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Conspicuous Consumption Behaviour: A Case Study of Luxury Fashion Consumers at Selected Malls in Kuala Lumpur, Malaysia

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A R T I C L E   I N F O

A B S T R A C T

Background: Until recently, the majority of luxury goods consumers came from developed nations as they had the purchasing power to indulge and arguable to 'display' their wealth. Today however, as consumers struggle to exert their place in a society, the luxury brand market in the emerging nations is on the rise. In tandem with this, the growth of luxury goods sector in Malaysia is evident with the proliferation of high-class malls such as Pavilion, The Gardens and StarHill Gallery. **Objective:** The purpose of this study is to examine the drivers of luxury fashion products among urban Malaysian consumers based on the Theory of Leisure Class. Given that Eastern cultures are known to be dictated by outer self, group decisions and norm, the outcome of this study would add to the body of literature that confirms or disconfirms this traditional assumption. **Results:** Of the seven factors namely brand image, quality, patron status, attitude, role models – parents, friends and celebrities; it was found that parent, quality and friends have the least effect on conspicuous consumption Behaviour (CCB). **Conclusion:** The findings suggest that group decisions and norms are less apparent influencers. On the other hand, to enhance local fashion products to be concomitant with the luxury brands, brand image and attitudes towards luxury brands can to be enhanced through endorsement by celebrities.

INTRODUCTION

Traditionally, luxury goods or status goods have been defined as goods for which the mere use or display of a particular branded product brings prestige to the owner, apart from any functional utility (Grossman and Sharpiro, 1988). Conceptually, the luxury items are characterized as prestige or status oriented, superior quality and extremely expensive and meant for the wealthy society. In the earlier days, the term luxury was applied to products that were rare and scarce and available to a small segment of the people (Sriviroj, 2007). The luxury items were beyond reach of the ordinary people and considered very special. However, in the 80's, luxury goods (in Europe) became visible, recognizable, and accessible to the public. Hence the market for luxury goods went through a massive demand growth and developed into a significant economic sector in the 90's (Roux and Floch, 1996). The trend continues today where luxury brand market in the emerging economies is on the rise in tandem with the growing consumer purchasing power (Sherman, 2009).

The luxury goods sector in Malaysia has been growing along with the rest of the world over the past thirteen years (Run, Butt and Nee, 2010). Over the years, the setting up of the up market malls such as the Kuala Lumpur City Center (KLCC), Pavilion, The Gardens and StarHills have fueled and catered to the increasing demand of international luxury goods. Consequently, the apparel industry in Malaysia had undergone a great transformation with more and more brands entering the market and the recent past years have seen the entry of numerous international brands (Khan and Khan, 2008). In fact, brand consciousness among the Malaysian society was increasing over the past few years, especially with the young generation who are now desired for the luxury goods and brands especially students from college and university and young working adults (Kamaruddin and Mokhlis, 2003). A study on fashion lifestyle orientation conducted at flagships shopping Malls in Malaysia (Abd Rahman, 2006) confirmed that shoppers are getting fashion and brand conscious.

The development on a framework to understand luxury and luxury seeking consumers started in the 19th century by Rae (1834). The earliest theory of conspicuous consumption was introduced by Veblen (1899) when he theorized the rich tend to indulge in conspicuous goods in order to display their wealth and gain high social status. This explains the motive for consuming luxury goods (Wiedman, Hennings and Siebels, 2007).

There are differences between Eastern and Western culture. As discussed by Vigneron and Johnson (1999), cultural values are significant in determining the luxury systems of symbols of American, Asian and Europeans. The Eastern culture depends heavily on the outer self, group decisions, norms, family, relatives and friends. The West, on the other hand, has a foundation of personal self-concepts that related to the inner self and independent decisions. Consequently, Asians focus on visible possessions like designer labels, expensive cars, or jewelry (Chanda and Husband, 2006). In Malaysia, similar trend towards visible possession of luxury fashion products could be seen. Many young professionals are parting their money to purchase luxury products which reflect their status in society (Kamaruddin and Mokhlis, 2003).

However, over time and given that world can be connected with a click of the mouse, culture as a decisive factor could be a thing in the past. Moreover, there are relatively few researches that have been conducted concerning the conspicuous consumption of luxury fashion products in Malaysia. Therefore this study aims to establish the factors influencing conspicuous consumption behavior among luxury fashion products consumers. It is hoped that this study will help to increase the understandings of the factors and underlying motives of luxury purchasing products, as it serves as the basis for future plans of action by the policy makers with regard to the necessary actions for the recovery of the deteriorating purchasing patterns of the consumers.

A Background Literature:

The word luxury can be defined as a state of life in which has uses things that please the senses or pleasing to have but not essential. A good attains the label as a luxury the label as a luxury when it has a particular design, quality, performance or durability that is remarkably superior to the comparable substitute (U.S Luxury Good Market, 2007). In terms of the nature characteristics of the concept of luxury, Dubois, Lauren and Czellar (2001) explained that the six facets are excellent quality, high prices, scarcity and uniqueness, aesthetics and polysensuality, ancestral heritage and personal history. Luxury goods are rising in popularity especially as consumers' buying behavior is becoming more symbolized. Consumers feel that by owning luxury products, they can express their personality and set them apart. Thus, luxury goods have been defined as goods for which the mere use or display of a particular branded product brings prestige on the owner, apart from any functional utility (Nia and Zaikowsky, 2000).

The term prestige is defined as it consists of consumers' motivations for chasing technical superiority, uniqueness, signaling, wealth and status as well as aesthetic appeal (Vigneron and Johnson, 1999). Prestige and luxury are used synonymously in the Vigneron and Johnson's (1999) research. The luxury brand was defined as fashionable and high quality consumer's goods made by reputed luxury brands, which contained wearable fashion goods such as handbag, wallet, shoes and belt (Chadha and Husband, 2006). According to Gas, Norton, Zhang and To (2009), luxury fashion goods are apparel, accessories, handbags, shoes, watches, jewellery an perfume for which use or display of particular branded products brings prestige to owners, apart from any functional utility. Snapshot of U.S. Luxury God Market (2007) reported that fashion group represents the major product sector in the luxury goods market.

Current Trend Of Luxury Consumption:

As for luxury consumption, 37 percent of luxury goods are purchased in Asia, 35 percent in the USA and 4 percent in the rest of the world (Chadha and Husband, 2006). It is enunciated in the Best Retail Brands 2009 report in the Inter Brand Magazines, that what distinguishes Asian luxury consumers from their Western counterparts is due to the different hierarchy of needs. In the West, consumers seek brands that help them to feel better and comfortable about themselves. In Asia, the highest need is with regard to status seeking.

Factors Influencing Consumption Of Luxury Fashion Products:
Brand Image:

Brand is a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other seller (Taofik, 2009). Cheng (2006) stated that brand is important because the

195
Azmi Mat *et al*, 2016
Australian Journal of Basic and Applied Sciences, 10(11) Special 2016, Pages: 193-198

consumers' perception of a product can be affected by the added value of a brand. In summary, it cannot be denied that brand image plays a pivotal in shaping consumer's perception of a brand.

Quality:

Excellent quality is an end result and it is important that the premium marketers maintains and develop leadership in quality (De Barnier and Vallette-Florence, 2006). A survey conducted by ACNielson (2008), it was found that on a global average, 28 percent believe that luxury products are significantly higher quality than standard brands. In conclusion, quality was found important to study and can be used to identify the luxury consumption.

Patron Status:

Status is the position or rank in society awarded to an individual by others (Dawson and Cavell, 1987). Status has its roots in ancient society where every person has a place in the social hierarchy. Increased exposure to global media has increased consumers' desire for branded goods from certain developed countries such as Western branded products, would enable them to demonstrate social status (Marccoux, Filialtrault and Cheron, 1997). Conspicuous consumption involves the public consumption of luxury products that signal wealth, status and power (Bagwell and Bernheim, 1996). In conclusion, patron status was found important to study and can be used to identify the CCB of luxury fashion products.

Methodology:

A survey correlation research design was used to accomplish the objectives of the study. The target population was the consumers who purchase luxury fashion products at high-class shopping malls located in Kuala Lumpur, which are Suria KLCC, Pavilion and StarHill Gallery. A total number of 400 respondents in this shopping mall were used for data collection. The purposive sampling and mall-intercept survey method were employed. The researchers have approached the potential respondents at specific level at the mall, which the luxury boutiques located. A screening question was given to ensure that the respondents are valid to be a sample to participate in this study. Respondents must be a consumer of luxury fashion products, earn a month income as they have a purchasing power and ability to make a decision about their purchase and aged between 25 years old and above due to the assumption that they have a job and earn their own income.

Findings And Discussion:

Table 1: Demographic Background.

Variables	No. Of Respondents (n=400)	Percentage
Age		
<30	146	36.5
30-42	126	31.5
>42	128	32.0
Gender		
Male	115	28.8
Female	285	71.2
Education		
Non-Schooling	1	0.2
Primary	2	0.5
Secondary	107	26.8
Diploma	83	20.8
Bachelor	171	42.8
Masters	29	7.2
Doctorate	7	1.7
Race		
Malay	141	35.2
Chinese	165	41.3
Indian	60	15.0
Others	34	8.5
Monthly Income		
Below RM1500	8	2.0
RM1501-RM2500	52	13.0
RM2501-RM5000	258	64.5
RM5001-RM8000	59	14.8
RM8001-RM15000	20	5.0
RM15001-RM20000	1	0.2
Above RM20000	2	0.5

As depicted in table 1, most of the respondents were in-group of age 25-30 years old (36.5%), followed by those ages 42 years old and above (32%) and 30-40 years (31.5%). The percentage of the respondents in the age

group of 25-30 years old was higher than other age group might due to the reason that the tendency of respondents in this age group in shopping is higher as compared to the other age groups. In respect with gender, 71.2 percent females against 28.8 percent males in the overall sample consisting of a total 285 females and 115 males. The difference of percentage between male and female probably due to the nature of the study is subject of shopping behavior, which is more admired by female. With regards to the respondents' highest completed education, slightly less than half of the respondents had a bachelor degree (42.8%) and only one respondent was non-schooling (0.2). In terms of race, Chinese comprised 41.3 percent of the study sample while Malay, Indians and others comprised of 35.2 percent, 15 percent and 8.5 percent respectively. Even though, the race ration of respondents does not reflect the actual race's ratio in the Malaysia population however, in terms of luxury consumerism, it is acceptable due to the reason that the inclination and affordability of luxury fashion products are might be more well-liked by the Chinese as compared to the other races. In addition, the finding also shows that, respondents with the monthly income of RM15000 to RM20000 and RM20000 and above possessed the lowers which only 0.2 percent and 0.5 percent respectively On the other hand more than half of the total respondents were with the monthly income between RM2501 to RM5000 (64.5%).

Table 2: Types of Luxury Fashion Products.

Types	Yes (n=400)	Percentage
Handbag	308	77.0
Shoe	283	70.8
Apparel	270	67.5
Watch	265	66.2
Jewellery	153	61.8

Purchased:

Table 2 depicts the results of the type of luxury fashion products purchased by the respondent. The highest percentage was handbag (77.0%), followed by shoe (70.8%), apparel (67.5%), watch (66.2%) and jewellery (61.7%). The percentage shows that, more than half of the respondents are indulging themselves with the handbags, shoes, apparel, watches and jewelleries, when it comes to luxury fashion products. However, most of the respondents were chose to buy handbags as luxury fashion products. This may be due to physical criteria of the handbag which are more noticeable that other products and it is also probably due to the most of the respondents in this study was female.

Table 3: Frequency of Personal Purchase of Luxury Fashion Products.

Products	Not at all	Seldom	Sometimes	Very often
Apparel				
No. of respondent	219	111	62	8
Percent	54.8	27.8	15.5	2.0
Handbag				
No. of respondent	245	128	27	0
Percent	61.2	32.0	6.8	0
Jewellery				
No. of respondent	320	77	3	0
Percent	80.0	19.2	0.8	0
Shoe				
No. of respondent	259	93	45	3
Percent	64.8	23.2	11.2	0.8
Watch				
No. of respondent	226	152	22	0
Percent	56.5	38.0	5.5	0

As shown in Table 3, the respondents had answered the question on personal purchase of luxury fashion products. They were required to choose the frequency of every fashion product purchased from Not at all to Very often. The study indicated that, most of the respondents purchased the apparel products (8.5%) almost every month as compared to other fashion products.

For the luxury fashion apparel, most of the consumers purchase a few times a year and there are also have the consumers who purchased for luxury apparel almost every month. Meanwhile, for seldom frequency of purchased or once a while purchase the luxury fashion products, 48 percent of the total respondents bought watches, followed by handbag (47.8%), shoes (34%), apparel (24%) and jewelleries (22.55). Slightly less than half of the respondents also once a while treated themselves with luxury watches. This is probably due to the price of luxury watch is more expensive compared to other luxury fashion products.

For the Not At All frequency of purchase, the highest product that the respondents never purchased was jewelleries (70%). From the results, it can be summarized that most of the respondent never purchase jewellery from luxury brands for themselves. This may be due to reason that other local brands of jewellery are available for them and the price is more affordable.

Table 4: Multiple Linear Regression between Factors and CCB.

Factor	Beta	*t*	*p*
Brand Image	.234	4.449	.000
Quality	.097	2.328	.020
Patron Status	.178	3.318	.001
Attitude	.392	6.863	.000
Role Model (Parents)	-0.37	-1.141	.255
Role Model (Friends)	-1.03	-2.413	.016
Role Model (Celebrities)	135	3.480	.001

R=.816 R^2=.666   F=111.569   Sig. F=.000 df=7

The model explains 66.6 percent of the variance in the conspicuous consumption behavior with F(7,392) = 111.569, $p \leq .001$. In the final model, only five variables were found to be statistically significant in influencing conspicuous consumption behavior. There were attitude (Beta = .392, $p \leq .001$), brand image (Beta =.234, $p \leq .001$), patron status (Beta = .178, $p \leq .001$), role model – celebrities (Beta =.135, $p \leq .001$) and quality (Beta = .097, $p \leq .001$).

This result indicates that attitude made a significant strongest unique contribution to the CCB of luxury fashion products. It means that, the CCB of luxury fashion products was highly correlated to the respondents' attitudes towards status. The result was similar to the previous study conducted by Phau and Leng (2008) which found that attitude of consumers in Australia significantly correlated of buying luxury brands. Brand image and quality show significant effect on the CCB of luxury fashion products and were evaluated as being one of the important aspects to be considered when buying luxury fashion products. The result has been supported by previous studies conducted by Lin and Lin (2007), Husic and Cicic (2009) where they are also found that consumers use brand as quality indicators. Another interesting result is that the patron status has a positive influence on CCB. Most of the respondents also pointed out that they are interested to know where their friends and important people buy their fashion products. This is supported by the previous study conducted by Park and Reisinger (2009), which stated that consumption of luxury goods is perceived as the major determinant of social position and prestige.

In terms of role models, indirect role model (celebrities) shows significant effect on the CCB of luxury fashion products ($p \leq .01$) and the standardize beta coefficient was .135 as compared to direct role model parents (-.037) and friends (-.103). The result was correspond to the previous study conducted by Run *et al.,* (2010) in Malaysia which proposed that celebrities had more influence as compared to parents on purchasing behavior of young adults. Another study in Hungary conducted by Eszter (2007), also proposed that parents play a less significant role as the reference group than friend, regarding both informational and normative influences on young people's consumer behavior. With the massive expose of celebrities luxurious fashion tastes from the media, it is possible that Malaysian consumers consider celebrities as their role model in the luxury fashion products and thus more relevant to be adopted as compared to their parents and friends.

Conclusion:
The purpose of this study was to identify factors influencing consumption of luxury fashion products among consumers in Kuala Lumpur. There were five out of seven variables found to be statistically significant in influencing CCB. The variables were attitude brand image, patron status, role model – celebrities and quality. The model explains 66.6 percent of the variance in the CCB. The findings showed that attitude is the most influential factor that predicts the assumption of luxury fashion products.

Recommendations For Future Research:
Few future directions should be taken into consideration. First, the construct of country of origin should be incorporated into the study using the same methodology. Second, a study of more diverse geographic (urban and rural) within a Malaysia population is needed. The definition of luxury products might be difference between urban and rural consumers due to the geographic and socio-economic background. In addition, a comparative study between states in Malaysia in terms of luxury consumption towards difference type of luxury products such as product of gold jewelleries. The differences might be explored as different states in Malaysia have a different culture and beliefs.

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