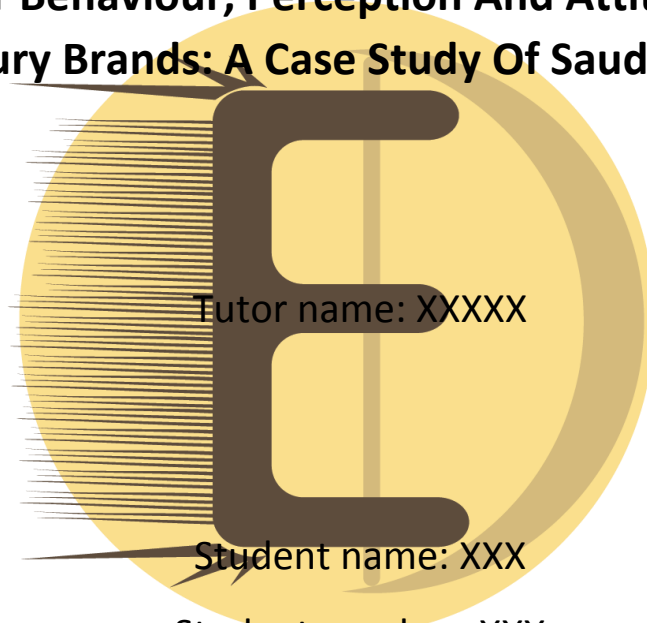Research Proposal

Consumer Behaviour, Perception And Attitude Towards Luxury Brands: A Case Study Of Saudi Arabia

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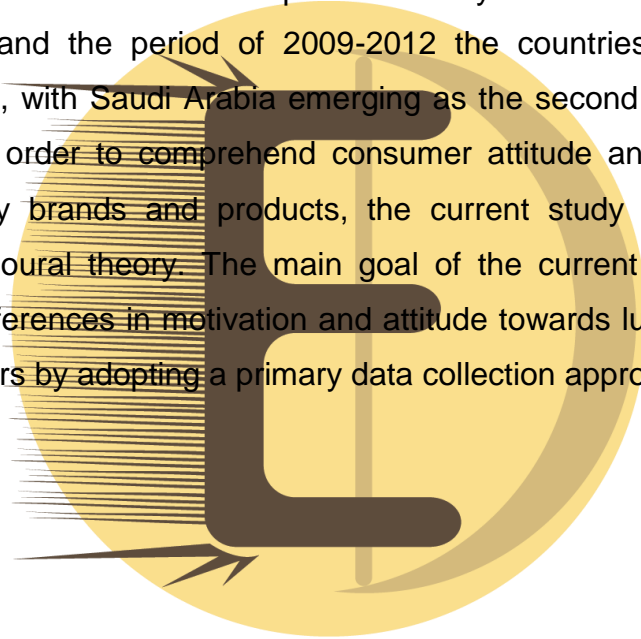
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Abstract

Luxury brands have slowly gained prominence across the globe which has resulted in luxury brands becoming a 'universal language'. Such brands are widely recognised across borders and across various cultures. Therefore, such a high rate of adoption of luxury products and luxury brands have resulted in a corresponding increase in the number of comparisons being made of luxury markets trends and consumer behaviour towards luxury brands across countries and national culture. The Middle East shows the least impact on luxury markets in terms of the recent economic crisis and the period of 2009-2012 the countries in the region show significant growth, with Saudi Arabia emerging as the second largest luxury market in the region. In order to comprehend consumer attitude and their motivation for purchasing luxury brands and products, the current study will take the help of consumer behavioural theory. The main goal of the current research study is to determine the differences in motivation and attitude towards luxury brands by Saudi Arabian consumers by adopting a primary data collection approach.

EXPRESS DISSERTATION

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1.0.   Introduction
1.1.   Study Rationale

The last decade has seen a tremendous growth by the luxury product industry as luxury brands have expanded and have been adopted all over the world. An example of such an expansion can be seen in the case of Louis Vuitton which has set up over 340 stores worldwide which in turn has led to global recognition of luxury brands (Colavita, 2005). Luxury brands have slowly gained prominence across the globe which has resulted in luxury brands becoming a 'universal language'. Such brands are widely recognised across borders and across various cultures. Therefore, such a high rate of adoption of luxury products and luxury brands have resulted in a corresponding increase in the number of comparisons being made of luxury markets trends and consumer behaviour towards luxury brands across countries and national culture (Bian and Forsythe 2012). However, there is a dearth of research when it comes to understanding consumer behaviour towards luxury brands within a specific nations ethnic and cultural dimensions (Bennett et al., 2013).

The main goal of the current research study is to determine the differences in motivation and attitude towards luxury brands by Saudi Arabian consumers. Analysing consumer behaviour is never an easy task as there are a number of complexities involved in it and the current study will also delve into consumer's decision making process (Wiedmann et al., 2007). Furthermore, the current research study will attempt to find the link between these attributes with possible cultural or ethnic features which may change the consumer's decision making process. In order to comprehend consumer attitude and their motivation for purchasing luxury brands and products, the current study will take the help of consumer behavioural theory. This will be done by analysing a number of attributes associated with luxury brands including brand association, brand image and brand equity attributes. The study will endeavour to provide an accurate analysis of luxury products and brands related buying behaviour and decision making process of the Saudi Arabian consumers.

1.2.   Study Background

According to Parker (2013) the opportunities available in the Middle East for luxury brand goods is tremendous. The authors note that the luxury market in the region

grew by 10% from 2011 to 2012. This has been largely attributed to the increase in overall income of the countries. Saudi Arabia in particular has shown a significant increase from 9000 USD of GNI per capita in 2003 to $17,280 of GNI in 2011. Such a growth shows that the wealth in the country and its residents is increasing. Bain (2013) identified that the Middle East showed the least impact in terms of the recent economic crisis and that in the period of 2009-2012 the countries in the region show significant growth. The report identifies that Saudi Arabia was emerging as the second largest luxury market in the region. Apart from the growth of the luxury market in general, it can be contended that the customs and lifestyles in the Middle East were found to become more Western. Luxury Movements (2011) report identifies that the Saudi Arabian market has shown a significant cultural modernisation due to increase in number of international students, universal access to traditional and virtual media and a general increase in economic prosperity.Therefore a focus on the Saudi Arabian luxury market is justified.

1.3.   Research Aims and Objectives

Aim

To explore the factors which impact the consumer attitude and behaviour towards luxury brand products in Saudi Arabia.

Research Objectives

1. To identify the luxury brand buying pattern of consumers from Saud Arabia.
2. To assess the multiple factors which impact the consumer buying of luxury brands in Saudi Arabia.
3. To understand the key influence of key influences of culture on luxury brand purchase.
4. To identify the Saudi Arabian consumer perception and attitude towards luxury fashion products.

2.0. Literature review

The review of literature identifies the theoretical basis of the study by understanding the attitude models which impact consumer decision making.

2.1. Formation of Consumer Attitude

Mazis et al., (1995) contend that the various attitude models aid in deciding how individuals shape their preferences and ideas about certain products available in the market. According to Foxall et al. (2011), the basic judgment of a person on a product is entirely based on its performance when compared to various external and internal characteristics. Fishbein and Ajzen (2011) argue that a specific set of literature content on attitudes of consumers and their behaviour projects a subjective utility decisions based approach. In this approach, it is presumed that the process evaluation of a given consumer process relies upon the cognition of the consumer. Furthermore, they strongly defend that the opinions and preferences of consumers towards certain products is entirely based on their rational choice.

According to Fishbein and Ajzen (2011), the prevalent literature on current models of consumer attitudes states that attitudes of consumers can be decided by a fusion of two totally different judgments linked to the product's attributes. The two judgment types include classifying the comparative significance of every product attribute and gauging the brand's performance based on the above listed attributes. Ajzen et al. (2011) proves that the consumers' belief towards any brand is regulated by the image of the brand in the consumers' minds and the reputation which finally affects the consumers' attitudes towards the specific brand. In addition to this, Ajzen (2011) emphasizes that clustering the analysis of various product attributes using a certain weighting system helps in recognizing the relative significance of every attribute stated by the consumer.

Various solutions are presented to resolve the issue of attitude formation. Rosenberg (1956) had presented one of the most significant and early works in the field of consumer attitude resolution and Fishbein (1963) had put forward certain empirical proofs in which the attitudes were gauged with respect to attitudes and beliefs of about 50 test respondents. The following stated formula shows how consumer attitude can be determined.

$$A_0 = \sum_i b_i a_i$$

Where

A_0 = The consumer's attitude towards a particular brand

Bi = The consumer's beliefs and notions towards the specific brand with respect to a certain attribute "i".

Ai = The i attribute evaluation with respect to both negative and positive factors that affect it.

The previous paragraph dealt with the multi-attribute model of research that presumes that the total consumer attitude towards any brand is affected by the product of consumer beliefs regarding the brand with respect to a particular attribute and the evaluation of the attribute based on both its positive and negative characteristics. Ajzen (2012) strongly agrees that consumers take into account more number of attributes when a major decision has to be made regarding long-term investments such as electronic gadgets or house. Shrivatsava and Sharma (2013) assert that the model holds true for even fast moving consumer goods, such as diapers, where the most significant attributes are given major importance and decisions are taken instantly.
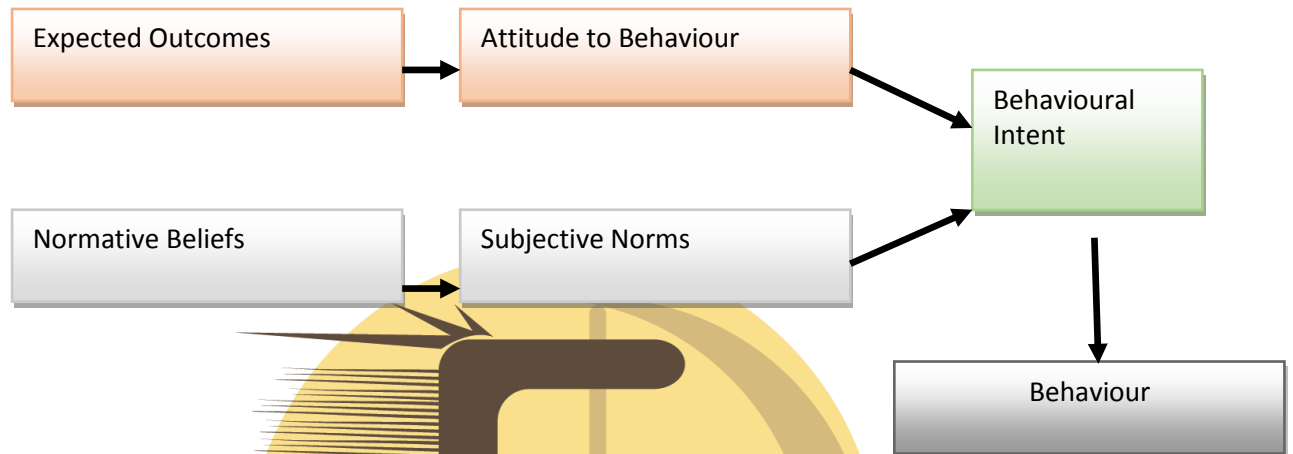
Fishbein and Ajzen (2011) strongly support that the decision making model is compensatory in nature with some of the negative attributes being replaced by other exceptional attributes. Ruhle et al., (2012) oppose that this consumer decision making process and analysis is complicated for the FMCG and content that there maybe more than two attributes that would be more realistic for the evaluation of the consumer. Bruin (2012) agrees with this argument by accusing that consumers may disregard brands which do not sufficiently fulfil the primary criteria by the application of a non-compensatory decision rule.

The various perceptions on the rationality of particular consumer attitudes pose the question of isolating the most significant attributes which should be taken into account for evaluation as all consumers may not be satisfied with the same set of attributes. According to Sutton et al. (2003), the wide choices of attributes can be formed by establishing the consumer beliefs that are easily reckonable and occur often in a group. The consumer beliefs can be established by using questionnaires. This research contends that the absence of a strong, valid and reliable instrument to gauge the attitudes of consumers towards baby diapers. Hence, there is an utmost need to utilize the modal salient beliefs methodology in formation of the consumer attitude. The following paragraphs will deal with the primary theory which fuels the attitudes of consumers and the decision-making process having established a strong theory on how consumer attitudes are formed.

2.2. The Theory of Reasoned Action

According to Fishbein and Ajzen (2011), the emphasis on the attitude of consumer by marketing personnel entirely relies on how this attitude and perception affects the behavior of the consumers. They show that this assumption of 'attitude leading to behavior' association relies on the usage of consumer attitudes towards certain attributes as the precursor of their behaviour towards specific brands. Shepherd et al., (1988) reiterate that if such a causation link does not hold true, then the significance given to the consumer attitude can be taken as a misguided effort on the role of marketing managers. The authors also agree that the void in establishing a clear and demarcated association between the behaviour and attitude of consumers' results in the identification of other additional factors that affect this association, as given in the Theory of Reasoned Action (TRA).

Figure 1: Theory of Reasoned Action

Source: Adapted from East (1997)

The concept of TRA is identified in the above figure. Fishbein and Ajzen (2011) argue that, as seen in the figure above, the consumer attitude towards certain behaviour is governed by the expected result. The result is moderated by the various consumer subjective regulations and norms which fix the overall propensity of the consumer to act. This norm is in turn affected by other normative beliefs and the perceptions of other people in the social category of the consumer. Hence, it can be inferred that the consumer attitude is affected only by few expected outcomes which in turn affects the intent of the consumer while being mediated by the subjective regulations of the consumer. In addition to this, East (1997) contends that the individual's behaviour is affected by the consumer intent

2.3.   Factors Impacting Performance of Luxury Brands

According to Atwal and Williams (2009) the previous purchase experience of a consumer is found to positively impact his purchase decision. Similarly, Benet (2008) argues that the consumer brand loyalty strongly impacts their purchase decision. Berry (1994) on the other hand argue that there is a significant "bandwagon" concept

of luxury buying where the consumers look towards buying luxury products to promote their status in the society and for socialisation purposes. It is argued that in such cases the type of marketing communication adopted may significantly impact the luxury brand purchase process. Therefore, in line with the TRA, this research suggests that past experience, brand loyalty and brand communication are factors which may impact the consumer decision making process.

3. Methodology

This research proposed to adopt the Saunders et al., (2012) research onion approach to identify the proposed methodology.

3.1.   Research Design

This research proposes to re-examine the TRA model and identify the young consumer adoption of luxury branindg in Saudi Arabia. This research process involves the application of the positivist philosophy wherein the research is conducted within the constraints of scientific reality (Saunders et al., 2012). This philosophy supports a deductive research approach wherein the previously proposed model and the associated hypotheses are tested in order to arrive at conclusions to the research aim and objectives (Creswell, 2012). The study will adopt a quantitative research method which involves the identification of statistical numeric data which can help substantiate the hypothetico-deductive research approach.

3.2.   Data Collection

According to Bryman and Bell (2007), the understanding of the study data collection methods is important as it governs the validity and reliability of data. Kotler and Armstrong (2010) argue that marketing related data collection should involve a primary data collection method as this method involves the identification of current consumer trends. Given this view, the current study adopts a primary data collection approach using questionnaire as a research instrument. Extant literature has identified a number of validated research instruments which can be used in e-commerce literature. This research will adopt such literature to arrive at specific constructs which pertain to the proposed research framework. The questionnaire will

be presented in a manner that it involves questions proposed on a Likert Scale basis ranging from 1- 5 (Strongly Disagree - Strongly agree). Saunders et al., (2012) indicate that the use of a questionnaire helps identify large amounts of data within a short period of time by reaching the target participants.

3.3. Sampling

Bryman and Bell (2007) indicate that any research methodology plan should clearly detail the sampling frame and the sampling method. In the current study, the researcher attempts to reach the general public of Saudi Arabia. The researcher will target respondents who visit the local malls which have many luxury stores.The researcher will adopt a convenience sampling methodology to reach the maximum number of respondents who belong to this category. The researcher will also attempt to reach local university students in Saudi Arabia to compare their response with that of the international students. To reach these target participants this research will adopt a random sampling method by approaching individuals exiting three malls in Saudi Arabia and asking them for their opinion on luxury brand consumption.

3.4. Data Analysis

The questionnaire data will be coded and converted into a data sheet which is then analysed using SPSS version 20.0 software. By using this software the researcher can conduct descriptive and inferential analysis to identify the responses to the proposed hypotheses (Creswell et al., 2003). The data will be presented in the form of tables and figures to facilitate ease of understanding.

3.5. Ethics

The research will follow the ethical principles proposed by Saunders et al., (2012). All participants will be informed that the participation in the research is voluntary and that the data will be stored in a secure manner. The respondents will also be ensured that confidentiality and anonymity will be maintained.

3.6. Action plan

According to Saunders et al., (2012) an action plan is useful in a proposal as it helps identify the stages in which project completion takes place. This proposal will make use of a Gnatt chart presented below to identify the action plan of the current study.

Table 1: Project Plan

	Weeks											
	1	2	3	4	5	6	7	8	9	10	11	12
Proposal writing	■											
Approval by University		■										
Review of Literature			■	■								
Instrument development					■							
Ethical Approval						■						
Data collection								■	■			
Data analysis										■		
Write up of findings											■	
Write up of thesis											■	■

4. Conclusion

The purpose of this proposal was to identify the involvement of the Saudi Arabian consumer in terms of luxury brand purchase. The research in this area is credible since consumer behavioural theory is dynamic in nature because consumer needs tend to vary constantly based on various factors such as consumer attitude towards utilitarian and hedonistic products, consumer access to products by using international channels, consumer migration, changes in consumer patterns of socio-cultural communication. In addition to this, comprehending the reasons behind consumer's decision to buy luxury brands and products is important as the global luxury market is expected to reach 307.3 billion USD by 2015 (Euromonitor 2014). Therefore, the contributions of this research are expected to be most important to the study.

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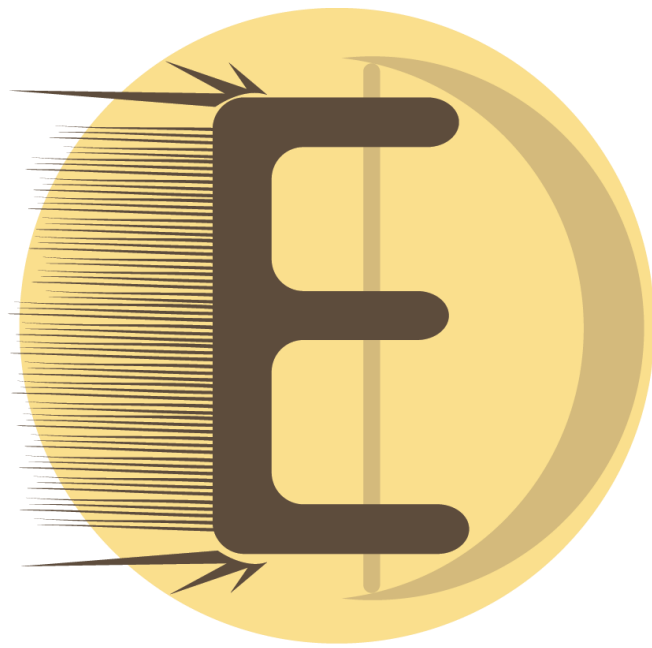
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