



Understanding the effect of personal and social value on attitude and usage behavior of luxury cosmetic brands



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ABSTRACT

The growth of the luxury market has been phenomenal in recent years, especially in the emerging markets such as India. This research studied luxury value aspects (personal and social) of luxury cosmetic brands and their impact on consumer attitudes and usage behavior, with a focus on women consumers. Data was collected in the form of a survey from 372 women luxury cosmetic users. Structural equation modeling was used to analyze the framework. Hedonism and status value were found to have high significant relationship towards attitude whereas usage behavior was influenced by materialism and status value. Hence the symbolic and psychological traits among consumer will show their willingness to buy and preferences on luxury cosmetic brands. The findings of this study provide valuable insights to marketers and managers to understand consumer trends, attitudes and behavior in the luxury cosmetic market and develop marketing strategies to successfully market their products.

1. Introduction

The growth of the market for luxury products has been significant in the past two decades mainly because of the entry of new consumers in this segment every day. This widening of the customer base for luxury products is a direct result of extensive urbanization, economic development and affluent lifestyle. Another reason for the surge in cosmopolitan consumers of luxury products is the free exchange of idea and news among people through international travel and the Internet which influence buying behavior of other consumers, enable diffusion of new styles and develop global values for luxury consumption (Anderson and He, 1998; Vickers and Renand, 2003). The demand for luxury products is growing in emerging countries such as China, India, the Middle East and Latin America (Tynan et al., 2010). The new frontier of luxury business in the BRIC countries (Brazil, Russia, India, China) may be more enacted by 2018 and India is the foremost emerging market with an expected growth of 86% in constant value terms between 2013 and 2018 (Roberts, 2014). Its luxury market is predicted to rise at a healthy rate of 25% (CAGR) and expected to cross \$18.3 billion by end of 2016 (Assocham, 2016). The experiential and personal luxury goods markets have been the predominant drivers of the slow and steady growth rate of the overall luxury market, and are estimated to be worth 1015 billion € by 2021 with 465 million consumers (Achille, 2014). Personal luxury goods comprising cosmetics & perfumes, apparel, and accessories,

which “convey status and a pampered life – a luxurious life” (Thomas, 2007), are increasingly being sought by the booming upper-middle-class of society (D’Arpizio et al., 2014). Luxury goods can be categorized into fashion, cosmetics, wines, watches, and jewellery (Jackson, 2004). Among all luxury items that are bought by consumers, cosmetics & perfumes are the most widely consumed products and the cosmetic segment’s growth is dependent on the frequency of their usage (Dubois and Laurent, 1996). Many cosmetic industries have marked their identity in the luxury segment by accounting for the largest proportion of luxury good sales. The traditional luxury companies such as LVMH, Chanel, Prada, L’Oreal horizontally have extended their product line by introducing new luxury products in the cosmetic and perfumes segment (Albrecht et al., 2013; Bellaiche et al., 2010; Kapferer, 2012; Truong et al., 2009). These brands have attracted valuable consumers, who tend to spend nearly 60% of their luxury budget on cosmetic products (Bellaiche et al., 2010). Luxury cosmetic consumption has seen highest growth in India (Assocham, 2016).

Past researchers have attempted to understand luxury in various dimensions and to empirically evaluate the behavioral patterns of luxury consumers in various segments (Christodoulides et al., 2009; Dubois et al., 2005; Dubois and Paternault, 1995; Vickers and Renand, 2003; Vigneron and Johnson, 2004; Wiedmann et al., 2007, 2009). Although research in luxury products is vast in scope, this study explores it in terms of a single domain – “luxury cosmetic brands”. This

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particular topic, being of interest to women, also helps in understanding their perception of the luxury cosmetic segment. Choosing the right cosmetic products and brands has always been a part of most of the women's life and luxury beauty products adds up exquisiteness. This research attempts to investigate the role of various values, attitudinal and behavioral patterns of women consumer of luxury cosmetic products.

Various authors and researchers have defined luxury and categorized luxury brands based on different perspectives. Vigneron and Johnson (1999) defined luxury as “the highest level of prestigious brands encompassing several physical and psychological values”. This paper uses the Vickers and Renand (2003) definition of luxury goods as “the symbols of personal and social identity, i.e. their principle values are psychological and their consumption is dependent upon personal, social and individual cues”. Luxury represents two inseparable facets - psychological (luxury for self) and sociological (luxury for others) (Bastien and Kapferer, 2013; Smith and Colgate, 2007; Wiedmann et al., 2009). The importance of luxury brands can be comprehended only when we recognize the buying behavior and other characteristics of the consumers. In this study luxury cosmetic brands are defined as cosmetic brands that have a limited supply and expensive that makes an individual to personify their physical and facial appearance and gives a feeling of self and social desirability apart from functional use. A few examples of such brands available in India are Chanel, Lancome, Dior, Elizabeth Arden, Giorgio Armani and MAC. Majority of the luxury cosmetic brands are sold through traditional and electronic retail markets with a growth rate of 5.7% in 2015. Luxury cosmetics is one of the most energetic market driven by the ‘selfie generation’ and the new markets like India, Turkey and Africa reported a total of two-third of the global sales (EY, 2016).

2. Literature review and following gap

Previous research have resulted in a common definition for consumer's perception of luxury (Christodoulides et al., 2009; Smith and Colgate, 2007; Tynan et al., 2010; Vigneron and Johnson, 2004; Wiedmann et al., 2009). Literature survey shows that there have been many studies that have examined luxury brands (Christodoulides et al., 2009; Dubois et al., 2005; Dubois and Paternault, 1995; Husic and Cicic, 2009; Vickers and Renand, 2003; Vigneron and Johnson, 2004) and have aimed to identify various facets of luxury value dimensions in various countries (Hung et al., 2011; Shukla and Purani, 2012; Tynan et al., 2010; Vigneron and Johnson, 1999, 2004; Wiedmann et al., 2009). Studies have also focused the characteristics of the luxury brands (Dubois and Duquesne, 1993; Dubois and Laurent, 1996; Dubois and Paternault, 1997; Vickers and Renand, 2003; Vigneron and Johnson, 2004), luxury consumption in emerging markets (Shukla, 2012; Truong and McColl, 2011; Wang et al., 2011) and cross-cultural relationships in luxury consumption (Bian and Forsythe, 2012; Dubois and Laurent, 1996; Shukla and Purani, 2012; Wiedmann et al., 2009; Zhang and Kim, 2013). Such research have been carried out in various luxury product categories like watches, sunglasses, apparels, handbags, perfumes, fashion products, electronic devices, counterfeit products and other luxury goods. But these findings cannot be generalized to India because their perception towards luxury products may differ in time and space or across countries and cultures (Miller and Mills, 2012; Shukla and Purani, 2012; Wiedmann et al., 2009). As Wong and Ahuvia (1998) stated, “Just because many of the products are the same in Asia and western societies does not mean that consumer buy them for the same reasons”. Although the composite values of luxury perceived by consumers from different countries are similar, the sub-dimensions of luxury values may be different in different countries (Wiedmann et al., 2009).

The wide-range of topics that have been studied in the field of cosmetics shows that cosmetic products could be connected to consumers' cognition and emotion with distinct benefits (e.g. personal and

social symbol) connected to psychosocial activities, which are expressed through value, attitude and usage behavior. Many researchers have shown that status and conspicuous consumption are associated with women's cosmetics (Chao and Schor, 1998) and individual judgments on cosmetic use are based on social desirability and how others treat them (Graham and Kligman, 1985; Kyle and Mahler, 1996). Few other studies have shown various social-psychological and behavioral patterns towards cosmetics including cosmetic usage, brand personality (Fabricant and Gould, 1993; Gould and Stern, 1989; Guthrie et al., 2008; Guthrie and Kim, 2009; Miller and Cox, 1982), consumer psychology (Bloch and Richins, 1992; Cash, 1987, 1988), physical appearance, attractiveness and self-perception in terms of attitude and behavior towards cosmetic consumption (Brown et al., 1986; Cash and Cash, 1982; Franzoi and Herzog, 1987; Graham and Jouhar, 1980; Hopkins, 2007; Kyle and Mahler, 1996; Nash et al., 2006; Netemeyer et al., 1995; Pentina et al., 2009; Souiden and Diagne, 2009). There have been studies on purchasing behavior of cosmetics (Yeh et al., 2010) in terms of various theories and models including TPB (theory of planned behavior) and TRA (theory of reasoned action) with value system (Hansen et al., 2012; Yeon Kim and Chung, 2011). These theories associate psychosocial activities with predictions of consumer behavior (Ajzen, 1985; Ajzen and Fishbein, 1980). Although approaches may be different, these studies have similar basis of underlying reason that are significant in influencing value, attitudes and behavior. Thus, a survey of literature clearly shows that psychosocial perspectives are significant motives for purchase and consumption of cosmetic products with appropriate behavioral patterns. However, there have been few or no studies that have examined the luxury value of cosmetic brands in terms of their relationship with attitude and usage behavior. Past studies have classified personal value into three sub-dimensions, viz. self-identity, materialistic and hedonic (Kineta et al., 2007; Vigneron and Johnson, 2004; Wiedmann et al., 2009) and social value into two sub dimensions: conspicuous and social status (O'Cass, 2001; O'Cass and McEwen, 2004; Shukla, 2008; Tynan et al., 2010; Wiedmann et al., 2009).

There is a need for investigations in the emerging markets of cosmetics because of increasing consumption levels of luxury products (Shukla, 2011; Tynan et al., 2010; Wong and Ahuvia, 1998). Personal and social value perceptions need to be investigated and identified in various product categories (Shukla, 2010; Tynan et al., 2010; Wiedmann et al., 2009) with relevant behavioral patterns (Wiedmann et al., 2009) and attitude (Dubois et al., 2005; Dubois and Duquesne, 1993; Dubois and Laurent, 1994) towards luxury products. The research on attitude towards various luxury facets is limited and important parameters to understand the entire field are required (Dubois et al., 2005). Most of the current research on cosmetics is based on western responses, research in other cultures may show different perceptions of the usage of cosmetics (Nash et al., 2006). Research has been carried out in other facets of luxury products / brands but cosmetic brands have been less researched. Usually, luxury cosmetic brands address self-image, identity, status and personal taste, which are appropriate for personal and social value. In order to fill the above gaps in knowledge, the following section will focus on a discussion of luxury value dimensions and their hypothetical relationships to attitude and usage behavior, with emphasis on women consumers through precise theoretical and contextual contributions. Overall, this study has attempted to provide a comprehensive model to understand how personal and social values influence attitude, and has ultimate effect on usage behavior of consumers towards luxury cosmetic products. The next section describes the conceptual framework and hypotheses, followed by research methods, analysis, discussion and finally, the conclusion with pointers for future research.

3. Conceptual framework and hypotheses

Value perception can differ extensively with respect to consumers'

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