



Consumer values, motivation and purchase intention for luxury goods



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ABSTRACT

There is considerable ambivalence in how different societies and cultures relate to the consumption of luxury goods. Thinly focused in the literature are Islamic societies (with rapidly emerging 'super-rich' consumer segments) where the concept of luxury may be in tension with religious values. Set against this background, this paper investigates how consumer values and motivation influence purchase intentions towards luxury goods. Based on a sample of 400 respondents drawn from Morocco and applying logistic regression models, the paper finds correlations between the intention to buy luxury goods, motivation and personal values. Paradoxically, the influence of religion appears to diminish as consumer affordability of luxury goods increase. Partly due to globalization of markets and impacts on consumer values, Moslems are not fundamentally different from western consumers with regard to predispositions towards luxury consumption. Potential impacts of religion on luxury consumption attitudes and personal values appear to be moderated by the global consumer culture. The results also show an important gender underpinning especially when considered alongside perceived gender biases in consumption decision-making in many Islamic countries. Regarding the nature of purchase behavior women were found to be more positively disposed to impulse purchasing of luxury goods compared to men while more educated people, generally, indicated a greater tendency towards rational than impulse buying decisions.

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1. Introduction

Historically, consumer researchers have been keenly interested in studying the phenomenon of luxury goods and, more generally, hedonic consumptions (Hoyer and Stokburger-Sauer, 2012; Sheth et al., 1991). Despite the long interest in the subject, patterns of consumption of luxury goods remain a contentious issue (Walley et al., 2013; Bian and Forsythe, 2012). Contemporary discourses of the phenomenon reveal ambivalences in how different social institutions view the subject. On one side of the continuum, treatments of the subject have been located within the 'theory of growth', that is, the consumption of luxury goods is a necessary by-product of 'the movement from an agricultural society to an expanding manufacturing society' (Ramos, 2011, p.55). However, an alternative viewpoint holds luxury consumption as having negative moral consequences (in the forms of avarice and loss of civic virtues). The evident polarity of perspectives in the literature is exacerbated in many Islamic countries – where the lurch towards the global economy and the consequences of the global

consumer culture (Abid and Bahloul, 2011; Mina, 2012) are in demonstrable tensions with deep-rooted religio-cultural institutions (Ahmed and Donnan, 1994). Essentially, whilst economic necessities are propelling the countries towards greater openness with the global marketplace and exposing their citizens to global (western-oriented) consumption trends and practices, there is equally strong connotations of 'haram' (evil), especially among the religious oligarchies with regard to how 'traditional values' are quickly being eroded by the acculturation to the global consumer culture (O'Cass et al., 2013; Siala, 2013; Ger, 2013).

Islamic religion particularly underlie consumption values of Moslems and serve as the basis for examining how they relate to certain product categories (Khraim, 2010) – a predictor of consumer susceptibility to marketing stimuli that may, in fact, challenge fundamental belief systems. In relation to luxury goods, structural and cultural shifts in western marketing systems have engendered a democratization of luxuries, making accessible to all a conventionally exclusive cultural category (Roper et al., 2013). Whilst the body of work on luxury consumption is large and growing, researchers have largely focused on buyer profiles, choice criteria and often from a standpoint of marketing management (Amatulli and Guido, 2011). Emphases have been more on external triggers than internal motivations, that is, personal and

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interpersonal values (Vigneron and Johnson, 1999); how religion and religious values influence individual decision-making, choice and purchase (Karatas and Sandikci, 2013). Notably, how religion mediates consumer buying decisions, generally, is established in the extant literature (Kamaruddin, 2009; Siguaw and Simpson, 1997; Delener, 1990, 1994; Essoo and Dibb, 2004). Also, the influence of Western cultural values are well established in existing consumer theory as regards luxury consumption (Wong and Ahuvia, 1998; Lim et al., 2012; Walley et al., 2013). Paradoxically, there is considerable lacuna in the literature in seeking to understand how North African social values influence behavioral intentions towards luxury goods purchases (to the best of our knowledge, no data is yet available on this topic). Hence, the overarching question prompting the research from which this paper is extracted is: how is the Moroccan society adjusting to global consumer trends in the consumption of luxury goods against the backcloth of obvious religious inhibitions? Here, we have taken the intention to purchase luxury goods (specifically, luxury fashion brands) as an indicator of globalization effects on Moroccan consumers. Morocco, being one of the rapidly emerging economies from the Moslem world, affords a legitimate research context to investigate aspects of market fragmentation, contestation and ambiguity over luxury consumption values. Set against the background of pervading forces of globalization of markets (as the shaper of consumption and consumer-related values) on the one hand and theocratic institutional orientation on the other, this paper therefore investigates how consumer values and motivation influence purchase intentions towards luxury goods in a predominantly Islamic context.

2. Contextual background

The Kingdom of Morocco, located in North Africa, is a Moslem country where adherence to religious values overtly discourages conspicuous consumption. However the society, in terms of consumptions, is influenced both by Muslim tradition and western norms (Hessini, 1994). Therefore, purchasing habits of Moroccans have profoundly changed especially since the past few decades because of broad economic reforms and changing socioeconomic factors which have all contributed to a rapid change in consumer. Since its admission to the WTO, the country has signed over 72 conventions and trade agreements in particular with the European Union and the U.S.A. Thus, today's Moroccan consumers are exposed to a tremendous variety of products coming from all over the world (Hamelin et al., 2013). Luxury franchises have sprung up in major cities and although Islam (the national religion) is averse to conspicuous consumption, Morocco is experiencing a rapid expansion of the luxury goods market.

Indeed, the luxury market in Morocco has shown resilience in terms of generating healthy profit margins for established competitors even during the global recession of the recent past. For example, Jacob Delafon's luxury segment brings in 60% of revenues although this specific segment only represents 20% of total sales. To control demand surge, Louis Vuitton shop in Marrakech has had to put in place a purchasing quota for its customers, limiting purchases to one article and one accessory per day per client (Benbrahim, 2011). In fact, in the midst of the global financial crises, Porsche sold 50% more cars in Morocco than it did before 2008, increasing its market share by 12% in a single year. The Porsche Panamera outsold its annual quota in less than three months between October and December of 2009. Also, when Dior couture opened an outlet in La Mamounia, Marrakech, the company thought they were going to have predominantly tourists customers. Contrarily, the clientele comprised 70% of Moroccans who came from Casablanca and Rabat. Outside of the country,

Moroccans are known to be avid shoppers for luxury brands. They were ranked 10th best buyers of luxury goods in Paris and 5th amongst the highest spenders at the main venues for luxury shopping (Place de la Paix and Place Vendôme) in the French capital (Benbrahim, 2011). Demographically, the upper middle class of the population has been on an upward growth trajectory, with the country enjoying a relatively high growth rate in recent years (CIA worldfactbook 2011). The number of households earning more than \$10,000 is expected to grow by over 80% between 2010 and 2020. Households with annual income of over \$25,000 are expected to grow by over 120% over the same period (Euromonitor international, 2011). To date, there has been limited research on the topic of luxury goods consumption in relation to the Moroccan market. This is a 30 million strong consumer market, now vigorously opening up to international trade and increasingly exposing consumers to a tremendous variety of luxury products coming from all over the world.

Demographically, Morocco is composed of two major ethnic groups, Arabs and Berbers, which represent around 99.1% of the total population. Gellner and Micaud (1972) argue that Islam overrides any possible ethnic divide, a generic standpoint encapsulated in the identity catchphrase '*qua Maghrebini Muslim*' as opposed to '*qua Arab or Berber*'. Islam serves as the cement that bonds Arab and Berber populations, the bond on which the national identity is embedded. According to a recent report, 89% of Moroccans claim that religion guides their lives; two-thirds pray 5 times a day and 39% read Quran at home (Tel-Quel, 2012). In spite of strong adherence to Islamic religious values, Morocco has not been isolated from western market influences and the effects of economic globalization. Thus, there are significant movements and ambivalences in the social system as the society is influenced by both Muslim tradition and western culture (Hessini, 1994).

3. Literature review

Luxury is a concept that is hugely difficult to define – a subject of shifting interpretations (Vigneron and Johnson (1999); Yeoman, 2010). The meaning of luxury differs in time and space. What might be referred to as luxury by one person might be considered anodyne and every-day commodity by another. This is probably why Low (2010), p.3, argues that there is 'an unavoidable subjective interpretation of the word'. Indeed, the perception and definition of luxury are very contextual. Sombart (1967) takes the view that spending on luxuries has been a key feature of capitalism ever since its origin. In his seminal work, Veblen (1899) theorized that the nobility's will for power and wealth, characterized by the consumption of luxury goods played a key role in the foundation of modern capitalism (see also Loader et al., 1991). However, Danziger (2005) argues that luxury consumption is no longer linked to status-seeking but revolves around the need for experience and self-indulgence. People of different genders, races, or ages define and relate differently to luxury. Thus, as aptly summarized by Roper et al. (2013), 376 'luxury is a negotiated order of discourse, a contested domain meaning; a cultural work in progress'. Nonetheless, it is long-established that religion can and do exert a powerful influence on people's valuation of wealth and luxury (Bagwell and Bernheim, 1996) but how this unravels contextually in Islamic states is less known (Hamelin et al., 2013).

4. Research framework – the constructs

The conceptual model of this study leans towards the value-attitude-behavior system by Homer and Kahle (1988) in the investigation of consumers' value orientation or value system as

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