A STUDY ON RELATIONSHIP BETWEEN PERCEPTION AND MILLENNIALSTO PURCHASE LUXURY PRODUCTS IN CHENNAI

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Abstract

This paper mainly studies the factors influencing the purchase of luxury goods by Millennials in Chennai. The first part mainly studies the background of luxury goods and related problem statement and determines the research objectives. The second part is to analyze the previous analysis and research done by scholars, determine independent variables and dependent variables, and explain them. The third part is to determine the research methods, quantitative analysis methods and collected data. The fourth part mainly analyzes the data and supports the assumptions based on the data.

Key Words: Social Class, Group Influence, Motivation, Perception, Luxury products

INTRODUCTION

This paper mainly studies the factors influencing the purchase of luxury goods by Millennials in Chennai. Previously, luxury goods were used for scarce goods, and only a few people could use them. But demand has changed as the economy has boomed and markets for luxury and branded goods have flooded in. Both international and local Customers at ChennaiMillennials. The appearance of purchasing luxury goods among Millennials is related to the psychological factors that hit the demand. Discover the characteristics of specific luxuries associated with satisfying needs.

Motivation of Study

The research was conducted with the motivation to determine the consumer's enthusiasm factors to buy luxury products. For a variety of reasons, this topic was selected by the researcher. The major reason was the lack of research present on the motivational factors of consumer buying behavior with respect to luxury products. Previous researches are based on high social class that had the ability to acquire luxury products because of financial status. Earlier, even companies selling luxury products targeted this niche segment.

Statement of the Problem

This research is designed to analyse the factors of motivation that could result in consumer purchase behavior for luxury products in Chennai. For this research study, the problem statement is provided below:"To analyse the motivating factors for Millennialsto purchase luxury products in Chennai"

The specific problems about performing are to elaborate the motivational factors for the Customers of the Millennials in relation to making the purchase of luxury products in Chennai as past research studies did not research on this particular topic. The motivational factors included the internal elements as well as the external elements. The internal elements comprise of the recognition of need and the evaluation of alternatives related, which satisfies the need and the external elements include the marketing and the promotional activities performed by organizations to stimulate the customer to make the purchase.

Objectives of the Study

The detailed research objectives:

- ➤ To examine the relationship between Social Class and Millennialsto purchase luxury products in Chennai.
- ➤ To examine the relationship between Group Influence and Millennialsto purchase luxury products in Chennai.
- ➤ To examine the relationship between Motivation and Millennialsto purchase luxury products in Chennai.
- ➤ To examine the relationship between Perception and Millennialsto purchase luxury products in Chennai.

LITERATURE REVIEW

According to Kotler and Armstrong (2014), a stage in the decision-making process known as the purchasedecision occurs when a person actually purchases the product. The buy choice cycle requires a match betweenthe necessities and the items offered and ought to likewise have passed the intercession stage from others bothdecidedly and adversely (Kotler and Keller, 2016). Every Buyer has an alternate buying choice impacted bytheir judgment to the significance of a quality (Kotler and Armstrong, 2007). Customers can likewise utilizevarious rules in assessing an item to find which item that suits best to their requirements (Blackwell et al.,2006). Buy choice can likewise be characterized as when an individual has paid an item or has promised to buyan item at a particular cost for a specific period (Quester et al., 2011).Thaker and Sakaran (2016) put it thisway: "Before deciding to make a purchase, a series of events that arise from understanding the purpose of thepurchase and measuring related factors occur.

According to Jamil (2015), a person's financial ability includes things like income, loans, interest rates, andpayments. Credit is a responsibility between purchasers, designers and banks (Saw and Tan, 2014) and thebank will repay to the engineer in view of the structure fruition progress. (Jan et al., 2016). Portion period andthe capacity to pay portion addressed by month to month pay are the monetary variables affecting the lodgingbuy choice (Li and Chiang, 2014). In the examination of Adair et al. (1996) and Daly et al. (2003) ordered loancosts, contract credit limit, regularly scheduled payment and advance reimbursement period as the monetaryelements influencing the lodging buy choice. Low-loan fees in type of delicate credits are the monetary elementwhich unequivocally impacts youthful buyers' buying power (Rahadi et al., 2015). Anastasia and Suwitro (2015)found that monetary properties affect the lodging buy choice. Reed and Plants (2006) additionally conveyed afew monetary qualities, for example, financing costs of the credit, month to month pay of the family, lodgingcosts and the capacity to get the office of supporting. Study led by Kueh and Chiew (2005) additionallyreferenced that cost is the main thought figure for lodging purchasers Kuching, Malaysia.

Mariadas et al. citing from Zrobek et al. (2015) characterized area as a put where demands of solace andopenness of comfort are satisfied to fulfill their inclination. The most crucial factor in determining the value ofa residential property is its location. To put it another way, location is one of the most important things to thinkabout when making a decision to buy a house (Mariadas et al. as Cited from Aliyu et al., 2013). Area can beanalyzed by estimating the availability of the property to the downtown area, business focus, school, and mall.In the future, property in a favorable location will yield a higher profit return and a higher value (San, 2016).

Daly et al. (2003) we likewise affirmed that area had turned into a significant inclination in lodging buy choicein Australia, the UK and Ireland. Furthermore, the phase of life cycles like the degree of pay, age, and thesituation with conjugal could impact area inclination. (2016 (Jayantha and Lau).

Rahadi et al. (2013) expressed that property designers would acquire a decent standing and brand on the offchance that they can address client issues, carry on with work expertly, on-time item conveyance, keep itemquality, and give great client service through phenomenal after-deals administration. Every designer positivelyhas various attributes regarding experience, notoriety, item conveyance and the nature of the eventual outcome(Thaker and Sakaran, 2016). Gajera and Malek (2018) said that a positive designer notoriety is significant inupper hand. Mendrofaet. According to al (2017), a reputable property developer will help prospective buyersgain confidence in the residential building they will occupy.

Toll and Lee (2004), citing from Lawson et al. (1996) characterized family as a gathering comprising of no lessthan two individuals who have blood connection, limited by marriage or reception into one family. Kotler andKeller (2012) expressed that the outside factor like family can assist with foreseeing conduct and arrangingmethodology of possible customers. Family jobs and impacts comprise of the qualities of the family, thesituational, and the person. (Toll and Lee's, 2004). Connection between relatives is huger contrasted with littlegatherings like companionship and associates; as a result, family members play a crucial role in makingdecisions (Levy and Lee, 2004). Rositer (1978) referenced that the impact of family in navigation can berecognized into two things. Initial, an immediate impact in view of the immediate requirements of the leaderand second, a circuitous impact while somebody considering the other relative's necessities in settling on achoice.

RESEARCH METHODOLOGY

Research Paradigm

The present research aims to explore the factors that influence Millennialsto purchase luxury products in Chennai. The purpose of this research is to identify the key trends in buying behavior of Millennials in Chennai. There are certain variables proposed in this research study. The research purpose is to incorporate every variable in accordance with the objectives. Research paradigm involves comprehensive understanding of the variables associated with the research (Popkewitz, 2012). In the view of Elo and Kyngas (2008), there are two kinds of research approaches namely deductive and inductive. Deductive research is based on hypothesis generation, whereas inductive research comprise of personal mirror image of the researcher. In the present research, researcher adapts deductive research due to hypothesis generation.

Research Framework

Figure:1
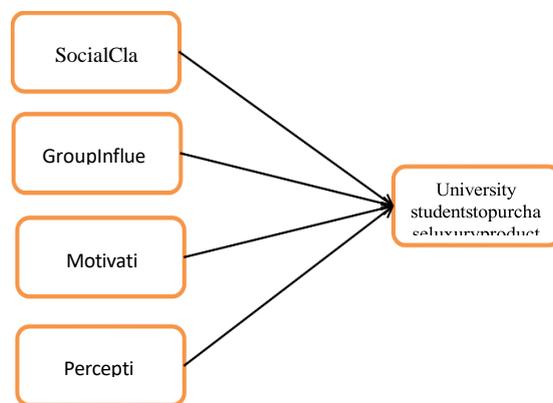
In relation with figure 1, research framework is displayed. The structure of framework is established on the basis of four independent variables namely social class, group influence, motivation and perception.However, the only dependent variable is Millennials to purchase luxury products in Chennai.

Hypothesis

The hypotheses involved in this research study are provided below:

H11: There is a significant relationship between Social Class and Millennials to purchase luxury products in Chennai.

H1o: There is no significant relationship between Social Class and Millennialsto purchase luxury products in Chennai.

H21: There is a significant relationship between Group Influence and Millennialsto purchase luxury products in Chennai.

H2o: There is no significant relationship between Group Influence and Millennialsto purchase luxury products in Chennai

H31: There is a significant relationship between Motivation and Millennials to purchase luxury products in Chennai.

H3o: There is no significant relationship between Motivation and Millennialsto purchase luxury products in Chennai

H41: There is a significant relationship between Perception and Millennials to purchase luxury products in Chennai.

H4o: There is no significant relationship between Perception and Millennials to purchase luxury products in Chennai.

Research Method

According to Popkewitz (2012), quantitative research method refers to the numeric and statistical computation of the extracted data. The rationale of implementing quantitative research method in the present research refers to the compliance with hypothesis. On the other hand, qualitative research method focuses primarily on secondary data and interviews, however, quantitative research method caters to the broad needs of this current research study.

Table: 1
Demographic Characteristics Analysis

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	106	53.0	53.0	53.0
	female	94	47.0	47.0	100.0
	Total	200	100.0	100.0	

As the table above, 53.0% of the respondents are male while 47.0% of them are female. It can be said that majority of the respondents are male.

Table : 2 Frequency analysis of Age

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	17-18	106	53.0	53.0	53.0
	18-21	86	43.0	43.0	96.0
	21-25	5	2.5	2.5	98.5
	26+	3	1.5	1.5	100.0
	Total	200	100.0	100.0	

As the table above, 53.0% of the respondents are in between the age of 17-18 while very less of them are in the age of 26+.

Table: 3 Frequency analysis of Employment Status

Employment_status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	97	48.5	48.5	48.5
	Unemployed	103	51.5	51.5	100.0
	Total	200	100.0	100.0	

According to the table above, majority of the respondents are employed somewhere while rest of them are unemployed.

Table: 4 Frequency analysis of Education Qualification

Education_qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undergraduate	99	49.5	49.5	49.5
	Postgraduate	101	50.5	50.5	100.0
	Total	200	100.0	100.0	

According to the table above, majority of the respondents are postgraduate while 49.5% of them are undergraduate.

Table 5: Frequency analysis of Dependency level on Guardians

Dependency_level_on_Guardians

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	high	99	49.5	49.5	49.5
	moderate	100	50.0	50.0	99.5
	low	1	.5	.5	100.0
	Total	200	100.0	100.0	

In accordance of the table above, 100% of the respondents have moderate dependency level on Guardians while 99% of them have high dependency level on Guardians.

Table: 6

Frequency_rate_of_shopping

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	daily	106	53.0	53.0	53.0
	weekly	90	45.0	45.0	98.0
	monthly	4	2.0	2.0	100.0
	Total	200	100.0	100.0	

In accordance of the pie chart above, it can be determined that majority of the respondents used to shop daily while 45.0% of them used to shop weekly and 4% of them used to shop monthly.

Table 7: Descriptive analysis on university students to purchase luxury products in

A data which consist of summarize statistics and illustrates the whole sample is called descriptive statistics (Oja, 2012). As per the descriptive statistics above, it is to explain that the collected data set can be measured to check

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Luxury products available in Malaysia are up to the standards	200	2	5	4.42	.651
Luxury products available in Malaysia match the preference levels of University students	200	2	5	4.24	.701
Luxury products are frequently consumed in university life	200	2	5	4.32	.760
The purchasing behavior of luxury products is influenced by university colleagues	200	2	5	4.02	.874
Social media plays a vital role in indulging university students towards luxury products	200	2	5	4.15	.901
Luxury products serves as a necessity for university students	200	2	5	3.52	1.499
Valid N (listwise)	200				

the central tendency and variability of the data. The SPSS output has been generated that represents the responses of the respondents which are towards agreed to all Likert- scale questions. This data set also demonstrates that it is consistent and valid because the mean value is greater than 3.0. This also illustrates that data is distributed normally. This clearly tells that there is a strong relationship between examined variables. It is determined that

most of the respondents prefer luxury products that are up to the standard in Chennai while very less of them said that luxury products serve as a necessity for them.

Table 8: Descriptive analysis on Social Class

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Purchasing behavior of luxury products vary in social classes of students	200	2	5	4.57	.696
Social influence is precedent element of luxury products purchases such as Louis Vuitton, Burberry, Prada.	200	2	5	4.09	.749
The consumption of luxury products is associated with upper social class	200	2	5	4.05	.740
Students economic position is directly related to purchase of luxury products	200	2	5	4.40	.898
Social class of university students in Malaysia are related to higher purchasing power	200	2	5	4.17	.921
Social interaction of students relates to indulgence in luxury product purchases	200	2	5	3.55	1.509
Valid N (listwise)	200				

The above descriptive statistics demonstrates about the social class of the Millennials which shows that many of the Millennials responses are towards strongly agree. This has been confirmed by the values of mean which are near and above to 3.0. This also demonstrates that the data set is consistent and valid. According to the past researches, the mean values illustrate the growth of the data set which demonstrate that the findings of the results have the accurate mean. 80% of the respondents are agreed that their preferences are closely related to purchasing behavior of luxury products which varies in their social class while very few of them answered that the social interaction relates to indulgence in luxury product purchases.

Table 9: Descriptive analysis on Group Influence

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Reference group of university students play a vital role in purchasing behavior of students	200	2	5	4.48	.611
Personality of students in university group influence the mind set of colleagues	200	2	5	4.52	.701
The adaption procedures of luxury products of students is higher in university life	200	2	5	4.51	.776
University students in Malaysia face positive group influence throughout their tenure of education	200	2	5	4.15	.811
Group influence is closely related to luxury product offering	200	2	5	4.00	.921
Group influence is precedent element of the cultural norms of students	200	2	5	3.41	1.426
Valid N (listwise)	200				

The above descriptive statistics table show that responses are towards agreed scale because of the mean value which shows perfection in the data set. It can be said that the above descriptive statistics is consistent and valid.

This demonstrates that majority of the Millennials said that their personality in university group influence the mind set of colleagues while few of them were agreed on the statement that group influence is precedent element of the cultural norms. In accordance of the past researches, the enhancement of the data set is much better than the past researches.

Table 10: Descriptive analysis on Motivation

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
University students in Malaysia are highly motivated towards luxury products	200	2	5	4.35	.639
The motivational levels are luxury products in Malaysia are met by the market offering	200	2	5	4.00	.729
University students are motivated through advertisement activities of luxury products	200	2	5	4.15	.830
University students who own luxury products feel motivated to study and attend classes.	200	2	5	4.10	.830
University students in Malaysia feel motivated towards luxury products to fulfill their higher level needs of Maslow's hierarchy	200	2	5	4.40	.910
University students in Malaysia are motivated towards spending their money on luxury products	200	2	5	3.45	1.321
Valid N (listwise)	200				

The table above shows that responses are towards agree scale as all values of mean are nearest and above to 3.0. This show that most of the respondents are agreed on the statement that they are highly motivated towards luxury products while very few of them are motivated towards spending their money on luxury products. It has been determined that the data set is consistent and valid. In accordance of the past researches, it has been examined that mean values represent perfection in the data set.

Table 11: Descriptive analysis on Perception

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Perception of university student of Malaysia towards luxury product is on the higher side	200	2	5	4.49	.658
Luxury products match the perception levels of university students in Malaysia	200	2	5	4.56	.737
Cognitive of university student of Malaysia are met by luxury product offerings	200	2	5	4.00	.727
Sales promotions regarding luxury products have direct influence on perception levels of university students in Malaysia	200	2	5	4.47	1
Perception levels of university students of Malaysia are on the higher side	200	2	5	4.15	.911
luxury products have direct influence on psychology of university students in Malaysia	200	2	5	3.50	1.309
Valid N (listwise)	200				

According to the descriptive statistics, it has been determined that most of the respondent's responses are towards agreed scale. It is said that the data set is consistent and valid. This show that majority of the respondents are agreed to the statement that sales promotions concerning luxury products have direct influence on perception levels of Millennials in Chennai while very few of them said that luxury products have direct influence on psychology of Millennials in Chennai.

Table 12: Regression Test Model Summary

This kind of testing reveals the regression and bugs into existing non-functional and functional areas of the system

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000ª	1.000	1.000	.00000

a. Predictors: (Constant), IV4, IV1, IV2, IV3

after alterations configuration, patches or enhancement changes that have been made to them (Panda, Riedewald and Fink, 2010). The above model summary table shows that the **R** square value is greater than and above 0.6so the relationship among variables is highly significant. To tabulate all variables in one and only Regression test, all four independent variables and dependent variable are examined in three tables that are model summary, ANOVA and coefficients generated via SPSS. Regression Test is run to strengthen the choice to accept or reject hypothesis in Pearson Correlation test. The hypothesis testing is only through the Pearson correlation analysis.

In this current study, the value of **R** is demonstrated as 1.0 which shows that data is good fitted. In the above table, the value of **R** square determines and indicates the power of the connections between 0.2 and 0.4; that is 20% and 40% then the association among variable is said to be modifiable. Pearson correlation value with this **R** square with Regression means demonstrates that Pearson mean value is higher than 0.7 and is significantly contributed to R Square value of 1.0. As per the table above, it can be said that Pearson value of social class is greater than 0.7 which is significantly contributed to R square value of 1.0. The second independent variable group influence Pearson correlation value is higher and greater than 0.7 which is significantly contributed to R square value of 1.0. On the other hand, Pearson value of motivation which is the third independent variable shows that it is significantly contributed to **R** square value of 1.0. The last independent variable which is perception shows that it is highly significant and contributed to the R square value of 1.0. According to the past researches, the result findings illustrated that all the recognized variables have significantly contributed to **R** square value.

Table 13: ANOVA

ANOVAᵇ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	348.092	4	72.023	8.193	.000ª
	Residual	.000	195	.000		
	Total	348.092	199			

a. Predictors: (Constant), IV4, IV1, IV2, IV3

b. Dependent Variable: DV

According to the ANOVA table above, it is evaluated that the differences between group means has been analyzed and linked through the identified compilation of statistical models It has been defined as to give the significant value below 0.05 which show that the relationship between dependent and independent variable is strong and significant. The ANOVA table above demonstrates the values of **R,R** square, degree of freedom, **F** value and significance value. As per the outcomes of the findings, the ANOVA table demonstrates that alternate hypothesis can be accepted as the value of significance is below 0.05. As per the past researches, the variables which have been tested have enough reliability that can be precise appropriately. ANOVA table cannot be used in hypothesis testing therefore; hypothesis testing can be done only from Pearson correlation analysis.

CONCLUSION

The current study produces positive impacts towards luxury products industry in a way, that it enables the marketers of such industry to manage their practices according to the findings of the research so that they can experience high sales and productivity. Likewise, the negative impacts towards luxury products industry produced through outcomes are observed in a manner that luxurious brand consumption can affect the interest and motivation of students towards the Millennials and education because this can make them used to of shopping and

staying update about the brands and luxurious products.

The overall findings of the research depicts that each of the hypotheses is accepted during the analysis, the Pearson correlation and Regression R square value for every variable is 0.6 or above that reflects a positive and strong relationship between independent variables and dependent variables. Similarly, the significant value for each of the variable was below 0.05 that shows the significant relationship between each independent and dependent variable. All of the hypotheses are accepted except the alternatives that help in evaluating the success of the research. The current study produces positive impacts towards luxury products industry in a way, that it enables the marketers of such industry to manage their practices according to the findings of the research so that they can experience high sales and productivity.

Likewise, the negative impacts towards luxury products industry produced through outcomes are observed in a manner that luxurious brand consumption can affect the interest and motivation of students towards the studies and education because this can make them used to of shopping and staying update about the brands and luxurious products

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