

Intention to Purchase Online Luxury Watches Among Indian Consumers in the New Normal Mode



Soumik Das, Rabin Mazumder, and Shamindra Nath Sanyal

Abstract People purchase luxury products to showcase their wealth, success and exclusivity in the social world. The satisfaction is of great importance to them as it has a direct link with money spent on the luxury items. In this study, we tried to analyse purchasing intentions of luxury watches in the new normal mode. The study is done in few selected cities of India. We circulated online questionnaire to 600 online shoppers by convenience sampling, and 481 data were received. We considered functionalism, experientialism, symbolic interactionism, social influence, dimensions of vanity and hedonism apart from income. The data was analysed for simple frequencies, factor analysis, hierarchical regression and correlation. The results indicated that vanity attainment, functional value, hedonism and household earning have a direct influence on luxury purchase. These factors may be further explored for analysing the other cities not considered in this study.

Keywords Luxury · Purchase intention · Online purchase · Watches

1 Introduction

E-commerce is a vital tool for maintaining revenue, engaging with consumers. When the physical stores around the globe are more or less closed, online shopping plays a pivotal role. Accelerate digital investments and shift marketing budgets to online platforms, focusing rather than branding on customer activation. Consider collaborations with reputable e-retailers as well, in addition to improving your own websites.

S. Das (✉) · R. Mazumder
Institute of Engineering and Management, Kolkata, India
e-mail: soumik.das@iemcal.com

R. Mazumder
e-mail: rabin.mazumder@iemcal.com

S. N. Sanyal
Bennett University, Greater Noida, India
e-mail: shamindra.sanyal@bennett.edu.in

Not only does digital marketing help improve online sales, but it can also enable customers to visit stores once they reopen [1].

For luxury marketers, e-commerce is never an easy option. It is like tasting the apple in the Garden of Eden, seductive and risky, to sell online luxury products many years ago when advertisers were arguing for luxury e-commerce brands [2–4]. Many luxury marketers thought it was not appropriate for luxury brands to go online because luxury buyers are typically older and less adventurous than regular shoppers, unable to buy online luxury products [4]. In addition, the Internet did not appear to be compatible with luxury brands that were considered exclusive, glamorous, luxurious and timeless as an accessible, affordable, free and fast-medium [3]. Since they are distinctive, high quality, elegant and exclusive, luxury goods are desirable [5]. These can once again be divided into luxury pieces that are soft and heavy [6]. Soft luxuries include objects such as fashion and accessories, while watches and jewellery are considered hard luxuries. By 2025, the global market for this kind of luxury will be about EUR 320–330 billion. The online platform will continue to move northward and estimated to be around 30% of the market by 2025 [5], with double-digit growth already experienced in 2019. With the younger generations becoming the remaining luxury market, this goes hand in hand with Gen Y and Gen Z.

More academicians are enthusiastic about e-commerce and believe it may help luxury enterprises expand as the online world and luxury industry flourish [7–9]. The research topic nowadays is not whether or not luxury businesses should adopt e-commerce, but rather how premium e-commerce companies act. Some studies are looking into how luxury brands keep their sense of luxury by increasing user experience [10], adapting conventional sensory shopping experiences to online shopping [3, 9], and identifying and tracking online luxury customers using modern information technologies (e.g. personalisation and targeting).

2 Theoretical Framework AND Hypothesis

In the luxury industry, buyers are the real owners. We presume that consumers would prefer being back to the normal life post the pandemic circumstances are under control. The luxury industry must prepare for these situations and any other undue circumstances in near future [11]. Today, conventional luxury brands are evolving. Preliminary acquisition of self-online retail site for digital strategy and e-commerce. Why, then, are some of the biggest brands finally investing in brand-own online retailing? [12]. Research found that multi-brand luxury goods stores now account for 78% of global online sales.

The conventional luxury industry, even in India, is now playing catch up to respond to the response of affluent consumers digital behaviours are changing [7]. In addition, digital is increasingly affecting the decision to purchase high-net-worth people. India is home to the world's second-largest digital base, as per the latest McKinsey Survey. It is expected to reach 800 million internet users by 2023, out of about 600 million

internet users currently. With the democratisation of the Internet, the internet is growing.

Luxury brand goods are pricey and are mostly part of the niche market. They are highly active in knowledge collection and process of decision making for customers [13]. For several different grounds, they are bought and decorated by citizens. Product characteristics derive from cultural principles. Purchasing luxury watches will reflect wealth, stability and achievement. This study tries to find out the purchase intention on online luxury watches among Indian consumers. In its perceived intentions to buy luxury brand products, we also investigate the impact of wealth. The goal is to investigate the degree to which the object of buying is affected by the practical, experiential, symbolic, social power and character of vanity dimensions and how hedonism has an impact on the online luxury purchase.

The online luxury market in India is ready to bloom, with the amount of HNIs, growing brand recognition and an increasing number of New-Age customers. To wake up and take the digital path, time is ripe for Indian luxury brands. The way forward is digital, yet the road to digitalisation is full of obstacles, but incentives are enticing enough to walk this daunting path. Take the right steps, get your act together and build your presence in one of the fastest rising luxury markets in the world [14].

At least three motivations are outlined for the acquisition of luxury brands [15]: experientialism, symbolic interactionism and functionalism. These were examined in Taiwan [16]. We ask the same questions in the Indian sense that do consumers like to buy luxury goods at all, given the socio-economic situation? For this study, these become our questions. As the key object of research, we use luxury watches, i.e. wristwatches, for men and women.

The Fishbein model, which is highly supported by empirical evidence and utilised in consumer preferences and intentions investigations, was developed by Fishbein and Ajzen in 1975 [17]. As indicated by this model, behavioural intentions are affected by subjective standards, behavioural beliefs and perceived behavioural regulation. External perceived behavioural control refers to the perception by a person of the degree to which external obstacles can be managed. Price is the most significant impediment. The conclusion in the study stated that once they gain perceived strength, the purchase intention branded apparel will be established [18]. This shows that in order to determine the intent of purchasing luxury products, people need ample disposable income.

H1: Income is positively associated with the purpose of buying luxury goods online.

The emphasis on the purpose of consumers to buy was due to the positive effect on the actions of an individual [16–18] and has implication in the sense of brand consumption [15]. The interrelationships between people, product and brand are of great importance in understanding the luxury consumption behaviour [4]. These three criteria differentiate luxury and non-luxury brands from each other. These theories are then used to test ideas advocated [16].

- i. Functionalism.
- ii. Experientialism.

iii. Symbolic Interactionism.

H2. The understanding of online luxury products is associated favourably with the intention of purchasing.

H2a. The interpretation of functional value is positively associated with online purchasing intention.

H2b. The interpretation of experience worth is associated favourably with the intention of purchasing online.

H2c. The interpretation of symbolic meaning is positively associated with online purchasing intention.

H3. Social effect is associated favourably with the intention of online purchasing.

H4. Vanity is closely correlated with the purpose of shopping online.

H4a. Physical vanity is favourably related to the online intention to buy.

H4b. The vanity of achievement is closely correlated with the purpose of shopping online.

H5. Hedonism is positively related with intention of online purchasing.

3 Methodology

3.1 Designing of Questionnaire

This research adopts the online questionnaire survey method for collection of data. Due to the pandemic situation physically filling up, the questionnaire was an issue. The questionnaire comprises of basic questions on demography and a five-point Likert scale was used to measure the intent to purchase. The questions were modified from the research on antecedents of the intention to buy luxury brands [16]. We focus on luxury brands available in India that are globally renowned, emulating the research of [16]. This is to make sure the items are open and familiar to the participants.

3.2 Methodology of Sampling

In the absence of a sampling frame, the method of convenience sampling was used. From 16th August 2020 to 20th September 2020, total samples collected were 481 which included Indians aged 25 years and above. Samples were collected via online mode from the following cities namely Bangalore, Delhi, Gurgaon and Mumbai.

First, the respondents were told about the objectives of the survey and permission was taken that the data would be solely for research and analysis purposes. A Google Form was distributed to the database obtained through peer referencing. They were requested to fill the form with their own perception and not get influenced by the thought process or suggestions of others.

4 Results and Analysis

In four steps, data review was conducted. The foremost step is the verification of data for appropriateness of the further study. We then analyse the data to identify the respondent’s profile, including the mean ratings of the respondent.

Sample measurements were performed using measured scales. In order to test the results with respect to the threshold factor loadings that were accompanied by a hierarchical regression analysis, we also conducted a factor analysis.

4.1 Encounters with the Purchasing of Luxury Goods

The participants were asked about their online purchasing experience and some awareness of some well-known luxury wristwatch brands. The reference pieces are luxury wristwatches for men and women. Table 1 charts down the respondents’ experience of purchasing luxury goods online for themselves and their other relationships. 62.6% were respondents who had witnessed the purchase of online luxury watches. Among these, 37.8% bought these luxury brand items for themselves, while 17.2% purchased them for their spouses. Luxury brand purchases by 19.6% of respondents are those who purchased gifts for extended family members. 8.3% of respondents are buying as presents while 1.6% is buying as gifts for others.

The most bought labels are Omega, Longines, Rolex and Tag Heuer. Other purchases are Rado, Seiko, Breitling, Audemars Piguët, Patek Philippe, Jaeger-LeCoultre, Hublot and Cartier. Approximately 27.8% of the respondents are involved in online luxury watch purchases apart from the list given. They have also been asked to state these purchases of brands. These brands are listed in Table 2.

In the Kaiser-Meyer-Olkin (KMO) calculation [19] the factor features of the data were verified by the sphericity and sampling test Bartlett. The results of the two tests are shown in Table 3.

The KMO index value for factor analysis is not less than 0.6, which is to be respected. The Bartlett sphericity test has shown that it is statistically significant at $\alpha = 0.05$ using μ_2 -statistics. We certify that the data can be evaluated using a methodology for factor analysis.

Table 1 Online purchasing of luxury wrist watches

Purchasing of luxury wrist watches	Percent
Purchasing of wrist watches	62.6
Purchasing for own use	37.8
Purchasing for spouse	17.2
Purchasing for family members	19.6
Purchasing for friends	8.3
Purchasing for others	1.6

Table 2 Incidence of luxury brand purchase of wrist watches

Wrist watches	Percent
Omega	31.5
Longines	25.3
Seiko	18.3
Rado	11.9
Fossils	18.2
Breitling	10
Audemars Piguet	9.3
Patek Philippe	12.3
Rolex	29.6
Hublot	17.8
Jaeger-LeCoultre	5.9
Cartier	8.8
TAG Heuer	19.7
Others	27.8

Factor analysis

Table 3 Evaluation for running factor analysis suitability

Online luxury purchase dimensions	Kaiser-Meyer-Oikin (KMO) measure of sampling adequacy	Bartlett’s test of sphericity (χ^2)
Intention to purchase	0.7	567.8
Value function dimension	0.7	515.2
Dimension of experiential value	0.9	1010.6
Dimension of symbolic value	0.8	1108.8
Social influence	0.9	1148.9
Physical vanity	0.8	1087.6
Vanity attainment	0.8	534.4
Value of hedonism	0.7	536.3

All Bartlett’s test of sphericity (χ^2) are statistically significant at $\alpha = 0.05$

4.2 Test of Reliability

Each component of the intention to buy online luxury includes three to seven constructs. Table 4 shows the Cronbach’s Alpha statistics for determining internal consistency. Cronbach’s Alpha values are greater than 0.7, indicating that there is strong internal consistency above that value. All dimensions have reasonable inter-item correlations between 0.2 and 0.4, allowing the Alpha of Cronbach to be less than 0.7 [19].

Table 4 Values of Cronbach’s alpha according to the various luxury purchase dimensions

Luxury purchase dimensions	Cronbach’s alpha
Intention to purchase	0.869
Value function dimension	0.790
Dimension of experiential value	0.878
Dimension of symbolic value	0.779
Social influence	0.867
Vanity physical	0.882
Vanity attainment	0.812
Value of hedonism	0.815

4.3 Factor Analysis Results

There is a greater linear relationship between household income than between personal income and purchasing intent. It ensures that when buying luxury goods, customers often rely on household profits.

Mixed strengths are seen by other correlation coefficients but are statistically relevant at $\alpha = 0.05$. The outcome shows that the study of the factors is generally sound. One of the factors advocated by the author [16] is that consumers have their own understanding of online luxury goods purchases. Second, customers may indicate whether they wish to buy online luxury items. As per the earlier researches which includes the work of Hung, the components that have contributed are shown in Table 5. The load factor values for the different measured components are relatively high, suggesting that Indian customers are highly interested in purchasing online luxury brands in the recent scenario. Both factor loadings are better than 0.6 and their own values are better than unity, a threshold value used by the researcher [16].

Table 5 Component matrix for value function dimension

Components	Factor loading
I purchase luxury brand watches because they are handcrafted	0.701
I purchase luxury brand watches because they have the best design	0.819
I purchase luxury brand watches because they are sophisticated	0.789
I purchase luxury watches as it is superior than the others	0.869

Extraction method: Principal component analysis. Eigenvalue: 2.487

4.4 Value Function Dimension

The value function dimension is shown in Table 5, an immeasurable attribute but indicated by the product's functionality. This emphasises that items which are hand-crafted have more value to the customers as relate to high sophistication, consistency and supremacy. The loading factor is better than 0.7, while the corresponding value is 2.487.

Feature value dimension is the first factor considered to understand the influence of online purchasing intension of luxury products. It indicates that consumers give value to these products as they are special, desirable, rare, beautiful and precious. Factor loadings measured for all these characteristics in luxury goods are approximately 0.8 except for being handmade. Therefore, one reason why luxury goods are consumed by Indian consumers is because of their practical value.

4.5 Dimension of Experiential Value

Customer experience provides them with satisfaction by using luxury brand items. The purchase of this product is due to the product being unique, attractive, splendid, exquisite and rare. Factor loadings, as shown in Table 6, are all better than 0.8 with a related value of 3.67. The components are responsible for 68% of the variation. For Indian online luxury product customers, dimension of experiential value is therefore considered to be extremely important.

Table 6 Component matrix for dimension of experiential value

Components	Factor loading
I purchase luxury brand watches as it is unique	0.858
I purchase luxury brand watches as it is attractive	0.835
I purchase luxury brand watches as it is rare	0.836
I purchase luxury brand watches as it is splendid	0.835
I purchase luxury brand watches as it is exquisite	0.825

Method of extraction: Principal component analysis Eigen value: 3.67

Table 7 Component matrix for social influence

Components	Factor loading
It is important to know what others think of people using such items prior to buying an online luxury watch	0.868
I like to know what luxury branded watches gives others positive impression	0.837
It is vital to know what kind of individuals purchase those products before buying a luxury branded watches	0.825
I prefer to pay attention to other luxury brand watches that others purchase	0.789
Prior purchasing, it is important to know the luxury brands that will be impressive to others	0.709
My friends and I prefer to buy luxury things from the same brand	0.689
I consciously discourage the use of luxury branded watches that are not trendy	0.608

Method of extraction: Principal component analysis Eigen value: 3.67

4.6 Dimension of Symbolic Value

By using luxury brand items, the customer experience provides them with satisfaction. This product was purchased because it is unique, attractive, splendid, exquisite and rare. Table 6 shows that all factor loadings are greater than 0.8, with a related value of 3.67. The components account for 68% of the variation. Dimension of experiential value is thus extremely important for Indian online luxury product customers.

4.7 Dimension of Social Influence

The relation between an individual customer and the environment is social influence. It has turned to be important for them that they use these international luxury brands. The exposure to the world has increased in form of globalisation and foreign education leading to widening knowledge on luxury brands. As shown in Table 7, the loading factor being on a higher note and a statistically significant correlation of 0.41 illustrate their responses to the seven questions that reflect this dimension. The recommendation for online luxury brand marketers is that they can use more online ads to communicate with customers. When online has won the lions’ share, this has become increasingly possible internationally.

4.8 Vanity Physical

Vanity physical refers to customers becoming mindful of the way they view themselves. They would be humiliated in this sense if they are not in proper attire for the

Table 8 Component matrix of vanity physical

Components	Factor loading
Looking good is very important for me	0.879
My appearance is an important factor myself	0.885
I'm going to make an effort to look good	0.886
I put great importance on my presence	0.815
I feel uncomfortable when I am not looking best among people around me	0.678

Method of extraction: Principal component analysis

occasions, which also apply to wearing luxury items. It has a correlation of 0.281 which is statistically significant in context to Indian consumers' buying intentions. In Table 8, all of the different characteristics provided to the customers met the analytical factor threshold value of 0.6 with an independent value of 3.72.

4.9 Vanity Attainment

Vanity achievement refers to the pride that one retains in career achievement, schooling, life, etc. Its association with the purpose of purchasing is 0.389. For the other features, factor loadings are more than 0.6 in one and better than 0.8 in other cases.

4.10 Value of Hedonism

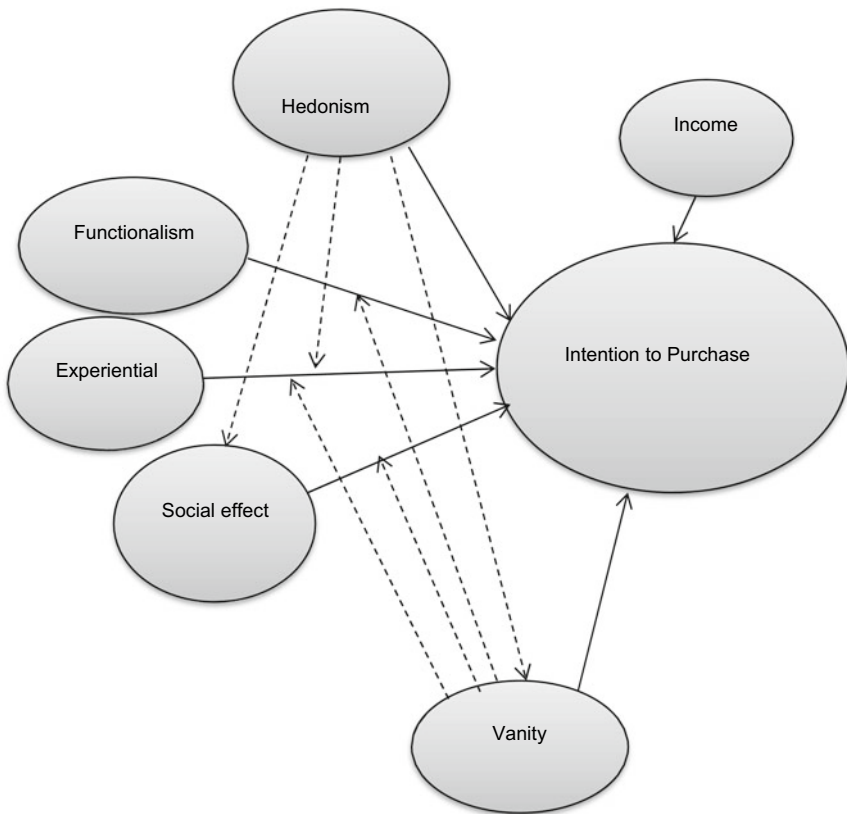
Hedonism points out that the use of a luxury commodity achieves self-pleasure and internal gratification. Luxury goods can thus be viewed as hedonic items to which consumers are emotionally drawn and can find self-pleasure by using them [20]. A measure of 0.671 factor loading indicating that it is of importance to them. The Eigenvalue associated with it was 3.016. The dimension contributed to 63% of the variance in intention to purchase.

4.11 Regression Analysis

To evaluate the data with the scale scores on purchase intention, a hierarchical regression was performed. The presence of the moderating factor can be assessed by this regression analysis approach. The moderating variables in our case are the mean sum scores for physical vanity, attainment vanity and hedonism. Regression is carried out

in two steps in this study. In the first stage, moderating variables are used as explanatory variables (Model 1) as with purchase intentions being the dependent variable (Fig. 1). The calculation of the complete model is followed by Model 2. Tables 9 and 10 provide the outcome of the regression analyses.

For Model 1 the R-square is relatively small, suggesting that only a trivial proportion of the difference in purchasing intention was explained by Vanity Physical, Vanity Achievement and Hedonism. Model 2 reveals 38.4% of all models, that is, differences in purchase intent. The reduction in R-Square is therefore 23% when the Vanity Physical, Attainment-Vanity and Hedonism are excluded. As shown by a statistically significant shift in the F-value, this is a significant contribution.



Source: Author (2021), adapted from Hung *et al.* (2011)

- > Factors that are Moderating
- > Factors Influencing Directly

Fig. 1 Proposed model on purchase intention of Luxury Products.

Table 9 Change statistic due to models 1 and 2

Model	R-square	R-square change	F-change	Sig. F-change
Model 1	0.164	0.164	34.415	0.000
Model 2	0.394	0.230	31.112	0.000

Table 10 Results of the hierarchical regression analysis on intention to purchase as the dependent variable

Independent variables	Regression coefficients	<i>t</i> -value	Sig. (model)
1 (constant)	3.536	4.199	0
Total vanity physical	0.088	1.803	0.072
Total vanity attainment	0.327	5.594	0
Total hedonism value	0.336	4.996	0
2 (constant)	0.136	0.312	0.876
Total vanity physical	-0.032	-0.753	0.477
Total vanity attainment	0.189	3.803	0
Total value function dimension	0.358	5.347	0
Total hedonic value	0.349	4.996	0
Total dimension of experiential value	0.33	1.351	0.523
Total dimension of symbolic value	0.03	0.223	0.825
Total social influence dimension	0.031	0.649	0.523
Household earning	0.496	4.526	0

This investigation reveals that both forms of vanity and hedonism have a major connection with the purpose of purchase, as shown in Table 9. The entire model, however, has a *t*-value that varies considerably from zero. Vanity achievement and hedonism. Total functional and household earning statistics vary greatly from zero. Although the loading factor of most variables is relatively high, four variables show that indigenous consumers are purchasing luxury intentions. These are the achievement of vanity, hedonism, value for money and household incomes.

During the purchasing research, Indian customers examine their willingness to pay while answering the questions intuitively, and this is strongly linked to their home earnings. Your wealth is connected to the achievement of your life again, which is shown by a major correlation of 0.251. The functionality and hedonic value of the item they bought are also considered. It should be costly to invest your income on these items.

We are changing our model based on the above findings. Vanity attainment, household earning, value function and hedonic value influence Indian customers to buy online luxury wristwatches. Figure 2 depicts the model. Vanity and Hedonism are not treated as a moderating factor in the model, but explicitly affects the purpose of purchasing. The coefficient of regression is also not substantially different from

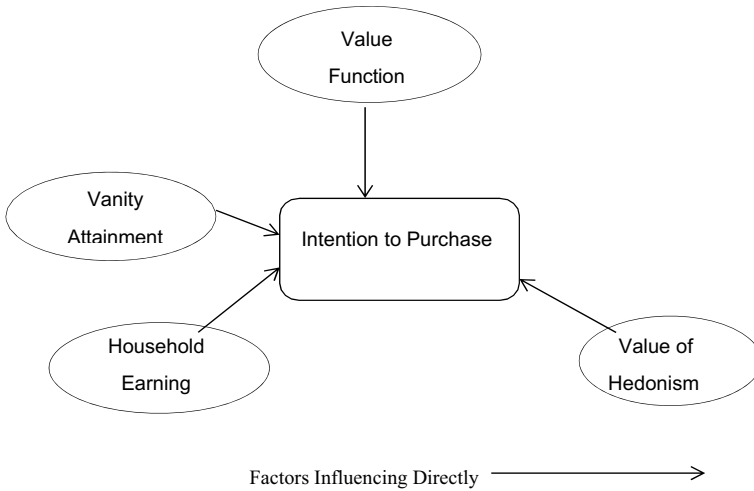


Fig. 2 Modified model of intention to purchase online luxury products

zero, indicating that it has no effect on the purpose of purchasing. From a study [11], earning is also found to be significant.

5 Conclusions

In the components of certain purchasing-intent dimensions, the relatively high loading factor does not mean that it is a clear proposition that subsequent transactions will result. Sales will be one of the potential factors for future transactions. With increase in income, consumers are linked to the aim of purchasing. Other factors that are not associated with sales can lead people to fail to create buying intentions. That is the reason why respondents refused to take part in the survey. It of no use for them to engage in a survey on online luxury items since they have no way of purchasing them. For this reason, vanity attainment can have a statistically relevant *t*-statistic instead of vanity physical for the regression coefficient. The attainment of vanity and hedonism is related to wealth and therefore affordability. The customers of the luxury product will want to experience the consistency, high price and rarity. The online mode of collecting data is also a hindrance as luxury being a high priced item there could have been few more queries answered while physically filling the questionnaire.

References

1. Kapferer J-N (2012) *The luxury strategy: break the rules of marketing to build luxury brands*. Kogan Page, London; Philadelphia
2. Geerts A (2013) Cluster analysis of luxury brands on the internet. *Int J Manag Mark Res* 6(2):79–82
3. Jin B, Kang JH (2011) Purchase intention of Chinese consumers toward a US apparel brand: a test of a composite behavi model. *J Consum Mark* 28(3):187–199
4. Vickers SJ, Renand F (2003) The marketing of luxury goods: an exploratory study—three conceptual dimensions. *Mark Rev* 3:459–478
5. Bain and Company (2020) Global personal luxury goods market set to contract between 20–35 percent in 2020. <https://www.bain.com/about/media-center/press-releases/2020/spring-luxury-report/>
6. Bain and Company (2012) Luxury goods market predicted to grow six to seven percent in 2012, defying global turmoil and spreading to new markets, according to spring update of Bain & Company's luxury goods worldwide market study. http://www.bain.com/about/press/pressreleases/luxury-goods-market-predicted-to-grow-six-to-seven-percent-in-2012.aspx#.T_AqbaZQZs8.mailto
7. Going digital: The only option for Indian luxury market: retail https://retail.economictimes.indiatimes.com/e/retail-tech-summit?ag=retailskinspk&utm_source=etretail-com&utm_medium=banner-skinning-banner&utm_campaign=featured-4065-campaig403. February 2020
8. Guercini S, Runfola A (2015) Internationalization through E-Commerce. In: *The Case of MultiBrand Luxury Retailers in the Fashion Industry*. Wiley
9. Nwankwo S, Hamelin N, Khaled M (2014) Consumer values, motivation and purchase intention for luxury goods. *J Retail Consum Serv* 21:735–744
10. Beuckels E, Hudders L (2016) An experimental study to investigate the impact of image interactivity on the perception of luxury an an online shopping context. *J Retail Consum Serv* 33:135–142
11. McKinsey & Company (2020) A perspective for the luxury-goods industry during—and after—coronavirus
12. Türk B, Scholz M, Berresheim P (2012) Measuring service quality in online luxury goods retailing. *J Electron Commer Res* 13(1):88
13. Hennigs N, Wiedmann K-P, Klarmann D-OC (2012) Luxury brands in the digital age—exclusivity versus ubiquity. *Mark Rev St Gallen* 29(1):30–35
14. The Economic Times <https://retail.economictimes.indiatimes.com/>
15. Berthon PR, Pitt L, Parent M, Berthon J-P (2009) Aesthetics and ephemerality: observing and preserving the luxury bran. *Manage Rev* 52(1):45–66
16. Hollensen S (2011) *Global marketing*, 5th edn. FT Prentice-Hall, London
17. Ajzen (1991) The theory of planned behaviour. *Organ Behav Human Decis Process* 50:179–211
18. Hung K-P, Chen AH, Peng N, Hackley C, Tiwsakul RA, Chou C-L (2011) Antecedents luxury brand purchase intentio. *J Prod Brand Manage* 20(6):457–467
19. Pallant J (2020) *SPSS survival manual*, 7th edn. Allen & Unwin, NY
20. Wiedmann K-P, Hennigs N, Siebels A (2009) Value-Based Segmentati