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## Sustainability in the Consumption of Luxury Products: An Analysis of Social Implications

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*Abstract: This study aims to demonstrate whether consumers seek to raise their social status by purchasing products sold at a high price. Also, the reason why customers of luxury companies prefer to buy them despite competitors with a lower price on the market.*

*The purchase of premium products is influenced by the desire to change social status by expressing one's personality and the need for inclusion in various interest groups.*

*Awareness of the fundamental reasons why decisions are made to purchase goods can be used both for marketing strategies and as a strategy for the long-term economic and social sustainability of a company on the market.*

**KEYWORDS:** Sustainability, Luxury Products, Consumer behavior, Social implications, Consumer Economics

**JEL Codes:** D12, M10, Z19

### 1. Introduction

In the competitive market of conveniences, products, varieties, consumers, and preferences, the price of products has a considerable influence on the buying behaviour of customers [1]. The

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level of customer satisfaction plays a decisive role in the development of the buying attitude [2] It is speculated that this satisfaction is granted by a number of factors including the consumer's need to belong to a certain group or social class [3], impression often offered by high prices or names of companies well seen in the eyes of the public, practically all consumers, regardless of demographics, considering the luxury market a sector for which it is always worth paying more [4]. They are willing to pay up to 23% more for a certain good and 19% more for a certain exclusive brand to be able to buy their way into the lifestyle of the selected group [5].

Luxury products are a difficult concept to define as they reflect the vision of each person [6]. They refer to superior quality, handmade, expressing tradition or heritage and are sold at prices much higher than their functional utility, in such a way that they are associated with taste, elegance and elite [7] Luxury, although it was once considered the habit of extraordinary people, has now become something extraordinary for ordinary people as well, because the market of luxury products is changing, becoming more accessible to everyone, but continuing to keep the form of rarity, uniqueness and exclusivity that characterizes it.

Following the global crisis of recent years caused by the Covid-19 pandemic, exclusive and luxury brands have experienced difficulties due to decreases in sales due to the change in the public's vision of the importance of certain products. Starting with the year 2021, however, it was possible to observe the return of the market to its previous profitability, and the probability made for the coming years shows that this market will not slow down its ascent and will reach an annual growth of between 6% and 8% until 2025 [5]

Up to this point, the academic literature includes numerous works that focus on various variables that contribute to the "buying of social status", such as marketing methods related to the price of products [8], the continuation of the growth of the market despite its opposition to the notion of exclusivity [9] and the natural desire of individuals to seek social status [10]. But, despite these studies, the correlation between belonging to social groups and the name of a well-known company that we wear printed on our usual clothes and accessories is still unclear.

A reason for purchasing exclusive products involves consumers' need for uniqueness, a need that differentiates them from the rest [11], this need is related to personal expression and suggests that individuals with a greater need for uniqueness emphasize independence, look for companies that differentiate themselves in different aspects and are more prone to new products [12]. Also, past studies have demonstrated the fact that this need for uniqueness is also reflected in consumers' purchasing desires by triggering status consumption by the fact that this concept has been shown to signal a need for differentiation in accordance with different degrees of social divergence, meaning the consumer's search for a social difference, but done in a socially accepted manner, wanting to be special, but without being seen as abnormal in social situations [13].

In the process of creating and selling a product, it is no secret that choosing the price is one of the most important stages, as this is not only the only element of the marketing strategy that produces income, but it is also an important factor in establishing the reputation of the product. Also, the price is considered an indicator of quality along with the image of the brand and the store where it is sold. Price is one of the most studied variables in the process of manufacturing and promoting a new product. In this context, we can observe the use of the word "Cheap" as of inferior quality, and "expensive" is about to lose its meaning, being a synonym for superior



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quality[4]. The importance of this aspect is shown in the fact that the main organizational tool is the price-setting committee that facilitates the price planning process [14].

## 2. Methodology

In this article, I analyse to what extent the decision to buy a product is influenced by its brand rather than its tangible characteristics. Also, through this study, I will try to show if consumers aim to improve their social status in relation to the people around them through the goods they purchase, but also to offer an opportunity to understand the reasons behind these buying behaviours in compared to competing products that are sold at lower prices. The research will be carried out by means of a questionnaire of 19 questions, of which 5 are constituted by demographic questions, and those related to the studied subject constituting a total of 14 questions. The structure of the questionnaire was developed by composing some questions in relation to the objective of the work and they are focused on aspects related to brand preferences, factors that influence purchase decisions, and demographic questions. It was applied in the online environment to some people from an irregular category in order to receive the most diversified results. To collect data it was used a Google Form to build the questionnaire and to send it online. The questionnaire was distributed through a link generated in the platform and sent in direct messages and distributed to a wider audience together with clear instructions for the correct way to complete it. Finally, we analysed and processed the data obtained from the process by entering them into the SPSS statistical analysis software, and descriptive statistics were calculated to summarize the answers.

### 2.1 Research Results

In the following pages, it will be presented the results of the research based on questionnaires. To provide an analysis, I displayed the data both in the data view mode, Data View, and in the variable view mode, Variable View, of the SPSS program. This approach allows us to understand the collected data from various perspectives.

In the Data View mode, we interact directly with the answers given by the participants. This helps us carefully examine the data set for possible data entry errors, missing values, or outliers. By carefully analysing the data in this way, we ensure that the findings are accurate and reliable. In addition, we take steps to clean up and correct any inconsistencies or discrepancies that could affect our analysis.

In the Variable View mode, we focus on understanding each variable used in our questionnaire. By defining the names, types, and measurement levels of these variables, we

establish a basis for further analyses. Correctly specifying types (such as distinguishing between numeric and string variables) allows us to apply appropriate statistical operations and ensure valid conclusions. In addition, the organization of variables and assigning value labels improves how others can interpret our data and effectively communicate our research findings.

We present the survey results in both Data View and Variable View modes to provide perspective. This method allows us to examine and analyse the data from various perspectives, ensuring the strength of our analysis and improving the overall quality of the research.

### 2.1.1 Questions for understanding buying behaviour

These questions were aimed at trying to understand the motivation behind deciding to make a purchase, especially of a good that the individual is not familiar with beforehand.

#### 2.1.1.1 Do you own goods from well-known brands?

The responses of those who own such goods accumulated a percentage of 93.9%, the remaining 6.1% being those who do not own

#### 2.1.1.2 Have you purchased goods from such brands in the last year?

The percentage of those who purchased is 89.8%, 4.1% did not purchase, and 6.1% chose not to answer.

#### 2.1.1.3 Have you ever bought a product from an expensive brand that you didn't know?

A percentage of 40.8% of the people who answered mentioned that they made such purchases, 53.1% did not, and 6.1% chose not to answer. Figure 1: -> Pie Chart

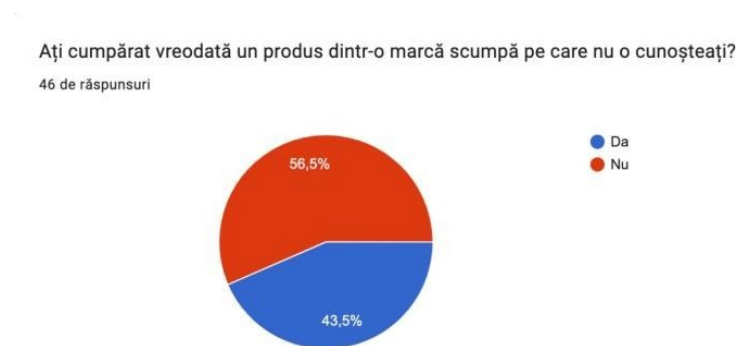


Figure 1: Answers question 3 -> Pie Chart

#### 2.1.1.4 If yes, what is the reason?

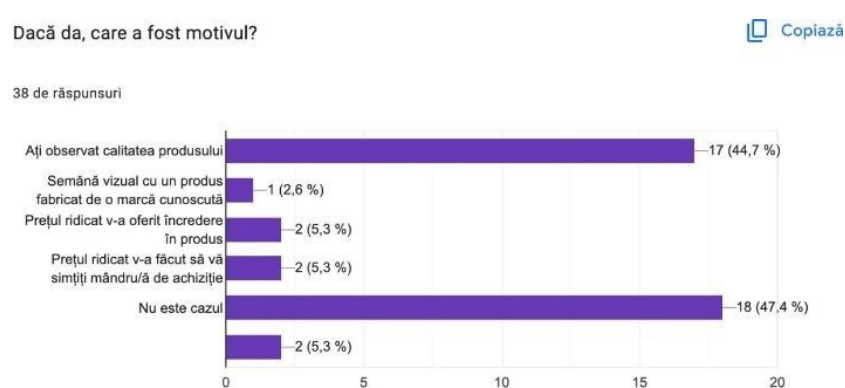


Figure 2: Answers question 4 -> bar



44.7% noticed the quality of the product.

5.3% mentioned that the high price gave them confidence in the product and the high price gave a sense of pride in the purchase.

For 2.6%, the reason is the visual similarity with a known product.

47.4% answered "no" to the previous question *Figure 2-> bar*

#### 2.1.1.5 If not, what is the reason?

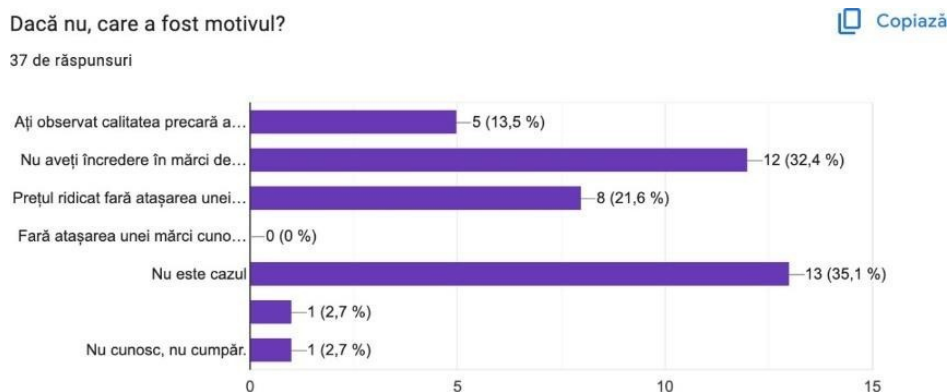


Figure 3: Answers question 5 bar

13.5% noticed the poor quality.

32.4% do not trust brands they have not heard of and have high prices 21.6% consider that a high price without a label is not worth the investment 2.7% choose not to buy from brands they do not know.

35.1% answered "yes" to the previous question.

#### 2.1.2 Questions regarding the impact of brands on the purchase decision

By asking these questions, I wanted to observe the true power of the brand and labels in the process of making a purchase decision.

*2.1.2.1 Do you consider that the price of a product of a recognized brand influences your decision to purchase it?*

For this question we used the scalar answer method: 1-not at all, 5-very important. The answers were on average 3.24, with 6.1% of people who chose not to answer.

*2.1.2.2 Would you consider purchasing a product from a recognized brand that does not have a strong reputation for quality?*

34.7% would purchase, while 59.2% would not. 6.1% chose not to answer.

### 2.1.2.3 What motivates you to purchase products from recognized brands?

Ce vă motivează să achiziționați produse de la branduri recunoscute?

46 de răspunsuri

Copiază

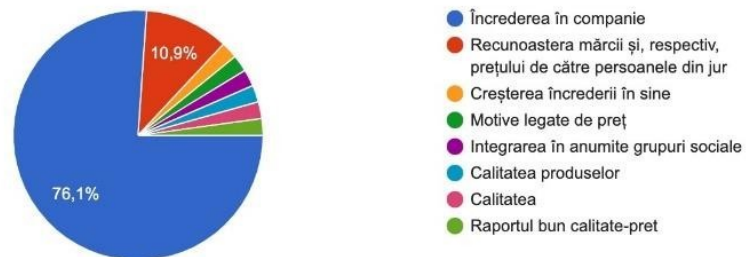


Figure 4: Answers question 8 -> Pie Chart

The answers were varied, with a majority of 76.1% who are motivated by familiarity with the company, and 10.25 who are impressed by the fact that the brand is recognized. Figure 4: -> Pie Chart

### 2.1.2.4 What sources of information do you use when making purchase decisions for products from recognized brands?

The people surveyed mentioned, in a percentage of 30.6%, that they are influenced by knowledge, 14.3% by social media, 24.5% by reviews, and 6.1% chose not to answer

### 2.1.3 Questions regarding the connection between the perception of social status and the brand

Through this category of questions, I tried to return the topic of business analysis to the fundamental reason that influences our general behaviour: the social aspect.

#### 2.1.3.1 How important is the ownership of recognized brands for your perception of social status?

The answers gathered by the scalar method resulted in an average of 2.28. 1- not at all important, 5- very important

#### 2.1.3.2 Do you compare yourself to others based on the recognized labels you own?

4.1% use such a comparison, while 87.8% do not. 8.2% chose not to answer

#### 2.1.3.3 Do you feel that owning recognized labels is a reflection of your lifestyle?

The average answer was 1.80. 1-does did not reflect at all, 5- reflects a lot

#### 2.1.3.4 Have you ever felt more welcome in a social group because you own certain well-known brands?

26.5% felt better included, 65.3% did not, and 8.2% chose not to answer

#### 2.1.3.5 You have considered purchasing recognized labels to improve your social status?



10.2% said they would, 83.7% said no, and 6.1 chose not to answer.

#### 2.1.4 Demographic questions

The demographic questions were included with the purpose of informing the category of people from whom the previously presented data were collected for a better analysis in possible future research

The average age of the people who answered is in the 18-30 category, with a percentage of 44.9% in the 18-25 category. The predominant gender is female with a percentage of 61.2%, and the level of education is divided into 51% high school and 40.8% university studies.

The monthly income did not provide conclusive data, the answers being relatively equally divided between under 1000 and over 5000 RON/month. And the predominant environment from which the surveyed people come is urban with a percentage of 81.6.

## 2.2. Data Analysis and Interpretation

The previously accumulated data gives us a broader perspective on the subject, but I propose to go a step further and analyse the relationships between these variables, especially between the answers to the questions of a demographic nature and those that aimed to deepen the debated research problem.

In the table below we can see the comparison between the question "how important is the possession of recognized assets for your perception of social status?" and the one that shows the gender of the people who answered Figure 5

**Genul Dumneavoastră \* Cât de importantă este deținerea de branduri recunoscute pentru percepția dvs. asupra statutului social? Crosstabulation**

Count		Cât de importantă este deținerea de branduri recunoscute pentru percepția dvs. asupra statutului social?					Total
		1	2	3	4	5	
Genul Dumneavoastră	Masculin	5	3	7	1	0	16
	Feminin	12	6	6	3	3	30
Total		17	9	13	4	3	46

Figure 5: Comparison of gender and ownership of recognized assets



Employing this comparison, we can observe the difference in perception between genders on social status and recognized brands: it appears that the female gender tends to be more influenced by the possible perception offered by such brands.

### **3. Conclusions and Discussions**

The main conclusion drawn from the analysis is that the need to search for social status influences consumers' choice of companies, and how this can make them choose different or even opposite brands.

Consumers, regardless of age, gender, or nationality, tend to choose more expensive products to fulfill needs that mean more than these. They want luxury products through which individuals can express their personality, and differentiate themselves from the social class they are in, but also associate themselves with the social class or the group of people who share the ideals they are trying to achieve by purchasing luxury products. Company.

Another important discovery presented in the paper refers to the relationship between price and quality and how this is deceptive and can be used on clients who are unaware of the cause. From the point of view of a company that wants to sell its product, this strategy can become useful. The premium price can be used by marketing companies to increase the utility and quality of the product sold by giving it a premium image regardless of its real attributes. Consumers will always consider that the high payment for a premium product is justified and they are prone to continue buying.

The research can be used by managers, marketing firms, and people responsible for ensuring the economic and social sustainability of companies. This paper helps to develop businesses by investigating how consumers make certain purchasing decisions, which further can help in ways to promote the products and services offered by them to obtain a favourable result. Also, this research shows the particularly important role of the social character on the public to which companies are addressed, thus raising the need for attention to the reputational risks to which they are exposed, but also to Corporate Social Responsibility (CSR). All of these are potentially crucial factors in the development and sustainability of companies in the long term.

Finally, the study presents limitations given the number of academic works analysed and the number of people questioned. It can be repeated by researching articles with a similar initiative and interpreted with the same purpose.

I believe that further research on how to market a product using the discovered information is necessary. As well as an analysis of how they help to promote and sell a new product on the market.

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