

Luxury Purchases by Working Class, Middle Aged Males in Regional Western Australia

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Abstract

Studies of luxury purchases usually focus on high-end products targeting professionals. Thanks to an economic boom, working class men in mineral-rich regional Australia also have the financial wherewithal to purchase luxury items. This paper uses qualitative, convergent interviews to explore custom-crafted motorcycle purchases by skilled and semi-skilled workers in rural and remote Western Australia. The results suggest that key factors contributing to these luxury purchases are high income, relationship breakdowns, and the onset of middle age.

Introduction

While economies are slowing around the world, Western Australia is experiencing an economic boom on the back of its mineral rich regional areas. In turn, this boom is driving economic wealth, especially for individuals associated with these industries ("Asia: Diggers for China; Western Australia," 2008). There are many winners in this boom economy, including semi-skilled and skilled workers who can command higher salaries than ever before, particularly in regional and remote mining regions (Aylmer, 2008).

The rise of the "cashed up" working class in Australia has created a niche beginning to interest marketers. This niche market, identified by the Australian Centre for Retail Studies as having "luxury fever", is not shy about spending on themselves and indulging their expensive tastes (Adamson, 2007; Alarcon, 2007; Smith, 2006).

The economic good times for working class men in regional areas allows them to consider luxury items which appeal to them: custom-built muscle motorcycles – also known as choppers. Such a purchase can command half their annual income, and is not used for everyday transport. This puts a chopper firmly into the category of a luxury purchase.

There is scant literature of luxury purchases by affluent working class consumers, an emerging market segment gaining marketers' attention. This paper extends luxury purchases beyond the ruling class and uses chopper purchases to explore luxury purchases by working class males in regional Australia.

Luxury Purchases

The term "luxury" is slippery to define. A strong element of human involvement, limited supply and the recognition of value by others are key components (Cornell, 2002). Whereas necessities are utilitarian objects that relieve a state of discomfort, luxuries are non-essential objects of desire that provide pleasure or indulgence (Berry, 1994; Weidmann & Hennings, 2007).

Luxury purchases have an element of exclusivity and prestige. In other words, the item has value beyond the service it provides to the purchaser (Gilmore & Pine, 2007; Vigneron & Johnston, 1999; Weidmann & Hennings, 2007). The service is usually hedonic and symbolic,

meaning it provides pleasure while reflecting on the identity of the user (Dubois, Czellar, & Laurant, 2005).

Another value related to exclusivity and prestige is self-identity value, specifically authenticity and self-image. The key concept of self-image arises from a product's synergy with the identity of the purchaser as well as a product's perceived uniqueness. One type of uniqueness, customisation, adds to a product's authentic, material and emotional value (Gilmore & Pine, 2007; Vigneron & Johnston, 1999).

With motorcycles, Harley Davidson is a luxury brand. Domestic or international, Harley-Davidson motorcycles fall into the highest end of the market in price, quality, and finish (Bronson & Beaver, 2006). Harleys are usually luxury purchases, but they are factory made. Choppers have the high price tag of a Harley, but as they are custom-built, choppers have a higher status and prestige than a Harley. That they are custom made gives choppers an authenticity, which adds to the customer's identification and emotional attachment to a chopper and its subsequent luxury value.

Access to a chopper craftsman in regional Western Australia presented an opportunity to investigate the buying behaviour behind these exclusive, customised motorcycles.

Methodology

Interviews with open-ended questions are appropriate where there is little existing research (Carson, Gilmore, Perry, & Gronhaug, 2001), such as purchasing choppers. Convergent interviewing, an evolutionary approach whereby new questions stem from previous interviews, helps identify key themes and narrow the research focus for subsequent studies (Rao & Perry, 2003; Riege, 2003). Progressive data analysis converges on a set of themes, with explanations.

A custom chopper craftsman, who builds choppers from imported American parts according to his customers' specifications, conducted the interviews. Each motorcycle can take up to a year to build and cost from \$60,000 upwards. He brokered relationships with all of his previous clients, and interviewed them by telephone based on the study's specifications. The craftsman had training in Marketing theory, was conversant with motorcycles, and came from the same socio-cultural background as the research subjects. He was also familiar with the research subjects from his previous dealings with them. This alignment was appropriate to obtain open responses and trust during the interview process. The interviewer decoded any culturally specific terminology or concepts for analysis by the research team.

A series of open questions posed to each customer delved into why they purchased a chopper. The interview covered their work, marital, geographical and financial status. The interviewer also sought other recent major purchases, to investigate similar patterns in these purchases.

Interviews with the participants were one to one to reduce data contamination, and to help interviewees feel comfortable sharing their opinions without others present. Participants agreed to the interview based on their relationship with the interviewer, and on the condition that comments attributed to them remain anonymous. Therefore when they are quoted in this paper, the quotes will not be attributed as the sample size is small enough that identification is possible.

One interview was held in person; the rest were held over the telephone. As the participants were familiar with the interviewer, this was not seen as a disadvantage. The interviewer took time to gather information about each interviewee before the formal interview. The formal interview lasted about 30 minutes per subject.

The interview commenced with open questions about purchasing choppers, followed by reaffirming the answers and encouraging customers to elaborate on their responses. This technique yielded a subjective set of responses, which suit the study as purchasing choppers is a subjective and highly involved process. Table 1 lists the nine respondents and summarises their responses.

Table 1: Summary of responses

	Majority Response (6 cases)	Other Responses (3 cases)
Age	35-50	32, 58, 61
Marital	Divorced, Single	Married
Occupation	Tradesman	Manager or Retired
Industry	Mining	Industrial or Retired
WA Region	North West	South West, Goldfields
Spend	\$65-75k	\$62k, \$88k
Ethnicity	Anglo-Australian	Greek/Italian-Australian
Recent Purchases	Ranged from \$35k car to \$120k car	
Owned a Harley?	Yes	No or other bike
Appx income	\$100k-\$150k	\$80k, \$100k, \$400k
Reason	No [financial/family] commitments, Enjoy good things in life	Single, Want to look good
Comments	Want to look unique	Good handling, Fast

Results

Interviewees indicated that seeking something to support their extroverted nature was the key factor behind their chopper purchase. In over half of the cases where the purchasers were divorced, this purchase was an advertisement of their wealth and standing to potential new partners. A chopper shouts “hey, look at me!” The conspicuousness value of the custom motorcycle, which by nature is loud and showy, appealed strongly to the purchasers. Choppers, unique and custom-made, draw crowds.

The purchasers tended to agree that the values of a chopper include rarity, distinctiveness and difference from what everyone else rides. A custom motorcycle also helps define the purchaser’s self-identity by supporting their outgoing and extroverted nature. Purchasers admitted to a lack of self-consciousness, an outgoing nature, and enjoying being the centre of attention amongst their peer group. One respondent articulated the emphasis on the look of the bike: “it has to have the biggest back tyre available, it has to be noticed, I just want it to look the shit”. In this context “the shit” is a reference to authenticity (Gilmore & Pine, 2007). Another respondent said he wanted to “...stand out from all the pigeons [the other motorcyclists]”.

A common theme emerging from the interviews was post-purchase satisfaction. The choppers ended up drawing the crowds anticipated: “being able to attract attention like flies to shit, by just parking up at the local coffee shop”. Some confirmed that this would reaffirm their inclination to make future purchases similar to this one.

The respondents noted three critical antecedents to purchasing their chopper: cash flow, desire to engage in a luxury purchase, and a partner willing to let the purchase proceed or the lack of a partner. To assist the purchase, facilitating factors were:

- previous ownership of a motorcycle, particularly a modified Harley
- an outgoing, or extroverted personality
- income in excess of a hundred thousand dollars per year.

As Table 1 shows, all but one purchaser was middle aged. The participants viewed themselves as being entitled to the luxury purchases due to their high income, hard work or because their “obligations” to family had been, in their estimation, met and they could “spoil themselves”.

The cost of the purchase, although not a prohibiting factor, was a measure of value. One respondent indicated he was frustrated in not getting value for money or a purchase which retains its value: "pissing money away modifying fuckin' Harleys and getting F all back when you try and sell them". He said his priorities were that "this thing needs to go like shit [fast], look like something out of American Chopper, and be worth something in 12 months time". As an added bonus, he also wanted to "be able the blow the doors off [go faster than] some of the Jap[ense] shit [motorcycles]".

Although the appeal of a chopper is broader than working-class, middle aged males, there is something significant about their choice to purchase this luxury item. The socio-cultural background of these men, and the culture in which they live, is a factor. These men are seeking a culturally appropriate purchase that will appeal to their sense of self-expression. These men are also what is known as “elite” luxury users (Dubois et al., 2005): they believe that you need a certain level of education about motorcycles to appreciate their bike, their luxury purchase is not used for everyday transport and the fact that it is custom-made gives the item extra cache.

All the single men interviewed indicated their purchase had a large *appeal* factor; the chopper would attract women. Ironically, they admitted that women are less likely to be interested in choppers than men and that other men are more likely to appreciate the motorcycles. They assumed that what the chopper signifies—a significant income—may attract women in the community, as opposed to the machine itself. The men believe the luxury aspect of the purchase, more than the uniqueness, appeals to women. The uniqueness factor appeals to the purchaser and other men.

Research Implications

As this small sample of working class men suggests, the driving forces behind luxury purchases by blue-collar men is a challenge; the reasons for the purchase vary. The economic boom brings spoils for all classes and kinds of workers. By opening up research into luxury purchases amongst the working class, a larger picture of the whole market grows. Synergies made with luxury purchases amongst other classes, and further research may reveal the ways in which this particular group behaves which is unique.

Also worth examining is the way in which the working class use purchases, and specifically luxury items, to express themselves. Does the purchase of a particular brand have different value in a working class context? For example, does an executive CEO riding a Harley in an

exclusive part of the city deliver a different cache than the same bike under a chemical plant operator in a regional mining town?

Although some class-based market segmentation research was conducted in the 1970s (Berkman & Gilson, 1976) this research may benefit from another look, particularly considering technology, generational change and globalisation. Discovering these nuances in culture, context, behaviour and purchasing can help illuminate the picture of luxury purchasing, authenticity and branding.

Industry Implications

The key industry implications arising from this research are threefold.

Firstly, the working wealthy are a market worth tapping into. Skilled and semi skilled workers, especially in boom economic times, have buying power that can rival the professional class. They are just as likely to indulge in luxury spending as other classes.

Secondly, the kinds of luxury items the working class purchase may resemble luxury items bought by other groups. However key differences may be branding, customisation and purpose. The identification with a product or brand for the working class has to be socially appropriate, particularly when looking at different geographical contexts, such as regional areas where choice is limited and social norms may be more constricting. When positioning luxury items for the working class, it is key to align the product and the target market and authenticity to gain acceptance.

Finally, working class, middle aged men are generally ignored when seeking a market for “vanity” products or brands. However, there are certain kinds of products that have the muscle and grit which appeal to the group, form their identity for themselves and broadcast it to others. Tapping into this market can be lucrative. This is especially true if one can narrow the field to affluent working-class *single* men.

Conclusion

This paper explores the luxury purchasing by the working class males, a popular industry topic (“‘Cashed up bogans’ driving boom in apartment sales”, 2007; Adamson, 2007; Smith, 2006; Alarcon, 2007) but an under-researched academic area. The working class are overlooked in research relating to luxury products; however economic booms can bring good times to many social classes. The working class will naturally aspire to some things in common with other groups. However there are specific kinds of purchases, particularly in regional areas where consumers have limited choice in terms of their ability to purchase items due to the tyranny of distance.

The consumer behaviour of people in regional areas is limited; however searching for data focusing on the “cashed up” working class is extremely limited. This research can shed light on the consumer behaviour of a group with purchasing power, but with a unique set of behaviours and cultural norms.

Investigating the luxury purchasing habits of the working class will give a more complete picture of luxury purchasing in general. Looking at what regionally based males are inclined to purchase can give industry a better feel for developing goods and services for this particular market.

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