



AN ANALYSIS OF CONSUMER BEHAVIOR IN UPGRADING TO CONSPICUOUS GOODS

¹MEERA HARIHARAN. C

¹Student, Department of Commerce

¹Vimala College (Autonomous), Thrissur, India

Abstract: This study has been undertaken to investigate the buying intentions of consumers towards luxury fashion products (mobile, watches, cloths, cosmetics, perfumes, bags, automobiles) and to measure consumer's rational and emotional buying behavior regarding luxury fashion products using simple percentage, weighted average, bar diagrams and one sample t test. Rational variables like quality, after sale service, price worthiness, technological up gradations and emotional variables like brand esteem, celebrity endorsement, status symbol, aesthetics and design were used for the study. Both emotional and rational variables are analyzed using likert scale.¹

Index Terms—Conspicuous, buying behavior, celebrity endorsement.

1. INTRODUCTION

Conspicuous goods are the public display of wealth to impress others. To the conspicuous consumer, such a public display of economic power is a means of either attaining or maintaining a given social status. For middle class luxury goods consumption is to achieve the higher status, visibility and brand image. For upper class it is to maintain status and to be different from others. As a topic it is interesting as luxury goods portray an exception to the law of demand, as an increase in price does not necessarily mean a decrease in demand. Evidently, price is an important component of luxury brands. Price alone does not indicate that a brand is identified as that of luxury, but there are theories that explain why and how price is an influencing factor. When it comes to luxury brands, price is a major indicator of quality, hence also an indicator of how prestigious a brand is.

For many, luxury is often achieved not through the accumulation of multiple goods but through the purchase of a particular, special item. Many consumers aspire to access goods, experiences and treats that would normally not feature in one's day to day consumption. There has been significant numbers across all ages and social grades who agree that they would rather own one good thing rather than lots of cheap things.

The definition of luxury changes as the society becomes wealthier. Now luxury is more accessible to the masses creating a difficulty for luxury products to defend that exclusivity. Over the last decade, the concept of luxury has transformed itself from materialism to time and aspiration, making luxury more reachable and democratized. Smaller, affordable luxuries and premium products are strengthening their appeal as consumers continue to satisfy their need for regular treats and indulgences in their lives. At the same time, luxury products have set out to protect their exclusivity through premium pricing and authenticity. Compared with new luxury, old or traditional luxury is exclusive. Silverstein states that old luxury goods are priced to ensure that only the top-earning one to two percent of consumers can afford them. The limited volume and the uniqueness of each product justify their high price. Old luxury goods carry a sense of elitism: they are meant for only a certain class of people.

2. REVIEW OF LITERATURE

Yeoman (2010) analyzed 'the changing behaviors of luxury consumption' with an objective to study the trends in luxury consumption as a result of global financial crisis whether it is mercurial consumption or luxury for rent. The researcher concludes that as society becomes more wealthy and definition of luxury changes, making luxury more accessible to the masses but creating difficulty for luxury products to defend that exclusivity. He also recommends that luxury products have set out to protect their exclusivity through premium pricing and authenticity.

Goyal (2014) conducted a study with an objective to find rational and emotional buying behavior regarding luxury fashion products in different areas of Pune region and to provide necessary suggestions to brand marketers. Both primary and secondary sources like mail, internet, database, questionnaires, interviews etc were used for the study. Percentage analysis and chi square were used to analyze 400 samples. Regarding rational and emotional variables, the study concludes that respondents purchase luxury fashion brand products rationally, because high quality, best design and aesthetic and esteem of brand are the top three reasons for purchase of luxury products. The researcher recommends that the marketers should consider the idea of identifying which luxury products has been consumed the most by consumers, which will then be able to accumulate other consumers alike into purchase similar products.

¹Goyal, R. (2014). A study on purchase intentions of consumers towards selected luxury fashion products with special reference to Pune region. *Unpublished thesis Master of Philosophy, DY Patil University, School of Management, Navi Mumbai, India.*

Reis (2015) studied the 'influencing factors on consumer buying behavior of luxury goods' with an objective to find the most significant factors that affect luxury goods consumption amongst younger people. Both primary and secondary sources were used for the study. Percentage analysis was used which shows the importance of quality, price, aesthetics, rarity, extraordinary and symbolism in the purchase decision of luxury goods. The researcher suggests the various social media such as Instagram and Pinterest as ways of communication between luxury brands and consumers.

Shukla and Purani (2012) conducted a study on the importance of luxury value perceptions in cross national contexts with a sample of 501 respondents. The study used multiple groups CFA, to examine the hypothesized relationship. The findings demonstrate the centrality of value perceptions in influencing consumers purchase intentions regarding luxury goods.

SIGNIFICANCE OF THE STUDY

The current trend is moving towards acquiring luxurious products, which is proving to be a status symbol for many households. Most of the people are trying to show off their social status by displaying high profile latest model products.

But many models of conspicuous goods entry into the market, leads to market saturation, companies competing against each other, in sharp contrast to the monopolistic industry behavior. It requires tremendous amount of marketing efforts to retain and grow their market share in this scenario, by adopting quite innovative features and value added services, which are very attractive to the customers. An individual's economic condition is a pre requisite to conspicuous consumption. Psychological factors, however, are major driving forces for individuals showing this behavior.

The study findings will definitely help the manufacturers and marketers of conspicuous goods in knowing buying intentions of consumers to strategize, plan and market their products in the State. Also consumers will be able to differentiate between rational and emotional buying behavior regarding luxury fashion products.

STATEMENT OF THE PROBLEM

Today luxury is no longer restricted to only the rich and the selected few but is being used for mass marketing now. The concept of luxury has been changing dramatically across time and culture. Earlier, luxury was connected with things like wines, champagne, designer clothes and sports cars. These days, people have become richer and luxury is a blurred genre that is no longer the preserve of the elite. More and more consumers have increased their financial status as the old values of tradition and nobility have become less important. People are having much more disposable income in comparison to earlier generations, resulting in a tendency towards fulfilling personal needs and aspirations through experience.

But deciding upon the right choice of the products in an overcrowded market has become a complex phenomenon. Also marketers need to know buying behavior of consumers of conspicuous goods in order to carry out appropriate marketing strategies.

OBJECTIVES

- To analyze the factors influencing buying intentions of consumers towards luxury fashion products (mobile, watches, cloths, cosmetics, perfumes, bags, automobiles).
- To measure consumer's rational and emotional buying behaviour regarding luxury fashion products.

HYPOTHESIS

H₀₁: The opinion regarding the factors influencing conspicuous consumption is equal to average level.

H₀₂: The opinion regarding all statements about rational and emotional buying behavior of consumers of conspicuous goods is equal to average level.

3. RESEARCH METHODOLOGY

The methodology section outline the plan and method that how the study is conducted. This includes Universe of the study, sample of the study, Data and Sources of Data, study's variables and analytical framework. The details are as follows;

3.1 Population and Sample

Population consists of all the users of conspicuous goods. Since the population is not defined convenient sampling is used for the study. Primary data were collected through 120 questionnaires from customers in Shobha mall, Thrissur, because it is convenient to know the buying intentions of consumers towards luxury fashion products like mobile, watches, cloths, cosmetics, perfumes etc since all their shops are under one roof.

3.2 Data and Sources of Data

For this study both primary and secondary data have been collected. Primary data was collected using questionnaires and secondary data were obtained from websites, journals and books.

3.3 Theoretical framework

Variables of the study contains dependent and independent variable. The study used pre-specified method for the selection of variables. The study used customer's overall satisfaction about luxury goods as dependent variable. Rational and emotional variables such as product quality, product design and aesthetics, price worthiness, technological up gradations, celebrity endorsement, after sale service, status and brand equity are taken as independent variables for this study.

Consumer Behavior

Consumer behavior is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that precede or follow these activities. Consumer behavior has emerged in 1940s and in 50s it became a distinct sub-discipline in the marketing area.

Consumer behavior is an inter-disciplinary social science that blends elements from sociology, social, anthropology, psychology, ethnography, marketing and economics. It examines how emotions, attitudes and preferences affect buying behavior. Characteristics of

individual consumers such as demographics, personality, lifestyle and behavioral variables such as quality, design and aesthetics, to fit with friends, esteem of brand, rarity are investigated in formal studies of consumer behavior. The study of consumer behavior also investigates the influences, on the consumer, from groups such as family, friends, sports, reference groups, and society in general.

The study of consumer behavior is concerned with all aspects of purchasing behavior from pre-purchase activities through to post-purchase consumption, evaluation and disposal activities. It is also concerned with all persons involved, either directly or indirectly, in purchasing decisions and consumption activities including brand-influencers and opinion leaders. Research has shown that consumer behavior is difficult to predict, even for experts in the field. However, new research methods such as ethnography and consumer neuroscience are shedding new light on how consumers make decisions.

Customer relationship management (CRM) databases have become an asset for the analysis of customer behavior. The voluminous data produced by these databases enables detailed examination of behavioral factors that contribute to customer re-purchase intentions, consumer retention, loyalty and other behavioral intentions such as the willingness to provide positive referrals, become brand advocates or engage in customer citizenship activities. Databases also assist in market segmentation, especially behavioral segmentation such as developing loyalty segments, which can be used to develop tightly targeted, customized marketing strategies on a one-to-one basis.

Conspicuous Consumption

Conspicuous consumption is the spending of money on and the acquiring of luxury goods and services to publicly display economic power—the income or of the accumulated wealth of the buyer. To the conspicuous consumer, such a public display of discretionary economic power is a means of either attaining or maintaining a given social status. In economics, a luxury good is a good for which demand increases more than proportionally as income rises, so that expenditures on the good become a greater proportion of overall spending. Luxury goods are in contrast to necessity goods, where demand increases proportionally less than income. Luxury goods are often used synonymously with superior goods and Veblen goods. The word "luxury" originated from the Latin word *luxus*, which means indulgence of the senses, regardless of cost.

Luxury goods have high income elasticity of demand: as people become wealthier, they will buy proportionately more luxury goods. This also means, however, if there is a decline in income its demand will drop more than proportionately. Income elasticity of demand is not constant with respect to income, and may change sign at different levels of income. That is to say, a luxury good may become a necessity good or even an inferior good at different income levels.

Some luxury products have been claimed to be examples of Veblen goods, with a positive price elasticity of demand: for example, making a perfume more expensive can increase its perceived value as a luxury good to such an extent that sales can go up, rather than down. 'Veblen goods are types of luxury goods for which the quantity demanded increases as the price increases, an apparent contradiction of the law of demand, resulting in an upward-sloping demand curve'.

These days, people have become richer and luxury is a blurred genre that is no longer the preserve of the elite. More and more consumers have increased their financial status as the old values of tradition and nobility have become less important. People are having much more disposable income in comparison to earlier generations, resulting in a tendency towards fulfilling personal needs and aspirations through experience.

And because of that reason many of the people are going just after their wish rather than their real needs. Here the importance of differentiating between emotional and rational purchase behavior. The above told factors are independent variables which influences the overall perception (dependent variable) of the consumers. Demographic features like age, gender, income etc are moderating variables ('the term moderating variable refers to a variable that can strengthen, diminish, negate, or otherwise alter the association between independent and dependent variables. Moderating variables can also change the direction of this relationship').

3.4 Statistical tools

This section elaborates the proper statistical tools which are being used to forward the study from data towards inferences. The detail of methodology is given as follows. The data collected are analyzed by using simple percentage, weighted average and one sample t test and bar diagrams to understand the buying behavior of respondents towards luxury goods. Buying intention variables like high quality, best design and aesthetics, to fit with friends, brand name, celebrity endorsement etc, both emotional and rational variables are analyzed using likert scale.

3.4.1 Descriptive Statistics

Descriptive statistics is the term given to the analysis of data that helps describe, show or summarize data in a meaningful way such that, for example, patterns might emerge from the data. They are simply a way to describe our data.

3.4.2 One Sample T Test

The one-sample t-test is a member of the t-test family. All the tests in the t-test family compare differences in mean scores of continuous-level (interval or ratio), normally distributed data. Unlike the independent or dependent-sample t-tests, the one-sample t-test works with only one mean score. The one-sample t-test compares the mean of a single sample to a predetermined value to determine if the sample mean is significantly greater or less than that value.

3.4.3 Likert Scale

A type of psychometric response **scale** in which responders specify their level of agreement to a statement typically in five **points**: (1) Strongly disagree; (2) Disagree; (3) Neutral; (4) Agree; (5) Strongly agree.

4. RESULTS AND DISCUSSION

On the basis of weighted average, quality, price and buying experience are the first, second and third important factors influencing conspicuous consumption.

Regarding the reasons for conspicuous consumption majority of the respondents shows agreeability towards high quality, aesthetics, value for money, brand name, follow trend etc. But p value is more than .05 and the null hypothesis is accepted for showoff and celebrity endorsement which itself explains neutral opinion of the respondents on such factors.

Since p value is less than .01 the null hypothesis is rejected at 1% level of significance and based on the mean score it is concluded that the opinion regarding all statements about rational variables such as product quality, product design and aesthetics, price worthiness, technological up gradations is above average level which itself explains agreeability of the respondents on such statements. Since p value is less than .01 the null hypothesis is rejected at 1% level of significance and based on the mean score it is concluded that the opinion regarding all statements about emotional variables like celebrity endorsement, after sale service, status and brand equity is above average level which itself explains agreeability of the respondents on such statements.

Table 1. Reason for Conspicuous Consumption

One sample t test

Statements	Mean	S. D	T Value	P Value
High Quality	4.375	.6226	24.193	<.001**
Best design and aesthetics	4.050	.6842	16.812	<.001**
Value for money	4.000	.8501	12.886	<.001**
Follow the trend	3.833	.8435	10.822	<.001**
To fit with friends	3.375	.9707	4.232	<.001**
Show off	3.167	1.1547	1.581	.117
Brand name	3.908	.9348	10.644	<.001**
To differentiate myself	3.358	1.0831	3.624	<.001**
Celebrity endorsement	3.058	1.1249	.568	.571

(Source: Computed data)

Test value: 3

Note: ** denotes significance at 1% level

Interpretation: Table 1 shows the reasons for conspicuous consumption. Since p value is less than .01 the null hypothesis is rejected at 1% level of significance except for showoff and celebrity endorsement in which the null hypothesis is accepted. Hence, conclude that the opinion regarding remaining factors influencing conspicuous consumption is not equal to average. Based on the mean score the opinion regarding reasons for conspicuous consumption is above average level which itself explains agreeability of the respondents on such factors.

Table.2. Important Characteristics of Luxury Goods

Particulars	Weighted Total	Weighted Average	Rank
Social status	471	17	4
Rarity	400	14.28	5
Buying experience	523	19	3
Aesthetics	308	11	7
Price	572	20	2
Heritage	394	14.07	6
Quality	716	26	1

(Source: Primary data)

Interpretation: The table 2 shows the important characteristics of buying luxury goods. It shows that, on the basis of weighted average, quality and price are the first (26) and second (20) most influencing features in conspicuous consumption. Buying experience and social status are third (19) and fourth (17) factors whereas rarity and heritage are the fifth (14.28) and sixth (14.07). Aesthetics is the least influencing feature in luxury goods (11).

Table 3 Overall Opinions about Conspicuous Goods

Statements	Mean	S. D	T Value	P Value
Luxury goods are of high quality	4.083	.7400	16.037	<.001**
Luxury goods are price worthy	3.842	.8981	10.266	<.001**
Luxury goods undergoes quick changes	3.917	.8753	11.472	<.001**
Luxury items have better customer services	3.950	.8387	12.409	<.001**
It has best design and aesthetics	3.892	.8381	11.654	<.001**
It provides brand equity	4.008	.8250	13.389	<.001**
Luxury goods effectively uses celebrity endorsement	3.900	.9474	10.407	<.001**
It helps in showoff	3.775	.8547	9.933	<.001**

(Source: Computed data)

Test value: 3

Note: ** denotes significance at 1% level

Interpretation: Table 3 shows the statements regarding over all opinion about conspicuous goods. Since p value is less than .01 the null hypothesis is rejected at 1% level of significance. Hence, conclude that opinion regarding all statements about the overall satisfaction on conspicuous goods is not equal to average. Based on the mean score the opinion regarding all statements about the overall perception on conspicuous goods is above average level which itself explains agreeability of the respondents regarding such positive statements.

ACKNOWLEDGMENT

I praise and thank Almighty God who showers his abundant blessings upon me, who always guides me, protects me and strengthens me.

I extend my cordial thanks to the Principal, **Dr. Sr. Beena Jose** for her valuable blessings throughout our study in Vimala College. It gives me immense pleasure to express profound gratitude to my guide, **Dr. Preema Rose Nichlavose**, Assistant Professor, PG Department of Commerce, for her valuable guidance, timely suggestions, co-operation, and advice. I owe my sincere thanks to our beloved teachers of PG Department of Commerce, Vimala College (Autonomous), Thrissur for their timely assistance throughout the course of study. I express my sincere thanks to the editor/s of **IJCRT** for their co-operation.

SUGGESTIONS

- ✓ Quality is the most influencing feature in conspicuous goods so marketers should provide premium products at best quality and services. Consumers are also very much aware about the pricing of luxury goods and it is important for the marketers to provide quality goods at reasonable price.
- ✓ Now the impact of celebrity endorsement on conspicuous consumption is at average and majority of the consumers are influenced by their family and friends so marketers can trade with more emotional sentiments in their ads and can increase the frequency of such advertisements.
- ✓ Majority of the respondents buy conspicuous goods by recognizing their real needs. Social media like facebook, pinterest and instagram influence their buying decision because these sites have the ability to customize the needs. But blogs are having less importance so market providers should post those blogs which have the ability to customize each buyer.

CONCLUSION

The study was conducted with the objectives to analyze the factors influencing buying intentions of consumers towards luxury fashion products and to measure consumer's rational and emotional buying behavior regarding luxury fashion products with a sample of 120 respondents.

Majority of the respondents are graduates at the age group of 20-25 years having less than 4 lakh rupees as their family income. Within the sample, 54.2% respondents buy luxury goods once a year by recognizing the real needs. So that we can say the high status of conspicuous goods or showoff is not the ultimate reason to buy such goods. In case of conspicuous consumption people showed a rational behavior by giving importance to quality, price worthiness, services and buying experience. At the same time people are influenced by their emotions and social media like facebook, instagram, pinterest. About 33.33% buy just because of their want to experience the premium priced products because of the influence of aesthetics & design, social status, brand equity and celebrity endorsement.

But for all quality is of prime importance. And they expect quality products at reasonable price because within the sample majority are having less than 4 lakh rupees as family income. My objectives get fulfilled in the study by using t test, weighted average and simple percentage method of analysis for interpreting the data collected through primary source.

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