"Exploring The Luxury Industry's Influence On Gen Z And Millennials: A Study On Attitudes And Behaviours"

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ABSTRACT

The millennial and Gen Z generations' shifting consumer preferences have significantly altered the luxury market in recent years. Through an analysis of their views about luxury products and their purchasing habits, this study seeks to understand the effects of the luxury business on these two demographic groups. The study uses a comparative methodology to examine information gathered from surveys and interviews with Gen Z and millennial customers. The results show that while there are some parallels between the two groups' attitudes toward luxury goods, there are also some significant

disparities. The study ends by examining the results' significance for luxury businesses and providing suggestions for how they might adjust to the shifting tastes of their younger customers.

INTRODUCTION

The luxury market's exclusive, expensive, and prestigious nature has made it an influential player in the world economy. Due to the rise of a new generation of consumers known as millennials and Gen Z, the business has seen considerable changes recently. The demand for luxury products and services is driven by these two cohorts, which are the biggest and most powerful consumer groups. Although research on luxury consumption has primarily focused on millennials, there is growing interest in understanding the views and behaviors of Gen Z.

Gen Z refers to people born between 1997 and 2012, while "millennials" refers to people born between 1981 and 1996. These two generations are similar in many ways, including their preference for personalized experiences, status as digital natives, and progressive social beliefs. The two groups do, however, also differ significantly, particularly in how they feel about luxury.

Despite having a shown interest in high-end products and services, millennials are more likely to value experiences over tangible belongings. Gen Z, on the other hand, has been referred to as a group of "aspirational consumers" who have a keen interest in luxury goods and brands. This tendency has been influenced in part by the growth of social media and influencer marketing, which have increased public awareness of extravagant lifestyles.

There is a need for a deeper understanding of these two generations' views and actions regarding luxury given how significant they are to the luxury business. By analyzing the effects of the luxury business on Generation Z, with an emphasis on their attitudes toward sustainability, ethical manufacturing, and social responsibility, this study paper seeks to close this gap. This study gives insights into the distinctive qualities of this consumer demographic and how luxury marketers may more effectively engage with them through a literature review and an online survey with 100 respondents.

LITERATURE REVIEW

Tak, P., & Pareek, A. (2016). Over the last decade, the shopping habits of Indian consumers have shifted dramatically. Consumer purchasing power has increased as income has increased. As a result, worldwide luxury brands are being adopted at a far faster rate by consumers. Luxury goods are appealing to Indian consumers, and owning these brands has become a status symbol. Luxury brands are useful for expressing one's individuality, fashion style, and originality in social circles. The impact of characteristics of consumers' need for uniqueness and fashion consciousness on attitudes toward luxury companies is examined in this study. The data was gathered using a standardised questionnaire.

Correlation and regression analysis were used to examine the hypotheses. The findings imply that customers' needs for distinctiveness and fashion consciousness have a beneficial impact on their attitudes toward premium businesses. The report comes to a close with a discussion of future research directions. The data was gathered using a standardised questionnaire. Correlation and regression analysis were used to examine the hypotheses. The findings imply that customers' needs for distinctiveness and fashion consciousness have a beneficial impact on their attitudes toward premium businesses. The paper concludes with a discussion on the future directions of study.

Dubois, B., & Paternault, C. (1995). in this paper 3,000 people were interviewed using self-completed and face-to-face questions to learn about their buying habits and feelings about 34 luxury brands. The items came from a wide range of industries, with nearly half of the brands being French. Aided awareness, recent purchase, and dream value were the three metrics used to evaluate each brand. The percentage of people who knew of a brand ranged from 5% to 92 percent, whereas the percentage of people who bought it ranged from 0.4 to 40.9 percent. The link between awareness and purchase was robust, as expected. Marketing entails increasing demand for numerous product categories. The issue in developing a premium brand without sacrificing its appeal, which is mostly based on its limited diffusion level, is to make a purchase that makes a dream come true while also contributing to its destruction.

Scope of the Study

Consumers are being aware of the wants and behaviors of people who purchase luxury items, as well as the factors that influence their decision-making, such as psychological needs, social standing, and personal convictions. Analyzing the branding and marketing strategies employed by luxury companies, such as their social media presence, influencer marketing, packaging design, and advertising. Globalization invests in how the luxury market has been impacted by globalization, particularly how luxury companies have moved into new regions and how local cultures and preferences have impacted such expansions. Considering the luxury market's growing commitment to sustainability, including the development of environmentally friendly materials, moral sourcing, and moral manufacturing methods. Economic impacts examining how consumer preferences are changing and how these changes affect the luxury industry's contribution to GDP, employment, and trade.

Research Methodology

There are two methods of sampling. That is Probability and non-probability sampling. The sampling plan used here is probability sampling. The data is collected from 100 respondents from in and around the college. The method used to collect samples is primary method and Simple random sampling. The tools used for data collection are: -

i. Simplex percentage analysis
ii. Graphs
iii. Questionnaire (Google form)

Source of Data: - Data has been collected from primary sources, such as Questionnaire in the form of google form which has been sent online through WhatsApp, Gmail and other social media platforms.

Data Analysis:

The study presents the results of an investigation into luxury items that was conducted in India. In the survey, participants are questioned about their age range, what they consider to be a luxury good, which luxury brands they are familiar with, how they become aware of these goods, and their shopping habits. It also includes information on the factors respondents consider when buying luxury products, as well as their spending and payment methods. In addition, respondents are questioned about their preferences, the reasons behind their purchases of luxury products, and their perceptions of Indian luxury companies. Not least, the survey provides information on targeted offers, the reasons why people buy luxury products, and how respondents keep up with it.

Over the past few years, the number of high-net-worth individuals and disposable income has increased, which has led to a gradual expansion in India's luxury business. Understanding Indian consumers' preferences for and patterns of luxury product consumption is the goal of this study. The survey looks at things like awareness of luxury brands, perceptions of luxury, buying habits, financing alternatives, and preferences for Indian luxury goods.

Demographics wise, according to the study, most respondents (55%) were between the ages of 18 and 25, and 25% of respondents were over the age of 25. The remaining respondents (11%; 26 to 35%) ranged in age from 36 to 45. Younger individuals are more inclined to be interested in luxury products, so it seems.

The study found that respondents most usually associated luxury with high calibre and distinction (55%), next with expensive and exclusive (36%). Only a very tiny percentage of participants (6%) believed that a product's scarcity and accessibility were what made it luxurious. This demonstrates that Indian consumers are more inclined to identify luxury with quality than with exclusivity.

According to the study, the majority of respondents were aware of high-end international brands including Louis Vuitton (78%), Gucci (77%), and Rolex (75%). However, only 46% of those surveyed claimed to be familiar with Hermes, and a much smaller percentage claimed to be familiar with other Indian luxury brands like Omega, Versace, and MK.

It was also discovered that 62% of respondents had bought at least one luxury item, with watches (48%) and clothing (48%) making up the majority of these purchases. Only 9% of those surveyed (a sizeable number) claimed to often purchase luxury products, while 19% indicated they never did. This demonstrates that there is still a very modest demand for luxury goods in India.

Survey - Data Analysis

1. What is your age group?
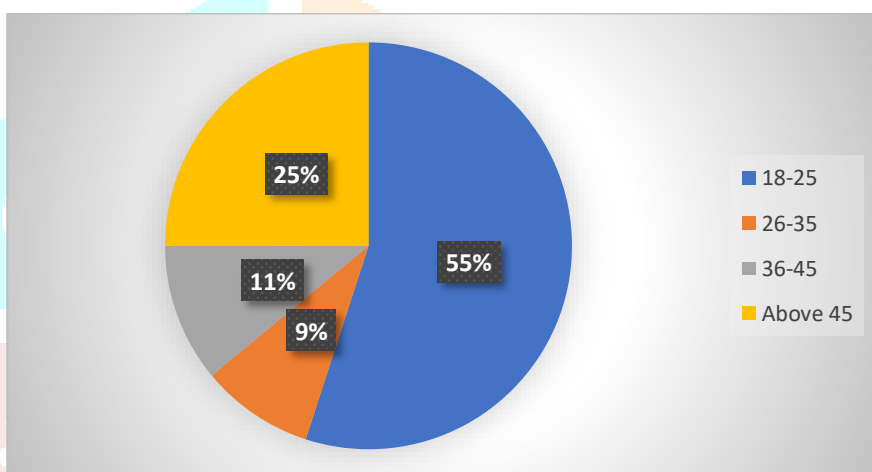
2. How do you define luxury product?
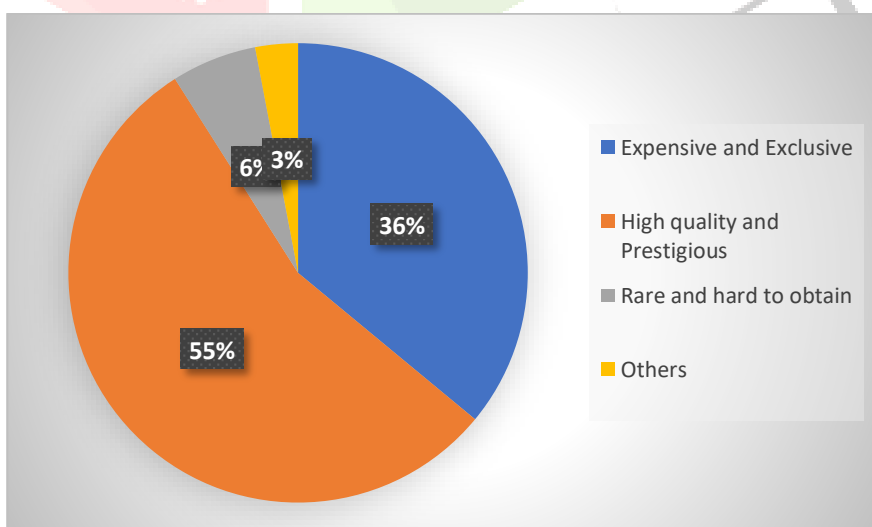
3. Which Luxury product brand do you know of?
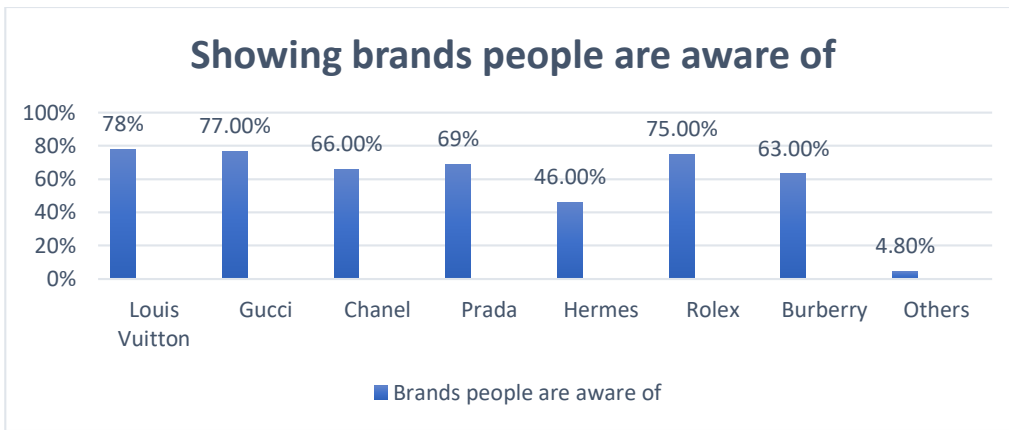
4. How do you usually hear about luxury products?
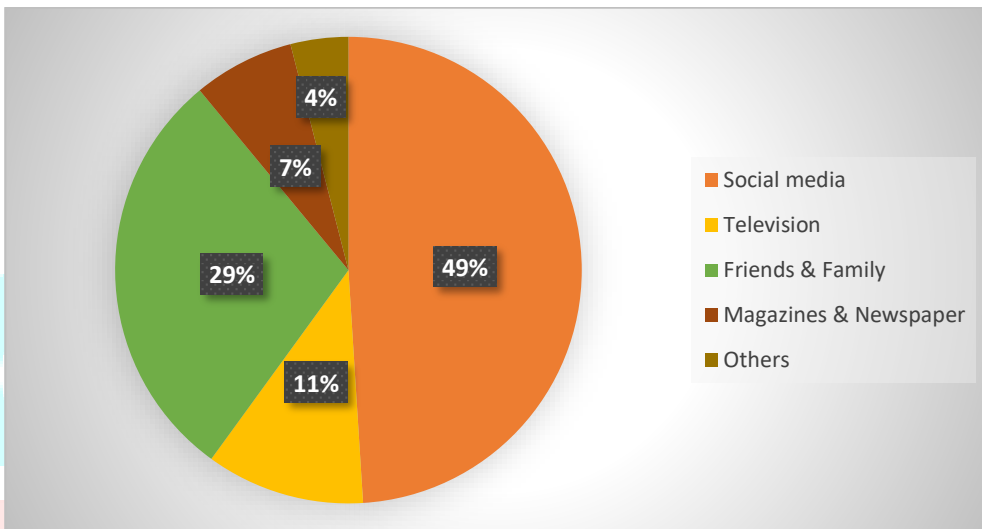
5. What is your perception towards luxury product?
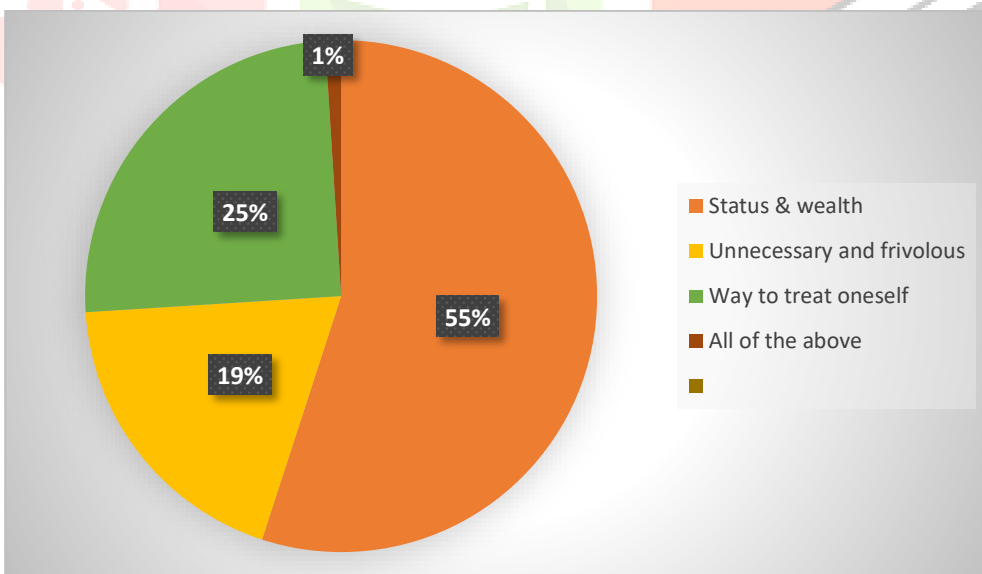
6. Have you ever purchased a luxury product before?
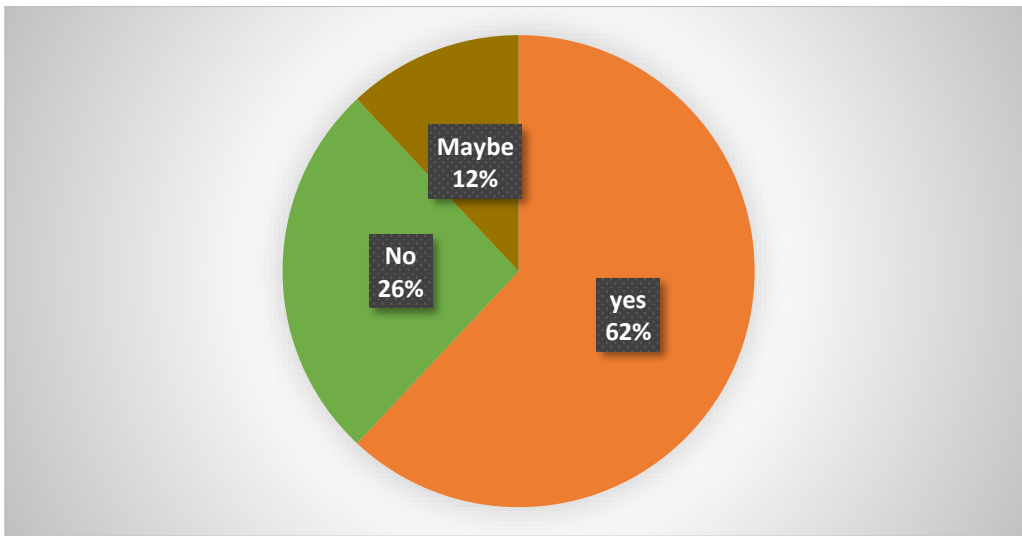
7. If yes, which luxury product have you purchased?
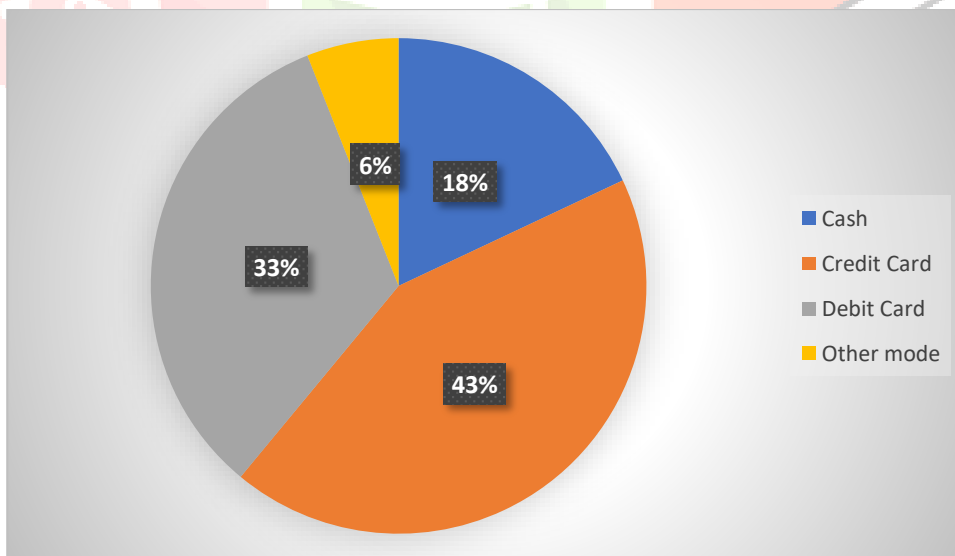

8. How often do you purchase luxury products?
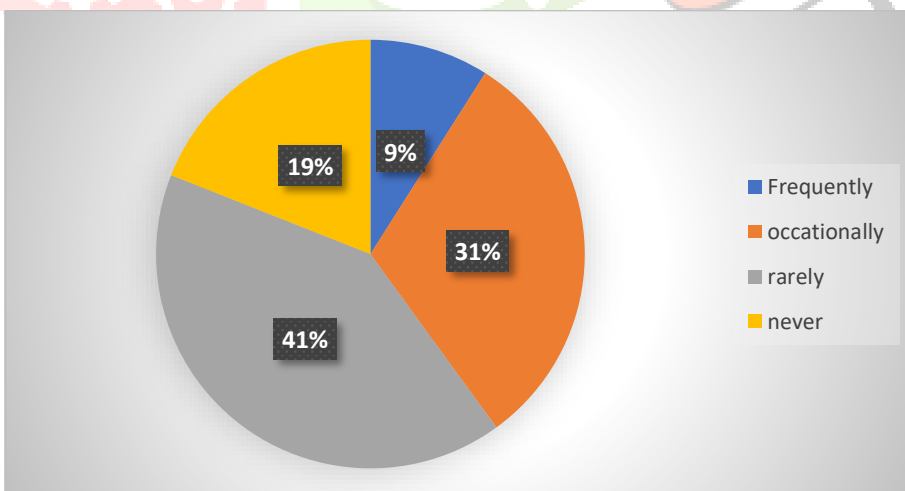
9. What factors do you consider when purchasing luxury products?
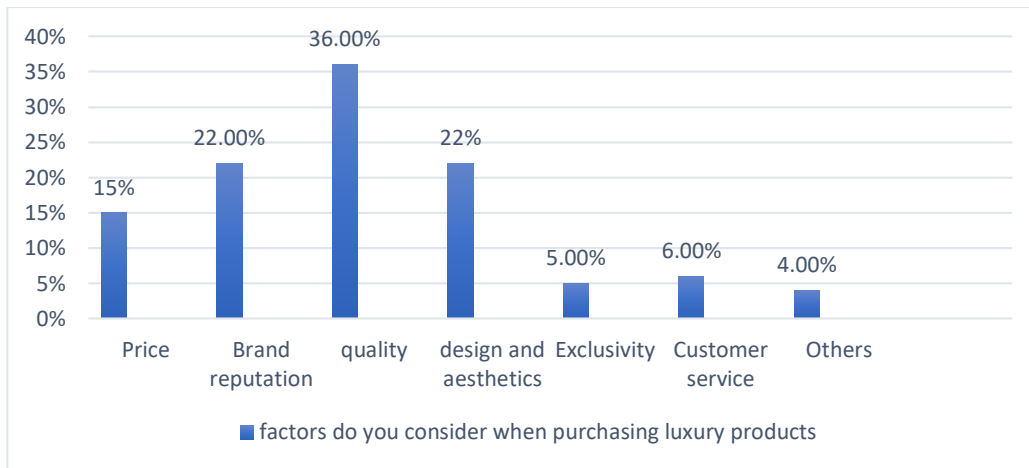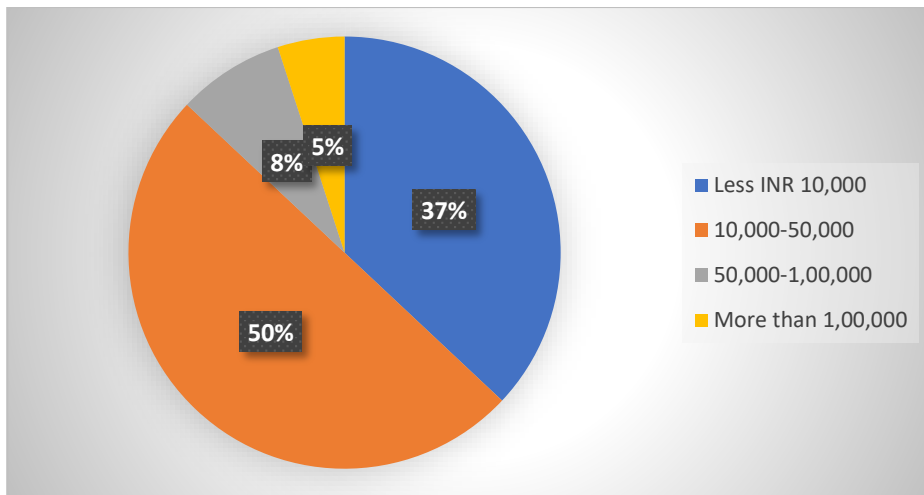

10. Where do you usually purchase luxury products?
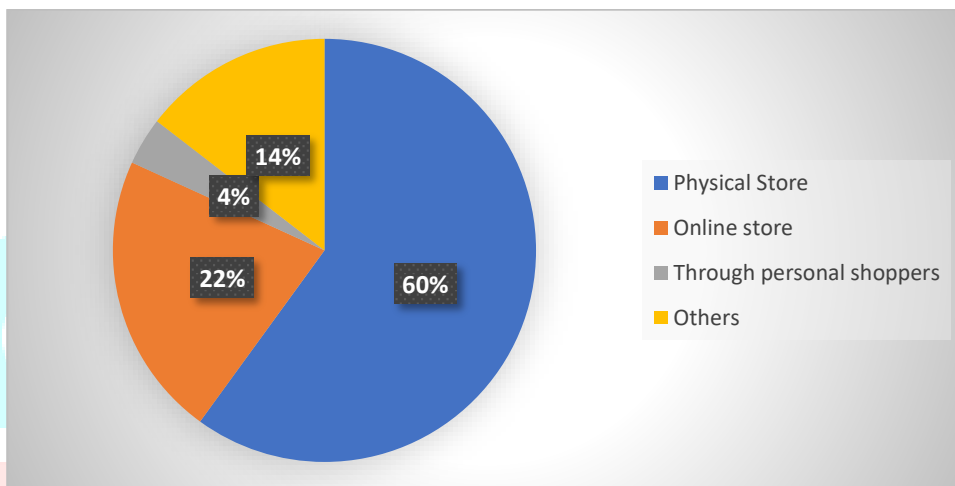
11. How do you usually pay for luxury products?

12. What is your average spending on luxury products?

Less INR 10,000 — 37%
10,000-50,000 — 50%
50,000-1,00,000 — 8%
More than 1,00,000 — 5%

13. What motivates you to purchase luxury products?

To show off — 7%
To treat oneself — 33%
To experience — 53%
Others — 7%
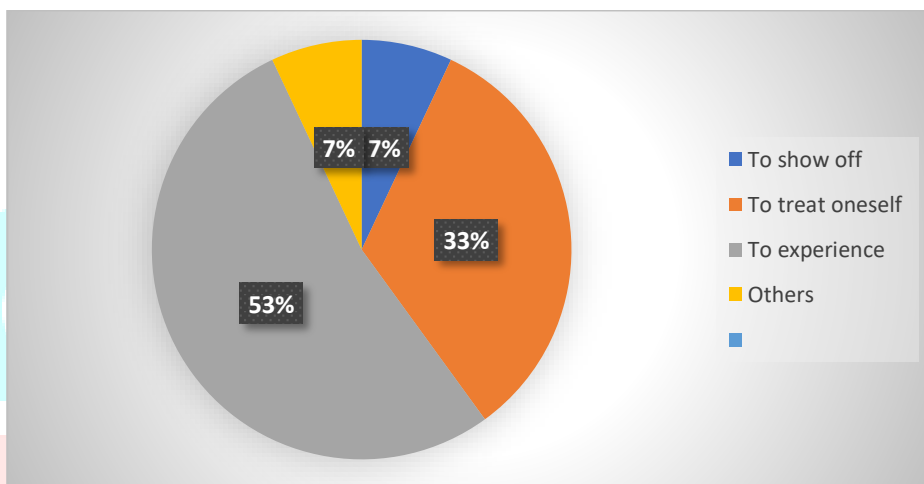
14. How often do you research luxury products before the purchase?

Always — 35%
Sometimes — 44%
Rarely — 11%
Never — 10%
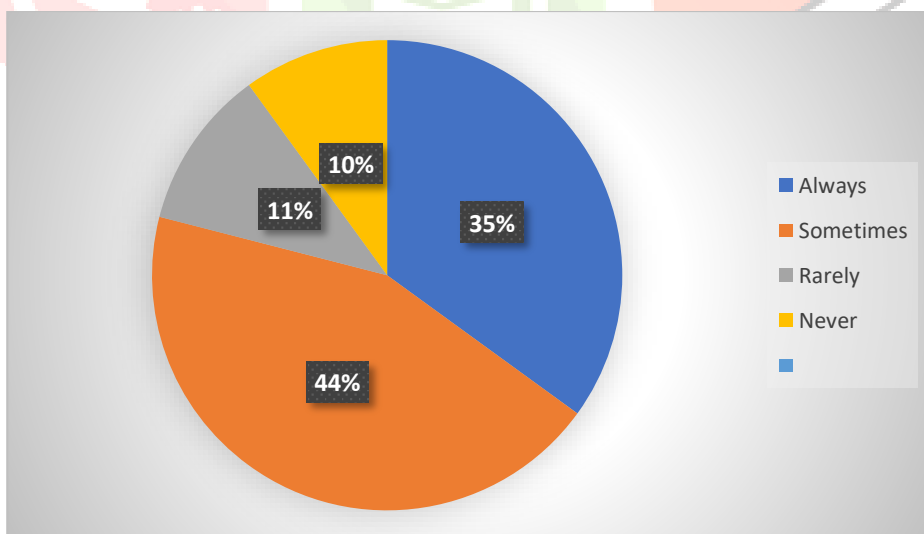
15. How do you stay updated with the latest trends in luxury products?
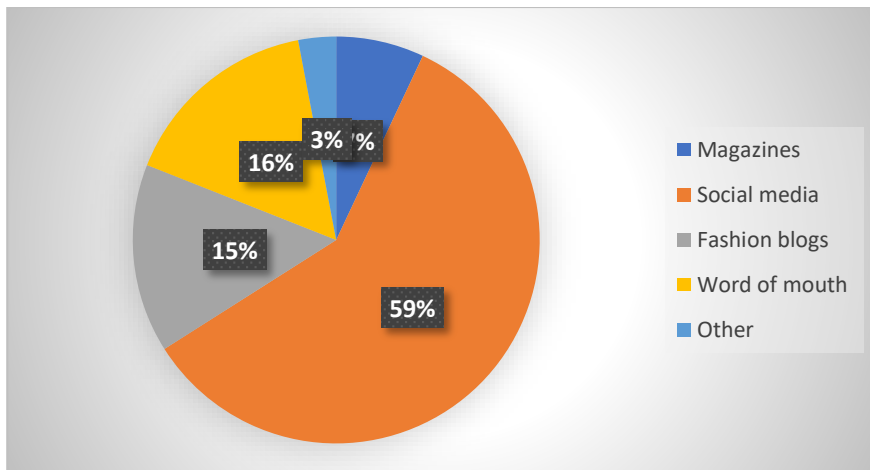
16. What influences your decision to purchase a luxury product?
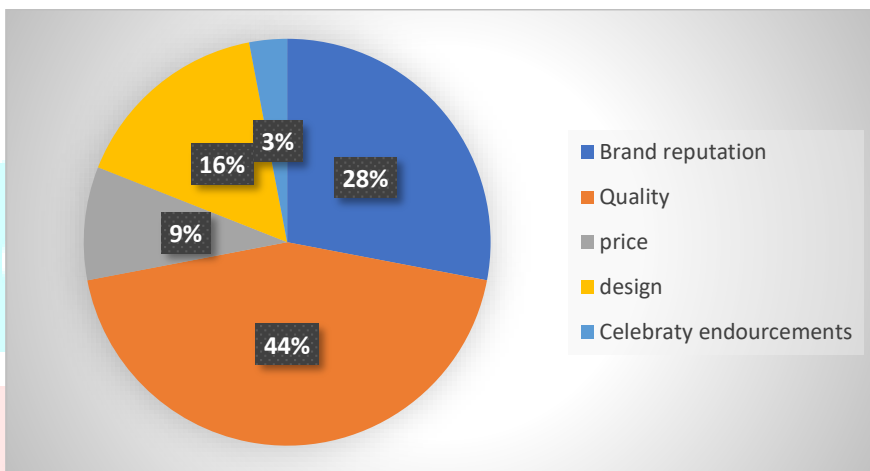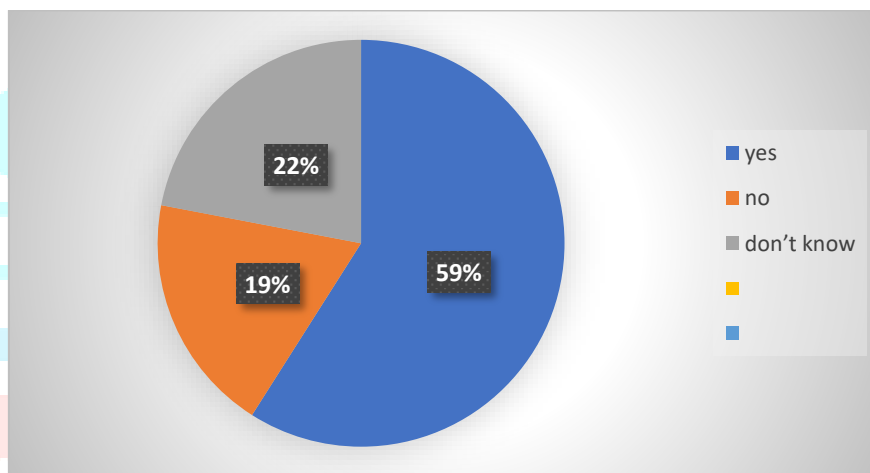

17. Do you consider the environmental and ethical impact of luxury product before purchasing it?
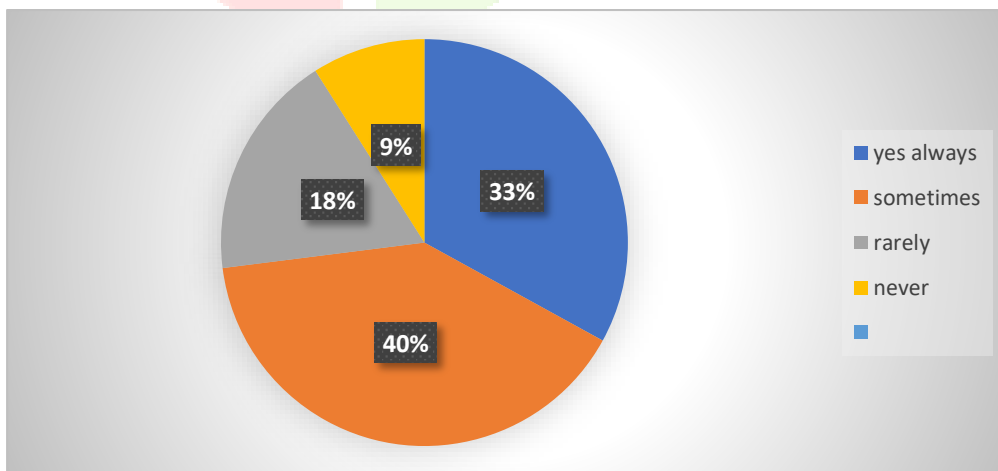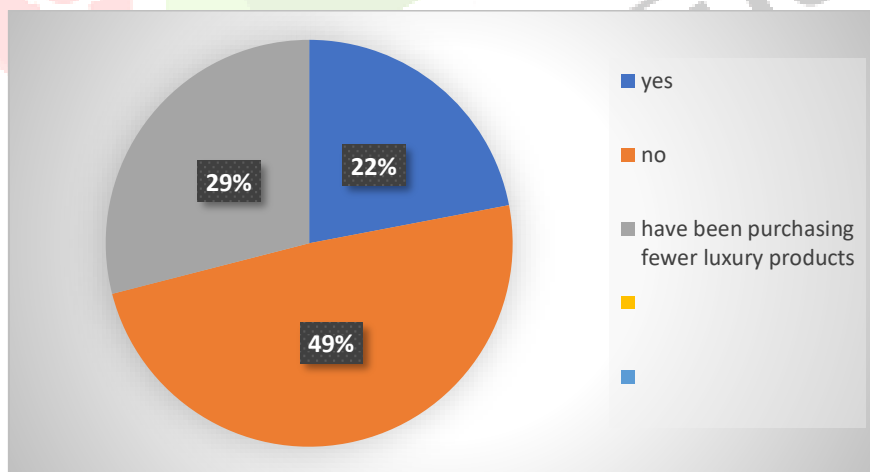
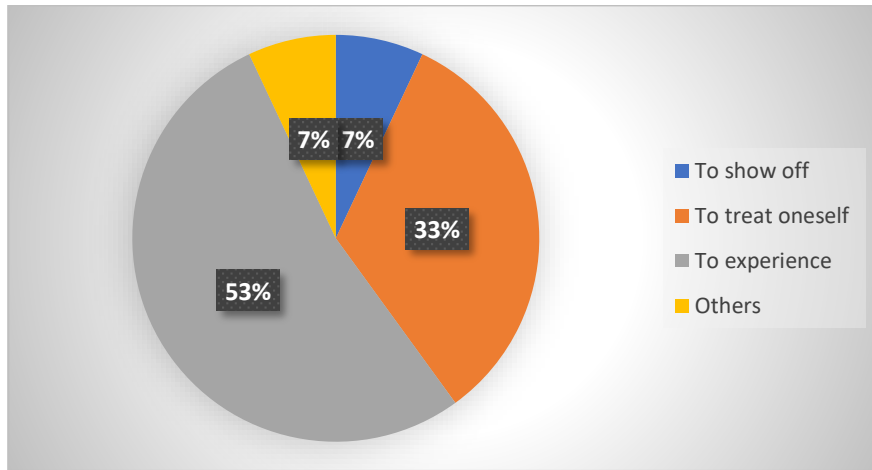**18.** What is your perception of Indian luxury brands?
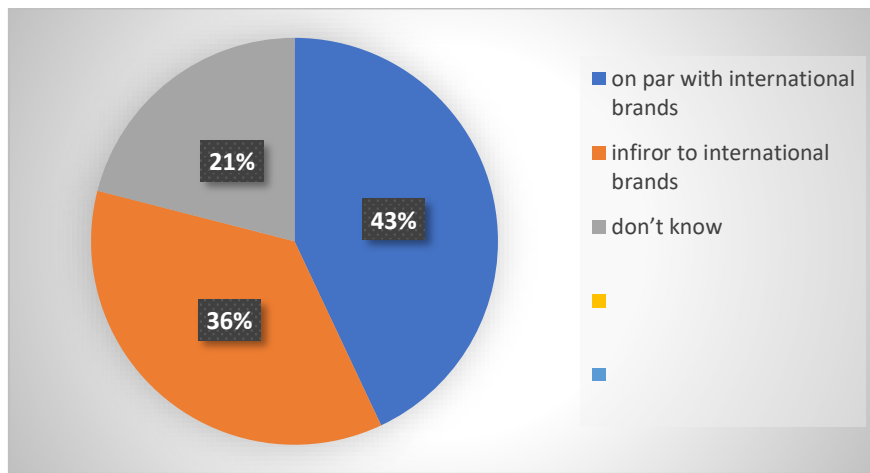
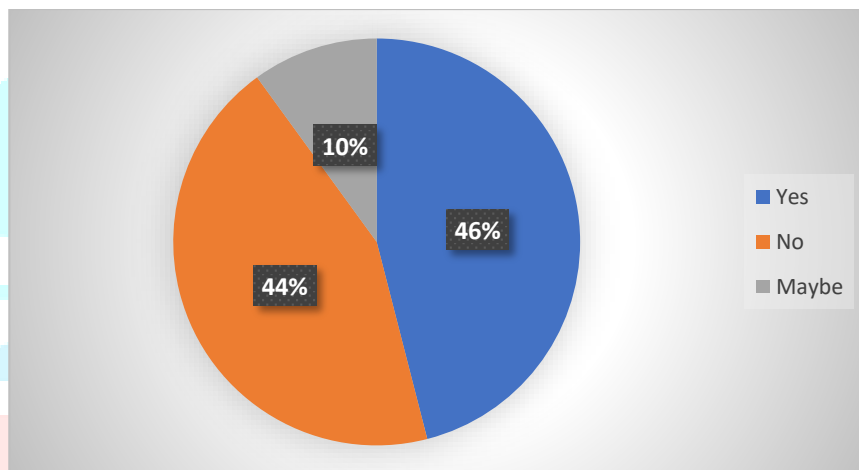**19.** Do you prefer Indian luxury brands?

20. Have you noticed any changes in your luxury purchase pattern in the last year?
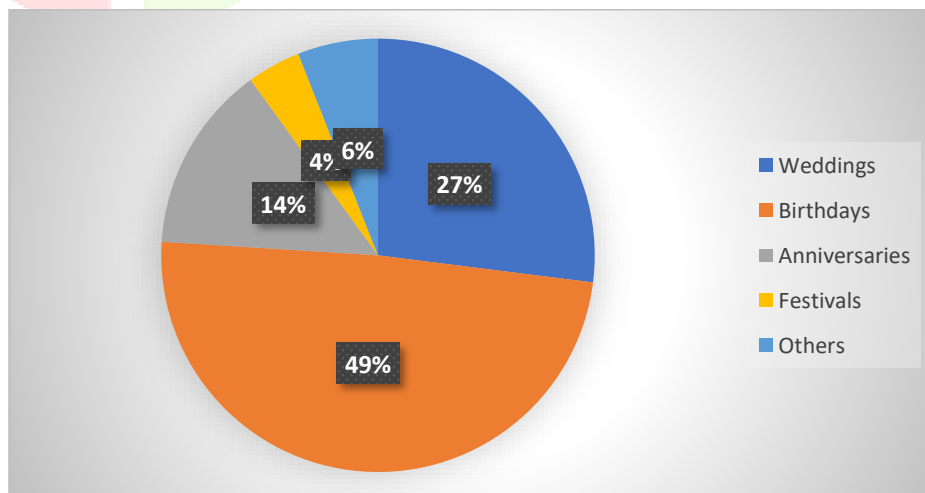
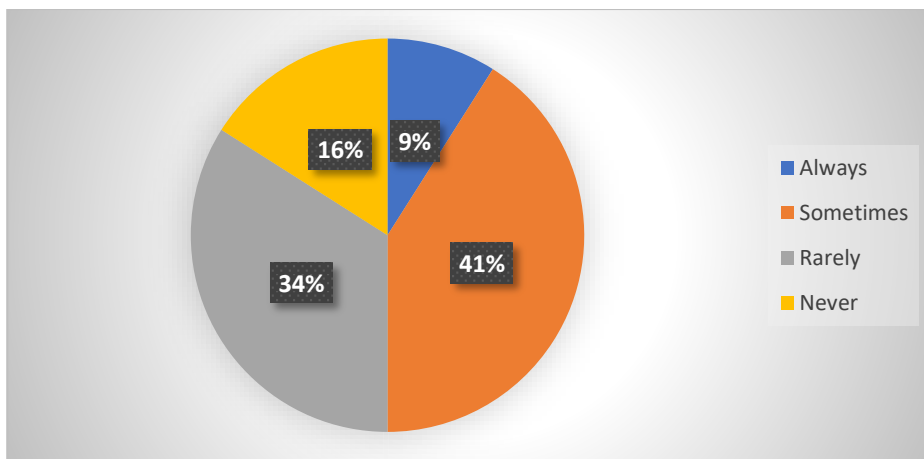**21.** What is the primary reason for a change in your luxury purchase pattern?

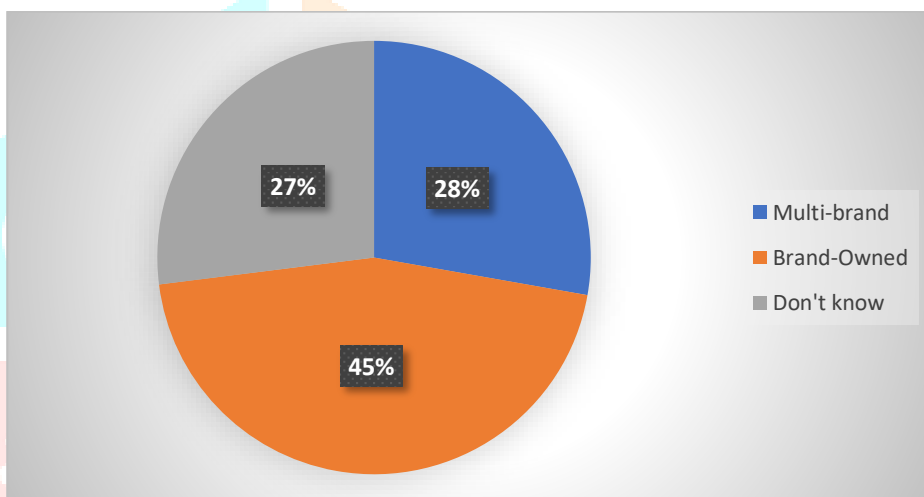**22.** Have you ever purchased a luxury product as a gift for someone else?

23. What is the most common occasion for you to purchase a luxury product?
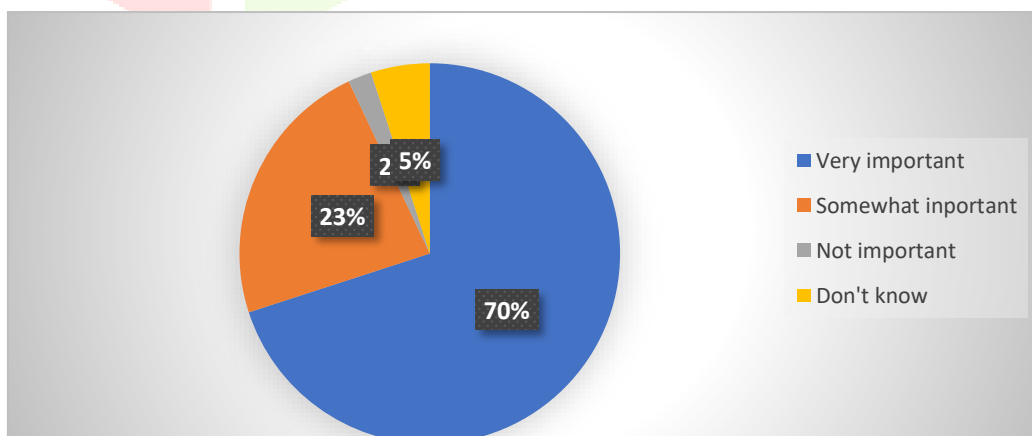
24. How often do you receive personalized offers from luxury brands?

25. Do you prefer to purchase luxury products from multi-brand stores or brand-owned stores?

26. How important is the customer service of a luxury brand while making purchase?

Limitation

Sampling bias: The study's sample may not be typical of the full Indian population because it only consists of people from a limited set of age and geographic groupings.

Self-Reporting Bias: When asked about their shopping preferences and opinions of luxury goods, respondents may not always give honest and accurate answers.

Limited Scope: Because the study only examines the luxury goods market in India, it is possible that the conclusions cannot be applied to other nations or regions.

Lack of Longitudinal Data: Because the study is cross-sectional, it cannot show how consumer attitudes and behaviours have evolved over time.

Conclusion

The studies show that, Indian consumers identify luxury more with superior quality than with exclusivity. Most people are familiar with luxury brands from throughout the world, but less so with those from India. Although there is a small market for luxury products in India, those who do buy them prioritise quality over brand recognition and cost. Indian customers primarily purchase luxury goods for self-indulgence and pleasure. According to the survey, there is opportunity for expansion and potential for Indian luxury brands to become a competitive alternative to global brands.

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