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Coping with Inflation: Why Young Professionals Turn to Micro-Luxury

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Abstract

Türkiye is positioned as an extreme global case within one of the top five hyperinflationary economies worldwide, and in recent years, chronic high inflation and macroeconomic volatility have significantly disrupted individuals' traditional financial milestones. Long-term financial planning and asset ownership became almost unattainable especially for young professionals. Accordingly, this study aims to explore how young professionals in Türkiye use micro-luxury consumption as an emotional buffer and psychological shield for overcoming the distress and anxiety caused by economic uncertainty. A qualitative research design is adopted and, purposive sampling is employed to engage with eight young professionals within the first one to five years of their careers. Data were collected through semi-structured interviews and analyzed using Interpretative Phenomenological Analysis (IPA). The findings reveal a shift in the conceptualization of micro-luxury. Young professionals are found to prefer high-quality and memorable experiences over tangible luxury goods to create psychological shield. Moreover, micro-luxury consumption is found to act as a strategic tool to overcome the distress caused by chronic inflation that even deepens with the extensive digital exposure. This consumption pattern is found to ensure emotional self-regulation, mood repair, and self-worth validation. Present-oriented spending is found to be cognitively rationalized through discourses of entitlement and deservingness. By integrating Emotion Regulation Theory and Compensatory Consumption Theory, the study shows that micro-luxury expenditures allow individuals to reclaim personal agency, negotiate self-discrepancies, and compensate for structural status loss. This research provides critical socio-economic insights into consumer behavior in hyperinflationary emerging markets, and offers valuable practical implications for brand marketers developing experiential strategies and policymakers evaluating the psychological dimensions of economic constraints.

Keywords: Compensatory Consumption; Emotion Regulation; Financial Anxiety; Psychological Resilience