

Consumer Behaviour Attributes towards Luxury Products: A Review Study

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ABSTRACT

The overall luxury market is estimated at more than \$ one Trillion and it grew by 5% in 2017 globally. In India it is at present US \$ 23.8 Billion and expected to reach by US\$ 30 by 2020 (Assocham Report). It is estimated the market size would increase by 5 fold and number of millionaires would increase by 3 times in India. The market is divided by classification in terms of products, gender (male, female), mode of sale, location, disposable income, Experiences, Services etc. The present study reveals the facts and dynamics of luxury brands in India vis a vis across globe. The study is descriptive in nature and is based on purely secondary data which has been gathered from various published sources. The study intent to get into the consumer behaviour aspects towards luxury brands and how the affordable luxury is gaining importance around.

Keywords: Luxury, Brands, Fashion, Consumer behaviour

I INTRODUCTION

According to Kapferer, Consumer Behaviour is the behaviour consumer's exhibit while searching for, purchasing, using, evaluating and disposing of products and services. The factors affecting Consumer behaviour are cultural, Personal, Social and psychological which includes motivation, Perception, Attitude, Personality and self concept, and Learning etc. The purpose of studying consumer behaviour is, once we understand consumer Behaviour we can suggest suitable marketing strategies.

As per Assocham, Luxury market worldwide size is 1.2 Trillion Dollars and growing at a pace of 5%. In India it is estimated that at present market size is US \$23.8 Billion and expected to reach US\$ 30 by 2020. Many Luxury Brands have entered India and some are planning to enter India. Consumer Behaviour towards Luxury particularly luxury Brands is different, hence Brands have to understand consumer Behaviour to fare better.

According to economists, luxury is one which is having highest price and quality. Unlike others economic activities, luxury market growth normally create problems because the luxury dream is partly based on the notion of rarity and deals with Privileged life, products of exception and to great life. Derived from French word LUX- which means glitters, Luxury glitters like light where ever it is. This differentiates Luxury consumers from normal Consumers.

II INDIAN LUXURY MARKET

Even though the concept of luxury is not new for India, the way Luxury Business turned in the last few years is new for India. India was known for its prosperity before the British came to India. Even after, there were many royal families and business

classes which were buyers of western luxury brands. India is known as production outsourcing destination for a long time for luxury particularly Fashion. India has fast transformed into a huge market for luxury products. According to a recent report by Technopak, out of the existing \$2.5 billion luxury market in India, luxury products and services constitute around 15 percent of the market.

Indian Luxury Consumer: As we see now demographic, Psychographic, behavioural changes have taken place in the Indian population which have led to increase in purchase of luxury brands. After the reforms and of globalization of Indian economy, the Indian youth have better job opportunities, higher incomes and higher disposable incomes which have increased their exposure and purchasing power. Youth normally have less of liabilities, more disposable income at the start of their career and are more materialistic. This leads them to be more luxury spenders. With the advent of neo rich class the market for Luxury has grown further. Out of all the spends, people spend much on clothing and accessories. Hence most luxury brands are in the business of fashion, clothing and accessories.

The Indian consumers pay a lot of importance to physical appearance now because of which they have a positive attitude towards purchase of counterfeits, and in order to always look presentable they purchases all the items that would help them look presentable. They are willing to purchase counterfeit luxury brands as they feel that it would help them look rich and better in public.

Though India was not materialistic, of late Indian consumers are extremely concerned with what luxury branded products they carry and use. This is the fact that materialism plays a vital role in the attitude of Indian consumers towards their purchase of counterfeit products. Integrity and price-consciousness have no linear relationship with counterfeits.

Factors that influence the attitude of Consumer:

- (a) The desire to be in tune with the fashion, value for money and the society also drives consumers to buy counterfeits.
- (b) Most individuals are prestige-conscious, they believe in possessing branded items and the one who can't pay the original price look forward to counterfeits of those brands

III A BRIEF REVIEW OF THE WORK ALREADY DONE IN THE FIELD (LITERATURE REVIEW)

On the basis of past studies reviewed some of the following extracts are given:

- (a) Truong et al. (2010) explained that luxury consumers can be classified as those with intrinsic orientation and extrinsic orientation. Those with intrinsic orientation do not show a preference for buying luxury brands as per their study. Normally the advertising campaigns of luxury brand companies are aimed at people with extrinsic orientation. Hence they should not ignore people with intrinsic orientation, who do not identify themselves with these advertisements and plan for reaching both the.
- (b) Qin Bian et al. (2010) found that luxury brands mean indulgence of senses for many consumers. Luxury brands have a low ratio of functional utility to price and high ratio of intangible utility to price. Consumers buy luxury brands basically for symbolic reasons to reflect their status and social goals. As luxury is a subjective concept, the perception of consumers about luxury brands will differ for different market segments.
- (c) Sinha et al. (2011) found that urban youth are the major sources of luxury product consumption. As they have less liabilities in the starting of their careers there is a higher tendency to buy luxury brands. They also found that Indian luxury consumers are value conscious and search for stylist and aesthetically appealing (Fashion) products which compliment them. Hence if we educate the Indian customers there is going to be big Business.
- (d) Haataja, Maria et al. (2011) have found around two-thirds of the people had a positive attitude towards purchase of luxury products. They analysed the knowledge, opinions, personal tastes and style, thoughts and feelings of the people and found that customers perceived Luxury as something expensive, unique, exclusive and something extra with a brand name. The study found high price and good quality are part of luxury products. The

consumers based on level of consumption, purchase intentions in the future and the attitudes to luxury can be classified into four groups: hard, regular, potential and non-interested luxury consumers. The study wants business to focus on young students and treat them as potential customers.

- (e) Luxe Avenue Publication et al (2012) in their research wants Luxury Business to concentrate on Generation Y as they make their aspirational life style come true by using luxury products. There is a conflicting relationship between Generation Y using social media and luxury brands. This shows that millennial are strongly influenced by peer pressure and at the same time be exclusive. Using technology and communication they want to show that they are current, care free and enhance their image. Hence marketing companies focus on consumers more than product. The product should fulfil the deeper meaning of life and dreams by giving required experiences.
- (f) Sood, N. (2016) studied differences and similarities in luxury value perceptions across three prominent Asian markets, namely China, India and Indonesia. **The** results varied in terms of perceptions like symbolic, experiential, and functional value of luxury brands. With Increase in wealth in Asian markets, consumers increasingly spending its discretionary income on travel, Experiences, healthcare, and luxury goods. Many luxury brands such as LVMH, Gucci, and Hermes have been highly successful in penetrating the Asian markets. The root cause of failure of some brands is treating Asian markets as homogeneous and misunderstanding about consumers understanding of luxury.
- (g) Srichan Sriviraj et al. (2016) have studied the consumer behavior of young consumers towards purchase of luxury products in three countries namely the United Kingdom, Thailand and China. The research shows that though Chinese bought luxury products to show achievement status; United Kingdom and Thai consumers don't purchase products to show status or for materialistic possessive reasons .The study there does not find gender based purchase differences of luxury brand products. With respect to motivation, this research has suggested that the Snob, Perfectionist, and Hedonic effect motivate UK and Thai consumers into purchasing luxury products. Luxury consumers in China are motivated by the Hedonic and Perfectionist value while purchasing luxury brands.
- (h) Husic et al. (2016) found that while purchasing luxury consumers feel quality is the utmost factor .It is observed that there is a snob effect observed while consumers buy luxury as they want unique and exclusive products so that they

can differentiate themselves from others. They identified two sub-categories of luxury consumers, i.e old aristocracy and new money. It is pertinent that developing economy like India will have more people in the new money category. This is more likely to be found in other developing economies as well.

- (i) Mishra (2016) examined the relationship between materialism and consumption innovativeness among urban Indian. The study tried to establish the fact that more materialistic Indian consumers tend to possess greater consumption innovativeness in comparison to the less materialistic consumers.
- (j) Shukla et al (2016) studied the luxury value perceptions in the Asian consumer context. Most of the earlier studies have treated Asian consumers as a homogenous, and this misconception has resulted in lopsided strategies. The study found out that Asian consumers vary in their value perceptions of luxury goods. Asia is a vast continent, consisting of several countries whose cultures and subcultures, and hence poses significant challenges to the marketers of luxury products. The study emphasises country specific study in Asia.
- (k) MSL China et al (2017) found that young women in China buy luxury products based on of the following factors like status symbol, endorsements, social media, Peer pressure, living for the moment, love for material goods, hate counterfeits, etc. They also hate counterfeits. This shows the buying motives and consumer behaviour differs from market to market.
- (l) Sanyal et al. (2017) stated about the buying pattern among Indian consumers has witnessed dramatic change over the past decade. Higher income has enhanced consumer buying power. As a result, consumers are readily adopting global luxury brands at a much faster pace. Indian consumers are attracted towards acquiring luxury brands and purchasing these brands has become a prestige symbol. Luxury brands are helpful in communicating one's uniqueness, fashion style and individuality in social circles. This study analysed the impact of dimensions of consumers' need for uniqueness and fashion consciousness on the attitude towards luxury brands. Luxury is typically consumed for reasons related to impress others, social positioning and status symbol manifestation. As a reason of our conclusion that intention to purchase does not necessarily result in purchase of luxury brands, we can mention that while Indian consumers talk about uniqueness, exclusivity and appeal to personal taste, the majority of market is still far away

from this perception and the brand/logo value highly influences luxury usage.

- (m) In a study Pubuddi S. (2018) found that Fashion is a term, which is considering beyond the normal purchasing behavior and it has become a modern attraction. When considering the people related to every class, try to follow up new and changing trends of fashion. It depends on the choice of people whether they choose funky, cool or decent trends. And also when it commercialize with luxuries concept it is totally dependent on the consumer attitude, because people try to expose off their personality by using branded products. Hence marketers interest is to study in emerging markets what impacts attitude of online purchase intention and attitude to purchase online.. After studying particularly Sri Lankan market factors like brand consciousness, social comparison, fashion innovativeness, fashion involvement and online purchase intention affects Fashion Luxury Brand purchase. . It is also found social comparison and fashion innovativeness has positive impact on luxury brand online purchase intention.

IV CONSUMER BEHAVIOUR TOWARDS LUXURY FASHION BRANDS BASED ON PLANNED THEORY

Luxury perceptions can be seen in terms of non-personal perceptions and personal perceptions (Vigneron and Johnson 1999, 2004). As per Groth and Mcdaniel Non-personal perceptions of luxury are based on opinions, influences and suggestions of interactions with others. As per Dubois and Laurent, personal perceptions of luxury are based on feelings and emotions. While studying non- personal perceptions of luxury we have to study

- (a) Perceived conspicuousness (what can be seen) that is social position, representation and status.
- (b) Perceived uniqueness which means a sense of exclusivity which normally comes from style, expensive pricing of luxury goods. Uniqueness enhances one's personality and self image by adhering to one's personal taste, or breaking the rules, or avoiding duplication.
- (c) Perceived quality which is an indication of greater quality coming from higher price of luxury brands and reassurance compared to non-luxury brands.
- (d) Personal perceptions of luxury are indicated by two concepts:
- (e) Perceived extended self refers to an extension of one's self by gadgets and accessories to integrate symbolic meanings which gives that distinguished look.

- (f) Perceived hedonism (pleasure) relates to personal rewards that I have arrived and achieved are emotional benefits from luxury derived from sensory gratification and pleasure.

V CONSUMER'S PERCEPTION TOWARDS LUXURY BRANDS

Though traditionally it is high price and quality, in the world of digitalisation and globalization, where the luxury has its own predefined standards, it's important to understand what does the consumer of today's world think of luxury brands. Basically, how an individual values the particular luxurious brand in his mind defines his understanding of luxury for that particular product he is buying.

- (i) Some consumers consume luxury goods because of their desire to differentiate themselves. It acts as a social stratifier.
- (ii) Some consume it because they want to let others know they are financially that well off that they can afford that luxury. It is very qualitative hedonistic experience.
- (iii) While some use it simply because they have the genuine want and demand for it backed by their purchasing power.
- (iv) Some buy because of exclusive Distribution and highly personalised services.

Luxury brands are known for their quality, service and style with products that they can offer to their consumers where it is also important that their customer recognises all these elements in the brand. Consumers who go for luxury brands are associated with esteem and power.

Consumers definitely derive higher satisfaction from the consumption of the high end products. For example, people buy Wedding lehngas from Sabyasachi even though when they have a lot of other options available because, Sabyasachi is a well known luxurious name in the Indian market of wedding trousseau.

The luxurious brand has a distinctive brand identity in consumer's mind which is why he goes to buy from the Luxurious Brands.

The customer perception towards luxury brands can be looked upon through two aspects- non personal and personal perceptions. This means that perception of the Indian customer is formed under the influence of non- personal and personal factors. Further how he selects, organizes, interprets stimuli are responsible for his perceptions. The perception of luxury consumption is influenced by the position and social representation attached to luxury possessions. It is also susceptible to reference groups. These reference

groups could include Hollywood and Bollywood celebrities, CEOs, Achievers, international brands, cultural customers and traditions.

- (a) **Diverse Characteristics of Indian Consumer-** Indian consumers are very different from a consumer in West or China, Japan. Indian consumers culturally are value conscious and always look for a bargaining. Because of globalisation, better communication, technology and global travel, high end consumers often find it cheaper to purchase luxury goods from USA, Dubai, Singapore or Europe or London.
- (b) **Great Demand for Affordable Luxury Brands-**How much affordable is affordable is a big debate. But today Luxury is segmented by affordable luxury, Bridge luxury, entry level luxury etc. Affordable luxury brands like CK, Michael Kors, Kate Spade, Coach and Charles & Keith have been successful in capturing the hearts of young aspirational Indian buyers, thanks to online retailing.. Even brands like Gucci etc. are testing online, to lure this type of entry level Luxury customers through their pricing. According to Euro monitor International, this affordable luxury is growing at the rate of 40% per annum.
- (c) **Standards of Living-**The standard of living among people is increasing, owing to higher disposable incomes, Urbanisation. Improvement in lifestyle, Technology revolution, and increase in corporate culture. With the proliferation of corporate entities and their corporate culture in developing nations popularized the carrying expensive & luxurious products culture among their employees.
- (d) **Growth in Online Sales and Worldwide Sales-**Online Retailing is the new trend in the global luxury goods industry. Increase in the number of online portals as well as their rising popularity coupled with discounts the online sales are growing. Growth in the number of women working professionals, busy lifestyle, convenience, Door delivery, coupled with mobile and technological advancements are the factors responsible for boosting online sales.
- (e) **Growth of Asia-Pacific, Brics and Lamea Markets-**Asia-Pacific, BRICS and LAMEA are the three important emerging regions that hold immense growth potential for luxury market. Growth in Wealth and standards of living, awareness on Luxury and importance of Luxury brands in these markets is creating huge opportunities for the Luxury Brands and these markets are virgins and untapped.

So when the author looked at various papers to find out research on perception and Attitude towards luxury the following was noted.

VI FINDINGS

- (a) In a study to understand various markets and their understanding of Luxury like USA, China, Japan, Brazil, Germany and France Kapferer in his book "How Luxury Brands can Grow Yet Remain Rare" gives various understandings on what luxury concept evokes and how perceptions differ .

Only the Chinese equated luxury with very expensive, and exclusively for a privileged minority. In rest of the markets like France, USA, Germany, Japan what is common is the Luxury means high quality first. But it also evokes Prestige, Expensive and pleasure, in that order in France. Where as in USA, Luxury means High quality, Expensive, Prestige and Pleasure in that order. So the common perceptions of luxury are High quality, High Price, high prestige, Pleasure, dream, Fashion and belongs to rich minority etc.

- (i) In his book Kapferer on Luxury, he summarizes how luxury brands create high value through specific levers and how these levers work in combination to build the overall luxury perception today. He talks of selection and seduction as major leavers. The seduction plays major role which includes prestige and Creative. Glamour, Hi price, selected Distribution, in accessibility, Fashionable, Style, Design, Artistic, rare and unique material usage etc. are other aspects which make Luxury more attractive.
- (ii) In an article published by Kapferer and C Klippert , published in Journal of Revenue and Pricing Management,13,PP 2-11,2014 ; the authors research finds out that
- Consumers perceive that there is a threshold of prices for Luxury;
 - Unlike other products, when Luxury products reduce the price the consumer perception is, it is no longer Luxury;
 - Consumers think Counterfeits are not luxury etc,

The overall findings are every market is different and consumers perceive Luxury Brands differently than normal Brands.

In this context when we look at Indian market, the following may be observed.

VII CONCLUSION

We may conclude that consumption of luxury goods reflects affluent lifestyle. The product's superior quality is the main reason for buying luxury goods. Quality is one of the important aspects of the functional value of a luxury brand. The quality of raw materials used and the excellent craftsmanship,

experiences given, services of the company and employees contribute to the functional value which is a very important dimension of luxury. Consumers experience gratification and satisfaction by purchasing luxury goods. Luxury brands have good looks or aesthetics which is an important motivation for consumers to buy luxury brands. They derive pleasure and hedonic value by consumption of these brands. It gives them a feeling of happiness, relieves them of stress and makes them feel good. They have a high rating for unique value of luxury goods. Luxury consumers want to buy goods which are rare and exclusive. They should have products which are not possessed by many. These products are not mass-produced. The luxury buyers stop buying these products when they become common among other people. Young consumers with new money are the prime target of future luxury market. The effect of higher prices, counterfeit understanding, gender differences in perceiving Luxury, Discounting, Value for money, selling luxury online, quality understanding, Experiences role in Luxury, Rarity, Exclusivity play major role in understanding luxury and in forming Attitude.

As we see there are various factors which every country, society and culture uses to perceive and evaluate Luxury and fashion Luxury Brands. Hence India needs a separate study to understand Indians particularly, Indian Urban consumer's perception and Attitude towards Fashion Luxury brands, so that the luxury companies already present and those who want to launch their Brands can strategize in terms of marketing, promotion and positioning etc. This troughs opportunity for further scope and opportunity for further Research.

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