THE IMPACT OF DEMOGRAPHICS AND SOCIAL CLASS FACTORS ON PURCHASING BEHAVIOR OF FASHION LUXURY GOODS MARKET IN BATTICALOA DISTRICT

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ABSTRACT

The study is mainly focusing the impact of demographics and social class factors on purchasing behavior of fashion luxury good market in Batticaloa District. Factors such as purchase amount, brand choice, purchase timing, dealer choice are main factors which will influence the buying decision of the consumers. In the study the demographics and social class has been taken in to consideration to measure the consumer purchasing behavior. The factors affecting the consumer buying decision has been analyses in order to understand the purchasing behavior This study only limited to Urban and Rural area in Batticaloa District. The sample population of 100 has been analyzed through a questionnaire had been distribute in order to collect data. Regression technique (Durbin – Watson, R, Adjusted R Square) is being used to evaluate the consumer buying behavior. By using this method Hypothesis were tested. Finally objectives were discussed according to the result witch collected through hypothesis testing.

Keywords: *Demographic Factors, Social Class Factors and Purchasing Behavior*

1. INTRODUCTION

Fashion has been a part of human lifestyles literary from the beginning of the human race, the development of the contemporary fashion designing industry has begun within the last two centuries. For centuries, people worldwide have satisfied themselves with the possession of Beautiful goods. As a result, luxury products have been the subject of intensive discussion, debate. Today, consumers have at their disposal a larger discretionary income than ever before. Income has increased throughout the hierarchy scale, but most dramatically in the highest social classes. Current consumers are willing to offer considerably higher amounts of money for luxury products. The luxury good market grow world widely and more rapidly in the last period of time.

These products can be divided mainly into four categories:
- Fashion (ready maid wear and accessories)
- Perfume and cosmetic
- Wines and spirit
- Watch and jewelries

And also growth rate of world wild will affect to the Sri Lankan economic to arise new fashion luxury good firm in Sri Lankan market and also will increase existing brand further. In the fast-moving commercial goods segment, for example, demand for personal care items, such as facial and body creams is increasing. With incomes rising and interest rates still favorable, purchases of white goods, electronics and automobiles are also on the rise.

Considering the contemporary Sri Lankan society, it is evident that the influence of fashion has a considerable impact on the day to day life of people. Being a multi-cultural society, the adoption of fashion differs from one set of people to another and it also differs based on the region

The basic problem is going to study through this research is,

"Does the Demographics and Social Class impact on purchasing behavior; with special reference to Fashion Luxury Goods market in Batticaloa District."

1.1 Research Questions
Through this research it going to solve the question listed below.
- ✓ What are the factors influences on purchasing fashion luxury goods?
- ✓ Does the pattern of purchasing fashion luxury good vary in location of social class?
- ✓ Does the pattern of purchasing fashion luxury good vary in location of demographical factors?

1.2 Research Objectives
- ✓ To identify the factors influence on purchasing fashion luxury goods.
- ✓ To identify the effect of social class to purchasing fashion luxury goods.
- ✓ To identify the effect of demographical factors to purchasing fashion luxury goods.

2. LITERATURE REVIEW

2.1 Luxury Goods
For centuries, people worldwide have satisfied themselves with the possession of beautiful goods. As a result, luxury products have been the subject of intensive [1]. Luxury good is a good at the highest end of the market in terms of quality and price. Classic luxury goods include haute couture items such as clothing, accessories and luggage. However many markets have a luxury segment including, for instance, cars, wine and even chocolate. What is a luxury good? Luxury is non-essential. You can buy more of it as your income rises but you don't need it to survive. What pushes it beyond that tipping point from 'need' to 'want'?
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 [2].

Created a luxury brand model with the following dimensions [1]:
- Product integrity
- Value-driven emergence
- Culture
- History
- Marketing
- Endorsements

2.1.1   Fashion Luxury Good
Fashion luxury goods are apparel, accessories, handbags, shoes, watches, jeweler, and perfume for which mere use or display of particular branded products brings Prestige to owners, apart from any functional utility [3].

Consumers buy luxury fashion goods mainly to match their Lifestyle, thus satisfying their inner drives. The hierarchical value map resulting from the data Collection and elaboration demonstrates that self-confidence and self-fulfillment are the main Hidden final values when buying and consuming luxury goods [4].

2.2 Demographic Factors
Socioeconomic characteristics of a population expressed statistically, such as age, sex, education level, income level, marital status, occupation, religion, birth rate, death rate, average size of a family, average age at marriage. A census is a collection of the demographic factors associated with every member of a population.

2.3 Consumer Buying Behavior
Buying Behavior is the decision processes and acts of people involved in buying and using products.

Need to understand:
- Why consumers make the purchases that they make?
- What factors influence consumer purchases?
- The changing factors in our society.

Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. A firm needs to analyze buying behavior for [5]:
- Buyer's reactions to a firms marketing strategy has a great impact on the firm's success.
- The marketing concept stresses that a firm should create a Marketing Mix (MM) that satisfies (gives utility to) customers, therefore need to analyze the what, where, when and how consumers buy.
- Marketers can better predict how consumers will respond to marketing strategies.

Categories that Affect the Consumer Buying Decision Process
A consumer, making a purchase decision will be affected by the following three factors:
  I.   Personal
  II. Psychological
  III. Social

The marketer must be aware of these factors in order to develop an appropriate MM for its target market.

I.   Personal Factors
It's Unique to a particular person. Because of Demographic Factors, Sex, Race, Age etc. Who in the family is responsible for the decision making? Young people purchase things for different reasons than older people.

II.   Psychological Factors
Psychological factors include:
- **Motives**

A motive is an internal energizing force that orients a person's activities toward satisfying a need or achieving a goal. Actions are effected by a set of motives, not just one. If marketers can identify motives then they can better develop a marketing mix.

MASLOW hierarchy of needs!!
- Physiological
- Safety
- Love and Belonging
- Esteem
- Self-Actualization

Need to determine what level of the hierarchy the consumers are at to determine what motivates their purchases. Motives often operate at a subconscious level therefore are difficult to measure [6].

- **Perception**

Perception is the process of selecting, organizing and interpreting information inputs to produce meaning. IE we chose what info we pay attention to, organize it and interpret it. Information inputs are the sensations received through sight, taste, hearing, smell and touch. Selective Exposure-select inputs to be exposed to our awareness. More likely if it is linked to an event, satisfies current needs, intensity of input changes (sharp price drop). Selective Distortion-Changing/twisting current received information, inconsistent with beliefs.
Advertisers that use comparative advertisements (pitching one product against another), have to be very careful that consumers do not distort the facts and perceive that the advertisement was for the competitor. A current example...MCI and AT&T...do you ever get confused? Selective Retention-Remember inputs that support beliefs, forgets those that don't. Average supermarket shopper is exposed to 17,000 products in a shopping visit lasting 30 minutes-60% of purchases are unplanned. Exposed to 1,500 advertisements per day. Can't be expected to be aware of all these inputs, and certainly will not retain many. Interpreting information is based on what is already familiar, on knowledge that is stored in the memory.

- **Ability and Knowledge**

Need to understand individual's capacity to learn. Learning, changes in a person's behavior caused by information and experience. Therefore to change consumers' behavior about your product, need to give them new information re: product free sample etc.

When making buying decisions, buyers must process information. Knowledge is the familiarity with the product and expertise. Inexperience buyers often use prices as an indicator of quality more than those who have knowledge of a product. Non-alcoholic Beer example: consumers chose the most expensive six-pack, because they assume that the greater price indicates greater quality.

Learning is the process through which a relatively permanent change in behavior results from the consequences of past behavior [7].

- **Attitudes**

Knowledge and positive and negative feelings about an object or activity-maybe tangible or intangible, living or non- living.....Drive perceptions
Individual learns attitudes through experience and interaction with other people. Consumer attitudes toward a firm and its products greatly influence the success or failure of the firm's marketing strategy [8].

- **Personality**

All the internal traits and behaviors that make a person unique, uniqueness arrives from a person's heredity and personal experience. Examples include:
  o Work holism
  o Compulsiveness
  o Self confidence
  o Friendliness
  o Adaptability
  o Ambitiousness
  o Dogmatism
  o Authoritarianism
  o Introversion
  o Extroversion
  o Aggressiveness
  o Competitiveness.

Traits affect the way people behave. Marketers try to match the store image to the perceived image of their customers.

There is a weak association between personality and Buying Behavior, this may be due to unreliable measures. Nike adds. Consumers buy products that are consistent with their self-concept.

- **Lifestyles**

Recent US trends in lifestyles are a shift towards personal independence and individualism and a preference for a healthy, natural lifestyle. Lifestyles are the consistent patterns people follow in their lives.
Ex: - healthy foods for a healthy lifestyle. Sun tan not considered fashionable in US until
1920's. now one has assault by the American Academy of Dermatology [9].

III. Social Factors
Consumer wants, learning, motives etc. are influenced by opinion leaders, person's family, reference groups, social class and culture.

- **Opinion leaders**

Marketers try to attract opinion leaders. They actually use (pay) spokespeople to market their products. Michael Jordon (Nike, McDonalds, Gatorade etc.) Can be risky, Michael Jackson,OJ Simpson, Chevy Chase

- **Roles and Family Influences**

Role...things you should do based on the expectations of you from your position within a group.

People have many roles. Husband, father, employer/ee. Individuals role are continuing to change therefore marketers must continue to update information.

Family is the most basic group a person belongs to. Marketers must understand

- That many family decisions are made by the family unit
- Consumer behavior starts in the family unit
- Family roles and preferences are the model for children's future family
- Family buying decisions are a mixture of family interactions and individual decision making.
- Family acts an interpreter of social and cultural values for the individual. The Family life cycle: families go through stages, each stage creates different consumer demands [10]:
  o Bachelor stage
  o Newly married, young, no children
  o Full nest I, youngest child under 6
  o Full nest II, youngest child 6 or over
  o Full nest III, older married couples with dependent children
  o Empty nest I, older married couples with no children living with them, head in labor force
  o Empty nest II, older married couples, no children living at home, head retired Solitary survivor, in labor force.
  o Solitary survivor, retired.
  o Modernized life cycle includes divorced and no children.

- **Reference Groups**

Individual identifies with the group to the extent that he takes on many of the values, attitudes or behaviors of the group members, Families, friends, sororities, civic and professional organizations.

Groups that have positive or negative influence on a person's attitude and behavior. Then Membership groups Affinity marketing is focused on the desires of consumers that belong to reference groups. Marketers get the groups to approve the product and communicate that approval to its members. Ex: - Credit Cards.

Aspiration groups Disassociate groups Honda, tries to disassociate from the "biker" group. The degree to which a reference group will affect a purchase decision depends on an individual's susceptibility to reference group influence and the strength of his/her involvement with the group [11].

Social Class

Open groups of individuals who have similar social rank. US are not a classless society. US criteria are occupation, education, income, wealth, race, ethnic groups and possessions. Social class influences many aspects of our lives. IE upper middle class Americans prefer luxury cars Mercedes.

- Upper Americans-upper-upper class, .3%, inherited wealth, aristocratic names.
- Lower-upper class, 1.2%, newer social elite, from current professionals and corporate elite.
- Upper-middle class, 12.5%, college graduates, managers and professionals.
- Middle Americans-middle class, 32%, average pay white collar workers and blue collar friends.
- Working class, 38%, average pay blue collar workers
- Lower Americans-lower class, 9%, working, not on welfare.
- Lower-lower class, 7%, on welfare

Social class determines to some extent, the types, quality, and quantity of products that a person buys or uses. Lower class people tend to stay close to home when shopping; do not engage in much repurchase information gathering. Stores project definite class images. Family, reference groups and social classes are all social influences on consumer behavior. All operate within a larger culture.

- **Culture and Sub-culture**

Culture refers to the set of values, ideas, and attitudes that are accepted by a homogenous group of people and transmitted to the next generation. Culture also determines what is acceptable with product advertising. Culture

determines what people wear, eat, reside and travel. Cultural values in the US are good health, education, individualism and freedom. In American culture time scarcity is a growing problem. IE change in meals. Big impacts on international marketing [12].
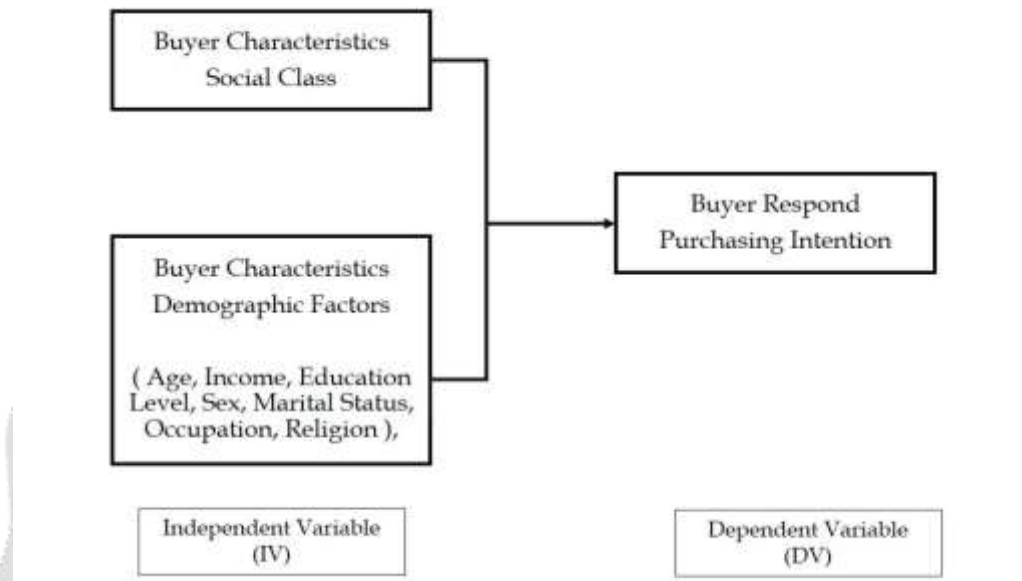
3. CONCEPTUALIZATION

Figure 01: Conceptual Framework

4. HYPOTHESIS

4.1 Hypothesis No: 01

H0: r = 0 (There is no relationship between Demographical Factors and Purchasing Behavior of Fashion Luxury Goods.)

H0: r ≠ 0 (There is a relationship between Demographical Factors and Purchasing Behavior of Fashion Luxury Goods.)

4.2 Hypothesis No: 02

H0: r = 0 (There is no relationship between Social Class Factors and Purchasing Behavior of Fashion Luxury Goods.)

H0: r ≠ 0 (There is a relationship between Social Class Factors and Purchasing Behavior of Fashion Luxury Goods.)

5. METHODOLOGY

A questionnaire has been designed to carry out the survey. Primary data was collected through structured questionnaires with closed statements measured with Likert's scale (1= strongly disagree and 5= strongly agree).

The sample has been taken from 100 of Female & Male in urban and rural area in Batticaloa district by using simple random sampling method. Univariate and Bivariate analysis were used. Univariate analysis was to interpret the nature of variables. Bivariate analysis was used to analyze the relationship between the variables. Regression

analysis was conducted to explore whether Demographical Factors and Social Class Factors impact on Purchasing Behavior of Fashion Luxury Goods or not.

6. RESULTS AND DISCUSSIONS

6.1 Hypothesis 1

H0: r = 0 (There is no relationship between Demographical Factors and Purchasing Behavior of Fashion Luxury Goods.)

H0: r ≠ 0 (There is a relationship between Demographical Factors and Purchasing Behavior of Fashion Luxury Goods.)

Table 6.1 Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.895[a]	0.738	0.737	4.289	1.809
a Predictors: (Constant), Demographical Factors					
b Dependent Variable: Purchasing Behavior					

Source: survey output

There have "R, R Square, and Adjusted R Square, Std. Error of the Estimate and Durbin-Watson values in the Model Summary Table. According to this table R=.895 and R Square is .738. That mean 73.8% of Dependent Variable: Purchasing Behavior is explained by Independent Variable: Demographical Factors. And also Adjusted R Square was .737 within the value range from 0 to1 which mean that the sufficient portion of the model fit for the population.

Table 6.2 Coefficients[a]						
Model		Unstandardized Coefficients		**Standardized Coefficients**	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.113	1.423		6.460	.000
	Demographical Factors	1.099	.070	.895	21.970	.000
a. Dependent Variable: Purchasing Behavior						

Source: survey output

According to the coefficient table sig. value is 0.000 which is lower than 0.05. So it Rejected Null Hypothesis (H0) and Accept the Alternative Hypothesis (H1) not only that but also B value is 1.099, which is represent that a Strong and Positive Relationship with Demographical Factors and Purchasing Behavior of Fashion Luxury Goods.

6.2 Hypothesis No: 02

H0: r = 0 (There is no relationship between Social Class Factors and Purchasing Behavior of Fashion Luxury Goods.)

H0: r ≠ 0 (There is a relationship between Social Class Factors and Purchasing Behavior of Fashion Luxury Goods.)

Table 6.3 Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.783[a]	.634	.632	4.091	1.698
a. Predictors: (Constant), Social Class Factors					
b. Dependent Variable: Purchasing Behavior					

Source: survey output

There have "R, R Square, and Adjusted R Square, Std. Error of the Estimate and Durbin-Watson values in the Model Summary Table. According to this table R=.783 and R Square is .634. That mean 63.4% of Dependent Variable: Purchasing Behavior is explained by Independent Variable: Demographical Factors. And also Adjusted R Square was .632 which mean that the sufficient portion of the model fit for the population.

Table 6.4 Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.908	1.283		6.704	.000
	Social Class Factors	3.421	.062	.783	19.254	.000
a. Dependent Variable: Purchasing Behavior						

Source: survey output

According to the coefficient table sig. value is 0.000 which is lower than 0.05. So it Rejected Null Hypothesis (H0) and Accept the Alternative Hypothesis (H1) not only that but also B value is 3.421, which is represent that a Strong and Positive Relationship with Social Class

6.3 DISCUSSION OF FINDINGS
In this research, the researcher tried to find out the impact of demographics and social class on purchasing behavior. After analyzing the data, the results and findings of the research were as follows:

It was found to be that there is a positive relationship between demographics and social class on purchasing behavior. The coefficient sig. value is 0.000 which is lower than 0.05 in both factors (demographics and social class) with the purchasing behavior.

Durbin-Watson value of demographics and social class was 1.809 and 1.698 respectively and which is close to 2(two) and indicate no problem in correlation with Dependent and Independent variables.

7. CONCLUSION

7.1 Demographical Factors and purchase intention
According to the finding demographic factor have high relation with fashion luxury product purchase intention. According to demographic factor these age group has high purchase intention to Fashion luxury product. Without considering income level, education level and other Demographical Factors most of respondents are willing to buy Fashion luxury product.

7.2 Social class and purchase intention
According to the study, the researcher has identified that there are high relationship with fashion luxury product purchase intention and social class. Without considering social condition most of respondents are willing to buy Fashion luxury product. Now a days most of the respondents are used Fashion luxury goods as a status symbol as well as in special occasion they try to use this goods.

8. RECOMMENDATIONS

In the study, designed to identify reference of social class and demographics to purchase intention of fashion luxury good in Batticaloa district market , and theoretical base on which it is conducted hold valuable implications for the literature on consumer values. Also, this study provides several implications for the marketing theory and present Marketers. Based on the findings and conclusion drawn under previous part of the study, the researcher has recommended following course of actions Batticaloa District Marketers and Managers.

- High reference of the social class and demographics on fashion luxury good purchasing intention insight provides to managers to compete with Fashion luxury products markets and others markets.

- According to the study, the researcher found that the Batticaloa District consumers consume due to keep their social class requirement and due to demographics. Therefore it is advisable to Fashion luxury product market, and slogans to local brands for promotional and marketing communications activities by domestic companies.

- Based on this study we can find out the relationship among demographics and social class on fashion luxury product there for these finding can be used to fashion luxury product developers to create their future product focusing the target customers.

- It recommended for marketers to expand the market segment rapidly in the Batticaloa District because most of the respondents have negative perception regarding the fashion luxury goods market.

- Based on this study we can find out the relationship among demographics and social class on fashion luxury product there for these finding can be used to find attractive brands of respondents.

9. DIRECTION FOR FURTHER RESEARCH

The researcher has done this study to identify the impact of demographics and social class factors on purchasing behavior of fashion luxury product market in Batticaloa District. However, the researcher has identified following areas to be studied in the future research.

- Impact of other reference factors on purchase intention to Fashion luxury product.

- The relationship between Fashion luxury product availability and purchase intention of Fashion luxury product.

- The impact of branding and other marketing activities on purchase intention to Fashion luxury product.

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