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## A study on consumer preference towards selected luxury products with special reference to Coimbatore City

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### **Abstract**

In this studied purpose and objectives of the study the primary objective of the research is to find and understand the luxury consumer preference when it comes to buying luxury products. Here we want to know if awareness of product, preference about product & problems of product. Data was collected from 200 respondents in and Coimbatore city. These people belonged to people of different occupations, income groups, religions, age groups, education and marital status. In this study results is found that there is a relation between of relationship between family monthly income & prefer the luxury products. But there is no relation between family monthly income& prefer the luxury products. Also there is no association between awareness and reasons for buying luxury products the findings suggest that the consumer need for various products and latest trend, consumer care centre towards luxury brands.

**Keywords:** Consumer, luxury products

### **Introduction and Design of the Study**

Marketing is based on thinking about the business in terms of customer needs and their satisfaction. Marketing differs from selling because "selling concerns itself with the tricks and techniques of getting people to exchange their cash for your product. It is not concerned with the values that the exchange is all about. And it does not as marketing invariables does view the entire business process as consisting of a tightly integrated effort to discover, create, arouse and satisfy customer needs." In the other words, marketing has less to do with getting customers to pay for your product as it does developing a demand for that product and fulfilling the customer's needs. The management process through which goods and services move from concept to the customer. It includes the coordination of four elements called 4 P's of marketing Identification, selection and development of a product, Determination of its price Selection of a distribution channel to reach the customer's place, Development and implementation of a promotional strategy.

### **Luxury goods**

In economics, a luxury good is a good for which In economics, a luxury good is a good for which demand increases more than proportionally as income rises, and is a contrast to a "necessity good", for which demand increases proportionally less than income. Luxury goods are often synonymous with superior goods and Veblen goods. Increases more than proportionally as income rises, and is a contrast to a "necessity good", for which demand increases proportionally less than income. Luxury goods are often synonymous with superior goods and Veblen goods.

### **Statement of problem**

Now a day most of people used luxury product for various reasons like life style, Modern trend, Luxuries life. But still consumer faced some problems for luxury products due to various factors like price, quality, brand, income and etc. In this study has been carried over to analysis the awareness level and the preference of the consumer towards luxury products

### **Objective of the study**

a. To known about the awareness towards luxury products

- b. To know about the consumer preference towards luxury products

**Research methodology**

**Research design**

In order to meet the objective of the study the data was collected with the help of primary and secondary sources

**Primary data**

The first-hand information which is being collected by the researcher or assistance is called primary data. The primary data was collected from the respondent through structured questionnaire,

**Secondary data**

Secondary data was collected from various sources such as Records, Books, Internet, Magazines, etc

**Sample size**

The study is based on primary data collected using structured from 200 respondents who were selected using random sampling method. Tools applied  
Statistical tools used for analysis:

- Simple percentage analysis
- Chi-square analysis
- ANOVA

**Chapter 2**

**Review of Literature**

Review of literature is essential for every researcher to carry on investigation successfully. All efforts were made together relevant study. But there is no sufficient number of studies on luxury products. Anyhow to gain the knowledge relating to Methodology, Hypothesis, Problem etc some other relevant studies have been reviewed and this details has been summarized below

**Preeti tak and Ashish pareek** <sup>[1]</sup> in their article on “**Consumer Attitude towards Luxury Brands**” An empirical study studied the buying pattern consumers has witnessed dramatic change over the past decade. Higher income has enhanced consumer buying power. As a result consumers are readily adopting global luxury brands at a much faster pace. Indian consumers are attracted towards acquiring luxury brands and purchasing these brands has become a prestige symbol. Luxury brands are helpful in communicating one’s uniqueness, fashion style and individuality in social circles. This study analyzes the impact of dimensions of consumers’ need for uniqueness and fashion consciousness on the attitude towards luxury brands. A structured questionnaire was used to collect the data. To test the hypotheses, correlation and regression analyses were employed. The findings suggest that the dimensions of consumer need for uniqueness and fashion consciousness positively influence their attitude towards luxury brands.

Shweta kastiya <sup>[2]</sup> in her article on The Impact of consumer personality traits on luxury brand market: An empirical study on closet consumers studied the market for luxury brands is expanding rapidly in India, includes thanks to economic deregulation, rapid GDP growth. increasing consumption, and a growing young and upper middle class working population, who can be classified as closet consumers. Closet consumers are those who have not been

born wealthy and are just experimenting with luxury as yet with a middle-class and conservative mindset, the aim of this study was to explore the impact of consumer personality traits on preference towards luxury brand market segment. Using Exploratory factor analysis (EFA), 16 selected luxury consumer personality traits have been reduced to five major factors, namely modernity, eccentricity, sincerity, competence and excitement the findings show that some consumer personality traits are significantly related to preferences towards particular luxury brand market segments.

Henrik ugglå <sup>[3]</sup> in her article leveraging luxury brands: Prevailing trends and research challenges studied this conceptual paper revolves around trends and research challenges in luxury brands management for the future. Four broad research trends are identified and discussed. First of these issues of country cannibalization at the strategic and tactical level. Second is the issue of make and buy brand portfolios revolving around how brand can be acquired from the market and internalized with the portfolio and how brand managers think in relation to this. Thirdly the issue of luxury partner branding is discussed in relation to modifier and modified brand and their relation towards and between each other. Finally the issue of old brand extension is developed and discussed in depth.

**Percentage analysis**

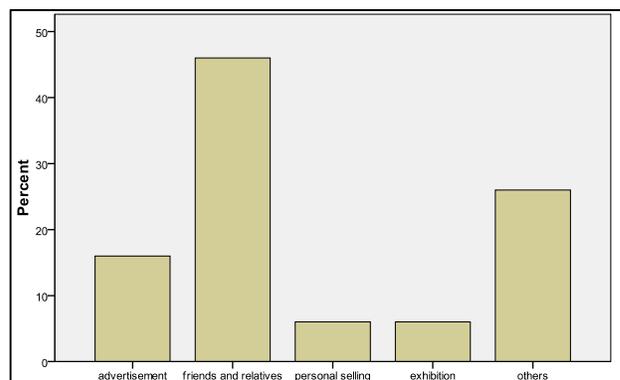
**Table 1:** State the source of awareness of luxury product

| S. No | Particulars           | Frequency | Percentage |
|-------|-----------------------|-----------|------------|
| 1     | Advertisement         | 32        | 16.0       |
| 2     | Friends and relatives | 92        | 46.0       |
| 3     | Personal selling      | 12        | 6.0        |
| 4     | Exhibition            | 12        | 6.0        |
| 5     | Others                | 52        | 26.0       |
|       | Total                 | 200       | 100.0      |

Source: Primary data

**Interpretation**

The table 1 shows that 16% of the respondents are belongs to the awareness of luxury products of advertisement, 46% of the respondents are belongs to the awareness of luxury products of friends and relatives, 6% of the respondents are belongs to the awareness of luxury products of personal selling, 6% of the respondents are belongs to the awareness of luxury products of exhibition, 26% of the respondents are belongs to the awareness of luxury products of others. The majority 46% of the respondents are belongs to the awareness of luxury products of friends and relatives.



**Fig 1:** State the source of awareness of luxury products?

**Table 2:** Which type of luxury product do you prefer?

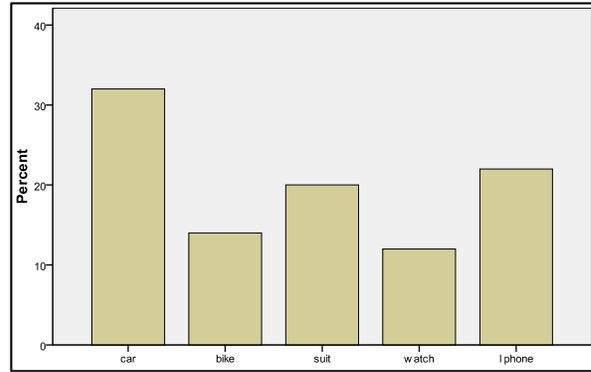
| S. No | Particulars | Frequency | Percentage |
|-------|-------------|-----------|------------|
| 1     | Car         | 64        | 32.0       |
| 2     | Bike        | 28        | 14.0       |
| 3     | Suit        | 40        | 20.0       |
| 4     | Watch       | 24        | 12.0       |
| 5     | I phone     | 44        | 22.0       |
|       | Total       | 200       | 100.0      |

Source: Primary data

**Interpretation**

The table 2 shows that 32% of the respondents belong to prefer the luxury product of car, 14 % of the respondents belong to prefer the luxury product of bike, 20% of the respondents belong to prefer the luxury product of Suit, 12% of the respondents belong to prefer the luxury product of Watch, 22% of the respondents belong to prefer the luxury product of I phone.

The majority 32% respondents belong to prefer the luxury product of car.



**Fig 2:** Which type of luxury product do you prefer?

**Table 3:** Relationship between Family Monthly Income \* Which Type of Luxury Product Do You Prefer

| H0  | H1   |                   |            |
|---|--|-------------------|------------|
| There is no relationship between family monthly income and which type of luxury product do you prefer | There is relationship between family monthly income and which type of luxury product do you prefer |                   |            |
| Chi-Square Tests  |  |                   |            |
|   | Value  | Degree of freedom | Sign value |
| Pearson Chi-Square  | 97.790 <sup>a</sup>  | 16                | .000       |
| Likelihood Ratio  | 109.634  | 16                | .000       |
| Linear-by-Linear Association  | 4.667  | 1                 | .031       |
| N of Valid Cases  | 200  |                   |            |

13 cells (52.0%) have expected count less than 5. The minimum expected count is 1.44.

In the table 3 reveals the relationship between incomes and prefer the luxury product that attracts the most using Pearson Chi square method. From this result, it was found that there is a statistical significant association between income and prefer the luxury product that attracts the most ( $\chi^2 = 97.790$   $p = .000$ )

**Table 4:** Relationship between Age and Preference towards Luxury Product ANOVA

| educational qualification |                |     |             |        |      |
|---------------------------|----------------|-----|-------------|--------|------|
|                           | Sum of Squares | Df  | Mean Square | F      | Sig. |
| Between Groups            | 38.183         | 4   | 9.546       | 12.464 | .000 |
| Within Groups             | 149.337        | 195 | .766        |        |      |
| Total                     | 187.520        | 199 |             |        |      |

**Interpretation**

It has been clear from the ANOVA test the calculated value (.000) is less than 5% level of significant. Hence the null hypothesis (H0) has been accepted and the alternate hypothesis (H1) is rejected. From the analysis it has been concluded that there is no significant relationship between age and preference towards luxury product,

**Findings**

1. The majority 46% of the respondents are belongs to the awareness of luxury products of friends and relatives
2. Majority 32% respondents belong to prefer the luxury product of car.
3. There is no significant relationship between family income and type of luxury product

**Suggestion**

- The advertisement in different media attract the consumer towards the product in which communicates about the product to the consumer

- The update of latest fashion and trends is considered most by consumer
- Mostly the acceptance of the product depends on the quality of the product and so the quality must to be maintained properly to service

**Conclusion**

This study attempted to explore the consumer preference towards the selected luxury product. The finding that

- The consumers are considered themselves as modern prefer luxury cars
- The hypothesis between that there is significant association between income and prefer the luxury product is supported
- Consumers who are inclined towards excitements choose luxury car and I phone

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