviour are tempting (Moisander 2007). Even if defecting might be appealing, in Pelletier and Sharp’s (2008) as well as Deci and Ryan’s (2000) view, individuals will still strive to internalise the regulations governing environmentally responsible behaviour. Higher levels of self-determined motivation will lead to higher levels of appropriate behaviour, which in turn leads to enhanced well-being.

Some authors argue that environmental behaviour is driven solely by external factors: According to Haanpää (2007), for example, eco-friendly purchase behaviour is unlikely to deliver personal benefits (Kammerer 2009) or pleasure, unless companies or governments (Mandelbaum 2008; Polonsky 1994) offer discounts, rebates or tax advantages. In contrast, the work by Pelletier and Sharp (2008) referred to earlier, shows that eco-conscious behaviour depends on the individual’s motivation. The more individuals are able to internalise environmental values, the more they will behave in an eco-conscious way. Environmentally responsible behaviour will then become part of their subjective value system, and they will enjoy behaving in conformity with such values, without the need for external regulation. This will also increase their sense of well-being. Although not conclusive, these arguments are encouraging for the current research, and are investigated further in Part Two of this chapter.

Current literature says relatively little about the fundamental needs and motivations of consumers. Despite the common acknowledgement that needs and motivations
have an impact on purchasing decisions, current research does not go far enough in exploring this connection. At this point in time we do not know to what degree consumer needs and motivations are influenced by luxury and/or environmental factors, nor do we know how and why their motivations differ. In Chapter Four the researcher presents primary data and examines them in terms of two human behaviour theories: Choice Theory and Self-Determination Theory. The literature on these two theories is examined in Part Two of this chapter.

The reviewed literature from the USA, Europe and Australia does not, however, provide any insight into the needs and motivations of our particular consumer group. Therefore, theories of consumer behaviour need to be extended in order to apply to this particular market. The next section examines consumer behaviour, and this specific consumer group, more closely.

**What does our Consumer Group look like?**

To paraphrase Danziger (2008) the typical 'green consumer' is no longer a fashion-challenged, muesli-munching wearer of sandals with socks. Today’s eco-conscious consumers are more likely to be women (Queensland Government 2006) – affluent and professional – who wear luxury brands (Danziger 2008). However, approaches to consumer profiling can differ quite significantly in the picture that they give us, depending on how they handle the balance between social and psychological
influences. Whereas authors of industry papers, such as Diamantopoulos et al (2003), GfK Roper (2007) and Danziger (2008) have researched consumers mainly in relation to their socio-cultural context, academic articles, such as those from Fournier (1998), Schiffman et al. (2005), Haanpää (2007), look at both the socio-cultural and the psychological aspects of consumer behaviour.

It is undoubtedly true that in order to explain consumer attitudes towards brands we need to understand the broader context of people’s life experiences, their values, attitudes and aspirations (Goulding 2003). This is because brands cohere into systems that consumers create not only to aid in living, but also to give meanings to their lives (Fournier 1998). The idea that life can be understood as a system of meanings goes beyond the scope of this research, but is nevertheless significant conceptually to the type of qualitative research carried out for this dissertation: What are the ‘meanings’ that would prompt people to choose an eco-friendly luxury car? Choice Theory and Self-Determination Theory, which are introduced in Part Two of this chapter, will help us to understand this specific consumer group, and the needs and motivations that guide the choices they make.

In addition to the educational, occupational, financial and residential status of potential consumers, consumer behaviour research focuses on their specific lifestyle factors (Schiffman et al. 2005), identified by activities, interests and opinions (Haanpää 2007), as a means of explaining their patterns of consumption. Haanpää (2007) asserts that lifestyle is influenced by both choice and socio-cultural factors,
and that an assessment grounded in differentiating lifestyles will explain environmental commitment better than traditional socio-economic background variables or demographics. In the following section, the researcher reviews literature on consumer behaviour from both the socio-cultural as well as the psychological context. Since a number of authors argue that social, cultural and economic factors set the framework and growth potential for eco-conscious consumerism (GfK Roper 2007; Ginsberg & Bloom 2004; Haanpää 2007) we will start our investigation with the question of socio-cultural context.

**Eco-Conscious Consumers in a Socio-Cultural Context**

Environmentally responsible behaviour is not only affected by socio-demographic and cultural background variables (Diamantopoulos et al. 2003; Pelletier et al. 1998; Ueltzhoeffer & Ascheberg 2009; Williams 2002), but is also influenced in fundamental ways by economic factors (Perreault, Cannon & McCarthy 2009).

Danziger (2008), whose views, it must be pointed out, are not based on rigorous empirical research, claims that affluent women are more eco-concerned than others. Diamantopoulos et al. (2003) extend and modify Danziger’s argument, concluding that:

- males are more knowledgeable about environmental issues
• females are more concerned about environmental quality; and
• females are more likely to participate in green activities.

The views of Diamantopoulos et al (2003) and Haanpää (2007) present us with conflicting arguments when it comes to the age of consumers most likely to purchase eco-friendly products. On the one hand, Diamantopoulos et al. (2003) argue that, while age is not related to environmental knowledge, in general, it is ‘younger people’ (the term is rather imprecise) who are more likely to be concerned about the environment. By contrast, Haanpää (2007) suggests that consumers less than 45 years of age are typically less committed to the environment than the middle-aged and, according to her analysis, older consumers exhibit the most environmentally aware purchasing behaviour. Haanpää (2007) contends that elderly consumers are more committed to green issues, reflecting the fact that personal and social responsibilities peak in mid-life. According to Danziger (2008), who is the only author who looks into the behaviour of consumers purchasing luxury, eco-friendly products, the average age of that particular consumer group is 46.6 years. Ginsberg and Bloom’s (2004) research suggests that it is the baby boomers, concerned about living longer and healthier lives, who place the highest priority on environmental issues. Diamantopoulos et al. (2003) believe that marital status, number of children, higher education and social class are all likely to be greater predictors of environmental knowledge and eco-concern. Whether this is the case for
those consumers who purchase eco-friendly luxury cars is unclear from the literature discussed here, and is taken up for detailed exploration in Chapters Three and Four.

According to Danziger (2008) an increasing number of luxury buyers consider a company's environmental practices before making a purchase because of concerns about environmental issues that affect them personally on a day-to-day basis, such as fuel and energy shortages. And luxury buyers are also engaged with larger issues, like protecting the environment, global warming and avoiding water and air pollution. Diamantopoulos et al. (2003), Ginsberg and Bloom (2004), Haanpää (2007) and Danziger (2008) all agree that consumers’ attitudes have changed dramatically since the early years of the environmental movement. Given the increased media coverage and political attention now paid to green issues, environmental awareness is becoming a socially accepted norm (Diamantopoulos et al. 2003). This means that socio-demographic characteristics have only limited explanatory power if we want to account for the differences between those consumers who are motivated by environmental concerns and those who are not. A more fruitful approach might be to examine the ways in which some consumers give meanings to their lives not only by choosing luxury brands, but also by choosing environmentally responsible patterns of behaviour and consumption, especially where this involves luxury products. In other words, we need to investigate the process whereby some consumers of high-prestige products integrate external values related to the environment with their internal system of values and needs. Our
Eco-Conscious Consumers in a Psychological Context

Satisfied people function effectively and develop in a healthy way, while those who experience frustration may often show evidence of psychological illness and non-optimal functioning (Ryan & Deci 2000). Consumer behaviour in a psychological context needs to be evaluated in relation to the following concepts: needs and motivation, identity and self, perception and attitudes (Schiffman et al. 2005). All six concepts are addressed in this research. The researcher examines each of these, and the literature relevant to them, briefly in what follows. In Part Two of this chapter, Choice Theory and Self-Determination Theory are introduced as a framework for understanding the psychology of luxury consumption. Existing literature applying both theories is also considered.

We begin with the fundamental needs of consumers and with the fact that the behaviours through which individuals choose to satisfy those needs may be quite different (Glasser 1998). According to Glasser (1998) each individual has memories of need-fulfilling behaviours specific to his or her unique life experiences, and these pleasurable memories constitute individuals’ thought worlds, composed of perceptions representing what they enjoy most in their life. These perceptions are
specific and individual to each person and become the standard for their behavioural choices. He suggests that the choices we make in our thinking and acting greatly affect our psychology, emotions and physiology. Individuals choose to behave in different ways to fulfil their fundamental needs. How Glasser’s (1998) Choice Theory can help to better understand our particular consumer group will be reviewed in more detail in Part Two of this chapter, and then applied in Chapter Four.

Consumer motivation is the driving force in individuals that leads them to take action in order to satisfy a need (Schiffman et al. 2005). Self-Determination Theory (Ryan & Deci 2000), reviewed in Part Two of this chapter, is a macro-theory of human motivation and personality which will help us explain differences in consumer motivations towards the external environment. According to Self-Determination Theory, motivation can be intrinsic or extrinsic or somewhere in between (Deci & Ryan 2000). Intrinsic motivation refers to initiating an activity for its own sake rather than in order to obtain an external goal: this latter is termed ‘extrinsic motivation’ (Deci & Ryan 2000). This distinction between different levels of motivation is important because it contextualises how maturity at the stage of life of individuals can impact upon their purchase behaviour. It also addresses the importance of external rewards and recognition to some people, those with externalised motivations, and personal responsibility and identification to others, those who are internally motivated. Chapters Three and Four investigate whether primary data supports the claim of Self-Determination Theory by demonstrating
how and why people’s motivations differ and how better well-being can be achieved through an internalised level of consumers’ self-determination.

In Slater’s (2001) view individuals are put in trade-off situations where they have to make choices between the environment and their own needs, wants and desires. Stern et al (1999) as well as Ginsberg and Bloom (2004) consider the environmental aspect even less important for consumer choice: when consumers are forced to make trade-offs between helping the environment and other product attributes, they claim, the environment almost never wins. However, more recent research, such as that by Moisander (2007), considers eco-friendly values and consumption choices a lifestyle-based expression of an individual consumer’s concerns about the state of the environment rather than a trade-off between environmental and other product attributes. As a result, different lifestyle-based factors might be expected to affect consumers' attitudes towards the environment and therefore their behaviour.

Environmental consumerism can be motivated by a multitude of concerns (Moisander 2007), both environmental and non-environmental. The sets of behaviours that consumers include in their eco-friendly consumption patterns may vary. For example, consumers may be unwilling to use public transport, but will engage in other environmental behaviours, trying to compensate for their environmentally harmful commuting decisions. The consumer group in question does not refrain from driving a car despite their distinctive environmental concerns. Whether these consumers purchase their eco-friendly car in order to compensate for
their driving behaviour, or to justify their luxury purchase or for other reasons will be investigated in Chapter Three.

Moisander (2007) categorises green consumers into two types: (1) the radical green consumer who refuses to buy anything that is not absolutely necessary and will not purchase a car at all; and (2) the liberal green consumer who chooses products and services that are less destructive to, or which may even have a positive impact on, the environment without significantly compromising their way of life (for example, by buying a more eco-friendly car). The first type is not the target group for this investigation. However, what we currently cannot establish on the basis of existing research is whether the purchase motivations of our particular consumer group derive from their environmental-consciousness, as with liberal green consumers, or from other motivations. It is to fill this gap in our knowledge that Self-Determination Theory will be discussed in Part Two of this chapter and applied in Chapter Four.

Consumer behaviour is directly influenced by consumer attitudes to a range of issues. Ajzen and Fishbein (1980) suggest a high correlation between attitudes, intention and behaviour. Other researchers (Webb & Sheeran 2006) suggest that the impact of intentions upon behaviour can be enhanced if effective methods of changing
intentions are identified and intentions are translated into action, such as by promoting intention stability and implementing intention formation.

Consumers tend to have opinions, positive or negative, on brands and these are reinforced by experience, such as satisfaction or dissatisfaction, with the brand in relation to the socio-economic status of the consumer. An attitude can also be developed without direct experience, based on the brand’s image in the marketplace. This, too, may influence buying behaviour. Such attitudes vary depending on the demographic, geographic, psychological or lifestyle profiles of consumers (Anurit, Newman & Chansarkar 1999). Environmental purchase intentions and behaviour are no different. They may be influenced by factors as varied as the individual’s knowledge and motivation, their capacity to perform the behaviour and to make purchase decisions in an environmentally responsible way (Ajzen & Fishbein 1980).

As we saw earlier in this chapter, however, an attitude-behaviour gap has been identified when it comes to environmental-consciousness: despite widespread commitment to environmental values, only some people actually behave in an eco-conscious way (Carrigan & Attalla 2001). Applying Self-Determination theory, as explained in Part Two of this chapter, will help clarify the need – attitude – behaviour relationship governing consumer decisions to purchase luxury brands which also provide eco-friendly products.
Conclusion of Part One

This research seeks to understand consumer motivations and choice by looking at those factors that are relevant to the decision to purchase an eco-friendly, luxury car. The discussion so far has focused on an emerging need for eco-friendly products in the luxury brand market. The literature currently available does not provide answers to the fundamental question addressed here: how influential are environmental values in determining consumer behaviour in the luxury car market? This is especially evident with existing literature in the field of green consumerism which focuses very little of its attention on luxury brands. As a result, the needs and motivations of consumers who purchase, or who might consider purchasing, an eco-friendly luxury car, have been left unexplained. The literature currently available on this issue mainly derives from industry papers that lack the detail and rigour we might expect from academic research. To be useful in marketing, this research will need to address both the sociological and psychological dimensions of consumer behaviour. It is to the question of psychological motivations that the researcher turns in the second part of this chapter.
Part Two: Introducing Human Behaviour Theories

In this part of the chapter, literature on Choice Theory and Self-Determination Theory are introduced and discussed. These theories contribute to data analysis in Chapter Three, and are more fully applied in Chapter Four. Understanding the needs of consumers as well as the emergence of those needs is important from a corporate (Brandchannel 2010; Danziger 2008) as well as from a larger, societal perspective (Armstrong 2009; Demetriou, Papasolomou & Vrontis 2010). The distinction between corporate and social perspective will be explained later in this part of the chapter. Despite the central role such understanding would play in marketing, existing academic literature has yet to thoroughly research the needs and motivations of this emerging consumer group. Before introducing the two theories, the researcher explains why a theoretical approach is considered useful for this investigation.

The Role of Theory in this Investigation

Theories can offer greater insight into empirical issues that might otherwise prove intractable. In social research, theorising can help us better understand the meaning and significance of social phenomena: in this case, the needs and motivations of an emergent consumer group (Llewelyn 2003).
Armstrong’s (2009) theoretical differentiation between happiness and flourishing is relevant to understanding the social importance of environmentally responsible values. He contends that ‘happiness suggests a buoyant inner state, a feeling of well-being’. We do not want that feeling in isolation, but ‘what we are looking for is satisfaction grounded in character and action. (…) Any deep account of civilization needs to be focused on a vision of human flourishing’ (2009, p. 73). A major part of the civilising process is the development from ‘attachment to secondary attributes (…) to attachment to primary attributes’ (2009, p. 80).

Armstrong’s view can be reinterpreted for this investigation in the following way: the purchase of luxury brands meets the need for status and recognition, making people happy and providing them with a sense of well-being. This can be enhanced if consumers are able to justify their luxury purchase on the basis of its contribution to a better world and a better future. Consumers need to reflect upon their inner condition (Armstrong 2009; Glasser 1998; La Guardia 2009; Schwartz, T, Gomes & McCarthy 2010) in order to move from happiness to flourishing. This process of reflection goes from meeting individual needs to educating human desire. Armstrong (2009) acknowledges material needs, but takes a step beyond them by arguing that ‘what really matters is the condition of mind that they support or which they enable’ (pp. 73-74). Developing people’s appreciation from the level of status to the level of reason will increase relationship quality from satisfaction of an individual to self-actualisation and appreciation of what is good for humankind (Armstrong 2009).
Armstrong’s view takes our investigation from the individual consumer to society. This should redefine the role of marketers from creating consumer needs and desire, to informing and educating consumers who know what they need, and how well a brand or product meets their existing desires. In order to achieve consumer flourishing, luxury brands need to raise the level of their products and offer eco-friendly options.

According to Llewellyn (2003) theory and data are interdependent in social research. The meaning of data cannot be accessed without theory and theories cannot be validated without data. Therefore, theorisation is considered the value-added of qualitative academic research. In this dissertation the researcher employs theory to investigate consumer behaviour in terms of intrinsic and also in terms of emergent needs that have been influenced by external considerations. Choice Theory looks at people solely from an internal perspective, while Self-Determination Theory provides deeper understanding of consumer needs and motivations based on external and/or internal motivation.

**Choice Theory: a Fundamental Explanation of Human Behaviour**

Glasser’s (1998) Choice Theory is founded on the assumption that human beings are internally, not externally, motivated: external factors, in this theory, have minimal impact on behaviour. Instead, Choice Theory suggests that all behaviour is
purposeful and is associated with the internally derived motivation to satisfy genetically determined needs. Every human has a fundamental needs profile. According to Deci and Ryan (2008) three psychological needs motivate the self to initiate behaviour and define the goals or objectives assumed essential for individual well-being. Thus the need for relatedness, for competence and for autonomy are said to be universal and innate, and are incorporated into the psychological needs profile utilised in Choice Theory (Glasser 1998). They involve the need to love and be related to others, to achieve a sense of recognition, power and competence, and to act with a degree of freedom, responsibility and autonomy (Frey & Wilhite 2005). Consumer Choice Theory derives from Choice Theory and explains how consumers choose brands and products by analysing their needs and preferences. To simplify matters Consumer Choice Theory will be referred to as Choice Theory in this research.

In addition to these three needs, Glasser (1998) also identifies another psychological need as intrinsic to human behaviour: the need to experience joy and fun (Glasser 1998; Imhof & zu Castell 2009; Quinn 2003). Fun is considered a crucial motivator in guiding the purchase of luxury (Silverstein & Fiske 2003; Vigneron & Johnson 2004) or iconic brands (Holt 2004). Due to the importance of fun and joy to the appeal of their products, some luxury car companies, such as BMW and Porsche, use it to define their brand in marketing terms. Despite its relevance, ‘fun’ has not
been integrated into human behaviour models other than Glasser’s (1998) Choice
Theory. The final basic psychological need Glasser (1998) incorporates to complete
his human needs profile is the physiological need for survival redefined more
broadly as the need for good physical health and financial security for individuals
and their offspring (Imhof & zu Castell 2009). Why is survival an important need in
the context of this research? Because without physical stability or financial security
people would be unable to consider purchasing luxury or eco-friendly products.

The five fundamental needs which are central to Choice Theory are considered the
most suitable starting point for an investigation into those consumers purchasing
eco-friendly luxury cars. Rather than differentiate between need levels (Armstrong
2009; Maslow 1943), in Choice Theory (Glasser 1998), as in Self-Determination
Theory (Deci & Ryan 2008), all needs are considered important, and all must be
reasonably satisfied if individuals are to fulfil their biological destiny. Choice
Theory is based on the assumption that human beings choose their own behaviour.
This does not mean that choice is unlimited or that outside information is irrelevant,
but that human beings are responsible for the choices they make, that all behaviour
is chosen and that the only behaviour individuals have control over is their own.
Consciously or not, individuals determine if their current behaviour is the best
available choice to achieve their implicit or explicit objectives (Glasser 1998; Piltz
2008).
Although questions have been raised about whether Glasser's (1998) Choice Theory is sufficiently supported by academic research (Foderaro 2002), several authors (Frey & Wilhite 2005; Piltz 2008; Quinn 2003) confirm that the theory has been successfully applied in various contexts, including health, teaching, sports education and parenting. To date, Choice Theory has not been applied in the context of brand management. However, it has the potential to be applied in the context of consumer-brand relationships, as it provides a comprehensive model for understanding the complexities of human behaviour (Imhof & zu Castell 2009; Piltz 2008). Choice Theory is therefore considered a powerful model for investigating the identities, needs and motivations of consumers of luxury brands, their priorities and brand relationships. The researcher’s goal is to use the theory’s explanatory potential to make a contribution to marketing which will go beyond its traditionally a-theoretical approach to eco-conscious consumerism (Brandchannel 2010; Danziger 2008; GfK Roper 2007), and to provide more reliable data to guide the management and marketing of luxury brands (Frazier 2008; Hales 2008; Interbrand 2009), using Choice Theory to understand how the needs of individuals are determined and satisfied. New marketing approaches are proposed: from persuasion (‘I will tell you this and therefore you will learn’), to ‘facilitative’ strategies (‘I want to help you in ways which are effective for you and match your needs’) (Quinn 2003). Chapter Three explains the use of Choice Theory for this investigation and Chapter Four uses the ‘Diamond of Needs’ matrix to analyse and interpret the data.
Self-Determination Theory helps explain the Introjection of Environmental Concerns

In contrast to Choice Theory’s assertion that all behaviour is internally motivated, Self-Determination Theory (Ryan & Deci 2000) proposes a typology of external motivations based on the degree to which they have been internalised. Internalisation refers to an individual’s transformation of an extrinsic motivation into a personally endorsed value, assimilating behavioural regulations that were originally external. Self-Determination Theory focuses on the degree to which an individual’s behaviour is self-endorsed and self-determined - that is, the degree to which people endorse their actions at the highest level of reflection and engage in actions with a full sense of choice, without any external influence or interference. Based on the degree of control exerted by external factors, levels of extrinsic motivation can be aligned along a continuum. At one extreme is external regulation: individuals act for the sole purpose of achieving a reward or avoiding a punishment. Mid-way along the continuum is introjected regulation, which refers to the partial internalisation of extrinsic motives. Next is identified regulation, which refers to behaviour conditioned by individuals’ identification with the values, accepting them as their own. Identified regulation is therefore understood as autonomous, not merely controlled by external factors. Finally, integrated regulation refers to identification with the values and meanings of the activity to the extent that it becomes fully internalised and autonomous (Ryan & Deci 2000).
Figure 1 visualises the self-determination continuum according to Deci and Ryan (2000).

**Figure 1: Self-Determination Continuum**

<table>
<thead>
<tr>
<th>Amotivation</th>
<th>External Regulation</th>
<th>Introjected Regulation</th>
<th>Identified Regulation</th>
<th>Integrated Regulation</th>
<th>Intrinsic Motivation</th>
</tr>
</thead>
</table>

Source: based on Deci and Ryan (2000)

The principles of Self-Determination Theory have also been recognised in academic research (Vallerand, Pelletier & Koestner 2008), and it has been effectively applied in the domains of education (Reeve, Deci & Ryan 2004), parenting (Soenens et al. 2007) and health (Kennedy, Gogin & Nollen 2004) and in the context of organisations (Baard, Deci & Ryan 2004), personal relationships (La Guardia & Patrick 2008) and pro-environmental behaviour (Pelletier & Sharp 2008). These studies document the advantages of self-determined relative to externally determined motivation in understanding behaviour, higher achievement and enhanced well-being. Internalisation is an innate, dynamic and proactive process. By successfully transforming outer regulation into inner regulation, individuals move towards greater autonomy and more effective functioning.

Need satisfaction is correlated with improved well-being (Ryan & Deci 2000). Analysing needs and need fulfilment in the context of personal relationships (La
Guardia & Patrick (2008) and environmental behaviour (Pelletier & Sharp 2008) in the context of Self-Determination Theory (Deci & Ryan 2000) will provide important explanatory frameworks for understanding how relationship experiences are associated with well-being. In the current research, the fundamental needs of individuals will be analysed in the context of brand relationships, not personal relationships, with a focus on those luxury brands considered eco-friendly. In contrast to Pelletier and Sharp’s (2008) and La Guardia’s (2008) analyses, the researcher proposes to start her investigation on luxury brands by examining people’s five fundamental needs based on Choice Theory (Glasser 1998), before moving on to Self-Determination Theory (Deci & Ryan 2000) in order to understand how motivations in two life domains (La Guardia & Patrick 2008), the luxury and the environmental, impact upon relationship processes.

The internalisation of behaviour should be an active process through which people gradually transform socially valued behaviour, such as environmental behaviour, into personally endorsed activities (Pelletier & Sharp 2008). Therefore individuals should have an inherent tendency to internalise the regulation of environmental behaviour as higher levels of self-determined motivation leads to higher maintenance of behaviour (Deci & Ryan 2000).

Pelletier and Sharp’s (2008) interpretation of Deci and Ryan’s (2000) Self-Determination Theory, taking into account environmental factors, is considered
particularly useful for this investigation. It also explains the motivation-behaviour gap that often affects eco-conscious consumer behaviour: while people are aware of global and local environmental problems, their purchase behaviour does not always reflect this environmental awareness (Carrigan & Attalla 2001; Pelletier & Sharp 2008). Does environmentally responsible behaviour necessarily derive from people’s environmental awareness and attitude or might it be driven by other needs? This dissertation addresses this question, taking as its research focus consumption of eco-friendly luxury cars. To achieve this research goal, Self-Determination Theory has been interpreted in a two-dimensional rather than one-dimensional framework. Chapter Three describes this interpretation which is visualised through the ‘Chess Board of Motivations’ (on page 105) and Chapter Four makes use of this matrix to investigate the research data.

Pelletier and Sharp (2008) propose that marketers can make effective use of Self-Determination Theory in three ways: (1) marketing messages should progressively emphasise self-determined motivation, (2) messages should be framed systematically in terms of their internalisation as opposed to their externalisation, in order to enhance and maintain the level of self-determined motivation and behaviour, and (3) messages should progressively communicate information to people to facilitate implementation of their goals and their intentions and to enhance the internalisation and maintenance of behaviour. In Chapter Five, the researcher will
return to Pelletier and Sharp’s (2008) proposal for tailoring, framing, and communicating marketing messages, extending their ideas with a range of practical suggestions for marketers.

The Value of Both Theories for this Research

Since it is centred on the need fulfilment of consumers, thereby providing an explanation of human behaviour, Choice Theory (Glasser 1998) is a useful starting point for this research. The theory seeks to isolate and explain all those internal factors driving consumption. However, Choice Theory does not account for the multi-dimensional complexity of some consumer choices, since it provides an inadequate account of the relationship between intrinsic and extrinsic motivation. Self-Determination Theory, by contrast (Deci & Ryan 2000; La Guardia 2009; Pelletier & Sharp 2008), does help us understand the introjection of environmental concerns that might occur for some consumers, but not for others. Self-Determination Theory therefore extends the model available in Choice Theory by providing tools to analyse the extrinsic origin of intrinsic motivation, explaining the dynamic relationship between personal need and external environment. Having used Choice Theory and Self Determination Theory to investigate the motivations of consumers purchasing a luxury and eco-friendly car, the researcher will be
positioned to make recommendations about new marketing strategies that will use this approach to enhance brand loyalty.

Table 3 illustrates the strengths and weaknesses of both Choice Theory and Self-Determination Theory for his research.

**Table 3: Strengths, Weaknesses and Value-Added of Both Theories for this Research**

<table>
<thead>
<tr>
<th></th>
<th>Choice Theory</th>
<th>Self-Determination Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core principle</strong></td>
<td>All behaviour is internal and based on fundamental needs</td>
<td>Motivation depends on level of internalisation</td>
</tr>
<tr>
<td><strong>Strengths</strong></td>
<td>Fundamental way of explaining consumer behaviour</td>
<td>Finer classification of consumer motivations</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td>External motivations are neglected</td>
<td>Not all behaviour is self-determined</td>
</tr>
<tr>
<td></td>
<td>Does not address how and why motivations differ</td>
<td>Need for fun and survival are missing</td>
</tr>
<tr>
<td></td>
<td>Multi-dimensional brand phenomena cannot be fully explained</td>
<td></td>
</tr>
<tr>
<td><strong>Value added</strong></td>
<td></td>
<td>Application of both theories</td>
</tr>
</tbody>
</table>

For evaluating the quality of available literature, researchers within the medical field, have adopted an evaluation of evidence (Greenhalgh 1997; Sackett et al. 1996) because, as Evans (2003) states, ‘ranking research designs according to their internal
validity not only grades the strength of the evidence, but also indicates the confidence the (reader) can have in the findings’ (p. 78). An exemplary list in Appendix A.7, based on the seven-layered ‘hierarchy of evidence’ model (Greenhalgh 1997), is the researcher’s attempt to, at least partially, apply that idea, and assess the scientific validity and significance of the empirical literature reviewed for her investigation.

Chapter Conclusion

Our selection of literature on brand management and consumer behaviour has shown that there are strong connections between contemporary approaches to consumer-brand relationships and the research topic of this dissertation. The literature review has also shown the potential for this dissertation to contribute significantly to the currently limited academic knowledge of this growing consumer group by identifying gaps in current research.

Human behaviour theories help explain motivational processes, determinants, and outcomes in a variety of life contexts. They remind us that there is more to consumer-brand relationships than standard marketing strategies acknowledge. Recognising this is important if we hope to understand people’s motivations and deeper concerns in a broader context. Analysing and interpreting the data through
Self-Determination Theory and Choice Theory will, then, clarify our knowledge of this consumer group’s primary motivations, and help in the development of marketing strategies that go beyond current practice. Heuristic visual representations of both theories, the ‘Diamond of Needs’ matrix (Figure 4 on page 98) and the ‘Chess Board of Motivations’ matrix (Figure 7 on page 105), will be provided in Chapter Three. In Chapter Four the researcher applies the two models to the analysis of her data, and demonstrates that this kind of explanation is both illuminating and useful. As is demonstrated in Chapter Five, by allowing us to transform interview data into marketing strategy, the theories effectively become marketing tools. Chapter Six discusses the relevance of the research for both consumers, and for marketers who are striving to promote brand-loyalty, stronger consumer-brand relationships and a more positive, even flourishing, future for humankind (Armstrong 2009).
CHAPTER THREE: METHODOLOGY

Chapter Introduction

Chapter One introduced the research question and research objectives for this dissertation. Chapter Two provided an extensive literature review relevant to the question and its objectives, and the two theories which will be applied in Chapter Four. In the current chapter, the researcher discusses and justifies the methodology and design of the research. Before describing the methodological approach, the research question and aim of the research are briefly restated.

This research investigates the ways in which consumers make choices that are influenced by luxury and environmental values. The researcher’s aim is to understand the motivations of those Australian automotive consumers who have bought a luxury car that is also considered eco-friendly. She seeks to understand the attitudes of such consumers towards both luxury and the environment, and how these attitudes might affect their automotive purchasing decisions. The long-term aim is to deepen our understanding of consumer motivation and behaviour. To achieve this, the researcher has, as far as possible, entered the subjective world of the consumers.

The following question has been formulated as the primary research focus:
What understandings of the motivations and choices of those Australian consumers who purchase an eco-friendly luxury car – understandings that are pertinent to the practical concerns of marketing professionals – can be reached through an investigation that is informed by Choice Theory and Self-Determination Theory?

As we saw in Chapter Two, existing marketing literature does not provide sufficiently detailed insights into the internal and external motivation of consumers, and it this deficiency that the current dissertation, with its theoretically informed analysis of consumer behaviour, is designed to address.

**Research Method**

This dissertation adopts a qualitative, interpretive research approach based on the analysis of data derived from semi-structured, face-to-face interviews, and applies both exploratory and explanatory research techniques. The researcher conducted in-depth interviews which she then analysed, using a theoretical framework incorporating concepts from Choice Theory and Self-Determination Theory. At a later point in the dissertation, and based on this data and its analysis, the researcher offers some practical recommendations for marketers designed to enhance consumer-brand relationships and increase brand loyalty.
**Exploratory and Explanatory Research**

The research carried out for this dissertation falls into the latter category, since it involves the analysis of people and their behaviours. Research can be seen initially as a process of discovery and exploration, but it should also provide explanations for the phenomena being studied (Veal 2005). In order to better understand the choices made by consumers this research begins with an exploration of consumers’ motivation and behaviour through interviews and then moves on to explain them, interpreting the data using Choice Theory and Self-Determination Theory as its analytic framework.

When undertaking explorative research, predetermined categories are of little use. A great advantage of qualitative research, therefore, is that it allows real adaptation to the particular objective:

> Approaching fieldwork without being constrained by predetermined categories of analysis contributes to the depth, openness, and detail of qualitative inquiry. (Patton 2002, p. 14)

In order to ensure an inquiry of sufficient range and depth, the researcher did not categorise her data until the explanatory stage, and then in relation to specific theoretical categories.
Explanatory research goes beyond simple descriptive research, where phenomena are simply described (Veal 2005), because it attempts to uncover underlying relationships and patterns in the data being considered. Its objective is to reveal the deep relationships that exist between phenomena (Kotler & Armstrong 2009). In this study, then, Choice Theory and Self-Determination Theory are used to identify and interpret underlying patterns of motivation and meaning revealed in interviews. This interpretation then forms the basis on which the researcher draws conclusions and makes practical recommendations to guide management strategies aimed at enhancing brand loyalty amongst these consumers. The implementation and evaluation of such programs must be the subject of another project.

**Qualitative and Interpretive Research**

Qualitative research involves both observation and interviews (Veal 2005; Wolcott 2001) and focuses on searching for patterns and relating different categories to one another. This is an alternative to the analysis of numerical data, which typically involves examining a limited number of categories (McCracken 1988; Veal 2005) and drawing conclusions of a statistical kind. Whereas quantitative research aims for statistical generalisations, qualitative research welcomes unique cases and findings as avenues to a deeper understanding of the issues addressed (Stake 1995). No single methodology is suitable to every research question: rather, it depends upon the
nature of the questions being asked (Yin 1994). Yin and Robert (1994) suggest that if a research problem can be addressed effectively by several ‘who’, ‘what’, ‘where’, ‘how’, and ‘why’ research questions, and the researcher has no or little control over the events being examined, then qualitative methods are appropriate. This is certainly the case with the research carried out here. While quantitative methods require the use of standardised measures in order to align the varying perspectives of different individuals or situations into predetermined categories, researchers and evaluators analysing qualitative data strive to understand a phenomenon as a whole (Patton 2002).

According to Strauss and Corbin (1998) a valid reason for choosing qualitative methods is the nature of the research problem. For example, research that attempts to understand the meaning or nature of personal experiences lends itself to field work: gathering data on what people are doing and thinking. This is where qualitative methods are most useful (Strauss & Corbin 1998).

Given its foci, this dissertation relies on generating qualitative data in order to describe and evaluate subjective reality. It is concerned with the experiences, feelings and opinions of individuals; specifically, those who purchase an eco-friendly luxury car.
This section provided a review of the research methods in order to establish a research methodology appropriate for the research question. The following section describes in more detail the most appropriate research design, and provides further reasons for adopting the chosen methodology. The researcher describes the data collection process and the analytical techniques employed. She also provides a detailed description of the sample group and the selection process, and addresses any factors identified as potentially constraining or limiting the findings.

**Research Design**

This research was designed to discover, analyse, and interpret the motivations, attitudes and behaviour of those Australian consumers who purchase eco-friendly luxury cars. Specifically, it aimed to present data that illuminate the key needs, motivations and behaviours of luxury car buyers who have chosen a diesel or hybrid model.

The chosen methodology involved semi-structured, in-depth, face-to-face interviews (Patton 2002) as the major data collection instrument. A copy of the interview format used is contained in Appendix A.1. The researcher then used a modified form of content analysis to organise and interpret her data in relation to categories derived from Self-Determination Theory and Choice Theory.
The literature review in Chapter Two established the need for increased research into the particular consumer group that forms the focus for this study, and into the process of consumer-brand relationship management. More specifically, this dissertation provides new insights into consumer motivations, and recommendations on using that deeper understanding as the basis for practical recommendations and guidelines for brand management. As part of this process, the researcher generalised a particular set of results to a broader context, a process known as analytical generalisation (Yin 1994). To generalise to a theory is to provide some evidence that supports that theory, but which is insufficient to prove it conclusively (Perry 1998a). In Chapter Four the researcher will discuss whether her results can be generalised to Choice Theory and Self-Determination Theory, to the extent that her analysis conforms to those theories.

Prior to describing the data collection process, the researcher introduces her research subjects, specifically luxury automotive consumers in Australia who purchase diesel or hybrid cars. Diesel cars are not new in the market’s luxury sector but, in the past, most consumers considered them to be inferior to their petrol rivals, since they tended to be sluggish, noisy and dirty. This is no longer the case. Both diesel (Hill 2010) and hybrid (Flannery 2005) models are now a legitimate and eco-friendlier alternative in the automotive market, as part of most luxury brands’ efficiency line ups: for example, ‘efficient driving’ (Audi 2010), ‘EfficientDynamics’ (BMW
Group 2010a), ‘BlueEfficiency’ (Mercedes 2010), and ‘aerodynamic efficiency’ (Lexus 2010).

All seven automotive brands used in this study, that is the above, Audi, BMW, Mercedes, and Lexus, as well as Range Rover, Volkswagen, and Honda position their diesel and hybrid models eco-friendly: Range Rover sets a ‘plan for a sustainable future’ (Land Rover 2011), Volkswagen offers ‘BlueMotion’ (Volkswagen 2011), and Honda ‘Eco Assist’ (Honda 2011). The companies present diesel and/or hybrid technologies which reduce the car’s rolling resistance, improve aerodynamics for better fuel consumption and to help lower emissions (Bradley 2007; Hill 2010; Queensland Government 2006) and could therefore all be categorised as ‘cooperative’ or even ‘integrative’ based on Louppe’s (2006) five levels of green marketing use. Further investigating green marketing strategies of those seven car companies would go beyond the scope of this research. However, outstanding eco-performance needs to be noted for the BMW Group: according to the Dow Jones Sustainability Index (SAM 2011), which compares and measures environmental messages and implications of car companies globally, BMW has been ranked the leading automotive brand in terms of sustainability for the sixth consecutive year.

The target group for this research are either Australians or individuals resident in Australia at the time of the interview. The sub-cultural complexity of Australian
society was a factor (Schiffman et al. 2005) when compiling the data, so the researcher also includes information on socio-demographic backgrounds and profiles of her interviewees in her analysis.

**Data Collection**

The research project embraces both primary and secondary data. Hackley (2003) describes primary data as first-hand data often including empirical knowledge, derived through, for example, interviews, surveys and observation. Conversely, secondary data is material that has already been produced for another reason (Hackley 2003). Secondary data useful to this inquiry was collected from journal articles, company and industry statistics and industry studies. Company and industry data were accessed via internal sources in the researcher’s work environment, subject to company approval. Secondary data included: (1) articles on consumer psychology, (2) articles on consumer sociology and consumer theories, (3) business research, for example on business strategy and brand management, and (4) marketing research, for example on marketing strategy, consumer behaviour in relation to luxury brands and environmental studies.

In this study, primary data was obtained from individuals using direct face-to-face interviews in familiar settings, with the researcher acting as interviewer. Apart from the Likert-type scale questions the data is qualitative at all stages, involving
information from consumers and experts on their motives, ideas, concerns and attitudes. A copy of the interview guide used is contained in Appendix A.2.

**Sample Selection and Qualification Process**

Representativeness was not the criteria for interviewee selection (Stake 1995), nor was ‘random sampling’ considered appropriate (Patton 2002, p. 240). Patton (2002, p. 235) suggests ‘maximum variation sampling’: a selection of qualitative interviewees which is purposeful. The ‘underlying principle (….) is selecting information rich’ respondents (Patton 2002, p. 242; Perry 1998a). Although ‘there are no rules’ for sample sizes in qualitative research (Patton 2002, p. 244), Perry (1998) suggests as a rule of thumb that a PhD thesis would require about 35 – 50 interviews in order to provide sufficient richness of information for analysis and interpretation. He adds that these numbers should be used as a guide for research design, rather than a rule. In this dissertation the ‘purposeful sampling’ technique (Patton 2002, p. 45) was used to select the interviewees. The researcher conducted a total of 31 consumer interviews, of which 21 involved interviews with BMW owners, three interviews with partners of owners and seven with owners of other luxury or premium brands. Five further interviews were conducted with industry and field experts. The two groups of interviewees and the criteria used for selecting interviewees are described in the following section.
Consumer Interviews

For consumer interviews the researcher used maximum variation sampling (Patton 2002; Perry 1998a) with the interview sample derived from an existing database of BMW owners. In addition, she used ‘snowball sampling’ (Patton 2002, p. 194), where the interview sample was extended through networks linking to other luxury and premium car owners.

The following criteria were used to identify potential participants:

- Must be new car buyers
- Must be owners of a luxury or premium automotive brand
- Must be owners of a car that is considered eco-friendly: specifically, late models using the latest diesel or hybrid technology. In practice, this meant cars from production years 2007 and 2008.

With permission from the Head of Marketing at BMW Group Australia, the researcher received BMW customer data files, selected according to the following criteria:

1) Current BMW owners of diesel models who are new to BMW
2) Current owners of a BMW diesel model who had previously owned a petrol BMW
3) Previous BMW owners who have since bought a diesel or hybrid model from a competitor

Information about previous BMW customers was not available since records are not kept on BMW’s database once a customer has moved on to purchase a competitive brand. While a data file with BMW prospects who currently own a competitor car brand was provided, that file did not include data on the fuel type (diesel or hybrid), neither for their current car nor for the BMW model that they were considering. As the fuel type was a key criterion, this data file could not be used in this research.

**Consumer Interviews with BMW Owners**

The data file selection for consumer interviews had a regional focus, since participants were drawn from both metropolitan and rural areas in Victoria, Australia. The researcher requested the data files for BMW owners, resident in and around Melbourne as well as country Victoria, in order to facilitate interview accessibility based on her own location.

The initial research sample consisted of (1) current owners of BMW diesel cars who are new to BMW and (2) current BMW owners who had previously owned a BMW
and currently own a BMW diesel model. These dual criteria yielded a potential sample of 2,290 BMW owners.

**Maximum Variation Sampling**

The sample selected from the existing data files was chosen to ensure a representative cross-section of the target group in order to gain maximum variation (Patton 2002; Perry 1998a): that is, as diverse a range of participants as possible (Blaikie 2000).

The researcher sorted the data as follows:

- Model types (120d / 320d / 520d / X3 2.0d / X5 3.0d / X5 3.0sd)
- Gender (female / male)
- Age groups (in five-year brackets)
- Post codes (3000 – 3999)

The researcher then further qualified and limited the sample size according to the following criteria:

- Latest technology diesel models only, specifically model years 2007 and 2008
- Completeness of data provided in the data files, based on maximum variation criteria of model types, gender, age and location
Using these criteria, a total of 1,008 BMW owners were identified for potential interviews. The final choice of informants then depended on consumers’ willingness to participate in the interview, to reflect on the topic and talk frankly about their motives and attitudes.

The initial sample of 1,008 owners (male: 746, female: 254, both: 8) was too large. The researcher therefore selected a total of 130 owners by ‘purposeful random sampling’ (Patton 2002, p. 240) for potential interviews based on a mix of model types, gender, age and location.

These 130 owners were initially contacted via a letter that requested their participation in the research project, and included both the researcher’s email address and mobile number as points of contact for the addressee once they had agreed to participate. Copies of invitation letter and consent form are contained in Appendix A.4.

From a 130 owners, a selection set of 17 potential interviewees (14 owners and three partners of owners) was generated. Since further participants were required, a second set was then selected, based on existing criteria. This time only diesel models from 2008 were selected to ensure that vehicles had been purchased after the latest diesel technology had become well established in the Australian market, following the BMW EfficientDynamics campaign (BMW Group 2010a). A total data set of
120 owners was identified as potential interviewees from this second selection, and a total of seven interviews were arranged. In total 250 BMW owners were contacted and 24 consumers (including three partners of owners) agreed to participate.

Figure 2 schematises the selection process for consumer interviews with BMW owners.

**Figure 2: Sample Process for Consumer Interviews with BMW Owners**

1st dispatch:
130 letters sent to BMW owners requesting their participation in the research

14 BMW owners responded and agreed to face-to-face interviews

Researcher conducted interviews with 14 BMW owners and three partners

2nd dispatch:
120 letters sent to BMW owners requesting their participation in the research

Seven BMW owners responded and agreed to face-to-face interviews

Researcher conducted interviews with seven BMW owners
Consumer Interviews with Owners of Other Car Brands

In order to reduce bias, the researcher considered it relevant to include the following group of participants:

- Owners of a non-BMW luxury brand, either diesel or hybrid model
- Owners of a non-BMW premium brand, either diesel or hybrid model

Again, participants had to meet the criteria of being new car buyers (car production years 2007 and 2008). Information on owners of other luxury brands could not be obtained from the BMW database and, for privacy reasons, the two luxury car companies contacted (Audi and Lexus) were unable to provide the researcher with data on owners.

Snowball Sampling

The researcher therefore sourced her second sample group in part using the ‘snowball sampling’ technique (Patton 2002), through her personal network (Gladwell 2002) in order to contact owners of diesel and hybrid models manufactured by companies other than BMW. This process yielded a further seven diesel and hybrid car owners willing to participate in the research.
Table 4 provides an overview of the participating consumer interviewees. A clustering key of the bio-data can be found in Appendix A.6.

One-to-one interviews require time. Interviewing a small sample of customers and dealers was nevertheless considered the most appropriate way to collect in-depth data on their experiences, perceptions and motives. The overall consumer sample size of 31 participants was considered large enough to be reliable. The interviews proved to be ‘information-rich’ (Patton 2002, p. 237).
Table 4: Overview of Consumer Interviews

<table>
<thead>
<tr>
<th>Name</th>
<th>Brand</th>
<th>MODEL</th>
<th>AGE</th>
<th>QUAL</th>
<th>OCCUPATION</th>
<th>ADULTS IN HH</th>
<th>KIDS IN HH</th>
<th>INCOME</th>
<th>INCOME GROUP</th>
<th>INTERVIEW LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annabel</td>
<td>BMW</td>
<td>320d</td>
<td>3</td>
<td>5</td>
<td>IT Consultant</td>
<td>2x1</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>work</td>
</tr>
<tr>
<td>Angus</td>
<td>BMW</td>
<td>520d</td>
<td>7</td>
<td>5</td>
<td>Company Owner</td>
<td>2x1</td>
<td>1x3, 1x4</td>
<td>2</td>
<td>5</td>
<td>work</td>
</tr>
<tr>
<td>Anita</td>
<td>BMW</td>
<td>X5 3.0d</td>
<td>7</td>
<td>4</td>
<td>Finance Director</td>
<td>3x1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>work</td>
</tr>
<tr>
<td>Arjun</td>
<td>Honda</td>
<td>Civic Hybrid</td>
<td>4</td>
<td>5</td>
<td>Company Owner</td>
<td>2x1</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>phone</td>
</tr>
<tr>
<td>Cari</td>
<td>BMW</td>
<td>320d</td>
<td>5</td>
<td>5</td>
<td>Pharmacist</td>
<td>2x1</td>
<td>2x3, 1x4</td>
<td>2</td>
<td>5</td>
<td>work</td>
</tr>
<tr>
<td>Daniele</td>
<td>BMW</td>
<td>X5 3.0sd</td>
<td>5</td>
<td>5</td>
<td>Business Director</td>
<td>2x1</td>
<td>2x4</td>
<td>2</td>
<td>7</td>
<td>café</td>
</tr>
<tr>
<td>Dirk</td>
<td>BMW</td>
<td>320d</td>
<td>11</td>
<td>5</td>
<td>Teacher</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Henriette</td>
<td>BMW</td>
<td>320d</td>
<td>11</td>
<td>6</td>
<td>Medical Practitioner</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Felicia</td>
<td>BMW</td>
<td>320d</td>
<td>4</td>
<td>5</td>
<td>Corporate Manager</td>
<td>2x1</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>home</td>
</tr>
<tr>
<td>Flora</td>
<td>BMW</td>
<td>X5 3.0d</td>
<td>6</td>
<td>4</td>
<td>Audiometrist</td>
<td>2x1</td>
<td>1x2</td>
<td>2</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Jasmine</td>
<td>BMW</td>
<td>320d</td>
<td>9</td>
<td>4</td>
<td>Electrical Engineer</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Bob</td>
<td>BMW</td>
<td>320d</td>
<td>8</td>
<td>4</td>
<td>Secretary</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Greg</td>
<td>BMW</td>
<td>120d</td>
<td>8</td>
<td>5</td>
<td>Mechanical Engineer</td>
<td>3x1</td>
<td>0</td>
<td>2</td>
<td>7</td>
<td>work</td>
</tr>
<tr>
<td>John &amp; Simone</td>
<td>VW</td>
<td>Passat TDI</td>
<td>10</td>
<td>4</td>
<td>Farmer</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>café</td>
</tr>
<tr>
<td>Johannes</td>
<td>BMW</td>
<td>X3 3.0d</td>
<td>5</td>
<td>5</td>
<td>Account Manager</td>
<td>2</td>
<td>1x3</td>
<td>2</td>
<td>6</td>
<td>home</td>
</tr>
<tr>
<td>Joshua</td>
<td>Land Rover</td>
<td>Freelander TD4</td>
<td>6</td>
<td>5</td>
<td>Company Owner</td>
<td>2</td>
<td>2x3</td>
<td>2</td>
<td>4</td>
<td>home</td>
</tr>
<tr>
<td>Loretta</td>
<td>BMW</td>
<td>320d</td>
<td>10</td>
<td>3</td>
<td>Farmer</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>café</td>
</tr>
<tr>
<td>Ken</td>
<td>BMW</td>
<td>320d</td>
<td>10</td>
<td>5</td>
<td>Engineering Consultant</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>work</td>
</tr>
<tr>
<td>Lance</td>
<td>Mercedes</td>
<td>C-Class Diesel</td>
<td>7</td>
<td>6</td>
<td>Senior Executive</td>
<td>3x1</td>
<td>2x2</td>
<td>2</td>
<td>0</td>
<td>work</td>
</tr>
<tr>
<td>Matt</td>
<td>BMW</td>
<td>X5 3.0d</td>
<td>8</td>
<td>5</td>
<td>Client Executive</td>
<td>3x1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>work</td>
</tr>
<tr>
<td>Martin</td>
<td>BMW</td>
<td>120d</td>
<td>6</td>
<td>5</td>
<td>Engineering Manager</td>
<td>2x1</td>
<td>1x4</td>
<td>2</td>
<td>8</td>
<td>café</td>
</tr>
<tr>
<td>Marcus</td>
<td>BMW</td>
<td>X5 3.0d</td>
<td>8</td>
<td>1</td>
<td>Small Business Owner</td>
<td>5x1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>work</td>
</tr>
</tbody>
</table>
Table 4 (continued)

<table>
<thead>
<tr>
<th>Name</th>
<th>Brand</th>
<th>MODEL</th>
<th>AGE</th>
<th>QUAL</th>
<th>OCCUPATION</th>
<th>ADULTS IN HH</th>
<th>KIDS IN HH</th>
<th>INCOME</th>
<th>INCOME GROUP</th>
<th>INTERVIEW LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nelson</td>
<td>Land Rove</td>
<td>Range Rover STD</td>
<td>8</td>
<td>5</td>
<td>Senior Executive</td>
<td>2</td>
<td>1x2, 1x3</td>
<td>1</td>
<td>0</td>
<td>work</td>
</tr>
<tr>
<td>Pierce</td>
<td>BMW</td>
<td>X5 3.0d</td>
<td>8</td>
<td>3</td>
<td>Small Business Owner</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>home</td>
</tr>
<tr>
<td>Viola</td>
<td>BMW</td>
<td>X5 3.0d</td>
<td>8</td>
<td>1</td>
<td>Business Partner</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>home</td>
</tr>
<tr>
<td>Roy</td>
<td>BMW</td>
<td>X5 3.0d</td>
<td>10</td>
<td>6</td>
<td>Chief Executive</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Sasha</td>
<td>VW</td>
<td>Passat TDI</td>
<td>6</td>
<td>4</td>
<td>Executive Assistant</td>
<td>2</td>
<td>2x2</td>
<td>2</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Scarlett</td>
<td>BMW</td>
<td>320d</td>
<td>4</td>
<td>6</td>
<td>Executive Manager</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>work</td>
</tr>
<tr>
<td>Stuart</td>
<td>Lexus</td>
<td>RX400h</td>
<td>6</td>
<td>6</td>
<td>Small Business Owner</td>
<td>2x1</td>
<td>2x4</td>
<td>2</td>
<td>7</td>
<td>home</td>
</tr>
<tr>
<td>Tania</td>
<td>BMW</td>
<td>320d</td>
<td>4</td>
<td>5</td>
<td>Corporate Manager</td>
<td>2x1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>home</td>
</tr>
<tr>
<td>Ted</td>
<td>BMW</td>
<td>320d</td>
<td>11</td>
<td>5</td>
<td>Consultant/ Diplomat</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>home</td>
</tr>
</tbody>
</table>

For clustering key see Appendix A.6.
Designing and Conducting Consumer Interviews

The interviews were focused and semi-structured (Flick 2002). Open-ended questions in such interviews are designed to define the topic under investigation, but also to provide opportunities for both the interviewer and the participant to discuss questions or issues in more detail as appropriate. Focused interviews provide insight into the objective facts of the situation and allow comparison between those facts and the participants’ subjective response. The problem-centred format (Flick 2002) was used to conduct consumer interviews because it allowed the researcher to approach the relevant areas of her investigation from different angles, by combining an in-depth interview guide with a questionnaire. This format is characterised by three main strategies: (1) centre the problem, (2) direct the object, and (3) direct the process. The interview included a short questionnaire that enabled the researcher to collect less crucial data of a socio-demographic kind relating to the interview topic. This helped to focus the interview on its key objectives.

Once the researcher received an email or phone call from a consumer who agreed to be interviewed, she arranged a date and time to meet with the person face-to-face, preferably at their homes or their workplace. Through face-to-face interviews in their domestic or professional environment, the researcher was able not only to hear about but also gain insight into the participant’s day-to-day world and so better understand the context and pattern of their daily experiences (McCracken 1988).
As demonstrated in Appendix A.1, the researcher created an interview guide based on two formats devised by Patton (2002), combining a general, yet detailed, interview guide structure with standardised open-ended questions. The interview questions derived from the research objectives and the gaps in existing scholarship identified in the literature review. The majority of the interview guide consisted of open-ended questions for later qualitative analysis and interpretation. Five Likert-type scale questions and 12 statements were also included in order to further clarify and extend responses to the probe questions (Perry 1998b). Likert scores were ranged on a five-point scale from lowest (1) to very high (5) or cannot answer / do not know (0).

The environmental questions were based on ECO Scale’s five dimensions of consumer environmental responsibility (Stone, Barnes & Montgomery 1995): (1) knowledge and awareness, (2) desire and willingness to act, (3) ability to act, (4) opinions and attitudes towards the environment, and (5) consumption behaviour towards the environment.

All consumer interview data were collected over a period of three months, between January and March 2009. Each interview took between 35 and 90 minutes. The average was around 60 minutes. Prior to the start of each interview interviewees were asked to sign a consent form (Appendix A.4). With their agreement, all interviews were tape recorded for later transcription. All participants were also asked to complete a bio-data sheet (Appendix A.3).
If the interviewee showed any signs of tension or reservation, and this persisted, then the data gained from the first few interview questions was likely to be compromised, and less information-rich than the project required. The researcher’s first objective was therefore to win the trust of participants. The approach adopted, in keeping with the researcher’s personal style, was ‘empathic neutrality’ (Patton 2002, pp. 49-51). This involves finding a middle ground between becoming too involved, which can cloud judgement, and remaining too distant, which can reduce understanding and trust (Patton 2002).

As Patton (2002, p. 51) argues, the ‘livelihood of researchers depends on their integrity and credibility’. The researcher’s aim was to convey both credibility and integrity, while demonstrating enthusiasm for her research, presenting herself in a positive light both as a person and as a professional researcher.

Neutrality does not mean detachment. It is on this point that qualitative inquiry makes a special contribution. Qualitative inquiry depends on, uses, and enhances the researcher’s direct experiences in the world and insights about those experiences. (Patton 2002, p. 51)

This is precisely how the current researcher defined her personal style in conducting interviews - emphatic, neutral and credible.
Expert Interviews

The researcher also used ‘expert interviews’, selecting people with specialised knowledge about the issues (Flick 2002). According to Flick (2002, p. 165), with expert interviews the participants ‘are of less interest as a person than their capacities as experts for a certain field of activity’. Experts contributing to this study either had extensive knowledge and experience in the luxury automotive industry or in the environmental field. BMW dealers were recruited as industry experts through the researcher’s personal industry contacts. Expert information was gained from the following participants: (1) Sales and Marketing Manager of BMW dealership A, (2) Sales Manager of BMW dealership B, (3) General Manager Sales of BMW dealership C, (4) Chairman of Greenfleet Australia, and (4) Head of EfficientDynamics initiatives at BMW headquarters in Munich.

Designing and Conducting Expert Interviews

Expert interviews were conducted as relatively informal conversations based on an interview guide prepared by the researcher. The goal of these conversations was to gain greater insight into the background of consumers, their attitude towards luxury, their motivations for buying a diesel or hybrid car and their concerns about the environment. The expert interviews focused on the interviewee’s knowledge of, and attitudes towards, the environmental challenges being faced by the automotive
industry. A copy of the dealer interview guide is contained in Appendix A.5. Expert data were collected over a period of five months, between October 2008 and February 2009. The average expert interview took around 90 minutes.

**Mindfulness of Preconception or Bias**

There was a possibility of bias in selecting experts from the car industry for interviews. As a marketing manager at BMW Group Australia, the researcher had knowledge of the people in the organisation and was well aware of their expertise. These factors helped in identifying the experts as key informants required for this research, although insider knowledge needed to be carefully handled to avoid the risk of bias affecting the results.

There is a danger the researcher’s interpretation of the data might be skewed by her company-based preconceptions, given she is currently working for a luxury automotive company (BMW Group Australia). This risk was minimised because the researcher was mindful of gathering the perceptions and experience of the informants without involving herself or her views in the interviews.

From another perspective, the researcher’s association with the company was an advantage. It provided crucial industry expertise, as well as access to industry data and to participants. The researcher’s feeling was that being both researcher and practitioner worked in her favour: as a BMW employee she was more readily able to
gain the trust of BMW owners and car enthusiasts. The fact that the researcher was interested in their opinions also helped to make participants more responsive. At the same time, the researcher’s academic standing gave the process greater credibility and reassured the participants about the value of their contribution.

**Transcribing Interview Data**

After the transcription of ten interviews, some interview questions were re-ordered to generate a better sequence of responses. A new set of questions was also added to gauge consumers’ views on the relative merits of diesel and petrol. All interviews were transcribed from a total of over 1,800 minutes of audio recording. A copy of the consumer interview guide used can be found in Appendix A.2.

**Data Preparation for Analysis**

The methods of open and axial coding (Blaikie 2000; Glaser & Strauss 1967) were used in order to generate typologies and, later, to interpret them in relation to the theoretical categories being employed. All interviews were transcribed and formatted into an excel spreadsheet for data coding and categorisation. The bio-data information from each respondent was also incorporated into the same spreadsheet, and a clustering key was developed to ensure information was readily accessible.
The researcher decided against the use of computer-aided programs due to the constraints they might impose on the interpretive process. Interpreting the interview findings in order to answer the research question and to make practical recommendations involves an understanding of the process and the ability to draw on knowledge from outside the interview text as a framework for interpretation, contextualising the interviews, literature and reflections, and this is beyond the scope of any software program currently available (Shankar & Goulding 2001). The researcher therefore followed Patton’s advice:

Computers and software are tools that assist analysis. Software doesn’t really analyze qualitative data. Qualitative software programs facilitate data storage, coding, retrieval, comparing, and linking – but human beings do the analysis. (…) The analysis of qualitative data involves creativity, intellectual discipline, analytical rigor, and a great deal of hard work. Computer programs can facilitate the work of analysis, but they can’t provide the creativity and intelligence that make each qualitative analysis unique. (…) The best advice I ever received about coding was to read the data over and over. The more I interacted with the data, the more patterns and categories began to ‘jump out’ at me. I never even bothered to use the software program I installed on the computer because I found it much easier to code it by hand; (…) the real work takes place in your head. (Patton 2002, pp. 446/47)

The researcher listened and re-listened to the interview data and read and re-read the transcripts. She adjusted the conceptual constructs and relationships iteratively until she felt that sufficient interpretative convergence had been achieved.
Data Coding and Categorising

After the exploration stage the interviews needed to be clustered and information had to be reduced in order to isolate key findings and make central themes visible for analysis. In qualitative and interpretive research, data reduction and analysis cannot be separated. Rather, collection of data, data reduction and constant comparative analysis should occur simultaneously (Blaikie 2000). The data reduction techniques used in this research included transcription, coding and classifying. In the data clustering process, relevant information was collected from the raw data of the transcripts and arranged according to categories derived from each interview question. This newly created excel spreadsheet allowed the researcher to more readily isolate key findings and themes from the data.

The researcher then reviewed her data according to key interview responses and introduced the ‘Luxury-Eco Grid’ (Figure 3 on page 92). Then she categorised the data relating to consumers’ identities, their priorities and brand relationships according to the five fundamental needs of Choice Theory, grouping similar statements together and collapsing the interview data into needs clusters. The researcher then classified consumer interviewees according to their implied level of self-determination. These helped her find relationships between the categories and contextualise them. This step is called coding or labelling. In the first coding stage, the stage of so-called open coding, information was compared, clustered and categorised. In the second stage, known as axial-coding, the researcher determined
relationships between these categories and contextualised them (Blaikie 2000; Strauss & Corbin 1998). In this case, the information from the interviewees’ responses was summarised in a column for each interview section in order to gain a more accurate distribution of the data. This provided a solid basis for the description and interpretation of the findings, and for the researcher’s conclusions.

In the following section the researcher explains the ‘Luxury-Eco Grid’. In presenting this explanation, some data which would normally be found in the Findings chapter has to be included. Without that data, the explanation of the researcher’s tools for data analysis, and her use of those tools, would not be adequate or intelligible.

**The ‘Luxury-Eco Grid’**

The researcher reviewed her data set according to key interview responses. Before the ‘Luxury-Eco Grid’ is introduced, the following tables are used to present an overview of the reasons interviewees gave for purchasing their car (Table 5), and for purchasing a diesel as opposed to a petrol model (Table 6). The third table (Table 7) summarises the competitive set interviewees considered before purchasing their current car.
### Table 5: Car Purchase Reasons

<table>
<thead>
<tr>
<th>Car Purchase Reason</th>
<th>Names</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand image (prestige, reputation)</td>
<td>Annabel, Angus, Anita, Roy, Sasha, Stuart, Johannes, Martin, Greg, Scarlett</td>
<td>10</td>
</tr>
<tr>
<td>Change of life, need for a change</td>
<td>Arjun, Bob, Joshua, Lance, Martin, Nelson, Simone, Scarlett, Ted</td>
<td>9</td>
</tr>
<tr>
<td>Reward</td>
<td>Flora, Johannes</td>
<td>2</td>
</tr>
<tr>
<td>Driving pleasure (sportiness, fun)</td>
<td>Annabel, Anita, Felicia, Flora, Greg, Johannes, Joshua, Loretta, Matt, Tania, Ted</td>
<td>11</td>
</tr>
<tr>
<td>Quality and reliability</td>
<td>Henriette, Bob, Johannes, Lance, Sasha (all new to brand)</td>
<td>5</td>
</tr>
<tr>
<td>Comfort and size</td>
<td>All except Annabel, Angus, Anita, Cari, Loretta, Nelson, Ted</td>
<td>24</td>
</tr>
<tr>
<td>Safety</td>
<td>Arjun, Flora, Johannes, Joshua, Lance, Matt, Pierce, Roy, Sasha</td>
<td>9</td>
</tr>
<tr>
<td>Fuel economy/ Efficiency</td>
<td>All except Annabel, Anita, Flora, Bob, Jasmine, Joshua, Loretta, Lance, Nelson, Pierce, Viola</td>
<td>20</td>
</tr>
<tr>
<td>Performance / Power</td>
<td>Angus, Daniele, Greg, Bob, Simone, Marcus, Tania, Ken, Martin</td>
<td>9</td>
</tr>
<tr>
<td>Environmental friendliness</td>
<td>Angus, Arjun, Daniele, Dirk, Felicia, Greg, Henriette, Ken, Johannes, Marcus, Martin, Matt, Stuart, Tania</td>
<td>14</td>
</tr>
<tr>
<td>Technology / Innovation</td>
<td>Henriette, Dirk, Johannes, Ken, Roy</td>
<td>5</td>
</tr>
<tr>
<td>Value for money/ Financial aspects</td>
<td>Greg, Martin (both 1 Series), Stuart (Lexus Hybrid), Arjun (Honda Hybrid), Sasha (VW)</td>
<td>5</td>
</tr>
<tr>
<td>Resale value</td>
<td>Bob, Johannes, Pierce, Stuart</td>
<td>4</td>
</tr>
<tr>
<td>German / European car</td>
<td>Henriette, Bob, Martin, Matt, Pierce, Sasha</td>
<td>6</td>
</tr>
</tbody>
</table>

Based on interview questions: ‘What were your main criteria for buying this car rather than some other car?’ and ‘Tell me the reasons for changing the brand. When you decided to change brands, what were the key factors for that decision?’
Table 6: Diesel Purchase Reasons

<table>
<thead>
<tr>
<th>Reason for purchasing a diesel</th>
<th>Names</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy and efficiency (lower fuel consumption, less filling required and therefore cheaper running costs)</td>
<td>Annabel, Angus, Anita, Henriette, Felicia, Bob, Greg, Joshua, Loretta, Ken, Lance, Matt, Pierce, Roy, Ted, Arjun (Hybrid), Flora, Loretta</td>
<td>19</td>
</tr>
<tr>
<td>Performance (power, torque)</td>
<td>Angus, Daniele, Bob, Greg, Joshua, Ken, Lance, Marcus, Martin, Roy</td>
<td>10</td>
</tr>
<tr>
<td>Environmental reasons (less CO2 emissions, less pollution through newer technology with particle filters)</td>
<td>Angus, Felicia, Greg, Daniele, Dirk, Henriette, Johannes, Ken, Marcus, Martin, Matt, Tania</td>
<td>12</td>
</tr>
<tr>
<td>Longevity of engine</td>
<td>Joshua, Marcus</td>
<td>2</td>
</tr>
<tr>
<td>Resale value</td>
<td>Roy, Scarlett</td>
<td>2</td>
</tr>
<tr>
<td>Perceived image</td>
<td>Stuart (Hybrid), Arjun (Hybrid)</td>
<td>2</td>
</tr>
<tr>
<td>Availability</td>
<td>Annabel, Cari, Johannes</td>
<td>3</td>
</tr>
</tbody>
</table>

Based on interview question: ’What were your key reasons for buying a diesel?’
Table 7: Competitive Set

<table>
<thead>
<tr>
<th>Brand</th>
<th>Model (Names)</th>
<th>Total</th>
<th>Key reasons for not purchasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audi</td>
<td>A3 (Greg, Martin), Q7 (Daniele, Flora, Marcus, Pierce), in general (Johannes, Matt, Roy, Sasha, Ted)</td>
<td>11</td>
<td>‘didn’t like the look’, ‘less value for money’</td>
</tr>
<tr>
<td>VW</td>
<td>Passat (Ted, Loretta, Johannes, Dirk), Golf (Scarlett’s husband, Martin, Ken, Greg), Touareg (Flora, Daniele), Eos (Felicia)</td>
<td>11</td>
<td>‘less image’</td>
</tr>
<tr>
<td>Mercedes</td>
<td>Avantgarde Diesel (Felicia), M-class (Flora, Pierce, Viola), C-Class (Bob, Ken, Tania), E-Class (Nelson), in general (Anita, Johannes, Roy, Scarlett)</td>
<td>12</td>
<td>‘old men’s car’ image</td>
</tr>
<tr>
<td>Lexus</td>
<td>IS 250 (Bob, Jasmine, Martin), RX Hybrid (Tania, Marcus), in general (Anita)</td>
<td>6</td>
<td>Brand a ‘step down’, ‘not the right fit’</td>
</tr>
<tr>
<td>Porsche</td>
<td>Cayenne (Flora)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Range Rover</td>
<td>(Daniele)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Jaguar</td>
<td>(Angus)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>BMW</td>
<td>Various models (those who did not buy a BMW)</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Non-luxury</td>
<td>Toyota (3), Saab, Peugeot, Volvo, Mazda, Subaru</td>
<td>sporadic</td>
<td></td>
</tr>
</tbody>
</table>

Based on interview question: ‘What were the other cars you considered buying?’
The unprompted responses in the three tables above show that the luxury image of the car was a key purchase criterion for a third (10) of interviewees and its environmental impact for nearly half (14, including two hybrid owners). Fuel economy and efficiency were key purchase criteria for a third (20) of interviewees, while nearly half of them (9) did not want to compromise on performance and power. Comfort and size were named the key purchase criteria. Key reasons for purchasing a diesel model were fuel economy and efficiency (19), followed by positive environmental values (12) and performance, and this confirms the assumption raised earlier that luxury car consumers would be reluctant to compromise on performance (Ginsberg & Bloom 2004; Ottman 2009). The main reason given for not buying VW, Lexus or Toyota had to do with the image profile of these brands compared to BMW, Audi and Mercedes. This highlights the role of luxury and brand image in shaping the attitude of consumers in this market. The reason for not buying Mercedes was its ‘old man’s’ image (Scarlett, Roy, Johannes) so this particular brand was not felt to reflect the respondent’s lifestyle. Reasons given for not buying Audi generally focused on other issues, such as design.

The interview responses confirm indications in the literature about the importance of luxury as a value in guiding consumption in this market (Silverstein & Fiske 2003; Vigneron & Johnson 2004), and the increasingly important role environmental factors play in guiding purchase decisions (Haanpää 2007; Pelletier & Sharp 2008).
Consumers of luxury brands still value traditional ‘luxury’ car features, such as comfort, size and safety, but they are also influenced by newer values, such as social responsibility and environmental consciousness (Demetriou, Papasolomou & Vrontis 2010; Pelletier & Sharp 2008). The responses on these issues therefore suggest that brands need to be increasingly conscious of these newly emergent, environmentally focused, attitudes, and to consciously differentiate themselves from their competitors by tailoring their offerings accordingly.

In order to generate typologies, the researcher developed the ‘Luxury-Eco-Grid’ (Figure 3) as part of the coding process. Consumer attitudes were put into four categories: (A) Consumers with high eco-consciousness who also placed a premium on luxury brand image, (B) Consumers with low eco-consciousness and less concern for luxury brand image, (C) Consumers with high eco-consciousness and less concern for luxury brand image, and (D) Consumers with low eco-consciousness but who placed a premium on luxury brand image. Information was taken from consumers’ responses based on the Likert-type scale (1-5) questions and the key interview responses summarised above. Based on those categories, the researcher developed a four-quadrant grid of respondents’ attitudes to luxury brands (luxury brand image) and the environment (environmental consciousness) with the following four segments: (1) low on both luxury brand image and environmental consciousness, (2) high on luxury brand image but low on eco-consciousness, (3) low on luxury
brand image but high on eco-consciousness, and (4) high on both luxury brand image and eco-consciousness.

As demonstrated in the ‘Luxury-Eco Grid’, ‘luxury’ as a value is either very important or important to the majority (21) of participants. For four participants, luxury values are of only moderate significance and a low priority for six. Ten participants showed a high or medium to high environmental consciousness, whereas the remaining participants (21) showed only a low or medium to low environmental consciousness.
Figure 3: Luxury-Eco Grid
The ‘Luxury-Eco Grid’ (Figure 3) demonstrates that, for seven participants (Tania, Felicia, Greg, Henriette and Dirk, Arjun and Stuart), environmental values were either their highest or second highest priority. However, the source of their eco-consciousness, and whether their car purchase behaviour is related to their general eco-consciousness or not, is still uncertain. For another seven participants (Angus, Ken, Daniele, Marcus, Martin, Matt, Johannes) the environment was a medium priority when they purchased their car. For the majority (13) of participants, environmental considerations did not influence their car purchase, and four participants were not even aware of the environmental features of their car (this included two respondents who were partners of the actual decision makers). The majority of participants (29) showed awareness of environmental issues both globally and locally, to a greater (‘I think about it all the time and act accordingly’ – Tania) or lesser degree (‘I don’t particularly harm the environment’ – Annabel).

Environmentally focused behaviour ranges from recycling to saving water and electricity, buying local (organic) groceries, and from planting native trees to fuel efficient driving, home insulation and carbon-offsetting.

16 participants consider diesel more eco-friendly than petrol (generating less air pollution, less CO2 emissions) and providing superior fuel economy. Two participants did not know and 13 participants gave no response to questions on this issue. Most participants value environmental initiatives to a greater (‘I think it’s as much essential as it is moral’ – Nelson) or lesser degree (‘It’s always nice to have
this reinforcement and the justification that the purchase decision was right’ – Johannes). Judging by responses, however, to date the environmental message has not been communicated as significant by dealerships/sales personnel: ‘I don’t think (the environment) was mentioned at all (at dealership level)’ – Sasha. Various other respondents expressed similar views.

Interviewees were able to talk about the reasons for their car purchase decision and the importance of luxury and the environmental factors. The ‘Luxury-Eco Grid’ provides a synopsis of the interview statements, including the participants’ general attitude towards luxury and their environmental awareness. It also shows that the environment was important to some interviewees and less so to others.

In the following two sections the researcher introduces two analytical tools: the ‘Diamond of Needs’ based on Choice Theory, and the ‘Chess Board of Motivations’ based on Self-Determination Theory, in order to contextualise the interview responses. Both tools are used to analyse and interpret the data in Chapter Four.

**The ‘Diamond of Needs’ based on Choice Theory**

The central assumption of Choice Theory is the belief that human beings are internally, not externally motivated (Glasser 1998). In this theory, the five fundamental needs (Belonging/Connecting/ Love (L), Power/Significance (P), Freedom/Responsibility (R), Fun/Learning (F) and Survival (S)) provide the
foundation for all motivation. An interpretation of Choice Theory has been developed for this research to account for consumers’ priorities in life, their identity, and their relationships towards brands (Table 8).

**Table 8: Consumer Needs based on Choice Theory**

<table>
<thead>
<tr>
<th>Survival</th>
<th>Financial and physical security are essential to them. This impacts upon their brand choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belonging/Connecting/Love</td>
<td>Have and maintain strong personal relationships, spend time with family, partner and friends; Buy brands from a sense of belonging, being part of a group</td>
</tr>
<tr>
<td>Power/Significance</td>
<td>Career/ work is important; concern for achievement and recognition; buy brands as a reward/special treat for achievements</td>
</tr>
<tr>
<td>Freedom/Responsibility</td>
<td>Seek integrity. Live their own life; buy brands their own way and in their own style; product quality is crucial; brands need to have a solid foundation and reputation; appreciate freedom of choice and consider the ethical aspect of a brand / product</td>
</tr>
<tr>
<td>Fun/Learning</td>
<td>Enjoy leisure time, such as sports, physical activity; search for inner happiness/ psychical balance and work-life balance; some engage in further education; preference for brands that reflect ‘fun’/’joy’ and brands that connote ‘intelligence’ (technology, innovations)</td>
</tr>
</tbody>
</table>

Author’s interpretation based on Glasser (1998)

The researcher then classified the interview/questionnaire data according to her interviewees’ predominant needs (Table 9) based on categories derived from Choice
Theory (L=Love/Belonging, P=Power, F=Fun/Learning, R= Responsibility/Freedom and S=Survival).

Table 9: Interviewees’ Predominant Needs based on Choice Theory

<table>
<thead>
<tr>
<th>Name</th>
<th>Predominant needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annabel</td>
<td>L P F</td>
</tr>
<tr>
<td>Angus</td>
<td>F R</td>
</tr>
<tr>
<td>Anita</td>
<td>L F</td>
</tr>
<tr>
<td>Arjun</td>
<td>P R</td>
</tr>
<tr>
<td>Cari</td>
<td>L P</td>
</tr>
<tr>
<td>Daniele</td>
<td>P</td>
</tr>
<tr>
<td>Dirk</td>
<td>F R</td>
</tr>
<tr>
<td>Henriette</td>
<td>P L</td>
</tr>
<tr>
<td>Felicia</td>
<td>L P F R</td>
</tr>
<tr>
<td>Flora</td>
<td>P</td>
</tr>
<tr>
<td>Bob</td>
<td>S P</td>
</tr>
<tr>
<td>Jasmine</td>
<td>L</td>
</tr>
<tr>
<td>Greg</td>
<td>R L</td>
</tr>
<tr>
<td>John and Simone</td>
<td>R L</td>
</tr>
<tr>
<td>Johannes</td>
<td>F</td>
</tr>
<tr>
<td>Joshua</td>
<td>F L</td>
</tr>
<tr>
<td>Loretta</td>
<td>L R</td>
</tr>
<tr>
<td>Ken</td>
<td>R F</td>
</tr>
<tr>
<td>Lance</td>
<td>P L</td>
</tr>
<tr>
<td>Marcus</td>
<td>F</td>
</tr>
<tr>
<td>Martin</td>
<td>F</td>
</tr>
<tr>
<td>Matt</td>
<td>R L</td>
</tr>
<tr>
<td>Nelson</td>
<td>L</td>
</tr>
<tr>
<td>Pierce</td>
<td>F</td>
</tr>
<tr>
<td>Viola</td>
<td>F L</td>
</tr>
<tr>
<td>Roy</td>
<td>P</td>
</tr>
<tr>
<td>Sasha</td>
<td>L R</td>
</tr>
<tr>
<td>Scarlett</td>
<td>P L F</td>
</tr>
<tr>
<td>Stuart</td>
<td>L</td>
</tr>
<tr>
<td>Tania</td>
<td>R L F</td>
</tr>
<tr>
<td>Ted</td>
<td>F L</td>
</tr>
</tbody>
</table>
Table 9 helped the researcher identify relationships between categories and contextualise them. She then selected four female interviewees (Felicia, Tania, Scarlett and Annabel), all of whom are BMW 320d owners, and added five male respondents (Matt, Greg, Ken, Ted and Bob) who also own BMWs, but different models.

Needs for power, fun, responsibility and love are presented on the four axes that form the ‘Diamond of Needs’ (Figure 4). Responses from each selected interviewee are plotted on each axis, depending on their respective level of needs (high, medium, low). The need for survival has been placed in the centre of the ‘Diamond of Needs’ matrix as is it considered a precondition when investigating the needs of luxury car buyers. A more detailed explanation of the ‘Diamond of Needs’ matrix, and how it functions as a tool for data analysis, is provided in Chapter Four.
Figure 4: Diamond of Needs
The ‘Chess Board of Motivations’ based on Self-Determination Theory

Deci and Ryan’s (2000) Self-Determination continuum describes different types of external motivations based on the degree to which they have been internalised. Amotivation and external regulation are on the low-end of the continuum, followed by introjected and identified regulation, with integrated regulation and intrinsic motivation on the high-end (Figure 1 on page 51) (Ryan & Deci 2000). Based on this continuum the researcher defined specific motivational levels of self-determination amongst her respondents towards environmental (Table 10) and luxury (Table 11) brand values respectively.
Table 10: Implied Level of Self-Determination towards Environmental Attributes

<table>
<thead>
<tr>
<th>Level of Self-Determination</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amotivation</strong></td>
<td>Consider environmentally positive behaviour a waste of time - non believers</td>
</tr>
<tr>
<td><strong>External regulation</strong></td>
<td>Do not really think about environment; do not buy according to environmental considerations; would not pay more for environmentally positive products unless regulated, controlled by law; external motivators (job-related, finance related, image-related)</td>
</tr>
<tr>
<td><strong>Introjected regulation</strong></td>
<td>Buy environmentally positive products to overcome guilt/ bad feeling, but would not do so unless they can see a benefit for themselves; have become interested in environment due to recognition from others; are more encouraged to buy environmentally positive products if being rewarded or subsidised (by government or manufacturer); do not want to be perceived as ‘greenies’</td>
</tr>
<tr>
<td><strong>Identified regulation</strong></td>
<td>Consider environmentally positive behaviour as ‘civil duty’ or ‘Zeitgeist’ (socially expected); such behaviour a personal choice/ personal contribution; helps them feel better; higher level of responsibility;</td>
</tr>
<tr>
<td><strong>Integrated regulation</strong></td>
<td>Environmentally positive behaviour is a guiding principle, important to them and to their lives; such behaviour is an integral/ inseparable part of their self and their self-concept; believer (but may still question it)</td>
</tr>
<tr>
<td><strong>Intrinsic motivation</strong></td>
<td>Environmentally positive behaviour is an integral part of their character; consider it a pleasure to contribute to the environment; true believer (does not question it)</td>
</tr>
</tbody>
</table>

Based on Deci & Ryan (2000) and Pelletier & Sharp (2008)
Table 11: Implied Level of Self-Determination towards Luxury as a Brand

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amotivation</strong></td>
<td>Consider luxury unimportant or even embarrassing - non believers</td>
</tr>
<tr>
<td><strong>External regulation</strong></td>
<td>Luxury is used to project or support an image relevant to their professional or social position, but not personally important</td>
</tr>
<tr>
<td><strong>Introjected regulation</strong></td>
<td>Luxury is a visual reminder of their success / achievements. Rewarding for themselves (time poor – money rich, enjoy the good things in life, comfort), important due to recognition from others</td>
</tr>
<tr>
<td><strong>Identified regulation</strong></td>
<td>Luxury brands are considered aspirationally necessary; subconsciously support their view of themselves</td>
</tr>
<tr>
<td><strong>Integrated regulation</strong></td>
<td>Luxury is important to them and their lives; luxury brands are an integral and inseparable part of their self and their self-concept; ‘I deserve it’, ‘it’s me’ – believer (however, may still question it)</td>
</tr>
<tr>
<td><strong>Intrinsic motivation</strong></td>
<td>Take luxury for granted, ‘aristocracy’; part of the package, old money, wealth, establishment – true believer (does not question it)</td>
</tr>
</tbody>
</table>

Based on Deci & Ryan (2000) and Pelletier & Sharp (2008)

The researcher allocated consumer interviewees according to their implied level of Self-Determination towards environmental values (Figure 5) and their implied level of Self-Determination towards luxury brand attributes (Figure 6) based on their responses.
Figure 5: Implied Level of Self-Determination towards Environmental Brand Attributes

[Diagram showing a network of names and categories such as Amotivation, External Regulation, Introjected Regulation, Identified Regulation, Integrated Regulation, and Intrinsic Motivation. Each name is placed within one of these categories, indicating their level of self-determination in relation to environmental brand attributes.]
Figure 6: Implied Level of Self-Determination towards Luxury Brand Attributes
The researcher further re-categorised data from the four-quadrant ‘Luxury-Eco Grid’ along the newly created Self-Determination Theory matrix. The ‘Chess Board of Motivations’ matrix reconceptualises the data in two dimensions by overlapping the two continua (Self-Determination towards the environment and Self-Determination towards luxury).

This allowed the researcher to organise and then analyse her data. Table 12 provides an indicative ‘Chess Board’ matrix and Figure 7 presents the full ‘Chess Board of Motivations’ matrix including consumer data.

### Table 12: Indicative ‘Chess Board’ Matrix

<table>
<thead>
<tr>
<th>INTRINSIC</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEGRATED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDENTIFIED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTROJECTED</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>EXTERNAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMOTIVATION</td>
<td>EXTERNAL</td>
<td>INTROJECTED</td>
<td>IDENTIFIED</td>
<td>INTEGRATED</td>
<td>INTRINSIC</td>
</tr>
</tbody>
</table>

A full explanation of the ‘Chess Board of Motivations’ matrix and how it functions as a tool for data analysis is provided in Chapter Four.
Figure 7: Chess Board of Motivations

<table>
<thead>
<tr>
<th>Amotivation</th>
<th>External Regulation</th>
<th>Introjected Regulation</th>
<th>Identified Regulation</th>
<th>Integrated Regulation</th>
<th>Intrinsic Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pierce</td>
<td>Arjun</td>
<td>Roy</td>
<td>Lance</td>
<td>Angus</td>
<td>Ken</td>
</tr>
<tr>
<td></td>
<td>Scarlett</td>
<td></td>
<td>Anna</td>
<td>Viola</td>
<td>Felicia</td>
</tr>
<tr>
<td>Jasmine</td>
<td>Loretta</td>
<td>Nelson</td>
<td>Ted</td>
<td>Martin</td>
<td>Henriette</td>
</tr>
<tr>
<td></td>
<td>Flora</td>
<td></td>
<td></td>
<td>Carl</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Joshua</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bob</td>
<td>John &amp; Simone</td>
<td>Stuart</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Influence of ‘Green’ for car purchase:

- **Name**
  - Within Top 2 criteria
  - Had some influence
  - Aware but had no influence
  - Not aware, no influence

- **Name**
The Role of Analysis

According to Patton (2002) analysis is the interplay between researcher and data, a balance between science and art, maintaining rigour by grounding interpretation in the analysis of data. Ellis (1993) points out that, in interpreting qualitative data, a particular theme or property may be observed occurring across several transcripts. Consequently, quotations are highlighted that seem best to illustrate the essential meaning of this theme. If a theme has properties that embody slight variations in meaning or emphasis, then examples may be chosen to illustrate these nuances. If, on the other hand, quotations are intended to reinforce a very general or frequently occurring theme, a series of similar statements may be used to indicate its pervasiveness across different contexts.

The result should be that the reader has some authentic feel for the overall topic, its themes and properties, and the specific instances from which they derive. Ultimately, the argument will convince to the extent that the researcher is able to dissect the narratives of the participants and, using particular junctures in the story, create a credible explanation grounded in their words and meanings (Ellis 1993).

In this dissertation, the researcher identifies recurring themes in her interview data by relating their content to categories derived from Self-Determination Theory and Choice Theory. She provides representative quotations to illustrate consumer needs and motivations in respect of both environmental and luxury attributes. She analyses
and interprets the participants’ narratives, and uses parts of their stories to explain their needs and motivations, and these are in turn taken to exert a guiding influence on their behaviour.

**Consumer Background and Automotive Profiles**

The interviewer selected responses to ensure a balanced distribution of gender, age and social class. The aim was to include as diverse a range of respondents as possible (Blaikie 2000). Table 4 (on page 75) provides an overview of consumer interviewees. A copy of the bio-data sheet used can be found in Appendix A.3.

From a total of 31 participants, there were 18 male and 13 female, and the majority (21) were living and/or working in Metropolitan Melbourne (CBD, eastern and south-eastern suburbs) at the time of the interviews. Four participants were living in the western suburbs, one participant on the Mornington Peninsula and two participants in rural Victoria. One participant was living interstate (South Australia) and two were from overseas, but resident in Metropolitan Melbourne at the time of their interviews.

Participants represented a nearly equal mix of age groups. Seven participants were in their 30s, eight in their 40s, eight in their 50s and seven in their 60s. Only one participant was under 30.
Those consumers who can afford a luxury car need a certain income level, which often correlates with factors such as education, age, and time in the workforce. Two participants in the present study had completed Year 10 or below and two had attended trade school. The remainder all had higher tertiary qualifications ranging from technical school certification (6) to undergraduate (16) and postgraduate (5) university degrees. Occupations ranged from owners and partners of small and medium size businesses (10), company directors (3), senior managers (3), engineers (7), consultants (3) and assistants (2). Professional fields varied from health care (pharmacy, hospital, audiometry), building, farming, IT, telecommunications and education. Three participants were not working at the time, due to retirement or for other personal reasons.

Six participants came from single-income households; the others (25) from multiple-income households. Household incomes ranged from A$100,000 to A$150,000 (4), A$150,000 to A$200,000 (3), A$200,000 to A$300,000 (5), A$300,000 to A$500,000 (3) and above A$500,000 (1). Only one participant had an income below A$100,000. 14 participants preferred not to disclose details about their income.

14 participants lived in households consisting of two adults, five in households with three adults, and one in a household with five adults. Seven participants lived in households with two adults and two children, three in households with one child, and one participant in a household with three children.
21 participants owned a BMW Diesel and three participants were partners of BMW Diesel owners. Seven participants were owners of other luxury or premium cars, either diesel or hybrid: Lexus Hybrid (1), Mercedes Diesel (1), Land Rover Diesel (2), Volkswagen Diesel (2) and Honda Hybrid (1). Models of BMW owners varied from 1 Series (2), 3 Series (10), X3 (1), X5 (7) and 5 Series (1). Half the participants (16) had owned a luxury car in the past, and four had previously owned a diesel model. No participant had previously owned a hybrid.

**Methodological Limitations**

The major challenge for research of this kind is uncertainty about how it will develop. A balance must be struck between a planned program and the flexibility required to allow the learning process to evolve. Given limited resources and the intensive nature of the data being collected, the sample size had to be limited. As has been mentioned, the researcher’s goal is analytical generalisation (Yin 1994): that is, the results are generalised not to a sampled population (Glaser & Strauss 1967), but to a general theory of the phenomenon being studied, which may have much wider applicability than the particular case, allowing findings and conclusions to be extrapolated and generalised beyond the specific instance.

The researcher sought to illuminate key behaviours of a specific consumer group: consumers of luxury and eco-friendly cars, in order to generate a deeper
understanding of consumer behaviour that can then be used as a basis for theoretical and practical application. The outcome will be presented in Chapters Four and Five. To confirm the analytic generalisation, however, the findings would need to be tested in other contexts: for example by marketing departments nationally and internationally. The same is true for the evaluation of any practical management programmes that might in future be based on these findings.

Putting the main focus on the BMW brand and only one country, Australia, might also be considered a limitation. Given BMW’s standing as market leader in the luxury automotive industry in Australia (2003 – 2009), it was reasonable for the researcher to base her study into this market on this brand. Furthermore, the BMW brand emphasises both luxury and environment as key brand attributes, and so is ideal for addressing the research question. Being awarded leader of the Dow Jones Sustainability Index for the sixth consecutive year confirms that the BMW Group achieves worldwide recognition as sustainable car manufacturer (BMW Group 2011; SAM 2011).

In order to reduce any potential for bias, the research scope was extended by reviewing reports on eco-friendly products and by including seven interviews with owners of other luxury and premium brands as well as two consumers based overseas, but resident in Australia at the time of the interview.

Another limiting factor was time. The researcher met each participant for one interview, which lasted for an average of just 60 minutes. This may seem too short
given the questions asked and the detailed responses they were designed to elicit; however, the openness of participants, the flexible structure of the interviews, and the fact that they were conducted in familiar environments, such as the respondents’ homes or offices, helped to overcome these problems.

It is also possible that only a certain type of consumer agreed to participate in this research, such as those consumers who are particularly brand-image focussed or eco-conscious. But the range of responses suggests that the participants’ needs and motivations were in fact very varied, and this is also reflected in a parallel variation in their motives for participating in the study.

Ethical Considerations

Ethical approval 572 was granted on 10 January 2006 by the RMIT Portfolio Human Research Ethics Sub-Committee, prior to any internal BMW Group Australia staff or BMW owners being contacted.

Approval Process

Approval from BMW Group Australia
Once potential BMW participants were identified, the researcher obtained approval from the General Manager Marketing of BMW Group Australia before making contact. Once approval had been granted, she contacted BMW owners in writing, seeking their participation.

**Invitation Letter**

Contact via letter gave owners the opportunity to consider the request in private, and decide without undue pressure whether they wanted to participate.

**Consent Form**

All participants were asked to sign a consent form, and all agreed to allow their interviews to be tape-recorded.

Both invitation letter and consent form are reproduced in Appendix A.4.

**Thank You Letter**

Each participant received a thank you letter a few days after their interview. No further follow up was deemed necessary or appropriate.

This process minimised the risk to both RMIT and BMW, as well as to the researcher and the participants. No complaints were received from participants. All interviews were congenial, and conducted in a spirit of mutual goodwill.
Chapter Conclusion

Interpretive research was undertaken to achieve a deeper understanding of the motivations of consumers purchasing eco-friendly luxury cars. The methodology was predominantly qualitative, and sought to identify the consumers’ needs and motivations, and to understand the relationships that obtain between needs, motivations and purchasing decisions. Qualitative data was gathered in semi-structured, face-to-face interviews and the project included the following stages: (1) formulate the research question in response to a comprehensive literature review and expert interviews, (2) design interview format and compose questions, (3) conduct consumer interviews, cluster, categorise and analyse interview data in relation to concepts derived from Choice Theory and Self-Determination Theory, and (4) interpret results, formulate conclusions, propose implications and make recommendations.

One of the outcomes of this dissertation will be the potential application of both Choice Theory and Self-Determination Theory to the design of marketing instruments. The results have the potential to change the way we understand consumer needs and motivations, and to modify the way marketing is conducted in order to meet those needs, anticipating consumers’ motivations, enhancing the consumer-brand relationship and promoting brand loyalty. To this end, in the
following chapter primary data deriving from qualitative interviews will be subjected to detailed analysis and interpretation.
CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

Chapter Introduction

In this chapter the researcher restates her research objectives, and explains why she has applied theory to interpret her findings. Then she reviews Choice Theory, using its coding and categorisation to analyse her data. She explains in what ways the analysis of the data does and does not support the claims of Choice Theory. The process is then repeated with Self-Determination Theory: interview data is interpreted using Self-Determination Theory concepts, and an assessment is made about ways in which the findings do, or do not, support the theory’s underlying assumptions.

Finally, the researcher demonstrates how a significantly deeper understanding of the data has been obtained by applying both theories. The chapter concludes by suggesting what phenomena can and cannot be explained by the theories. Theoretical and applied management implications of the findings are discussed in Chapter Five.

Research Application of Choice Theory

As Chapter Two explained, Choice Theory has been applied in research on teaching, parenting, family relationships and sports education (Piltz 2008), but not yet to
marketing or brand management. Nevertheless, as a relationship-based theory, Choice Theory can readily be adapted to the analysis of consumer-brand relationships. It is therefore considered a good starting point for investigating the needs and motivations of consumers (Imhof & zu Castell 2009; Piltz 2008).

Choice Theory suggests that all behaviour is purposeful, and that every human being has a physiological as well as a psychological ‘basic needs profile’. The central assumption is that human beings are internally, not externally, motivated (Glasser 1998). In this dissertation, Choice Theory is used to facilitate understanding of the needs of our particular consumer group by attending to the following research objectives: (1) what is important to those consumers? (2) in what ways do luxury brands matter to them? When it comes to applying Choice Theory it needs to be stressed that the best way to understand consumer decision-making is to get inside their world. This can only happen if interviewees trust the researcher (Imhof & zu Castell 2009).

Data Analysis based on Choice Theory

Applying Choice Theory (Glasser 1998) the researcher must first determine whether the fundamental needs of consumers were reflected in their responses to interview questions. Table 8 (on page 95) presented the interpretation of Choice Theory used in this research.
The Need for Belonging and Love

Despite their different backgrounds, ages and family status, nearly all interviewees addressed the need for belonging and love as one of their key priorities in life. They have and maintain strong personal relationships, spend time with their families, their partner and friends. This finding will be supported by the provision of illustrative interview data:

Family is the foundation to my success. *(Annabel)*

My first priority is my family. *(Angus, Ted, Stuart)*

Spend a lot of time with family. *(Tania, Ken, Scarlett)*

We do a lot of things together. I’m very involved in what the kids do. *(Nelson)*

I keep in contact with them; keep a good relationship with them, we communicate well *(Anita, Simone and John, Loretta)*

I maintain close relationships without considering boundaries too much, letting those relationships flow naturally and normally without putting too much control on them, I have a very full life and I have a lot of things in my life, but I don’t think about time *(Sasha)*

This typically involves not just the need to be with their families, but also the need to care for them, understood as a key aspect of their life:

The well-being of my family comes first, therefore I maintain good health, so that I can maintain and continue my role in the family. *(Matt, Nelson, Greg, Bob)*

I’ve got two young kids and the most important thing to me is to make sure they’re happy, well catered for, well cared for, that we do everything we can for them, give them a good future. *(Angus, Cari)*
Respondents were also conscious of the way these familial or personal bonds might evolve over time:

I make sure we have those family values that we expect together. As our family is getting older, we seem to be more focused; (...) helping our children be the best they can be. My wife and I are very conscious of the fact that our unit will change over time. *(Lance)*

When it comes to their purchase behaviour some interviewees specifically mention that they buy brands to become part of a group or brand community:

I like being associated with BMW. *(Martín, Annabel, Arjun, Anita)*

**The Need for Power**

One third of all interviewees identify themselves with their work. Career, success, professional achievement and recognition are important to them. Although their professions vary from self-employed owners of small and medium sized businesses to employees in management positions, they all seek power and recognition.

There is a pronounced emphasis on career among the self-employed business owners. Nearly all self-employed interviewees mentioned work as one of their key priorities in life: ‘my professional career’ *(Annabel)*, ‘my business’ *(Angus)*, ‘work’ *(Arjun)*, ‘my career’ *(Cari)*.
Their reasons vary from financial needs, which also connect with the need for survival (‘I work to be financially secure’ [Pierce]; ‘I work very hard and I focus a lot of my time and energy on my business’ [Joshua]) to maintaining their lifestyle (‘having enough work, earning enough income to be able to support our lifestyle and being happy’ [Matt]) and pure enjoyment: ‘still keeping fresh and active in my professional life, although retired’ (Ted).

To employed managers, work is less important than it is to the self-employed interviewees. And although some find pleasure in work, (‘I enjoy what I do’ [Felicia, Nelson]), work priorities are mainly financial, or designed to maintain their lifestyle: ‘I work to live’ (Flora); ‘I’m not particularly money driven, but I get well rewarded’ (Martin); ‘I work hard so I have enough expendable income to do what I’d like to do’ (Scarlett). The need for power varies between those who identify themselves with work and those who work primarily for financial security (survival).

Overall, most interviewees claim to prioritise and keep work and private life in balance. This work-life balance then becomes a key priority for them:

While the success of the business is important and we do put a lot of time into that, for me it’s not the be all and end all, my family life is more important. Here, things are going well, we’re not struggling at all, but even if I could grow the business an extra five percent if it came at the detriment of my family it doesn’t really interest me. I don’t kill myself with hours any more like in my corporate days. I used to work over 70 hours a week. I don’t do that any more. Some weeks I might do 35 hours, some weeks I might do 30, some weeks I might do 40 or a bit more, but I don’t work crazy hours and I make sure that I’m always home at a good time in the evening. I always make sure if there’s anything special going on at the school that I’m there for it. (Angus)
I work Mondays to Fridays and maintain weekends, worthwhile balance, quality time on weekends with the family, relax after a hectic week. (Daniele)

I try to find a balance of whatever needs to be done to keep the family happy, it needs a job to pay for certain things so it needs to have a balance and whatever is left will be burned in fun. (Johannes)

I am at the stage in my career where the next step isn’t as important to me as doing things that means challenging and interesting. Making sure when you are at work you are doing the work things, but also not finding yourself consumed by that, and if I could pick a further thing it would be to continue to do interesting work. If that leads to another step, that is good, but if the next step stops me doing the things I want to do and I find myself in an admin-type role as opposed to a doing- role, that is not as attractive to me. A few thousand dollars more, a few thousand dollars less, that is not what I am interested in. (Lance)

Maintaining a good work-life balance, don't work long hours, flexible hours. (Martin)

I work hard; I work my own hours so I guess being self-employed I start generally very early in the morning, sometimes 4 am, I’m disciplined with work, but I try to not to work too many weekends or try not to work over the weekend. (Matt)

Good salary, good conditions, motivation, aspirations, it took me a while to find the work that I wanted to do, I have maintained aspirations around work so I keep myself active and involved in the workplace, it’s not a job it’s more a career’ (Nelson)

(I strive for a) work-life balance at this stage of life, I'm 53, set aside time to not be working or travelling, trying to improve the self-discipline to get work-life-balance. (Greg)

Being happy and less stressed makes me healthy. (Tania)

Comments on the work-life balance also reflect the need for a healthy combination between the need for belonging and love and the need for power.
The majority of interviewees with a high personal need level for power comment that they buy brands as a reward for their achievements:

(Luxury brand name) reminds me of my achievements. (Lance, Nelson, Anita, Annabel)

Status is important to me and the brand reflects this image. (Annabel, Ted, Johannes, Pierce, Marcus)

**The Need for Freedom and Responsibility**

Seeking a lifestyle that combines responsibility and freedom, a number of participants (7) spoke of their drive for integrity and their desire to live their own way of life. Although interviewees did not specifically mention the need for freedom and responsibility as key priorities, some stated that they needed freedom of choice when making purchase decisions and that they want to buy brands their own way, so that their purchases match their lifestyle. Product quality is crucial: ‘I always look for top quality’ (Annabel). One interviewee commented particularly on the importance of ethics as a value: ‘I try to put integrity into every aspect of what I do’ (Tania).

**The Need for Fun and Learning**

Apart from belonging and love the need for fun and learning was the highest priority (16 comments) amongst interviewees, and the researcher will therefore return to this issue later in the chapter. Fulfilling this need varies from engaging in enjoyable
physical activities, such as sport and physical exercise, to fun of a more social, intellectual, or even spiritual kind.

From physical exercise…

Getting much time for exercise, two to three times a week cycling, running, going to the gym, swimming, ball sports like squash and touch footie. (Daniele)

Running, keeping fit, photography, home renovations, travelling to places I haven't been to (Felicia)

Cycling, triathlon, squash, I do sports every second day. (Martin)

I’m a keen golfer, and, twice a week, I go to the gym. (Matt)

I enjoy staying fit, I ride a bike to and from work and I’ve taken out a gym membership that I use most days, we watch what we eat from a health perspective, don’t over eat carbs. (Nelson)

I exercise every day. (Roy)

I do a lot of rehabilitation sports, pilates three times a week. (Tania)

… to spiritual practices…

Surfing it’s a good place to think. It’s fairly quiet out there. (Angus)

Healthy food and exercises. Also, I’m a devoted Christian, go to church. (Anita)

Happiness within the individual. (Roy)

… and social engagement…

I'm a bit of a petrol head, Driver Training, doing things with (my son), friends, dinner, drinking, talking. (Johannes)
I enjoy living by the beach and in a community where we're with other people who are fun and interesting and great to be (with). (Sasha)

I eat out a lot; I go to the theatre a lot. I love the ballet, I love the arts, and I love plays, music so I go out quite a lot. I organise social functions with friends, dinner parties. (Scarlett)

... and, finally, intellectual endeavours:

I develop new skills within the technology environment. There is (sic) so many areas we can specialise in. I try. (Annabel)

I’ve been continuously studying. I have done three masters courses in leadership/ business and admin (Scarlett)

The majority of those interviewees for whom fun and learning are personal priorities also like brands that reflect those values: for example fun (‘I love the car. It drives really well. It is fun’ – Tania, Felicia) and ‘intelligence’, usually expressed in terms of technology and innovations (Dirk, Tania).

The Need for Survival

In relation to work, interviewees commented on the need for survival as part of their need for power, and in order to maintain financial security. Some interviewees mentioned particularly that financial and physical security is crucial to their well-being:
Physical security is important to me. You need a place to live; you don’t need people to be threatening you, and financial security in order to maintain the lifestyle that you’re comfortable with. *(Bob)*

Their personal financial situation impacts upon their brand choices:

It comes back to affordability and availability; I’m driven in that direction by economics. The pocket drives you in that direction. *(Ted)*

**Data Clustering based on Fundamental Needs**

By grouping similar items together, the researcher organised her interview data into clusters of needs and need fulfilment based on Choice Theory.

To the majority of participants (28) the predominant need is family and relationships, and the need for belonging and love has the greatest impact on their lives: ‘My family is my foundation’ – *Annabel*. 20 participants also named their health as a crucial factor contributing to their well-being. 15 participants named inner happiness and inner well-being as their priority. To a third of participants (10) their work, professional career and reward (power) are priorities. Whereas some interviewees ‘really enjoy’ what they do (*Felicia, Ted, Annabel*), others work ‘in order to earn enough income to be able to support my lifestyle and be happy’ (*Matt*). Comments like the latter also clearly reflect a focus on the need for survival and financial security. Indeed, four participants specifically mention financial security as one of their key priorities.
What do the participants do in order to maintain these priorities in life? They spend as much time with their families as possible (16). They set priorities (‘family first’) and maintain a work-life-balance (13). 19 participants named sports and physical activities as a way of maintaining their inner happiness and well-being. Others like to spend time with their friends or travelling. To seven participants, constant learning and further education is also very important.

When it comes to brands that participants associate with or which they feel reflect their values, most participants named luxury and prestige brands as their preferred choice. In the eyes of Dubois & Czellar (2002), ‘luxury’ and ‘prestige’ cover different conceptual domains, with ‘prestige’ being ‘based on unique human accomplishment inherent to the brand’ whereas ‘luxury’ referring ‘to benefits stemming from refinement, aesthetics and a sumptuous lifestyle’. At a symbolic level ‘consumers can interpret luxury as the prestige symbol of the brand’ (Dubois & Czellar 2002). Since in most research, however, ‘luxury’ and ‘prestige’ are used as synonyms (Bagwell & Bernheim 1996) and marketers also use the two concepts interchangeably (Dubois & Czellar 2002) no differentiation has been made in this research.

Brands that participants named second most were boutique brands. Only a few interviewees favour mass-produced brands, social and ethical brands or intellectual brands.
Table 13 demonstrates that the majority of interviewees named at least one luxury or prestige brand among their favourites. The others lean either towards boutique (Tania, Loretta) or intellectual brands (Dirk). Only Bob and Stuart directly named mass-produced brands as their favourites, and Matt did not identify at all with a specific brand or brands.

Table 13: Favourite Brands

<table>
<thead>
<tr>
<th>Brand Type</th>
<th>Examples</th>
<th>Names</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury/Prestige</td>
<td>Louis Vuitton, Chanel, Ralph Lauren, Hugo Boss, Bose, Mont Blanc, Dior, Mercedes, Audi, BMW</td>
<td>All except Dirk, Bob, Loretta, Matt, Stuart and Tania</td>
<td>25</td>
</tr>
<tr>
<td>Boutique/Unique</td>
<td>MIKU baby clothing and Lydia Courteille design, Aero furniture, Campagnolo bike gear and IWC watches</td>
<td>Tania, Loretta, Daniele</td>
<td>3</td>
</tr>
<tr>
<td>Masstige/Mass</td>
<td>Nike, Country Road, Apple, Nokia, Adidas, Esprit</td>
<td>Annabel, Angus, Anita, Dirk, Flora, Bob, Greg, Henriette, Johannes, Joshua, Loretta, Matt, Martin, Sasha, Stuart</td>
<td>15</td>
</tr>
<tr>
<td>Ethical/Intellectual</td>
<td>Pink Ribbon Foundation, The Age</td>
<td>Scarlett, Ted, Dirk</td>
<td>3</td>
</tr>
</tbody>
</table>

Based on interview question: ‘Think of 3 brands that describe you best as a person’

Table 14 indicates that the core brand values for interviewees based on Choice Theory reflect their need for fun and learning, and for power. To the majority of
interviewees their favourite brands must reflect happiness, enjoyment, pleasure or other positive emotional values.

Table 14: Personal Brand Values

<table>
<thead>
<tr>
<th>Values based on Choice Theory</th>
<th>Statements (exemplary)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belonging/Love</td>
<td>‘the brand makes me feel comfortable and part of the (brand) family’</td>
<td>8</td>
</tr>
<tr>
<td>Power</td>
<td>‘Prestige, reputation, status and success’</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>‘I like brands that reflect my professionalism’</td>
<td></td>
</tr>
<tr>
<td></td>
<td>‘I prefer something that’s a little bit exclusive’</td>
<td></td>
</tr>
<tr>
<td></td>
<td>‘reminds me of an achievement’</td>
<td></td>
</tr>
<tr>
<td>Responsibility/Freedom</td>
<td>‘I like to know the source of what I’m buying’</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>USPs: ‘good quality’, ‘reliability’, ‘longevity’, ‘value for money’</td>
<td></td>
</tr>
<tr>
<td>Fun/Learning</td>
<td>‘I love it’, ‘it makes me feel good’</td>
<td>17</td>
</tr>
<tr>
<td>Survival</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Based on interview question:’ What do you value about those brands?’ and ‘What do they say about you?’
The need for power applies to those who identify themselves with luxury brands, like *Lance, Nelson, Annabel, Arjun, Johannes, Pierce* and *Cari* as well as those identifying with boutique and more individual brands, like *Daniele*. Respondents’ choice of favourite brands reflects success and status, or the desire to reward themselves for achievement.

Consumers who liked luxury brands for fun and power also stated that the brand made them feel comfortable and part of the brand family (*Martin, Nelson, Lance*), which reflects the importance they attach to the need for belonging and love.

Interviewees appreciate the freedom of choice (‘I look at different brands before making a decision’ – e.g. *Felicia*). Most interviewees mentioned at least one of the following important product aspects: Good quality, reliability, longevity and value for money. *Tania* and *Dirk* also mentioned the ethics (responsibility) of brands. By contrast, the financial aspect (survival) did not figure prominently when interviewees commented on their favourite brands. This may well derive from the nature of the interview question: the researcher asked interviewees about brands they liked, brands they identified with and which they believed reflect their personal values: she did not ask about brands they can or cannot afford. Nonetheless, the influence financial concerns might have on their actual purchase decisions needs to be considered, and will be investigated in the findings section of this chapter.
Car Purchase Behaviour

When it comes to their luxury car purchases, the need for belonging and love is reflected in consumers’ desire to feel ‘part of the brand family’ (Arjun, Martin, Anita) or to be treated like ‘a friend’ by the dealership (Annabel, Flora). The main reasons, however, for buying a luxury car derived from their needs for power and fun: It reminds interviewees of their achievements (Lance, Nelson, Anita, Annabel) and reflects their status (Annabel, Ted, Johannes, Pierce, Marcus). The fun aspect is reflected particularly in comments on the car’s driving capabilities: ‘It’s fun’ (Tania, Felicia).

The reason why they purchase an eco-friendly car, again, comes from a strong sense of love, but more particularly from a sense of responsibility: Interviewees want to do something positive for the environment out of a sense of personal (Cari, Ken) and/or societal responsibility (Matt, Greg, Felicia, Tania). They also prefer brands that are ‘intelligent’ in terms of technology and innovation (Dirk, Tania).

So, is there a conflict between fun as a motivation for buying a luxury car and a concern for the environment? Or can companies appeal to both needs by marketing cars which are fun and eco-friendly? This will be discussed in Chapter Five. Finally, and unsurprisingly, the participants’ personal financial situation, and the affordability of different brands and models, may exert a powerful influence on the purchasing decisions they make (Ted, Bob, Johannes).
The data therefore show that the responses of interviewees reflect the five fundamental needs identified in Choice Theory. Those needs exert a direct influence on the participants’ priorities in life, their attitude towards brands and their behaviour as consumers in the luxury car market.

**Data Findings from the ‘Diamond of Needs’ based on Choice Theory**

The ‘Diamond of Needs’ matrix (Figure 4 on page 98), introduced in Chapter Three, visually captures interviewees’ responses in relation to the five fundamental needs of Choice Theory.

The four psychological needs are plotted on the four axes that form the ‘Diamond of Needs’, and survival is placed in the centre. The matrix thus demonstrates the importance of specific needs to different individuals and may suggest correlations between fundamental needs and brand relationships. In order to illustrate these correlations the researcher selected four female BMW 320d owners - *Felicia, Tania, Scarlett* and *Annabel* - and five male owners of different diesel models: *Matt, Greg, Ken, Ted* and *Bob*. Each interviewee is plotted on each axis, according to their respective level of needs (high, medium, low) extrapolated from the interview responses described above.

Findings based on Choice Theory might be of significance from a marketing perspective, providing insights into the needs-driven behaviour of consumers who
purchase an eco-friendly luxury car. With this knowledge, marketers would be better placed to understand consumer priorities, in life and in the context of brand relationships. To the extent that this affects brand loyalty, the knowledge gained from applying Choice Theory to the data could be used by marketers to tailor their messages to address consumer needs, increasing sales and, ultimately, enhancing brand loyalty. This possibility is addressed at greater length in Chapter Five.

What needs do the data suggest are most important to the respondents? The ‘Diamond of Needs’ matrix demonstrates the relative priority of needs based on Choice Theory. Individuals such as Felicia present high levels of need against all psychological categories; for Annabel, on the other hand, the needs for power, belonging and love, as well as fun and learning, are more prominent than the needs for freedom and responsibility; with Bob the needs for belonging, love, and survival have the highest priority.

Plotting responses on the ‘Diamond of Needs’ makes the link between individuals’ psychological and physical needs, their identities and priorities in life, visible, thus supporting the claims of Choice Theory.

In what ways do luxury brands matter to respondents? In order to gain deeper understanding of people’s brand relationships the researcher will now compare the results recorded by five interviewees (Annabel, Felicia, Tania, Ted and Bob) plotted on the ‘Diamond of Needs’ matrix (Figure 4 on page 98) with the same interviewees
from the ‘Luxury-Eco Grid’ (Figure 3 on page 92) to see what correlations exist between a desire to meet fundamental needs and brand affinity.

Annabel

*Annabel* is in her late 20s, has achieved a lot for her age and feels a great sense of accomplishment. She enjoys her luxurious lifestyle. She has been brought up on luxury brands and travelled the world at a young age. Her family is the ‘foundation to success’ (love, power). In respect of other needs, her career is most important to her (power), as is fun and learning (‘Education helps to achieve these goals’). She values luxury brands for their image (power) and quality. Despite her awareness of environmental challenges, she does not consider herself particularly eco-conscious. Belonging and love, fun and learning as well as power are *Annabel’s* highest priorities according to the ‘Diamond of Needs’ matrix. Freedom and responsibility present as only moderate priorities. On the ‘Luxury-Eco Grid’ *Annabel* shows a high affinity for luxury, but only moderate eco-consciousness. Eco-values played no part in her decision to purchase her current car.

Felicia

What matters to *Felicia* are home life and her relationship with her husband and friends (love), and success in her career (power). In her leisure time she participates
Felicia demonstrates a strong affinity for luxury and designer brands, such as Christian Dior, Prada, Fendi and Herringbone. She feels these brands reflect her personality, her style, and her projected identity (‘probably more of a corporate image’) and her current stage in life (early 30s, married, no children, good income, owns a house in Melbourne’s south-east). Her comments also reflect the importance of luxury brands to her lifestyle (very high). Luxury brands demonstrate her individuality and differentiate her from ‘everybody else’, they represent her own style (‘that’s Felicia’), and so people recognise and acknowledge her as an individual. She avoids mass-market brands such as Cue because

unconsciously, I tend to go towards luxury brands first without even thinking about it. It's my style. It's not stock standard. (Felicia)

With the purchase of her current car, luxury and environmental values were her highest priorities.

Brand image is most important, ecology and economy straight after and still very high. (…). I wanted something more efficient and with better fuel economy. Diesel was certainly something that I had stipulated as criteria (sic) from the very beginning. It emits less carbon dioxide, and it was just my way of trying to look after or contribute to the environment. (Felicia)
The deciding factor, however, was emotional, and the need for fun figured prominently: ‘I took it for a test drive and I just loved the way it drives.’ The way she is perceived by others is the final determinant of her self-image: ‘Oh yeah, that’s Felicia. I wouldn’t expect her to have anything kind of less.’

According to the ‘Diamond of Needs’, Felicia presents high level responses on all four psychological needs, while on the ‘Luxury-Eco Grid’ she shows a pronounced affinity for luxury and high eco-consciousness. Eco-value was a top criterion for purchasing her current car.

**Tania**

A ‘tenacious, resourceful, ambitious (power) and caring (love)’ woman in her early 30s from Melbourne’s south-east, Tania has recently left a successful career in corporate finance (‘being happy and less stressed makes me healthy’). She ‘puts integrity into every aspect’ of her life. Her focus is her family (love), her inner happiness and ethical values (responsibility, fun). She likes designer brands such as Lydia Courteille and Georg Jensen, and brands that are sourced and made under ethical, such as organic, conditions. By contrast, luxury is not an important value for her: ‘I don’t care (about luxury); I don’t buy things based on the perception of it’. Tania, who had previously driven her Volvo for ten years, chose her current car mainly for environmental reasons. Other purchase criteria were comfort, sportiness.
and power. As was the case for Felicia, the deciding factor for Tania was quite emotional, and fun was a high priority:

I loved it the second I got in the car. I love to drive it. The second I drove it, it was the most amazing automatic I've ever driven. I just fell in love with this car. (Tania)

Tania also presents high level responses for all four psychological needs, yet on the ‘Luxury-Eco Grid’ manifests only a low affinity for luxury, compared to high eco-consciousness. Eco-value was the top criterion for purchasing her current car.

Ted

Ted is a retired diplomat: intellectual, well-travelled and still active, he lives in an idyllic location on the Mornington Peninsula. As with other interviewees, ‘family comes first’ (love) and he quite enjoys being active in his professional life despite his retirement eight years ago (power): ‘I do it for interest’ (fun and learning). He does a lot of work for non-profit organisations (responsibility):

I feel the work that I've been doing is worthwhile and I learnt a lot of lessons during my professional life that I've now applied and hopefully have done some good. (Ted)

Brands he identifies with are The Age, for its integrity, Qantas, as an Australian icon, and BMW for its status. Status and image are important to him, and he appreciates
luxury brands. Despite his high level of responsibility and environmental awareness, *Ted* does not make a conscious decision about environmentally responsible consumption, and the environment was not a purchase criterion for him when he bought his current car. The primary motive was status, although the environmental features were ‘nice to have’. According to the ‘Diamond of Needs’ matrix, *Ted* presents high levels on all four psychological needs. Survival figures more prominently than is the case for some other respondents, perhaps because of his financial situation as a retiree (‘my purchase decision is driven by economics’). On the ‘Luxury-Eco Grid’, *Ted* demonstrates a high affinity for luxury, and medium to low eco-consciousness. Again, the environment was not a direct criterion for purchasing his current car.

**Bob**

What matters most to this retired engineer are physical and financial security (survival) as well as his family (love): *Bob* is a handyman, living in a small house in the western suburbs of Melbourne. He tends to make rational rather than emotional purchase decisions. He considers luxury irrelevant (‘I’m not a brand buyer’). He purchases brands for practical reasons (‘Bosch and Makita tools are good quality and value for money’). Bob’s fundamental needs differ quite significantly from the others: He values physical and financial security, names mass-produced brands as his favourites, and he and his wife openly acknowledge their physical passivity: ‘we are
not overly energetic.’ Bob previously owned a Holden Commodore. The reasons for
buying his current car were reliability, engineering and resale value, but not its
environmental features.

*Bob* presents high level responses to survival and love, but his responses to other
needs are non-significant according to the ‘Diamond of Needs’ matrix. On the
‘Luxury-Eco Grid’ *Bob* shows a low affinity for luxury, and low eco-consciousness.
The environment was not a criterion for purchasing his current car.

What does Choice Theory tell us in this context? According to Choice Theory,
people behave in response to their five fundamental needs (Glasser 1998). In the
context of this research, Choice Theory assumes that people’s psychological and
physical needs are fundamental to their identities and their priorities in life. But are
those needs related to their attitude towards brands and their behaviour as consumers?
All interviewees purchased an eco-friendly luxury car. However, it is evident from
the ‘Luxury-Eco Grid’ that, for some, the brand attributes ‘luxury’ and/or
‘environment’ matter more than they do to others. Comparing interview data from
the ‘Luxury-Eco Grid’ and the ‘Diamond of Needs’, a correlation can be identified
between an affinity for luxury and the needs for power and fun, and between
environmental-consciousness and the needs for responsibility and love.
Choice Theory might be able to explain why the need for power makes people buy luxury brands as a reward for achievement, whereas the need for belonging and love, as well as responsibility, makes people behave in a more eco-conscious manner. The examples of Felicia and Annabel might be taken to support such an assumption. But why is luxury a lower priority for Tania and why is Ted less eco-conscious than Felicia, despite registering a similar pattern of needs on the ‘Diamond of Needs’ matrix? Choice Theory can explain the attitude of some people, but there are others, such as Tania and Ted, whose needs do not necessarily yield the expected results in terms of attitudes and behaviours. These examples demonstrate a weakness in Choice Theory, since the need – attitude correlation is only evident for some participants, but not for all.

Tania’s and Felicia’s car purchases derive directly from their needs for love, responsibility, fun and power, and this supports the claim of Choice Theory.

According to the ‘Luxury-Eco Grid’, environmental considerations were not important to Annabel’s, Ted’s and Bob’s car purchases, despite the fact that all three purchased an eco-friendly car. Choice Theory might explain Annabel’s and Bob’s lower eco-consciousness as deriving from a lower need level for responsibility. But why did Ted purchase this car? Furthermore, according to the ‘Luxury-Eco Grid’, luxury was not a high priority for Tania and Bob, despite the fact that they both purchased a luxury car. Ted’s, Tania’s and Bob’s purchase behaviour cannot, therefore, be explained solely in terms of categories derived from Choice Theory,
since their behaviour cannot in all cases be explained in relation to internal needs and motivations: in other words, data on individuals’ internal needs cannot by itself explain all respondents’ consumption. But if it is not derived from internal motivation, as Choice Theory suggests, where does the motivation for car purchases such as Ted’s, Tania’s and Bob’s come from?

The data suggests that understanding people’s fundamental needs based on Choice Theory will not provide us with a complete picture of their needs, motivations and deeper concerns, since it focuses solely on their internal needs. Furthermore, Choice Theory cannot explain all the motivational differences between consumers, despite the fact that those motivations and concerns exert a profound influence on purchase behaviour and brand loyalty.

**Conclusion on Choice Theory**

From a marketing perspective, Choice Theory provides a wealth of important insights into consumer behaviour since it helps us identify and understand consumers’ fundamental needs. This is invaluable for marketers in their efforts to influence their customers’ attitudes and behaviours. However, more important as a marketing objective is the design of strategies to enhance the customer-brand relationship, and to gain and retain brand loyalty. This is best achieved in relation to need emergence.
To understand this process, we need to go beyond Choice Theory since, while it can be used to categorise needs, it cannot explain the origin of those needs nor their consequences: in particular, it is unable to explain the dynamic relationship between personal needs and external environment, since it investigates people’s behaviour from a purely internal perspective. In order to deepen our understanding of consumers, however, the sources of their external motivations must also be taken into consideration. To identify and communicate effectively with their consumers, marketers need to understand them on several levels simultaneously: in this case, they need to understand the correlations between their attitude to both luxury and environmental values. The findings suggest that Choice Theory is too narrowly focused when it comes to explaining people’s deeper motivations and the impact they may have on purchase behaviour. In particular, Choice Theory is unable to explain (1) how people’s motivations differ, (2) Why they differ, and (3) In what ways their consumption behaviour, such as the purchase of a BMW 320d, derives from their concern for luxury and/or environmental values.

In order to gain the necessary understanding of these issues, the conceptual framework of Self-Determination Theory, first introduced in Chapter Two, will be applied to the data in the following part of this chapter.
Research Application of Self-Determination Theory

In contrast with Choice Theory’s emphasis on internal needs and motivation, Self-Determination Theory categorises different types of external motivations based on the degree to which they have been internalised (Ryan & Deci 2000). It uses this modelling of external motivation to explain how and why people’s motivations differ.

In this dissertation, Self-Determination Theory is used to provide a better understanding of consumers’ motivations for their car purchases, and to explain how those relate to deeper concerns and attitudes, such as environmental consciousness and affinity for luxury. These concerns derive from the following research objectives:

What impact did environmental values have on the participants’ purchasing decisions? What impact did luxury values have on those same purchasing decisions?

Data Analysis based on Self-Determination Theory

The researcher applied Self-Determination Theory in order to organise her data along two dimensions (consumer motivations towards luxury and environmental values in determining their car purchases). Based on Deci and Ryan’s (2000) continuum, the researcher defined specific motivation levels of self-determination towards both values as per Figure 5 (on page 102) and Figure 6 (on page 103).
Based on the four-quadrant ‘Luxury-Eco Grid’ (Figure 3 on page 92), interviewees were then categorised along the two self-determination continua (environment and luxury). This provided the platform for data analysis and interpretation. Should every individual try to achieve greater self-determination and higher intrinsic motivation? Deci and Ryan argue that this is the case, since the advantages for greater internalisation appear to be manifold, including

more behavioural effectiveness, greater volitional persistence, enhanced subjective well-being, and better assimilation of the individual within his or her social group. (2001, p. 6)

Consumers are also more likely to modify their behaviour if they are autonomously motivated (Deci & Ryan 2000; Pelletier & Sharp 2008). The theory also hypothesises that psychological needs are determinative with regard to optimal experience and well-being in daily life. This is particularly important for this dissertation’s primary research objective: to provide practical suggestions to guide marketers in the design of marketing strategies to enhance brand loyalty (see Chapter Five).

**Implied Level of Self-Determination towards Luxury**

In the following section the author describes the implied level of self-determination of her interviewees towards the value ‘luxury’. Figure 6 on page 103 demonstrates
the interviewees’ implied level of self-determination towards luxury brand attributes
and Table 15 summarises each level numerically.

Table 15: Numerical Summary of Interviewees’ Level of Self-Determination
towards the Value ‘Luxury’

<table>
<thead>
<tr>
<th>Level of self-determination towards the value ‘luxury’</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amotivation</td>
<td>4</td>
</tr>
<tr>
<td>External Regulation/Introjected Regulation</td>
<td>4</td>
</tr>
<tr>
<td>Introjected Regulation/Identified Regulation</td>
<td>2</td>
</tr>
<tr>
<td>Identified Regulation/Integrated Regulation</td>
<td>21</td>
</tr>
</tbody>
</table>

From her 31 interviewees, 21 participant responses suggested an identified/integrated
regulation towards luxury as a value, two an introjected/identified regulation, and
four an external/introjected regulation. Four participants were amotivated towards
luxury.

Amotivation

Since it predicts no intention to act (Deci & Ryan 2000), amotivation toward luxury
indicates its unimportance. Amotivated respondents may even find associations with
luxury brands embarrassing.
Whereas *Tania, Felicia and Ken* demonstrate high levels of motivation (high (integrated) self-determination) towards environmental values, luxury is a low priority for *Tania* and a high priority for *Felicia* and *Ken*.

For *Tania*, it is the ethical and environmental attributes of a brand that are important (‘I don’t care about luxury’); she is motivated by individuality in brands, not their image. She appreciates the purity and design of a brand and its production by sustainable means. Brands she can identify with or which describe her as a person include MIKU Baby clothing, produced using organic materials, and Lydia Courteille as well as Georg Jensen Jewellery for their design qualities.

*Tania* feels embarrassed when it comes to her image as luxury car owner:

> I think I’m perceived differently (to who I am). I don’t think (the environmental aspect of the car) is perceived. I just think they see BMW and that’s it. *(Tania)*

*Tania*’s purchase was motivated by values she associates with the brand (‘eco-friendly’, ‘powerful’, ‘sporty’), not by its status as ‘luxury’ car. Other brands she considered were Toyota and Lexus, with their hybrid models, and the Mercedes C-Class diesel.
Bob, who is amotivated towards environmental values, is similarly amotivated
towards luxury: ‘I’m not a brand buyer. Luxury brands are irrelevant to me’.

Makita, Bosch and Jet tools are his favourite brands. Bob fits the profile of a ‘hands-
on’ and practical man disinterested in luxury. So why did he buy a BMW?

Why we bought that car – it’s not because it’s a luxury car. The reasons were
reliability, engineering and performance. (Bob)

Bob’s previous car was a Holden Commodore. He was looking for a smaller car, but
no Holden model met his specifications for quality engineering, reliability and
performance. He also considered the Lexus 250, but felt it was unsuited to his build.

Like Bob, Matt does not identify himself with brands. In general he does not put
much emphasis on material things and he could not name any brands he considered
important to his identity.

I’m probably driven more by the comfort rather than what brand it is. I don’t
have to buy a particular brand. You probably find like most people that some
brands tend to suit people – not necessarily for the brand but simply by virtue
of the fact that they feel comfortable in whatever that company makes. I don’t
know whether I could – whether I fit a category in that particular criterion.
(…). I try not to place an emphasis on material things; I don’t buy a particular
brand. (Matt)

Although Matt, who previously owned a Mitsubishi, loves his car (‘it’s by far the
best motor car that I’ve ever had so I just love everything about it’), his purchase of a
BMW was not determined by its status as luxury brand. Fuel economy (therefore diesel), safety and comfort were his key criteria and he bought the BMW X5 following a friend’s recommendation.

**External Regulation**

In this theory, external regulation involves the extrinsically motivated, and the least autonomous behaviour (Deci & Ryan 2000). For respondents who fit this category, luxury is not an intrinsically important value, although it may help to project a publicly or professionally positive image.

*Stuart’s* motivation towards both luxury and environmental values is externally regulated. Personally, luxury brands might not matter to him, with Nike and HP being reliable brands that he appreciates:

> I don't really identify myself with brands. (Personally) I don't need brands or luxury to make a statement; I’m not a brand person. (*Stuart*)

However, professionally, brand does matter. Stuart makes conscious brand decisions which reflect how he wants to be seen. He chooses luxury when selecting products with high visibility: golf clubs, phone, and car. *Stuart is* a calculating person; he uses
brands to make a statement for business or professional purposes, and consciously buys brands for their perceived image. His car purchase was similarly recognition-driven: Personally, he might choose a less prestigious or expensive car. He owns a Lexus because it is considered a luxury brand, and a hybrid because it is perceived to be more eco-friendly. This is the image Stuart wants to project for business purposes: it is an aspect of his professional identity.

**Introjected Regulation**

According to Deci and Ryan (2000), the goal of introjection is to achieve ego enhancement. To consumers with an introjected level of self-determination, luxury is a visual reminder of their success and their achievements. They buy luxury brands in order to reward themselves. Marcus, for example, states:

> Part of my motivation and part of my psyche is always about trying to achieve a fairly high level and I view BMW as achieving a very high level as far as motoring is concerned. (Marcus)

Time poor and money rich (Roberts 1998), such respondents enjoy the good things in life when they can and are happy to pay a higher price for the quality and comfort associated with luxury products. Recognition from others is also very important to them, and this is another effect of luxury brand ownership. They have been socialised to believe in the image of a luxury brand.
Greg and Anita are both consumers with introjected motivation. The brand was their key reason for purchasing a BMW:

At the end it (the reason for purchasing this car rather than another) was the brand name, you don’t have time these days, you have to have some level of comfort and you want to reward yourself. (Greg, Anita)

Greg, who describes himself as a ‘workaholic’, chooses Qantas Business Class and BMW for his own comfort: he is at a stage in life where he ‘can afford luxury’.

Being brought up in an affluent family and living overseas as a child, has influenced Anita in her attitude towards brands. She has always aspired to luxury, and luxury brands, such as BMW, bring back childhood memories for her.

I’ve always liked the logo. I still like the blue badge. It is the badge that does it. It is crisp, it is clean, and it is smart. (Anita)

In addition to her role as mother, Anita also wanted to achieve something professionally (to become Finance Director in her family’s business). She set her goals and rewarded herself when they were achieved:

To me (the BMW logo), badge, label was success because I have always had second hand cars and when I had the option to buy my first car, or get my first car, that was my dream car and for me that was my success. (…). I had set a goal and made a childhood dream become reality; I know it is a material thing. (…). My dream had become reality. It wasn’t just a dream anymore; it was a goal that I had set. Not just a dream: I had set the goal. The childhood was the dream, but I had set the goal. When I first started attending (classes), I did a
course in running your own business and that took me out of just being a housewife and gave me, yes I can do more things. And I have one child so you just can’t sit at home being the housewife, you have to do something with your life so I went back to study, achieved and did my results (sic) and I felt I did really well because in school I didn’t and then I did an accounting course, did well and from that you start setting goals and I had written down the goal – remember (sic) that childhood dream and made it into a reality. (Anita)

The perceived image of a brand means a lot to Anita:

Lexus would be stepping down and why would you want to step down if you do not have to step down? (Anita)

Anita’s level of self-determination is somewhere between introjected and identified.

Identified Regulation

To consumers with identified motivation, luxury brands are considered aspirationally necessary and, subconsciously, support their view of themselves (Deci & Ryan 2000). Nelson, for example, has already moved from his previous mode of self-reward motivation to the higher level of aspirational necessity. This is reflected in the purchase of his Mercedes and other luxury brands:

I’ve picked up on my father's aspirations with Mercedes. (…). Luxury is very important to me, that really is the differentiating factor between brands, beyond the high-end quality aspect. There’s value for money, prestige and aspiration. (…) Prestige and identification of the imagery that surrounds those brands are important. (…). I buy luxury for self-gratification, success. My first
Mercedes was definitely rewarding. (…). I own a lot of luxury items: for example, the house we bought is situated in a prestige area, clothing we wear. (…). (Luxury brands) make me feel proud. (Nelson)

Luxury brands give Viola a similar sense of self-confidence, and she identifies herself with those brands: ‘I love luxury’. Although Joshua puts the criteria ‘value’ and ‘performance’ over luxury, his key motivation for buying luxury brands is nonetheless aspirational: they project and enhance his self-image.

I'm planning to buy a BMW this year; Ralph Lauren, Apple and BMW, Mercedes or Audi - those kinds of brands provide added value; it’s a big investment often, but you get a terrific payback. And you look good along the way. (Joshua)

Loretta went through personal and financial ups and downs in her life that have kept her down-to-earth where luxury consumption is concerned. Nevertheless, she aspires to luxury and is attracted to luxury brands.

‘With some things (luxury) is important, for example my car; but not having a lot of money at various at times in my life, I can’t justify spending money on luxury items always. If I had more money it would probably be very important to me in general’

Flora, a serious woman in her 40s, who previously drove Holden and Hondas, has always aspired to a luxury car: ‘I wanted to have a BMW sometime in my life and I think it was just the right time.’
Luxury is also very important to *Martin* as is how he is perceived by others. Luxury is a long-standing aspiration, and he wants to be associated with luxury brands.

I like brands that are better than mainstream, European is important with brands. (...) Luxury brands are fairly important. We don’t mind investing in those sorts of features that come with luxury brands, and I’ve always been driven by that philosophy. (...) My wife and I both drive BMW brand cars and, I guess, honestly, we’ve been working to a financial position where we both can slide into that brand and quite comfortably so it’s very important. For some time we’ve been trying to both work towards owning German cars, be that Audi, BMW, Mercedes. The status is fairly important. (*Martin*)

*Martin* even thinks others expect luxury from him due to his successful management position and his age (he is in his 40s):

I guess people are kind of expecting me to be buying quality things, attention to detail and quality and finish and fit and they go with my personality. (...) I feel very comfortable with buying those brands and being associated with those brands. I'm a reasonably high achiever. (*Martin*)

To *Joshua, Loretta, Flora and Martin*, luxury brands are considered aspirationally necessary and support their view of themselves (Deci & Ryan 2000); their motivation can therefore be considered ‘identified’.
**Integrated Regulation**

Integration occurs when identified regulations are fully assimilated to the self and become indistinguishable from one’s own values and needs (Deci & Ryan 2000). For such consumers, luxury is important both to them and to their lives. Luxury brands become an integral and inseparable part of their self and their self-concept (‘I deserve it’, ‘it’s me’). They believe in luxury.

*Pierce* and *Angus* have both reached a stage of life where luxury has become an integral part of them:

> Why shouldn’t you have the best? My motto is: If you can afford it, buy it. Buy the most expensive. *(Pierce)*

> If you can afford luxury, why not? I see (luxury brands) as rewarding: after a lot of years of hard work you’re actually able to say, ‘Gee, this is amazing what we’ve done.’ I always wanted to get a Rolex, but in years gone by I wasn’t in a position to get one. *(Angus)*

*Arjun, Annabel, Felicia, Ken* and *Scarlett* all associate themselves with luxury brands:

> I associate myself with the brand (BMW). That’s the person I am. (…). *(My favourite) luxury brands give me the pleasure *(sic)* every single time, the clothes I wear make me feel comfortable and confident. *(Arjun)*

*Annabel* enjoys her luxurious lifestyle. She has been brought up on prestige brands and travelled the world at a young age. Although only in her late 20s, she is living a
luxurious lifestyle and rewards herself for her achievements. Her career is the most important thing for her, and she is proud of the fact that she has been very successful.

Prestige, a reputation, a bit of image, a well recognised brand - wherever I can I tend to buy top of the range, I don't look at price. (…). I'm looking for the top quality, I always felt when you bought a more recognised brand you do get a longer wear and more value for money. (…). It is certainly now, the lifestyle that my partner and I quite enjoy is the luxury lifestyle. I think because I travelled so much I don't like to be out of my comfort zone, otherwise I'm not really relaxed. I'm going to a location that I enjoy and I'm living it up. (…). Image is important to me. To own a BMW was such an achievement, one of those career-advancing type things. (Annabel)

Tania and Felicia have similar integrated motivation towards environmental brand values. However, unlike Tania, luxury is very important to Felicia. Designer brands and brands that reflect her individuality and set her apart from others define her as a person, reflecting her style and stage in life. She prefers ‘her style’ and products that are ‘not stock standard’. She and her friends agree that these brands suit her personal and corporate image.

I tend to go towards luxury brands first without even thinking about it. (…). My friends say: ‘That’s Felicia’. (Felicia)

Ken also considers luxury very important. Luxury was one of the key factors motivating his choice of car, although environmental factors also played a part.
I enjoy luxury stuff, cars and nice design things, buy nice things. I enjoy looking at them and enjoy, you know, seeing them, using them, wearing them. *(Ken)*

*Scarlett* lives a busy social and professional life. A career oriented woman in her early 30s, she is well educated, with three masters degrees, and currently holds a successful executive management position in banking. She projects as a very confident and decisive person.

I work hard so I have enough expendable income to do what I’d like to do. I support the product team for the whole of the personal banking or retail banking division; facilitation role. *(Scarlett)*

According to her, she ‘wears the pants’ in her relationship with her partner, and determines what happens in her life. *Scarlett* and her girlfriends all represent ‘ladies power’ in their relationships:

All of my girl-friends, we choose the furniture for our house, we decide where we want to live, we decide where we’re going on holidays, we decide the car we like to drive and the men just sort of fit in with that, almost to keep the peace in some regards, I think we really have the purchasing decisions: we’re the shoppers. *(Scarlett)*

*Scarlett* considers herself resilient, sophisticated, elegant and feminine, and appreciates brands that reflect these same values, such as Chanel, Louis Vuitton, BMW and the Pink Ribbon Foundation.
I want to have enough expendable income to do what I’d like to do and I would always buy the best luxury I could afford. (…). Luxury is of high importance to me, I don't mind looking expensive. (…). I like the BMW brand. BMW is closely associated with me. It has prestige and it symbolises success to me. (Scarlett)

When it comes to her car purchase decision, Scarlett, who owned a BMW Z3 prior to her current BMW 320d, enjoys the fact that her car is ‘beautifully designed’ and ‘looks classy and sophisticated’:

I wanted the 3 Series because I thought it was best suited to my needs at this stage in life. This is probably a car that I will have as I start a family as well and so I needed a back seat. The Z3 didn’t have a back seat so I wanted to go to a sedan model where I would have a back seat. (Scarlett)

Other brands and cars she and her husband considered were Mercedes and Volkswagen Golf:

I like Mercedes, (but) the Mercedes seems like it’s for older people to me so I’m in my early thirties. (…). (My husband) was really interested in the Golf and I went and had a look at that and just the look of that car was horrible to me. To me it just symbolised something that a uni student or a mum’s run around car would be. It didn’t have anything – it didn’t suggest anything with status, it wasn’t symbolic of being successful in any way. It was too small to be significant on the road; it was just horrible to me. I hated the shape of it, I hated everything about it. (Scarlett)

And this is the key difference between her and her partner:

I'm more ostentatious than my husband, he is very conservative and very understated whereas I don’t mind something looking expensive. (Scarlett)
Although *Scarlett* usually makes the purchasing decisions in her relationships, she did compromise in minor aspects of the car: ‘(this car is) less showy than my other car (red Z3)’.

*Scarlett* is proud of and happy with her purchase decision and would always recommend the product to her friends:

I’d tell them to go with something that they always felt proud to drive. So I think how you arrive at a place says a lot about you. So I think if you take pride in your appearance and you are grooming and you have nice clothes and nice shoes and nice accessories, I see my car as an extension, as another accessory, and I would advise them that way. It’s an extension of your personality and it reflects on you. (*Scarlett*)

The level of self-determination for *Arjun, Annabel, Felicia, Ken* and *Scarlett* is thus integration, with luxury reflecting their own values and needs as an integral part of their self-image.

**Intrinsic Motivation**

Consumers with intrinsic motivation towards luxury truly believe in brands and take luxury for granted. Those people typically belong to wealthy, establishment families with old money; luxury is part of the package. Consumers who are intrinsically motivated towards luxury might well buy even more luxurious or exclusive brands, such as Royce-Rolls, Porsche or Rolex.
None of the interviewees for this study can be considered intrinsically motivated towards the value ‘luxury’; they all worked hard to afford luxury, as reward or satisfaction for personal achievement. None takes luxury for granted.

What are the origins of interviewees’ motivations? Some interviewees indicated that their attitude to luxury has changed over time (Deci & Ryan 2000). For example, Angus stated that ‘after a lot of years of hard work I was actually able to say, “gee this is amazing what I’ve done and I’m deserving (of luxury)”’; it’s become part of me’. Marcus noticed a ‘bell curve’ in his changing motivation, which he described as follows:

Certainly when I was younger I didn’t care about luxury. I call it ‘lack of realisation’. As I matured it became very important, which is what I call ‘aspiration’. As I matured further luxury became less important, it is now nice but not essential. But it is still fairly high, I still have aspirations. Today, I see luxury but I also see investment and financial security. The monetary side of things means a lot more to me today than it did in the past. (Marcus)

How people have shifted over time to different levels of self-determination towards the environment as a factor in purchase motivation will be discussed at the end of the following section. Theoretical and practical implications as well as the managerial relevance of insights gained from Self-Determination Theory are outlined in Chapter Five.
Implied Level of Self-Determination towards Environmental Values

In this section the author describes implied levels of self-determination among her interviewees towards environmental values as a brand attribute. Figure 5 on page 102 demonstrates the interviewees’ implied level of self-determination towards environmental brand attributes and Table 16 summarises each level numerically.

Table 16: Numerical Summary of Interviewees’ Level of Self-Determination towards the Environmental Values

<table>
<thead>
<tr>
<th>Level of self-determination towards the environmental values</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amotivation</td>
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</tr>
<tr>
<td>External Regulation/Introjected Regulation</td>
<td>15</td>
</tr>
<tr>
<td>Introjected Regulation/Identified Regulation</td>
<td>4</td>
</tr>
<tr>
<td>Identified Regulation/Integrated Regulation</td>
<td>11</td>
</tr>
</tbody>
</table>

From her 31 interviewees, the researcher identified 11 participants with identified/integrated regulation, four participants with introjected/identified regulation, and 15 participants with external/introjected regulation. One participant was amotivated towards environmental values (Figure 5 on page 102).
Amotivation

Amotivation describes the absence of any intention to act, and results from a view of an activity as unimportant, or not likely to yield a desired outcome (Deci & Ryan 2000). Consumers might show amotivation towards the environmental attributes of a brand or product, such as a car if they are indifferent to, or sceptical about, environmental problems. The causes of their environmental amotivation might vary: from lack of information about global environmental issues to outright scepticism or cynicism, or even financial constraints, if the ‘greener’ option is perceived as prohibitively expensive. According to such amotivated respondents, being ‘green’ is a ‘waste of time’ (Haanpää 2007).

Bob is a retired electrical engineer who spent his entire career with a major national telecommunications company. He considers himself intelligent and broad-minded. He rejects arguments on global warming and claims that he does not really care about the environment.

Environmental issues are not on my list. (…). I don’t think about green issues. (…). I don’t believe that global warming exists. (Bob)

In consequence, environmental criteria did not factor into his purchase decision. His motivation for buying a diesel was performance: ‘You get a much better performance and fuel economy in a diesel’.
Furthermore, *Bob* does not believe that diesel is more eco-friendly, although he is familiar with this claim, and ‘wouldn’t care if it was (more eco-friendly)’. Given the low priority of environmental issues, *Bob’s* implied level of self-determination is best defined as ‘amotivation’.

**External Regulation**

The least autonomous form of extrinsically motivated behaviour is referred to as externally regulated. Such behaviours are performed to satisfy an external demand or reward/punishment contingency (Deci & Ryan 2000). Externally regulated consumers do not really think about environmental issues and do not buy eco-friendly brands or products, at least not for environmental reasons. They would not consciously pay a premium for products considered ‘greener’ unless that choice was regulated or controlled by law, or rewarded or subsidised by government or manufacturers. In other words, they would only purchase environmentally positive products or services if they saw a benefit for themselves.

*Bob*, who describes himself as very price-sensitive, would only consider eco-friendly products if they were more strictly regulated by government.

The only way the government can do it is taxing you directly or indirectly and all I see is in Australia everything that was going to happen was going to turn
carbon trading into a tax. So if I don’t see there’s a major problem then why am I doing it? Only for tax – indirectly – it’s cynical I know. (Bob)

Pierce, a self-made business man in his 50s expresses similar attitudes: he would only be motivated to make eco-friendly purchases if there was a personal financial benefit (‘Environment doesn’t really concern me’) but he would be ‘willing to pay for the greener option if there was a financial benefit’. When it comes to the eco-aspect of cars, Pierce states:

I do not think the government gives you enough support for the people. I would expect the government to push these cars, to promote these cars and possibly give you a rebate; it’s the flavour of the month for the government, the only way to encourage people is to give them money, and if you’re rewarded for something you’ll do it. (Pierce)

Scarlett’s motivation for buying a diesel was financial: its expected resale value. Otherwise, environmental considerations have little or no influence on her purchase behaviour.

I only considered the environmental aspect in terms of the resale value and that other people might be considerate of the environmental aspect when it came to buying it later. (Scarlett)

Pierce and Scarlett’s levels of self-determination towards the environment are therefore externally regulated.
Arjun, an ambitious company director in his 30s, draws his environmental motivation from his job (his company finances carbon reduction projects), but in his view ‘price is still king’ and ‘incentives are essential’:

‘I’m not a green person by nature, but the company that I run finances carbon reduction projects and people associate me with those kinds of products. I mean, it obviously helps the branding of the company. (…). The world is showing us that if we do not promote sustainable and eco-friendly products we’re definitely in for a doomsday soon. So I guess as days go by and years go by I think a percentage of the population is going to start looking at these products. The major problem and concern that I’ve always seen is that the price is king anywhere you go. So I guess that’s where it comes under public policy to incentivise the new technology so that they can be cost competitive with the ones that are not and I think that’s – if that happens you will see a transformation in society that people will start looking at more eco-friendly or more sustainable products in the long run. (…) The environmental aspect is very, very important. Obviously that was a key criterion to why I bought the car (for business purposes).’ (Arjun)

Stuart’s motivation is similar: He is environmentally motivated ‘only because you are expected to be’ and he is keen to gain recognition from others, especially his clients and business partners:

Eco-image (of hybrids) – it’s bit of a laugh, but it is seen as ‘eco-friendly’, but I’m in property and environmental sustainability is all the rage and turning up in a hybrid makes it unclear to my mind to somebody I’m meeting whether I’ve got the car because I want to buy a Lexus or because I want to buy an environmentally sensitive car. So it sends a degree of cloudiness about me. And it is a good icebreaker for clients. (Stuart)
However, Stuart’s motivation does suggest a higher sensitivity to external regulation than Arjun’s:

(Personally), I am really not too concerned, but professionally I have to be (eco-conscious) and go with today's Zeitgeist. I’m as environmentally sensitive as I’m required to (be) by law or that I can get a return on. (…). I wouldn’t buy an environmentally unfriendly product if it better suited my needs. (…). (The environmental aspect means) a lot due to my professional needs; personally I wouldn't have bought it. (Stuart)

In summary, both Stuart and Arjun’s environmental motivators derive from their businesses and how their behaviour is perceived in a professional context. Their level of self-determination is therefore best positioned somewhere between external and introjected regulation.

**Introjected Regulation**

According to Deci and Ryan (2000), introjection involves internalising a regulation, but not fully accepting it as one’s own. In introjected regulation, behaviours are performed to avoid guilt or to achieve ego enhancement such as pride. Although internally driven, introjected behaviours still have an externally determined locus of causation, and are not really motivated as part of the self.
Consumers with introjected motivation typically buy eco-friendly products in order to overcome guilt or bad feelings. It makes them feel better and enhances their ego. Their interest in eco-friendly products is determined by the recognition of others, which might help support their self-image and their businesses. However, their motivation remains external in its origins: they have been socialised to accept environmental values, yet do not identify themselves with ‘green’ brands and certainly could not be classified as ‘greenies’.

Lance’s is in his late 40s, and a successful senior manager at an international company. He considers rebates from the government an additional bonus:

I paid an amount that I was comfortable with and then received some money back, which was a bonus. I got a cheque back from Mercedes Benz because the government has made vehicles that are under seventy five thousand dollars and consume less than seven litres per hundred kilometres. (Lance)

His decision is more based on his children’s environmental education and consciousness rather than his own environmental identification:

We give (our kids) a cab allowance every year and try to encourage them to catch public transport as opposed to drive everywhere; it also has an environmental effect. (Our children are) the first generation who have really seen a change in the environment and therefore they are becoming more conscious and aware of it. (Lance)
Lance’s motivation towards environmental values is therefore best classified as introjected.

Annabel, an ambitious and successful entrepreneur in her late 20s, feels ashamed and guilty that she does not do more for the environment despite her awareness of, and knowledge about, environmental issues:

There’s more education as well now. It’s a shame that I don’t do more (for the environment). (Annabel)

She now feels (in retrospect) proud of the environmentally positive features of her car:

It didn’t (influence my purchase decision). But now that I know, I’m pretty chuffed. I kind of wish now we’d considered a diesel just for that reason. I don’t consider myself (a) nobly environmentally aware person. I recycle and stuff, but I don’t go out of my way for the environment really, which is a shame, and I’m kind of proud that my car is better than the environment. I do think about it at times, I look at how many petrol cars are on the road and knowing now that it is better for the environment, yeah, I definitely feel pretty good about it. (Annabel)

Annabel thinks this awareness and new sense of pride might change her purchase behaviour in the future:

I would try (to put more emphasis on eco-friendly products). I think it depends on the type of product and what the differences are in what it delivers. Since I’ve bought that (car) knowing that it is more environmentally friendly I do probably look at other products and consider them in the equation whereas
before I just didn’t care, it was what worked for me or what I wanted. (Annabel)

Annabel’s level of self-determination can therefore be considered introjected.

Joshua, a self-made businessman and hard-working company director in his 40s demonstrates generally low eco-conscious purchase behaviour. However, there was a ‘feeling good factor’ about buying his diesel car, which he understood was considered more eco-friendly than petrol models. His primary motivation for buying a diesel was nevertheless its better performance and torque.

Other than kind of feeling good about the fact that it was diesel, the environmental aspect was not important to me when I bought the car, but it gives me a warm, fuzzy feeling. It was about the performance, the economy, the value in terms of longevity 'cause diesel engines run far longer than petrol engines and require far less maintenance and, you know, diesel’s greener than petrol. But that was an add-on thought. It wasn’t a driving influence. (Joshua)

What interest he has in environmental behaviour is motivated by a desire ‘to go with the green trend that’s coming from Europe’ and the ‘don't waste - recycle - mentality’. He is influenced by his wife, who is European, and his mother, who educated him out of a post-war mentality ('we don’t waste, but recycle').

In Joshua’s view, there is a need for the Australian Government to regulate and subsidise eco-friendly behaviour, following the European model:

Why don’t our governments legislate and say, well, every new house has to have solar heating, there are a number of things that they could bring in and
force people to do that would be positive. Because it’s to build a house here the way they build them in Europe is just so horrendously expensive that you can't, you don’t get a return on your investment and that’s why people don’t do it, that’s why it’s not done. (*Joshua*)

He is convinced that consumers will react accordingly:

*People typically react to the bottom line, so when it reaches the point that recycling and acting in an environmentally friendly way is to your advantage, when the scales tip then you do it, in Europe they are 25 or 30 years ahead of us. (*Joshua*)*

*Johannes* is an account manager working for an international company. Of German background, is in his late 30s, and the environmental aspect of a brand is a priority for him.

*It (being eco-friendly) is quite important for me. (…). It (the car) didn’t have to be a diesel, but I was quite happy to take a diesel, really happy that it consumes so little fuel, particle filter as well, that was very important to me as well. Because the particles – there are some studies that claim that those particles can cause cancer as well so I was quite conscious about that as well. So I quite like that fact that there’s no residue in the exhaust for example so it’s all shining because it all gets filtered out. (…). I wouldn’t consider environmental factors if I buy a suit for example but a watch if there were environmental aspects to a watch I would consider them as well, I’m quite unhappy that the phones these days only last about half a year maximum. For me they are un-repairable. I would certainly switch the brand. (*Johannes*)*
However, he thinks that the environmental aspect is probably a bonus for most people, not the key factor in their purchase decision. He estimates that perhaps ten to twenty percent of diesel drivers are motivated by environmental factors, while the remainder are motivated by the financial benefits of greater fuel economy.

Although generally thrifty in his purchase behaviour:

I would pay 10 -20 % more at least, happy to pay more if there’s a positive aspect to a product being environmentally (positive) or (having) less substances in (it). (Johannes)

For Martin, an engineering project manager in his early 40s, environment plays a similar role:

I’m constantly thinking about it (the environment), (but not necessarily acting). (…). I have a selective eye on the environment, could have gone to more eco-friendly options. Hybrid needs more development. But I do my little part. (…). In my small way I think I’m just doing a little bit, doing my little part for the environment (with the car). (Martin)

Although not the key driver, the tax benefit was seen as an advantage:

I could get the car I wanted without paying luxury car tax; ended up with a very good deal. It's not the most efficient car, but I just do my little part, I feel very comfortable having done a little bit for the environment – I’ve got an eye on the environment but just a selective eye, going for a much smaller car or a petrol hybrid would be the ultimate expression of environmentally friendly car buying. (Martin)
Given the representative nature of their responses, Joshua, Johannes and Martin’s level of self-determination can be positioned between introjected and identified regulation.

**Identified Regulation**

A more autonomous or self-determined form of extrinsic motivation is regulation through identification. Identification involves a conscious valuing of a behavioural goal or regulation, such that the action becomes personally important (Deci & Ryan 2000).

Consumers with identified regulation consider ‘green’ a social norm. Being ‘green’ is therefore part of their ‘civil duty’ and today’s ‘Zeitgeist’. Contributing to the environment is a personal choice: they feel responsible for it, and see its relevance for their and their children’s, future. These consumers understand the importance of being eco-concerned.

*Cari*, for example, feels a responsibility to care ‘for the kids’, and their future. Her environmental motivation derives from education, responsibility and her profession as a pharmacist.
It needs more education for the public to save the environment and reduce pollutions. I think education is important. (…). Especially since I have kids, they do teach that in school on a daily basis – how to save the environment, how to recycle. (Cari)

However, her car purchase decision was not directly influenced by the model’s environmentally positive features; rather, it depended on the brand, the product quality and the price.

I do not think that really affected it (my car purchase decision) at all. (But when I found out it was a diesel) I said at least I am doing some part, contributing to the environment. I would just decide we are going to get a BMW but I guess the diesel part, I agreed to that because I knew, despite the disadvantages of noise, it is environment friendly so I agreed and accepted that particular car instead of changing my mind and saying I am going to get a petrol car. (Cari)

Cari’s level of self-determination can therefore be positioned between introjected and identified regulation.

Similar to Cari, Matt’s motivation derives from his sense of responsibility. On the one hand, he is concerned about the future of his children:

I worry as a parent you know what sort of life, what sort of planet are you going to leave for your children. (…). I think if you care about where you’re going or where your family’s going you need to be as aware as you can; rather than just sitting and watching mindless. I’d like to think I’m more conscious about what’s happening in the real world. (Matt)
On the other, he draws this responsibility back to the actions of his generation:

(The environment) is becoming far more important, I think when you get to my age, sort of 50ish, my generation, the baby boomer generation, we generally want to try and do something to help because a lot of the problems we’ve got with the planet today have been caused by us. (Matt)

On the other hand, as the owner of a building company he has a professional awareness of environmental challenges. This is reflected in his personal environmental behaviour:

The house I’m building – I’m trying to make that very environmentally friendly, putting in underground water tanks, considering looking at air conditioning, solar panels basically to generate power. I just think you know in my capacity as a builder I would be negligent if I didn’t – if I didn’t try to lead by example. Unfortunately, a lot of those things cost extra money so you’ve really got to look at it long and hard. It’s an initial cost when you’re building, but hopefully over the life of the building you’ll get back more than you invested as far as energy savings. (Matt)

Matt’s general environmental motivation can be considered identified due to his personal orientation to environmental issues and his generally high sense of responsibility.

To Lance and Cari, the environment was not a factor in their purchase decision, whereas for Matt, the environmentally positive attributes of his car were a bonus which he factored in to his decision.
It was a bonus. The environment’s important obviously when you’re only one person it’s hard to make a substantial difference, but I, certainly from the research and the reading that I’ve done on the vehicles, I know that BMW put a lot of time and effort into trying to create vehicles that are environmentally, not friendly but certainly work in conjunction with the environment, trying to keep them as clean as they can. I’m very pleased. (Matt)

Marcus’ environmental concern has changed significantly over the years, from low eco-concern in the past to growing eco-awareness and concern for these values as part of the modern Zeitgeist. He relies on information and actions from government, manufacturers and the media.

I would say that (my eco concern) is growing. In my mind the jury is out on a lot of the messages that we get, both politically and corporately around environmental issues. (…). The motoring world has been pushing the environmental positive aspects of diesel technology and as a consequence I think myself, and certainly my circle of friends has a view that diesel technology is more environmentally friendly than standard petrol technology. I can’t recall the sources. I talk motor industry, I watch Top Gear as an example, I do flick through the motor pages in the paper, and certainly Volkswagen with their Golf Diesel has done a fair bit of work around how much power and performance and economy. (Marcus)

Nonetheless, for him the environmentally positive attributes of a product are still more of a bonus and not yet completely internalised.

I feel that it is necessary to be aware of environmental issues if I’m going to stay connected with the world. (Marcus)
Although the environmental aspect of his car was internalised, it was still not a high priority:

In general it (the environmental aspect) was influential. It was something that I thought well okay if I’m going to go and buy a new vehicle and I don’t believe there’s an electric or a hybrid on the market that fulfils my needs, then what is the next best thing that I can do? Okay all of the marketing material I’m reading, all of the stuff that I’m hearing in the motoring press anecdotally (sic) - if I can say that word correctly -- tells me that diesel is like a step in between. So it’s a step in the right direction so I’ve gone down that path. (Marcus)

Marcus’ level of self-determination can therefore be considered identified at his current stage in life.

Similar motivations can be identified for Angus, a business owner in his late 40s who runs a medium-size cosmetics company. His environmental motivation has also increased due to information/education. It is also influenced by the stage he has reached in his personal and professional life, and by his sense of responsibility for his family. All these factors result in a moderate, but nonetheless significant, influence from environmental factors on his purchase behaviour:

I just think about things a lot more than I did when I was in my mid 20s. I didn't think about the environment in my 20s. I wouldn't have given one ounce of thought to the environment, not at all. (…). I’m not a full on greenie, you just think about things a lot more. (… ). I’ve got two young kids, what sort of world are they going to grow up in? By the time all the catastrophic changes happen I might be long gone but what about the next generation? (There has
been) more publicity, more coverage and more education at schools for last five to six years. From five or six years ago, a lot of the publicity and a lot of the coverage you see about what impact it has. I think most people are like that these days, they do think about it more. I think it is education, I also think the younger generation are really into it. Maybe there’s more education at schools these days. (Angus)

When it comes to the influence environmental concerns exert on his purchasing behaviour more generally:

There certainly is a role to be played there. It’s not going to be necessarily the overriding factor to me, but it could well be, depending on the product. (Angus)

And when buying his current car, environmental factors were taken into consideration as part of the decision-making process, but were not determinative.

It wasn’t the be-all and end-all. It certainly was a factor but it wasn’t the overriding factor. (…). The emissions that lets out (sic), it’s so much lower than the previous car I had. I think in terms of emissions for that size of car it would be almost the leader in its class. (Angus)

**Integrated Regulation**

The most autonomous form of extrinsic motivation is integrated regulation.

Integration occurs when identified regulations are fully assimilated to the self and become identical to one’s own values and needs (Deci & Ryan 2000).
To consumers with integrated self-determination ‘green’ is a guiding principle. It is important to them and their lives. They see ecological values as an integral and inseparable part of their self and their self-concept – they believe in the environmental benefit of their purchase decision, although they may still question it.

*Daniele*, who is in his late 30s and works as a director for a national road maintenance company, considers himself environmentally concerned and ‘generally probably at the forefront of (being eco-conscious)’. He was born to Italian migrants, who came to Australia with nothing, and his upbringing exerted a key influence on his present actions and behaviour, and on the education he provides for his own children:

I spent any of my spare time with my father who was a builder and everything was all saved or recycled or reused and it just gets ingrained into your psyche and I guess the challenge for me is to make sure that whilst we’re probably a lot better off than what they were, that the kids don’t miss out on those lessons as well. (…). There’s no way they’d get the same lessons as I did. (…). Simply they see BMW cars and they see good stuff a lot, all that sort of stuff. So you can only hope that you can keep an eye on that (and it) will rub off on them, but it’s not like wondering where your next dollar is coming from or anything like that. (*Daniele*)

*Daniele* considers himself price-insensitive when it comes to more eco-friendly products, he is willing to pay up to 50% more for the greener option. His level of
self-determination is therefore probably somewhere between identified and integrated.

Although Felicia grew up with some degree of environmental awareness, the need for environmental consciousness has grown over time.

I remember as a child, I grew up here in Melbourne and you could have the sprinkler on and on hot days you'd run under the sprinkler and you just can’t do that anymore. But I think, generally, for the majority of my life I've grown up with trying to be more eco-friendly. (Felicia)

Felicia is in her early 30s and works as national manager for a multinational pharmaceutical company. When Felicia purchased her current car, efficiency and improved fuel economy were her main criteria. Buying a new technology diesel was also her way of contributing to the environment:

I wanted something more efficient and with better fuel economy. Diesel was certainly something that I had stipulated as criteria (sic) from the very beginning. It emits less carbon dioxide; it was just my way of trying to look after or contributing (positively) to the environment. The fact that it was diesel and it makes less carbon dioxide, coupled with fuel efficiency that was (sic) really the main drivers. (Felicia)

Like Tania, Felicia’s price-sensitivity is low when it comes to purchasing eco-friendly products: ‘I don’t even think about (price) unless it was like double the price or something.’
Like Tania, Ken also traces the roots of his environmental concerns back to his childhood, although his attitudes were also influenced by his education and experiences travelling overseas, which raised his awareness of the environment as a global issue. An engineering specialist in his early 60s, Ken describes himself as generally ‘quite eco-conscious’. Ken’s upbringing emphasised the need to avoid waste, and in this his background is similar to both Joshua’s and Daniele’s.

We just don’t want to waste whether it's money or energy. I think that's how we were brought up. (Ken)

Ken’s environmental consciousness derives from travelling the world and his knowledge about environmental issues as well as from his sense of generational responsibility, an attitude he shares with Matt.

We read a lot. We are very well aware of the current situation. We travel a lot. We know about what's happening globally and you actually experience that change. (…). We are the baby boomers. So we have experienced it up and down, up and low (financial markets). (Ken, Matt)

Like Cari, Matt, Angus and Lance, he also feels a sense of responsibility to his children, and he considers it important to educate them in an eco-conscious way:

The younger generation try to minimise their wastage as well. But that is because we have been drumming (it) into their heads. If the parents didn’t have that kind of attitude I don’t think the kids would care, really. (Ken)
Although he describes himself as generally quite price sensitive, cost is not the prime factor when it comes to the question of environmental impact: ‘the prime factor is the environment’ itself.

He believes his attitudes differentiate him from others who

   Just think that whether they do anything (to protect the environment) or not is not going to change anything. That's some of the friends’ attitude. But we're not (like them). (Ken)

For Ken, diesel was one of his first purchase criteria, for economical and for ecological reasons:

   It is economical and powerful, lower emissions and because it uses less fuel, less pollution, especially with a new type of diesel with particle filters, diesel was first criteria (sic). (Ken)

Although the environmental aspect was so important to him, Ken does not necessarily believe it will affect people’s behaviour more generally unless it is more regulated.

   (Consumers) just think that whether they do anything (to protect the environment) or not is not going to change anything. So that's some of our friends’ attitude. If the government is not imposing any rules, what can you do? (Ken)

Greg’s motivation on environmental issues also derives from his education, and is further influenced by his profession. As a mechanical engineer in his early 50s, he
says ‘(you) have (to be able to) look at yourself in the mirror’. Like Felicia and Ken, Greg is nearly always prepared to pay more for the greener (‘if better’) option.

I’m happy to pay, generally, a premium; if I think there’s fibs in the equation or the balance I won’t pay anything for it. (Greg)

As people internalise regulations and assimilate them to the self, their motivation can be considered integrated.

Tania is in her early 30s and the environment is very important to her and her life. Thinking and acting ‘green’ is, in fact, an integral and inseparable part of her self and her self-concept. Being concerned about the environment reflects who she is:

I’m concerned ‘cause I just am. Like now it's so hot and I'm not using air-conditioning. I think ‘Oh that's good - I've saved electricity’. I feel good about it, even if it's not easy to live like that. It just makes me feel better if I'm more careful and tread more lightly. I go (to people) 'turn the tap off! Stop leaving the water on!' People just don't care, whereas I'm conscious all the time about (environmental) things. (Tania)

One of Tania’s main priorities is to ‘put integrity into every aspect of life’. What she values about her favourite brands is their ‘pure look’ and ‘natural production’: for example, ‘made of pure cotton, no pesticides’. She likes to know the source of the products she buys, their place of origin and mode of production. She also appreciates
good quality. Her environmental consciousness derives from her childhood as well as her education.

When I was young, my mum was always really concerned about it and it was at the time in the early 90s, when (...) global warming was just becoming something people were aware of, and there was all the shows on TV, and, ‘Don’t use bleach.’ I still don’t buy bleached toilet paper; I still buy tree-free toilet paper. (...) I studied architecture here at Melbourne Uni, and so there was a subject called Environmental Design and that was all to do with how, for example, in the deserts of Africa or Morocco or the Middle East or whatever it is, the way they design in India thermal mass to a house with a lot of – like this house. Double brick will keep the heat out for a lot longer. (Tania)

She incorporates green thinking and acting into every aspect of her life:

I think subconsciously I’m always thinking about, when I do things, the less wasteful way to do it (sic). I’m not obsessed; it’s just that if there’s a choice, I’ll use the more (eco-friendly product). I’ll do what I can within my normal lifestyle. I’ll do my part without making it my whole life. (Tania)

When she purchased her current car, the environmental aspect was her main criterion: ‘A lot. Definitely. First criteria (sic).’

When she initially started looking for a new car, she considered a hybrid.

I wanted it to be a hybrid, but the hybrid cars that are available weren't for me; that's why I got a diesel. It was a compromise at first. The other thing I heard about hybrid is that the actual manufacture of the battery has quite a high carbon footprint. I'm not anti hybrid because of the production. It's just going to take some time, I think. (Tania)

Her price-sensitivity is low when it comes to purchasing eco-friendly products.

I’m pretty price insensitive when it comes to the greener option: I will pay a premium. (Tania)
Tania’s self-determination is therefore integrated: regulations are fully assimilated and have become her own values and needs. Environmental considerations factor into her purchases, her attitudes and her life. Although Tania experiences pleasure contributing in a positive way to the environment, her motivation is not fully intrinsic, since she still questions certain aspects of the environmental movement and does not consider herself a ‘greenie’.

**Intrinsic Motivation**

It is noteworthy that none of the interviewees present as intrinsically motivated toward the environment in their car purchase decision. Perhaps this is indicative of the fact that those who are intrinsically motivated towards the environment would be unlikely to consider buying luxury brands or would choose more eco-friendly options, such as electric or hydrogen cars, none of which are currently available in Australia. Indeed, consumers intrinsically motivated towards the environment might not buy a car for personal use at all, preferring to share a car, use public transport, cycle or walk.

Do all consumers necessarily progress through set stages of self-determination? According to Deci and Ryan (2000), the process may indeed occur in stages over time, and this appears to be confirmed by the examples of Angus, Marcus, Scarlett
and Felicia, whose environmental consciousness has increased over the years: ‘The more I learn about environmental issues, the more aware and concerned I become’. What consumers are hearing from external sources, such as educational programs, media and through exposure when travelling also influences their attitudes.

Furthermore, the responsibility factor plays an important role: ‘Especially since I have kids, I have become more environmentally aware and concerned. I want my kids to grow up in a healthy environment’ (Cari); ‘I worry as a parent, you know, what sort of life, what sort of planet are you going to leave for your children?’ (Matt, Angus).

However, the self-determination process does not have to be developmental in the sense that people must progress through each stage of internalisation with respect to a particular regulation (Deci & Ryan 2000). People may have been brought up to be eco-aware, so the regulation is already to a greater or lesser extent internalised: this is true, for example, of Tania, Ken, and Daniele: ‘that’s how we were brought up’. In the following section, the findings from the data based on Self-Determination Theory will be further discussed.
Data Findings from the ‘Chess Board of Motivations’ based on Self-Determination Theory

In what ways did environmental and luxury values influence the purchase decisions of our consumer group? As demonstrated in the ‘Luxury-Eco Grid’ (Figure 3 on page 92), for seven participants the environmental aspect was the highest or second highest priority determining their car purchase decision. Self-Determination Theory can help us better understand this result: as we can see from the ‘Chess Board of Motivations’ (Figure 7 on page 105), for Tania, Felicia, Greg, Henriette and Dirk, environmental consciousness derives from a significantly higher level of self-determination towards the environmental aspect than is the case for Arjun and Stuart.

Arjun and Stuart’s behaviour can be explained in terms of Self-Determination Theory as follows: as business owners, both consider environmental values important to their choice of car; however, this importance derives from an externalised (professionally determined) rather than internalised motivation. They do not value the environmental attributes of their car as a result of deep personal concerns, but solely for its effect on their professional image. Recognition from clients and others in the business community about their environmental credentials is very important to them. They use their hybrid cars to project an image of themselves and their business as environmentally responsible. This external perception is linked to their externalised level of self-determination towards the environmental attributes of their car and, therefore, their identities.
In order to demonstrate that the research data support the claims of Self-Determination Theory, the researcher will now compare the self-determined motivations of four interviewees: Felicia, Tania, Annabel and Scarlett. They have similar backgrounds and similar characteristics: All four women are in their late 20s or early 30s. They are ambitious and successful businesswomen, and their careers are as important to them as their relationships and leisure activities. All four drive a BMW 320d.

According to the ‘Luxury-Eco Grid’, luxury is ‘very ‘important’ to Annabel, Scarlett and Felicia, but to Tania it is ‘not important at all’. Tania and Felicia are eco-conscious (‘think about it all the time’), but Annabel and Scarlett do not consider themselves ‘particularly eco-conscious’. Whereas the environmental aspect was a crucial factor influencing their car purchase for Tania and Felicia, it did not influence Annabel’s purchase decision, and it was only indirectly a priority for Scarlett (through the effect it might have on the car’s ‘resale value’).

Felicia

How does Felicia’s motivation differ from the others? Felicia believes she has an affinity for luxury, but is also eco-conscious, identifying herself with both the luxury and eco features of her car. The perception of others matches with her self-identification. Her eco-consciousness has grown over time (maturity) and so has the
significance of luxury (stage of life, corporate image), such that she now demonstrates price-insensitivity towards eco-friendly products. According to Self-Determination Theory, therefore, Felicia demonstrates integrated motivations towards both luxury and environmental brand attributes.

Why is Felicia more eco-conscious and than the others? Why did she buy this car? Her internalised motivation towards the environment appears to derive from her maturity, and towards luxury from her stage in life (‘it’s me’). She therefore chose her car for its eco and luxury features, due to her internalised level of self-determination towards both values.

Tania

How does Tania’s motivation differ from the others? Analysing her responses using Self-Determination Theory confirms the high priority the environment has for her, and this is reflected in her purchase behaviour. Indeed, eco-friendly features, coupled with other factors, such as fun and comfort, were primary motivators of her choice of brand and model, whereas the ‘luxury’ aspect of the brand exerted very little influence on her decision. Tania identifies herself strongly with the environmental profile of brands: the environment is very important to her personally. The luxury aspect of brands in relatively unimportant: indeed, such brands are considered a bit ‘embarrassing’. As a result, the perception of others towards her luxury car does not
match *Tania’s* self-identification. She therefore presents an integrated motivation towards environmental values and amotivation towards luxury.

Why is *Tania* more eco-conscious and why did she buy this particular car? Being eco-conscious has become *Tania’s* guiding principle, and an inseparable part of her life (‘this is just how I am’). Her internalised motivation towards the environment governs her identity as consumer, and has led her to adopt environmentally responsible purchase behaviour and a high price-insensitivity towards eco-friendly products. She therefore chose her car for environmental and not for luxury reasons. *Tania* had included non-luxury brands in her car competitor set. However, the BMW 320d happened to be the right fit for her needs, primarily, if not exclusively, because it met all her environmental criteria, and because the environmental positives of this particular luxury car overcame her reservations or ‘embarrassment’ about its perceived status as ‘luxury’ commodity.

**Annabel**

How, in turn, does *Annabel’s* motivation differ from that of other interviewees? *Annabel’s* attitudes are the antithesis of *Tania’s*: she expressed minimal identification with environmental values, and maximal identification with the luxury values of prestige brands. She claims that her behaviour as a consumer of luxury goods is environment-neutral: she does no harm to the environment, but does not
consciously protect it either. Her price-sensitivity towards eco-friendly products depends on additional benefits that ‘make (the higher price) worthwhile’.

Why does Annabel have more affinity for luxury, yet is less eco-conscious than others? Why did she buy this car? Perhaps due to her stage in life, Annabel presents a highly internalised level of self-determination towards luxury. She is in her late 20s, has achieved a lot for her age and takes pride in that fact. Materialism is important to her at this (early) stage in her life and she claims she deserves the reward that comes from buying luxury brands. Annabel lives in the present, not in the future. She hasn’t thought much about protecting the environment, but is willing to change (‘I would try’). Her level of self-determination towards environmental values is therefore introjected. Annabel chose her car for luxury and not for ecological reasons. That the car happens to be eco-friendly is fortuitous: an added bonus, but not a criterion governing her choice. Information about the environmental aspect of her car makes her feel proud, which she describes in terms of an ‘extra pat on the back’.

Scarlett

How does Scarlett’s motivation differ from the others? Why does she register a greater affinity for luxury, but less eco-consciousness than other respondents? Why did she buy this car? Scarlett’s level of motivation toward the luxury values of brands is internalised while her level of motivation toward their environmental
values is externalised. She is proud about the image her luxury car projects, and how it affects the attitude of others towards her, seeing her as ‘ostentatious’. Luxury was the primary criterion governing her purchase decision: environmental features played only a minor or partial role, and this criterion was motivated externally: diesel vehicles have better resale value.

A more internalised level of motivation is desirable for enhanced personal well-being (Ryan & Deci 2000). The data findings here support this assumption: the more completely a motivation is internalised, the more positive its effect. For those consumers with internalised motivation (integrated and identified regulation) towards the environment, such as Felicia, Greg, Tania, Dirk, Henriette, Daniele, Ken, Angus, Marcus, and Matt, the environmental features of their car were of high or moderate priority: If they are, at the same time, able to internalise their motivation levels towards luxury, they are less likely to feel a conflict between luxury and environmental values, and will feel better about their car purchase overall.

For some consumers (Johannes, Martin) with motivations between identified and introjected regulation, environmental attributes influenced their decision, but for others (Cari, Joshua) it did not. Again, more internalised motivation levels towards both environment and luxury appeared to increase the respondents’ overall well-being.
The remaining interviewees showed more externalised motivations (amotivation, external or introjected regulation) towards the environment. To them the environmental features of their car had little or no influence on their purchase. Some were not even aware of the environmental advantages of their car at the time of purchase, although that knowledge, even after the fact, did enhance their sense of well-being. In some cases, at least, the likelihood is that this awareness will change their purchase behaviour in the future to reflect greater awareness of environmental issues (this is the case for Scarlett and Annabel, for example). If they can maintain or even increase their motivation towards luxury, however, this would have a greater effect on their overall well-being in terms of the autonomy described by Deci & Ryan (2000).

Exceptions

There are, however, exceptions which suggest that higher internalisation does not always lead to enhanced well-being. Loretta and Anita’s responses show that some consumers may in fact move from internalisation to externalisation towards a brand value: Loretta, for example, lived an ‘extremely green’ lifestyle in the past due to her ex-husband. Today, her negative experiences in her former marriage influence her attitude towards the environment: since she does not want to be reminded of her past, her motivation toward the environment has shifted from internalised to more
externalised: in other words, it is no longer part of her internalised value system. In a similar way, Anita does not want to be reminded of her past. She was seen as a ‘greenie’ at high school, but today feels embarrassed about her former attitudes and rejects that earlier self-image. For both Loretta and Anita, a higher internalised level of motivation towards the environment would not enhance their well-being. A higher internalised level of motivation towards luxury, however, compensates for Loretta and Anita’s externalisation towards the environment. They now derive their well-being almost exclusively from the luxury of the products they buy. Loretta and Anita demonstrate that higher internalisation towards one set of values, such as the environment, would not necessarily lead to their enhanced well-being. They feel good about their car purchase because the level of motivation towards an alternative set of values, ‘luxury’, is internalised and compensates for the externalised level of the environmental attribute.

Furthermore, secondary-decision makers can have an impact on the primary decision-maker’s level of self-determination. The interviews show that most participants (23) discussed or at least told their partner about their purchase intent. Around half then made the final purchase decision alone, while the other half made a joint decision. 13 participants had secondary influences on their purchase decision: for example, recommendations from relatives and friends. Four participants did not discuss their purchase with anyone and made the decision completely on their own.
The more impact secondary influencers had on the purchase decision, the more the motivation of those secondary consumers should be investigated, rather than the motivation of the actual car owners. The examples of Viola and Jasmine, in fact, do not support the claim of Self-Determination Theory: both claimed they did not know about the environmental attributes of their car, although at least Viola showed a moderate level of internalised motivation towards these features. However, in both cases, it was their husbands who made the final purchase decision and who were aware of the environmentally positive features of the car. Yet both husbands show external regulation or even amotivation towards the environment, and so this values set was unlikely to have exerted any influence on their decision. Therefore, it is difficult, if not impossible, to apply Self-Determination Theory to situations where the interviewees themselves were not the decision makers. In this case, the theory is best applied to the actual decision makers.

**Conclusion on Self-Determination Theory**

Self-Determination Theory provides conceptual tools for categorising and interpreting respondents’ levels of motivation towards both luxury and the environment as brand values for premium cars. It also allows the researcher to isolate and examine the relative internalisation or externalisation of those motivations and their impact on car ownership.
In addition, Self-Determination Theory contextualises respondents in relation to their age and maturity, showing how this might influence their motivations as consumers of luxury cars. It also addresses the role of external rewards and recognition as primary motivators for some respondents, and personal responsibility and identification as motivators for others.

The interview data effectively supports the claims of Self-Determination Theory by demonstrating how and why people’s motivations differ and how an improved sense of well-being can be achieved through consumers’ internalised levels of self-determination. However, exceptions (Loretta, Anita) demonstrate that in certain circumstances, such as negative past experiences, higher internalisation towards one attribute, such as ‘environment’, might not lead to better well-being in itself, but the internalisation of another attribute, for example ‘luxury’, still can. Data analysis is also likely to be inaccurate if others, for example partners, influence the purchase decisions of individual consumers. This means that data cannot be analysed effectively using Self-Determination Theory if the purchase decisions were not made by interviewees themselves (Viola, Jasmine). These various limitations to the answers Self-Determination Theory can offer make it worthwhile to consider the data from more than one theoretical perspective simultaneously.

In the final part of this chapter, then, the researcher investigates what insights emerge if the theories are combined and applied to the analysis of her data.
Further Insights from Theory-Based Analysis: Price Elasticity and Brand Image

The most important new insights gained from combining Choice Theory and Self-Determination Theory concern interviewees’ motivations towards price-elasticity and brand image. These insights are speculative rather than definitive in nature.

Price-Elasticity

How can price-elasticity (Table 17) be explained through Self-Determination Theory?

Table 17: Price-Elasticity

<table>
<thead>
<tr>
<th>Price-Sensitivity</th>
<th>Names</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (0 - less than 10%)</td>
<td>Angus, Anita, Cari, Bob, Joshua, Loretta, Nelson, Ted</td>
<td>8</td>
</tr>
<tr>
<td>Medium (up to 20%)</td>
<td>Roy, Pierce, Viola, Lance, Johannes, Flora, Dirk</td>
<td>7</td>
</tr>
<tr>
<td>Low (up to 50% +)</td>
<td>Annabel, Arjun, Daniele, Felicia, Greg, Ken, Sasha, Tania</td>
<td>8</td>
</tr>
<tr>
<td>No response</td>
<td>Henriette, Jasmine, Simone, Marcus, Martin, Matt, Scarlett, Stuart</td>
<td>8</td>
</tr>
</tbody>
</table>

Based on interview question: ‘When it comes to purchasing brands or products, to what degree would you be willing to pay more for the greener option?’
As Table 17 demonstrates, 23 participants provided a response to this question, indicating their degree of price-elasticity towards more eco-friendly brands or product options. The analysis of these responses shows that eight interviewees were highly price-sensitive (with a tolerance between zero and less than 10% for the increased cost of greener options), seven were moderately price-sensitive (willing to pay up to 20% more), and eight had low price-sensitivity (willing to pay a premium of up to 50% or more for environmentally responsible products or options). This latter consumer group could be called price-insensitive (‘I don’t look at the price when it comes to the greener option’ - Felicia, Tania). Eight participants gave no indication of their price sensitivity.

Interviewees’ socio-demographic backgrounds, such as their age, income levels or education are not enough on their own to explain these variable levels of price-sensitivity. In fact, some ‘older’ interviewees with higher incomes, such as Nelson and Roy, show significantly greater price-sensitivity towards the environment than others, like Felicia and Tania.

Price insensitivity for Tania, Felicia, Greg, Daniele and Ken can be explained through their internalised motivations towards environmentally positive values. To these respondents, price is not an issue when it comes to eco-friendly options: they ‘don’t look at the price at all’, and this internalised motivation overrides potential concerns about cost (‘Value for money is important’, ‘we don’t waste’, but ‘price is no issue when it comes to the environmental aspect’ – Ken, Daniele). Interestingly,
Annabel, Arjun and Sasha also claim high price-insensitivity towards greener options, although their level of self-determination towards the environment is comparatively externalised. To Arjun, the higher price for eco-friendlier options is justified as long as it delivers better value for his business: if, in other words, the marketing advantages of a ‘green’ image outweighs the additional cost of choosing a more environmentally responsible alternative.

Dirk and Angus, whose self-determination towards environmental values is already internalised, show medium to high price-sensitivities towards greener options. As a result, their environmental purchase behaviour tends to be selective. Dirk, for example, is willing to pay ‘more for special items which are greener, such as an eco-friendly car, but not for basic food’.

Those consumers who can be considered moderately or highly price-insensitive are of particular interest for marketers: in response to appropriate strategies, such consumers are likely to shift to a more internalised level of motivation towards the environment (‘the fact the car is eco-friendly makes me feel better’, ‘it strengthens my decision’). If a brand is able to offer environmental benefits to consumers and consumers are willing to pay for the eco-friendly option (Ottman 2008; Queensland Government 2006), this could lead to an increase in the consumers’ level of self-determination towards the environment as a product attribute and, by leading them to identify that internalised motivation with particular brands, increase their brand loyalty.
However, not all behaviour is self-determined. Affordability and consumers’ economical situation which, according to Choice Theory, go back to the fundamental need survival, still determine purchase behaviour for many consumers of eco-friendly luxury brands. Whereas Felicia and Tania ‘don’t think about price’ because their fundamental needs are met, the financial aspect is crucial to Bob: ‘This time was probably the only time we could afford to buy such a car’. Bob’s fundamental need for financial security is therefore not fully met by this specific purchase decision. And, in fact, he shows a high price-sensitivity and amotivation towards both luxury and environmental values.

Ted, who is ‘not attracted to paying more for a product due to environmental reasons’, therefore has externalised motivation towards environmental attributes and, again, the need for financial stability (survival) is fundamental. This is how Ted’s economic situation impacts upon his purchase behaviour:

My future car purchase will be very much driven by economics. I’m not oblivious to environmental effects. But it comes back to affordability and availability; I would be driven in that direction by the economics of fuel. The pocket drives you in that direction. I retired eight years ago so economics come into it. I would be prepared to pay a bit more but not significantly more, I don’t think, because once you retire your resources are finite. (Ted)

Price-sensitivity can therefore best be explained through Self-Determination Theory: it is one element in the decision-making process that emerges once consumers’ fundamental needs as defined by Choice Theory (for survival, for example) have
been met. Despite its relevance to consumer behaviour, the degree to which price-sensitivity is financially rather than attitudinally driven cannot be further investigated in this research.

**Brand Image**

How might brand image be explained by Self-Determination Theory? The image of luxury brands varies according to consumer needs and levels of self-determination. For example, if the financial needs of consumers are met, then this changes their perception of luxury brands. More affluent luxury brand buyers such as Daniele, Lance, Roy and Nelson consider brands such as BMW and IWC ‘understated’ compared to more ‘pretentious’ brands (for example, Porsche and Rolex). However, consumers like Annabel and Scarlett consider themselves ‘ostentatious’ and Bob and Stuart think they are perceived as ‘pretenders’ as a result of their decision to purchase a BMW. To the latter, affording a luxury car has meant a significant financial burden in personal terms, which could only be justified on the basis of the product’s perceived benefits (‘I value its reliability and performance, but it is the only luxury item of my life’ – Bob; ‘it is important for my business’ - Stuart).

Once fundamental needs are met, then, different brand images and perceptions can be explained through Self-Determination Theory. Furthermore, external perception also influences consumers’ brand choices: ‘the brand has to show status’ (Roy,
Lance). Those interviewees whose luxury motivation is more aspirational (identified) ‘don’t mind looking expensive’: in fact, luxury brands are used to demonstrate their achievements (Anita, Ted). Consumers with more externalised levels of motivation towards luxury, such as Greg and Daniele, appreciate ‘a touch of exclusivity, (but) wrestle with the image a bit’. To consumers such as Tania and Dirk, luxury brands may even be considered ‘embarrassing’.

For the reasons discussed above, some consumers deliberately choose brands that match their background, their fundamental needs and their motivations: Sasha, for example, chooses those brands that are considered ‘premium’ rather than luxurious, and this reflects her lifestyle and her values: ‘To me, VW is edging into the prestige market, but is not luxury. It is good value, still affordable; it is understated: style without pretentiousness’.

Further, Self-Determination Theory shows that the level of motivation towards luxury brand image differs even for those consumers from similar backgrounds with similar internalised levels towards one value (say, the environment): whereas Felicia identifies herself with the luxury brand image, Tania does not. This suggests that marketing strategies need to be tailored to reflect organisations’ awareness of these different modes and levels of motivation, even for consumers purchasing similar or identical products. How messages about the environmental values of specific products and options are communicated will also be important.
The examples examined here demonstrate that brand image can be explained through Self-Determination Theory. Ways in which brand image can be changed in order to increase consumers’ sense of well-being and, therefore, enhance brand loyalty, are investigated in Chapter Five.

**Findings from both Theories**

In the last part of this chapter, the researcher considers the deeper insights that emerge if both theories are applied to her data.

This research has sought to understand consumer choice in a more theoretically rigorous framework, concentrating on the values ‘luxury’ and ‘environment’, and examining the role these values play in guiding consumers’ purchase decisions. Not all behaviour is self-determined, however; therefore, we must also take fundamental needs into account if we are to provide a sufficiently robust analysis of consumer behaviour: these needs are, in fact, the starting point for all human behaviour. The more generic model of Choice Theory was therefore important in helping us explain consumer behaviour in relation to basic needs from a primarily internal, not external, perspective. Its application shows how consumer needs derive from their background and identities. Consumers will not consider other, more self-determined, motivations (such as brand choice) until their fundamental needs are met; however, once these needs are addressed, luxury and/or eco-friendly criteria may become a focus for
deliberation. Self-Determination Theory therefore allows us to extend our analysis of consumer behaviour beyond the level of basic needs by exploring motivational differences between consumers, the relative internalisation or externalisation of that motivation, and the influence it might have on purchase behaviour.

Interview data supports the claims of Choice Theory by demonstrating that individuals live according to their most basic psychological and physical needs. But the data also show that levels of need can differ for each individual (Figure 4 on page 98).

The different need levels isolated in relation to Choice Theory give an indication of consumers’ likely brand attitudes, but cannot provide meaningful information on their deeper concerns. Self-Determination Theory, however, can provide these additional insights. Whereas, for example, Tania’s level of self-determination towards the environment is internalised (‘I’m thinking of it all the time’), her motivation towards luxury is externalised (‘I find luxury embarrassing’). By contrast, Ted’s level of self-determination towards the environment is externalised. His decision to buy ‘green’ derives from a feeling of guilt (‘I changed the energy provider because I felt I should’) and, similar to Annabel, more eco-friendly behaviour helps him achieve a greater sense of well-being.

Understanding consumer behaviour at this deeper level of intrinsic or extrinsic motivation is crucial, given that it may affect current attitudes, future purchase behaviour and developing levels of brand loyalty. Which consumers identify
themselves with both the luxury and the environmental values of their car? Who is likely to re-purchase the brand? The interview data suggests that those consumers with higher internalisation towards both values, for example Felicia and Ken, are most likely to remain loyal to the brand.

In Chapter Five the researcher addresses the potential managerial and marketing implications of her findings: how, for example, might the insights achieved here guide the development of marketing strategies to increase the identification experienced by consumers like Tania? If such strategies can help these consumers identify more completely with their luxury cars, overcome any embarrassment about ‘ostentatious luxury’, and enhance their well-being, this will make the initial purchase decision easier and, by enhancing brand loyalty, make future purchases more likely. In developing ideas about marketing strategies in Chapter Five, the researcher focuses on the majority of her respondents: those with an affinity for luxury, but only medium to low motivation toward environmental values, such as Ted, Annabel, and Scarlett.

If the currently low ‘externalised’ motivation of such consumers toward the environment could be internalised as a result of more effective marketing, this would significantly increase both their sense of well-being and their brand loyalty.
Chapter Conclusion

Self-Determination Theory provides a powerful array of new concepts for analysing this particular consumer group, helping to clarify our understanding of motivational differences and the influence these might have on consumption in this market. The higher consumers’ self-determination towards the environment, the better they tend to feel about their purchase, and the higher will be their brand loyalty, provided that their level of self-determination towards luxury is also high. This knowledge will enable marketers to develop more individualised strategies, addressing consumers in a way that targets their varying modes and levels of motivation. This in turn makes Self-Determination Theory a potentially valuable tool for the design of marketing strategies (see Chapter Five). However, not all behaviour is self-determined, and there is therefore a limit to the explanatory power of Self-Determination Theory; consumers’ fundamental needs must also be taken into account if we are to provide a comprehensive explanation of their behaviour (Glasser 1998; Piltz 2008). Basic needs, dealt with most effectively by Choice Theory, are the foundation of human behaviour, and were therefore the starting point for the current analysis.

Combining insights derived from both theories, what conclusions can now be reached? While Choice Theory and Self-Determination Theory may not tell us anything the interviewees cannot tell us themselves, they do allow us to organise and interpret that data, and are therefore of considerable heuristic value. Findings reported in this dissertation indicate that the core motivational processes operate in a
similar fashion for all consumers. For instance, findings show that if a brand provides credible, trustworthy products, the addition of attributes such as ‘luxury’ and ‘environment’ will lead to qualitatively superior motivation amongst consumers, characterised by higher levels of self-determination (intrinsic motivation and identified regulation), which will, in turn, contribute to enhanced levels of brand loyalty.

Applying Choice Theory and Self-Determination Theory in this research context is considered useful for analytical generalisation, as described in Chapter Three, but it will also provide data useful in the marketing domain. The findings suggest that there is more to consumer-brand relationships than standard marketing strategies currently recognise, and so make it possible for marketers to understand people’s motivations and deeper concerns in a broader context. Analysing and interpreting the data in relation to both theories will therefore allow researchers and marketers to identify consumers’ primary motivations with greater certainty. Turning interview data into marketing strategy, the theories become marketing tools, by categorising the raw data, and helping identify significant patterns and trends which would not otherwise be visible. This is helpful to the researcher and invaluable in a marketing context.

The initial objective of this research was the revisualisation of both Choice Theory and Self-Determination Theory in relation to one specific consumer group: those purchasing eco-friendly luxury cars. This revisualisation in turn became an
instrument to help organise and then interpret qualitative data derived from semi-structured interviews with selected consumers. It also provided a more comprehensive model for consumer needs, and their intrinsic and extrinsic motivations. The ultimate objective is to demonstrate the practical relevance of this new understanding for managers in the luxury car market, and it is to this topic that we turn in Chapter Five.
CHAPTER FIVE: IMPLICATIONS

Chapter Introduction

In this chapter the researcher demonstrates that the analysed data has significant implications for marketing strategy, and presents a new approach to market luxury, environmentally responsible products based on her findings, and guided by insights from both Choice Theory and Self-Determination Theory. She shows how marketers might take advantage of the new interpretation of consumer needs and motivations this dissertation offers in order to tailor their marketing initiatives to consumers’ varying levels of self-determination. Finally, the researcher argues that marketing strategies should be linked to data-based insights derived from both Self-Determination and Choice Theory, and demonstrates that such an approach goes deeper than standard marketing tools. To begin, the research objective and methodology are briefly reviewed.

This dissertation has pursued a new theoretical and practical approach to a question of importance to both researchers and managers: how do fundamental consumer needs combine with self-determined motivation to influence the purchase behaviour of consumers buying environmentally responsible luxury commodities? Understanding the personal motivations of consumers towards the two dimensions considered here (luxury and environment) is also relevant to broader social concerns
(Armstrong 2009; Charter et al. 2002; Demetriou, Papasolomou & Vrontis 2010), including efforts to encourage more eco-conscious patterns of consumption (Pelletier & Sharp 2008). These findings and the associated theoretical framework will also help businesses (Charter et al. 2002; Ottman 2008) to better target consumer needs and encourage brand loyalty (Pelletier & Sharp 2008), which will in turn contribute to ongoing sales, increased shareholder value and competitive advantage (Charter et al. 2002; Glorieux-Boutonnat 2004). As outlined in Chapters Two and Four, there is increasing consumer demand for eco-friendly cars in the luxury sector of the automotive market. From a marketing perspective, the objective would be to devise a means of gaining and retaining brand loyalty among the relevant consumers, based on an understanding of need emergence. As Chapter Four argued, this must go beyond the fundamental needs identified in Choice Theory to embrace motivational differences made visible using concepts derived from Self-Determination Theory. Applying theory in this context, as described in the previous chapters, is also considered useful for analytical generalisation in the marketing domain (Yin 1994). Both Choice Theory and Self-Determination Theory confirm and contextualise consumer needs and motivations and this understanding is crucial to effective marketing. Choice Theory and Self-Determination Theory allow us to see that there is much more to consumer-brand relationships than standard marketing strategies currently recognise. To market effectively, we need to understand motivations and needs in a broader context. Combining concepts from Choice Theory and Self-determination Theory allows us to do this. Analysing and interpreting consumer data
will help researchers and marketers understand and address consumer priorities. The theories can be generalised to the extent that the analysis conforms to their underlying assumptions, thereby allowing the theories to be used as heuristic devices for marketing. A new visualisation based on Self-Determination Theory, the ‘Chess Board of Motivations’, which was presented on page 105, illustrates how the purchase behaviour of consumers derives from their motivations towards either luxury or environmental brand values, or from some combination of the two. In Chapter Four, the ‘Chess Board of Motivations’ became an instrument for organising and interpreting the data. In the present chapter, it will be shown how this same conceptual framework might contribute to brand management as a model for marketing analysis.

This approach will, then, provide marketers with new insights into the processes underlying consumer behaviour, making it possible to answer three important questions vital for effective brand management: (1) How might marketers help consumers determine their priorities? (2) How might marketing professionals help consumers shift from external to internal self-determination? (3) How might marketers tailor messages according to consumers’ level of self-determination in order to increase and maintain brand loyalty?
The Value of Choice Theory to Brand Management

First, how might marketers help consumers determine their purchase priorities? As a human behaviour theory, Choice Theory has the potential to assist managers to build trust and foster a sense of belonging between organisations, products and consumers. Choice Theory can therefore become the foundation for strategies to influence consumers to modify their behaviour (Quinn 2003). Choice Theory suggests that the objective of any marketing strategy should be to give consumers a feeling of brand congruence and belonging. Marketers should help consumers determine their priorities, for eco-friendlier products, for example, based on attitudes such as environmental concern. Marketers should then help consumers meet their need for belonging by not only informing and educating (Charter et al. 2002; Glorieux-Boutonnat 2004), but also by involving them explicitly in the company’s research and development processes: for example, what products can be improved, what new features can be developed? What steps are being taken to design products that will answer to consumers’ understandable anxieties about the environment? Using such techniques, marketers can make their customers feel ‘part of the brand family’ (Arjun, Martin, Anita) in order to increase their brand loyalty.

Using insights derived from Choice Theory, then, marketers can target their messages and campaigns to address the fundamental needs of their consumers. As outlined in Chapter Four, those needs go deeper than the car purchase itself, but they
are all interrelated. The main reason for buying a luxury brand derives from consumers’ needs for power and fun: a luxury car reminds them of their achievements (Lance, Nelson, Anita, Annabel) and reflects status (Annabel, Ted, Johannes, Pierce, Marcus). The fun aspect is especially the focus of comments on the car’s driving capabilities: ‘it’s fun to drive’ (Tania, Felicia).

The motivation for purchasing an eco-friendly car, on the other hand, comes from a strong sense of love and belonging, but even more directly from consumers’ sense of responsibility: interviewees wanted to minimise their environmental impact, and this was influenced both by familial (Cari, Ken) and/or societal responsibility (Matt, Greg, Felicia, Tania). The data also suggests that, overall, interviewees like brands that are ‘intelligent’ in terms of technology and innovations (Dirk, Tania), and this too should be borne in mind by those designing future marketing campaigns.

A more important question, perhaps, is this: is there any sense of conflict between the fun aspect of buying a luxury car and consumers’ need to feel they are acting in an environmentally responsible way? Due to the increasing importance of those, at times apparently contradictory, consumer needs, more and more luxury car manufacturers have initiated designs that combine both aspects: marketing fun cars which are nonetheless eco-friendly. Product innovations based on new consumer needs should be anchored in the company’s positioning and communicated via all key marketing channels. For example, Dirk and Tania appreciate and enjoy the
dynamic but frugal driving style of their BMW 3 Series; when the engine automatically stops and starts at traffic lights to save fuel. This they perceive as ‘fun’, and yet it is also environmentally positive: in other words, it appeals simultaneously to their need for both fun and responsibility.

Even if their purchase behaviour does not derive primarily from a sense of responsibility such as environmental-consciousness, consumers can still appreciate and value the environmental aspect of their car (‘it makes me feel better’ – Annabel, Scarlett). It may even influence them to change their purchase behaviour in the future towards eco-friendlier products (‘I will certainly look at the environmental aspect next time’ – Annabel). Therefore, the long-term approach for luxury companies should be to change the definition of luxury based upon these changing consumer needs and expectations, in order to achieve ongoing brand loyalty. The researcher captures this ‘new luxury’ with the term ‘eco-luxury’: if environmental factors are likely to play an increasing role in shaping consumer needs and motivations into the future, luxury car producers need to anticipate this trend, and position themselves accordingly.

**Managerial Implications of Self-Determination Theory**

Consumers are more likely to change their behaviour if they are autonomously motivated (Deci & Ryan 2000; Pelletier & Sharp 2008). Deci & Ryan (2000) also
suggest that need-satisfaction is correlated with improved well-being, and that psychological needs are determinative with regard to optimal experience and continued well-being in daily life. This finding is of particular significance for marketers who wish to motivate consumers in ways that will engender brand loyalty and foster well-being, or even personal and social flourishing (Armstrong 2009). It suggests that a key priority for marketing should be to provide guidance for consumers on their way from externalised to internalised self-determination.

In this context the attitude – behaviour gap separating consumers’ awareness of environmental conditions and their eco-conscious behaviour must also be taken into consideration (Pelletier et al. 1998; Roberts 1998). Although individuals may be aware of global and local ecological problems, they will often show only limited levels of eco-conscious behaviour. Annabel, for example, states: ‘I don't intentionally harm the environment, but (I) wouldn’t say I make an extreme effort’. The researcher examined this problem in order to understand the factors that might predict how behaviour is related to attitude and then maintained, and how the gap between environmental awareness and environmentally responsible behaviour might be closed. According to Deci and Ryan (2000), self-determined motivation enables more persistence in a particular mode of behaviour, deeper information processing, higher achievement and enhanced well-being. That means that the higher the level of self-determined motivation towards the environment, the more eco-conscious behaviour will be integrated into consumers’ lifestyles. Tania, who generally puts
‘integrity into every aspect of what I do’ and is ‘conscious all the time about (environmental) things’, is an example of a consumer who converts her consciousness into action:

If there’s a choice, I’ll use the more eco friendly product. I’ll do what I can and I’ll do my part for the environment. (Tania)

The internalisation of behaviour is an active process through which people gradually transform socially valued attitudes into personally endorsed conduct. Self-Determination Theory predicts that internalisation of behaviour will be facilitated whenever a good rationale is provided, when the context predicts more effective behaviour in meeting these challenges, and genuine choice is available, allowing consumers to select freely amongst different options. Internalisation is hindered, on the other hand, by attempts to control behaviour using rewards, punishments, rules and pressure. These may produce temporary compliance, but not long-lasting commitment (Pelletier & Sharp 2008). Marketing professionals can take advantage of that prediction by attending to rationale, context, and choice in ways that integrate all three factors into a coherent and motivating message and/or experience for consumers.

The findings from Chapters Two and Four lead the researcher to propose a new approach to marketing based on strategies designed to progressively increase consumers’ level of self-determined motivation. Tailoring measures (Mandelbaum 2008) according to the processes underlying behaviour (Pelletier & Sharp 2008), and
framing them in terms of whether they serve intrinsic goals (Armstrong 2009; Demetriou, Papasolomou & Vrontis 2010), as opposed to extrinsic goals, it is argued, would make those messages more effective (Ariely 2008; Pelletier & Sharp 2008). Properly implemented, such measures would encourage consumers to associate environmentally positive values with particular products, and encourage them to purchase those products now, and in the future.

How, then, might marketing professionals help consumers internalise their motivation towards both environmental and luxury brand values? First of all, consumers need to have an informed belief that environmental problems exist (Carrigan & Attalla 2001; Pelletier et al. 1998). Consumers then need to be made aware that innovative, eco-friendly products have been developed. Therefore, marketers of luxury brands should focus on developing campaigns to inform consumers about the environmental attributes of their products (Glorieux-Boutonnat 2004; Ottman 2008), in the wider context of information on environmental issues more generally. Consumers then need to be informed about and experience products’ innovative, environmentally positive design features. In the automotive environment, education campaigns should occur at both manufacturing and dealership levels. Messages should be tailored to the decision-making processes consumers rely on at specific phases of behavioural change: this means, effectively, in the detection phase prior to their purchase decision and well before the actual purchase (Pelletier et al.
1998). In the long-run, luxury companies should *change the definition of luxury* in order to achieve identification with emergent environmental values, and enhance brand loyalty: The ‘new luxury’, in other words, should become ‘eco-luxury’. Table 18 outlines the strategic objectives and approaches considered helpful for marketing based on the findings of this research.

**Table 18: Strategic Objectives and Approaches**

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<thead>
<tr>
<th>Strategic Objective</th>
<th>Measures</th>
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<tr>
<td>Achieve brand loyalty by moving consumers towards more eco-consciousness and higher motivation towards luxury</td>
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<table>
<thead>
<tr>
<th>Strategic Approaches</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve and innovate (evolutionary)</td>
<td>Offer product innovations based on new consumer needs</td>
</tr>
<tr>
<td>Tell</td>
<td>Explain, teach and offer brand experiences</td>
</tr>
<tr>
<td>Change the definition of luxury (revolutionary)</td>
<td>Create the ‘New Luxury’ = ‘Eco-Luxury’ (societal shift)</td>
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</table>

How should these messages be communicated to consumers? Progressively communicating information (Glorieux-Boutonnat 2004; Ottman 2008) to help consumers identify and achieve their objectives will further promote the internalisation of behaviour and therefore enhance brand loyalty (Pelletier et al. 1998). Brand loyalty can derive from consumer motivations towards different brand values. The opposite is also true: consumers’ self-determination towards those values may have a different impact on their brand loyalty. According to the research data
analysed here, luxury as a value currently exerts a greater influence on brand loyalty than environmental values. The majority of interviewees show an elevated level of (integrated or identified) self-determination towards luxury attributes (‘luxury is very important to me’, ‘I always wanted to own a BMW one day’, ‘and it’s me’).

Consumer motivations towards attributes other than the core attribute (in this case, luxury) are often overlooked in marketing strategies designed to enhance brand loyalty. In this research, a secondary motivation for consumers of luxury cars, that is, the environment, was identified, and its potential impact on brand loyalty investigated. In many cases, the environment can ‘make or break’ consumers’ purchase decisions or, at least, tip the scales, helping to guide their final determination.

There is growing competition amongst luxury car manufacturers with regards to offering better environmental product solutions (Mellor 2010).

I wanted a diesel car because of the environmental aspect and its lower emissions. If another luxury car manufacturer brings out an electric car that looks really nice, yes, I would look at that. (Ken)

However, it is more important to recognise that today’s environmental awareness will most likely influence tomorrow’s consumption.

I wish I had considered my car just for the environmental reason. I feel pretty good about it. I will definitely buy a diesel again. (Annabel)
The determination to purchase an eco-friendly car in the future makes consumers feel ‘good’ \( (\text{Flora, Cari}) \) and less ‘ostentatious’ \( (\text{Scarlett}) \) in the present. The findings therefore suggest the long-term advantage to luxury car manufacturers of making automotive consumers aware of the environmental benefits of their products: since these motivations are likely to become increasingly important and increasingly internalised for future consumers in the luxury car market. If a company has a positive story to tell about the environmentally positive attributes of its products, then it should tell it. Since green is considered ‘the new black’ \( (\text{Blanchard 2008}) \), everyone who considers buying a new car should know about its environmental positives and negatives. As this research shows, the ecologically-positive features of a car can give consumers that ‘extra pat on the back’ \( (\text{Martin}) \) that may be enough to determine their ultimate purchase decision. And to environmentally sensitive consumers like \text{Tania}, it is environmental, rather than luxury, values that are decisive in determining their car purchase.

So, what should marketers do? First, they need to go deeper in their understanding of consumer needs and motivations than is possible using standard surveys and questionnaires. High levels of consumer motivation, and marketers who integrate both luxury and environmental attributes in formulating their brand philosophy \( (\text{Charter et al. 2002}) \), their brand management and communication, will help increase the quality of consumer-brand relationships and brand loyalty. Marketers should therefore approach consumers with marketing campaigns tailored to their variable
levels of self-determination. In order to achieve this, marketers will need to
categorise, capture, and speak to the different motivations of consumers, using the
‘Chess Board of Motivations’ matrix as a critical marketing tool (Figure 7 on page
105, and Chapters Three and Four). From the data so derived, they can develop
appropriate product and marketing strategies.

The researcher therefore proposes that marketers use the models developed here to
categorise consumers according to their level of self-determination. But how can
marketing practitioners determine which consumers should be related to which
‘Chess Board of Motivations’ category? The researcher suggests marketers regularly
select consumers and ‘step into their world’ in order to find out about their always
changing needs and motivations. Marketers should, in other words, get into the habit
of spending more time with their customers, and ideally meet them in their own
environment. For example, consumers could be offered the opportunity to test-drive
a new car over a weekend, and the sales executive could deliver and collect the car at
the consumers’ home, holiday house or office. Meeting prospective customers in the
privacy of their home will make them more comfortable than being at a dealership. It
will give both parties a chance to get to know one another, and discuss more than
just the car. The consumer’s house, for example, might provide new topics of
conversation. Appropriate questions can provide invaluable insights into consumers’
lives, and equally useful information on their needs, motivations and consumption
behaviour. In order to overcome initial reservation and win trust, the researcher
suggests dealers and marketers start their conversation following the model used in interviews for this research: in other words, use open-ended questions reflecting empathic neutrality (Patton 2002). The practitioner should come across as a friend rather than merely a salesperson, demonstrating credibility and integrity without inappropriate intrusiveness or curiosity.

The following are examples of possible topics of conversation and exemplary questions that marketers could use in this context. The answers could then function as reliable indicators for category ascription. The examples are related to the specific research foci of this dissertation (luxury and environmental values), but, with slight modifications, could be transferred to other product or brand contexts:

- ‘Your garden looks amazing. How do you manage to maintain it?’ This could initiate a conversation about environmental issues, such as water restrictions, water tank and native plants, which can be followed up by questions about the consumers’ motivation towards the environment, such as ‘What makes you think in that (eco-conscious) way?’

- ‘I really like the style of your house. How was it built/renovated/furnished?’ This can precipitate a conversation on luxury and/or environmental topics, such as brands of furnishings, materials, insulation and air-conditioning. Further questions on luxury as a lifestyle value might be used to elicit responses indicating the customer’s brand perception and attitude, as well as their level of motivation toward luxury itself as a value. Similar questions might be asked in order to determine levels
of environmental motivation and of environmental concern more generally. However, as was pointed out earlier, environmental awareness may be indicative – but no guarantor - of consumers’ behaviour. In this context, the practitioner could also provide information about the latest technological - luxury and environmental - features of the car, about current research and future innovations, and thus explore the customer’s level of motivation toward both values.

- ‘What did you do last weekend?’ This question can get the ball rolling in many directions: for example, by providing insight into people’s leisure time activities and social life. This information is generally valuable for marketers, but it has particular relevance to any determination of their luxury and/or environmental brand values, in relation to other products or services (luxury hotels and resorts, restaurants and social engagements, for example). This information on people’s interests will – together with specific follow-up questions on both brand values - be indicative of the consumer’s level of motivation.
- ‘Our company is planning to start a partnership with (name of luxury or environmental organisation). What do you think about this initiative?’ This will engage consumers in potential marketing measures at an early stage, and give marketers an indication of consumer motivations towards the issues in question.
- ‘How do you think we could improve our service or our marketing initiatives? What would you like to see or hear more about from us?’ – Again, this question will involve consumers in reflecting on future activities and ideas.
• ‘How do you see our role – as a dealer/manufacturer – in winning/retaining you as a loyal customer?’ – This question directly asks people to reflect on their current levels of satisfaction with the dealership and/or manufacturer to raise future suggestions, and explicitly address the issue of brand loyalty.

Most importantly, a company or dealership needs skilled people to operate such intensive consumer-brand relationship strategies. A dealer principal or experienced salesperson might be able to inform and educate their customers. However, in order to establish a successful eco-luxury program, consumer-brand relationship training should be rolled-out in a structured way across the organisation’s entire sales force. Ideally, a company – with top-management leading this approach (Glorieux-Boutonnat 2004) – should train (Charter et al. 2002) a relationship consultant to run specific eco-luxury training-modules both internally and in dealerships, as well as implement informational and educational activities for consumers (Glorieux-Boutonnat 2004).

Furthermore, a company should send individual employees to at least two customers a year for relationship building. This personal consumer contact would enhance internal understanding of consumer needs and motivations among relevant sales executives, and would be an invaluable source of knowledge for the company.

Eco-luxury consumer-brand relationship measures could also be extended to a new business model designed for use by external agencies, where the agency would offer
free green home assessments to consumers similar to the Green Loans program (Australian Government 2010). This program was initiated by the Australian Government and involved a free home sustainability assessment to help Australian families identify better ways to conserve energy and water, minimise cost, and protect the environment for the future. Results from the assessment were analysed and the consumers then provided with practical suggestions for further savings and improvement.

One possible strategy would be for companies to be linked with a green home assessment partner similar to the BMW dealership association with Greenfleet (Greenfleet 2010). Green home assessments running in partnership with a luxury manufacturer would arouse consumers interest in both environmental and luxury brand values. Apart from benefiting from such an initiative, consumers would be encouraged to internalise their level of self-determination (Deci & Ryan 2000) towards both values. Once consumers had accepted, the home assessment partner would then provide consumer data to the company for follow-up and consumer-brand relationship activities.

There are many more ways to demonstrate that a company is interested in consumer needs and motivations. Usually, consumers are open to giving feedback to companies they have dealt with: the positive responses that the researcher received from her interviewees confirms this. A final question for the consumer could be:
‘What do you think about me coming to you rather than you coming into our dealership? Would you be willing to share your views on (topic) with others?’

According to their responses, the practitioner could then categorise consumers on the ‘Chess Board of Motivations’ matrix based on their level of motivation towards the aspects in question, in our case luxury and the environment. The consumer matrix will make motivational differences between consumers visible, and provide reliable data on their level of self-determination towards eco-luxury.

**Tailoring Messages to Consumers Based on their Level of Self-Determination**

Effective marketing from a luxury brand that provides credible, trustworthy benefits, such as eco-friendly luxury cars, can lead to qualitatively superior forms of motivation amongst consumers. These will be characterised by higher levels of self-determination that, in turn, will contribute to enhanced brand loyalty. But how exactly do marketers tailor their messages to reflect consumers’ variable level of self-determination in order to increase and maintain brand loyalty (Simonson 2005)? Again, the ‘Chess Board of Motivations’ matrix (see Table 19) helps define key brand loyalty objectives, and represents an important new approach to marketing in the luxury sector.
Table 19: ‘Chess Board of Motivations’ Demonstrating Brand Loyalty

Objectives

<table>
<thead>
<tr>
<th>AMOTIVATION (E)</th>
<th>EXTERNAL (D)</th>
<th>INTROJECTED (C)</th>
<th>IDENTIFIED (B)</th>
<th>INTEGRATED (A)</th>
<th>INTRINSIC (0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create trust</td>
<td>Build brand loyalty</td>
<td>Increase brand loyalty</td>
<td>Maintain brand loyalty</td>
<td>Spread brand loyalty</td>
<td>INTEGRATED (1)</td>
</tr>
<tr>
<td>Create trust</td>
<td>Build brand loyalty</td>
<td>Increase brand loyalty</td>
<td>Maintain brand loyalty</td>
<td>Maintain brand loyalty</td>
<td>IDENTIFIED (2)</td>
</tr>
<tr>
<td>Create trust</td>
<td>Build brand loyalty</td>
<td>Increase brand loyalty</td>
<td>Increase brand loyalty</td>
<td>Increase brand loyalty</td>
<td>INTROJECTED (3)</td>
</tr>
<tr>
<td>Create trust</td>
<td>Build brand loyalty</td>
<td>Build brand loyalty</td>
<td>Build brand loyalty</td>
<td>Build brand loyalty</td>
<td>EXTERNAL (4)</td>
</tr>
<tr>
<td>Create trust</td>
<td>Create trust</td>
<td>Create trust</td>
<td>Create trust</td>
<td>Create trust</td>
<td>AMOTIVATION (5)</td>
</tr>
</tbody>
</table>

Author’s Interpretation based on Deci and Ryan’s (2000) Theory

Based on those brand loyalty objectives, marketers can then frame marketing measures, and design prospective marketing strategies. Potential measures are proposed in the following section.
Framing Marketing Measures according to Consumers’ Level of Self-Determination

Approaching Consumer Group I in order to ‘Spread Brand Loyalty’

Consumers demonstrating integrated regulation towards both brand values (1/A): This consumer is loyal to the brand due to an internalised motivation towards both aspects. Ken and Felicia are representative of this group. Based on Self-Determination Theory (Deci & Ryan 2000), they are expected to be brand loyal as long as the brand continues to deliver according to their expectations for both environment and luxury as brand values.

Nevertheless, a personal consumer-brand-relationship is important to members of this consumer group. The dealership should be the first point of personal contact for them, and provide first-hand-information about new ‘exclusive’ and ‘responsible’ products or features, making them feel like close friends with the dealership. Both manufacturer and media could leverage from this consumer group by inviting them to become ‘brand ambassadors’: that is, to represent the company in a credible way at marketing activities and provide convincing quotes to the media. The effect of this would be twofold: for the company, it would help to spread positive and credible brand messages to other potential consumers, and for the members of this consumer group, it would allow them to identify more strongly with the product as part of the
brand family (McAlexander, Schouten & Koenig 2002). However, companies also need to consider the potential risks of using brand ambassadors as role models, since they are typically scrutinised, not just in their role as ambassadors, but in other aspects of their lives as well, in a manner similar to celebrities. Potential marketing activities for this consumer group, covering both environment and luxury, will be described later in this chapter.

Approaching Consumer Group II in order to ‘Maintain Brand Loyalty’

Consumers demonstrating identified regulation towards both values (2/B) or integrated regulation towards one value and identified regulation towards the other (1/B, 2/A): This consumer group shows a reasonably high degree of brand loyalty due to their moderate levels of internalisation towards both values.

Angus and Henriette are representative of this consumer group, as are Johannes, Martin, Cari and Joshua, although the latter four are positioned between identified and introjected regulation towards the environment. Their elevated motivation towards luxury was the key driver for their purchase. Although the environment was not necessarily their main purchase criterion, it still had a positive impact on their decision (Angus, Henriette, Johannes, Martin) or, at least, enhanced their retrospective sense of well-being (Cari, Joshua). According to these consumers, the environment will become even more important as a criterion in the future.
In order to maintain the brand loyalty of such consumers, marketers need to encourage them in their motivations towards both values. Their high brand aspirations should be maintained and even increased by informing, educating and involving this group (Carrigan & Attalla 2001). Dealerships and manufacturers should personally invite members of this consumer group to events, such as new product launches as well as loyalty programs like driver training (‘I loved it’ - Johannes). They should also provide education programs such as presentations on new technologies and environmental developments. A good example is the BMW Hydrogen7 presentation, which – despite occasional criticism (Wuest 2006) – focused on precisely those brand values. Modifying existing driver training programs to ‘frugal driver training programs’ would be one way to educate people about more economical and ecological ways of driving, as well as informing them about the latest product technologies and features.

**Approaching Consumer Group III in order to ‘Increase Brand Loyalty’**

Consumers demonstrating introjected regulation towards both values (3/C) or identified/integrated regulation towards one value and introjected regulation towards the other (1/C, 2/C, 3/B, 3/A): This consumer group demonstrates a more externalised level of self-determination towards both values.
It represents the largest consumer group in this research, with the majority of interviewees (for example Roy, Lance, Annabel, Nelson, Ted, Sasha, Scarlett, Ted) showing significantly higher motivations towards luxury than towards the environment (1/C, 2/C2) (see findings from Chapter Four). However, appropriate marketing messages could potentially shift their motivation to become more internalised towards environmental values, which would increase their well-being (‘makes me feel better’) and their brand loyalty. Due to their strong affinity for luxury, their brand loyalty level should already be quite high. The luxury (in Sasha’s case, premium) aspect of the car was one of the main drivers, if not the key criterion, for their original purchase decision.

Marketers can increase the brand loyalty of this consumer group through, for example, information on environmental developments or programs. Strategic alliances with environmental partners, and consumer education about key environmental issues relating to the product, would assist companies to overcome consumer scepticism, as well as providing other advantages, such as increased consumer confidence in eco-friendly products (Demetriou, Papasolomou & Vrontis 2010; Mendleson & Polonsky 1995). There is also a positive effect on consumers’ purchase behaviour if companies form socially responsible or environmental partnerships for mutual benefit (Demetriou, Papasolomou & Vrontis 2010). Furthermore, environmental alliances can increase access to environmental information, raise public awareness and reduce public
criticism. However, to achieve these benefits, companies need to follow a careful selection process when choosing an environmental strategic alliance partner (Mendleson & Polonsky 1995). They must also accept that results will be achieved only over the long-term, not the short term, and the expectations of both partners have to be clearly defined so as to avoid conflict which might ruin the reputation of one or both organisations (Demetriou, Papasolomou & Vrontis 2010).

Educational programs or initiatives run by dealerships, such as a partnership with Greenfleet, as described in Example Three below, could motivate consumers to keep in touch with the brand, and make them feel unique (in BMW brand values terms ‘prestigious/exclusive’). It would also help to affirm their prior purchase decision as the correct one, both for themselves, with their car, and for the environment, as ‘responsible’ (BMW Group 2010b). Because of their more externalised motivation, this consumer group is predominantly fact-driven in respect of their attitude to the environmental values of brands and products. As a result, they need convincing arguments on environmental advantages before they are likely to be persuaded.

Websites have become a key platform manufacturers can use to update consumers about the latest ecological and technological developments as well as ‘exclusive’ and ‘responsible’ brand offerings (BMW Group 2010b). In this context companies need to find ways to actively encourage consumers to access the latest information available on the company’s website. Overall, the conclusion here seems to be that
the brand perception of this particular consumer group needs to be changed from a dominant perception of ‘old luxury’ to understanding products in terms of ‘new luxury’, by which is meant here ‘eco-luxury’.

*Marcus, Daniele and Greg* represent consumers with more externalised (introjected) motivation towards luxury and more internalised (identified/integrated) motivation towards the environment (3/A, 3/B). Although the main objective of marketers is to increase brand loyalty, this group needs to be approached in a more subtle way than the groups discussed above. Since the luxury aspect is not necessarily a key criterion for their purchase decision, these consumers compare the environmental features of a brand to both luxury and non-luxury competitors. They source their information from magazines, websites (*Daniele*), via professional knowledge (*Greg*) or the media (*Marcus*):

> The motoring media was a key influencer. They convinced me of the environmental aspects of diesel technology and, as a consequence, I think myself and certainly my circle of friends has a view that diesel technology is more environmentally friendly than standard petrol technology. (*Marcus*)

In addition to the proposed activities, personalised communication through direct marketing campaigns is an additional method marketers might employ to increase this group’s level of internalisation towards environmental and/or luxury values as a step toward increasing brand loyalty.
At the same time, marketers need to avoid creating a one-sided or one-dimensional image of the brand as either ‘luxury’ or ‘environmental’ because, worst case, this might have a negative impact on potential consumers’ purchase decisions. Anita, for example, does not want to be associated with the ‘green image’ or to be perceived as a ‘greenie’ and Daniele, despite his habit of always buying the most prestigious option, ‘wrestled with the luxury brand image (of BMW)’. Therefore, separate messages should be communicated through different marketing media which emphasise either luxury or the environmental benefits of a brand, or a varying balance between the two.

**Approaching Consumer Group IV in order to ‘Build Loyalty’**

Consumers demonstrating external regulation towards both values (4/D) or introjected/identified/integrated regulation towards one value and external regulation towards the other (1/D, 2/D, 3/D, 4/A, 4/B, 4/C)

This consumer group is the most diverse, and the most difficult to classify, since the reasons for purchasing their car vary significantly. In order to build brand loyalty amongst this particular group, marketers need to ensure that one aspect of the environmental and/or the luxury attributes of the product become more internalised.

*Flora, Loretta, Pierce and Arjun* present external regulation towards the environment, yet high motivations towards the luxury aspect, while *Stuart* demonstrates low levels
towards both values. Whereas Arjun and Stuart both bought the car not only for business purposes, but mainly to be perceived as ‘environmentally friendly, luxury businessmen’, Pierce’s purchase decision was very impulsive, and Felicia and Loretta’s was rather aspirational in terms of the brand’s luxury image.

Due to the varying receptiveness of these consumers to marketing initiatives, direct imposition of ‘green’ and/or luxury values, depending on which aspect is more externalised, would be ill-advised. Brand perception, word-of mouth, and personal recommendation from consumers with more internalised motivation are likely to be more persuasive for this consumer group, affecting not only their purchase decision, but also their gradual internalisation of the values involved. However, information on the website is an effective way to confirm and reaffirm what they have heard from others.

**Approaching Consumer Group V in order to ‘Create Trust’**

Consumers demonstrating amotivation towards both values (5/E) or external/introjected/identified/integrated regulation towards one value and amotivation towards the other (1/E, 2/E, 3/E, 4/E, 5/A, 5/B, 5/C, 5/D): This consumer group either shows no motivation towards luxury and/or no motivation towards the environment when purchasing a brand or product.
Tania, Dirk and Matt bought their cars primarily for environmental and other reasons, but not because of its status as a ‘luxury’ vehicle. All three respondents are, in fact, embarrassed about the luxury image of their car. What marketing strategy, then, might help such consumers increase their level of identification with their car and overcome their embarrassment towards its luxury image? In the first place, marketers should keep this consumer group informed about innovative product offerings, especially those emphasising their environmentally positive features. Once this consumer group feels confident that they have made the right product choice in environmental terms, they should more readily be able to overcome the negative values they associate with its luxury status.

Bob, who demonstrates amotivation towards both environment and luxury, bought his car for reasons of reliability and resale. The consumer group he represents is therefore, perhaps, the hardest to approach. Governmental regulations and company subsidies may or may not shift such consumers towards more eco-friendly behaviour. Regardless, what counts for this consumer group are convincing and credible arguments. The best strategy is perhaps for marketers to attempt to raise awareness of the core brand values, such as ‘exclusivity’ or ‘responsibility’. If these consumers start believing in those values, they might be motivated to purchase the brand, and gradually show an interest in internalising the values involved. Encouraging eco-conscious purchase behaviour with rewards might be a starting point for this
consumer group, although it is unlikely that rewards alone will increase their brand loyalty (Ariely 2008; Pelletier & Sharp 2008).

Managerial Implications Based on Both Theories

Motivating consumers to change their behaviour is a challenging task, but is nevertheless a key objective for marketing managers. In order to be effective, then, marketers need not only to be strategic in their positioning of brands and options, but they also need to ensure that consumers have the information they need in order to implement the actions recommended. The more consumers internalise their motivations, the more consistent their behaviour will become, and this in turn will ensure the durability of the consumer-brand relationship. The knowledge obtained by marketing professionals, through applying Self-Determination Theory, gives additional power to marketers, helping them answer questions that would otherwise remain unanswered.

High self-determination is argued to be the preferred means for achieving well-being (Pelletier & Sharp 2008). The researcher accepts this argument. However, she also contends that brand loyalty and personal well-being are not dependent just on one or two factors (in this case, luxury and environment), but depend on a multitude of factors, each of which is important to the consumers in question, and will influence their purchase decision. Consumers’ fundamental needs, which, in this research,
have been analysed using Choice Theory, should also be taken into consideration when attempting to understand their purchase behaviour. Although it is impossible to take all aspects of consumers needs, motivations and attitudes into consideration, the knowledge derived from both Choice Theory and Self-Determination Theory will provide an invaluable foundation for practical implementation.

Indeed, marketing campaigns based on the interpretation of data from both theoretical perspectives have the potential to significantly enhance the effectiveness of marketing communication. With deeper knowledge about their consumers, marketers will be able to tailor messages to reflect variation in attitudes, needs and motivations, thereby ensuring the messages’ relevance to consumers’ experience, and helping them integrate the brand as part of their lifestyle and self-image. Incorporating knowledge of the two theories into marketing practice would lead to higher internalisation of consumer motivation and behaviour and, ultimately, to enhanced brand loyalty. An orientation from both Choice Theory and Self-Determination Theory suggests marketers should keep the following three goals in mind: (1) ensure consumers experience a feeling of congruence between their needs and product attributes (based on Choice Theory); (2) help consumers move from more externalised to more internalised levels of motivation (based on Self-Determination Theory); and (3) help consumers to become more brand loyal (based on both theories).
Examples of potential brand loyalty strategies focused on both luxury and the environment are described in the following section.

**Brand Loyalty Activities: Brand Experiences to Communicate both Luxury and Environmental Values**

Due to their highly internalised level of motivation towards both luxury and the environment, **Consumer Group I**, as categorised above, could be considered as potential brand ambassadors for marketing activities. Consumers are always more likely to share their experiences with others if they are convinced the brand meets or exceeds their expectations. Active brand involvement would allow such consumers to express their pride in their purchase and feel part of the brand family. Expressing a personal view in their own words would given their evaluation credibility, and assist others to gain insights into the brand and lifestyle priorities of ‘eco-luxury’ consumers, enhancing their motivation to purchase the brand themselves.

**Consumer Group II** is more likely to be receptive to brand experiences. With reasonably high levels of motivation, their chief concern is more information about brand attributes (‘The more opportunities there are to learn, the more I consider the brand’ - Angus). Cogent arguments from credible brand ambassadors will help overcome the negative effects of potential price-sensitivities.
Since perceived brand value and brand associations are important to Consumer Group III, marketers need to focus on providing brand experiences that will ‘give a warm fuzzy feeling that you’re investing in a brand that cares about you, the environment and our future’ (Joshua). These consumers also rely on facts and figures, which need to be communicated by experts or from first-hand experience if they are to be credible. Educational tools will therefore also be helpful, to make this consumer group more aware of brand features and ‘proud to make the right choice’ (Annabel). Information media, such as websites and press articles, will best support appropriate brand experiences for this consumer group.

Consumer Groups IV and V may either be receptive to brand experiences (especially those with more internalised motivation towards luxury as a value), or rather sceptical. As was suggested earlier, marketers should avoid imposing their messages directly on this group, since they tend to manifest different levels of receptiveness towards marketing initiatives. However, members of these Consumer Groups do need to be informed (‘[it’s] embarrassing that I didn’t know about the environmental aspect’, ‘it would have made me feel better’ - Flora) about the latest technologies and brand features, but the appropriate strategy here is above-the-line initiatives. If the brand perception of others reflects their own needs and values, this might prompt them to change to a more internalised motivation.
The following examples should be tailored according to consumers’ variable modes and levels of needs and motivation. In all cases, the suggestions are, once again, informed by ‘Chess Board of Motivations’ categories and analysis.

**Example One:** Marketers could organise educational programs which include the car as part of the event. Consumers would be invited to a private house, as opposed to a dealership or an event venue. Since the house resembles their own home, this will make them feel more comfortable and welcome. Books, magazines and Music CDs to their taste should be available, and the other guests similar in their background, lifestyle and tastes. They should also find the style of the house, the furniture, the decoration, the garden and the catering conform to their preferences and their expectations.

The hosts should show the guests around, explain why they have chosen to live there and describe their lifestyle. They might provide details on the house’s eco-friendly design features, with double-glazed windows, solar-heating, and water tanks in the garden. They could then explain their motivations for changing or building the house in a more eco-friendly way, and why this new way of living has changed their behaviour in other respects: towards their car, for example, which they chose not only for its design and image. The car should be parked in their driveway. The host couple can explain that good quality and reliability are important to them. They should then demonstrate the latest technological features of the car, which will also
lead into discussion of its environmental attributes. Consumers’ questions can be answered in a relaxed atmosphere, and the fact that the information comes directly from other consumers’ first-hand experience will add to its credibility.

**Example Two:** The dealership experience is considered very important to some consumers, and can even be the deciding factor in their choice of a particular brand (*Felicia, Johannes*) or model of car (*Bob*). The majority of interviewees commented that the dealerships they dealt with did not mention the environmental features of the car they were considering. Given that we now know increased environmental consciousness is critically important in giving consumers the sense of belonging that they seek, and that it can also help internalise their self-determination towards environmental values, and achieve better well-being and brand loyalty, dealerships should start communicating the environmental message much more pro-actively.

Dealership training conducted by companies, for example, should encourage sales executives to emphasise the new environmental features of the car, focusing on its use of the latest technology, its fuel efficiency as well as any eco-certifications and awards the car has won: anything that might make consumers feel greater pride in, and affinity for, the brand. Employing and training an eco-luxury brand relationship consultant, as suggested earlier in this chapter, will also help establish a pro-active and personal connection between the consumer and the brand, and ensure that other
sales personnel have the relevant knowledge and skills to communicate effectively with their clients on this topic.

**Example Three**: In order to further emphasise environmental values, brand experiences can be created as partnership initiatives in order to strengthen certain brand attributes. These ‘alliances’ would obviously need to be chosen carefully as ongoing and mutually beneficial relationships (Mendleson & Polonsky 1995). Brands that the company might consider as potential partners would need to reflect similar values. Greenfleet, a not-for-profit organisation dedicated to helping the community reduce the environmental impact of travel, business and lifestyle choices by adopting low-carbon alternatives and bio-sequestration, has already become the carbon-offsetting partner for one BMW dealership (Greenfleet 2010). This initiative has ensured that even consumers with little or no knowledge of the issue are made aware of this environmentally positive aspect of the BMW brand. Again, active involvement of consumers is essential to these activities. Initiatives undertaken for socially responsible reasons (Demetriou, Papasolomou & Vrontis 2010; Louppe 2006; Miles & Covin 2000) are credible and subtle ways to approach and, at the same time, inform and educate consumers (Glorieux-Boutonnat 2004; Ottman 2008) about brand values.
Example Four: Rewarding or subsidising consumers for eco-friendly behaviour is not considered an effective long-term strategy for increasing brand loyalty (Ariely 2008; Pelletier & Sharp 2008). Nevertheless, involving consumers in loyalty programs can help modify their behaviour from non-environmental to more environmentally conscious practices. For example, loyalty programs such as driver training can be combined with environmental information or other educational tools. Conducting ‘frugal driver training’ programs, as proposed earlier in this chapter, would be another way of familiarising consumers with environmental issues relevant to their car purchase in a relatively relaxed and enjoyable way. At such programs, consumers would have the chance to meet brand ambassadors and experts, and to benefit from their first-hand-experience. This is both more credible and more subtle than being approached directly by a marketer or a salesperson. At the same time, and in the relatively relaxed environment of a driver training day, consumers will be more likely to talk about their interests in, and their satisfaction with, both their car and the dealership service. Again, driver training can be a great platform for partnering with other luxury and/or environmental brands that match the organisation’s own brand values.

Governmental regulations and taxes are another potential influence on the initial purchase behaviour of consumers (Polonsky 1994). The Luxury Car Tax in Australia (Mellor et al. 2010), for example, is based on efficiency, and provides monetary
incentives for consumers who purchase cars with lower emissions. Again, in order to maintain eco-friendly behaviour, consumers should be encouraged to move from their externalised level of self-determination towards the environment, such as might be motivated by subsidies or regulations, to greater internalisation. In this case, although the same criteria are involved, the consumer makes the purchase by personal choice, having internalised values that were formally external (Pelletier & Sharp 2008).

The need for evaluation studies of marketing programs to approach consumers should be addressed at this stage. Besides appropriate data collection and analysis, monitoring proposed activities (Charter et al. 2002), and measuring their efficiency and effectiveness plays a crucial role in managing marketing performance. Although ‘consumer satisfaction is hard to define – and even harder to measure’ (Perreault, Cannon & McCarthy 2009), a formal measurement program for each brand activity is considered useful in order to determine whether the program made an attitudinal or behavioural impact on the consumer.

Supported by marketing measures designed to promote consumers’ internalisation of motivation towards the environment, loyalty programs, combined with subsidies from manufacturers and government, might become an effective initiator of change in consumers towards more conscious, environmentally positive behaviour.
Information and educational programs can be tailored even more directly to suit specific consumer lifestyles and circumstances. For those who are less likely to attend group training (time-poor, money-rich), personal or individual training might be offered at the customer’s home or workplace. Apart from the latest technologies of the car, home-based training might also include information on environmental features of house design, with practical advice on possible improvements.

Overall, a strong communication channel with the media should be established in order to inform the public about a company’s redefinition of their brand as ‘eco-luxury’, and their efforts to establish a new brand image. Consumers need reliable and comprehensive information from media in order to understand and evaluate what a particular brand offers.

The next step would be to develop, implement and measure those brand experiences, something beyond the scope of the current research.

Is such Behaviour durable? Will Consumers Become more Brand Loyal?

Building a good reputation and gaining trust that the business is operating in a socially and environmentally responsible way will ensure ongoing economic success and help organisations achieve a competitive advantage. However, marketing
strategies and messages that are effective in helping consumers initiate change in their behaviour do not necessarily have the same effect on the durability of that behaviour: in other words, it will not guarantee loyalty (Pelletier & Sharp 2008). This may be because the motivation to initiate behaviour is based on expectations about future outcomes that are defined in extrinsic or financial terms. By contrast, the motivation to maintain behaviour, to become brand loyal, if it is to lead to deeper engagement, commitment and loyalty, must be intrinsic. To maintain motivation and achieve brand loyalty, the new behaviour must lead to experiences that are sufficiently satisfying to warrant continued action (Pelletier & Sharp 2008): for example, is it worth buying an eco-friendly, luxury car as opposed to a standard luxury model? Are the rewards for this, typically more expensive, option, sufficient to overcome consumers’ price sensitivities?

To ensure ongoing loyalty to the brand, the support of follow-up marketing measures will be crucial, but these will need to take a developmental form: based upon luxury consumption, and tailored to specific consumer needs, marketing activities could initially move consumers from more externalised motivations, such as subsidies and rewards for eco-conscious behaviour, and seek to foster internalisation through education about environmental topics, and a broader understanding of technological as well as ecological solutions.

Although the majority of interviewees demonstrated a high level of general satisfaction with their current car when asked to rank it on a scale of 1 to 5 (typically,
a ‘5’ out of ‘5’: ‘I love my car’), their ongoing brand loyalty will depend more directly upon their level of self-determination, now and into the future.

Chapter Conclusion

This chapter demonstrated how the interpretation of Choice Theory and Self-Determination Theory contributes to brand management. The research findings provide marketers with useful ways of tailoring and framing their marketing messages according to consumers’ level of self-determination in order to maintain brand loyalty. Environmental factors are increasingly important in shaping consumer needs and motivations, and luxury car companies need to position themselves accordingly. Therefore the long-term approach for luxury companies should be to change the definition of luxury to ‘eco-luxury’ in order to achieve identification with emergent environmental values and to enhance brand loyalty.
CHAPTER SIX: CONCLUSION

This dissertation has taken the investigation of consumer needs and motivations much deeper than the literature currently available, by exploring the behaviour of consumers in a complex luxury market, and on more than one dimension. Using Choice Theory and Self-Determination Theory, the researcher has provided significant new insights on the topic, concentrating on the motivations of a particular consumer group – those purchasing eco-friendly luxury cars. It has also been shown how this new understanding will be valuable both to academic researchers and to marketing professionals.

Implications of this Research for Theory: Multidimensional Modelling

What is it that distinguishes the research carried out for this study from existing work on self-determination? Perhaps the most significant difference is that this dissertation investigated consumer motivations towards multidimensional consumer-brand values. Nothing in life is one-dimensional, and this includes the purchase of substantial luxury commodities: just as life is multi-faceted, so too are the relationships between consumers and brands. Yet research on Self-Determination Theory has so far investigated motivational issues along one dimension only: the self-determination continuum (Deci & Ryan 2000). In the research carried out here,
by contrast, motivation has been analysed in relation to two distinct brand values, luxury and environment, because the researcher felt that it would be impossible to explore the complex interplay between them along just a single continuum. The ‘Chess Board of Motivations’ (on page 105), based on Self-Determination Theory, was the key to this new perspective, since it allowed the researcher to visualise both dimensions in a single graphic. Moreover, this model is flexible and could, in theory, be extended, since a third dimension can be accommodated for any additional aspect a researcher might be interested in (for example price, technology, performance or safety); the visualisation would then form a cube. Figure 8 shows the three potential conceptualisations made possible by Self-Determination Theory.
Figure 8: Modes of Investigation available using Self-Determination Theory

Existing research: one-dimensional

This research: two-dimensional

Potential research: three-dimensional

Continuum

Chess Board

Cube
Due to the added complexity involved, however, it is recommended that research using the ‘Chess Board of Motivations’ focus on two, or at most three, dimensions simultaneously. If more parameters are required, the researcher suggests an initial investigation of motivations focused on two or, at maximum three, dimensions. The newly defined value can then be applied to the additional dimension/s in question.

**Implications: Beyond ‘Fundamental Needs’**

What role does the research conducted here suggest fundamental needs play in determining consumer choice in the luxury market? Fundamental needs are, and will always remain, the foundation for any self-determined process. While, in one respect, fundamental needs are the same for everyone, the balance between them inevitably differs from individual to individual. In order to meet their needs and then maintain balance between them, individuals must first be aware what those needs are, and then have a clear understanding of the motivational differences between them. This awareness is a precondition for the process of self-determination.

As a consequence, Self-Determination Theory is designed to incorporate and then go beyond the fundamental needs of Choice Theory, and explain why and how people’s motivations differ: it is important, therefore, to stress that Self-Determination Theory
is not simply an expanded version of Choice Theory’s five fundamental needs, but involves a profound reconceptualisation of the relationship between consumers’ needs and motivations, and their patterns of consumption. Self-Determination Theory helps researchers and marketers understand the process whereby people become conscious of their own needs, and are able to make self-aware decisions about satisfying those needs based on their extrinsic and intrinsic motivations. These motivations will, in turn, influence their perceptions, attitudes and behaviour. Eventually, self-determination guides individuals as they meet and balance their own needs, leading to newly self-conscious behaviour which is, ideally, positioned on a higher motivational level along the self-determination continuum (chess board or cube). An individual’s needs cannot be balanced without the consciousness of self-determination, especially if circumstances change. Figure 9 presents a visualisation of this identification process, and the figure is then explained in detail below.
Figure 9: Identification Process based on Choice Theory and Self-Determination Theory

In the initial state, individual needs are met or balanced (Position 1 and 3: ‘Diamond of Needs’). Changing circumstances or conflict, such as environmental problems, may create imbalance in an individual’s fundamental needs (Position 2). At that point, it may be necessary for the individual to become consciously aware of their own levels of self-determination towards certain values (Position 2a), such as, in this case, ‘luxury’ and ‘the environment’, and to modify their perceptions, attitudes, and behaviour accordingly. Ideally, more internalised levels of motivation (Position 2b: ‘Chess Board of Motivations’), for example ‘eco-luxury’, and the attendant behavioural changes, such as the purchase of an eco-friendly luxury car, will help re-define the relevant attributes (Position 2c), and allow consumers to meet their newly rebalanced needs (Position 3).

Contributions to Knowledge and Practice

The ultimate objective of this dissertation, from a marketing perspective, was to provide guidance for the development of new strategies to gain and retain brand-loyal customers. Marketers of luxury automotive brands should aim to ensure that consumers come to identify with the environmental qualities of a particular car, and so are internally motivated to make that car part of their lifestyle. Choice Theory and Self-Determination Theory provide marketers with a useful way of conceptualising
consumers’ needs and motivations, and therefore influencing their behaviour. One important outcome of this dissertation is the revisualisation of both theories as outlined in Chapters Four and Five. This revisualisation will help marketers interpret the data for a particular consumer group, devise new methods of marketing analysis, and new techniques for managerial implementation. If a luxury company is able to integrate both luxury and environmental values in their brand philosophy, brand management and marketing, then a newly-defined understanding of luxury would be created: eco-luxury. Today, for many people being eco-conscious is no longer distinct from being fashionable and trendy (Blanchard 2008). This fact about changing social attitudes provides the foundation for understanding, and influencing, eco-luxury behaviour as described in Chapter Five. It follows from these new social attitudes that consciously internalising an enhanced level of self-determination, and defining eco-luxury as a preferred consumption style, will mean that individual luxury consumers derive more satisfaction and confidence from their purchase decisions. This will, in turn, enhance their well-being, both individually and collectively. Eco-luxury, and the newly adapted behaviour it inspires, will thus create stronger consumer-brand relationships, and encourage robust and ongoing brand loyalty. The insights gained here therefore take us beyond standard marketing research, and have the potential to contribute in significant ways to the practice of brand management.
The findings of this dissertation also have implications for the larger context of human behaviour, since they provide significant new insights into consumers’ identity and sense of self, and the role these play in consumption. Self-Determination Theory and Choice Theory can, in fact, be applied to any aspect of life where needs and motivations are in play and conflicting, or complementary, priorities need to be satisfied. In order to achieve a high level of self-determination, people must first become aware of the values involved, and any potential conflict between them. Self-determination derives from self-consciousness and leads to self-confidence. As a result, recognition of the personal and individual dimension of the self-determination process can itself lead to improved well-being, especially since self-determination is both a right and an obligation. The right of human beings to think, feel and act autonomously in accord with their intelligence and conscience as they fulfil their fundamental needs is a basic requirement of human experience. It is also the obligation of each individual to take responsibility for their own behaviour. It is these two facts that predict the central importance of self-determination to individuals’ well-being (Pelletier & Sharp 2008).

The findings of this dissertation will not only benefit consumers and organisations, but have implications beyond individual concerns – implications of a global, ecological or social kind. As was suggested during the literature review in Chapter Two, the societal process of eco-luxury consumption is about educating consumer
desire, shifting it from its current focus on personal satisfaction, such as purchasing luxury brands, to a higher level of flourishing (Armstrong 2009), and this can best be achieved by consumption that is personally satisfying, socially-responsible (Demetriou, Papasolomou & Vrontis 2010) and environmentally positive (Pelletier & Sharp 2008). The combined visualisation of Choice Theory and Self-Determination Theory, as set out in Figure 9, further supports this argument. It demonstrates that moving from identification based on fundamental needs to more internalised, self-motivated patterns of consumption, will lead people, not just individually, but also collectively, to a higher level of societal consciousness. In other words, a more internalised orientation to new luxury, that is, eco-luxury, will contribute not only to greater consumer satisfaction, enhanced brand relationships and brand loyalty, but will also help to build a better society.

**Research Limitations and Future Research**

This dissertation studied the motivations of automotive consumers in Australia towards two particular brand values, luxury and the environment. The research was not designed specifically for theory-testing, so future research which studies the recommended managerial strategies – for encouraging eco-luxury behaviour to
enhance brand loyalty – will be required to confirm the hypotheses regarding how to influence consumer behaviour.

As described in Chapter Three, the researcher’s goal was qualitative analytical generalisation rather than quantitative empirical generalisation. Interview respondents were not intended and could not be claimed to be generalised to the broader population. The researcher illuminated key behaviours of those consumers who have purchased an eco-friendly luxury car. As part of this process, she generalised a particular set of her results to a broader context (Yin 1994), which allowed her findings to be extrapolated and generalised as a basis for theoretical and practical application.

The dissertation has demonstrated conclusively that consumers’ purchase motivations are multi-faceted rather than two-dimensional, and that it is critically important to take this fact into account in marketing. Investigating consumer behaviour towards more than two values would have gone beyond the scope of this research. Nevertheless, future studies could readily expand the range of consumer motivations examined. Additional brand attributes important to purchase decisions, such as price-elasticity or dealership experience, could be added to the model, and provide important refinements to the results obtained here. To achieve the most
comprehensive results, the Chess Board based on Self-Determination Theory (Deci & Ryan 2000) would need to be expanded into a three-dimensional cube (see Figure 8 on page 247).

It would also be possible to apply the identification process based on both Choice Theory and Self-Determination Theory to other fields of human behaviour, to other life choices or consumption patterns. What future challenges will consumer behaviour present to the academic researcher and marketing professional? And how could Choice Theory and Self-Determination Theory be applied to address these challenges?

It would be appealing to compare and measure the green marketing implications of several car manufacturers. How are different automotive companies dealing with the environmental phenomenon? This could provide interesting insights into the way marketers send green messages to potential buyers which would further enhance our understanding of the effectiveness of current activities and the potential of the activities proposed in this research.
It would be exciting to extend this work, analysing the proposed strategic implementations as they were incorporated into marketing campaigns in media relevant to the consumer-brand relationships of the future, such as social media (Bernoff & Schadler 2010). Consumer information and brand transparency influenced by, and even originating from, worldwide networks represent challenging new marketing domains for today’s brand professionals (Bernoff & Schadler 2010; IBR Conferences 2010). For example, how might social networks be used to tailor brand messages according to the level of people’s self-determination, and to more effectively implement eco-luxury? How could virtual brand ambassadors become real brand ambassadors for companies in order to spread brand loyalty? How might the dynamics of groups (Surowiecki 2004) influenced by social media be used to achieve more positive marketing outcomes, incorporating insights from Choice Theory and Self-Determination Theory to enhance the well-being of both individuals and societies? These questions await further investigation.

This research focused on the environmental attributes of cars from a consumer and a luxury brand perspective. Another influence on eco-conscious consumer behaviour that should be investigated in future research is politics, law and regulation. In this context, the goal is to move consumers from motivations driven by external
subsidies and rewards towards more internalised levels of self-determination (Deci & Ryan 2000). So the question to be tested would be: how might government policy encourage more internalised environmental behaviour based on insights from Self-Determination Theory and Choice Theory? The Green Loans program (Australian Government 2010) described in Chapter Five is just one potential government initiative that could be used to raise consumer awareness of, and interest in, ecological issues, increasing the motivational level of consumers towards the environment.

Finally, this research focused its investigation on Australian consumers of eco-friendly luxury cars, and proposed that eco-luxury purchase behaviour will lead to better individual and collective well-being. We should not ignore, in this context, the power consumers have to influence stakeholders such as luxury companies and governments through increased awareness of, and demand for, eco-friendly products and programs. In this case, internalised levels of consumer self-determination would lead not only to more eco-conscious consumer behaviour, but also apply pressure likely to result in more socially-responsible corporate and government policy initiatives.
Closing Thoughts

The application of Choice Theory and Self-Determination Theory in this research has led to some inspiring outcomes. The dissertation is based upon qualitative research which demonstrates the applicability of the theories’ fundamental hypotheses, but, more importantly, the researcher explains how comprehensive theorising, backed by strong empirical data, can lead to considerable improvements, not only in marketing practice and patterns of consumption, but in social practices, enhancing outcomes for both individuals and their communities. As marketing professionals, we are entitled to be strategic when we inform people why and what they need to change. But we should also provide them with information on how to implement these actions, and a clear sense of the advantages, both for themselves and the wider community. The researcher is committed to the view (Pelletier & Sharp 2008) that by integrating and applying sound theory to brand management, marketers will assist consumers to integrate more internalised environmentally positive motivation into their consumption behaviour, increasing their personal well-being, at the same time as they help make the world a better place for all.
APPENDIX A: INTERVIEW MATERIALS

A.1: Interview Format

A.2: Interview Guide Consumers

A.3: Biodata Questionnaire

A.4: Invitation Letter and Consent Form

A.5: Interview Guide Dealer Experts

A.6: Key for Biodata Clustering

A.7: Evidence of Existing Literature (exemplary)
### A.1: Interview Format

A combined approach, based on Patton (2002)

<table>
<thead>
<tr>
<th>General (detailed) Interview Guide</th>
<th>Combination</th>
<th>Standardised Open-ended Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Same basis lines of inquiry with each participant</td>
<td>- Fully wording of each question</td>
<td></td>
</tr>
<tr>
<td>- Interviewer is free to explore, probe and ask questions and remains free to build a conversation within a particular subject area (flexible, spontaneous)</td>
<td>- Easier for data analysis (locate each respondent’s answer to the same question)</td>
<td>- Analysis is facilitated by making responses easy to find and compare</td>
</tr>
<tr>
<td></td>
<td>- Interview time is used efficiently</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Interviewer still needs to be flexible to pursue topics/ issues that were not anticipated when the interview was written</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Probing and determining when it is appropriate to explore certain subjects in greater depths or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Pose questions about new areas of inquiry that were not originally anticipated</td>
<td></td>
</tr>
</tbody>
</table>
A.2: Interview Guide Consumers

Introduction

Thank you, (Name), for accepting your participation in this research. In this interview I would like to find out more about you and your motivations of purchasing your current car. The interview will take approximately 60 min. Please feel free to ask questions at any time during the interview and let me know if you need a break or if there are questions that you can’t or don’t want to answer.

I hope you don’t mind if I start with a few personal questions. This will help me understand a bit more about you and what matters to you in life, which might give me some background information about your consumption behaviour. Please bear in mind that all information will remain anonymous.

<table>
<thead>
<tr>
<th>Overarching Question</th>
<th>Addressed influences</th>
<th>Gained insight</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is important to them in life?</td>
<td>Lifestyle, Identity, Quality of life</td>
<td>self-awareness, self-reflection</td>
</tr>
</tbody>
</table>

Priorities in life & Self-image (Self-evaluation, Opinions & Feelings):

Tell me what matters to you most in life, what are your priorities in life? Name 3 priorities. What do you do maintain these priorities in life?

Please describe you in a few words. Or how would your family or a close friend describe you? Name 3 key characteristics. Can you please give examples?

<table>
<thead>
<tr>
<th>To what extent do premium/luxury brands matter to them?</th>
<th>Ideology/beliefs</th>
<th>Deeper existential issues</th>
</tr>
</thead>
</table>

Importance of Brands (Opinions & Feelings):

Think of 3 brands that describe you best as a person, or: brands you like/ favourite brands

What do you value about those brands? What do you like about those brands? What do they say about you? Tell me the story…

How important is luxury or premium to you when it comes to brands?
On a scale from 1 (not important ) – 5 (very important) 0 (cannot answer / don’t know)?

Possessions (Opinions & Feelings):

What are the most emotionally valuable luxury possessions that you bought? (Give 3 examples)
A.2: Interview Guide Consumers (continued)

<table>
<thead>
<tr>
<th>What made them purchase their current car?</th>
<th>Social, cultural, economic influences</th>
<th>Understand the reasons behind their decision making, Consumer Choice</th>
</tr>
</thead>
</table>

**Purchase of current car** (*Awareness, Behaviour & Feelings)*:

**Which car (brand / model) do you currently own?**

**Which car (brand / model) did you previously own?**

Tell me the story when you bought your current car. What were the key purchasing criteria? What were your main reasons for purchasing this car rather than some other car?

**Who did you discuss the purchase with? And what were their purchasing criteria/ opinions?**

**How do you feel about your purchase?**

**Can you please rate the following statements according to your current car purchase?** Scored on 5-point scales ranging from strongly disagree (1) to strongly agree (5) or ranging from never (1) to always (5) or don’t know / cannot answer (0)

- “I like the brand”
- “The car suits me / reflects my lifestyle”
- “The car drives well”
- “The car is good value for money”
- “The car is fuel efficient and drives environmentally-friendly”
- “The car provides latest technology & innovation”
- “The brand makes me feel good”
- “The car makes me feel good”
- “The car is economical”
- “The car has good safety features”
- “The car retains a high resale value”
- “The brand has a reputation for its environmentally-friendly produced cars”

**How do you think you are perceived by others with your current car? And how do you influence others?**

If a friend who is planning to purchase a new car and asks you for advice, what would you tell them?
A.2: Interview Guide Consumers (continued)

<table>
<thead>
<tr>
<th>To what extent does the environment matter to them?</th>
<th>Responsibility, Ethics, Social Norms, Health</th>
<th>Deeper existential issues</th>
</tr>
</thead>
</table>

This is based on ECO Scale by Stone, Barnes, Montgomery (1995), the five dimensions of consumer environmental responsibility:

a) Knowledge & awareness  
b) Desire & willingness to act  
c) Ability to act  
d) Opinions & attitudes towards the environment  
e) Consumption behaviour towards the environment

**Environmental Awareness & Attitude:** *(Knowledge & Awareness)*

When you think of environmental challenges globally and/or in your closer neighbourhood – what comes to mind? What environmental challenges are you aware of and concerned about?

**Desire & willingness to act:**

How eco-minded would you consider yourself?  
Scored on 5-point scales ranging from strongly not eco-minded at all (1) to very eco-minded (5) or cannot answer / don’t know (0)

**Opinions & Attitude:** *Consumption Behaviour towards the environment*

*Ability to act & actual behaviour:* How important is the environmental aspect to you when it comes to buying brands / products?  
Scored on 5-point scales ranging from not eco-friendly (1) to very eco-friendly (5) or cannot answer / don’t know (0)

**Do you own the house you live in?**

**What do you do in your day-to-day life to protect the environment?**  
This is based on Greeniology “Welcome to the Green House” criteria

When it comes to purchasing brands / products, to what degree would you be willing to pay more for the greener option?

**How eco-friendly would you consider your consumption behaviour?**  
Scored on 5-point scales ranging from not eco-friendly (1) to very eco-friendly (5) or cannot answer / don’t know (0)
A.2: Interview Guide Consumers (continued)

<table>
<thead>
<tr>
<th>To what extent did the environmental aspect have an impact on their automotive purchasing decision?</th>
<th>Understand what makes them buy a particular brand</th>
</tr>
</thead>
</table>

**Environmental reasons for car purchase / brand switching (Experience, Behaviour & Feelings):**

To what extent did the environmental challenges influence you in your car purchase decision?

Tell me the reasons for changing the brand. When you decided to change brands, what were the key factors for that decision? And which other brands did you consider buying?

To what degree were you willing to pay more for the greener option?

How do you think the environmental aspect of your car purchase is perceived by others? And how do you think does this influence the environmental aspect of other car buyers?

<table>
<thead>
<tr>
<th>To what extent does the environmental aspect of a brand affect their purchase decision?</th>
<th>Understand what makes them stay or leave the brand</th>
</tr>
</thead>
</table>

**Repurchase Intention (Opinions & Feelings):**

If you were asked now, would you buy this car again? What are your priorities today?

What would you tell / recommend a friend who is planning to purchase a new car? To what extent would you recommend your car to others? Which arguments. (e.g. variety seeker wouldn’t buy again, but would recommend it)

To what extent would you re-consider a greener option? And to what degree would you be willing to pay more for the greener option?

<table>
<thead>
<tr>
<th>To what extent do “green” initiatives have an impact on them?</th>
<th>Individual/ Collective/ External influencers</th>
<th>Understand the decision making process</th>
</tr>
</thead>
</table>

**True customer value proposition vs. “green washing”**

What environmental initiatives of car manufacturers/ dealers come to mind? Tell me the story...

How valuable do you consider these initiatives for you? To what degree did they influence your purchasing decision?
A.3: Biodata Questionnaire

<table>
<thead>
<tr>
<th>Male/Female</th>
</tr>
</thead>
</table>

**Into which age group do you fall?**
- Under 20
- 20 – 24
- 25 – 29
- 30 – 34
- 35 – 39
- 40 – 44
- 45 – 49
- 50 – 54
- 55 – 59
- 60 – 64
- 65 – 69
- 70 +

**What is the level of the highest qualification that you have completed?**
- Year 10 or below
- Year 11 or 12
- Trade School
- Technical School
- University
- Postgraduate

**What is your current occupation?**

**How many people live in your household?**
- (Number of) Adults (18 yrs and over)
- (Number of) Children (14 – 17)
- (Number of) Children (6 – 13)
- (Number of) Children (5 or less)

**Is your household?**
- Single income/Multiple incomes

**Which of these income group best describes your annual household income before tax?**
- Less than 30,000
- 30,000 – 50,000
- 50,001 – 100,000
- 100,001 – 150,000
- 150,001 – 200,000
- 200,001 - 300,000
- 300,001 – 500,000
- Over 500,000
- Prefer not to answer
A.4: Invitation Letter and Consent Form

Dear (Name)

You are invited to participate in a research project which aims to explore general attitudes and motivations of luxury automotive consumers and to better understand why they purchase eco-friendly cars.

The researcher is Silvia Seibold, who is employed at BMW Group Australia and the research is being conducted as part of her Doctor of Business Administration (DBA) degree at RMIT University. The supervisor of the research is Doctor Paul Gibson, Senior Lecturer at RMIT University.

You have been selected as a BMW customer who has recently bought a BMW Diesel. The Marketing department at BMW Group Australia have given permission to approach you exclusively for this research request.

Your involvement in this study is voluntary. The one-on-one interview will require about an hour of your time at your convenience (time, location). You will be asked to reflect and provide your thoughts about:

- what matters to you in life
- your purchase criteria for your current car and how you feel about the purchase
- your awareness of and concerns about the environment

The results will be collated so that no individual is identifiable and a copy of your transcription will be available to you after the interview upon request.

Should you agree to participate in this research, please contact Silvia Seibold on Silvia.Seibold@bmw.com.au or 0408 121 904.

Yours sincerely,

Silvia Seibold
A.4: Invitation Letter and Consent Form (continued)

For the attention of:
Silvia Seibold
BMW Group Australia and DBA candidate at RMIT University
Email: Silvia.Seibold@bmw.com.au

I, (include full name) __________________________________________
agree to participate in the research project described above where I will partake in an interview of
approximately one hour duration, realising that I may withdraw at any time.

Signature ___________________________ Date ___________________

Any questions regarding the above mentioned project can be directed to Silvia.Seibold@bmw.com.au
or phone 0408 121 904.

The data generated from the interviews will be analysed with a view to understanding and identifying
general trends in relation to the research. The interviews will be tape recorded, and notes or transcripts
will be used as reference material in completion of the research thesis. Interviewees will be sent
copies of the transcripts from their interview.

There are no perceived risks or disadvantages to participants in the research, as individuals will not be
identified by name in the final thesis. Transcripts and tape recordings of interviews will be securely
stored in the RMIT University Graduate School of Business, and will only be accessed by those
directly involved in the research. Participation in the project is voluntary, and you may withdraw
consent to participate or discontinue participation at any time. You may withdraw any unprocessed
data previously supplied. Any complaints about your participation in this project may be directed to
the Secretary, Portfolio Human Research Ethics Sub Committee, Business Portfolio, RMIT, GPO Box
2476V, Melbourne, 3001. The telephone number is (03) 9925 5594 or email address
rdu@rmit.edu.au. Details of the complaints procedure are available from the above address or
http://www.rmit.edu.au/council/hrec
A.4: Invitation Letter and Consent Form (continued)

RMIT University

Business Portfolio
Graduate School of Business
Human Research Ethics Sub-Committee

Prescribed Consent Form for Persons Participating in Research Projects

<table>
<thead>
<tr>
<th>Portfolio of Business</th>
<th>School / Centre of</th>
<th>Name of Participant:</th>
<th>Project Title:</th>
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</thead>
<tbody>
<tr>
<td>Business Portfolio / Centre of</td>
<td>Graduate School of Business, RMIT University</td>
<td></td>
<td>Understanding consumers of luxury brands who switch to environmentally friendly cars</td>
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</table>

<table>
<thead>
<tr>
<th>Name(s) of Investigators:</th>
<th>Phone:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silvia Seibold</td>
<td>0408 121 904</td>
</tr>
<tr>
<td>Dr Paul Gibson</td>
<td>(03) 9925 5945</td>
</tr>
</tbody>
</table>

1. I have received an introduction letter explaining the interview involved in this project.
2. I consent to participate in the above project, the particulars of which have been explained.
3. I authorise the investigator to interview me and/or administer a questionnaire.
4. I give my permission to be audio taped: ☐ Yes ☐ No
5. I acknowledge that:
   (a) Having read the Introduction Letter, I agree to the general purpose, methods and demands of the study.
   (b) The project is for the purpose of research and/or teaching. It may not be of direct benefit to me.
       The privacy of the information I provide will be safeguarded.
   (c) The security of the research data is assured during and after completion of the study. The data collected during the study may be published. Any information which may be used to identify me will not be used.
   (d) Original tape recordings and copies of interview transcripts will be kept in secure storage in the Graduate School of Business, RMIT, along with signed consent forms from interviewees. Individual names will not be used in transcripts, or in the final thesis document. No specific information will be included in the thesis which would allow opinions or comments to be attributed to specific individuals. Access to the stored information will be by Graduate School of Business staff and the original researchers, and will only be used for the purposes of clarification of issues with respect to the original research project or thesis.
(e) Any information that I provide can be disclosed only if (1) it is to protect you or others from harm, (2) a court order is produced, or (3) I provide the researchers with written permission.

(f) Results of the study will form part of the researcher’s thesis for the DBA degree, and will be stored in the Graduate School of Business at RMIT University upon completion. Data will be aggregated and individual persons or institutions will not be referred to by name. Only the analysis of the collective data generated may be published ensuring that under no circumstances the responses or details of any particular participant will be disclosed to any third party. Research data will be kept securely at RMIT for a period of 5 years after completion of the research before being destroyed.

6. I have the right to:
- withdraw my participation at any time, without prejudice.
- request at any time that taping might be stopped.
- have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk for the participant.
- have any questions answered at any time.
- access the relevant information.

Name:

(Participant)

Name:

(Witness to signature)

If you have any questions about the project, please ask one of the researchers, Silvia.Seibold@web.de 0408 121 904 or Paul.Gibson@rmit.edu.au 9925-5945. The project has been approved by the RMIT Business Portfolio Human Research Ethics Sub-Committee. Any complaints about your participation in this project may be directed to the Chair, Portfolio Human Research Ethics Sub-Committee, Business Portfolio, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 5594 or email address rdu@rmit.edu.au. Details of the complaints procedure are available from: www.rmit.edu.au/council/hrec
A.5: Interview Guide Dealer Experts

The aim of this study is to explore general attitudes and motivations of those consumers of luxury brands who have purchased an environmentally friendly car.

I would like to find out more about: Attitudes and motivations of your customers, their lifestyle consideration and environmental consciousness, Green initiatives & effectiveness and loyalty initiatives & effectiveness at your dealership, Future outlook

PART 1 Tell me about 3 key drivers of today’s consumers when it comes to purchasing a new car? What makes your customers buy a Diesel? To what extent do you think your customers consider the environment when purchasing a new car? To what extent do they address that / ask about it? To what extent is “green” a topic? How have those enquiries developed over the years? From which type of customers do main enquiries about green topics come from? And do enquiries come mainly from current customers or prospects/new customers? In which models are they interested in? And what are they asking for? E.g. CO2 figure, Diesel, hybrid, hydrogen. To what extent are they willing to pay more for a greener option? To what extent does the environmental aspect have an impact on their purchase decision (re-purchase / defection)?

PART 2 What is done on a retail level in terms of “green” initiatives, as part of the sales process? as part of the dealership philosophy around the car, e.g. EfficientDynamics Dealership Display, Hydrogen7 Tour, Earth Hour, Diesel Powered XPO? How do customers react to these initiatives? How does/can HQ support the dealerships? How effective are these initiatives? As a brand building tool / loyalty tool/ conquest tool/ winback tool? How do you measure success of these initiatives? Who do you think drives the environmental topic more - the consumer, the manufacturer or the government… And who do you think should drive the environmental topic - the consumer, the manufacturer or the government… How do your customers indicate that they consider converting to another brand for a greener option? What can you do to keep them / win them back? What do you think works best to keep these customers loyal? Which activities seem to work and which don’t? How do you get in contact and keep in touch with them?

PART 3 What do you think will be the environmental future of BMW, Other premium car manufacturers, Automotive consumers? Who do you think will drive the environmental topic in the future - the consumer, the manufacturer, the government…Can you think of any BMW customer who are new to the brand and recently bought a BMW diesel who would be willing to participate in an interview. Can you think of any former BMW customers who recently bought a Diesel or hybrid car of another premium brand who would be willing to participate in an interview.
### A.6: Key for Biodata Clustering

<table>
<thead>
<tr>
<th><strong>BIO DATA</strong></th>
<th><strong>Key</strong></th>
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<td><strong>AGE GROUP</strong></td>
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<td>25 – 29</td>
<td>3</td>
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<tr>
<td>40 – 44</td>
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<tr>
<td>45 – 49</td>
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<td>50 – 54</td>
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<td>55 – 59</td>
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<td>70 +</td>
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<td>Year 11 or 13</td>
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<td>Technical School</td>
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<td>University</td>
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<td>Postgraduate</td>
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<td><strong>KIDS IN HH</strong></td>
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<td>(Number of) Children (6 – 13)</td>
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<td>(Number of) Children (5 or less)</td>
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<td>50,001 – 100,000</td>
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### A.7: Evidence of Existing Literature (exemplary)

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<th>Research article (by author)</th>
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<tr>
<td>Randomised controlled trials with definite results</td>
<td>Diamantopoulos et al. (2003), Haanpää (2007), Moisander (2007), Polonsky (1994)</td>
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<tr>
<td>Randomised controlled trials with non-definite results</td>
<td>Fraj &amp; Martinez (2007)</td>
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<tr>
<td>Case-control studies</td>
<td>Anurit et al. (1999), Quinn (2003)</td>
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<tr>
<td>Case reports</td>
<td>Mellor (2010), Wuest (2006)</td>
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Evaluation criteria were taken from Greenhalgh’s (1997) ‘Hierarchy of Evidence’
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