Effect of individual characteristics and attitudes toward the brand the intention to buy luxury goods

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Abstract: Luxury goods are selling very well worldwide. The important issue is what drives consumers to buy luxury goods and how much the main drivers for consumers to buy luxury brands change through culture. The research population consisted of buyers of Apple mobile phones in Yazd. The sample included 171 people who were selected though convenience random sampling. This was an applied, descriptive, comparative, correlative study. The analysis unit was the individuals, and regarding time, it was a cross-sectional study. Data were collected through survey and questionnaires and analyzed using PLS Smart. Results showed that the need for uniqueness has a positive significant effect on the self-expression attitude, the self-expression attitude has a positive and significant effect on the emotional attitude, and the emotional attitude has a positive and significant effect on purchase intention.

Introduction

Lifestyle is the way the people live, while how people spend their money lies in their actions and behaviors. "People tend to favorably react to the brands consistent with their values and goals." (Snyder and DeBono, 1985) Lifestyle is a person's characteristic and is related to his/her socio-economic life and is a reflection of one's image. Lifestyle is the way that society's social groups live (Fazeli, 2003).

"To imitate the rich people' lifestyle, today's consumers are increasingly willing to buy high quality products. Therefore, the luxury goods market not only includes rich people, but also middle class people." (Sanjarsalajegh and Mousavi, 2012).

The concept of lifestyle refers to a set of ideas quite distinct from personality. Lifestyle and personality are closely related. Some personality components that cause a person to buy luxury goods were examined, and their impact on purchase intention was determined.

Problem Statement

The main problem is that why all people from every social class have a tendency to buy luxury goods, and the real question is how much the fundamental drivers to buy luxury brands varies by individual characteristics and what its relationship is with purchase intention.

Products with luxury brands enjoy substantial sales worldwide. The global sales of accessories, clothing, watches, jewelry, and other products indicate that in 2009, sales of luxury goods increased to 170 billion dollars (Robert, 2010). The major markets for luxury brand are not limited to western developed countries, and eastern markets are also influenced (Sherman, 2009).

The research conducted using the SEM structural equations concluded that Chinese and American consumers' self-control definitely affects the social function attitudes toward luxury brands, and social function attitudes definitely affect the consumer's purchase intention through effective attitude, while attitude is a mediator between social function attitude toward luxury brands and purchase intention.

Literature Review

Wiedman *et al.* (2007) concluded that the products that bring about reputation and increased prestige may have an important impact on customers' evaluation in willingness to purchase or consume luxury brands. They also concluded that the customers' perception of brand value have a positive effect on men and women' willingness to purchase luxury brands. Wang and Lin (2009) and Wang and Ahuya (1991) argued that Chinese consumers like luxury goods because they develop social relationships. Middle class customers are motivated to buy luxury item to reveal their social standings and earn others' respect.

Katz (1960) and Wilcox *et al.* (2009) concluded that the self-expression attitudes toward luxury brands communicate with the central ideas, and consequently, stimulate people to consume luxury brands to express their personal characteristics. Thus, they affect the need for uniqueness and self-expression attitudes toward

luxury brands. Wilcox *et al.* (2009) argued that self-expression attitude toward luxury brands positively affects intention to purchase luxury brands.

Bian and Forcid (2012) concluded that feelings affect central attitudes and bring about purchase intention. They also argued that feelings affect emotional attitudes and social function attitudes. Salajegh and Mousavi (2012) concluded that some people purchase items for fun, imagination, and emotion. This attitude depends on the physiological, social, and anthropological needs. They also examined the effect of environmental forces. Wiedman, Hennigs, and Siebels (2009) concluded that customers gain tangible satisfaction, static joy, and excitement when consuming luxury products. They also experience personal joys and rewards. Hong *et al.* (2011) found that the relative role of society, the people' understanding, and their arrogance and pride affect the purchase of luxury goods. They also evaluated the relationship of these factors with people's personality and wealth. Homburg and Jenkins (2006) concluded that society is a major factor affecting the purchase of luxury goods. This means that people want to be accepted and approved by their societies. The people's personality greatly affects their purchase intention too. It is related to people's understanding and is shaped by symbolic, experiential, and practical values. Miller (2007) argued that there is a relationship between the state of a brand and the proper brand, and the proper brand has a positive effect on brand value. The brand's state and brand value are dependent variable in products class.

Delha and Keniz and Madar-Sabough (2010) concluded that the effect of internal factors (psychological and physical) and external factors (social and sociological) on people's lifestyle depend on their standings and experiences. Hauck and Stanforth concluded that an important difference in people's perception of luxury brands between young and old people is their experience of luxury brands and their consumption. There are also different purchase motivations by the customers which can influence the luxury goods though customers' lifestyle.

Lingjing and Yanqun (2012) concluded that China's middle-class consumer motivations and the relationship between their psychological characteristics affect customers' purchase intention and views towards luxury goods.

Research Variables

In research, it is essential to identify variables in order to answer the questions and test the hypotheses. Two types of variables were considered here:

Independent variable: the variable which the researcher sees or manipulates to observe its impact on society (Khalili-Shorini, 2012). Dependent variable: the effect of the dependent variable on society shapes the dependent variable (Khalili-Shorini, 2012). In this study, the need for uniqueness, self-control, and self-expression attitude were considered the dependent variables.

Applied Research Objectives

It was expected that personal characteristics, such as the need for uniqueness and self-control, have a positive significant effect on consumers' social function attitudes towards luxury brands. They affect the emotional attitudes and the purchase intention for luxury brands, respectively.

Data Analysis Method

Descriptive and inferential statistical methods were used to analyze the collected data and verify the hypotheses.

According to current standards, descriptive statistics was used to determine the demographic information obtained from the questionnaires, and inferential statistics was used to examine the hypotheses.

SPSS and SMART PLS were used to perform statistical calculations.

Research hypotheses

The main hypothesis

Hypothesis 1: The need for uniqueness has a positive significant effect on self-expression attitude.

Hypothesis 2: Self-control has a positive significant effect on self-exhibition attitude.

Hypothesis 3: Self-expression attitude has a positive significant effect on emotional attitude.

Descriptive Statistics

Since the statistical population consisted of Apple's mobile phone shoppers in Yazd, the statistical population was infinite, and the population variance was unknown. The sample size was selected as 171 individuals with 95% confidence level and 0.1 accuracy.

Among the sample, 73 were women, and 98 were men.

The participants' demographic data is presented in Table 1 by gender, age, occupation, education, and income levels.

Fitting of the proposed research model

Partial least squares (PLS) method covers three parts for the evaluation of structural equation models: 1) the part pertaining to the measurement model, 2) the structural part, 3) the overall model part (measurement and structural). The accuracy of relationships in the measurement model was first checked using reliability and validity criteria, and structural relations were then reviewed and interpreted. Finally, the overall fitting of the research model was examined.

External model (Measurement Model) Fitting

A measurement model is related to the part of the general model that contains a variable along with questions related to the variable. Three criteria of

reliability, convergent validity, and divergent validity were used to check the fitting of the measurement models.

Table 1. The frequency distribution of respondents' demographic variables

Explain	Frequency	group	Demographic variables
-	98	male	generic
-	73	female	
Below diploma	9	male	Education
	1	female	
diploma	18	male	
	21	female	
Resource	18	male	
	4	female	
License	33	male	
	17	female	
MA	17	male	
	22	female	
Phd	4	male	
	3	female	
Under 20 years	12	male	age
	7	female	
20-30	49	male	
	32	female	
31-40	28	male	
	22	Female	
41-50	6	Male	
	2	Female	
51	4	Male	
	4	Female	
Employee	35	male	Job
	25	female	
Self Employee	50	male	
	4	female	
Housekeeper	-	male	
	14	female	
Retired	2	male	
	2	female	
Student	14	male	
	16	female	
Seeking work (unemployed)	-	male	
	1	female	
Under 600000tomans	23	male	Income
		female	
600000-1000000	44	male	
		female	
1000000-1500000	33	male	
		female	
1500000-2000000	39	male	
		female	
2000000-2500000	18	male	
		Female	
2500000	14	Male	
		Female	

Inferential Statistics
- The proposed operational model
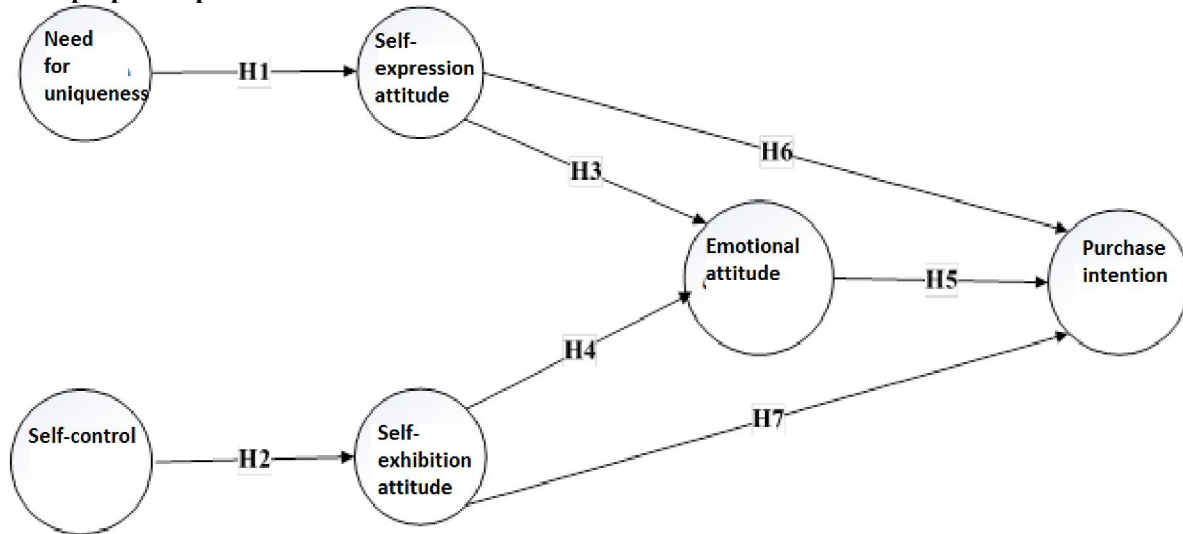
(Bain & Forsythe, 2012, 1445)

Figure 1. The conceptual model of the research

Cronbach's Alpha

It is considered a classical criterion for evaluating the reliability. It is also a metric for assessing internal stability. The amount of variance between structure and its indices compared to the measurement error associated with each index results in high internal stability.

According to the table, Cronbach's alpha coefficients are greater than 0.7 which indicates the reliability of the model.

Table of Cronbach's alpha

Structures	Cronbachs Alpha
Emotional attitude	0.939088
Unique needs	.860369
Attitude to Self- Presentation	.885532
Personal self-monitoring	.755771

Combinatorial Reliability and Shared Values

Since the Cronbach's alpha is a traditional criterion for evaluating the reliability of structures, the structural equation modeling approach utilizes a more modern criterion known as combinatorial reliability.

Instead of calculating an absolute reliability, this criterion calculates the reliability of structures considering their correlation. Cronbach's alpha coefficients were greater than 0.7 which indicates the reliability of the model (According to the following Table).

Table of combinatorial reliability

Structures	Composite Reliability
Emotional attitude	.970435
Unique needs	.886049
Attitude to Self- Presentation	.912731
Personal self-monitoring	.825972

Convergent Validity (AVE)

Convergent validity examines the correlations between each structure and its questions. The AVE criterion was used by SMART PLS for this purpose.

Fornell and Larcker (1981) suggested an AVE higher than 0.5. Magner *et al.* (1996) argued that an AVE equal to 0.5 is high enough. Thus, by eliminating the questions 23, 24, and 30, the AVE values for the variables were higher than 0.4 according to Magner *et al.* (1996) which indicates the proper convergent validity of the model.

According to the attached AVE table

Table of convergent validity

Structures	AVE
Emotional attitude	.942569
Unique needs	.4958
Attitude to Self- Presentation	.62621
Personal self-monitoring	.44416

Comparing the factor loadings of the indices

In this method, the correlation between the indices of a structure with itself and the correlation between the indices of a structure with other structures can be compared. If the correlation between the indices of a structure with another structure is higher than the correlation between its indices and itself, the divergent validity of the model would be undermined.

The factor loadings table of the indices of the structures for investigating the divergent validity (first method):

Structures	Items	Unique needs	Attitude to Self-Presentation	Personal self-monitoring	Attitude to theatrical	Emotional attitude	Going shopping
Emotional attitude	Q1	.75	.37	.22	.12	.51	.47
Unique needs	Q2	.68	.25	.24	.27	.47	.54
Attitude to Self-Presentation	Q3	.77	.26	.18	.09	.36	.46
Structures	Q4	.8	.26	.16	.19	.46	.5
Emotional attitude	Q5	.64	.53	.25	.19	.18	.3
Unique needs	Q6	.63	.15	.06	.08	.27	.36
Attitude to Self-Presentation	Q7	.53	.17	.23	.29	.49	.44
	Q8	.72	.25	.16	.24	.38	.36
Personal self-monitoring	Q9	.48	.79	.26	.22	.3	.36
Structures	Q10	.39	.88	.26	.19	.41	.38
Emotional attitude	Q11	.18	.78	.27	.2	.32	.26
Unique needs	Q12	.4	.72	.28	.33	.28	.34
Attitude to Self-Presentation	Q13	.36	.79	.34	.27	.33	.28
	Q14	.31	.79	.35	.4	.44	.34
Structures	Q15	.14	.04	.54	.41	.19	.16
Emotional attitude	Q16	.07	.1	.7	.57	.23	.1
Unique needs	Q17	.32	.43	.71	.41	.39	.42
Attitude to Self-Presentation	Q18	.26	.33	.74	.36	.33	.39
Structures	Q19	.17	.37	.64	.33	.17	.33
	Q20	.25	.4	.61	.31	.3	.42
Emotional attitude	Q21	.39	.46	.39	.32	.96	.62
	Q22	.53	.45	.3	.36	.97	.67

Significance coefficients Z (T-statistic)

The most basic criterion to measure the relationship between the structures in the model is the significance value of T. The coefficients have to be higher than 1.96 so that they can be confirmed at a confidence level of 95%. The *bootstrap* option in the *Calculate* menu was selected.

The T-values of all coefficients of the paths was greater than 1.96 which indicated that these paths were significant and the structural model was appropriate, except in the path between self-exhibition and purchase intention, where the t-statistic was 1.484 indicating that the relationship was not significant.

Coefficients Table (t-statistic)

Structures	Unique needs	Personal self-monitoring	Attitude to theatrical	Emotional attitude	Going shopping
Emotional attitude Unique needs Attitude to Self- Presentation Structures Emotional attitude Unique needs Attitude to Self- Presentation	-	8.729	-	-	-
	-	-	12.093	-	-
	5.842	1.954	-	-	-
	-	-	-	-	12.069
Personal self-monitoring Structures Emotional attitude Unique needs Attitude to Self- Presentation					
Structures Emotional attitude Unique needs Attitude to Self- Presentation Structures					
Emotional attitude					

Coefficient of determination (R²)

Table of coefficient of determination (R²)

Structures	(R²)
Emotional attitude	.286
Unique needs	0
Going shopping	.468
Attitude to Self- Presentation	.214
Personal self-monitoring	0
Attitude to theatrical	.399

It is a criterion used to link the measurement and structural parts of the structural equation modeling. This criterion is the coefficient of determination of the dependent variables which indicates the effect of an independent variable on a dependent variable. Three values of 0.19, 0.33, and 0.67 were considered as the criterion for weak, moderate, and strong values.

Testing the research hypotheses
Investigating the Z significance coefficients for each hypothesis

Hypothesis 1: The need for uniqueness has a positive and significant effect on self-expression attitude.

The Z significance coefficients of the path between the variables of the need for uniqueness and self-expression attitudes were greater than 1.96 (10.996) which indicate the significant impact of the need for uniqueness on self-expression attitudes in 95% confidence level. This confirms the hypothesis that the need for uniqueness significantly affects the self-expression attitude.

Table of path coefficients and t-statistic of the first hypothesis

Hypothesis	Path coefficient (Positive or negative effect)	t-statistic (significance of the effect)	Test result
The need for uniqueness has a positive and significant effect on self-expression attitude	0.462	10.996	Confirmed

Hypothesis 2: Self-control has a positive significant effect on self-exhibition attitude.

The significance coefficients of the path between the variables of self-control and self-exhibition attitude were greater than 1.96 (12.278) which indicated the significant impact of self-control on self-exhibition attitude in 95% confidence level. This confirms the hypothesis that self-control significantly affects self-exhibition attitude.

Table of path coefficients and t-statistic of the second hypothesis

Hypothesis	Path coefficient (Positive or negative effect)	t-statistic (significance of the effect)	Test result
Self-control has a positive significant effect on self-exhibition attitude.	0.632	12.278	Confirmed

Hypothesis 3: Self-expression attitude has a positive significant effect on emotional attitude.

The significance coefficients of the path between the variables of self-expression attitude and emotional attitude were greater than 1.96 (6.144) which indicated the significant impact of self-expression attitude on emotional attitude in 95% confidence level. This confirms the hypothesis that self-expression significantly affects emotional attitude.

Table of path coefficients and t-statistic of the third hypothesis

Hypothesis	Path coefficient (Positive or negative effect)	t-statistic (significance of the effect)	Test result
Self-expression attitude has a positive significant effect on emotional attitude	0.390	6.144	Confirmed

Findings based on the research hypotheses

According to the principles of the research theory, as well as the investigations in this research, the variables of the need for uniqueness, self-expression attitude, self-exhibition attitude, self-control, and emotional attitude were considered lifestyle components. They were assumed to affect luxury brand purchase intention.

Table of investigating the main hypotheses of the research

The realized applications of the research

The research conducted on luxury brand purchase intention showed that self-control and the need for uniqueness affects consumers through social function attitudes. Social function attitudes also affect purchase intention through emotional attitude. Moreover, social function attitudes affect emotional attitude and purchase intention.

Applied and Managerial Suggestions

1. Since one's lifestyle is his/her characteristic related to socio-economic life and is the was social groups live, it is suggested to study the factors related to personal characteristics and examine their effect on purchase intention of luxury brands.

2. If the main drivers for purchase are not clear, it cannot help vendors know what products with what features they should provide and distribute to attract more customers. It is suggested to study the factors related to personal characteristics and examine main drivers for purchase among customers to help marketers attract more customers.

Recommendations for future research

Other items related to the personal characteristics can be studied to determine their impact on purchase intention.

Research can be carried out on the luxury brands other than mobile phones to compare the results with the present results.

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