

A Study to Analyze the Change in Consumer Behavior towards Luxury Goods among students when exposed to Social Media Marketing with specific reference to Wrist Watches

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Available online at: www.ijcseonline.org

Abstract— Social media as a platform has to a large extent been an influencing force in the current economic turnaround. The studies undertaken earlier have shown how young adults give high priority to brand consumption and the current study examines the influence of social media marketing on students towards luxury brands when exposed to advertisements released on the social network sites. The examination was conducted on a sample size of 201 respondents with a pre-exposure and pro-exposure to advertisement activity and paired sample T-test being applied on the responses. It was observed from the test that the respondents were influenced in taking a decision after being exposed to a message but at the same time were not influenced by the buzz created by fellow social media users.

Keywords— Consumer Behavior, Social Media Marketing, Wrist Watch, Luxury Brands.

I. INTRODUCTION

Kaplan and Haenlein (2010) in their research mention that Social media in its simplest form involves varied kinds of popular media that can be utilized by anyone familiar with the resource Social media can also include websites that use collective virtual applications that allow the formation, exchange, and broadcasting of online user generated content and comprises social networking sites (e.g., Facebook), content sharing (e.g., Instagram), web chat/discussion (e.g., Skype), microblogging (e.g., Twitter), and livestreaming (e.g., Lifestream) (Campbell *et al.*, 2016). In the words of Chi (2011, 46) social media marketing is a “connection between brands and consumers, [while] offering a personal channel and currency for user centered networking and social interaction.”

Social media engagement in the changing environment has been deemed to be an essential platform for it gives the consumers the freedom as well as involvement in the globally evolving scenarios. Being a non-paid platform, social media channels have been observed to help any marketer reduce the marketing costs and at the same time effective in delivery mechanism (DeMers, 2014; Lamberton and Stephen, 2016). Social media also provides flexibility to the companies or brand to make adjustments according to the current trend (Lamberton and Stephen, 2016; Rana and Kumar, 2016). According to Rana and Kumar (2016) social media gives the marketer that platform to create potentially abundant benefits because of the ability to engage prospective customers.

The luxury sector has adapted to the advent of technologies at a slower rate as compared to other sectors which have effectively and efficiently collaborated digital technologies and social media for improved connectivity between firms and customers. (Arrigo, 2018).

According to *Zenith's* Luxury Advertising Expenditure Forecasts 2018 which studied 23 markets spread across the globe found that Hospitality was the primary focus of all luxury advertisers followed by automobiles, watches and jewelry (Barnard, 2018).

In a report on the Luxury Society published in the 2014 by Digital Luxury Group, it observed that 52% of watch industry executives had a perception that social media having the biggest potential to impact an organizations reputation. The Attitudes of Millenials have changed and it would be an understatement to say that Millinials are the largest spending generation in the market today with 47% of this group taking a purchase decision under the influence of social media, watch & jewellery brands have had no other choice but to rise to the challenge.

II. REVIEW OF LITERATURE

Kaplan and Haenlein (2010, 61) define social media as “a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user generated content.” Sinclair and Vogus (2011, 294) cite O'Reilly's (2005)

definition: “social media is a broad term that describes software tools that create user generated content that can be shared.”

Paquette (2013) and Shankar (2015) both are of the opinion that Social media has transformed from a simple platform providing access to individual to staying in contact with family and friends to a place where consumers can learn more about their favorite companies and the products they sell. Marketers and retailers are utilizing these sites as another way to reach consumers and provide a new way to shop. “Technology related developments such as the rise of powerful search engines, advanced mobile devices and interfaces, peer-to-peer communication vehicles, and online social networks have extended marketers’ ability to reach shoppers through new touch points”.

Kumar and Singh (2013) makes the case that how social media as a marketing communication tool helps in building brand equity and customer relationship. In their study they have examined the strategy “Live the moment” used in social media campaign by Maruti Suzuki for its Ritz car to creating awareness and preference for its car. They found that using social media strategy used became a most successful campaign by the company and was capable of building a strong brand and strengthen its customer relationship through social media network. This tool not only stimulated the interest among its online fans community it also increased the awareness of other stakeholders.

Taylor, Strutton, and Thompson (2012), found however, that social media users’ message sharing behaviors are also attributed to the need for self-enhancement. When consumers perceive an online advertisement to be consistent with their identity, they are more likely to share the message with others because it is representative of who they are and what they like. Thus, “advertisers should consider the symbolic and self-expression properties of their online ads and match them to targeted consumers’ self-concepts” (Taylor, Strutton, and Thompson 2012).

Chu (2011) examined the link between Facebook brand related group participation, advertising responses, and the psychological factors of self-disclosure and attitudes among members and nonmembers of Facebook groups. The study determined that users who are members of groups on Facebook are more likely to disclose their personal data than non members are. Chu (2011) 10 explains group participation and engagement with online ads requires a higher level of personal information because users openly reveal their connections with Facebook groups and promote brands or products when they pass on ads to their friends. “Facebook groups provide channels that consumers deem useful when seeking self-status in a product category, as does

passing on viral content about brands to their social contacts” (Chu 2011).

Zhang, Jansen, and Chowdhury (2011) specified that businesses should have a brand presence on many different social media sites to increase their consumer audience. “Research has shown that exposure to electronic word of mouth (eWOM) messages can generate more interest in a product category than can exposure to information produced by marketers” (Birkart and Schindler 2001 as cited in Zhang, Jansen, and Chowdhury 2011). Today, consumers are more knowledgeable of the products they consume due to the internet empowering them to gain access to information thus, creating active co-producers of value (Zhang, Jansen, and Chowdhury 2011).

III. OBJECTIVES

- To study the efforts of social media marketing on luxury brands with reference to wrist watches among students in Indore.
- To study the change in consumer behavior on luxury brands (wrist watches) through social media marketing.

IV. RESEARCH METHODOLOGY

1. The Study:

The study consists of social media marketing efforts on luxury brands and its influence on consumer behavior among students in Indore with reference to wrist watches.

2. The Sample :

The sample size: This sample size of the research was 201 students with a error rate of .05%

Sample unit: Students of Indore

3. Tools for data Collection:

Primary Data: The Primary data was collected through self structured questionnaire based on 5 point likert scale and for pre testing and post testing of data. Videos of Luxury watches which were released in the past 1 year on various social media platforms were used to analyze the influence on the respondents.

Secondary Data: The secondary data was collected through different past research, websites, internet, magazines, newspapers etc.

4. Tools for Data Analysis

- a. Descriptive analysis of demographic responses
- b. Kaiser Mayer Olkin Test for Sampling Adequacy
- c. Reliability Testing using Cronbach’s Alpha
- d. Paired Sample t test on pre and post data

5. **Hypothesis:** The study was conducted on the premise that when a consumer is exposed to an advertisement

of luxury goods on his preferred social media, it leads to a positive and significant shift in the consumer behavior towards luxury products.

V. RESULTS AND ANALYSIS

The responses collected through a self structured questionnaire where we had Males (101) and Females (100) as respondents. The age breakup of these respondents, 131 were from the age group between 18 - 25 years, 51 between the age group of 25 – 33 years, 16 were in the age group of 33 – 41 years and 3 were from the age group of 41 – 49 years. The course being pursued by the respondents ranged from Graduation consisting of 73 respondents, Post Graduation consisting of 103 respondents and the Other courses option with 25 respondents

The data adequacy was checked using Kaiser Mayer Olkin test of Adequacy which was found to be a healthy 0.85 and reliability being 0.91 which was also in the acceptable range of research.

Table 1

Sr. No	Statement	Yes	No	Interpretation
1a*	Do you wish to see advertisement of luxury wrist watches brand on your social media platform?	131	70	A significant change was observed in the choice of respondents after they were exposed to advertisement on the social media
1b*	Do you wish to see advertisement of luxury wrist watches brand on your social media platform in future after watching the video?	167	34	
1a*: This Statement was part of the questionnaire used for Pre Testing				
1b*: This Statement was part of the questionnaire used for Post Testing				

Table 2

Sr. No	Exploratory Statement	Hypothesis	Result of T-test
1	Would you like to follow a luxury wrist watches brand page on social media.	There is no significant change in the choice to follow luxury wrist watches on social media in the pre and post stage with relation to exposure to advertisement on social media	Null Hypothesis was not accepted

2	I think that social media marketing helps in acquiring information about luxury wrist watches brand.	There is no significant change in the opinion on acquisition of information through social media in the pre and post stage exposure to advertisement on social media	Null Hypothesis was not accepted
3	Rating on social media affects my buying decision	There is no significant change in the opinion on affects of rating on social media in the pre and post exposure to information on social media	Null Hypothesis was not accepted
4	Reviews on social media affects my buying decision	There is no significant change in the opinion on affects of reviews on social media in the pre and post exposure to information on social media	Null Hypothesis was not accepted
5	I feel more confident about luxury watches brand if they have a positive presence on social media	There is no significant change in the confidence of the respondents for luxury watches due to a positive presence on social media in the pre and post exposure to information on social media	Null Hypothesis was not accepted
6	I search for luxury watches information after seeing their buzz on social media	There is no significant difference for search for luxury watches information due to social media buzz in the pre and post exposure to information on social media	Null Hypothesis Accepted
7	I changes the buying decision towards a luxury wrist watch after watching its advertisement on social media	There is no significant change in the decision to buy search for luxury watches information due to social media buzz in the pre and post exposure to information on social media	Null Hypothesis was not accepted

8	Negative buzz of a luxury brand on social media leads to its reputational risk	There is no significant change in the perception that negative buzz of a luxury brand on social media leading to a reputational risk in the pre and post exposure to information on social media	Null Hypothesis Accepted
9	Information created by other consumers on social media about a brand is trusted more than a marketer	There is no significant difference between the information created by consumer in comparison to a information created by promoter in the pre and post exposure to information on social media	Null Hypothesis was not accepted
10	I prefer writing comment about a luxury brand after seeing a post of it on social media	There is no significant difference between the pre and post exposure to social media with reference to writing comment about brands on social media	Null Hypothesis was not accepted
11	Do you prefer sharing details about a luxury brand to your online groups	There is no significant difference in the preference of sharing details about luxury brands among online groups after the pre and post exposure to information on social media	Null Hypothesis was not accepted

According to the result of the research it was observed that after watching the video respondents have shifted in favor of social media thus companies specially the luxury wrist watches brands should focus on social media marketing as reviews, ratings, electronic word of mouth, etc., play an important role in influencing the change in consumer behavior towards luxury brands so companies should provide customers a platform to have a discussion and keep their point of views for the product. They should mention people as reference in the social media posts. On websites or any other platform the company should answer the question that people ask. In order to keep the customer engaged the company should actively reply when people mention or share the content of the company and online groups. Effective and good content should be shared because negative buzz have a crucial impact on brands reputation. Reviews and ratings should be examined and if there is any complained posted should be

explained by the company soon. Consistently posting is important to engage the customer because then the company could make them share the posts or information with their contacts thus creating a positive word of mouth.

VI. CONCLUSION

As per the research conducted social media marketing efforts plays an important part in changing consumer behavior towards a particular brand specially luxury brands with reference to wrist watches. There was a prominent change in the preferences of respondents before and after watching the video of luxury wrist watch on social media. Various things like reviews, ratings, online groups have their influence on buying decision. social media is not only used to share the photos or videos of the products but is also an important source for gathering information of that particular brand. Nowadays information shared on social media through customers spreads faster than that of the marketer so it is very important for the company to focus on these points because any misleading information could create a negative buzz which is not good for the companies. So in order to engage with more customers and reach maximum number of people companies should do prominent efforts in managing social media marketing.

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Annexure

1) Reliability Analysis

Table 3 Reliability Statistics

Cronbach's Alpha	N of Items
.909	19

2) Sampling Adequacy and Bartlett's Test of Sphericity

Table 4 KMO and Bartlett's Test

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Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.850
Bartlett's Test of Sphericity	Approx. Chi-Square	2299.198
	df	171
	Sig.	.000

3) Paired Sample T-test Analysis

Table 5 Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Have you noticed luxury wrist watches advertisement on social media - Do you wish to see advertisement of luxury wrist watches brand on your social media platform in future after watching the video	.179	.433	.031	.119	.239	5.860	200	.000
Pair 2	Would like to follow a luxury wrist watches brand page on social media. - Would like to follow a luxury wrist watches brand page on social media.	.095	.395	.028	.040	.149	3.393	200	.001
Pair 3	I think that social media marketing helps in acquiring information about luxury wrist watches brand. - I think that social media marketing helps in acquiring information about luxury wrist watches	-.174	.703	.050	-.272	-.076	-3.511	200	.001

	brand.								
Pair 4	Rating on social media affects my buying decision - Rating on social media affects my buying decision	-.169	.609	.043	-.254	-.084	-3.936	200	.000
Pair 5	Reviews on social media affects my buying decision - Reviews on social media affects my buying decision	-.114	.701	.049	-.212	-.017	-2.313	200	.022
Pair 6	I feel more confident about luxury watches brand if they have a positive presence on social media - I feel more confident about luxury watches brand if they have a positive presence on social media	-.114	.814	.057	-.228	-.001	-1.994	200	.047
Pair 7	I search for luxury watches information after seeing their buzz on social media - I search for luxury watches information after seeing their buzz on social media	-.045	.750	.053	-.149	.060	-.846	200	.399
Pair 8	It changes the buying decision towards a luxury wrist watch after watching its advertisement on social media - It changes the buying decision towards a luxury wrist watch after watching its advertisement on social media	-.189	.809	.057	-.302	-.077	-3.314	200	.001
Pair 9	Negative buzz of a luxury brand on social media leads to its reputational risk - Negative buzz of a luxury brand on social media leads to its reputational risk	-.080	.674	.048	-.173	.014	-1.676	200	.095
Pair 10	Information created by other consumers on social media about a brand is trusted more than a marketer - Information created by other consumers on social media about a brand is trusted more than a marketer	-.234	.806	.057	-.346	-.122	-4.112	200	.000
Pair 11	I prefer writing comment about a luxury brand after seeing a post of it on social media - I prefer writing comment about a luxury brand after seeing a post of it on social media	-.189	.744	.053	-.293	-.086	-3.601	200	.000
Pair 12	Do you prefer sharing details about a luxury brand to your online groups - Do you prefer sharing details about a luxury brand to your online groups	.104	.366	.026	.054	.155	4.046	200	.000

Authors Profile

Dr. Arpit Loya has six years of teaching experience at postgraduate and undergraduate levels that include coordinating and handling of various academic and administrative responsibilities. He has been empanelled as paper setter and examiner by Devi Ahilya Vishwavidyalaya, Indore, Sanghvi Institute of Management & Science, Indore. He has presented research papers in National / International Conferences and published research papers in Proceedings and Journals. He has also attended several National / International Conferences, Seminars, Workshops, organized by various institutes including MTMI, Canada, MTMI, IMS Indore, MITS, Indore, PIPS, Indore, He has several publications in the area of marketing and general management to his credit. He has taken many responsibilities as a coordinator like cultural, counseling, program coordinator also Coordinator of Major Research Projects of PG students, in PIMR And SIMS, Indore

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