ORIGINAL RESEARCH PAPER

Volume - 12 | Issue - 01 | January - 2023 | PRINT ISSN No. 2277 - 8179 | DOI : 10.36106/ijsr

INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH

DOES LOYALTY WORK AMONG INDIAN MILLENNIALS ? : AN ANALYSIS WITH SPECIAL REFERENCE TO LUXURY BRAND 'ARMANI'

Management

Prof. Dr. Mangesh Prasad Kasbekar*

Ph.D. Professor Marketing at N.L. Dalmia Institute of Management Studies and Research, Mumbai. *Corresponding Author

ABSTRACT

Indian Millennials will be the next luxury market kings and queens. When compared to prior generations, they are more prone to spend more on luxury things. Because millennials' ideas and basic value structure differ greatly from those of previous generations, luxury marketers must comprehend "millennials' thinking" and devise a unique strategy to entice this valuable market segment. The attempt of this research is to study and identify factors influencing brand loyalty towards luxury brands among millennials in the region of Mumbai. A case study approach has been taken using Armani as a luxury clothing brand. International luxury brands attempting to woo Indian consumers can use the findings of this study to develop customer value for consumers seeking a luxurious lifestyle, as well as to improve their self-image and social acceptance, assisting marketers in attracting new luxury customers and retaining existing ones.

KEYWORDS

Brand Loyalty, Millennials, Luxury Brand

The luxury business has evolved dramatically over the past two decades. Luxury brands can be defined as those that bestow prestige on customers who just show and/or use them. They are also referred as emotionally significant stimuli because they can elicit hedonic responses in customers who engage with them (Han, Nunes, and Dr`eze 2010). Luxury can also be defined as the epitome of philosophy combined with a rich cultural heritage, as well as highly distinctive and exceptional craftsmanship, timelessness, and non-replicability (Oknokwo, 2010). Luxury brand products are different from other types of mass-market brands since they follow a logic that is rooted in their sociological traits and is different from that of mass-produced brands. The social ties that arise and develop around these products, not just the objects or brands, constitute the element of luxury. (Dion and Arnould 2011). Luxury firms originally began as niche businesses, only available to the few who could afford their products. Today, the luxury products market is very different; it is now an actively growing sector, targeting an ever-expanding consumer category to reach broader and growing audiences (Kapferer, 2015).

Luxury brands provide psychological benefits to consumers when contrasted to their more mainstream counterparts since they are seen to be of higher quality, more exclusive, and unusual (Bruce and Kratz 2007). The consumers' ability to help consumers attain social status and signal economic well-being has been linked to their buying of luxury products. Luxury brands are distinct from other brands in that they are strongly based in establishing a sense of exclusivity, elevating purchasers, and sustaining social class distinctions between the haves and the have-nots (Kapferer, 2014). According to Dion and Borraz (2017), luxury businesses must preserve their standing by creating experiences that confirm consumers' notions of class subjectivities. In directly run stores, luxury brands hire and train salespeople who are critical to providing an exceptional experience and fueling customers' adoration for the brand.

Veblen (1899) was the first to study luxury consumption habits among the 'leisure class,' concluding that when luxury goods are consumed in public, they communicate money and status. These items are employed as a mark of social status, indicating that the owner belongs to the upper class. Alleres (1991) divides luxury into three categories: inaccessible luxury, intermediate luxury, and accessible luxury. When it comes to consumers' thoughts, there's a war going on between luxury companies and other brands like premium brands, as well as the difficulty of defining luxury levels. All of these inconsistencies have rekindled experts' interest in the subject of how to identify a luxury brand. According to Kemp (1998), the degree of luxury perceived by a brand relies on both the people questioned and the situation; as a result, the challenges related with the definition and measurement of luxury are typically buried in its subjective feature. Luxury encompasses both a product's inherent quality and the brand's non-material attributes. Although academics disagree on what constitutes luxury (Choi, 2003; and Wiedmann et al., 2009), they do agree on one thing: luxury objects meet both psychological and traditional practical demands.

According to Keller (2009), luxury branding is perhaps one of the purest examples of branding, as the brand and its image are often key competitive advantages to create enormous value and wealth for organizations, and "Luxury brands are perhaps one of the purest examples of branding, as the brand and its image are often key competitive advantages to create enormous value and wealth for organisations". Mittal and Aggarwal (2012) investigate the relationship between brand and customer purchase intents, concluding that people prefer brands to achieve social recognition, and that purchasing of branded products is influenced by brand personality, age, and other demographic characteristics. Changing market developments have no effect on customer loyalty to prominent premium brands. When it comes to consumption patterns, it's important to recognize that they're not the same everywhere around the world (Li et al., 2011). Due to the high supply and vast choice offered in several industries, including luxury products, consumers are no longer loyal to a single brand and instead want to choose and have a demanding and critical attitude toward exactly what they want to purchase (Okonkwo, 2007). Looking at the recent transition in the globalised and increasingly more connected globe, we can observe that the luxury market has moved from limited availability to a market with more individuals of even moderate means having access to the products (Okonkwo, 2009).

Almost all definitions of brand loyalty, according to Fournier and Yao (1997), provide no "insight into the process condition" and are too simplistic to account for the complex phenomena of brand loyalty. Because brand loyalty is a discrete behavioral reaction, loyalty creation processes are thought to be dynamic rather than static. Brand loyalty is similar to repeated purchases when no antecedents are discovered in the stochastic technique. Brand loyalty is thought to be determined by attitudes, intentions, or other intra-individual processes under the purposive or deterministic perspective (Jensen and Hansen, 2006). Brand loyalty is heavily influenced by brand trust. In regard to customer satisfaction, brand trust has two dimensions: reliability has a technical or competence-based nature; the second dimension means the customer's conviction that the product offers value and is for their benefit and welfare (Sahin et al., 2011).

Objective of Research:

To identify the factors influencing brand loyalty towards luxury brands among millennials in the region of Mumbai.

Methodology adopted:

The research is both an exploratory and descriptive in nature. A case study approach has been taken into consideration using Armani as one of the leading luxury apparel brand. The findings of the study have ramifications for luxury marketers, and can assist them in developing strategies tailored to Indian luxury buyers particularly in the domain of luxury clothing. The study examines the methods that can be devised by the luxury fashion brand as well as the relevant factors of obtaining traction and maintaining loyalty status in the minds of millennial consumers. The current study will assist luxury merchants and marketers in better understanding the mindset of Indian consumers.

PRINT ISSN No. 2277 - 8179 | DOI : 10.36106/ijsr

Primary data has been obtained from the millennials born between January 1983 and December 1994, largely working population residing in the city of Mumbai. The data from real-time luxury consumers has provided a genuine understanding and assessment of their luxury consumption habits. This information has been gathered over the course of four weeks. Secondary data has also been gathered through research publications, traditional journals, periodicals, and the Internet. The respondents have been identified using a stratified sampling technique. The brand loyalty screening question questioned, if the client has purchased Armani in recent years, and these were considered as qualified respondents. Some qualified participants agreed to be interviewed but requested that it be done over the phone, through social media, or via e-mail; these requests were honoured. Interviews were transcribed verbatim and content-analyzed first. Content Analysis have been used to analyze the research data because it allows for both qualitative and quantitative analysis. It permits subjectivities to be removed from the summary and can provide useful information. This method helps to pull out the trends in communication and the underlying message because the data is collected through interviews, books, journals, newspapers, and other sources. A semi-structured interview technique has been created to examine consumer loyalty to luxury brand: Armani.

DATA ANALYSIS AND RESULTS

This study examines the influential factors affecting Armani's loyalty through content analysis. The findings indicate that several of the brand loyalty factors have been applicable to Armani: perceived quality, status, satisfaction, trust, commitment, switching costs, situational factors (physical surroundings, social surroundings). Within situational factors, task definitions and antecedents are difficult to assess and hence are not considered to be significant. It has been observed that Armani customers can socialize and be comfortable contributing to the brand loyalty factors of perceived service quality, physical and social surroundings. In addition, the consistency of the quality of apparel has contributed to consumer trust. By providing a great experience where the customer, recalls his preferences, and makes him 'feel special', Armani influences the brand loyalty factors of satisfaction and commitment. The positive Armani experience has also reduced transactional costs for the consumer. The rewards card by which a customer gets discounts for using a card frequently has affected perceived value and to some extent monetary costs. The Mobile Order and Pay application has reduced waiting time (nonmonetary costs) and increased satisfaction. Armani merchandise are seen in most of the prominent malls in Mumbai; this influences brand loyalty factors of social surroundings as well as status. Customers feel as if their status has improved because they are being seen by others at Armani or using Armani products. Monetary costs as a factor have not contributed very much to brand loyalty because Armani apparels particularly suits is priced quite high for the quality offered. Because it can take time to earn points and become a Armani rewards member, consumers might feel the monetary costs that are attributed to this are not worth the perks. When it comes to antecedents, this also reflects how the consumer felt emotionally and physically prior to purchase, which Armani cannot really control. However, when employees provide great and friendly customer service, the intent is to help alter the consumer's mood, should it be a negative one or to make the consumer feel better even if they are already in a cheerful mood. Building a successful brand is difficult and having consumers believe in the product takes time to develop. Due to Armani's successful brand loyalty strategy, other companies try to understand how Armani creates an impact from these factors to build brand loyalty. According to the findings of our study, if a customer is attached to a brand, he or she will prefer to purchase that brand, thus luxury marketers should focus on giving consumers with a luxurious experience that will help them become attached to the brand.

If businesses are able to create a product that has been deemed as having a perceived value, then consumers are more likely to purchase the product.

CONCLUSION

Although the luxury industry has developed at a breakneck pace in recent years, luxury businesses will face severe issues in the years ahead if they do not engage millennials on their own terms. The importance of having a goal is crucial. Brands must show that they are more than simply about generating money. One method to stand out is to promote sustainability and ethical business practises. Embracing millennial-centric business concepts like luxury fashion ecommerce is also a viable option. The four luxury brands considered for this study, have extremely high awareness among the respondents and a major source of their information is social media and social connections. Brand loyalty is influenced primarily by vanity then by the high quality of the products and lastly by its sociability. Luxury brands need to move away from solely celebrating the brands history to celebrating the consumer, enabling the consumers' self-expression and helps define their individuality. The luxury sector has entered a "new normal" of slower development. Brands will need to refocus on their customers in the next decade in order to better predict and cater to their requirements. The term "millennial" now refers to a state of mind that influences consumer behaviour across generations where by 2025, the two most important avenues for luxury sales will be online and mono-brand stores. Millennials are driven by a desire for meaning, authenticity, and enthusiasm above all else. Companies that display a committed, ethical approach to business attract them. If luxury firms want to appeal to millennials, they must embrace a higher purpose.

Although these consumers are evolving toward a personal self-concept, they are still seen displaying their spending at social gatherings, particularly during parties and wedding seasons, with their reference groups, where Indians spend the most money. As a result, foreign luxury consumers should create, produce, and supply luxury goods and services in accordance with Indian customers' wants and seasons.

REFERENCES

1. Alleres D (1991), "Spécificités et stratégies marketing des différents univers du luxe", Revue Française du Marketing, Vol. 132, No. 33, pp. 71-95.
2. Bain and Company (2015), "Global Luxury Goods Market Expected to Sustain Steady Momentum with 2–4 Percent Real Growth in 2015," May 21, http://www.bain.com/about/press/press-releases/spring-2015-worldwide-luxurygoods-update-press-release.aspx.
3. Bass, F. M., N. Bruce, S. Majunidar, B. P. S. Murthi. 2007. Wearout effects of different advertising themes; A dynamic Bayesian model of the advertising-sales relationship. Marketing Sci. 26(2) 179-195.
4. Blattberg, R., J. Golanty. 1978. TRACKER: An early test market forecasting and diagnostic model for new product planning. J. Marketing Res. 15(2) 192-202
5. Bruce, Margaret and Christine Kratz (2007), "Competitive Marketing Strategies of Luxury Fashion Companies," in Fashion Marketing: Contemporary Issues, Tony Hines and Margaret Bruce, eds. Oxford: Elsevier, 130–50.
6. Confederation of Indian Industry and A T Kearney Limited (2011), Luxury Brand Review 2011, India. Retrieved on February 15, 2015 from http://www.atkearney.in/images/india/pdf/India-Luxury-Review-2011-CII-AT-Kearney-Report.pdf
7. Choi S (2003), "The Effects of the Perceived Product Characteristics and Conspicuous Consumption on the Fashion Luxury Involvement", Journal of the Korean Society of Clothing and Textiles, Vol. 27, No. 2, pp. 209-218.
8. Deloitte (2016), "Global Powers of Luxury Goods".
9. Dion, Delphine, and Eric J. Arnould (2011), "Retail Luxury Strategy: Assembling Charisma Through Art and Magic," Journal of Retailing, 87 (4), 502–20.
10. Dion, Delphine, and Stéphane Borraz. 2017. "Managing Status: How Luxury Brands Shape Class Subjectivities in the Service Encounter." Journal of Marketing 81 (5):67–85. doi: 10.1509/jm.15.0291.
11. Eng T Y and Bogaert J (2010), "Psychological and Cultural Insights into Consumption of Luxury Western Brands in India", Journal of Customer Behaviour, Vol. 9, No. 1, pp. 55-75.
12. Euromonitor (2013), "Luxury Goods: Global Trends and Prospects", Euromonitor, UK, London.
13. Fournier S and Yao J L (1997), "Reviving Brand Loyalty: A Reconceptualization Within the Framework of Consumer-Brand Relationships", International Journal of Research in Marketing, Vol. 14, No. 5, pp. 451-472.
14. Han, Young Jee, Joseph C. Nunes, and Xavier Dr`eze (2010), "Signaling Status with Luxury Goods: The Role of Brand Prominence," Journal of Marketing, 74 (4), 15–30.
15. Hoffmann J and Coste-Manière (2012), Luxury Strategy in Action, Basingstoke, New York.
16. Jain, S., Khan, M. N., & Mishra, S. (2017). Understanding consumer behavior regarding luxury fashion goods in India based on the theory of planned behavior. Journal of Asia Business Studies, 11(1), 4-21.
17. Jensen J M and Hansen T (2006), "An Empirical Examination of Brand Loyalty", Journal of Product and Brand Management, Vol. 15, No. 7, pp. 442-449.
18. Kapferer J N and Bastien V (2009), "The Specificity of Luxury Management: Turning Marketing Upside Down", Journal of Brand Management, Vol. 16, Nos. 5-6, pp. 311-322.
19. Kapferer, Jean-Noël. 2014. "The Future of Luxury: Challenges and Opportunities." Journal of Brand Management 21 (9):716–26. doi:10.1057/bm.2014.32.
20. Kapferer, Jean-Noel (2015), ¨ Kapferer on Luxury: How Luxury Brands Can Grow Yet Remain Rare. London: Kogan Page
21. Keller, K. (1993) Conceptualizing, measuring, and measuring, brand managing customer-based equity. Journal of Marketing 57, 1–22.
22. Keller K L (2009), "Managing the Growth Tradeoff: Challenges and Opportunities in Luxury Branding", Journal of Brand Management, Vol. 16, Nos. 5/6, pp. 290-301.
23. Kemp S (1998), "Perceiving Luxury and Necessity", Journal of Economic Psychology, Vol. 19, No. 5, pp. 591-606.
24. Leahy J and Betts P (2010), Is the Tide Starting to Turn for the Luxury Industry?, Retrieved from http://www.ft.com/cms/s/0/fa95cc08-062c-11df-8c97-00144feabdc0.html
25. Li G, Li G and Kambele Z (2011), "Luxury Fashion Brand Consumers in China: Perceived Value, Fashion Lifestyle, and Willingness to Pay", Journal of Business Research, Vol. 65, No. 10, pp. 1516-1522.
26. Mittal P and Aggarwal S (2012), "Consumer Perception towards Branded Garments: A Study of Jaipur", International Journal of Research in Finance and Marketing, Vol. 2, No. 2, pp. 566-583.
27. Okonkwo U (2007), Luxury Fashion Branding: Trends, Tactics, and Techniques, Palgrave Macmillan, New York.

28. Okonkwo U (2009), "Sustaining the Luxury Brand on the Internet", The Journal of Brand Management, Vol. 16, Nos. 5-1, pp. 302-310.
29. Pino, G., Amatulli, C., Peluso, A. M., Nataraajan, R., & Guido, G. (2019). Brand prominence and social status in luxury consumption: A comparison of emerging and mature markets. Journal of Retailing and Consumer Services, 46, 163-172.
30. Sahin A, Zehir C and Kitapç H (2011), "The Effects of Brand Experiences, Trust and Satisfaction on Building Brand Loyalty: An Empirical Research on Global Brands", Procedia-Social and Behavioural Sciences, Vol. 24, pp. 1288-1301.
31. Shukla, P., & Purani, K. (2012). Comparing the importance of luxury value perceptions in cross-national contexts. Journal of Business Research, 65(10), 1417-1424.
32. Tynan C, McKechnie S and Chhuon C (2010) "Co-Creating Value for Luxury Brands", Journal of Business Research, Vol. 63, No. 11, pp. 1156-1163.
33. Valkenburg, P. & Buijzen, M. (2005) Identifying determinants of young children's brand awareness: television, parents, and peers. Journal of Applied Developmental Psychology 26, 456–468.
34. Veblen T (1899), Theory of the Leisure Class, Reprint 1965, MacMillan, New York.
35. Wernerfelt, Birger (1990), "Advertising Content When Brand Choice Is a Signal," Journal of Business, 63 (1), 91–98.
36. Wiedmann K P, Hennigs N and Siebels A (2009), "Value-Based Segmentation of Luxury Consumption Behavior", Psychology and Marketing, Vol. 26, No. 7, pp. 625-651.