Role of Socio Economic Variables in the Polarization of Luxury Value of Branded Products: A Study among the Selected Shoppers in Chennai

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Abstract
Luxury branding is a whole new ball-game altogether, which is unique and different from other industries, both from the perspective of the marketer as well as the luxury consumer. The luxury consumers always look for newer ways to satisfy his continuously changing needs. Gone are the days when people make buying decisions on store purchase, but now luxury market has revolutionize to the control over shopping which made shopping experience effortless, "swipe the card and bag the box". Though luxury brands have often been associated with the level of core competences of creativity, exclusivity, craftsmanship, precision, high quality, innovation and premium pricing; there is a enormous paradigm shift for not only luxury consumers but also for the luxury brand. This sector targets products and services at consumers on the top-end of the wealth spectrum. However, no marketer can afford treating its consumers as a loosely bunched segment. The primary objective of the study is to study the Role of Socio Economic Variables in the Polarization of Luxury Value of Branded Products in Chennai city. The study reveals that, statistically there is a highly significant difference between marital status with respect to factors of luxury brand among the shoppers in the sample. Based on the mean value, it is noted that, the high level of functional, individual, social and luxury value is perceived by the married shoppers when compared to unmarried in the sample.
Key words: Polarization- Branded products- Luxury value- Customer orientation-market needs.

Introduction

Today successful luxury brands have taken responsibility over manufacturing, creating retail demand, and finally fulfilling the demand by selling direct to consumers. The value of the middle-man third party retailer is quickly evaporating. Spending money to tout one's success is not a new phenomenon. The desire to conspicuously consume dates back to tribal times when men possessed women and slaves as trophies of their status. Since that time, what is consumed have changed, the game of ostentatious ownership has remained essentially the same, with the winners being awarded status, prestige and honor, while the history of consumption because they play such an important role in the growth of a consumer society. Recent news of a global rebound in the luxury market has encouraged retailers; this comeback may be very different from those to which they are accustomed. Rather than finding a mainstay among older, brick-and-mortar shoppers, luxury retailers will encounter younger and savvier shoppers who tend to buy online and at a discount. While ultra-luxury retailers may still be able to play by previously well-established rules. —such as avoiding online sales to engender a sense of prestige—mass-market luxury players must adapt to their new customers and the shopping dynamics they bring with them.

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Null Hypothesis: There is no significant difference between male and female with respect to factors of luxury brand among the shoppers in the sample.

Table 1. t test for significant difference between male and female with respect to factors of luxury brand

Factors of luxury brand	Gender				t value	P value
	Male		Female			
	Mean	SD	Mean	SD		
Financial Value	13.82	4.99	15.55	4.25	4.561	<0.001**
Usability value	11.58	4.06	12.79	3.32	3.990	<0.001**
Quality value	23.06	5.37	24.51	4.67	3.545	<0.001**
Uniqueness value	11.70	5.16	13.13	4.93	3.500	<0.001**
Overall Functional value	46.33	11.78	**50.43**	10.01	4.598	<0.001**
Self identity value	9.30	3.80	9.85	3.75	1.778	0.076
Hedonic value	14.20	6.43	16.31	6.33	4.086	<0.001**
Materialistic value	15.39	6.32	16.95	6.02	3.125	<0.002*
Overall Individual value	38.89	12.68	**43.11**	12.70	4.107	<0.001**
Conspicuousness value	18.66	6.82	20.97	7.29	4.061	<0.001**
Prestige value	18.36	7.55	19.69	6.99	2.260	<0.024*
Overall Social value	37.02	12.06	**40.67**	12.17	3.721	<0.001**
Overall Luxury Value	136.06	36.20	**149.75**	33.39	4.839	<0.001**
Word of Mouth	10.18	4.17	11.41	3.70	3.838	<0.001**
Customer Satisfaction	9.75	4.10	10.36	3.92	1.881	0.061
Habit	12.50	5.06	14.25	4.72	4.393	<0.001**
Shopping Satisfaction	15.07	6.36	16.88	5.71	3.691	<0.001**
Brand Trust	12.23	5.45	13.00	5.56	1.719	0.086
Repurchase Intention	12.61	5.14	13.37	5.07	1.833	0.067

Since p value is less than 0.001, the null hypothesis, There is no significant difference between male and female with respect to factors of luxury brand is rejected at 1% level of significance. Hence, statistically, it is concluded that there is a highly significant difference between male and female with respect to factors of luxury brand. Based on the mean value, it is noted that the high level of functional, individual, social and luxury value is perceived by the female shoppers when compared to male in the sample. It may be due to personal involvement and usage of luxury brands is more by the women at home when compared to male. Hence, the product attributes pertaining to luxury should be designed and developed in view of the female customers may help in improving the brand value and customer satisfaction in the luxury products division.

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Null Hypothesis: There is no significant difference between marital status with respect to factors of luxury brand among the shoppers in the sample

Table 2: t test for significant difference between marital status With respect to factors of luxury brand

Factors of luxury brand	Marital status				t value	P value
	Single		Married			
	Mean	SD	Mean	SD		
Financial value	13.77	5.10	15.36	4.28	4.185	<0.001**
Usability value	11.67	4.14	12.55	3.40	2.882	<0.004*
Quality value	22.98	5.50	24.38	4.65	3.417	<0.001**
Uniqueness value	11.28	5.20	13.29	4.84	4.970	<0.001**
Overall Functional value	45.93	12.08	**50.22**	9.92	4.832	<0.001**
Self identity value	9.15	3.91	9.90	3.65	2.450	<0.015*
Hedonic value	13.98	6.34	16.21	6.41	4.320	<0.001**
Materialistic value	15.13	6.29	16.96	6.06	3.672	<0.001**
Overall Individual value	38.26	13.04	**43.08**	12.28	4.700	<0.001**
Conspicuousness value	18.38	6.96	20.90	7.07	4.431	<0.001**
Prestige value	18.07	7.55	19.76	7.03	2.867	<0.004*
Overall Social value	36.45	12.24	**40.66**	11.91	4.307	<0.001**
Overall Luxury Value	134.41	37.20	**149.31**	32.59	5.287	<0.001**
Word of Mouth	10.05	4.27	11.36	3.65	4.114	<0.001**
Customer Satisfaction	9.34	4.10	10.64	3.87	4.028	<0.001**
Habit	12.66	5.20	13.88	4.71	3.046	<0.002*
Shopping Satisfaction	14.87	6.34	16.81	5.80	3.938	<0.001**
Brand Trust	11.75	5.44	13.31	5.47	3.521	<0.001**
Repurchase Intention	12.19	5.22	13.63	4.94	3.506	<0.001**

It is noted from the table 2, that the p value is observed as less than 0.001, hence, the null hypothesis, There is no significant difference between marital status with respect to factors of luxury brand is rejected at 1% level of significance. Based on this, statistically, it is evident that, there is a highly significant difference between marital status with respect to factors of luxury brand among the shoppers in the sample. Based on the mean value, it is noted that, the high level of functional, individual, social and luxury value is perceived by the married shoppers when compared to unmarried in the sample. It indicates the need for considering the attributes expected by married customers in the design and development of the luxury products and marketing the same. It can help to have a good market share and to have sustainable development of business in the market.

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Null Hypothesis: There is no significant difference between occupation with respect to factors of luxury brand among the shoppers in the sample.

Table 3. ANOVA for significant difference between occupation with respect to factors of luxury brand

Factors of luxury brand	Occupation				f value	P value
	Student	Employed	Business	Professional		
Financial Value	16.05^{c} (4.09)	13.50^{a} (5.14)	14.68^{b} (4.28)	15.73^{bc} (4.43)	9.709	<0.001**
Usability value	12.76^{a} (3.20)	11.39^{a} (4.38)	12.62^{b} (3.23)	12.50^{b} (3.38)	5.220	<0.001**
Quality value	25.08^{b} (3.98)	22.22^{a} (5.88)	24.28^{b} (4.54)	24.97^{b} (4.15)	12.637	<0.001**
Uniqueness value	13.75^{c} (5.48)	11.08^{a} (4.90)	12.30^{b} (4.48)	13.97^{c} (5.38)	11.718	<0.001**
Overall Functional value	**51.59^{b} (9.83)**	44.70^{a} (12.57)	49.20^{b} (8.85)	51.43^{b} (10.12)	15.273	<0.001**
Self identity value	10.89^{b} (3.71)	8.61^{a} (3.79)	9.48^{a} (3.59)	10.55^{b} (3.61)	11.870	<0.001**
Hedonic value	16.10^{b} (6.81)	13.82^{a} (6.33)	15.35^{b} (6.03)	16.96^{b} (6.55)	7.447	<0.001**
Materialistic value	17.06^{b} (6.69)	14.85^{a} (6.32)	16.39^{b} (5.66)	17.55^{b} (6.02)	6.343	<0.001**
Overall Individual value	44.05^{bc} (13.33)	37.28^{a} (13.22)	41.22^{b} (10.78)	**45.05^{c} (12.60)**	12.993	<0.001**
Conspicuousness value	21.52^{b} (7.58)	17.91^{a} (7.01)	20.01^{b} (6.30)	21.64^{b} (7.30)	10.447	<0.001**
Prestige value	21.75^{c} (7.22)	17.43^{a} (7.43)	18.83^{ab} (6.59)	20.24^{bc} (7.39)	9.294	<0.001**
Overall Social value	**43.26^{c} (12.68)**	35.34^{a} (12.47)	38.84^{b} (9.99)	41.88^{c} (12.48)	13.533	<0.001**
Overall Luxury Value	**154.94^{c} (34.45)**	130.81^{a} (38.49)	143.95^{b} (26.28)	154.08^{c} (34.56)	17.864	<0.001**
Word of Mouth	11.69^{c} (3.50)	10.18^{a} (4.34)	10.63^{ab} (3.94)	11.37^{bc} (3.53)	4.322	<0.005*
Customer Satisfaction	11.03^{b} (3.92)	9.55^{a} (4.25)	9.83^{a} (3.79)	10.55^{ab} (3.82)	3.777	<0.011*
Habit	14.17^{c} (5.09)	12.35^{a} (4.99)	13.43^{ab} (4.79)	14.43^{c} (4.83)	6.047	<0.001**
Shopping Satisfaction	16.78^{b} (6.50)	14.76^{a} (6.13)	16.40^{b} (5.66)	16.86^{b} (6.19)	4.768	<0.003*
Brand Trust	14.02^{b} (5.35)	11.33^{a} (5.67)	12.89^{b} (5.06)	13.62^{b} (5.42)	7.968	<0.001**
Repurchase Intention	14.16^{c} (4.84)	12.14^{a} (5.37)	12.79^{ab} (4.75)	13.93^{bc} (5.01)	5.252	<0.001*

Different alphabet between factors of luxury brand denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

Since p value is less than 0.001, the null hypothesis, There is no significant difference between occupation with respect to factors of luxury brand among the shoppers in the sample is rejected at 5% level of significance. Hence, it is proved that, statistically, there is a highly significant difference between occupations with respect to factors of luxury brand among the shoppers in the sample. Based on the mean

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value, it is noted that, high level of functional value, social value and luxury value is perceived among the student customers in luxury brands and the individual value is perceived by the customers belongs to professional category. It indicates that the luxury values of the products are not uniformly perceived by the shoppers. It indicates the need for considering each and every profession to know the expectations in the product attributes and luxury value before designing and developing a luxury product.

Null Hypothesis: There is no significant difference between monthly income with respect to factors of luxury brand

Table 4. ANOVA for significant difference between monthly income with respect to factors of luxury brand

Factors of luxury brand	Monthly Income Below 50000	50001-75000	75001-100000	Above 100000	f value	P value
Financial Value	13.42^{a} (5.45)	14.45^{ab} (4.42)	15.12^{b} (4.15)	15.40^{b} (4.92)	4.720	<0.003*
Usability value	11.11^{a} (4.51)	12.38^{b} (3.64)	12.59^{b} (3.31)	12.24^{b} (3.64)	4.288	<0.005*
Quality value	22.27^{a} (5.68)	23.53^{b} (5.10)	24.42^{b} (4.25)	24.55^{b} (5.24)	5.881	<0.001**
Uniqueness value	10.63^{a} (5.28)	12.07^{b} (4.72)	12.82^{bc} (4.71)	13.86^{c} (5.42)	9.825	<0.001**
Overall Functional value	44.01^{a} (12.94)	47.98^{b} (10.18)	49.83^{bc} (9.14)	**50.65^{c} (11.89)**	9.745	<0.001**
Self identity value	9.00^{a} (4.08)	9.33^{a} (3.51)	9.53^{a} (3.59)	10.42^{c} (3.99)	3.495	<0.015*
Hedonic value	13.29^{a} (6.23)	14.62^{ab} (6.04)	16.03^{bc} (6.36)	16.72^{b} (6.89)	7.845	<0.001**
Materialistic value	14.13^{a} (6.46)	15.84^{b} (6.19)	16.93^{bc} (5.59)	17.38^{c} (6.36)	7.470	<0.001**
Overall Individual value	36.42^{a} (13.67)	39.79^{b} (11.37)	42.49^{bc} (11.22)	**44.51^{c} (14.48)**	10.475	<0.001**
Conspicuousness value	17.24^{a} (6.88)	19.52^{b} (6.61)	20.12^{b} (6.51)	21.93^{c} (8.03)	10.084	<0.001**
Prestige value	17.95^{a} (8.09)	18.47^{a} (6.74)	19.12^{ab} (6.82)	20.49^{b} (7.74)	3.117	<0.026*
Overall Social value	35.19^{a} (12.66)	37.98^{b} (10.86)	39.24^{b} (10.97)	**42.42^{c} (14.03)**	8.236	<0.001**
Overall Luxury Value	129.04^{a} (39.86)	140.20^{b} (29.96)	146.67^{bc} (28.99)	**152.99^{c} (41.26)**	11.585	<0.001**
Word of Mouth	9.88^{a} (4.42)	10.44^{ab} (4.07)	11.30^{b} (3.56)	11.35^{b} (3.83)	4.563	<0.004*
Customer satisfaction	9.13^{a} (4.33)	10.03^{ab} (3.96)	10.28^{b} (3.80)	10.60^{b} (3.98)	3.313	<0.020*
Habit	11.81^{a} (5.33)	12.94^{b} (4.76)	13.88^{bc} (4.50)	14.57^{c} (5.10)	8.082	<0.001**
Shopping satisfaction	14.14^{a} (6.91)	15.89^{b} (5.70)	16.82^{b} (5.22)	16.51^{b} (6.64)	5.314	<0.001*
Brand Trust	11.63^{a} (5.52)	12.24^{a} (5.46)	12.86^{a} (5.34)	13.65^{ab} (5.63)	3.358	<0.019*

The p value is observed at 0.001, hence, the null hypothesis, there is no significant difference between monthly income with respect to factors of luxury brand among the shoppers in the sample is rejected at 5% level of significance. Hence, statistically, it is evident that the There is a significant difference between monthly income with respect to factors of luxury brand value among the shoppers in the sample. Based on the mean value it is noted that, high level of brand value of the luxury products in all dimensions of value is perceived by the shoppers belongs to higher income group with the monthly level of income of above Rs.100000 per month. It indicates that level of income has significant relationship with the product luxury value expectation among the customers.

Five Key Success Factors for the New Luxury Market

Online presence

In the recent past, luxury retailers commonly presumed that the Internet was a channel for discounted, damaged, and counterfeit items, and believed that online sales risked overexposing brands built on exclusivity. Some also thought that the channel was not equal to the task of marketing the sensory aspects of luxury goods, such as smell, touch, and feel. As a result, many luxury goods companies have been slow to create their own online channels, ceding control over the online segment to other players such as online-only retailers. In fact, as reported by The Economist, just one-third of the luxury retailers surveyed by Forrester Research in 2008 sold their products online. And while that figure has since risen, as of 2010 half of luxury firms still did not have an online presence.

Competitive price intelligence

Understanding the complete pricing landscape in which their product portfolio plays is now more critical than ever for luxury brands. While luxury retailers and brands have highly sophisticated capabilities and means to control their image, many have not exhibited the level of concern with competitive pricing that other retail segments have. With the rising popularity of alternative online shopping methods, online auctions to flash sales sites to price comparison engines, the need to avoid undercutting is well understood.

Price sensitivity

In the past, a high price played an important role in the full experience of buying a luxury item, and retailers believed discounting such a product eroded its perceived value. However, that's not necessarily the case, especially during peak shopping seasons such as the holidays. In fact, in a recent holiday shopping survey, Accenture found that only one percent of respondents said a discount would negatively impact their impression of a luxury brand, while 70 percent said discounts were the biggest influence in their decision to purchase a luxury good. Yet luxury retailers should not discount across the board. Many retailers in other segments have experienced substantial improvements in both long-term brand image and margin by understanding the price sensitivity of different items. Contrary to their expectations, they have found that cutting price, within reason, only drives sales for a small portion of their product portfolio.

Luxury Is Control over Shopping

Once upon a time most retail salespeople were good. You'd walk into their store and trust their expertise and advice in making shopping decisions. They were sophisticated and the experience buying from them was a big part of the purchase. The quality of retailers today has fallen dramatically, especially as traditional brick and mortar business realized that better advice was available via unbiased experts online – which consumers trust more. More so consumers preferred the online shopping experience. Why? It was once widely believed that online shopping was preferred exclusively because of lower prices. While lower prices are certainly a huge part of the appeal, a more important part of the equation is comfort – especially for the luxury consumer.

Consumers Want Things More Than Service

To new luxury experience is in ownership. People want nice things more than they want nice service. The luxury industry was shocked when it learned that luxury consumers loved to show at Costco, a warehouse style store that is anything but fancy but also sells luxury vacations, furniture, high-end timepieces, and $100,000 pieces of jewelry. A feeling of disgust fell on the faces of luxury brand executives when they saw their goods sold via online auction side eBay or Amazon – arguably the world's largest shopping mall.

Conclusion

The starting point for identifying successful luxury brand strategies in India has been established by identifying certain salient aspects of luxury brands that remain constant as well as identifying the stage of mindset of the Indian consumer towards these brands. The focus is now towards 'how soon' luxury brands will enter the market to gain a first mover advantage, which is of significant importance in India. Apart from how soon, primary focus on 'how will' luxury brands cater to the mainly aspiration needs of the Indian consumer with a word of caution that goes for luxury marketers, irrespective of their brands and geographical presence. As far as India is concerned, given the rapidly accelerating affluence of the masses, the scenario is set to witness a boom. Today's consumers are extremely sophisticated when it comes to what they want, and they know where they want to buy it. Luxury products, like other products are part of the media many consumers consume, which is where people learn about and decide what they want to buy.

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