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# Impact Of Price On The Purchase Intention Of Consumers Regarding Luxury Products

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**ABSTRACT**

Factuallyexploring, it was the structured society which paved the way to the need for luxury. But, it was the nineteenth century which gave a new beginning to luxury brands. it was in this time that the products of luxury fashion made a drastic advancement because of the origination of the Haute Couture and sewing machine. The concept of luxury fashion took its total development by the twentieth century. The brands which were regarded to be as luxury fashion were identified as the trademarks which made the global branding as an imperative concept of business. Luxury fashion is influenced by the technology. Technology also is a driving force which uses the modern trends, involving many sectors of the society. The current study has been done to review the effect of price of luxury products on the purchase intention of the consumers towards the same.The study was carried on among the consumers of luxury products in Chennai who are selected by simple random sampling. The sample size of the study is 100 and the data from the respondents is collected with the help of a questionnaire. The analysis of the data so collected is done by performing Regression.Findings of the study show that the luxury products' purchasers were highly influenced by the Price**.**

**KEYWORDS**: Price, Luxury products, Purchase intention

## INTRODUCTION

The term purchase intention has been defined by Menon (2017) as the probability that the consumers will be willing or will plan to buy a specific product in the future. This definition will help the marketers of a brand to predict the future course of action of the consumers whether they will purchase or not, the product of a particular brand. this helps to consider all these measures while framing strategies for improving the purchase intention and the real time purchase of products. prior studies had given results that there is an optimistic relationship between the actual purchase and the purchase intention of the consumers (Menon, 2017). The same author had also stated that the positive attitude towards the brand also increases the purchase intention of the consumers.

The price of a product is a general but significant term which influences the purchase behavior of the consumers. The consumers make a quick response to the discounted price because of the benefits and values which the discounted price that the discounted price gives to the consumers (Keller, 1998). Discounted price does not refer to the reduced price alone, but, it also explains about the dissimilarities in the price of the same type of products to the consumers (Raghubir&Corfman, 1999). Nevertheless, Chen, Marmorstein, Tsiros and Rao (2012) had explored that the discounted price has got a great level of influence over the consumers than the enhanced value of bonus packs, in case of products which are highly priced. In case of outlet malls also, they reap huge benefits by the main feature named, price. Barnes (1998) had said that the consumers get benefits of discounted price when they purchase in outlet malls. On the basis of the significance of price amidst the consumers, the prior studies made had made it clear that the price of the product affects the consumer's purchase intention (Alford & Biswas, 2002)

**REVIEW OF LITERATURE**

Ping-Chu and Dr. Ren-Fang (2016) had examined the effect of discounted price and brand image on the purchase intention of consumers of the products bought from outlet malls. The authors had considered the attitude of the consumers to be as the mediator between the study variables. The authors had made a case study from an outlet mall in the southern Taiwan. The information for the study was collected using a questionnaire and the analysis was done with the help of SEM. The findings of the study showed that the purchase intention of the consumers was affected by the brand image of the product. As the price of the product is essential for the promotion of the product in the outlet malls, it was also found to have a significant impact on the purchase intention of the consumers.

Cham, T.H.1, Ng, C.K.Y., Lim, Y.M. and Cheng, B.L.3 had done a study to explore the factors which influenced the clothing interest on the purchase intention of the generation Y customers of Malaysia. These factors of clothing interest included price consciousness, brand image, self-concept, need for uniqueness and perceivedquality. The data needed for the study was collected with the help of aself-administered questionnaire and the sample size of the study was 300 respondents. The findings showed that self-concept, need for uniqueness, perceived quality, brand image and word of mouth predicted the clothing interest and price consciousness was explored to moderate the relation between purchase intention and the clothing interest.

Mohammad Osman et al., (2019) had explored the factors which affect the purchase intention of the consumers for the counterfeit luxury goods in Bangladesh. The main aim of the research was to investigate the factors that influence the purchase intention of the counterfeit

luxury products in Bangladesh. The authors had used the Theory of Planned Behaviour (TPB). The authors had also assessed the impact of brand image, product features price, income and the gender on the purchase intention of counterfeit luxury goods. The sample size of the study was 242 respondents of Dhaka who had the experience of purchasing various counterfeit luxury goods. Data was collected with the help of structured questionnaire got through a personal interview. The analysis of the data was done using descriptive statistics, one-way ANOVA, reliability statistics and multiple regression. The findings showed that brand image, income and product attributes predicted the purchase intention of the consumers, more than the price and gender.

**OBJECTIVES**

The purpose of this study is to examine the relationship between the price of luxury products and consumer's purchase intention.

**RESEARCH METHODOLOGY**

The study was carried on among the consumers of luxury products in Chennai who are selected by simple random sampling. The sample size of the study is 100 and the data from the respondents is collected with the help of a questionnaire. The analysis of the data so collected is done by performing Regression. Price scale adopted from Zeng, Yuanwen, (2008). Purchase intention scale adopted from Shukla &Purani. (2012).

**ANALYSIS AND INTERPRETATION**

| R | R Square | Adjusted R Square | F | Sig. |
|---|---|---|---|---|
| .841(a) | .708 | .696 | 57.577 | .000(a) |

**Coefficients(a)**

| | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 1.326 | .137 | | 9.659 | .000 |
| The money saved by finding a lower price is usually | .195 | .030 | .435 | 6.511 | .000 |

| | | | | | |
|---|---|---|---|---|---|
| worth the time and effort. | | | | | |
| I tend to buy the lowest-priced brand that will fit my needs. | .213 | .030 | .448 | 7.043 | .000 |
| I am willing to go to extra effort to find lower prices. | .097 | .028 | .220 | 3.530 | .001 |
| I would shop at more than one store to take advantage of low prices | .090 | .027 | .218 | 3.335 | .001 |

a  Dependent Variable: Purchase Intention

The above table revealed a positive coefficient, which means that among all the statements, were influence on the purchase intention of luxury product purchasers in Chennai. There was a positive relation found between price and purchase intention. R value of this study was 0.708 and significant value of the study was 0.00. Findings show that the luxury products'purchasers werehighly influenced by the Price.

**CONCLUSION**

Findings show that the luxury products' purchasers were highly influenced by the Price.As the level of wealth and income of the individuals have increased, the consumption of luxury products has also increased globally. The Price of a luxury product determines and influences the purchase intention of consumers towards the luxury products.

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