

# **DECODING BUYING AND CONSUMPTION BEHAVIOR OF FEMALE LUXURY CUSTOMERS FROM CENTRAL INDIA**

## **INTRODUCTION**

### **BUYING LUXURY IS VANITY, INCONSPICUOUS CONSUMPTION IS SANITY AND INCLUSIVE EXCLUSIVENESS IS (TOMORROW'S) REALITY!**

The growth of luxury brands has been slowing down all over the world. However, India is showing stellar growth in most categories thanks to the booming economy. A continent like market India is, there are islands or pockets where HNIs or UHNIs have settled. One can find them in metros and mini metros. With stark cultural differences in buyer behavior of different regions, it is difficult to generalize luxury customer behavior in India. As a result, one size fits all cannot work in Indian luxury market. Another critical issue is exposure to information in the digital age through the internet, T V channels such as Travel & Living and magazines such as BESPOKE, Elite Traveler Magazine of U S A, Centurion from Germany and so on. With exposure to information, individual canvass has widened. An effort is made in this paper to decode buying and consumption behavior of female luxury customers from central India. It goes without saying that male and female luxury customers show different trajectories of buying and consumption. Mute question is – has there been a paradigm shift in the behavior of female luxury customers due to exposure to information in this digital era. An effort is also being made to find out if extravagance and flamboyance are being replaced by inconspicuous consumption and a sense of “inclusive exclusiveness”.

## **OBJECTIVES**

The main objective of this research paper was to decode both- buying and consumption behavior of female luxury customers from central India. Another supplementary objective was to find out if there was a major change in the behavior of this set of customers post demonetization in the Indian market. The advent of e-commerce that virtually brings luxury shopping to ones' doorstep, has only whetted the appetite of luxury customers in tier II and III cities in India. According to Nikhil Mehra, C E O of Genesis group, “ The next level of luxury consumption will come from interiors of India- from newer geographies”. The author deliberately chose central India as sample market to probe. Approaching luxury customers and getting an appointment and interviewing them was a tricky task. The issue of privacy, sharing of information, refusal to answer specific questions was not uncommon in such cases.

## **RESEARCH QUESTION**

As mentioned earlier, the first question was to decode black box of female luxury customers.

Objectives were to find out their perception of LUXURY, top of mind brands, occasions of buying, awareness of butterfly mark, their views on the concept of shared luxury, items in their bucket list, and influence of values on shopping behavior and so on. As mentioned earlier, specific question was asked if the not so recent step of demonetization in India has impacted their behavior in any way

## LITERATURE REVIEW

Consumer behavior is the subset of marketing and has been characterized by a diversity of viewpoints and based on interdisciplinary approach. Consumer behavior research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Knowledge of consumer behavior directly affects marketing strategy (Anderson *et al* , 2005). Fishbein's (1967) attitudinal model has also been widely used in marketing context. Lacuna in Fishbein's model is it stops at adoption level and does not consider other important aspects that explain and predict consumer continuance/repurchase behavior. The expectation-confirmation model (Oliver) however focuses on post-purchase behavior which is critical in case of luxury products. Issue of decoding consumer behavior in case of luxury products becomes further critical due to relativity and individuality. Values also play a critical role in influencing shopping behavior through family or group relations, role patterns ( male-female), school, work, politics and religion ( Hofstede, 2001). Major basic and enduring characteristic of luxury are exclusivity and desirableness (Berry 1994, Ricca 2012). From a historic-societal perspective luxury has always fought moral criticism (see e.g. Berry, 1994; Enzensberger, 1996; Roos, 2009). This is also the reason why especially in times of economic downturns and under the impression of environmental crisis (cf. Lubin and Daniel 2010; Ernst & Young 2010) in particular a product as public as a luxury or premium automobile has to face a social acceptance discussion. Nevertheless, Luxury was also always regarded as a driver of refinement and societal wealth (see e.g. Berry, 1994; Kapferer and Bastien, 2009; Meyer, 2003). Today it has lost much of its function as a social marker (Kapferer and Bastien, 2009). Koonnaree Wongsiriwat (2007), in her study on purchase of luxurious hand bags in Bangkok, explains that emotional spending is an integral part of any purchases consumer make. Spending is now based on wants not needs. What we wear and how and when we wear it, provides others with a social situation. Top of mind brand recall, brand recognition and awareness of a luxurious brand highly influences women. Kamolwan Tovikka i& Wiwatcha iJirawattananukool (2010) have done a study on factors influencing Thai women to purchase luxury goods

## Conceptual Framework and Major Conjecture

- 1- Luxury market is booming in developing economy such as India.
- 2- Luxury concepts are highly individual and relative and change over time.
- 3- Luxury today is ruled by both- income and life-styles.
- 4- Luxury in a long term perspective is more democratized and accepted than ever before.

Major Conjecture: Luxury and premium manufacturers must better respond to the new consumer demand for both profitability and volume in emerging markets, while they must keep a status and performance driven marketing by connecting to consumer digitally also.

## METHOD

Author used in depth interview method. Sampling method was convenience. The reason for choosing this method was- sample size was small- 50. All female respondents were from Nagpur and Indore, both cities from central India. Thirty were above age 35 and other twenty were in age group 25-35. Half of 50 were housewives and other half was second generation entrepreneurs. They were associated with prominent social clubs in these cities and as many as twenty were also engaged with some sort of social work also. In case of some respondents in Indore, author had to use vernacular language to get better response. As many as 20 respondents refused to answer question related to impact of demonetization on their buying behavior

Author has used in depth interview method for collection of information. Two different trends emerged and the difference in responses was due to age group and digital literacy. Author has broadly divided them into Flamboyant Feminist Connoisseur and Cautious Futurist.

## FINDINGS

Perception of LUXURY	Flamboyant Feminist	Cautious Connoisseur
	Price, scarcity, brand, difficult to get, Diamonds are forever	Luxury is going less casual, less tedious, less cumbersome, Price not sole barometer
Top of mind luxury brands	GUCCI, FENDI, GILI, NAKSHATRA, CARTIER, HASTEN SANGAR	PATHEK PHILIPPE, BVLGARI, TESLA, LOUIS VUITTON, BELGIAN MONK BEER

Products/services in current use	Automobile ( Benz/Beetle) Fragrances (L'Oreal , LVMH, HERMES) RITU BERI FOUR SEASONS ESTEE LAUDER NIRAV MODI ( Jewellery Designer) MEHTA & GADA ( family embroidery	CHANEL DIOR FENDI VW- BEETLE LAN COME HIDESIGN NEEL SUTRA ( APPAREL)
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Satisfaction level with current brands	Moderately satisfied with brands currently in use Satisfaction level increases when other customers from same group asks about the product/brand	Highly satisfied with all brands Not worried if no one notices or asks
Importance of price in purchase of a luxury brand	Not so important in price  Very important in case of services sector when product cannot be seen beforehand  High level of dissatisfaction with luxury cruise in absence of authentic Indian cuisine	Very important Check on line/buy off line and vice-versa Aware of prices at stores in off shore locations
Sources of information on luxury brands	Friends/ members of social clubs/magazines/personal salesman/ personalized e mails/whatsapp	Web sites E mails Friends Luxury outlets at airports Magazines Brand ambassadors Shopping advisors/consultants Third party websites such as mouthshut .com Blogs “Rich Kids on Instagram”
Influencers on buying decision	Husband Friend who already owns a brand Price	Blogs Third party opinion Experts such as

	Brand Ambassador	gadget guru Price Stories built around the brand
Place of purchase	Mall Exclusive outlet Home ( personalized visit by representative) Authorized showroom Airport outlets	On line Auctions Overseas airport outlets D S F- Dubai Shopping Festival ( for electronic goods) Exhibitions
Categories in current use- products/services/assets	Apparel, fragrances, accessories, jewellery, furniture	Handmade products, personalized items, fragrances, automobile
Critical factors influencing buying decision	Price tag, brand name, luxury mall, auction	On line, at outlet of international airport, exhibitions
Trend setter/trend follower	Trend follower	Trend setter
Media consumption habits	T V Newspaper Magazines Input from personalized e mails	Blogs Websites Shopping consultants Magazines
Comfort level on various digital platforms	E mail WhastApps	Facebook Instahram Pinteret
Current awareness- butterfly mark/green luxury	Not aware	Aware Preference given if both brands are at same price level
Buy versus lease- fractional ownership	Do not believe	Believe in fractional ownership Luxury Yacht
Products/services in your bucket list	Bahamas Luxury cruise  Benz E Class  Theme wedding of son/daughter at exquisite location	TESLA Space Tourism Paris Dakar valley race participation  Arctic zone,

		Northern lights
Attitude to life- YOLO or YODO	YODO	YOLO
Impact of demonetization on your plans	MEDIUM Cautious spending Inconspicuous consumption Buying on E M I Preference to leasing BAGSUTRA.COM	LOW ETIL Enjoy till it lasts Jewellery, watches, fragrances
Artification of luxury products	Brand values understood through advertisements and personalized e mails Ad campaign of Louis Vuitton- <i>savior faire</i>	Brand values appreciate through story telling, art exhibition visits, auctions, blogs
Products/services in category of uberluxury	Husn-e-Taa'iraat collection  Period furniture by Mahendra Doshi	Burberry's "the Rucksack" with initials of buyer Trans Siberian Travel on Zarengold  Fusionwear

## DISCUSSION

It is crystal clear from the findings from interviews that there are two distant niches emerging in central India. One- the **familiar flamboyant**- the mature female customer above 35. This segment goes for price tags, top of mind brands and normally buys off line in metros. On the other hand other set of female luxury buyers can be termed as cautious connoisseurs' of luxury. They believe in inclusive exclusiveness, process and not the brand is important. They deep dive in information and only then buy an item off line also. They are comfortable with snapchat, Facebook Messenger. On the contrary, The familiar flamboyant prefers to have information through WhatsApp.

## CONCLUSION

To conclude, female luxury customers have growing appetite for luxury. Be it a product or a service or a lifetime experience or an occasion, marketers have to create exclusive relationship with help of technology applications. While millennial are important, one cannot forget the mature ones. They are the custodians of romantic stories.

## LIMITATIONS

Number of respondents was only 50. This was the biggest limitation. It was not easy to reach respondents although they were relatively easily identified. In few cases, respondents were reluctant to answer in absence of their husband. Majority of mature respondents in age group 35 plus were not aware of the concept of Butterfly mark. Respondents were skeptical in answering question related to demonetization. Question related to Artification to luxury products also needed detailed clarification before getting responses. One aspect which was not included in questionnaire but surfaced during discussion was occasion of purchase of luxury brands.

## MANAGERIAL IMPLICATIONS

In this digital age, reaching out to customers through different media platforms is not difficult. What is critical is which platforms to choose and in what order. In this research, respondents by and large were comfortable with Whatsapp, e mail and had presence on face book. However more than half of them were not using twitter handle. YouTube is the largest source of community videos on the web and is owned by Google. Marketers can promote their business with a video of company work or latest commercial. One such example is the video titled “The Art of Craftsmanship” showing 300 steps involved in manufacture of Canali’s Jacket. Considering responses from the sample, a luxury marketer should first communicate content with visual and a link through Whatssapp group. This shall induce the viewer to go to link and find out more about the brand. Simultaneously, respondents can be reached through face book and personalized e mail should be last but one in this sequence of communication. Blogs, particularly related to travel are also an option to reach customers in this digital era. Pinterest is another platform which was used by all for apparel.

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E MAIL ID:-

- 1- Your perception of term LUXURY.
- 2- Which brand names come to your mind first when discussing luxury?
- 3- Which luxury products or services are you using currently?
- 4- Are you happy with the brands you are currently using?
- 5- Is your buying decision influenced by immediate family members, family friends or opinion leaders?
- 6- Preference to purchases- in India/abroad/at airport/on line ?
- 7- Which of the following category is most important for you –  
Fragrances/beauty care/jewellery/watches/apparel/overseas tour/spa/plastic surgery/handbags/eyewear/footwear/villa/any other

- 8- How important is PRICE in your buying decision?
- 9- Which factors play critical role in your buying decision apart from price?  
quality/ brand name/unique production technique/waiting time/payment options/opinion  
leader /scarcity
- 10- Are you a trend setter or a trend follower?
- 11- What are your sources of information on luxury brands?
- 12- What are your media habits- newspaper/magazines/T V /internet
- 13- How comfortable are you with digital platforms?
- 14- Have you heard of “butterfly mark”?
- 15- - Do you believe in concept of fractional ownership in case of very high value luxury assets?
- 16- Name products/services in your bucket list.
- 17- Are you a YOLO or YODO?
- 18- Impact of demonetization on your plans
- 19- Do you believe in artification of luxury brands ?
- 20- Which items would you like to include in case of uberluxury ?