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The Influence of Brand Luxury on Consumer Loyalty and Purchase Intention

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Abstract. The concept of luxury brands is frequently related to prestige, symbolic value and a special form of consumer experience. Nevertheless, these benefits do not necessarily imply that luxury brands are always more successful in terms of customer loyalty or purchase intention than non-luxury brands. The paper will discuss the review of available literature and explore how both luxury and non-luxury brand positioning can impact the responses of consumers to marketing strategies. The review is based on customer satisfaction, brand trust, brand loyalty, willingness to buy and marketing efforts including sustainable messaging and cause-related marketing. The results indicate that the responses to luxury brands can be affected by consumer traits, perceived value, brand identity and customer relations. Non-luxury brands might also develop loyalty when they satisfy consumer requirements and offer the practical value. Also, the brand type, cultural context, and congruence among the marketing message and brand image could determine the success of marketing strategies. Thus, luxury brands must not necessarily be assumed to be more effective in producing loyalty or purchase intentions. The review ends by stating that further studies need to contrast luxury and non-luxury brands under the same marketing conditions and investigate the purchase intention and brand loyalty independently to gain a better understanding of the role played by brand positioning in influencing the behavior of the consumers.

Keywords: Luxury brand & non-luxury brand, consumer loyalty, consumer willingness to buy

1. Introduction

The luxury and non-luxury brands have various marketing plans that they can apply in attracting customers and it is also possible that they adopt the same methods such as social media communication, promotional activities, and marketing related to sustainability. Nevertheless, people may react in a variety of ways based on the kind of brand and personal tastes. The luxury brands are frequently seen as prestigious, exclusive, and having a symbolic value whereas the non-luxury brands can be perceived as more practical and affordable.

Earlier studies have covered the issue of consumer behavior in the luxury market. Dhaliwal et al. have reviewed the literature on luxury products and consumer behavior giving a summary of major factors influencing luxury buying behavior [1]. Schade et al. observed that age group differences

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may exist among the reasons why people purchase luxury items [2]. Equally, Stokburger-Sauer and Teichmann explored gender disparity in luxury consumption and concluded that men and women could show differences regarding their attitude towards luxury brands and their desire to purchase them [3]. The presented findings indicate that such features of the consumer as his/her characteristics and motivations play an essential role in explaining the nature of the purchase.

Nevertheless, it is also crucial to know that there are different responses among customers to luxury and non-luxury brands in case they apply the same marketing approaches. Especially, the brand loyalty and willingness to buy do not necessarily have to be higher in case of luxury brands, since customers can estimate brands about various needs and expectations.

Consequently, the paper analyzes the discrepancy between luxury and non-luxury brands regarding the consumer loyalty and desire to buy when they are subject to the same marketing strategies. It also considers the perceptions of value, brand identity, customer satisfaction and trust. The objective is to know why the same marketing strategies might not be equally effective across brand categories.

2. Which consumer groups have a higher willingness to purchase luxury brands

Consumers in the luxury market differ in their purchasing behavior because of many factors [1]. This review examines whether perceived luxury positioning, rather than product category alone, strengthens consumer loyalty and purchase intention. Among those factors, age is an important factor that can influence consumers' response to luxury brands. Schade et al. examined luxury brand consumption across three age range: 16-25 years old, 26-39 years old, 40-59 years old. While all three groups are related to hedonic and utilitarian functions, consumers who age at 16-25 years old their luxury purchase behavior are stronger influenced by social-adjustive motivations, whereas 26-39 years old consumers affected more by value-expressive [2]. In contrast, social functions do not significantly determine luxury brand acquisition among middle-aged consumers, but age may influence purchase intention through a shift from social-adjustive motives among younger consumers to value-expressive motives among older consumers [2]. Those findings show that consumers of different ages may respond to luxury brands for different psychological reasons rather than simple willingness to buy.

For instance, younger consumers are more sensitive on the luxury products' social meaning, because luxury consumption can help them gain recognition from others. As consumers become older, the reasons for purchasing luxury products become less related to social approval while more connected to personal values and self-expression. This suggests that age can affect whether consumers are willing to purchase luxury products, also what they expect to receive from the brand. Based on those findings, companies need to consider the age characteristics of their target consumers when developing marketing strategies for luxury brands. Gender may also influence consumers' responses to luxury brands. Stokburger-Sauer and Teichmann found that women generally show more positive attitudes toward luxury brand and higher willingness to buy than men when comparing luxury and non-luxury brands [3].

Their findings further analyzed gender differences may emerge because consumers assign different importance to uniqueness, status, and hedonic value [3]. These result present that gender also shape how consumer treat the symbolic and emotional benefits contained with luxury brands, which can critically impact consumers' willingness to purchase. This difference may be related to the different benefits consumers looking for when purchasing luxury products. Luxury brands often provide consumers more than functional benefits. They also provide symbolic, emotional, and social benefits. Therefore, if female consumers place greater importance on uniqueness, status, and

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hedonic value, marketing strategies that emphasize these benefits may receive different responses from female and male consumers. This also indicates that consumer characteristics should be considered when examining willingness to purchase luxury brands, because the same marketing message may not create the same response among different groups of consumers. Therefore, consumer characteristics such as age and gender may influence not only willingness to purchase luxury brands but also the underlying motivations for luxury consumption.

3. Consumer responses to the same marketing strategy across luxury and non-luxury brands

If luxury and non-luxury brands use the same marketing strategy, the comparison should hold message content, communication channel, exposure frequency, and target audience constant so that differences can be attributed more plausibly to brand positioning. It is not always likely that the two kinds of brands will have the same response to it. Even though marketing strategies like social media communication, sustainability initiatives and cause-related marketing can be utilized by both luxury and non-luxury brands, the interpretation of these strategies by consumers might be different because of the brand positioning and the meanings that are associated with the brand. It is thus important to compare luxury and non-luxury brands to determine if the similar marketing strategy could produce different values of loyalty to the brand and intention to buy it.

The study conducted by Kong et al. offers proof that the process of brand positioning may affect the consumer reactions to marketing communication [4]. The study compares luxury and non-luxury fashion brands in terms of sustainability and social media communication [4]. The authors prove that the same campaign may produce different responses when its message is more congruent with one brand's positioning than with the other's [4]. It is especially important to note when contrasting luxury and non-luxury brands as luxury brands possess symbolic and experiential values aside the functional value of the products. This difference is especially important when comparing luxury and non-luxury brands because consumers may interpret sustainability messages differently. For luxury brands, sustainability may be seen as part of the brand's symbolic identity and values. In contrast, consumers may focus more on the demonstration of practical responsibility through its products and business practices of non-luxury brand. Therefore, the same sustainability marketing strategy may influence consumers' brand attitude, eWOM and purchasing intentions differently depending on the type of brand [4]. This indicates that the effectiveness of a marketing plan does not have to remain constant with respect to different brand categories.

Brand prominence is an additional reason as to why luxury and non-luxury brands might produce different consumer reactions to the similar marketing action. Baghi and Gabrielli studied brand prominence in cause-related marketing with a focus on comparing luxury and non-luxury brands [5]. Baghi and Gabriellis' findings suggest that the effect of brand prominence can differ depending on whether the commercial brand is positioned as a luxury brand [5]. Luxury brands customers could be focused on the symbolic value and image that is related to the brand whereas non-luxury brands customers could have a different opinion about the marketing campaign. The connection between the marketing strategy and consumer response may rely not just on the substance of the strategy but also on the positioning and identity of the brand carrying out it [5].

It is also essential to note when assessing the intention to buy that there is a difference between luxury and non-luxury consumers. Zhang and Cude contrasted Chinese luxury consumers and non-luxury consumers based on luxury clothing and investigated factors related to purchase intentions of consumers [6]. Zhang and Cude found significant differences between Chinese luxury and non-luxury consumers in their purchase intentions for luxury clothing, as well as in the factors influencing those intentions [6]. Customers that are already using luxury items might have other

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reasons, opinions, and judgments than customers that mostly make purchases of non-luxury products [6]. Such disparities can influence the way consumers react to marketing communication and then their readiness to buy.

Nevertheless, willingness to buy is just one aspect of consumer response. Another significant result of the comparison between luxury and non-luxury brands is brand loyalty. The study of Aydin deals with the correlation between customer satisfaction, brand loyalty, and brand trust in luxury as well as non-luxury brands. It is argued that loyalty cannot be viewed as an attribute of a luxury brand alone. Customer satisfaction may help build trust in a brand, while brand trust may further strengthen customer loyalty. In addition, satisfaction may influence loyalty directly through consumers' positive experiences with the brand. Therefore, when comparing luxury and non-luxury brands, it is important to examine how satisfaction, trust, and loyalty are connected and whether these relationships differ between the two types of brands. Hence, although luxury brands are likely to gain advantages of exclusivity, prestige and symbolic value, these features are not necessarily indicative of the fact that luxury consumers will inevitably exhibit more loyalty compared to non-luxury consumers [7].

According to the available literature, the connection between marketing strategy and consumer response is even more complicated than a comparison of luxury and non-luxury brands. Luxury brands might have unique symbolic and emotional attributes that can shape consumers perceptions of marketing communication whereas nonluxury brands can be perceived as more valuable on the basis of functionality, availability or another benefit associated with the product. The importance of brand type in sustainability communication is shown by Kong et al., whereas Baghi and Gabrielli prove that the impact of brand prominence on reactions towards cause-related marketing differs between luxury and non-luxury brands. In terms of the consumers, Zhang and Cude indicate that purchase-related traits of luxury and non-luxury consumers may be different and that the concept of satisfaction and trust may play an important role in the context of brand loyalty [4-6].

All these studies suggest that luxury brand positioning can impact both the purchase intention of the consumer as well as their loyalty, although it cannot be taken as a matter of course that the effect is necessarily more significant than that of non-luxury brands. Rather, the reactions of consumers might vary based on perceived value, identity congruence, and brand trust can explain why identical marketing activities generate different consumer responses. It raises a serious question to be answered in future research: if luxury and non-luxury brands adopt the same marketing strategy, will the luxury positioning of the brand result in increased loyalty among consumers or greater willingness to buy? Managers should adapt the same campaign to the symbolic expectations of luxury consumers and the functional expectations of non-luxury consumers.

4. Key findings and explanatory mechanism

The analysis of the studies presented shows that luxury brands do not necessarily have a greater level of consumer loyalty or purchase intention compared to non-luxury brands. The outcome will vary based on the form of the marketing strategy, the values offered to the consumers and the relationship between the consumer and the brand.

To begin with, the concept of perceived value is essential to customer loyalty. The research on luxury car owners in Kerala, India was conducted by Femina and Santhi [8]. Their results indicate that hedonic value is strongly related to attitudinal loyalty, whereas economic value is related to behavioral loyalty [8]. Social value has an impact on both attitudinal and behavioral loyalty, however there was no support of the relationship between functional value and either of these types of loyalty. It is also observed in the article that attitudinal loyalty can be used to explain the

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connection between certain dimensions of perceived value and behavioral loyalty [8]. These results imply that customers might be loyal to luxury brands because of pleasure and social significance rather than just because of the practical usefulness of goods.

In the same way, Xi et al. examined Chinese customers who bought luxury jewelry [9]. The results indicate that there are four dimensions of perceived value which have a great influence on the social and personal identity that consumers relate to a luxury brand [9]. The quality of brand information also enhances the link between perceived value and social brand identity [9]. It implies that consumers can opt for luxury brands as such brands are likely to represent how they view themselves or how they desire to be perceived by others. Consequently, the promotion of luxury brands through marketing campaigns that communicate the identity and symbolism of the brand may prove beneficial.

Thirdly, customer loyalty towards a brand can be explained by means of customer commitment, trust, and engagement. The factors contributing to customer commitment to luxury brands were investigated by Shukla et al. [10]. They demonstrate that various factors contribute to affective, calculative and normative commitment, with these types of commitment being associated with consumption satisfaction and intention to advocate [10]. Using survey data of 523 luxury brand buyers in Bangladesh, Ghosh et al. observed that electronic word-of-mouth (eWOM), customer engagement, value consciousness, and customer trust have a significant impact on loyalty to luxury brands [11]. Nonetheless, since Ghosh et al. considered luxury brand consumers in Bangladesh aged between 21-30 years their results do not necessarily hold across all consumer segments or non-luxury brands [11].

Also, it is possible that a marketing strategy may be effective depending on whether a particular brand is classified as luxurious or otherwise. The study by Kong et al. involved comparing how consumers responded to sustainability communication in social media between Germany and South Korea [4]. It is found that sustainability communication could be more successful when used by non-luxury brands in a cultural environment where the need to be aware of sustainability is great [4]. It shows that luxury positioning cannot necessarily lead to a more effective marketing campaign.

Baghi and Gabrielli present another case study with their investigation of cause-related marketing [5]. They determined that the contrast in visual presence between a commercial brand and its nonprofit partner can affect how consumers view them and what they intend to buy [5]. When the condition was luxury brand, increased visual prominence of the commercial brand made the attitude towards the cause-related marketing product more positive and the intention of people to purchase it higher. It implies that luxury brands can profit by increasing their brand visibility in particular marketing initiatives.

In general, these studies have demonstrated that luxury positioning can have an impact on the consumer responses, however, the effect is conditional on product category, cultural context, prior luxury experience, and whether the campaign emphasizes symbolic, social, or functional value. Luxury brands could be advantageous in terms of symbolic value, customer commitment as well as brand identity. Nevertheless, the success of marketing also relies on the campaign and on the expectations of the target customers. The current research cannot be used to support the statement that luxury brands will ever be more loyal and intent on purchasing than non-luxury brands.

5. Discussion & suggestion

As suggested by the results, there are several means through which both luxury brands and non-luxury brands can enhance consumer loyalty and purchase intention.

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To begin with, businesses need to know the greatest advantages that their desired customers are going to get. This is shown by Femina and Santhi, who demonstrate that various perceived value dimensions have varying correlations with loyalty to luxury cars [8]. Perceived value is also identified by Xi et al. as being important to the construction of a brand identity [9]. Thus, luxury brands may think about communicating enjoyment, social value and brand identity, whereas non-luxury ones might focus on the benefits that are the most important to their customers. Nevertheless, organizations cannot take it for granted that all consumers within a given consumer segment will be interested in the same set of benefits.

Secondly, organizations must invest in customer commitment and trust instead of depending exclusively on the image of their brand. According to Shukla et al., customer commitment can be expressed in various ways, and it is connected to the satisfaction of consumption and the intention to advocate [10]. Ghosh et al. also indicates that there are associations between customer engagement, trust, value consciousness, and eWOM and luxury brand loyalty [11]. The research findings indicate that companies need to offer reliable products, clear communication, and promote valuable connections with customers. Such measures can contribute to the creation of long-term customer relationships.

Third, firms must align their marketing approach to their brand positioning and the expected behavior of the target market. Kong et al. reveal that the efficiency of sustainability communication depends on the type of brands and cultural contexts [4]. Baghi and Gabrielli also show that the presence of a brand can influence the reactions of customers to cause-related marketing [5]. Companies should therefore not just replicate a marketing strategy of another brand. Rather, they ought to think about how the consumers may perceive the message and if it is in line with the brand image.

Conclusively, Purchase intention can be measured as near-term willingness to buy, while loyalty should be assessed through commitment, advocacy, and repeat-purchase behavior. It is possible that a consumer is interested in buying a product but is not willing to be a long-term customer. Likewise, a loyal customer might keep buying a brand due to trust, satisfaction or a prior relationship. When assessing the effectiveness of a marketing campaign, companies should thus consider both short term purchase intention and longer-term loyalty.

The future study can be done by comparing luxury and non-luxury brands with the same marketing message and communication channel and at the same exposure level. The researchers can subsequently gauge the alteration in purchase intention and brand loyalty independently. They ought also to take into consideration the age of the consumer, gender, culture, and past buying experience because all those factors might influence how the consumers behave towards luxury brands [2, 3, 6].

6. Conclusion

To sum up, it is not always true that luxury brands have a stronger consumer loyalty or likelihood of purchasing products compared to non-luxury brands. Although luxury brands might enjoy prestige, exclusivity and symbolic value, consumer behavior also depends on perceived value, brand identity and customer satisfaction and trust. Customer loyalty can also be established through non-luxury brands that meet consumer needs and provide them with good value and develop positive relationships with consumers.

Also, the marketing strategy effectiveness depends on whether the strategy suits the brand image and the expectations of its target consumers. Hence, it is unwise to think that a strategy that was successful with one brand will have the same effect with another. However, they need to take into consideration their brand positioning and the target audience, as well as the benefits that the

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customers are most interested in. These two concepts ought to be measured independently because a person can buy a product without committing to being a loyal consumer over time.

One of the limitations of the current study is that the studies have analyzed various products, countries, consumer groups as well as marketing strategies. It is challenging to compare their results directly. The future research might also examine a comparison between luxury and non-luxury brands by the same marketing message, communication channel, and exposure conditions. Researchers could have a clearer insight into whether the difference in consumer responses to brands is due to marketing strategies or to the attributes of the brands themselves by measuring the purchase intention and brand loyalty independently.

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