

# Why Do Consumers Purchase Luxury Brand Products?

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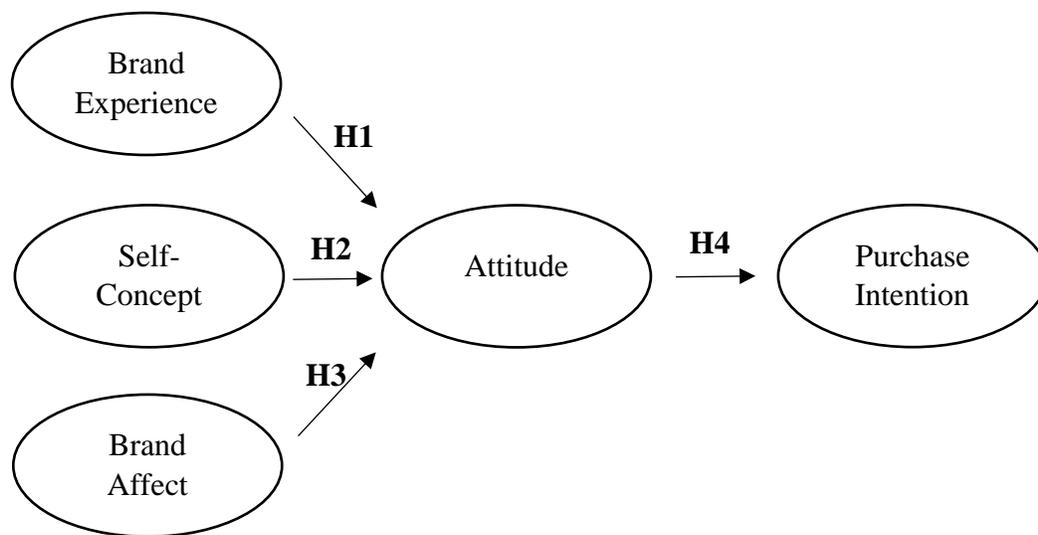
## **Introduction**

How one is perceived in today's world is a major influence on many decisions in day-to-day life. One of the most prominent ways that this is seen is through what individual's purchase to represent their sense of style from major luxury fashion companies such as Coach. Because of the large number of luxury retail stores, like Coach, Kate Spade, & Michael Kors, present in society, brands must develop a positive attitude to be adopted by their customers to increase purchase intention. In order to do so, they must evaluate a number of criteria to target the most profitable consumers.

For example, luxury brand, Coach, is known for its fine leather handbags and accessories that represent a classic form combined with modern luxury. The business quickly became increasingly popular due to consumers' love of their high quality, exclusive products. From this, the brand quickly expanded to the brand that it is today providing \$4 billion of annual revenue with 960+ stores throughout the world (Luis, 2018). While the company provides goods to both men and women, women tend to be the more frequent customers. On average U.S. women own at least 13 luxury handbags (Fitzpatrick, 2016). Coach's luxury handbags alone cost on average approximately \$300 each with prices as high as \$1,000 (Geller, 2011). Why do individuals continue to purchase these highly priced items on such a frequent basis? Research has shown that self-identity characteristic plays a major part in the purchase intention of luxury products (Thakur & Kaur, 2015). Therefore, marketers may wonder if purchase intention and positive

attitudes towards luxury brands can be influenced based on consumers self-identity. This is highly important because marketers can create a group of consumers that share similar values to increase attitudes and purchase intention. However, self-concept cannot stand alone to increase purchase intention. Luxury brands must incorporate other brand attributes to increase purchase intention in consumers such elements of consumer interaction with the brand. Overall, this study is being performed to see the effect of independent variables consisting of self-concept, brand experience, and brand affect influencing attitudes toward luxury brand and the purchase intention of luxury goods. These variables provide production and marketing outlets for luxury brands to implement within their strategy to promote positive consumer attitudes that lead to increased purchase of their products.

### Conceptual Framework



**H1:** Brand experience will influence consumer's attitudes towards luxury brands.

**H2:** Self-concept will influence consumer's attitudes towards luxury brands.

**H3:** Brand affect will influence consumer's attitudes towards luxury brands.

**H4:** Consumer's attitudes towards luxury brands will affect their purchase intention.

## Literature Review

### Brand

The term “brand” can be defined in several ways depending on context. However, many agree that brand is best defined as an evolving marketing tool that allow consumers to assign value to a product or service (Conejo & Wooliscroft, 2014). Brand meanings can vary according to context, individuals, and environments (Conejo & Wooliscroft, 2014). Therefore, brands are specific to each individual and provide some value to the individual. Thakur & Kaur (2015) state that brands are highly powerful, humanized concepts that provide symbolic meanings. Thus, brands are more than just a way to differentiate between products in terms of two physical products or even the quality between two products. Continuing to prove how powerful a brand is, individuals often pay a premium price for brands just to display the brand name (Thakur & Kaur, 2015). How a brand accomplishes these components comes from a variety of influences such as brand experience and brand affect.

### *Luxury Brand*

This study particularly focuses on luxury brands, which are set apart from other brands as they give the consumer a sense of esteem over actual utility (Vigneron & Johnson, 2004). While luxury brands do provide consumers with utility functions as well, their main defining attribute helps consumers fill a psychological need (Vigneron & Johnson, 2004). Often times luxury brands produce products for final consumers that are high in price compared to others in the same product category (Vigneron & Johnson, 2004). However, this can be justified because luxury brands include items that have superb quality above all others in the category, a historic, consistent design aesthetic passed down from original designers, an easily recognizable design, and a sense of exclusiveness (Nueno & Quelch, 1998). Therefore, modern day examples of

luxury brands include Michael Kors, Kate Spade, Coach, Calvin Klein, Channel, and etc.

However, luxury can vary across product categories and consumer's opinions making it difficult to measure exactly (Vigneron & Johnson, 2004).

### *Brand Experience*

Brand experience is a marketing practice that involves an internal response from a consumer at any time during the purchase process. The internal response can include factors such as emotions, cognitions, and sensations (Brakus, Schmitt, & Zarantonello, 2009). The purchase process involves areas such as searching for information on brands, receiving service while shopping, and consuming the product/brand (Brakus, Schmitt, & Zarantonello, 2009). Previous studies have shown that brand-specific experiences are mainly influenced by brand-stimuli, which include brand-identifying colors, fonts, shapes, slogans, etc., that compose brand identity (Brakus, Schmitt, & Zarantonello, 2009). These items factor into how consumers view the design/identity of the brand (Brakus, Schmitt, & Zarantonello, 2009).

Furthermore, strong brand experiences allow consumers to make emotional connections with the brand (Cleff, Walter, & Jing, 2018). A previous study conducted to find the relationship between brand loyalty and brand experience measured brand experience on a basis of six factors: behavioral, usability, sensory, affective, cognitive, and relational. The results showed that affective brand experiences, or emotionally-driven brand experiences, influenced the consumers brand loyalty the most (Cleff, Walter, & Jing, 2018). Therefore, brand experience is highly valued when paired with consumer's emotions, which leads to influences toward the consumers attitudes (Cleff, Walter, & Jing, 2018).

A previous study conducted by Brakus, Schmitt, & Zarantonello, shows that intellectual properties also affect brand experience. These factors include cognitive areas such as whether a brand makes consumers think or be able to solve problems (Brakus, Schmitt, & Zarantonello, 2009). An example of this is shown through luxury brands like Kate Spade and Michael Kors developing hybrid smart watches that allow consumers to use luxury items while stimulating problem solving through technology. The study was measured through a series of surveys, pretests, and tests (Brakus, Schmitt, & Zarantonello, 2009). The study's results showed that intellectual factors did positively affect brand experience as consumers positively recalled the brands that allowed them to interact through thinking and problem solving.

### *Brand Affect*

When consumers have positive emotional responses to a brand and its products, they develop brand affect (Song, Hur, Kim, 2012). Brand affect is a spontaneous, immediate response to a brand's features and services that influences consumer's buying behavior (Song, Hur, Kim, 2012). Brand affect can be influenced during any part of the purchase process beginning with search and decision-making to disposal of the product (Yi, Batra, & Siging, 2015). Companies that implement strong brand affect must also ensure novelty among its competitors (Yi, Batra, & Siging, 2015). For example, luxury brand, Coach, attempts to develop strong brand affect by making quality leather goods that are unique among its competitors and appeal to their emotions through the use of unique colors and endorsements. In order for consumers to have strong positive brand affect, they must enjoy using the product or feel as if they are receiving some benefit from the brand/product (Yi, Batra, & Siging, 2015).

Previous research was examined to show that when brand affect is strong it leads to positive behavioral intentions, or attitudes, because consumers feel secure in these purchases as

their emotions are connected to the brand (Yi, Batra, & Siging, 2015). These behavioral intentions include, but are not limited to, positively speaking about a brand and placing the brand as a first choice when searching for products in a specific category (Yi, Batra, & Siging, 2015). Another study previously conducted confirmed these findings by implementing a partial least squares method; however, they also found that brand affect is not enough to solely affect a consumer's loyalty towards a brand (Song, Hur, Kim, 2012). Therefore, brand affect must be positioned with other attributes in order for a brand to increase positive attitudinal loyalty (Song, Hur, Kim, 2012).

### **Self-Concept**

In general, self-concept can best be defined as how consumers place value on how products or brands represent their personal thoughts, feelings, and identities (Thakur & Kaur, 2015). This idea is then broken into two groups: the actual and ideal self. The actual self is how individuals actually are seen by themselves and others in real life (Thakur & Kaur, 2015). The ideal self is how individuals want to be seen by themselves in others in real life (Thakur & Kaur, 2015).

### *Self-Brand Connection*

Combining brand and self-concept, self-brand connection is highly recognizable in consumers. It can be defined as the extension of how consumers make a brand's presence apparent in their self-concept (Kwon & Mattila, 2015). Most often, reference groups are studied through this measure (Kwon & Mattila, 2015). Furthermore, the level of self-brand connection present in a consumer affects attitudes that are formed toward brand. Consumers with very high levels of self-brand connection are more likely to associate themselves with the brand and

develop a strong bond with the brand (Ferraro, Kirmani, Matherly, 2013). Conversely, consumers that show lower levels of self-brand connection, are less likely to have attitudes that favor the brand (Ferraro, Kirmani, Matherly, 2013).

These strong connections to a brand are developed by the relationship between how the brand and its product's image relates to the consumer (Ferraro, Kirmani, & Matherly, 2013). For example, individuals with strong self-brand connection might relate heavily to a brand that implements feminine values throughout their campaigns because they also share those values and want those values to represent who they are as an individual. These individuals care about the brand and the representation that comes with it because they can see pieces of themselves within it (Ferraro, Kirmani, Matherly, 2013). Those that do not connect personally with a brand are more likely to have negative attitudes toward the brand because they cannot represent themselves through it (Ferraro, Kirmani, Matherly, 2013).

One study showed that brands must target consumer's self-identity to successfully allow consumers to develop attachments to the brand and its products that caused them to spread positive word of mouth (Carroll and Ahuvia, 2006). These attachments allow consumers to feel closer to a brand and more willing to accept it because of this reflection to their self-concept (Yi, Batra, & Sigling, 2015). This research area is significant to the brand because it allows marketers to see that brands that allow consumers to feel connected have increased positive attitudes.

## **Attitude**

Attitudes can be created through a variety of mediums such as a brand's advertising, promotion, corporate social responsibility, service provided by the company, etc. (Sweldens, Van Osselaer, & Janiszewski, 2010). Furthermore, attitudes can be broken down into two different

subjects: utilitarian and hedonic (Kim & Kim, 2017). Utilitarian attitudes are defined as the function or utility that come from the consumption of a product (Kim & Kim, 2017). This would include items such as quality and performance. Conversely, hedonic attitudes are defined as the pleasure or enjoyment one receives when consuming a product (Kim & Kim, 2017). This would include items such as feelings of happiness and enjoyment that are derived from the use of a product. Several previous studies have shown that positive attitudes, both hedonic and utilitarian, influence purchase intention (Kim & Kim, 2017). This study focuses mainly on hedonic attitudes of consumers that affect purchase intention.

### **Purchase Intention**

Purchase intention is defined as “the possibility that consumers will plan or be willing to purchase a certain product or service in the future” (Menon, 2017). This concept is used to help brands better predict if a consumer is likely to purchase their products or services. Therefore, they can better place measures into their strategies to influence purchase intention and actual purchase of their goods. Previous studies have produced results that have shown a positive relationship between consumer’s purchase intention and actual purchase (Menon, 2017). Also, when consumers have a positive brand attitude, they have increased purchase intention (Menon, 2017). This research area is significant because it helps marketers understand what areas of their brand are attracting consumers and keeping them wanting to purchase more of their products or services.

### **Method & Analysis**

### **Sample and Data Collection**

Through the implementation of a survey composed of a 7-point Likert scale (measuring purchase intention, brand experience, brand affect, and self-brand connection) and a semantic differential scale (measuring attitude), data was collected to measure the independent variables effect on the dependent variables from a sample of 53 participants. The survey was distributed to various individuals on the McKendree University campus including professors, faculty, students, club sponsors, visitors, etc. A majority of the participants were females representing 78.8% of valid findings. Interestingly, when conducting the survey several males declined to participate simply because they did not have a favorite luxury brand to visualize when answering the survey questions, which is why males are only represented by 21.2% of valid findings. The age range of valid participants spread from 18-53. Due to the greater population of younger generations within the campus, 75% of participants were between the ages of 19-21. As for the ethnicity of participants, 79.2% identified as Caucasian, 1.9% identified as Asian-American, 5.7% identified as African-American, 5.7% identified as Hispanic-American, and 9.4% identified as "other." Finally, annual family household income was represented as, 3.9% of individuals at < \$10,000, 3.9% at of individuals at \$10,001-\$20,000, 13.7% of individuals at \$20,001-\$40,000, 13.7% of individuals at \$40,001-\$60,000, 23.5% of individuals at \$60,001-\$80,000, 23.5% of individuals at \$80,001-\$100,000, and 17.6% of individuals at > \$100,001. Making the majority of participants have an annual family household income of \$80,001 and above.

## **Measures**

This survey was developed from previous questionnaires. First, participants were asked to write their favorite luxury brand at the top of the survey so that they could related their favorite brand to the statements that followed. From there, the participants were asked to answer

statements that focused on self-brand connection, which were adopted from a study conducted by Kwon and Mattila in 2015. Next, consumers were asked to answer statements about their favorite luxury brand in regard to brand affect. These statements were adopted from Song, Hur, and Kim's 2012 study focusing on brand trust and affect in luxury brands. Following brand affect, statements on brand experience were listed for participants to answer. These statements were adopted from Brakus, Schmitt, and Zarantonello's 2009 study on brand experience and consumer loyalty. Statements involving purchase intention, adopted from Lepkowski-White, Brashear, and Weinberger's study, followed. The completed surveys were analyzed by multiple regression analysis using IBM SPSS data entry.

## Results

### SBC, BA, and BE → AT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.679	.438		8.406	.000		
	SBC	-.095	.114	-.155	-.831	.411	.412	2.425
	BA	.387	.116	.590	3.328	.002	.454	2.205
	BE	.124	.099	.203	1.250	.218	.541	1.848

a. Dependent Variable: AT

### AT → PI

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.042	.900		2.269	.028
	AT	.574	.154	.474	3.728	.001

a. Dependent Variable: PI

As shown above, the results of the survey proved that brand experience did not have a positive effect on consumer's attitudes towards luxury brands (H1). Because the significant probability for this variable produced a level of .218, H1 was not supported. Following this trend, self-concept also did not have a positive effect on consumer's attitudes towards luxury brands (H2) with a probability of .411. However, brand affect did have a positive influence on consumer's attitudes towards luxury brands (H3) producing a significance probability of .002. Furthermore, consumer's attitudes towards luxury brands did have a positive effect on purchase intention (H4). Therefore, H3 & H4 were the only hypotheses supported in this model.

### **Conclusion & Implications**

Overall, this study produces results that will provide marketers with a better understanding of why consumers have purchase intent for certain products specifically in the luxury brand industry. This is highly relevant when correlated with the rise of luxury brand products in today's society. Through the results of this study, marketers can better target their advertising and marketing campaigns to reflect brand affect and consumer's attitudes toward their brand to increase purchase intention. Thus, increasing the success of their company/brand.

In order to more effectively appeal to consumers through the use of brand affect, marketers can attempt to elicit positive emotional responses from consumers in relation to their brand and its products. They must realize that these responses are immediate (Song, Hur, Kim, 2012). Therefore, they must produce strategies that are eye-catching, easy to understand, and leave consumers feeling positive emotionally towards the brand. While this can be a difficult task, marketers can attempt to create these emotions by ensuring that their brands and products are invoking feelings of happiness, pleasure, and well-being. Examples on ways to accomplish

this include increasing customer relationship management (CRM). An increase in effective CRM will allow consumers to feel happy or pleasurable towards a brand through positive purchase reinforcement and personalized promotion efforts. Positive purchase reinforcement is a low-cost tactic to implement a positive emotion about a brand. For example, a personalized email can be sent to the consumer with upbeat, superb lingo confirming that the purchase a consumer just made was right for satisfying their particular need. Not only does this confirmation allow consumers to feel secure about their purchase, but it also allows them to feel as if the brand cares about their well-being. Personalized promotion efforts, such as emails or print advertisements with individual's names on them, will also establish a personal connection between the consumer and the brand. Both of these tactics have the potential, if done effectively, to target brand affect efforts in consumers, which will positively influence their attitudes toward the luxury brand.

Also, marketers for luxury brands need to focus their efforts on campaigns that mirror positive attitudes towards their brand. To do this, they must ensure that consumers find their brand interesting, fun, thrilling, enjoyable, etc. Increasing interactive media campaigns is one example of how marketers can attempt to accomplish this. Effective interactive media campaigns allow the consumer to become positively involved with an advertising or marketing campaign. Positive involvement efforts, such as allowing the consumer to test the product before purchase, will allow them to better see the utilitarian perspective of the product. Because of this positive involvement, consumers can develop a more positive attitude toward the brand because they are aware of what the product's utility is. It also allows them to view the hedonic aspects of attitude because the interactive campaign will allow them to decide if the product satisfies their emotional needs as well as noting that the brand is allowing them to try the product before

purchase. Effective interactive media campaigns also allow consumers to relate the idea of “thrilling” to the brand because they are personally involved with actions created by the brand. These efforts will allow brands to increase purchase intention since consumer’s attitudes toward their brand will be increased positively.

### **Limitations**

This particular study was subject to a variety of limitations. First, many individuals did not have a clear definition of a luxury product, which could cause them to have incorrectly answered the survey questions. Secondly, the sample consisted mainly of female participants with few male participants. In the future, more male opinions should be taken into account to better represent society as a whole. Also, the sample consisted mainly of college students, who are known for not having high personal income. Perhaps many individuals did not have a favorite luxury brand due to not being able to afford products from these brands at their current life stage. Future studies might focus on expanding the sample to young, employed individuals that have discretionary income for a better representation of consumers who actually are involved with luxury brands.

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