



Luxury Brand Consumption: Assessing The Impact Of Social And Cultrual Influences On Purchase Intention

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Abstract

India, one of the world's fastest-growing economies, has seen a huge increase in luxury brand consumption over the last decade. The rising income of the middle and upper classes, combined with greater exposure to global luxury trends, has fuelled demand for high-end products. The present research tries to examine the interaction between social and cultural elements and luxury brand buying intentions of peoples in Gurugram district of Haryana. The results demonstrate positive relationship between social and cultural factors and purchase intention of luxury brand's consumers.

Key words: Luxury brand, Purchase intention, regression analysis, social and cultural etc.

1. Introduction

For many years, luxury brands have been associated with social standing, exclusivity, and prestige. In a time when outside influences are influencing consumer behaviour more and more, social and cultural aspects are important in determining whether or not people intend to buy luxury goods. The desire to possess luxury brands is influenced by psychological factors, cultural values, and society conventions in addition to product quality. For marketers, researchers, and brand strategists looking to improve their positioning in the cutthroat luxury market, it is crucial to comprehend how these aspects interact with customer decision-making. The concept of luxury brand consumption is strongly related to Veblen's (1899) theory of ostentatious spending. Consumers frequently acquire luxury things not merely for their utilitarian usefulness, but also to

demonstrate wealth, prestige, and social superiority (Han, Nunes, & Drèze, 2010). The symbolic character of luxury brands allows people to express themselves, boost their self-esteem, and get social recognition. In many countries, owning high-end brands is regarded as a sign of success, resulting in an increase in aspirational consumption, particularly in emerging nations where upward social mobility is prevalent (Truong, McColl, and Kitchen, 2009).

India, one of the world's fastest-growing economies, has seen a huge increase in luxury brand consumption over the last decade. The rising income of the middle and upper classes, combined with greater exposure to global luxury trends, has fuelled demand for high-end products (Atwal & Bryson, 2014). Luxury brands are viewed by Indian consumers as emblems of status and grandeur, as well as a reflection of personal accomplishment and achievement (Shukla, 2012).

Social factors such as reference groups, social pressure, and family dynamics have a substantial impact on purchasing behaviour in India. Consumers frequently seek affirmation and inspiration from their social circles, adopting purchasing habits that are consistent with the expectations of their communities (Escalas and Bettman, 2005). Cultural considerations influence consumers' perceptions of luxury brands in India. Indian culture values collectivism, tradition, and heritage, which influences the perceived importance of luxury consumption. Unlike in Western societies, where individualism drives luxury purchases, Indian consumers frequently buy luxury items to complete social obligations, commemorate milestones, and boost family pride. Festivals, weddings, and key life events are ideal occasions for luxury purchases, demonstrating the deep cultural effect on consumer behaviour.

The present research tries to examine the interaction between social and cultural elements and luxury brand buying intentions of peoples in Gurugram district of Haryana. Further, rest of paper has been classified as follow: In section 2 and 3 illustrate the previous literature and methodology. The analysis and conclusion of the paper presented in section 4 and 5.

2. Literature Review

The numerous studies explore the social and cultural factors affecting purchase intention; some of these are **Piron (2000)** investigated the country-of-origin effect and product consumption conspicuity. This study contributes to a better understanding of the COO effect by investigating customers' purchasing intentions for public vs. private and luxury vs. necessity products. When it comes to luxury products, the country of origin has a greater impact. The ostentatious feature of consumerism ranks second. **Dubois and Czellar (2002)** also investigated the relationship between the concepts of "luxury" and "prestige" as applied to companies using an interpretative analysis of in-depth consumer interviews. The findings revealed that prestige can be reached in several categories without relying on luxury. On a symbolic level, buyers can consider luxury as a symbol of brand status. Vickers and Renand (2003) proposed that luxury goods can be distinguished from ordinary goods by displaying a distinct mix of three important elements of instrumental performance: functionalism, experientialism, and symbolic interactionism. It implies that the symbols shown by luxury products have a significant impact on the choosing of one product over another. **Park et al. (2008)** aims to identified the determinants of young South Korean consumers' purchase intentions toward

foreign luxury brands and their relative importance. The study revealed that all determinants, except for vanity, were significantly related to the purchasing of foreign luxury brands. **Phau and Teah (2009)** investigated how social and psychological factors influence Chinese customers' opinions towards counterfeit luxury goods, as well as how these variables influence purchase intentions. **Kim and Ko (2010)** evaluated the impact of social media marketing on customer connections and purchasing intentions. The results showed that SMM has a favourable impact on customer connections (intimacy and trust) and purchase intention. As a result, more luxury brands should engage in social media marketing activities to anticipate a positive impact to their brand by giving fresh luxury value to clients.

According to **Hung et al. (2011)** social influence has a positive effect on luxury brand purchasing intentions. **Gil et al. (2012)** investigated how materialism influences teenagers' social consumption incentives and attitudes toward luxury goods. According to him, materialism has a significant impact on the evolution of positive sentiments about luxury products. **Zhang and Kim (2013)** found that brand consciousness, social comparison, and fashion innovativeness all have a substantial impact on Chinese consumers' attitudes towards purchasing luxury fashion goods. According to **Mao et al. (2017)**, attitudes drive behavior, cultural and ethnic groups impact consumer values, attitudes, and behavior, including attitudes about status and psychological requirements, and luxury purchases are often viewed as sensible and ostentatious consumption. **Chihab and Abderrezzak (2016)** employed reasoned action theory to study the impact of brand image, social and functional values, and previous behaviour on luxury perfume purchase intention in Algeria. **Yang et al. (2018)** discovered that global identity is positively related to purchase intention for luxury products, as mediated by observed functional, oneself, and communal value of luxury. **Kurniawati and Ramadhan (2020)** examined the impact of consumer perceptions of luxury brands, materialism, social influence, and vanity on their intentions to buy iPhones. The results of PLS showed that while consumers' intentions to buy are not affected by social influence or vanity, their perceptions of luxury brands and materialism are.

According to **Park et al. (2021)**, online platforms word-of-mouth positively influences customer luxury purchase intention. Perceived quality influences functional and social value, while personal and functional value influence social media word-of-mouth. **Kanwal (2021)** studied the relationship between perceived risk, fear, and consumer purchase intention towards luxury products in the context of COVID-19 and discovered that perceived risk has a negative and significant effect on customer purchase intention for luxury companies. Furthermore, in the instance of COVID-19, fear reduced the relationship between perceived risk and customer propensity to purchase premium products. **Olsannova et al. (2022)** found that customers' intention to purchase a luxury brand is positively and significantly correlated with their awareness of the business's corporate social responsibility (CSR) initiatives; however, this correlation is moderated by specific demographics and gender. It was not clear how general sentiments about sustainability and CSR moderated this association. **Ming (2023)** explored the constructs which are influence the buying intention of luxury fashion brands Consumers in Malaysia. **Singh et al. (2023)** found that information validity, accuracy of information, attitude towards information (ATI), information usefulness, and information requests were all positive predictors of consumer information adoption. The data also show that knowledge

adoption is favourably correlated with purchasing intention. **Mulia and Asyifa (2024)** discovered that hedonic behaviour, price, and information have no significant impact on consumer purchasing interest, however product quality, experience, and brand do.

3. Research Methodology

3.1 Data and Research Sample

The purpose of this study is to look into the social and cultural elements that influence the purchase intentions of chosen luxury watch, perfume, and bag brands. The research design used for this study is descriptive. The population of Gurugram district in Haryana serves as the study's universe. Individuals who purchase selected luxury brands of watches, perfumes, and bags serve as the study's sample unit. The study included both primary and secondary data. The primary data was collected using a standardised questionnaire designed on a five-point Likert scale for the study. The investigation was conducted with a sample size of 200 people. The sample was acquired using the purposive sampling approach.

3.2 Statistical Tool and Techniques

The data gathered by the questionnaire will be examined using SPSS. Statistical tools employed in this investigation are as follows:

- **Descriptive Statistics:** The frequencies, percentage, mean, and standard deviation are represented for demographics and all statements.
- **Cronbach's Alpha:** For analysing the internal consistency of the measurement scales.
- **Regression Analysis:** For measuring the influence of Social and Cultural Factors on Purchase Intention.

3.3 Model of Study

The following model is used for measuring the influence of Social and Cultural Factors on Purchase Intention.

$$PI = \alpha + \beta SC + \mu$$

Where, α is intercept, β is coefficient, SC is social and cultural factor, μ is error term and PI indicates purchase intention.

4. Analysis and Results

The sample composition gives useful information about the demographics of luxury brand consumers, indicating crucial aspects that influence their purchasing decisions. The gender distribution shows a slight advantage for male customers (58.5%) over female consumers (41.5%), implying that men may have a larger preference for luxury items, either due to higher discretionary incomes or different brand views. In terms of age, the majority of respondents (46.5%) are between the ages of 30 and 40, with those under 30 accounting for 34.5 percent, indicating that younger and middle-aged people are the key market for luxury

brands. Consumers over the age of 50 account for only 6.5% of the sample, indicating a preference for classic premium products over luxury brands in this sector.

Table -1

Sample Composition

Components	Categories	Frequency	Percentage
Gender	Male	117	58.5
	Female	83	41.5
	Total	200	100
Age	Less than 30	69	34.5
	30-40	93	46.5
	40-50	25	12.5
	Above 50	13	6.5
Education	12 th	21	6.0
	Graduate	63	31.5
	Post graduate	83	41.5
	Doctorate	33	16.5
Occupation	Govt. employee	36	18
	Private employee	71	35.5
	Self employed	93	46.5
Income (in lac)	0-5	65	32.5
	5-10	82	41.0
	Above 10	53	26.5

(Source: Primary data collected through questionnaire in the month of October-November, 2024)

Education levels demonstrate that a large fraction of luxury buyers are well educated, with 41.5% holding postgraduate degrees and 31.5% having graduated. Furthermore, 16.5% of respondents possess doctorates, demonstrating that even highly skilled professionals indulge in luxury consumption, perhaps motivated by a desire for distinction and differentiation. The occupational mix of consumers reflects this trend, with self-employed individuals accounting for the largest group (46.5%), followed by private employees (35.5%). The increased prevalence of self-employed people shows that entrepreneurs and business owners, who normally have more financial freedom, are more likely to buy luxury items. Meanwhile, government personnel make up the smallest segment (18%).

The reliability analysis evaluates the internal consistency of the measurement scales for Social and Cultural Factors and Purchase Intention through the application of Cronbach's Alpha.

Table -2

Reliability Analysis

Variables	No. of Items	Cronbach's Alpha
Social and Cultural factor	9	0.837
Purchase Intention	9	0.875

(Researchers Outcomes)

In the table 2, Cronbach's Alpha for the Social and Cultural Factor variable, which includes nine items, is 0.837, indicating acceptable reliability. Similarly, purchase intention, which is measured with nine items, has a Cronbach's Alpha of 0.875, indicating strong reliability. Because both values are above the permissible threshold of 0.7, the measurement scales have good internal consistency, making them appropriate for research analysis.

Table- 3

Items Statistics

Variables	Items	Mean	S. D
Social and Cultural	I believe my peers have some impact over my purchases of expensive brands.	2.35	1.133
	I think my family members affect my decision to purchase luxury brands.	2.67	1.203
	I believe culture and society affect my choice of premium brands.	2.42	1.118
	I think social media influence my purchase of luxury brands.	2.32	1.176
	I believe media and celebrities influence my purchases of expensive brands.	2.53	1.215
	Luxury brand products are recognised and admired by friends, family, and colleagues.	2.25	1.015
	People who own luxury brands are highly regarded in society.	2.48	1.093
	I prefer luxury brands to impress other people.	2.93	1.218
	I prefer luxury brands to show my elite class.	2.83	1.236
Purchase Intention	Purchasing fancy brands helps me raise my social position.	2.70	1.220
	Purchasing luxurious brands helps me feel superior and special.	2.56	1.168
	I would buy those luxury brands which are known by many people.	2.66	1.154
	I would purchase luxury products for prestige reasons.	2.96	1.194
	Purchasing special brands makes me feel better about myself.	2.18	1.045
	Luxury brands look more appealing to others.	2.37	1.034
	Purchasing luxury brands symbolizes me as a successful person.	2.91	1.234

	Possessing luxury branded products makes me realize how well I am doing in my life.	2.69	1.101
	The atmosphere and ambiance of luxury shops attract me to purchase there.	2.56	1.172

Table 3 reveals the item statistics of Social and Cultural Factor and purchase intention towards luxury branded products. This study measured the social and culture by adapting the 9 items from Wagner and Aliyev (2018), Kandasamy (2019) and Kapareliotis (2012). Further 9 items measuring the purchase intention are adapted from Nagasawa and Kumagai (2016), Vela and Sánchez (2022) etc. The primary data was collected using these items designed on a five-point Likert scale for the study.

Table- 4

Model Summary

Variable	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
SC	0.752	0.566	0.564	0.53641	1.871

The Model Summary table reveals the outcomes of a regression analysis evaluating the impact of Social and Cultural Factors (SC) on Purchase Intention for luxury brands. The R value of 0.752 demonstrates a strong positive relationship between social and cultural factors and purchase intention. According to the R Square (0.566), social and cultural factors account for 56.6% of the variation in purchase intention, indicating a significant effect. The Adjusted R Square (0.564), which adjusts for the number of predictors, remains very near to R Square, indicating model stability. The Standard Error of the Estimate (0.53641) reflects the average variance between observed and anticipated values, demonstrating model precision. Finally, the Durbin-Watson value (1.871) is within the acceptable range, indicating no significant autocorrelation in the residuals.

5. Conclusion

The study found that social and cultural factors had a significant impact on the purchase intentions of luxury brand buyers in Gurugram, Haryana. With a significant positive relation ($R=0.752$), social and cultural effects explain 56.6% of the variation in purchasing intention. According to demographic study, the core client base for luxury brands consists of younger, well-educated, and financially stable individuals, notably those who are self-employed or work in the private sector. This emphasises the aspirational element of luxury buying, in which people seek social approval and self-improvement through expensive items. Cultural conventions, traditions, and social factors, such as peer approval, family support, and media exposure, strongly impact consumer choices, emphasising the collectivist nature of Indian society, where luxury items are frequently acquired for social recognition.

The findings have significant managerial, theoretical, and policy implications. Marketers must design targeted advertising techniques that reflect consumers' cultural values and societal goals. Luxury firms should use influencer marketing, celebrity endorsements, and digital engagement to boost their appeal. Customisation and culturally appropriate campaigns, such as exclusive festival and wedding collections, can help to boost brand loyalty even further. The study also adds to the literature on conspicuous consumption by emphasising the importance of societal and cultural aspects in moulding luxury brand perception in emerging nations. Furthermore, policy makers and consumer rights organisations should use these findings to encourage ethical luxury purchasing and develop standards to prevent deceptive advertising.

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