
**Change in consumer behaviour and their effect on the luxury accessory
business in India**

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ABSTRACT

India containing 17.5 percentage of world's population is projected to be the world's most populous country by 2025. With the increasing headcounts in India the demand of the people are also increasing. Over a last few decades, the attitude of Indian Consumers has undergone a major change. Today Indian Consumers want to live a life full of luxury; luxury not only in clothing but also the accessory used by them, like watches, cufflinks etc. This research paper explains the factors that motivate Indian consumers in purchasing luxury branded accessory, also factors that effects consumer behaviour under different circumstances and their attitude towards constantly changing environment. In marketing, the most challenging concept is to study the consumer behaviour. This research is significant to luxury brands and those in particular selling accessories. The aim of this study is to check the availability of luxury accessories in the market and also examine the type of consumers. Factors like mass consumption, globalization, social media and celebrity brand endorsements have an effect on consumer behaviour. Economic growth in India leading to urbanization and higher disposable incomes has helped propel growth of luxury goods. In India the demand of luxury branded accessories is increasing constantly.

Keywords: Luxury brands, India, luxury branded accessory, consumers

1. Introduction

Consumers have always been different in terms of approach, levels of satisfaction, ability to spend and change with the changing environment. Different consumers have different tastes and preferences depending upon their propensity to consume under situations prevailing in the market. Being an endless and diverse field of research and applications, consumer behavior considers areas such as decision-making, internal influences, and external influences on the consumer. An understanding of consumer behavior can lead to improved marketing strategies on the part of firms and organizations, and can also lead to improved public policy. Luxury goods are often synonymous with superior goods and Veblen goods. Some changes which have been noticed lately in consumer behavior:

Price-value equation: Consumers has started behaving more wise as compared to the shopping pattern of the consumers in the previous year. They demand value for money and they expect their expectations to be fulfilled as they buy a product. Thus, a consumer is more of a logical man rather than emotional.

Women playing an active role: The rate of female consumers are consistently increasing when it comes to buying of luxury brand accessories. It is expected that women will play a major role in the rising of retail luxury brands and will make India 12% richer by 2015 and 25% richer by 2025. As we know that a big proportion of Indian consumers involve female

consumers which are in majority, thus keep an eye on the fluctuating prices and availability of new products at lower costs. Experimenting with new products/impulsive buying: Consumer wants to experiment a lot when it comes to shopping of accessories so people are attracting more towards the luxury brands as now days luxury brands are even offering – EMI options, add-on products, free services. Moreover, consumers are always willing and interested in new products as it involves lot of innovation which not only attracts them but also encourage them to buy them and utilize them to their maximum capacity.

Social Media: Social media advertising by brand owner's have take a boom as the consumer is more active on social media platform. As per a marketer, India is expected to have 17.2% social networking penetration rate by 2017, taking its user base to 212 million. Social media has evolved and progressed as and when the time has passed, reaching and setting new benchmarks of promotion and advertisement of products and services; thus is the most convenient medium or pathway of promotional activities.

Internet buying: Social networking penetration would be directly affecting on the online buying pattern of the consumer and will gradually increase. Most people tend to change their patter of searching online while they are buying/ purchasing something, as per the survey conducted by Google. Thus; online shopping has become one of the most preferred medium which connects the consumers to the new goods and services available in the market and that too at lower costs and attractive schemes and offers.

We have chosen this topic as the consumer in India is more likely to get attract towards the luxury brand accessories rather than ordinary label. Even as per the records/ surveys India will have a boom in retail market/sector till 2025 so it's a need to research on this so that we can work more efficiently to let luxury goods be a part of every consumer's lifestyle. Moreover, today consumers are more oriented towards price and quality and qualities such as reliability, customer service and delivery service has become secondary. A proportion of the consumers are willing to buy anything at lower prices with good quality and are even ready to pay different prices for the same commodity.

2. Review of literature/theatrical background of the study

1) O'Shaughnessy and Holbrook (1988, 206) explain - "From an interpretive point of view, actions like buying are not simply matters of rational calculation with consumers computing up the pros and cons of objective facts, but rather are matters involving felt expectations as to how the consumption episode will be personally experienced."

2) (Slife and Williams 1995) - humanistic and phenomenological perspectives conceive the individual consumer as „a unified, coherent and rational agent who is the author of his or her own experience and meaning; therefore, analogous to the traditional conjecture, the interpretive paradigm also assumes that there is some pre-given natural essence of consumers (Slife and Williams 1995)

3) s Firat et al. (1995, 43-44) observe - "Consumer behaviour theories believe in consistency and orderliness of consumer behaviour. Thus, consumer behaves differently under different circumstances depending upon the conditions prevailing both internally as well as externally. However, the behaviour may not be same for all the consumers of the economy as some may react indifferently or become rigid to the situation due to internal stability.

- 4) Foxall 1997; Hudson and Murray 1986; Rose et al. 1990- The behavioural perspective assumes that consumers lack a conscious self reflective ability and as a result can be totally controlled and manipulated by marketers through environmental engineering. Thus, by this it was stated that consumers a consistent ability to react and rebel against the unfavourable conditions in the market and consequently, the marketers can fully control and manipulate the environment for sole benefits.
- 5) Pervin 1984- Personality in general is understood as a concept which accounts for the apparent consistencies and regularities of behaviour over time and across a variety of situations. As such, personality constructs explain those aspects of behaviour which are relatively stable across situations and, as a result, are predictive of future behaviour.
- 6) The Marshallian model ignores the fundamental question of how product and brand preferences are formed. Several studies have identified the impacts of price differentials on consumers' brand preferences; changes in product cues on demand variations; changes in price on demand sensitivity; and scarcity on consumer choice behaviour.
- 7) Alfred Marshall (1890) consolidated the classical and neoclassical traditions in economics, into a refined theoretical framework which came to be known as the theory of marginal utility. His theoretical work aimed to simplify assumptions and thereby examine the effects of changes in single variables (e.g., price) holding all other variables constant.
- 8) The early economic view considered consumer behaviour in terms of a single act of purchase itself, and post-purchase reactions. Economic theory holds that purchasing decisions are the result of largely "rational" and conscious economic calculations. Thus, the individual buyer seeks to spend his income on those goods that will deliver the most utility (satisfaction) according to his tastes and relative prices. The antecedents of this view can be traced back to Adam Smith (1776).
- 9) Donthu and Gilliland, 1996- There are two factors mainly influencing the consumers for decision making: Risk aversion and innovativeness. Risk aversion is a measure of how much consumers need to be certain and sure of what they are purchasing. Highly risk adverse consumers need to be very certain about what they are buying. Whereas less risk adverse consumers can tolerate some risk and uncertainty in their purchases. The second variable, innovativeness, is a global measure which captures the degree to which consumers are willing to take chances and experiment with new ways of doing things
- 10) Solomon 1995-Consumer is the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires"
- 11) Homburg and Bruhn (1998) defined the satisfaction of consumer as "an experience-based assessment made by the customer of how far his own expectations about the individual characteristics or the overall functionality of the services obtained from the provider have been fulfilled". By this, the author focuses on when and how the customer needs and their satisfaction level gets satisfied.
- 12) Gundersen, Heide and Olsson, 1996 – Customer satisfaction is typically defined as a "post consumption evaluative judgment concerning a specific product or service". By this the authors explain

13) the expectancy disconfirmation theory (Barsky, 1992; Oh and Parks, 1997; McQuitty, Finn and Wiley, 2000). The theory was developed by Oliver (1980), who proposed that satisfaction level is a result of the difference between expected and perceived performance. Satisfaction (positive disconfirmation) occurs when product or service is better than expected. On the other hand, a performance worse than expected results with dissatisfaction (negative disconfirmation).

14) . Barsky and Labagh (1992) stated that employee attitude, location and rooms are likely to influence travelers' satisfaction. A study conducted by Akan (1995) showed that the main determinants of hotel guest satisfaction are the behavior of employees, cleanliness and timeliness.

3. Research objectives

- 1) To study consumer behaviour in different conditions in Economy.
- 2) To study the factors that motivate Indian consumers in purchasing luxury branded product.
- 3) To study the availability of luxury accessories in the market and also examine the type of consumers.
- 4) To study factors such as Globalisation, Mass consumption, social media and celebrity endorsements have an effect on consumer behaviour

4. Analysis and Interpretation

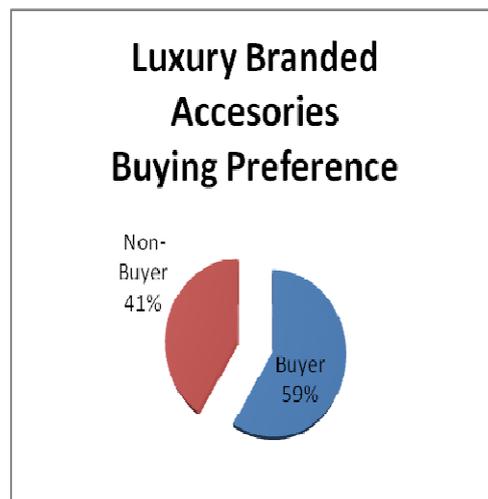


Figure 1: Result Interpretation

As per the survey conducted through the questionnaires, we arrive at a conclusion that 61% consumers prefer buying luxury branded accessories whereas rest of the 41% consumers prefer buying private label brands. Moreover, out of those who prefer buying luxury branded accessories frequent buyers constitutes 11.86% consumers buying weekly and 30.51% consumers buying monthly and there are 35.6% consumers who buy once in six months and 22% consumers buy once in a year.

In this age of technology, the most efficient medium to provide information to consumer about products is internet, which is quite evident here as source of information to 59% consumers is internet (28%-Facebook/Twitter and 31%-Online Advertisement flash/Pop-up), whereas remaining 49% consumers acquire information from friends, Newspaper/Magazines and Television Advertisements.

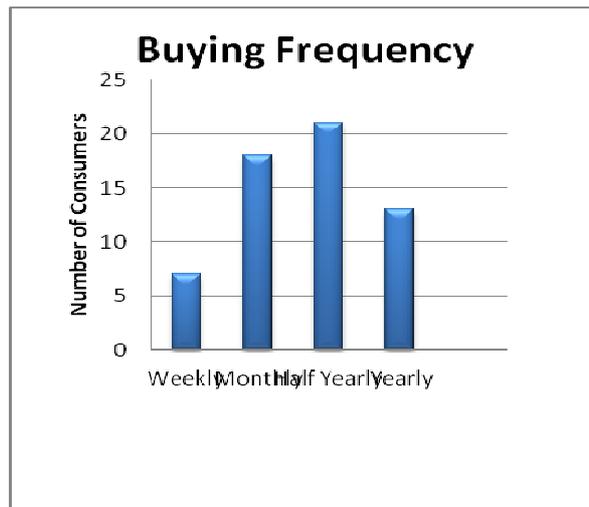


Figure 2: Result Interpretation

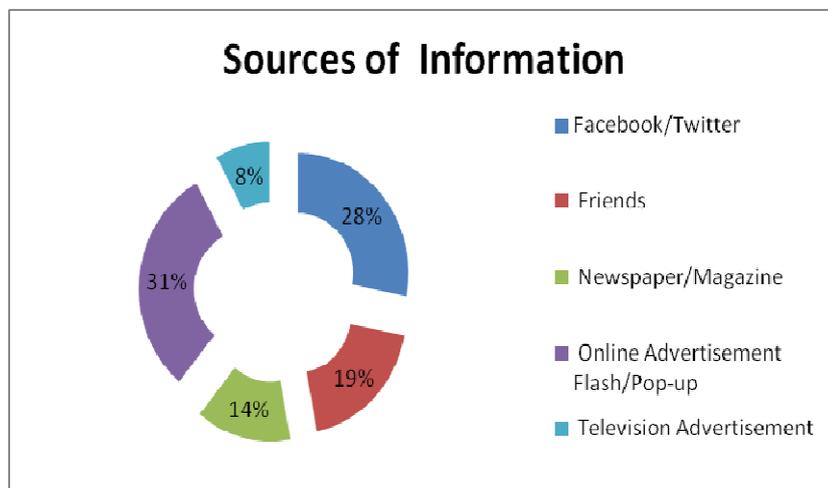


Figure 3: Source of information

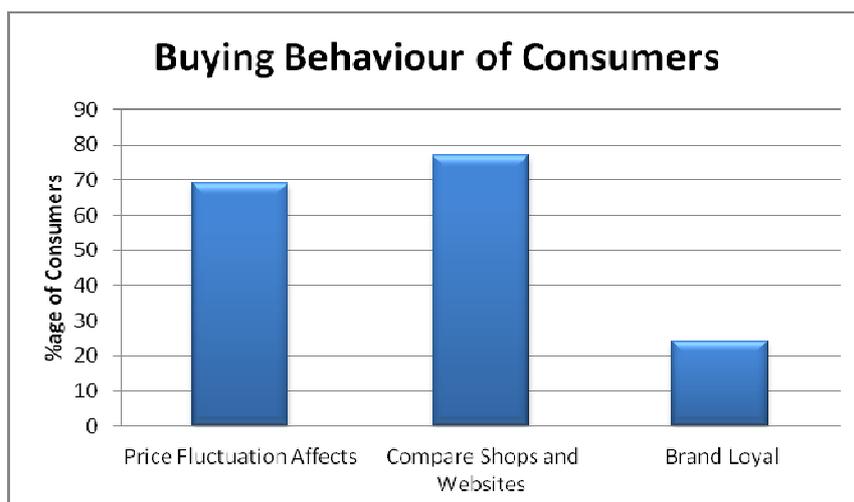


Figure 4: Buying Behaviour of consumer

There are very less brand loyal consumers, whereas most of the consumers get affected by price fluctuations in accessories of luxury brands and look for better alternatives by comparing shops and websites.

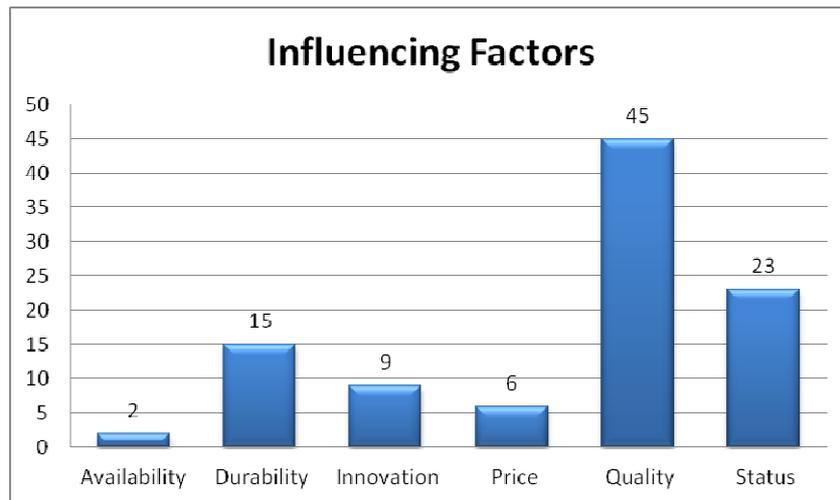


Figure 5: Influencing factors

Out of various fascinating factors which influence consumers buying luxury branded accessories, the most significant factor is that luxury brands sell products that are of high quality. Other factors like offering a good status symbol and ability of being long lasting constitutes to the secondary reasons.

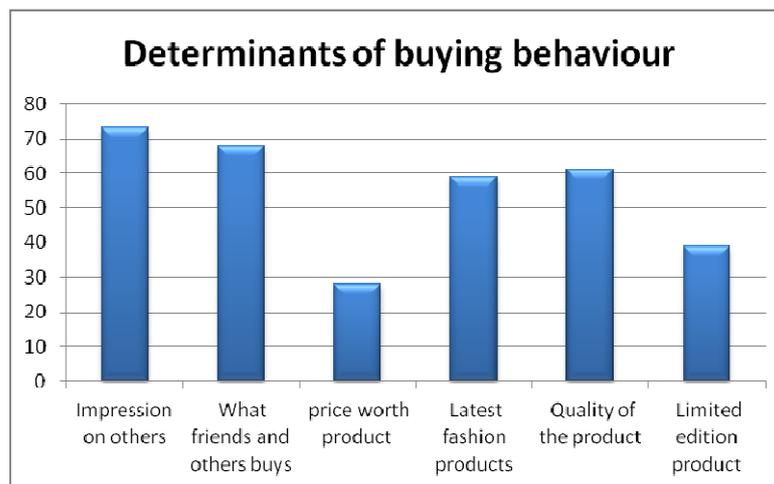


Figure 6: Determination of buying behaviour

Further, as per distribution analysis and brainstorming, certain determinants influence their buying behavior to large extent, prime determinants being what impression does particular brand and its products carries and which products does others including friends and family buys, secondary determinants being which brand is offering those products which are in fashion and quality of the product and the least significant being availability of limited edition products and price worthy product.

5. Conclusion

By examining the data mainly obtained from students it can be very well concluded that a large proportion of youth consumers are brand conscious and are willing to buy luxury branded accessories. Consumers are not much brand loyal and keep on looking for best deals and options which various brands can offer them and the best way for various brands to target consumers is Internet marketing, by creating awareness of their products on social media like

facebook/twitter or by online flash/pop-up advertisements rather than television or print media. Key influencing factors are primarily related to the quality, status symbolism of goods concerned. Major determinants, which determines the buying behavior of consumers constitutes the impression that product will make on others, what their friends and relatives are buying and which products are in fashion.

6. References

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