Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics

Bachelor's Thesis

Consumption of Luxury Goods in India

Muskaan Baksh

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Muskaan Baksh

Economics and Management

Thesis title

Consumption of Luxury Goods in India

Objectives of thesis

The aim of the bachelor thesis is to determine and to evaluate consumption of luxury goods in India and to consider the consumers' behaviour at Indian luxury goods market.

The aim will be fulfilled based on the partial aims. Then, several hypotheses will be defined and verified. Based on the results and empirical analysis the final conclusions will be introduced.

Methodology

The bachelor thesis will cover both, theoretical and empirical part. Theoretical part will contain theoretical background of the selected topic as well as the methodological framework. Scientific literature will be used to prepare the literature overview. Based on the empirical analysis the results will be presented and some recommendations will be suggested.

To fulfill the aim of the thesis the selected methods will be employed as following:

– regression analysis (trend function)

– index analysis (base index, chain index)

– survey of consumers' behaviour based on own questionnaire

The proposed extent of the thesis

30 – 40 pages

Keywords

Consumption, luxury goods, consumer, preferences, India.

Recommended information sources

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The Bachelor Thesis Supervisor

Ing. Lenka Rumánková, Ph.D.

Supervising department

Department of Economics

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prof. Ing. Miroslav Svatoš, CSc.

Ing. Martin Pelikán, Ph.D.

Head of department

Dean

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Declaration

I declare that I have worked on my bachelor's thesis titled "Consumption of Luxury Goods in India" by myself, and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that it does not break the copyrights of any person.

In Prague on 30. 11. 2022

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Consumption of Luxury Goods in India

Abstract

This bachelor thesis is focused on the analysing luxury consumption and consumer buying behaviour towards luxury goods. This study is conducted in India. The thesis is divided into two parts, where the first fragment indicates the objectives to be focused for carrying out the study and then a review of the literature is done to provide reliable supporting information to the study. The second fragment focuses on the analysis of the primary data collected from the respondents of the India which is followed by findings of this study. The literature review is done using secondary sources to understand and study the luxury market, the consumer buying behaviour and factors influencing consumer buying behaviour. The practical part includes a sample size of 100 respondents which are randomly selected from the country. The findings are formed based on the observation of consumer buying behaviour for luxury goods. The questionnaire was designed to understand the consumption pattern of consumers with respect to luxury goods, consumer buying behaviour and demographics with a view to identify why and when they buy the product. Further, consumer's attitude towards the luxury goods has also been discussed in the study. Out of 100 respondents 60 are male and 40 are female. More than half of the respondents are strongly agreed with the statement that they prefer to buy product which has a positive testimony, and they agree to spend more money for purchasing luxury products.

Keywords: Consumer Behaviour, Luxury Goods, Consumption, Survey, India

Spotřeba luxusního zboží v Indii

Abstrakt

Tato bakalářská práce je zaměřena na analýzu spotřeby a nákupního chování spotřebitelů vůči luxusnímu zboží. Tato studie se provádí v Indii. Práce je rozdělena do dvou částí, kde první část uvádí cíle, na které se má studie zaměřit, spolu s přehledem literatury, aby studie poskytla spolehlivé podpůrné informace. Druhý fragment se zaměřuje na analýzu primárních dat shromážděných od respondentů z Indie, na kterou navazují výsledky této studie. Přehled literatury obsahuje sekundární zdroje s cílem porozumět a prostudovat trh s luxusním zbožím, nákupní chování spotřebitelů a faktory ovlivňující nákupní chování spotřebitelů. Praktická část obsahuje vzorek o velikosti 100 respondentů, kteří jsou náhodně vybráni z dané země. Zjištění jsou tvořena na základě pozorování chování spotřebitelů při nákupu luxusního zboží. Dotazník byl navržen tak, aby porozuměl vzorcům spotřeby spotřebitelů s ohledem na luxusní zboží, nákupní chování spotřebitelů a demografické údaje s cílem zjistit, proč a kdy produkt kupují. Studie dále probírá postoj spotřebitelů k luxusnímu zboží. Ze 100 respondentů je 60 mužů a 40 žen. Více než polovina respondentů rozhodně souhlasí s tvrzením, že preferuje nákup produktu, který má pozitivní svědectví, a souhlasí s tím, že utratí více peněz za nákup luxusních produktů.

Klíčová slova: Spotřebitelské chování, luxusní zboží, spotřeba, průzkum, Indie

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1. Introduction

Indian economy is rapidly growing where aspirations and dreams seem to drive the luxury market. The disposable income of an individual is constantly increasing in India which has made Individuals to spend more on luxury products. Beside this, Individuals are willing to spend more on luxury goods due to changing socio-economic factors. In India, the industry is majorly driven by middle class people. The luxury is an indulgence, a form of escape or a way to stand out from the ordinary people for the high-net worth people as well as for the aspirants. High-net worth people and aspirants usually buy luxury goods as they make them feel a certain way. The Indian luxury market is growing due to the increasing 'brand consciousness' of aspirational and young middle-class consumers. The Indian luxury market is around $ 18.3 billion market and has reported compounded annual growth rate (CAGR) of around 25%. India is contributing to global luxury market by 1-2%. The modern luxury consumer base in India is expanding rapidly due to the rising disposable income of middle and upper middle class. According to research, most international brands choose major metropolitan cities to open their outlets in India, rather than other tier-I locations such as Bangalore, Chennai, Kolkata, Hyderabad, and Pune. With increased digital use and customer analytics, luxury companies will soon begin or expand their distribution channels in smaller towns and cities outside of major metropolitan areas. The major challenge faced by luxury brands in India is desire for value proposition as there is unchanged growth in consumer base and consumer are becoming more liberal in terms of their spending habits. India is a developed country along with growing economy which attracts foreign brands to invest in India. India attracts Investments from foreign brands as it is the developed country, and it has more growth opportunities. In India, luxury marketers typically employ opinion leaders, influencers, or Bollywood stars to promote their brands. Online shopping is the new fashion way to go these days. "You don't exist in the market if your product isn't on a phone screen." The spending of India on luxury goods is rapidly increasing as compared to Singapore and Australia. Fur-free pledges have recently been made by brands such as Gucci, Burberry, and Stella McCartney. According to a recent Mastercard study, approximately 70% of buyers in India value 'green' and 'ethical' as purchasing motivators. India's spending on luxury goods is equal to UAE, is far ahead of Turkey, Thailand, and Argentina.

2. Objectives and Methodology

2.1 Objectives

The aim of this bachelor thesis conducted is following: to explain consumer behaviour and to examine the brand loyalty. Specifically, the purpose of the research problem can be described as (1) To determine consumption on the luxury market, (2) To find the differences among consumer's behaviour and brand loyalty on the luxury market in the India (3) To define the factors which influence the consumer behaviour consumers towards luxury brand.

2.3 Methodology

The aim of the thesis will be fulfilled using the sing quantitative approach. This method of survey is appropriate because it allows (1) To collect the significant amount of data from sample of respondents, (2) It is relatively simple, quick, and unexpansive, and (3) It can be well analysed by using statistical methods. The questionnaire is included in Appendix chapter of the thesis.

 Also comparing the difference in luxury consumption with chain and index method.

So, this research will have the following research question: What constitute consumer's values underlying Indian consumers purchasing behaviour for luxury products and to what extent these values affect the real luxury consumption?

2.3 Hypothesis

Hypothesis 1 -

➢ H0: There is no significant relationship between gender and people willing to spend more to buy luxury products.

➢ H1: There is a significant relationship between gender and people willing to spend more to buy luxury products.

Hypothesis 2 -

➢ H0: There is no significant relationship between age and factors influence consumer for while making purchase decision.

➢ H1: There is a significant relationship between age and factors influence consumer for while making purchase decision.

3. Theoretical Part

3.1 Consumer and Consumer Behaviour

Consumers are the monarch of the market. They are the backbone of any business. Consumers are those who used to buy or consume products and services. There is, however, a distinction between buyer and customer. Buyers are individuals who act as final, industrial, or institutional purchasers. While consumers are persons who acquire items for final use, which is a narrower definition. Furthermore, customers are the intended users of goods and services. (Orji, 2013).

Consumer behaviour is the study of how people behave while they are looking for, buying, utilizing, analysing, and putting on things and services that they believe will meet their needs. Helps marketers understand the process of making consumer decisions. Consumer behaviour can be defined as the "activities that people do when they acquire, eat, and dispose of products and services" that are provided and detailed. Finding "activities that lead to and involving the purchase or acceptance of a product", Using "how, where, when, and under what circumstances consumers use products", Disposing of "consumer disposal of products and packaging". (Jisana, 2014)

Consumer Decision Making Process - The consumer decision-making process involves consumers realizing their needs, gathering information, exploring alternatives and making their purchasing decision. Consumer behaviour may be determined by economic and psychological factors and influenced by environmental factors such as social and cultural norms. Consumer decision-making behaviour is a complex process that covers everything from problem perception to post-purchase activities. Every consumer has different needs in their daily life and these are the needs that make up rather than making different decisions. Decisions can be complex, comparing, evaluating, selecting and purchasing different products depending on the consumer's perspective on the specific product. This provides insight into the underlying problem of consumer decision-making in order for advertisers to make their products and services different from other markets. (Lepri et al., 2018).

Figure 1: Steps of Consumer Decision Making Process

Source: Kotler and Keller 2009

Problem recognition - Problem recognition occurs when a consumer properly determines their needs. Consumers may feel that they are missing out on something and that they need to address the issue in order to close the gap. When businesses are able to determine when their target market begins to develop these needs or requirements, they can take advantage of the opportunity to market their products. For example, buying water or a cold drink indicates their need as a thirst. Here; However, searching for information and exploring alternatives is non-existent. These consumer decision-making measures are considered important when expensive type is considered such as cars, laptops, cell phones, etc. (Qazzafi, 2019)

Search of Information - The search term in the consumer decision process is constantly changing as consumers need to find more information about products that can meet their needs. Information can also be obtained through recommendations from people who have prior knowledge of the products. At this level, consumers often consider risk management and prepare a list of features for a particular product. This is because most people do not want to regret their decision to buy. Information on products and services can be obtained from a number of sources such as: Marketing sources: advertisements, advertising campaigns, sales people or packaging for a particular product. Personal sources: Needs discussed with family and friends who have provided product recommendations, social media: Radio, newspaper and magazine, Sources: Information for the customer to use a particular type. (Mihart, 2012).

Evaluation of Alternatives - This step involves exploring some of the different approaches available in the market and the product life cycle. Once the customer has decided what will satisfy his need, he will start looking for the best option available. This test may be based on a variety of factors such as quality, price and any other important factor for customers. They may compare prices or read reviews and choose a product that satisfies their parameters the most. (Milner and Rosenstreich, 2013).

Final Decision - Once all the above categories have been passed, the customer has now decided to make a purchase decision. At this stage, the consumer has explored all the facts and reached a logical conclusion that can be based on the influence of marketing campaigns or on emotional communication or personal information or a combination of both. (Ansari et al., 2019).

Post Purchase Decision - The purchase of a product is followed by a post-purchase evaluation that refers to the analysis of whether the product was useful to the consumer or not. If the product meets customer expectations, they will act as a product ambassador that can influence other potential customers which will increase the customer base of that type. The same is true for a bad experience; however, it can halt the journey of potential buyers to the product. (Yang and Fang, 2004).

<u>Factors Influencing Consumer Behaviour</u> - Consumer behaviour refers to the selection, purchase, and use of goods and services to meet their needs. Five questions support any understanding of consumer behaviour: 1) Who is the market and what is their level of power in relation to the organization? 2) What did they buy? 3) Why are they buying? 4) When do they buy? 5) Where do they buy? (Muruganantham and Bhakat, 2013).

Figure 2: Factors Influencing Consumer Buying Behaviour

Psychological factors	• Motivation • Perception • Learning • Attitude and Beliefs
Cultural factors	• Socio-Economic Class • Cultures and Sub-cultures
Economical factors	• income level • income Expectations • Liquid Assets
Social factors	• Family • Reference Groups • Roles and status
Personal factors	• Age • Income • Occupation • Lifestyle
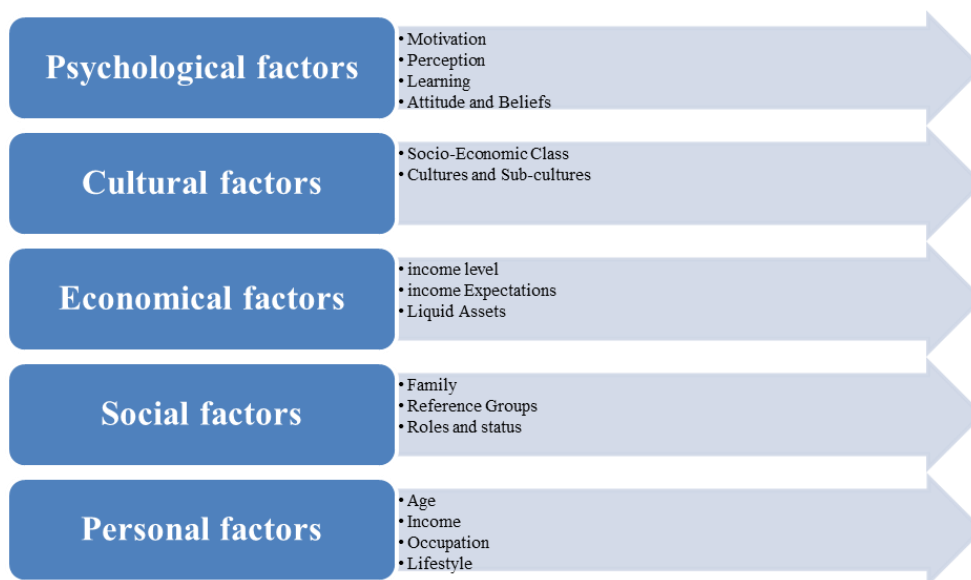
Source: Kotler and Keller, 2015

Psychological Factors - Human psychology is a major determinant of consumer behaviour. These factors are difficult to measure but powerful enough to influence the buying decision. When a person is motivated enough, it influences a person's buying. A person has many needs such as social needs, basic needs, security needs, needs for respect and the need for automation. In all these cases, the basic necessities and safety requirements are higher than all other requirements. Basic needs and safety requirements therefore have the potential to motivate the consumer to purchase products and services.

Consumer perception is a major factor influencing consumer behaviour. Customer perception is the process by which a customer collects information about a product and interprets the information to create a logical picture of a particular product. When a customer sees ads, promotions, customer reviews, social media feedback, etc. related to the product, it improves the perception of the product. Consumer perceptions therefore have a profound effect on consumer purchasing power.

When a person buys a product, he gets to learn more about the product. Learning comes over time with experience. Consumer learning depends on skills and knowledge. Although skill can be gained by practicing, knowledge can be acquired only by experience. Reading can be conditional or psychological. In conditional reading the consumer experiences the situation over and over again, thus enabling the consumer to develop a response towards it. Although in psychology, the consumer will use his knowledge and skills to find satisfaction and solution in the product he is buying.

Consumers have certain attitudes and beliefs that influence consumer purchasing decisions. Based on this attitude, the consumer behaves in a certain way in the product. This attitude plays an important role in defining a product image. Therefore, marketers strive to understand the consumer's attitude toward designing their marketing campaigns. (Muniady et al., 2014)

Cultural Factors - A group of people is associated with a set of values and ideas that do not belong to a particular community. When a person comes from a particular community, his behaviour is strongly influenced by the culture associated with that particular community. Cultural Factors have a strong influence on consumer behaviour. Cultural objects include basic values, needs, preferences, preferences, ideas, and behaviours that the consumer perceives and learns from immediate family members and other people around them.

Within a cultural group, there are many subcultures. These multicultural groups share the same set of beliefs and values. Subcultures can consist of people from different religions,

races, places and nations. These subcultures themselves form part of the customer base. Every society in the world has a kind of social class. The social class is determined not only by income, but also by other factors such as employment, family background, education, and housing. The social class is important in predicting consumer behaviour. (Jawa and Chaichi, 2015)

Personal Factors - Consumer-specific factors influence their purchasing behaviour. These personality traits vary from person to person, thus producing different perceptions and behaviours of consumers. Age is a major factor influencing consumer behaviour. Shopping options for teens are different from those for middle-aged people. Older people have completely different shopping habits. Young people will be more interested in buying colourful clothes and beauty products. The elders are focused on the house, property and family car. Income has the potential to influence individual purchases. Higher income provides higher purchasing power to consumers.

If the consumer has a high loss rate, it provides an additional opportunity for the consumer to spend on luxury products. Although low-income or low-income group buyers spend most of their income on basic necessities such as groceries and clothing. Consumer activity affects consumer behaviour. One tends to buy things that fit the job. For example, a doctor will buy clothes according to this function while a professor will have a different purchase pattern. The way of life is the attitude, and the way a person lives in society. Purchasing behaviour is strongly influenced by the consumer's lifestyle. For example, if a consumer lives a healthy lifestyle, then the products he buys will be associated with a healthy diet instead of junk food. (Roman, 2013).

Social Factors - Humans are social creatures and live close to many people who influence their shopping habits. People try to imitate other people and want to be accepted by society so their buying behaviour is influenced by other people around them. These features are considered social features. The family plays an important role in shaping one's purchasing behaviour. A person develops a passion as a youngster by witnessing his family buy things and continuing to buy the same goods as he gets older.

A reference group is a group of people with whom one associates. Generally, everyone in the reference group has the same shopping habits and influences each other. The role a person performs in society has an impact on him. When a person is in a powerful position, his purchasing behaviour is strongly affected by his position. The CEO of a firm would buy

based on his position, but an employee or employee from the same company will make different purchases. (Gajjar, 2013)

Personal Factors - Consumer purchasing habits and decisions largely depend on the economic situation of the country or the market. As the nation develops, the economy grows stronger, leading to greater market capitalization and higher consumer purchasing power. When consumers experience a positive economic situation, they become more confident that they will use it to purchase products. Although, a weak economy reflects a struggling market driven by unemployment and low purchasing power. When a person has a high disposable income, the purchasing power increases simultaneously. Cash flow refers to the amount of money that is left over after spending it on a person's basic needs. When there is an increase in revenue, it leads to higher spending on a variety of things. But as the income decreases, so does the consumption of too much material.

Family income is the total amount of income from all family members. When more people are earning a family, there is more money available to buy basic necessities and luxury items. High family income influences family members to buy more. If there is a lot of family income, the practice is to buy more luxury items that one may not have been able to afford. When a consumer is given easy credit to buy goods, it encourages higher spending. Merchants make it easy for consumers to get credit in the form of credit cards, simple instalments, bank loans, rental purchases, and many other credit options. When there is high credit available to consumers, the purchase of luxury goods and services is increasing.

Consumers with liquid products often spend a lot of money on comfort and convenience. Liquid goods are those goods, which can be converted into cash very easily. Cash, bank savings and securities are some examples of liquid assets. When a consumer has a high-quality liquid, it gives him more confidence to buy luxury goods. The consumer is greatly influenced by the amount of savings he or she wishes to set aside for his or her income. If the consumer decides to save more, his or her purchase costs are reduced. Although the consumer is interested in saving more, most of his income will go to buying products. (Kotler and Keller, 2015).

3.2 Luxury Goods

The concept of a luxury brand seems difficult to define because of its subjectivisms and multidimensionality. Everybody has their own definition of luxury, as for some people luxury may be having dinner in a restaurant or for some people it may be purchasing experience products. Luxury of an individual is not necessarily the same for another, and a universal definition of it would be unrealistic. (Kiatkawsin and Han, 2019)

Researchers have studied consumption of luxury goods from economic, product and competitive features, consumer's personal use and social environment perspectives. As per these several perspectives, luxury goods can be defined as "those scarce products with an objective or symbolic extra value, with a higher standard of quality, and with a higher price than comparable products". The luxury goods can be defined based on social environment as "meaning-producing devices" circulating in a cultural environment whose meaning is derived from social satisfaction. (Mortelmans, 2005).

The luxury brands can be divided into four categories, such as entry-level brands, medium-level brands, top-level brands, and elite-level luxury brands. Entry-level luxury brands are those that are ranked above the premium segment on the lowest luxury level. Medium-level luxury brands are widely recognized as members of the luxury segment. However, they are a step behind forefront of luxury. While the brands that are established without any doubt as leading luxury brands are called as top-level luxury brands. Elite-level luxury brands are niche brands at the top of the segment. These brands usually set benchmarks and standards for the best quality and highest exclusivity within their category.

The characteristics of luxury brands are defined using framework given by Heine, which includes six major characteristics such as price, quality, aesthetics, rarity, extraordinarily, and symbolism. The 8p's of luxury goods are performance, pedigree, paucity, persona, public figures, placement, public relations, and pricing. All these characteristics influence the consumer buying. The 8p's of luxury brands are integrated with Heine's theory. However, the theory of 8p's may not be universally applicable but provides an analytical and pragmatic approach to market and brand. (Liu et al., 2021).

- **Price** - Price alone doesn't indicate whether a particular brand can be identified as luxury, but it is a major indicator of quality and also an indicator of how prestigious a brand is. Perceived value should be maintained high by brands as the consumers develop an image of luxury based on the price level at which brands operate.

- **Quality** - Quality is an essential factor while purchasing luxury goods, as consumers expect high quality luxury goods. Therefore, brands must ensure that goods are produced with high quality. (Hughes, 2016).

- **Aesthetics** - The quality of luxury goods is reflected in their design. Shape, smell, colours, and graphical elements are vital in context of luxury goods as they reflect the consumer's values and lifestyle. The packaging of the brand should be appealing along with its aesthetics. (Sjostrom et al., 2014).

- **Rarity** - The widely used strategy by luxury brands, is to control accessibility to the brand which is generally referred to as highly selective distribution. In 8p's, rarity is referred to as paucity where paucity, means scarcity. Scarcity plays an important role in terms of luxury brands with a view to obtaining the goods, and it also increases the desirability of brands among consumers. Placement of 8p's can be linked with rarity. Placement extends not just in-store, but to the events that are less available for mass.

- **Extraordinarily** - Luxury goods are unique and creative, that what counts rather than comparisons made with others. The elements of extraordinarily for luxury goods include craftsmanship and design. (Reis, 2015).

- **Symbolism** - "There can be no luxury brand without roots, without history". This is referred as pedigree in 8p's theory. Most of the successful luxury brands have long history, behind which has an impact on consumer buying along with the obvious performance of luxury brands. (Sjostrom et al, 2016).

- **Performance** - Performance consists of both the attributes of the product and the buying experience in 8p's while buying the product not only the product itself but also the customer experience is also important.

- **Persona** – A persona is a mix of emotional values, brand personality, and mystique. Luxury brands make consumers emote with a view to distance them from mass-produced brands.

- ➢ **Public Figures** - Luxury brands shouldn't try to sell, as it diminishes the essence of luxury brands. Luxury brands use public figures such as celebrities in different ways to promote their goods.

- ➢ **Public Relations** - Luxury brands focus on public relations, but in a different and subtle way as compared to mass. (Dryl et al., 2017).

Types of Luxury Brands -

The figure summarizes the types of luxury products at the level of luxury, awareness, and business volume. There is a certain relationship between them: for example, luxury brands with very high business values often cannot achieve high levels of luxury. In addition, there is a tendency for elite products to become information products. (Heine, 2012).

Figure 3: Types of Luxury Brands
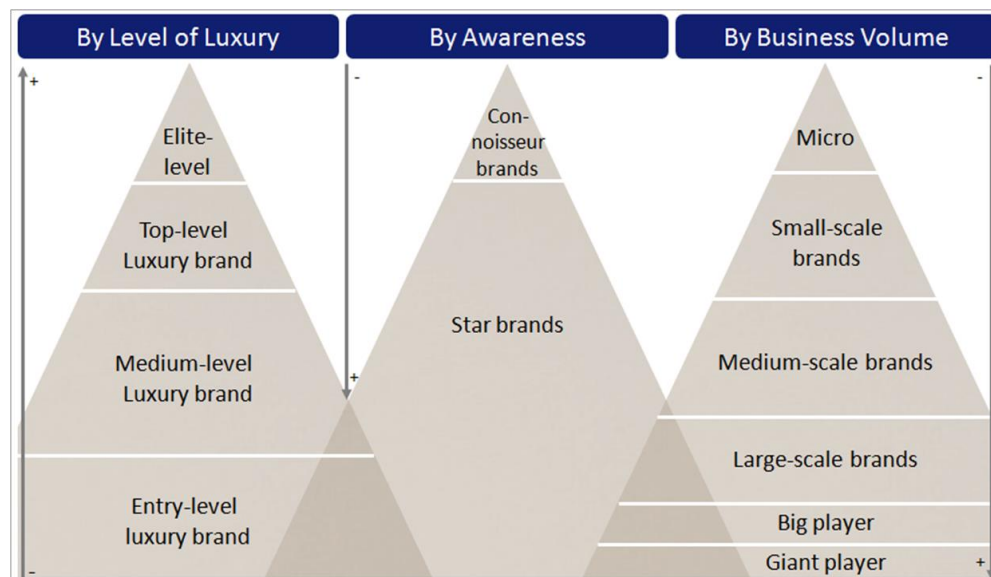
Reference: Esteve and Hieu-Dess 2005

Luxury Products at the Level of Luxury – As shown in figure 3, as also mentioned earlier, the level of luxury is determined by the large size of the luxury product and forms one of the major ways of distinguishing the types of luxury. Based on this process, it seems logical to classify luxury brands into the following types: (Geiger-Oneto at al., 2013).

Entrance-level Products: Since these products are just over half the premium at the lowest level of luxury, they are by no means considered members of the luxury segment. Representative brands include Hugo Boss and Mercedes. (Tynan et al., 2010).

Medium-level Products: These products are widely known as members of the luxury category, but they are a step behind the luxury front. Examples include Dolce and Gabbana, Escada and Moschino. (Kastner, 2013).

High quality Products: These products are undoubtedly established as the leading luxury products. Examples include Armani, Cartier, and Louis Vuitton.

High quality Products: As high-end niche products, these products determine the best quality benchmark and the highest variation within their category. Puiforcat, for example, is a symbol of the high level of luxury within the silverware category. These symbols refer to "clientele de connoisseurs", who not only have the necessary resources but also "culture intellectually". (Phau and Prendergast, 2000).

In terms of luxury, the products are rated compared to other luxury brands. The categories of luxury product change over time. There are brands going up the luxury stairs, such as the English fashion brands Asprey and Burberry, as they were redesigned some years ago, high-potential brands, such as German chocolatier Leysieffer, could enter the beauty part in the future, as well as the ever-present luxury products, such as Calvin Klein, Jaguar, and Pierre Cardin, which have tarnished their image of luxury. (Yang and Mattila, 2014).

Luxury Awareness Products - As shown in figure 3, ordinary products can be categorized by brand awareness into products with knowledge and stars. These differences are particularly important in product management, as these types of products require partial marketing strategies. (Athwal et al., 2019).

<u>**Types of Luxury Products**</u> -

Since luxury marketing strategies vary at least to some degree, it makes sense to distinguish between major types of luxury products:

Personal vs. Impersonal Luxury Products - Product categories are particularly suited to the luxury strategy in a situation where consumers use high-quality products to control their appearance, and where they are increasingly building personal connections with these products. In contrast to products such as hedge shears and kerbsides, "personal items" such as clothing, glasses, and wrist watches are particularly suitable as luxury products. In addition, within the luxury category, there is a continuation from these personal to non-personal products, such as bathroom appliances and furniture. (Valette-Florence et al., 2019).

Publicly vs. Privately Consumed Luxury Products - These types of luxury products are classified as public use. Although public goods such as cars are seen by others, privately

owned products such as kitchen appliances are rarely seen by many. In some product categories, classification is highly dependent on condition. For example, fine wine may be drunk in a restaurant or in private. This distinction is particularly important in research into the motives of public buying and the impact of the reference group, which focuses on products "seen or identified by others". (Godey et al., 2012).

Accessible vs. Exceptional Luxury Products - As mentioned earlier, the key features of luxury products offer the right ways to differentiate. Propose a distinction between affordable and special luxury products based on comparisons of different categories of their retail prices, which in turn affects their distribution level and repurchase rate. Although affordable luxury products like perfumes are available to most people at least occasionally, rare luxury products such as private jets are only available to very few people (most people are not accessible). This difference is particularly important in the evaluation of the use of luxury goods, as it is more pronounced when one buys a car that is more expensive than a bottle of champagne. This dichotomy can be accompanied by an additional category of mid-range luxury products such as Porsche cars. (Dubois et al., 2021).

Conspicuous vs. Understated Luxury Products - These types of products are distinguished by their share of outstanding features. Manufacturers of virtual reality products focus on price in particular, i.e., on the product's image of being expensive. Therefore, they equip their products with common symbols of wealth and high prices, such as large logos and rich embellishments. It's all about symbols, not objects. The quality and quality of a true product is less important than high performance, features, and size. A good example is Caran D'Ache's "La Modernista Diamonds" fountain pen, "the least expensive", which works with standard ink cartridges, but adorned with 5.072 diamonds and 96 rubies. However, such products create a special market niche for consumers who feel very special. The largest share of the luxury market consists of subtle products, which may also show some obvious features, but are not made to stand out. On the other hand, there are leading brands such as Jil Sander and Bottega Veneta, known for their substandard products, which seem to hide any notable qualities. (Vickers and Renand, 2003).

4. Practical Part

The study analyses the consumption and consumer behaviour towards luxury goods onwards luxury goods. The main aim of research is to identify the differences between consumer's behaviour and brand loyalty on the luxury market. Marketers often see customer satisfaction and brand loyalty as a top priority for selling products. The present research is carried out to find out the factors influencing consumer behaviour towards luxury brands. Interpreting trend function along with calculation chain base index.

The survey has questions to understand the consumer behaviour towards luxury goods. The sample size for the study includes 100 respondents. The questionnaire is included in the appendix chapter of the thesis. The first part of the questionnaire includes questions related to gender, age, income, occupation, and qualification. The second part of the questionnaire includes questions that in turn help in finding out the factors influencing consumer buying behaviour towards luxury products. Statistics are applied to collected samples in order to understand the luxury consumption and consumer behaviour.

The main focus of the study is to identify the most important factors or elements considered by consumers when making a buying decision. To conclude, the necessary hypothesis is formulated and then tested for its meaning. Accordingly, the data is interpreted in order to obtain the results of the study.

The data collected for study is well categorized based on demographic factors such as gender, age, income, working status, and qualification. The collected sample makes it possible to generalize the analysis to fulfil the objectives. The elements examined are demographic factors, consumer consumption of luxury products, and factors influencing consumer behaviour towards luxury brands.

4.1 Demographic Analysis

Table 1: Demographic Composition of the Respondents

Socio-Economic Status of Respondents	Frequency	Percent	Valid percent	Cumulative Percent
Gender				
Male	60	60.0	60.0	60.0
Female	40	40.0	40.0	100.0
Total	100	100.0	100.0	
Age (in years)				
11-20	19	19.0	19.0	19.0
21-30	41	41.0	41.0	60.0
31-40	30	30.0	30.0	90.0
41-50	10	10.0	10.0	100.0
51 and above	0	0.0	0.0	0.0
Total	100	100.0	100.0	
Qualification				
SSC	0	0.0	0.0	0.0
HSC	19	19.0	19.0	19.0
Undergraduate	31	31.0	31.0	50.0
Postgraduate	50	50.0	50.0	100.0
PHD	0	0.0	0.0	0.0
Total	100	100.0	100.0	
Occupation				
Student	22	22.0	22.0	22.0
Business	9	9.0	9.0	31.0
Service	50	50.0	50.0	81.0
Professional	19	19.0	19.0	100.0
Housewife	0	0.0	0.0	0.0
Total	100	100.0	100.0	

Income				
Less than 1,00,000	22	22.0	22.0	22.0
1,00,001 to 5,00,000	47	47.0	47.0	69.0
5,00,001 to 10,00,000	21	21.0	21.0	90.0
10,00,001 to 15,00,000	10	10.0	10.0	100.0
More than 15,00,000	0	0.0	0.0	0.0
Total	100	100.0	100.0	

Source: Analysis of Collected Data

Interpretation- As shown in table 1, table describes the composition of the collected data in relation to demographic data such as gender, age, qualification, working status and income. Regarding gender, the male responses are observed to be higher than the female responses. Out of 100 respondents 60 are male and 40 are female. The age-wise classification of the respondents shows that the number of respondents between the ages of 21-30 and 31-40 are the highest, 41 and 30 respectively. While 19 respondents are between the ages of 11-20 and 10 respondents are between the age group of 41-50.

Out of 100 respondents, 19 respondents have completed HSC. While half of the respondents are postgraduate and remaining 31 respondents are undergraduate. Nearly half of the respondents are employed in service sector which contributes to 50%. Out of all the respondents, 22% are Students and 9% own a Business. Respondents who work as a professional account for 19% of total respondents. The number of respondents earning less than ₹1,00,000 per annum are 22%. The number of respondents earning between ₹1,00,001-5,00,000 and ₹5,00,001-10,00,000 per annum are 47% and 21% respectively. 10% respondents are earning between ₹10,00,001-15,00,000.
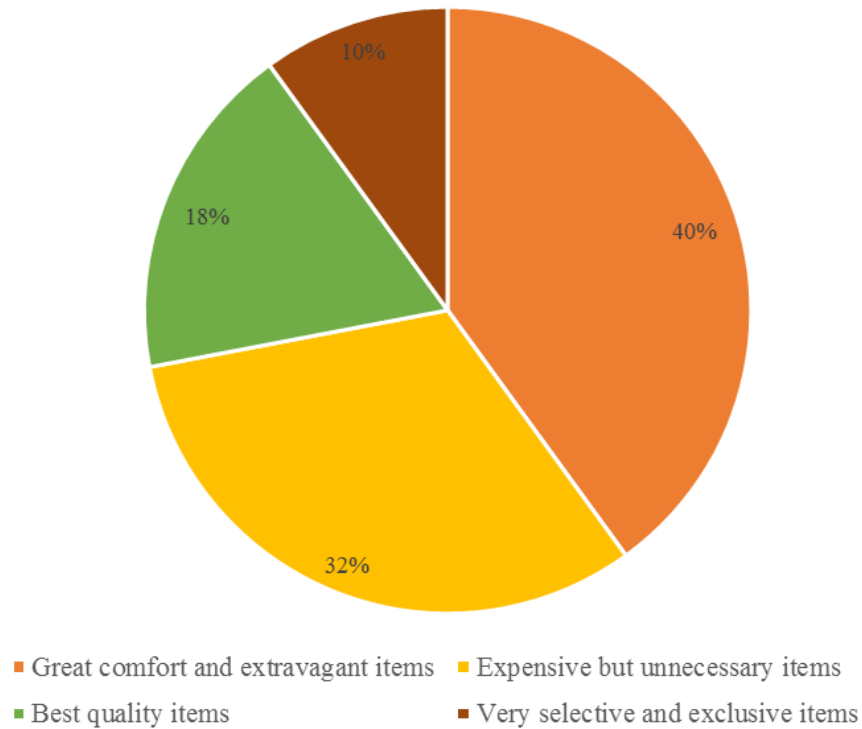
4.2 Questionnaire Analysis

➢ **Objective 1** - To analyse consumption on the luxury market.

What is luxury product in your opinion?

Figure 4: Frequency of defining luxury product


What is luxury product in your opinion?

- Great comfort and extravagant items
- Expensive but unnecessary items
- Best quality items
- Very selective and exclusive items

Source: Primary Data Analysis

Interpretation - In figure 4, it has been found that around 40% respondents said that luxury products are great comfort and extravagant items as per their opinion. While 32% respondents responded that luxury products can be described as best quality items. There are 18% respondents who believe that luxury products are expensive but unnecessary items whereas luxury products are very selective and exclusive items as per 10% respondents.

What type of luxury product do you prefer to buy?

Figure 5: Frequency of type of luxury product prefer by respondents

What type of luxury product you prefer to buy?

Clothes ■ Jewelry ■ Watches ■ Accessories (like handbags, belt etc) ■ Perfumes
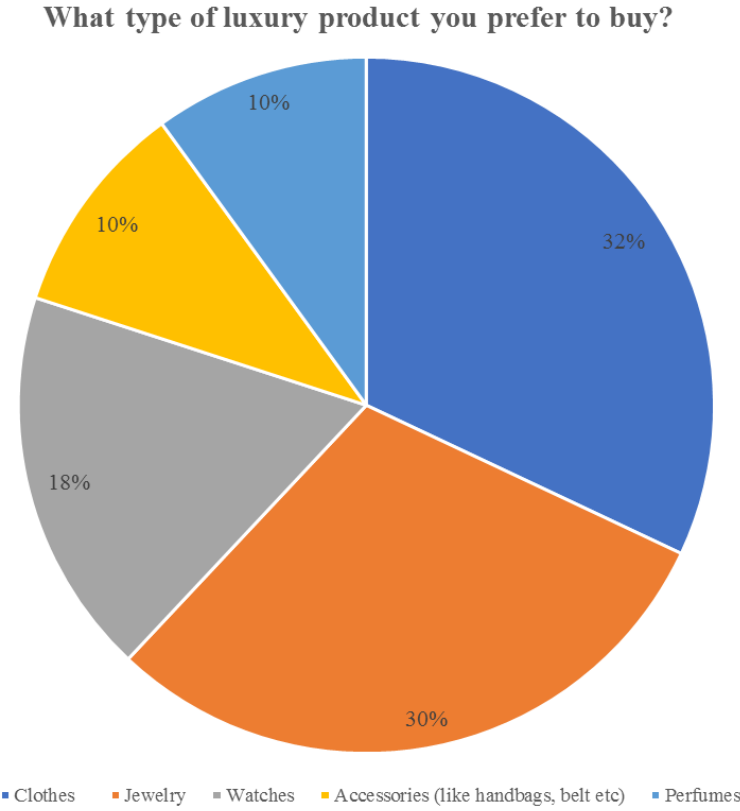
Source: Primary Data Analysis

Interpretation – In figure 5, indicates that majority of respondents prefer to buy clothes among all luxury products. After clothes, jewelry is the most preferred luxury product by the respondents. 18% respondents prefer to buy watches and 10% respondents prefer to buy accessories as well as perfumes.

How often do you buy luxury products?

Figure 6: Frequency of how often respondents buy luxury products

How often do you buy luxury products?
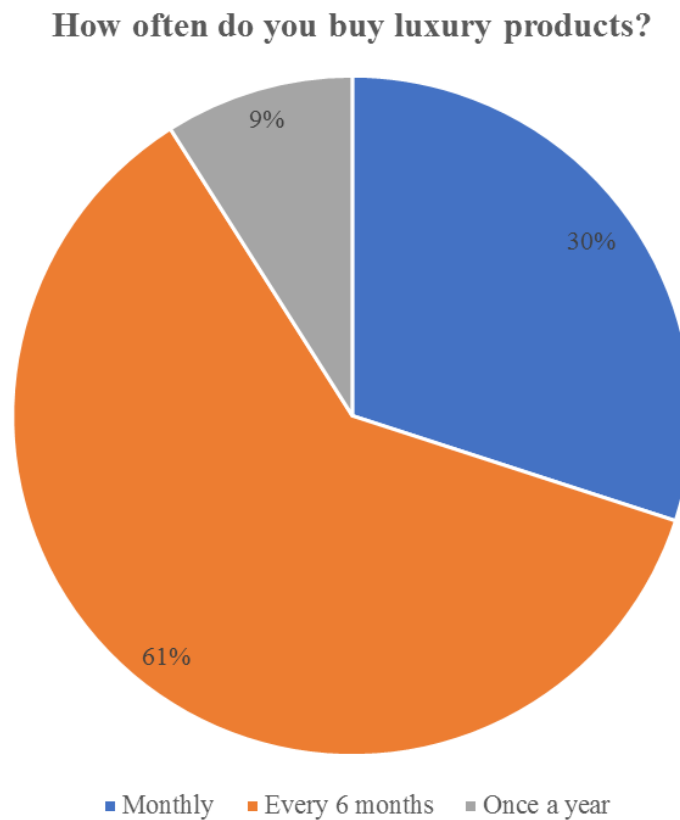
Source: Primary Data Analysis

Interpretation - In figure 6, out of 100 respondents, there are 61 respondents who prefer to buy luxury products once in a year whereas 30 respondents used to buy luxury products in every 6 months. There are only 9 respondents who said that they prefer to buy luxury products monthly.

In average, how much money do you spend each time on purchasing a luxury product?

Figure 7: Frequency of money spend by respondents on an average each time on purchasing a luxury product

In average, how much money do you spend each time on purchasing a luxury product?

- Less than 10,000
- 10,000-30,000
- 30,000-1,00,000
- More than 1,00,000
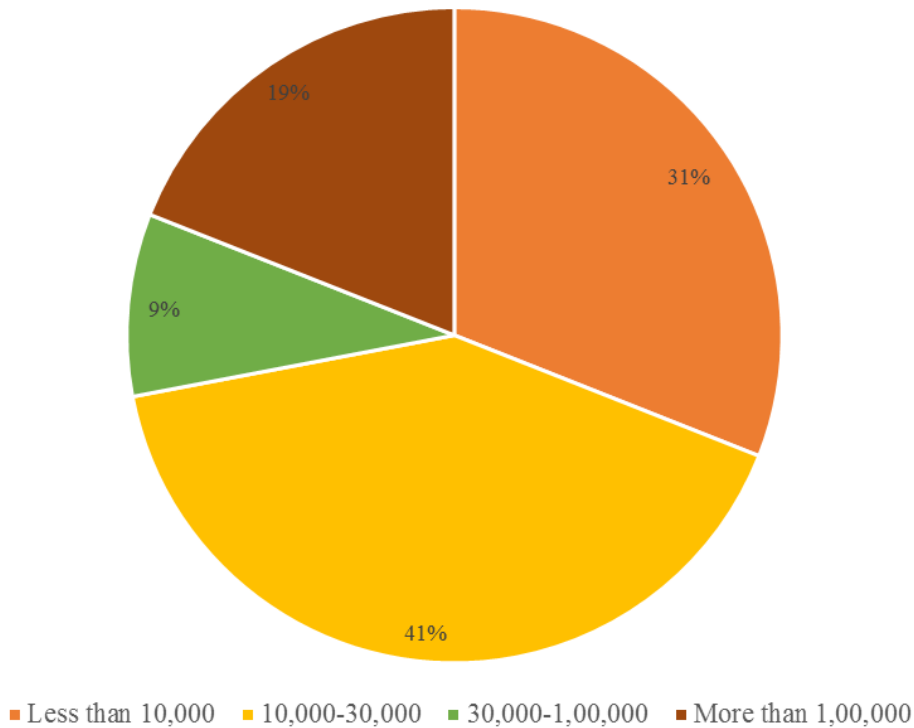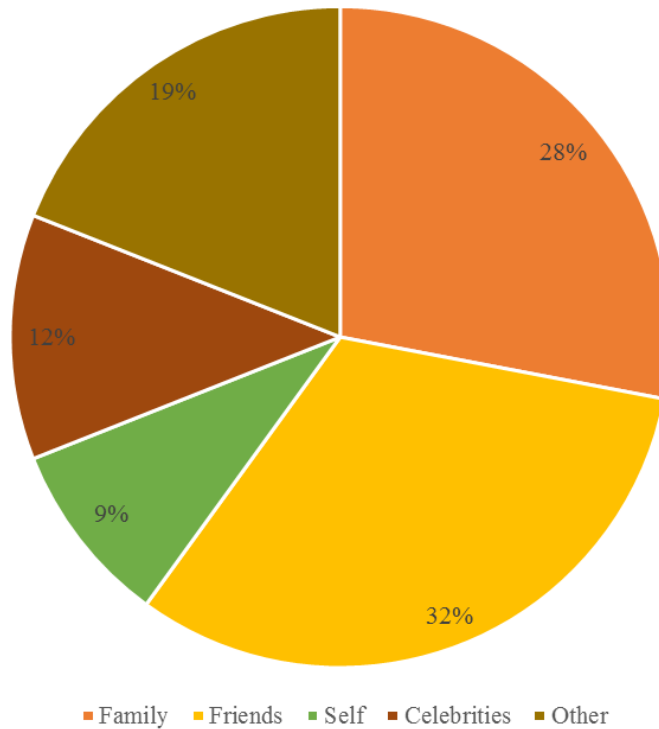
Source: Primary Data Analysis

Interpretation - The figure 7, shows that a significant number of respondents (41%) spend between 10,000-30,000 Rs. on an average while purchasing luxury products. There are 31% respondents who spend less than 10,000 for purchasing luxury products each time. 19% respondents spend more than 1,00,000 Rs. on an average for buying luxury products.

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➢ **Objective 2** - To define the factors which influence the consumer behaviour consumers towards luxury brand.

Who influence you to buy luxury products?

Figure 8: Frequency of who influence respondents to buy luxury products
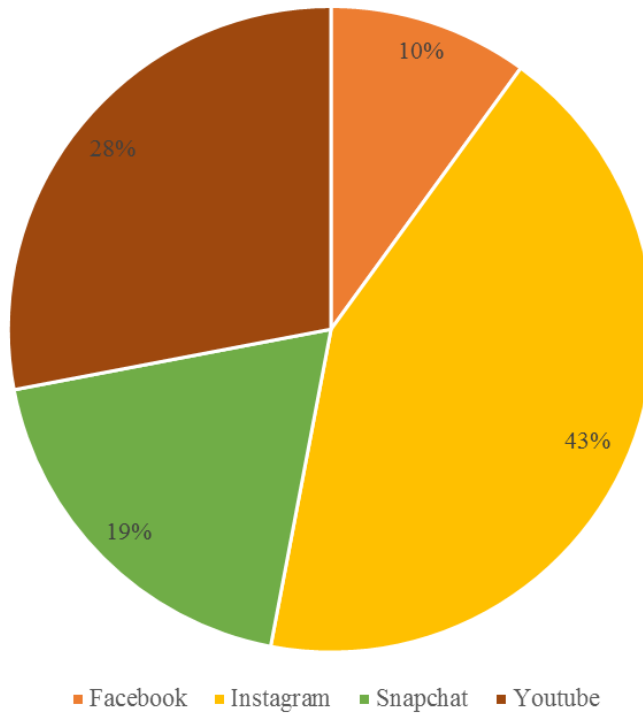

Source: Primary Data Analysis

Interpretation- In figure 8, it can be seen that majority of respondents are influenced by friends for buying luxury products. There are 28% respondents who get influenced by family and 12% respondents are getting influenced by celebrities for purchasing luxury products.

Which social media site is used by you for checking luxury product related information?

Figure 9: Frequency of social media site used by respondents for checking information

What social media site is used by you for checking luxury product related information?

10%

43%

19%

28%

■ Facebook ■ Instagram ■ Snapchat ■ Youtube

Source: Primary Data Analysis

Interpretation - The figure 9, indicates that Instagram is the most used social media site for checking information related to luxury products by respondents. Besides Instagram, 28% respondents use YouTube for checking information related to luxury products as compared to Snapchat, Facebook, and other social media sites.

How important are the following characteristics when you buy luxury goods?

Table 2: Importance of the characteristics when respondents buy luxury goods

Characteristics	Frequency	Percent	Valid Percent	Cumulative Percent
Rarity (not everyone has it)				
Very Important	69	69.0	69.0	69.0
Important	21	21.0	21.0	90.0
Moderately Important	10	10.0	10.0	100.0
Total	100	100.0	100.0	
Quality				
Very Important	51	51.0	51.0	51.0
Important	21	21.0	21.0	72.0
Moderately Important	28	28.0	28.0	100.0
Total	100	100.0	100.0	
Price				
Very Important	72	72.0	72.0	72.0
Important	19	19.0	19.0	91.0
Moderately Important	9	9.0	9.0	100.0
Total	100	100.0	100.0	
Aesthetics (looks, material etc.)				
Very Important	29	29.0	29.0	29.0
Important	21	21.0	21.0	50.0
Moderately Important	30	30.0	30.0	80.0
Slightly Important	20	20.0	20.0	100.0
Total	100	100.0	100.0	

Buying experience				
Very Important	72	72.0	72.0	72.0
Important	19	19.0	19.0	91.0
Moderately Important	9	9.0	9.0	100.0
Total	100	100.0	100.0	
Heritage behind brand (history)				
Very Important	51	51.0	51.0	51.0
Important	21	21.0	21.0	72.0
Moderately Important	28	28.0	28.0	100.0
Total	100	100.0	100.0	
Status				
Very Important	69	69.0	69.0	69.0
Important	21	21.0	21.0	90.0
Moderately Important	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: Primary Data Analysis

Interpretation – As shown in table 2, We can say as per survey, 69 respondents believe that rarity is very important characteristics for them when they buy luxury goods whereas rarity is moderately important for 10 respondents while making purchasing decision related to luxury goods. From the analysis, it has been found that more than half of the respondents responded that they consider quality during purchase of luxury goods as they believe quality is very important characteristics for them. While 28% respondents said that quality is moderately important for them, and 21% respondents said that quality is important characteristic for them for buying luxury goods.

There are 19% respondents who said that price is important characteristic for them, and 72% respondents believe that price is very important characteristic while purchasing luxury products. Price is moderately important factor for 9% respondents for buying luxury goods. Aesthetics like looks and material etc. are very much important for buying luxury

goods according to 29% respondents. While looks and material are considered as slightly important factor by 20% respondents for purchasing luxury goods. 21% respondents think aesthetics are important and 30% respondents said that aesthetics are moderately important for making purchasing decision related to luxury goods.

There are 72% respondents said that buying experience is important factor when they buy luxury goods. Buying experience is important characteristic for 9% respondents in making buying decision about luxury goods. 19% respondents believe buying experience is moderately important for buying luxury products. From the analysis, it has been found that more than half of the respondents consider heritage as very important characteristic when they buy luxury goods. 28% respondents said that heritage is moderately important for them, and heritage is important characteristic according to 21% respondents for buying luxury goods.

As per 69% respondents, status is very important characteristic for them while buying luxury products. 10% respondents think that status is moderately important for them, and 21% respondents said that status plays an important for making buying decision related to luxury goods. Out of 100 respondents, 62 respondents responded that quality is the most influential factor while making purchase decision as compared to price, brand, and style. Beside quality, 19 respondents are influenced by price for making purchase decision. 10 respondents are influenced by style and remaining respondents are influenced by brand name.

➢ **Objective 3 -** To find the differences among consumer's behaviour and brand loyalty on the luxury market in India.

Which factor influence you more while making purchase decision?

Figure 10: Frequency of factor influence respondents while making purchase decision
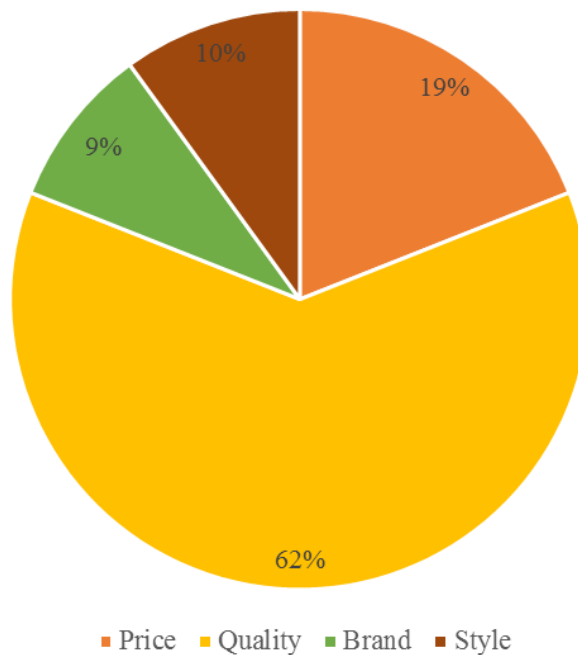
Source: Primary Data Analysis

Interpretation - In figure 10, out of 100 respondents, 62 respondents mentioned that quality is the most influential factor while making purchase decision as compared to price, brand, and style. Beside quality, 19 respondents are influenced by price for making purchase decision. 10 respondents are influenced by style and remaining respondents are influenced by brand name.

Given below are some statements regarding luxury products, you are requested to state your degree of agreement/ disagreement on each of the statements as mentioned below on a 5-point scale?

Table 3: State the degree of agreement/ disagreement on each of the statements

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
I prefer to buy product that has a positive testimony.				
Strongly Agree	50	50.0	50.0	50.0
Agree	31	31.0	31.0	81.0
Neutral	19	19.0	19.0	100.0
Total	100	100.0	100.0	
I can easily remember the symbol of brand.				
Strongly Agree	72	72.0	72.0	72.0
Agree	18	18.0	18.0	90.0
Neutral	10	10.0	10.0	100.0
Total	100	100.0	100.0	
I prefer to buy a brand that has nice packaging.				
Strongly Agree	72	72.0	72.0	72.0
Agree	18	18.0	18.0	90.0
Neutral	10	10.0	10.0	100.0
Total	100	100.0	100.0	
I prefer to buy a brand that is advertised by my favorite celebrity.				
Strongly Agree	37	37.0	37.0	37.0
Agree	21	21.0	21.0	58.0
Neutral	42	42.0	42.0	100.0
Total	100	100.0	100.0	

I am willing to spend more to buy luxury products.				
Strongly Agree	38	38.0	38.0	38.0
Agree	52	52.0	52.0	90.0
Neutral	10	10.0	10.0	100.0
Total	100	100.0	100.0	
I prefer to buy a brand that has quick customer service.				
Strongly Agree	80	80.0	80.0	80.0
Agree	10	10.0	10.0	90.0
Neutral	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: Primary Data Analysis

Interpretation - As shown in table 3, we can say more than half of the respondents are strongly agreed with the statement that they prefer to buy product which has a positive testimony. There are 31% respondents who agreed that they prefer to buy luxury goods having positive testimony. Apart from this, 19% respondents have neutral opinion about prefer to buy luxury products having positive testimony.72% respondents strongly agreed that they can easily remember the symbol of luxury brand. According to 18% respondents, they are agreed that they can easily remember symbol of brand and 10% respondents are natural about remembering the symbol of brand.

As per survey, 72% respondents are strongly agreed that they prefer to buy a brand having nice packaging. There are 18% respondents who agreed to buy a luxury brand which is having nice packaging and 10% respondents are neutral with their preference of buying a brand having nice packaging. 37% respondents are strongly agreed with the statement that they prefer to buy a brand which is advertised by their favourite celebrity. 42% respondents have neutral opinion about the statement that they prefer to buy a brand that is advertised by their favourite celebrity.
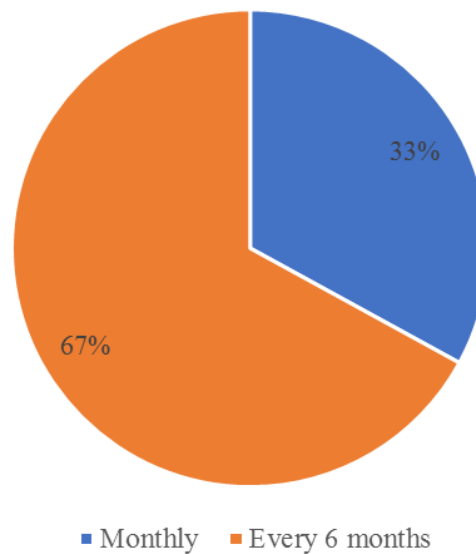
There are 21% respondents who agreed that they prefer to buy a luxury product of brand which is endorsed by their favourite celebrity. There are more than half of respondents agreed that they are willing to spend more money for purchasing luxury products. 38% respondents are strongly agreed to spend more for buying luxury goods. There are 10%

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respondents who are neutral towards spending more money for buying luxury products. There are 80% respondents who strongly agreed to buy a product of luxury brand providing quick customer service. There are 10% respondents who are not only agree but also neutral about buying luxury products of brand offering quick customer service.

Will you intend to purchase the same brand that you have previously purchased?

Figure 11: Frequency of respondents willing to purchase the same brand that they have previously purchased

Will you intend to purchase the same brand that you have previously purchased?

- Monthly - Every 6 months

Source: Primary Data Analysis

Interpretation - In figure 11, it has been observed that there are 78% respondents who are brand loyal customers as they are willing to purchase the product of same brand which they have previously purchased. While 22% respondents said that they don't want to buy the same brand which was earlier bought by them.

4.3 Hypothesis Analysis

Hypothesis 1

➢ H0: There is no significant relationship between gender and people willing to spend more to buy luxury products.

➢ H1: There is a significant relationship between gender and people willing to spend more to buy luxury products.

Table 4: Hypothesis Testing - 1

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.642[a]	2	.022
Likelihood Ratio	11.177	2	.004
Linear-by-Linear Association	4.750	1	.029
N of Valid Cases	100		

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	Pearson's R	-.219	.086	-2.222	.029[c]
Ordinal by Ordinal	Spearman Correlation	-.197	.092	-1.991	.049[c]
N of Valid Cases		100			

Source: Primary Data Analysis

Interpretation - As shown in table 4, we can say from the analysis, it has been found that the P-value of statistics is 0.022 which is less than 5% level of significance. Therefore, here alternate hypothesis is accepted. In this way it has been proved that there is a significant relationship between age and factors influence consumer while making purchase decision.

Hypothesis 2

➢ H0: There is no significant relationship between age and factors influence consumer for while making purchase decision.

➢ H1: There is a significant relationship between age and factors influence consumer for while making purchase decision.

Table 5: Hypothesis Testing - 2

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	134.732[a]	9	.000
Likelihood Ratio	105.684	9	.000
Linear-by-Linear Association	26.735	1	.000
N of Valid Cases	100		

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	Pearson's R	.520	.092	6.021	.000[c]
Ordinal by Ordinal	Spearman Correlation	.353	.114	3.738	.000[c]
N of Valid Cases		100			

Source: Primary Data Analysis

Interpretation - As shown in table 5, we can say from the analysis, it has been found that the P-value of statistics is 0.000 which is less than 5% level of significance. Therefore, here alternate hypothesis is accepted. In this way it has been proved that there is a significant relationship between age and factors influence consumer while making purchase decision.

4.4 Estimate Trend Function and Chain Base Index

Figure 12: Graph of Estimate trend function

ESTIMATE TREND FUNCTION
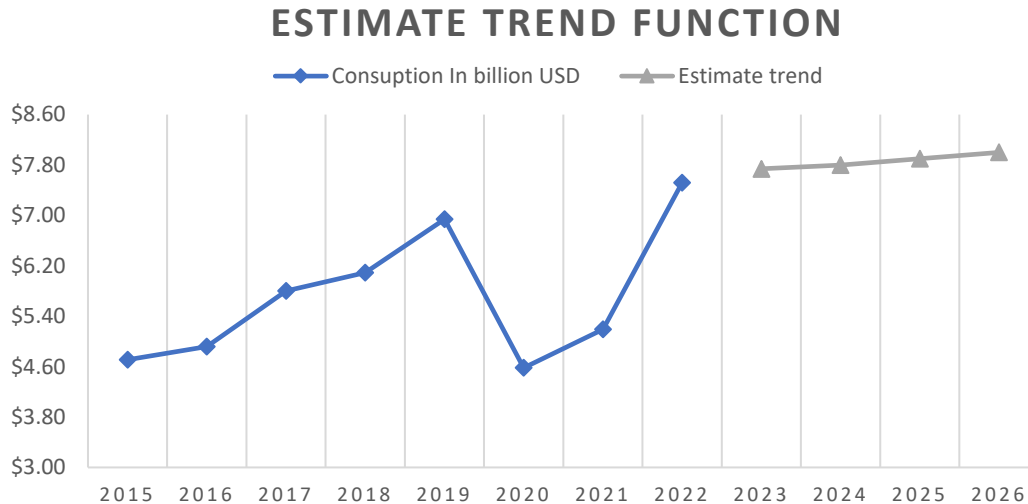
Source: Graph by Author

Interpretation - Hereby using the secondary data from Euromonitoer International till 2022 and estimating the trend from 2023 to 2026. From the trend line we can see the biggest leap during 2020 which we can say Covid-19 impact but the industry emerges from the crisis with greater purpose and creativity than before. The Indian luxury market is expected to exceed $200 billion by 2030. According to Statista, the Indian luxury goods market will generate total of $7.52 billion in revenue in 2022. One of the reasons can be rise of online platforms for selling and buying luxury goods is a major trend in the Indian luxury market. Furthermore, as India is one of the world's fastest-growing online markets, this is expected to grow in the future.

Other reason can be more Indians will be able to afford high-end items. While luxury brands such as Louis Vuitton and Gucci used to cater to the top 1% of Indians, they are now increasingly aiming to appeal to a broader audience. Companies such as Gucci and Chanel are producing less expensive lines, such as their "Tote" bag, which costs around $500. In addition, they are collaborating with local textile manufacturers to make their products more affordable. This is because luxury brands are now aware that expanding their customer base is important to the industry's future.

Overall with this trend function we can say it does not show the long-term tendency due to the high variability of the data, that's why it can not be used for forecasting.

Chain Base Index

Table 6: Calculation Chain Based Index Table

Year	Consumption In billion USD	Fixed Index Number	Chain base Index
2015	$4.71	…	100
2016	$4.92	104.46	104.46
2017	$5.80	123.14	117.89
2018	$6.09	129.30	105.00
2019	$6.94	147.35	123.96
2020	$4.58	97.24	65.99
2021	$5.19	110.19	113.32
2022	$7.52	159.66	144.89
Average	$5.71		

Fixed Index numbers are a convenient way to compare differences in a set of numbers. These differences relate to one value being compared to another value which is considered the base or comparison variable. The most commonly used index shows change over time.

In June, 2022 Euromonitoer International published a report on the consumption of luxury goods in India. Here is their data comparing the luxury consumption year wise. The base value for these indices is the 8 years average of $5.71 consumption. This mean that from 2015 to 2016 there is an increase of 4.46% in luxury consumption (104.46-100) from 2015 to 2018 there is increase of 29.3 % in luxury consumption (129.30-100) on the other hand 2015 to 2020 there is decrease of 2.76% in luxury consumption (97.24-100). It happens due to result of Covid-19 and in 2022 it increases by 59.66 % (159-66-100) in luxury consumption.

Chain Index - This method includes no base period. As previously we did 2015 as base year. In this case we take previous year for example for year 2017 the base year would be 2016, for 2020 the base year would be 2019. In this way no fixed base and it keeps changing with years. This method is useful because mostly business prefer to compare difference with last year rather than distant year. We can also make changes in chain index like add or delete data which is not relevant which is not possible with the fixed index table.

5. Results and Discussion

Out of 100 respondents 60 are male and 40 are female. Most of respondents belong to the age group of 21-30 which includes 41 respondents. Nearly half of the respondents are postgraduate and are employed in service sector which contributes to 50%. Majority of respondents are earning less than ₹1, 00,000 per annum. From the analysis, it has been found that around 40% respondents said that luxury products are great comfort and extravagant items as per their opinion. Majority of respondents prefer to buy clothes as well as jewellery among all luxury products There are 61 respondents who prefer to buy luxury products once in a year whereas a significant number of respondents (41%) spend between 10,000-30,000 Rs. on an average for buying luxury products. Majority of respondents are influenced by friends, and they use Instagram for checking information related to luxury products as compared to YouTube, Snapchat, Facebook, and other social media sites.

Price and buying experience are very important characteristic for 72% respondents during the purchase of luxury goods as compared to other characteristics such as rarity, quality, aesthetics, heritage, and status. Beside this, quality is the most influential factor while making purchase decision as compared to price, brand, and style. More than half of the respondents are strongly agreed with the statement that they prefer to buy product which has a positive testimony, and they agree to spend more money for purchasing luxury products. 72% respondents strongly agreed that they not only can easily remember the symbol of luxury brand but also prefer to buy a brand having nice packaging. 42% respondents have neutral opinion about the statement that they prefer to buy a brand that is advertised by their favourite celebrity. There are 80% respondents who strongly agreed to buy a product of luxury brand providing quick customer service. Moreover, there are 78% respondents who are brand loyal customers as they are willing to purchase the product of same brand which they have previously purchased.

6. Conclusion

The aim of the thesis was to assess the consumption of luxury products and consumer buying behaviour towards luxury products. The study focuses on identifying various factors influencing consumer buying behaviour with respect to luxury goods. The study was conducted in India for finding out the differences among consumer behaviour and for examining the brand loyalty among Indian consumers. The secondary data for the study is collected through websites, journals, and publications. While the primary data is collected by interviewing 100 respondents through questionnaire which is further used for the practical part and for conclusion of the thesis. The analysis has been done by using SPSS software. The statistical tools used for the study includes chi-square, correlation and one variable analysis. The findings of the study indicate that respondents majorly prefer to buy clothes as well as jewellery among all available luxury goods. The luxury goods are usually purchased by respondents once in a year and they tend to spend around 10,000 to 30,000 on luxury goods. Friends have a major influence on respondents for making purchase decision. Instagram is the most used social media site for obtaining information related to luxury goods by respondents. Respondents majorly consider price and buying experience while buying luxury goods as these both characteristics are very important for them. Apart from this, respondents are mostly influenced by quality of the product while making purchase decision as compared to price, brand, and style. Further, the survey indicates that respondents willing to spend more on luxury goods with nice packaging. They prefer to buy luxury products from those brands who are offering quick customer service. Moreover, more than half of the respondents are brand loyal customers as they intended to buy the product of the same brand which they have earlier purchased? In general, the consumer prefers to spend more on luxury products, and they prefer to buy the products of the brand whose products has been used by them earlier.

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8. Appendix

Name * Your answer

Gender *

- o Male
- o Female

Age *

- o Below 11
- o 11-20
- o 21-30
- o 31-40
- o 41-50
- o 51 and above

Email-ID * Your answer

Qualification *

- o SSC
- o HSC
- o Undergraduate
- o Postgraduate
- o PHD
- o Other:

Occupation *

- o Student
- o Business
- o Service
- o Professional
- o Housewife
- o Other:

Income *

- o Less than 1,00,000
- o 1,00,001 to 5,00,000
- o 5,00,001 to 10,00,000
- o 10,00,001 to 15,00,000
- o More than 15,00,000

What is luxury product in your opinion? *

- o Great comfort and extravagant items
- o Expensive but unnecessary items
- o Best quality items
- o Very selective and exclusive items
- o None
- o Other:

What type of luxury product do you prefer to buy? *

- o Clothes
- o Jewelry
- o Watches
- o Accessories (like handbags, belts etc.)
- o Perfumes
- o Cosmetics
- o None
- o Other:

How often do you buy luxury products? *

- o Weekly
- o Monthly
- o Every 6 months
- o Once a year
- o Other:

In average, how much money do you spend each time on purchasing a luxury product? *

- o Less than 10,000
- o 10,000 - 30,000
- o 30,000 - 1,00,000
- o More than 1,00,000

Who influence you to buy luxury products? *

- o Family
- o Friends
- o Self
- o Celebrities
- o Other:

Which social media site is used by you for checking luxury product related information? *

- o Facebook
- o Instagram
- o Twitter
- o Snapchat
- o YouTube
- o None
- o Other:

How important are the following characteristics when you buy luxury goods? *

	Not important	Slightly important	Moderately important	Important	Very important
Rarity (not everyone has it)	○	○	○	○	○
Quality	○	○	○	○	○
Price	○	○	○	○	○
Aesthetics (looks, material etc.)	○	○	○	○	○
Buying experience	○	○	○	○	○
Heritage behind brand (history)	○	○	○	○	○
Status	○	○	○	○	○

Which factor influence you more while making purchase decision? *

o Price

o Quality

o Brand

o Style

o Advertisement

o Word of mouth

o Other:

Given below are some statements regarding luxury products, you are requested to state your degree of agreement/ disagreement on each of the statements as mentioned below on a 5-point scale? *

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I prefer to buy product that has a positive testimony	○	○	○	○	○
I can easily remember the symbol of brand	○	○	○	○	○
I prefer to buy a brand that has nice packaging	○	○	○	○	○
I prefer to buy a brand that is advertised by my favourite celebrity	○	○	○	○	○
I am willing to spend more to buy luxury products	○	○	○	○	○
I prefer to buy a brand that has quick customer service	○	○	○	○	○

Will you intend to purchase the same brand that you have previously purchased? *

o Yes

o No