



Impact of Conspicuous Consumption on the Purchase of Luxury Items: Study of the Consumer Behaviour with special reference to Udaipur

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ABSTRACT

The basis of any consumer purchase is the accomplishment of their physiological and safety needs by the masses, henceforth the consumer focuses on the fulfillment of self esteem needs. This gives rise to a tussle between the conspicuous and inconspicuous mind of an individual. As per Sociological theory, conspicuous consumption offers that public exhibit of discretionary buying power, either as income or as accumulated wealth, does not provide direct utility to the person who behaves likewise. The present paper explores the consumer's perspective and the drivers behind their consumption habit of the luxury items. This study is the result of a questionnaire which surveyed over 200 adults of Udaipur. The chi-square test is applied for the analysis of the data. The results obtain demonstrates the key drivers which are imperative for the consumption pattern of the luxury goods.

KEYWORDS : Consumer Behavior, Conspicuous Consumption, Luxury Items

Introduction

Conspicuous consumption, the term was coined by The American economist and sociologist Thorstein Veblen in his book *The Theory of the Leisure Class* (1899). It can be explained as the performance by the consumers in consuming the products that are of high quality. For example, conspicuous consumption can be seen in making an allowance for buying a luxury car rather than an economy car. A car whose utility can be considered in providing a transport to a destination, the buying of luxury car however draws our attention to the conspicuous behavior of the consumer. Conspicuous consumption is a subcategory of "conspicuous waste". Conspicuous leisure and conspicuous consumption together make up the "canon of conspicuous waste". The consumption of certain types of goods and showcasing no intention to work by the consumer is an effort to signify their wealth status in society and wants to gain certain esteem in the public. The canon describes that economic strength is the basis on which good repute in any highly organized industrial community rests. Conspicuous consumption of goods and leisure are the key means of exposing economic strength and gaining and preserving a good name in society.

Conspicuous consumption takes place in both vertical and horizontal manner. That is, undeniably it is not confined to within the "leisure class" but emulation takes place between the groups and within the group also. In a large leisure class the status signs become less visible. So the display of the leisure within the group to advertise the leisure becomes more important that to distinct itself from the lower class.

The word luxury has been seen from different aspects by different researchers. Various key points have been taken while defining the term. For example; In contemporary marketing usage, Prof. Bernard Dubois (2004) defines, "luxury" as a specific (i.e. higher-priced) tier of offer in almost any product or service category. On the other hand, Prof. Jean-Noel Kapferer (2005), defines as an experimental approach stating luxury as through which extra pleasure is achieved by satisfaction in all senses.

Ryan Weatherford in his study on conspicuous consumption states a few factors like: brand, status, quality, price, social orientation, uniqueness, show-off of wealth, social acceptance as being the major concerns in regarding conspicuous consumption. Various focus on which researchers tries on finding its essence revolves around uniqueness, exclusivity, better-quality components and materials, solid construction, stylish appearance, status symbol, increased durability, better performance, advanced features, and so on.

This paper explains reading such behavior of the consumers where the primary characteristics of the good as providing utility is ignored to an extent rather "honorific" aspect is paid attention where the consumer finds it more suitable to get appreciation by displaying of

an luxury item.

Review of Literature

Mason (1984) in his study on conspicuous consumption states that factors which play an important role in the shopping preferences for products are status and prestige. Though these factors appear to have direct utility they only serve as a means of displaying wealth and purchasing power. The literature on the subject is examined in the paper focusing primarily on the consumer who during the purchase gives importance to the cost of a purchase than the product itself.

Sharon Wu and others (2015) proffer into the purchase behavior and consumption motives of the female consumer of Asian countries with special reference to Taiwan focusing on the increasing consumption of luxury fashion brands. The result showed that the consumers are highly involved in the world of luxury fashion retailing. The Asian consumers finds its highly enjoyable hunt and give huge weight over the discussion of luxury brands with friends, following the celebrities over fashion, seeking information on brands and luxury goods. They are motivated to spend more on luxury brands even if their discretionary income is limited in order to bestow their social status through expensive fashion wear.

Jaikumar & Sarin (2015) focused to study the impact of income inequality on conspicuous consumption. The survey used the data from the India Human Development Survey (2004–2005) by employing simple regression framework. The paper studies the relationship between inequality and conspicuous consumption changes with a household's relative wealth status. The hypothesis drawn for the study was that because of reduced attractiveness of alternate mechanisms to display the status, the low income and rural groups are likely to engage in higher conspicuous consumption. The results obtained showed that the increased spending on conspicuous consumption as a share of total spending is associated with increased income inequality and so the associated response was greater for relatively low-income households and those living in rural settings.

Schultz and Jain (2014) through their study brings into close light that in emerging economies the functional product attributes are less important than democratized view for the marketing research of luxury goods. This paper brings out a new concept of "digital self" and develops a framework of luxury and self, with the aid of the concepts like interdependent or outer, independent or inner. The three levels of luxury consumption that is, conspicuous, individual and interactive are demonstrating the above concept. The conspicuous luxury behavior is formed when the interdependence self is affected by the external motives. The individual luxury consumption is influenced when the individual self is affected by internal motives. The interactive luxury consumption and behavior is manipulated when the digital self affects the network of motive

and relationships.

Nwankwo and his associates through their study indicate that purchase behavior of the luxury items is influenced by the consumer values and motivation. The results highlight that in Islamic countries when focusing over the perceived gender biasness in consumption decision making especially by a specific gender underpinning. Women are positively disposed to impulsive purchasing of luxury goods as compared to men. The educated people showed greater tendency towards rational buying decisions than towards impulsive buying

Yin Chan and his associates investigates into the repurchase intention of luxury goods by the consumer. They examined the motivating factors of the consumer and the impact of status consumption on their emotional responses. The sample size was 568 respondents for the study. The result displayed that the emotional response has the strongest direct impact on the repurchase intention of the consumers. The repurchase intention for status consumption is indirectly affected by the need for uniqueness and materialism.

Objective of the study

The objective of the present study is to analyze the factors which induce people to buy luxury items. It also studies the difference in the age group and income level on the factors responsible for buying luxury items. This study can be further developed to study the market prospects of the luxury goods in India which has not yet been fully tapped.

Hypothesis

- HO: There is no significant difference between various factors of conspicuous buying in various age groups
- H1: There is no significant difference between various factors of conspicuous buying in Different income levels
- H2: There is significant difference between various factors of conspicuous buying in various age groups and different income levels.

Research Methodology

This study aims to explore consumer behavior which focuses on the influential factors leading the consumption of the luxury items by the consumers. The study of the consumer preferences requires opinion and views of the people for which a dichotomous questionnaire has been developed. The questionnaire includes questions on major factors as: quality perceived, social status, price, uniqueness and peer pressure. The first part of questionnaire is aimed to find out the motivational factors behind their buying behavior of luxury items. The second part of the questionnaire includes dichotomous questions which studies the factors which lead to the conspicuous buying of the luxury items. The samples are taken from the Udaipur city (Rajasthan, India). The selection of the sample is based on the convenient sampling and the sample size of the study is 200. Chi-square test is used to analyze the data.

Data Collection and Statistical Analysis

In order to study the factors which lead to the consumption of the luxury items the responses were tabulated and analyzed reviewing each observation. The responses such obtained were then segregated on the basis of the factors and their percentage of responses. The result thus obtained is as follows:

Table 1 Motivational Factors in Buying Luxury Items

Factors	Responses	Percentage
Follow the trend	0	0
Cause awareness	32	16
Desire for high quality of living	80	40
To show off wealth	8	4
As reward for self achievement	80	40
Total	200	100

Table 1 illustrates that most of the respondents buy luxury items because of desire for high quality of living and as a reward for self-achievement. Only 4 percent considered that their buying to be influenced by the factor to show off the wealth and not a single respondent considered that their buying is motivated as their desire to follow the latest trend. The graph 1 demonstrates the above observations tabulated.

Graph 1 Motivational Factors for Buying Luxury Items

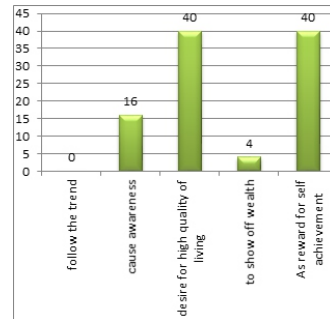


Table 2 Focal Areas- Buying a Luxury Item

factors	Responses	Percentage
brand	56	28
design	8	4
popularity	8	4
price	0	0
quality	88	44
functionality	40	20
Total	200	100

Table 2 illustrates the key areas where the customer focuses while indulging themselves in buy luxury items. 44 percent of the respondents reported that their focal concern area while buying any luxury item is quality and the second important factor is the quality of the product. As per the respondents price, design and popularity are not an important factor. The graph 2 demonstrates the above observations tabulated.

Graph 2 Focal Areas While Buying a Luxury Item

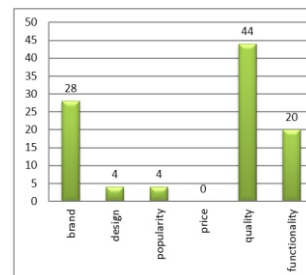


Table 3 Chi Square

Income Level	Chi square value	Age	Chi square value
less than 2.5 lac	47.35	18-24 years	32.11
2.5 lac-5lac	96.75	25-29 years	320.77
5lac-7.5lac	74.77	30-39 Years	1020.31
7.5 lac more	21.61	40-50 years	18.22

The table 3 illustrates value of chi square at different age group and income group of all the factors. These values are higher than the chi square value at 0.05 level of significance of 4 percent degree of freedom (0.711).

Thus, the following hypotheses are proved to be false which means that the factors affecting buying of luxury items are affected by the age and income level.

HO: There is no significant difference between various factors of

conspicuous buying in various age groups

H1: There is no significant difference between various factors of conspicuous buying in different income levels.

Conclusion

The findings of this research indicate that buying behavior of the status conscious people is hugely dependent upon two main variables viz age and income level while buying luxury goods. Results also indicate that people get motivated because they have high desirability for quality of living and also as a reward for the self achievement. It can also be observed that consumer's pays no importance to price of the product rather there is a great likelihood towards the brand and the quality of the product being perceived as possessing high status elements. These findings broaden our understanding of status-conscious consumers and their behavior towards brands. It was also confirmed that brands would be chosen for status approval and conspicuous consumption.

Limitations of the Study

A small sample was taken for the study conducted for this paper. Moreover the samples were collected using convenient sampling. A better perspective of the consumer buying behavior of luxury items can be obtained if there is an increase in the sample size.

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