CHAPTER 5: ORGANIZATION

A description opinion poll was structured by means of alteration from the previous analysis done on the related subject. The questionnaire analysis was given to 252 respondents from male & female respondents from Mumbai & Delhi and the feedback was combined and evaluated using the SPSS i.e Statistical Package for Social Science.

The population of this questionnaire survey is HNI & UHNI from Mumbai & Delhi, since customers in metro city have a propensity to have elevated disclosure to lavishness style, besides adequate earnings and sustain extravagance expenditure. **Luxury** customers in this investigation are the one who own the luxury products regular basis, while some indulge occasionally depending on the festival or occasion.

The first part of the questionnaire was demography information including age, sex, qualification & marital status followed by definition of luxury & what motivates them to purchase the luxury goods.

Most of the respondents are CEO’s, owners & professionals.

While compared to Mumbai, Delhi respondents are more status, bling &ostentatious. Surprisingly, while most of them are not influenced by celebrities endorsements or opinion leaders.

In terms of motivation, the luxury buying is more of emotional & indulgence.

Buyers today are influenced by the social, physical and emotional motives to purchase luxuries.

Consumers need opulence to realize their expressive wants for pleasure and happiness

As one respondent, boasted that he buys exclusive goods & want to be the first one to be seen flaunting the ownership of the car. Only quality remains at the similar level the two cities.

The research propose to seek if the purchasing performance is subjective & driven by the cost of luxury, value, brand, social standing, trademark, trustworthiness of
brand, counterfeit goods connected with the use of luxury brand. The research also investigates if the income will have any moderation effect on the customer shopping trends.

As noted by Cornell 2002, it is where human participate, restricted goods and the gratitude of price by others are the key ingredients.

One type of distinctiveness, bespoke, is an addition to a commodity genuineness, cloth and expressive worth (Gilmore & Pine, 2007; Vigneron & Johnston, 1999).

Subsequently, consumers’ descriptions are then correlated to a ‘cognitive explanation method’ according to which draw on by’ in sequence would add to significance in the manufactured goods below deliberation (Hong and Wyer Jr., 1989). For instance, Bugatti proprietor regarded as well-heeled and fashionable.

However, as noted by economist Festinger, 1964; Jahoda and Warren, 1966; Markin, 1969; Rosecky and King, 1996) contain deliberated customer performance of luxury vehicles concentrating on observation discrepancy surrounded by proud proprietor of luxury or exclusive cars. An important discovery is besides being useful however the features of the vehicle be consider to be exceptionally significant from the proprietor owning luxury vehicles.

Generally suitable research move towards to consumer performance of luxury vehicles have to be which observe equally touchable (automatic characteristics e.g., presentation, financial system, security, know-how) and unreal (not so hi tech features e.g., fashion, position, make of the product, name)

Civilization & the society set the buying trends (Usunier, 1996b) and mind-set (Donthu and Yoo, 1998; Douglas and Craig, 1997). Consequently, there has lately been increasing importance from analyst to learn customer performance utilizing the intellectual significance point of view move towards where, it is proposed, customers change in penchant and performance (Schutte and Ciarlante, 1998)

Rowans (1998) suggested the requirement for status from others is a self-esteem and that the ego can be delicately adjust or lesser by the opinion of others. This means that an individual would like other’s to see them in this approach.
In addition, Schutte and Ciarlante (1998) noted that East Asia clientele accept elevated desires intended for respect from rest, while Western customers are elevated in confidence.

As noted by Hirschman & Holbrook, 1982: Experimental wants are interpreted as needs for goods that offer sensory pleasure, range and learning.

The psychological feature comprise characteristic that plea to the belief or sentiment which help use (Hirschman and Holbrook, 1982) the vehicle’ sophistication and attractiveness is inspiring & motivating factor to influence the decision to buy luxury goods. The representation feature comprise essential representative, emotional, inexpressible commodities feature, which the buyer believe to be imperative for assessment reason (Patterson, 1999)

Biel (1992) also further mentioned that the characteristic and representative expressions tender more diversity and once recognized these associations are more lasting and permanent.

Luxuries are of the highest international quality & standard, nurtures the indigenous& craftsmanship, innovative design with impeccable guest experiences. (Weinstein, 2010, p.30)

Personal oriented motivation refers to the desire to self-fulfil or rewarding by purchasing luxury products (Tsai, 2005). It is the internal drive, motivation & desire to impress others by using luxury products and to show their status and wealth (Tsai, 2005).

Procurement of luxury goods with conspicuous assumption the community use of opulence goods to indicate prosperity, position and authority (Bagwell & Bernheim, 1996; O’Cass & Frost, 2002).

Research has found that public self-consciousness has a significant impact on consumers’ conspicuous behaviour and luxury consumptions. (Gould & Barak, 1988; Husic & Cicic, 2008)

Luxury commodities industry has been growing in up-and-coming countries in a very significant manner. The buoyancy in the economy which has tough energetic desire for luxury amid the customer, implying the a growing enthusiasm to splurge in the premium commodities (Shukla and Purani, 2012)
Despite some disbelief in the initial the internet web technology, opulence cannot be compared to the actual lavishness richness in the showroom (Yao, 2010), it is evident & apparent, wherein it has been observed change in the attire of male grooming habits, as transformation in male clothing in quest of achieving a enhanced social acceptance, predominantly concerning their obsession to pay attention of their own external appearance & feeling good (Yao, 2010). There has been an upsurge in the men clothing by 10%.

**Dimensions of Luxury brands**

The following are the luxury element that must be recognized or scrutinize in command to generate a lifelong luxury branded product. Different consumer sets are expected to have varied perceptions of extravagance level for the same label and an aggregate opulence level would take into consideration this entire variety of perception available in this area.
**Perceived conspicuousness:** Individuals who are looking for social position and representation perceive luxury brand consumption to be of great importance to them. With every brand a social status is associated and this is a significant ingredient of conspicuous consumption.

**Perceived distinctiveness:** Limited editions are well conceived & improve the penchant in a consumer mind for a particular brand. Today, consumers are looking for acquiring something which is there in their dreams & fulfilment of their desires, which is very unique & exclusive & very special to them.

**Perceived extension of your personality:** Customers perhaps consume branded goods to categorize or segregate among the group in respect to others who are relevant, yet they might also strive to inculcate the representational significance who is interested in their own individuality. Societal referencing and the conception of one's identity & personality seem to decide in opulence usage of goods. Those who are extremely money-orientated & acquisitive are susceptible to your relation between the two people & influence appreciate the possession of luxury brands. (Hauck & Stanforth, 2007).

**Perceived self-gratification:** Luxury-driven consumers considered luxury as hedonic customers when they wish for individual booty and self-fulfilment attained through the procurement and utilization of goods, which makes them feel good through their sensory organs.

**Perceived quality:** Luxury brands perfectionists may recognize additional significance from a luxury make since the others could presume with the intention that will have a better make value and guarantee

**Perceived experience:** Today, new generation of pampered young buyers has redefined the luxury, according to them as something which gives them pleasure, feeling of comfort & relaxation, sense of gratification. They don’t even blink their eyelids once to pay exorbitant super premium prices for their exclusive luxury customised holidays, gourmet food, wine & spirits, such as owning super yachts, private luxury jets & bespoke villas.

**Perceived value:** Today buyers are aware about various luxury products & would like to know the value they will derived from the products. They are value conscious rather than price conscious.
The Characterization of Luxury

Indulgence

Pampering/treating with something ‘special’
Sensual experiences, for eg: Chocolate Spa.
Yoga and Zumba aerobics for promotion of wellbeing
Self-pleasure
Guilty pleasures incurring intrinsic price for spoiling oneself

Exclusivity

Understatement used for defining of members by themselves
Pride in existing in the ‘in the know’, e.g. Invitations to Wine Shows,
Exhibitions of high end products.
Being a part of an exclusive club/ gated community.
Identification and signalling to one another in the elite community by the
brands owned and put to display, e.g. driving a Rolls Royce or a Bugatti.

Status

Communication of status at arrival to ones around us
Affirmation of one’s progress through life in a personal way

Quality

Design, craftsmanship, manufacturing and material excellence perceived

Technology

Apple I-pad ownership
Luxury Bugatti car ownership

Experience

Indulgence in Spa and fine dining
Private Yacht and Jet ownership

Luxury Consumer profile

New buyer of today is the business man, who has endured the ups and downs of the economy or the middle to senior-level executive. Hither to now, luxury used to be limited to the rich elite privileged few. Today, buyer in his late thirties / early forties is well heeled with deep pockets, well-travelled, well read & well aware of the brands. The new luxury buyer needs to be always “Feel the experience”, be pampered, be entertained & be exciting. (Hauck & Stanforth, 2007)

Factors influencing the Luxury Brands

Emerging Influx of Luxury Malls

New retailing opportunities are also quietly transforming the format of the luxury retailing. Luxury stores, unlike today were traditionally seen inside the hotels only. The changing face of malls mushrooming is set to have affordable luxury or a bridge to luxury. Shoppers are staggered by over more than 70 international high-end brands with pioneering projects such as the Emporia luxury malls in Delhi and UB City, Bangalore, Atria Mall and The Palladium both in Mumbai & Quest Mall in Kolkata, however as well wrapped up in a pleasant gratifying and unforgettable rich
shopping purchasing. One of the way of celebrating life and success & rewarding oneself.

**Media Exposure**

The significant increase of media exposure is helping to instil and forge positive brand images. Zenith Optimedia reports that in India, expenditures on advertising have increased. Forecasts suggest that advertising spend will be in excess of $7billion in 2009. With the advent of social media, people voice their opinion & have discussions on their favourite brands.

**Increasing no. of “Indian Globals”**

As noted by McKinsey estimate that the Indian middle class will improve from more or less by 40 % of the population to become the fifth prime consumer market in the world by 2025. As per the Nation Council Applied Economic Research investigation, which uses ‘family earnings’ of Rs 3.5 lakh to Rs. 18 lakh (at 2009-10 price levels) falls in the middle class category. Further, household income above 5 lacs to 1 million are the new blue collar, which is expected to be 267 million in next 5 years, as per NCAER.

Indeed, the consumption abroad is being driven by the desire for international brands. According to a study by Visit London, Indian tourists to London spent more than Japanese tourists.

Indian spend the highest in the club abroad, as we Indians love ultra-exclusivity & uniqueness. Every year 800,000 students from India go overseas to study abroad.

Merrill Lynch and CapGemini’s World Wealth Report 2008 says India, China and Brazil had the highest high net-worth individual (HNI) growth at the country level. Not just that, in 2007, India actually was the highest in the world in HNI population growth at 21 per cent, exceeding gains of 20 per cent in 2006.

**Market regulation**
Even though our elevated steep duties on the opulence goods in the economy, we still have emerged an attractive investment destination. Overseas company that retail commodities under a single brand, such as Ermenegildo Zegna, have of late been authorized to get hold of up to 51% stake in the Indian partnership. The beginning of market development improvement is winning over the long-term pledge of overseas shareholder stake in the branded goods.

**Tapping the luxury buyer in Tier 2 & 3 Cities**

Luxury brands in India need to look outside South Delhi and South Mumbai. Around 16 lakh homes in India spend Rs 4 lakhs annually in luxury and premium services and goods. Another class of consumer is on the rise – the 400 million upper middle class - who possess big aspirations and increasing disposable income. In cities like Ahmedabad and Surat, companies like Swarovski plan standalone boutiques and are about to tap into this market.

Experts believe that Indian luxury goods' market is set to change its dynamics and an entire new lot is about to be tapped for business exploration and exploitation. It is still too early for luxury brands to occupy enough market space to set up retail shops in towns that are small and rich. Relationship building and direct mailers seem like good opportunities at this time to be explored. There is a steady increase in the expatriate populace in India. This suggests a more solid rationale for luxury brands to stay.

Today, everyone wants more of luxury. Today, luxury is no longer restricted to personal income, wealth or spending budget. It’s an experience everyone wants & believes they deserve. (Hauck & Stanforth, 2007)

It has been always been a tradition to pass on the luxury commodities of excellent superior class to be given on to our future generation. Luxury revolves signifying one’s accomplishments. With changing times, today there has been more importance on the knowledge, “Experience” somewhat than the goods by itself only.

**Paradigms in Luxury**
The new luxury is about experiencing, indulging & pampering your six senses in the finer things in life. Travel in style which includes owning a chopper, luxury aircrafts, and swanky jets. It is about indulging your taste buds in vintage wines, gourmet food, and fine dine & organic food. Indulging in spa, wellness & power yoga. Pampering in bespoke holidays, & Looking Good has given rise to cosmetologist & Botox spas.”

Today, even the wealth management Banks & private banking have VIP services for their esteemed UHNI’s & HNI’s clients, designer weddings & owning a cricket team, tea estates has been up the ladder.

There has been an exception of high luxury growth due to the rising disposal income, inflow of several international brands to India & the optimistic spirit among the young buyers.

The new definition of luxury aspect pampering is self-indulgence & Self-pleasure. This is an additional penchant to own an exclusive thing & displaying their status symbol; the new luxury is about fulfilling their dreams & desires.

The consumers have seen a drastic change in the luxury goods & services in the last 10 years. Today, people who have the new money love indulging by trying the new brands & label by making an announcement of their social standing in the society & peer group. And the nouveau riche modest trend and style is not active for these new wealthy. The consumers want to flash his new cars & diamonds – more the bigger logos, better for the satisfaction of their status & self-respect.

Even the manufacturers are happy & reciprocating to such type of individual’s bespoke design & style for the upcoming emerging market, which is a huge untapped market to be explored.

“Luxury Brand is extremely stylish & refined & elite, which is the prestigious make in its own giving the satisfying characteristics & design to suit each individual taste & preference.

According to Michael Chevalier Luxury brand should have features like Strong Artistic Content result of craftsmanship & it must be international.

**Data Collection**
The thesis work was carried out in Mumbai city. Further Mumbai is both the highest consumption of luxury goods i.e. 577 multimillionaires & Delhi has 147 millionaires.

The respondents were both from Mumbai & Delhi.

Qualitative data i.e. primary data was collected by the researcher by making a call & the secondary data is the published figures of others used like, journals, online library, Robb Report & Millionaire magazines. The process was replying to the questionnaire followed by interview & analysing the data with the help of SPSS analysis.

The investigation which was evaluating the available information in additional seek advice from E periodical magazine, which were mainly regarding the luxury customer & performance and features, and innovative development regards to extravagance segment.

This secondary resource of data approved besides learning comprehensively understanding of luxury sector in additional personal inclination although as well to appreciate & identifying that luxury company boast to encounter with the advent of changing market, consumer attitude, habits, trends society, together at the collective group and statistical level.

The products were all luxury goods ranging from owning a luxury villa, yachts, private jets, designer watches, designer premium vehicles to owning a timber chalet / boutique villas in exclusive gated communities, bespoke weddings & exclusive jewellery.

Both qualitative & quantitative data are collected throughout the research. To accomplish the experiments & interview primary investigation is a functional ability which can significantly complement the investigation in others media of communications like, such as periodicals, editorial, bimonthly, journal and manuscript.

The quantitative data is valuable & functional since of it is price effectiveness. Further the quantitative data is also helpful to increase and achieve the preliminary deep accurate information about the investigation or problem.
An investigation type of survey is study which is firm than the face to face discussion. Further, the survey is preferred from big group as the data as it is placed in determinable significant study manner (Bryman, 2008)

As per the requisites of the consistency of the consequence, the accurateness of the rare information has been produced with the help of data analysis tool i.e Statistical Package for Social Sciences (SPSS). Further data analysis is used extensively used for data management. Every choice of observation and remarks will be entered in changed communication and figure which symbolize an importance.

The absent information which is definite for the unreciprocated question which is assumed & defined a nil (0). The symbols to be entered in the SPSS to investigate & evaluate further studies to arrive at a conclusion.

Therefore to instruct to gain the candid result, the writer uses the Chi-Square Test to ascertain the correctness and consistency of the grades.

The chi square test is a statistical test to find out how accurate a theory was while comparing it with actual event. It is the goodness of fit test based on the frequency of occurrence which is applicable for both qualitative & quantitative variables. The experiments indicate whether being a luxury penchant individual has some relations with the other factor.

Zikmund (1984) was of the opinion that the extent of indecision about the study will decide the systematic of study.

The study can be bifurcated into exploratory and measurable types. Quantitative analysis generate in order to analysis the statistics, records, fraction of customers which are being thoughtful of exact goods.

Qualitative study explores to challenge to obtain data which are judgment and belief regarding the participants with reference to subject of attention / present information. For instance, which factors are influencing & motivating the buyers’ decision making process. The reasons may vary differing from peer opinion to advertisements

They are frequently keen on a distinct review or sequence of investigation. Qualitative researchers usually review small gathering where few individuals can be
catered and aspire to discover & investigate in better strength the motive which makes customers believe experience or perform in a precise behaviour.

For instance, to have knowledge regarding the importance that a meticulous trademark/variety name picture may embrace for a specific kind concerning the consumer (Fill 1999, 175).

Qualitative data comprises of expression to explain conditions circumstances or persons adjacent a happening, whereas quantitative data comprises of information in the character of tally or dimensions to give precision to a lay down the interpretation. As observed with Remenyi 1998, section which be indicative of inhabitants for the study unlike quantitative study with big section which have been planned to produce statistics that can be anticipated against entire sample.

Qualitative statistics investigation is said to be a difficult process, in particular if huge number of investigate confirmation are assembled or if the beneficiary is new to the interpretive concept. The frequentative nature of investigation and the significance of appearance, exploration, perceptive, insight and intuition indicate that there are no prearranged set system for the same. On the other hand, when qualitative study is accomplished in a translucent way, the reasoning, one can understand, one can suggest the conclusion & thereafter interesting facts & insights can be concluded.

In olden days we used to analyse the data manually. Most recently computer programmes, CAQDAS (Computer Aided Qualitative Data Analysis Software) enclosed, and enhancement and expansion in practicality to maintain the measurable investigation. There are more than 36 programmes available of the software to enhance & gain deep knowledge regarding the flow of the subject.

There has been upsurge in the quantity of computer aided equipments which are accessible in the bazaar on & the sales has grown significantly in view of the fact that coming out after 20 years ago. (Carcary 2011, 10, 14.)

Experiential statistics can be accumulated from most important basis (the associate attends one to one e.g. an meeting) or from other sources (data which is already in print or presented indirectly, e.g. annual monetary statements, administration publications, manuscript, periodical, academic journals). The digital technologies are rapidly growing in significance as industry and organization research’s resource of
resultant information. The main data that are collected distinctively for reason of the study being agree to may be gather whichever dependably (the associate discussions the informer face-to-face and accounts the reply and reactions) or distantly (the informer completes a opinion poll exclusive of the interviewer being in attendance). Further there are other intermediary ways to access the information required for data. For instance the surveyor interview the informer connects via phone, alternatively connect directly in conversation via the respondent on internet. (As observed Remenyi et al. 1998, 142.)

In additional if you want to further investigate the study one can use discussions & interview without formal structure. One can also prearranged or determined listing of question though the surveyor should have a fair proposal & initiative about the characteristic of the gist of the survey. In semi-formal meetings & discussions there will be a list of thesis and queries to be covered, though these may be different from various discussions to meeting. As noted by Saunders, 2009, page 320-321 a comprehensive & thoroughly prearranged meeting are not regular & reliable, therefore called measurable survey method.

Together, thoroughly & open interviews are better & functional ways of collecting the requisite information during the investigation, and arranging for the researcher an opportunity for exploring & investigate the individual’s approach, outlook and judgment.

An invention programme, which was to acquaint oneself with approach, was utilized to investigate & survey the customer outlook in the direction of esteem and lavishness. Qualitative methods like comprehensively & in detail face to face discussions, which is generally used to describe the up-and-coming perception and reproduction of customer conduct & manner (e. g. Shrum 1997 Fournier 1998, Otnes, Lowrey ).

Further, discussions & questions which were prearranged, & purpose being to invoke, further straight or not direct customer understanding & knowledge with lavishness or reputation, by way of "conversation with a purpose" (Burgess 1984).
The informant was intentionally chosen with significant wide dissimilarity regarding analytical features which will lead in increasing wide variety regarding the perception with the idea in analysis (McCracken Mason 1997, Mcracken 1998).

The primary research uses the learning and reflections on the desk research, secondary case studies of International luxury brands and literature review to explore the effectiveness of customer engagement through the social media platform by the identified Indian luxury fashion brands.

This investigation was carried out by comprehensively with detailed meeting with the brand owners/companies; focus group discussions with the customers of luxury brands and unstructured observations of the brands at various retail locations and through customer feedback via blogs.

Research is a methodical & organised investigation with regards to information on a particular subject.

As noted by to Mory & Redman, research is an organized & methodological body in search of knowledge.

The expression research is the most important objective or justification of a research development. The different forms of research are:

1. Descriptive or Analytical Research: Descriptive Research is based on the statistics. The descriptive methods are further divided into observation, case study & survey method.

The observation methods are based on the laboratory observation, whilst case study method involves deep research on the problems. Survey method deals with the questionnaire from the respondents.

Further Analytical research concentrate on the process of the final outcome of the research. Different type of analytical research methods are:

   a) Regression Analysis
   b) Multiple Analysis
c) Multiple Equation

In Regression Analysis the conclusion produced from the research, is affected by the one or more individual fundamentals of the test.

Grouping methods of analytical approach are based on classification and grouping of the variables in an experiment based on their discriminate values and characteristics.

1. Applied vs Fundamental

Basic research whether in business or any other field has as its basic goal, to expand one's knowledge? Basic questions such as, How can we increase production and reduce cost at the same time, might be a question for business. If, we increase production, we also increase the cost of payroll by hiring additional production employees.

Applied research is clarification designed from basic research in order, aimed at the solution of business problems within the company. The goal of applied research is change for the better, improvements in business management and practice aimed at improving the human condition. Regardless of the type of business, applied research has as its goal in business to improve production, increase the sales, control losses, restore efficiency and establish solid financial investment in the future.

2. Qualitative vs Quantitative: Qualitative research includes focus group, in depth interviews & review of documents. The response are unstructured in nature & not statistical in nature.

Whilst, qualitative are wherein survey methods, interviews, observation are used. This method is valid & statistical in nature.

3. Conceptual vs Empirical

Conceptual analysis is the favoured method of analysis in social sciences and philosophy. Here, a researcher breaks down a theorem or concept into its
constituent parts to gain a better understanding of the deeper philosophical issue concerning the theorem.

An empirical research, data collection is done through experimentation & observation.

A research plan will usually be follow by a succession of statements describing a project's research goal. Research objectives indicate in more detail the precise research, plans to explore, structure on the main theme stated in the research aim. Usually, at least two or three research objectives will be assured. It is good custom to put these in a numbered list so they can be clearly acknowledged later in a proposal or report.

A distinct investigation forms the groundwork for a case study growth accomplishment. Whilst designing a case study project, the investigator selects a situation within the project framework that is viable for productively completing the study project.

The first step in setting up a research project is to map the project context by answering the following questions: What inconveniences are concerned surrounded by the project context? Whose struggle are they? The second step is to devise a successful useful & explore purpose, which offer the essential in order to solve the crisis. An effective research objective is helpful, possible, decided, and enlightening. A helpful investigation objective in a theory-oriented research project specifies how the study project will make a payment to solve a hypothetical set of issues.

The growth & development are result of deep investigation. Uncertainty is repeatedly better than superiority, for it show the way to investigation and investigation leads to innovation. "is a famous Hudson adage in perspective of which the meaning of study can fine be assumed."
Improved amount of investigation make development probable. Investigation can establish systematic and inaugural assessment and further support the expansion of rational behaviour of attitude and supervision.

The responsibility of investigate in numerous territory of applied economics, whether related to commerce or to the financial system as a whole, has significantly improved in current scenario.

The progressively more multifaceted nature of commerce and administration has focused concentration on the use of investigate in resolving functioning complication. Research, as an aid to financial strategy, has increase additional significance, equally for administration and commerce.

Investigation provides the foundation for almost all administration strategy in our financial structure.

For instance, government’s budgets rest in part on an analysis of the needs and desires of the people and on the availability of revenues to meet these needs. The cost of needs has to be equated to probable revenues and this is a field where research is most needed. Through research we can devise alternative policies and can as well examine the consequences of each of these alternatives.