

Young Consumers' Motivations for Virtual Luxury NFT Wearables: Moderating Effects of Gender and Income

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Introduction NFTs (non-fungible tokens) are one-of-a-kind unique digital assets that utilize blockchain technology to authenticate originality and record each transaction, ensuring the proprietorship (Alexander & Bellandi, 2022; Sung et al., 2023). With the ability to ensure authenticity and exclusivity, which the luxury sector has traditionally capitalized on, an increasing number of luxury fashion brands, including Louis Vuitton and Gucci, have begun offering virtual NFTs in various formats (Wang et al., 2022). For example, virtual luxury NFT wearables, introduced by luxury fashion brands, primarily represent digital versions of clothing and accessories minted as NFTs. The key consumer segment comprises young consumers (i.e., Gen Z, Millennials) who tend to be tech-savvy and crave for novelty (Alexander & Bellandi, 2022). These young luxury shoppers are likely to redefine the meaning of luxury compared to traditional luxury shoppers, who typically place emphasis on physical possession and conspicuous displays (Atkinson & Kang, 2022). At the same time, young consumers may still be driven to engage with virtual luxury for reasons similar to traditional luxury, as the value of luxury products remains inherently connected to core features of luxury (Zhang & Zhao, 2019). However, research fully investigating young consumers' motivations to purchase virtual luxury NFTs are scarce and limited, with only a few investigating consumers' general interest in fashion NFTs employing a qualitative approach (e.g., Alexander & Bellandi, 2022) or primarily focusing on economic or technical value of NFTs (e.g., Khelladi et al., 2023; Zhang, 2023). Drawing from the Customer Value Framework (CVF) (Smith & Colgate, 2007), this study aims to investigate how multifaceted perceived values associated with luxury consumption and virtual product consumption influence the purchase attitude of young consumers and their willingness to purchase and pay price premiums for virtual luxury NFT wearables. Furthermore, this study explores the moderating effects of gender and income to account for variations in interests and knowledge among different demographic groups (Statista, 2021).

Literature Review According to the CVF (Smith & Colgate, 2007), consumers form positive attitudes and make consumption decisions based on their preferences and beliefs regarding the object being consumed, referred to as customers' perceived value. The CVF proposes four major types of value, including economic, functional, experiential, and symbolic values. In the context of virtual product (Hsiao & Chen, 2016; Ho & Wu, 2012; Marder et al., 2019; Yoo, 2015) and luxury consumption (Choo et al., 2012; Wiedmann et al., 2009; Zhang & Zhao, 2019); functional (e.g., quality, usability, uniqueness), experiential (e.g., self-directed pleasure, other-directed [relational] pleasure), symbolic (e.g., self-expression; conspicuousness, self-presentation), and economic values (e.g., value for money, price) have been identified as significant predictors of purchase attitude and intention. Thus, these four categories of perceived

value are proposed as key drivers of consumers' attitude toward virtual luxury NFT wearables, further influencing their willingness to buy and pay price premiums. Consumers are likely to shape their purchase attitude and intention by paying a varying level of attention to different values due to variations in their interest and knowledge (Roux et al., 2017). Gender and income are commonly used as key demographic factors to explain differences in consumers' attitude and purchase behavior in the luxury consumption context. Luxury products have been traditionally sought after and purchased by individuals with high disposable incomes and by females who tend to be conscious of social status and self-presentation (Roux et al., 2017). Meanwhile, according to Marcus (2021), men are three times more likely than women to purchase NFTs, with a relatively equal proportion of consumers purchasing NFTs at the lower and higher ends in the income spectrum. Considering these variations in the market, the moderating effects of gender and income level were examined in the context of virtual luxury NFTs.

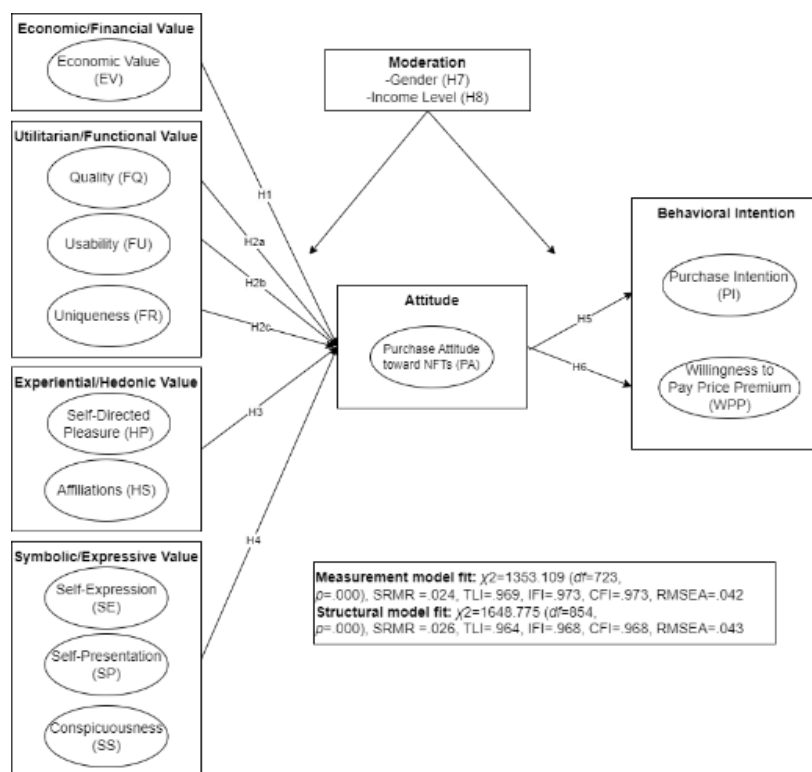


Figure 1. Research Framework

Methodology Data were collected via an online survey from a convenience sample of 504 U.S. consumers aged 18-39 who have considered purchasing NFTs and luxury in the past. There was a slightly higher percentage of females (54.6%) than males (45.4%) in the sample. Close to half of the respondents' annual household income was more than \$75,000 (58.3%). A majority of the respondents (71.6%) indicated that they have purchased NFTs in the past. The survey used 7-point Likert scales with items adapted from existing scales with acceptable reliabilities ($\alpha > .70$). Structural Equation Modeling (SEM) and multi-group comparison were conducted to test the hypotheses (Figure 1).

Results Both the measurement model and the structural model showed acceptable fit (Figure 1). The SEM results indicated positive influences of EV ($\beta=.224$), FQ ($\beta=.101$), FR ($\beta=.137$), HP ($\beta=.184$), SP ($\beta=.460$), and SS ($\beta=.109$) on purchase attitude (PA) toward virtual luxury NFT wearables, supporting H1, H2a, H2c, H3a, H4b, and H4c. However, FU, HS, and SE did not show significant influences. Further, PA positively influenced both purchase intention (PI) ($\beta=.962$) and willingness to pay price premiums (WPP) ($\beta=.863$), supporting H5 and H6. The results of multi-group comparison suggested a moderating effect of gender and income level. Specifically, the influence of FQ on PA was only significant for males ($\beta=.400$) and for the high-

income group ($\beta=.554$). Also, the influence of PA on PI was significantly greater for females than males. Lastly, the influence of FR on PA was only significant for the high-income group ($\beta=.372$).

Conclusion Academically, the results of this study identified sub-dimensions of four major categories of perceived values by integrating relevant literature on virtual product consumption and luxury consumption, extending the customer value framework to the context of this study. Additionally, the results revealed that the purchase attitude and intention are contingent upon the gender and income level due to different levels of interest and disposable income, which can be reflected in consumers' core values and priorities concerning purchase behavior. Managerially, the insights gained from the study can serve as a blueprint for luxury brands in developing communication strategies and also for NFT creators.

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