

A Study of Consumer Purchase Intentions for Selected Luxury Fashion Products, with a Focus on Pan India

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Abstract

During the early years, Luxury goods were once seen to be a privilege to own. However, as time has passed and the luxury goods industry has expanded significantly, luxury goods have become more affordable to middle-class buyers. Through this research paper it has been understood that Consumer Perception, Brand Trust, Brand Loyalty, Brand Commitment are directly associated and have significant impact on purchase intention. Consumers purchase intention has the potential to expand the market towards its preferred brand. Customers having trust on the brand and satisfied after using it would be the best possible preferred brand in creating the awareness of purchase effectiveness. Also brands which are at all not popular in the market may have some negative impact, through customer preference analysis, on customer's perception towards the brand. Here, successful brands can effectively improve its visibility and its loyalty attitude on customer's mind to gain popularity in the market place. Brand loyal customers believe in being attached with their preferred brands and love to share their word of mouth in promoting the brand. The most important finding of the study is that brand trust can help organization in effectively recognizing its satisfied customer to expand its market and consumer base. The findings of our study support previous research findings that consumers generally act in accordance with the perceived luxury values of their reference groups. The study's findings also demonstrated that the elements influencing customers' buy intent are more powerful than their influence on functional value, implying that consumers have a favorable brand attitude toward their favorite/preferred brand. Hence the results of this study add to the growing literature of the purchase intention of the consumer towards luxury products by taking into consideration the

impact different variables on consumers' purchase in aspect of luxury goods. The study's findings also demonstrated that the elements influencing customers' buy intent are more powerful than their influence on functional value, implying that consumers have a favorable brand attitude toward their favorite/preferred brand.

Keywords: Luxury Products, Purchase Intention, Brand Awareness, Brand Commitment

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Introduction

The dramatic increase in India's ultra-rich population has fueled demand for luxury products, making the luxury goods industry one of the most appealing and fastest expanding areas in the country. Luxury isn't what is used to be. Younger generations' changing consumer ideals place a higher value on trends than on classic emblems. The most significant shift we've noticed is that luxury brands are increasingly focusing on being fashionable and trendy. The luxury business in India has changed dramatically, although the concept of luxury is not new to India. Before the British arrived, India was recognized for its wealth. Even later, many royal families and business classes were customers of western luxury brands, and India has long been a manufacturing outsourcing destination, but due to a strong rising economy and a globalized corporate climate, India has quickly converted into a large market for luxury goods.

The Indian luxury market is about \$18.3 billion and is growing at a compounded annual growth rate (CAGR) of about 25 percent. The modern Indian luxury consumer base is developing, thanks to a growing middle and upper middle class with more disposable income. Because India's client base is continually rising and more liberal in its spending habits, the desire for value proposition is the greatest hurdle for luxury companies. India has emerged as a desirable investment location for multinational corporations, ranking among the world's most promising markets.

The luxury market showed a high growth of 20% in the year 2009 and reached USD 5.75 billion in 2010. In 2012 luxury products have grown at 29% to reach a size of USD2.05 billion well above expectation of 23%. Services have grown at 22 percent to reach USD 0.95 billion and assets have grown at 13 percent to reach USD 2.75 billion. India's luxury market is predicted to triple in size, reaching US\$ 14.72 billion by 2020. (A T Kearney, 2011).

The global demand for luxury products is increasing (Kapferer and Bastien, 2009) with annual luxury sales across the world estimated at \$222 (Deloitte, 2016). This luxury market has showcased continuous growth (Bain & Company, 2014) across the years. As demand for luxury items develops, India's luxury sector is playing an increasingly vital part in the country's economic progress. In recent years, luxury goods, which are seen as indicators of quality and

prestige, have grown more inexpensive and easily available. Consumers search for social statuses in many forms and try to better their social standing by acquiring luxury items and brands.

India's consumer market, previously defined as a pyramid with a small percentage of affluent class with inclination for consuming luxury products and services at the top, a metal class with relatively moderate choice for high-end products in the middle, and a large economically challenged class at the bottom, is rapidly being replaced by a new diamond shape, with a relatively large affluent class at the top, a large middle-class in the middle, and a small economically challenged class at the bottom.

Luxury markets in India are expanding rapidly, and even tier two towns such as Jaipur, Pune, and Surat are seeing growing demand for luxury products. Future research should look at the function includes other critical characteristics such as culture, country of origin, and demographic considerations may serve as moderators or mediators between the model's different constructs. Future investigations in this domain might confirm the findings of this study, which are connected to the connection between buy intention and actual purchase behavior. (Jain, Khan and Mishra, 2017). India is likely one of the hottest destinations for luxury retailing. With income levels increasing, consumers prepared to buy luxury brands are growing in number.

India has one of the world's youngest populations, and the standard of life has risen in tandem with the rise in consumer income (Davar, 2018). In India, digitally influenced spending is presently at around \$50 billion a year and is expected to grow ten-fold by 2025 (BCG, 2017). Luxury brands see their bridge-to-luxury products as a huge draw for the value-conscious Indian consumers.

Based on the above literature the present study aims to examine the following objectives.

Objectives of the Study

The study aims to address:

- To investigate the purchase intention of the Indian luxury consumers towards international luxury brands.
- To assess the purchase intention of consumers towards luxury brands and the role of consumer attachment towards the purchase intention.
- To synthesize the foregoing data and provide relevant managerial implications based on them.

Research Methodology

An empirical study was designed to conduct the research framework and to test the above-mentioned hypotheses. The primary goal of this study is to look at consumer purchase intentions for a variety of luxury fashion products, with an emphasis on the Pan India circle. Thus, the appropriate measurement of various constructs was the focus of this project research. An extensive literature review was performed in order to identify the various factors influencing purchase intentions viz. customer perception, brand commitment, brand loyalty and brand trust mostly in luxury brand choice.

A total of 214 questionnaires response have been received. The survey began with an introduction message encouraging respondents to administer their own comments while assuring them of their privacy. The sampling frames consist of randomly selected 214 respondents using convenience sampling method. The study was based on the development and administration of a structured questionnaire on a virtual platform using Google based forms received mostly from 4 major metros in India and its surrounding sub urban areas. The study's constructs were created using measurement scales adapted from previous research. All constructs are measured using five-point Likert Scale assuming strongly agree (=1) and strongly disagree (=5).

After removing all response bias, a total of 214 valid questionnaires remained, giving a response rate of 95%. The respondents were mostly 66.5% of male and 33.1% of female with a majority aged between 18 to 25 years. Most respondent’s monthly average income is below Rs 50000.

The survey tool serves two key purposes: First, to look into the relationships between the many variables in the study, and second, to gather information on the respondent's various features, which may be utilized to analyze the differences across classes.

We followed the standard scaling strategies that are generally available in psychometric literature when designing the scale to measure the various components. All proposed scales were administered to assess the reliability and validity of the proposed measure. We have computed internal consistency reliability by Cronbach– α , which shows the value of Cronbach– α is 0.77.

Since the objective of our study is to investigate the purchase intentions of consumers towards selected luxury fashion products with special reference to pan India circle and also to assess the role of customer perception, brand commitment, brand loyalty and brand trust on consumers purchase intention, factor analysis is employed to establish scale dimensionality. In addition to this, multiple regression analysis is also employed to assess the importance of different variables considered in the study. In this study we have measured different variables using a five point scaling technique.

The results of the factor analysis amply demonstrate that the proposed measure is not contaminated with elements from the domain of other constructs or error. The systematic extraction of factors can be interpreted as supportive evidence of construct validity.

Analysis & Findings

Table 1

Component Matrix					
	1	2	3	4	5
PI1	.633	-.466	.097	.361	.440

PI2	.625	-.393	.188	.162	-.085
PI3	.612	-.200	.445	.478	-.088
PI4	.661	-.176	-.002	-.170	.051
CP1	.440	.681	.020	.175	.361
CP2	-.085	.653	-.494	.210	.162
CP3	-.088	.692	.079	-.563	.478
CP4	.051	.651	.019	.440	.478
BT1	-.170	-.243	.615	-.085	.100
BT2	.175	.004	.555	-.088	.361
BT3	.210	.361	.521	.051	.162
BL1	-.563	.162	-.170	.516	.478
BL2	.358	.478	.175	.584	.478
BL3	-.261	.100	.210	.630	.100
BC1	-.024	.382	-.563	.478	.569
BC2	.071	.039	.478	-.170	.671
BC3	.288	-.313	.100	.175	.695
Extraction Method: Principal Component Analysis. a. 5 components extracted					
PI: Purchase Intention, CP: Customer Perception, BT: Brand Trust, BL: Brand Loyalty, BC: Brand Commitment.					

Table 2

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PI	214	4.00	18.00	9.4016	2.51402

CP	214	4.00	16.00	8.8228	2.34144
BT	214	6.00	28.00	15.1102	3.66638
BL	214	4.00	20.00	9.4966	2.61902
BC	214	4.00	18.00	10.8228	3.14244
Valid N (list wise)					

The table 2 shows the descriptive result of the topic purchase intentions of consumers towards selected luxury fashion products with special reference to pan India circle and the role of customer perception, brand commitment, brand loyalty and brand trust considered for the study. It shows that mean of purchase intentions 9.4016 with maximum and minimum values respectively 18 and 4, standard deviation is 2.51402 which is less than mean. Customer perception shows mean value of 15.1102, the maximum value is 28 and minimum value is 6 with standard deviation 3.66638 which is again less than mean. The variable brand trust with a mean value 8.8228 and standard deviation 2.34144 shows its maximum value 16 and minimum value 4 which is less than mean value etc.

Table 3

Multiple Regression Model						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	PI	.394	.073	.365	5.389	.000
	CP	.489	.046	.275	4.109	.000
	BT	.321	.035	.294	3.146	.000
	BC	.521	.055	.316	3.369	.000
	BL	.425	.039	.243	5.153	.000

	Age	-.179	.240	-.068	-.747	.000
	Gender	.167	.167	.066	.998	.001
	Occupation	-.143	.175	-.062	-.816	.415
	Income	-.152	.114	-.075	-1.333	.003
a. Dependent Variable: PI						

CP: Consumer Perception, BT: Brand Trust, BL: Brand Loyalty, BC: Brand Commitment

It is found from the above table that the explanatory variables Consumer Perception, Brand Trust, Brand Loyalty, Brand Commitment are significant which imply both the variables have positive impact on purchase intention. The preceding data also shows that, with the exception of occupation, none of the demographic variables, namely age, gender, occupation, and income, are significant. It means demographic variables have impact on purchase intention.

Limitations

Due to time and economic constraints, the study concentrates and emphasizes a sample size of 214 from major Indian metropolises. Since the area of study has only been 4 major metropolises in India and also on a select sample of 214 the results may or may not be applicable to other cities in India. Data can also be taken for larger sample sizes to increase the generalizability of the findings. A pan India study across country’s major cities rich data is recommended to further investigate the impact of explanatory variable on dependent variable

Implications

The findings of the study mention above have a number of practical implications. This study has reflected the idea the customer satisfaction and brand trust are the crucial factors in determining organizational positions in the market and also to realizing how customers will react while

adopting different strategies to optimize its outcome. Moreover, the research objective was also to determine the impact of different demographic factors on purchase intention. A comprehensive result has been generated, explaining the fact that all existing factors can influence except occupation status of consumer in the market place towards purchase of luxury brands.

Conclusions

It has been understood that Consumer Perception, Brand Trust, Brand Loyalty, Brand Commitment are directly associated and have significant impact on purchase intention. Consumers purchase intention has the potential to expand the market towards its preferred brand. Customers having trust on the brand and satisfied after using it would be the best possible preferred brand in creating the awareness of purchase effectiveness. Brands which are at all not popular in the market may have some negative impact, through customer preference analysis, on customer's perception towards the brand. Successful brands can effectively improve its visibility and its loyalty attitude on customer's mind to gain popularity in the market place. Brand loyal customers believe in being attached with their preferred brands and love to share their word of mouth in promoting the brand. The most important finding of the study is that brand trust can help organization in effectively recognizing its satisfied customer to expand its market and consumer base. The current information which is highlighted from the study also reveals that more and more trust towards the brand can directly impact in effectively positioning its strategy and also in enhancing brand commitment. Customer involvement in brand choice behavior is a long-term sustainable business strategy offering better satisfaction in using the same brand and also trust while considering the brand in their consideration set and referring the same one for others use.

Consumer perception, brand trust, brand loyalty, and brand commitment all had a favourable and significant impact on consumers' purchase intentions for luxury brands, according to the findings of our study. These findings are consistent with previous study, which indicated that customers generally act in accordance with the perceived luxury values of their reference groups. The study's findings also demonstrated that the elements influencing customers' buy intent are more

powerful than their influence on functional value, implying that consumers have a favourable brand attitude toward their favorite/preferred brand. The Indian luxury goods buyers' attitude toward brand devotion also demonstrates that they are youthful and have a lot of experience when it comes to This good brand attitude also demonstrates these customers' devotion to their preferred brand. All criteria are found to have a favourable influence on customers' purchase intention, which is consistent with earlier studies. The influence of brand loyalty on luxury buyers' behavioural intentions can be seen in their perceived values. This could be because Indian luxury customers are shifting from a collectivist to an individualistic mindset. These customers are looking for one-of-a-kind and high-quality items, as well as the functional aspects associated with luxury brands that add to their personal worth. These findings are consistent with earlier luxury goods study conducted in India.

The findings of this study contribute to the growing literature on consumer buy intentions for luxury goods by considering the impact of several variables on consumer purchase intentions for luxury items. To increase the perceived functional value of consumers, luxury marketers should focus on them and build high-quality, unique, and appealing luxury products. This will influence their purchasing decision. Furthermore, the study's findings reveal a significant association between the many variables studied and customers' purchase intentions.

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