

Chapter 60

Consumer Behaviors and Contemporary Attitudes in Luxury Markets

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ABSTRACT

This chapter analyzes the differences in consumer behavior and attitudes towards Luxury Goods. The established bond of the consumer with the luxury brand, as derived from a psychological process, is strong, and characterized by the emotional. The Luxury Brand is a symbol of personal and social identity, it expresses the individual's personality and lifestyle, strengthens the projection of self-image, status and self-concept. This chapter will analyze the buying decision process, customer retention and loyalty. The chapter will study the role of envy in the buying decision process of Luxury Goods, within a context of social comparison. As well as advertising messages and their strategies (of which envy is commonly used). The personality of the Luxury Retail Store will be analyzed. It will review the most important scientific contributions paying special attention to research done in the field of Neuromarketing and Neurobiology of Beauty.

INTRODUCTION

Throughout the chapter the following questions will be answered: what are the key differences of consumer behavior in Luxury Good's markets? In what respect does the buying process differ, the retail store selection process, the post-purchase process, customer retention and loyalty?

This is the starting point, the variables which integrate the global models both for individual or internal structure level (perception, experience and learning, decision criteria, personality, lifestyle and attitudes) and external influences level (economic environment, culture, social class and reference groups).

The relationship that a client establishes with a brand is a bond derived from a psychological process, whose scope is even stronger in the case of the Luxury Good. The Luxury Good becomes a symbol of personal and social identity, a mean of expressing the personality and lifestyle of the individual, which

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helps to strengthen the projection of self-image, social status and self-concept. The individual reinforces self-esteem through purchasing and using these goods numerous times. These types of purchases directly affect the individual's socialization processes and influence one's state of mind.

As opposed to conventional goods, in order to explain the consumption and purchasing behavior of Luxury Goods, their emotional component needs to be taken into account—including negative emotions such as envy-, as well as the hedonic effect, materialism, the quest for status and social acknowledgment, the self-esteem reinforcement or the experiential dimension.

As for the Luxury Good, the brand plays a major role. A Good with an outstanding design and quality but from an unknown brand will not produce the same feelings as one from a well-known brand.

The Luxury Brands provide tangible, intangible, functional and emotional benefits, but certainly the intangible and emotional are those which create demand and drive success. The search for experiences, sensation seeking, identity, desires, whims and cravings, ultimately the need to feel better through consumption.

Consumerism as escapism creates an entire imaginary universe in the mind of the consumer.

For many years now, Marketing Research had emphasized the study of emotions in the determining of consumer behavior. Emotional Marketing is broadly discussed in academic literature. The emotions relate to the irrational side of the individual and are supposed to work within their subconscious. Despite the difficulty involved in customer subconscious analysis, business practice and marketing have shown that it is easy to win clients over with dynamization of emotions. In this regard, the lines of communication within companies appeal, to a large degree, to emotions against messages based on rationality. The advertising is conceived as a source for generating emotions. In the case of Luxury Goods, the role of emotions and its use in the creation of marketing mix is even stronger. Taking into account the importance of social status and the opinion of reference groups for this type of consumption, the implications of envy and social comparison will be studied. Envy has not been one of the most addressed emotions in academic literature, perhaps because of its negative nature, but it is evident that it clearly influences in the desire of possession, in the characteristics of purchased goods and in the assigned role of acquired brands. In this regard, a clear reference to Veblen's conspicuous consumption theory will be undertaken.

When resources and advertising messages used for engaging the individual are analyzed it will be demonstrated how envy and social comparison are a recurring mean. Luxury Goods are closely linked to the world of culture, art or beauty (for instance fashion, jewelery, etc.). As an example of this, one could note the event and show organized not so long ago in Wall Street by a well-known Luxury Brand, which even involved the restoration work of a historic building for the occasion, to make it look like a French mansion, and gathered clients, celebrities, people of the art world and fashion editors. Due to the relation between these types of products and beauty and art, special attention will be paid to studies related to neurobiology of beauty, among of which it is necessary to mention those conducted by the researcher Semir Zeki.

The emotional component of the Luxury Goods' consumer behavior boosts the role that Neuroscience could play in this field of study. The objectives of this chapter, which in some way have been expressed throughout the introduction, are: to describe the peculiarities of the Luxury Goods' Consumer Behavior from the perspective of a global model (including aspects such as decision making, post-purchase, customer retention, satisfaction and loyalty), to define the role of emotions considering the case of envy (understanding it in a context of social comparison), to assess the impact and psychological effect of the Luxury Brand purchase (self-esteem, mood), to analyze the role of the retail store and its personality (suggesting a way to measure attitudes towards the store), to identify resources and advertising messages,

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