

Luxury segment research: What factors do influence repurchase intention in luxury segment?

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AGENDA



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"The Impact of social value on Repeat Purchase Intention in Luxury Segment settings"



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"The Impact of Brand on Decision-making Process in Context of Lux Segment"

The Impact of social value on Repeat Purchase Intention in Luxury Segment settings

Irina Ilicheva

RESEARCH QUESTION

What is the relationship between social capital and repurchase intention in luxury segment settings among youth?

PURPOSE

To find out the dependence of customers' repurchase intentions on their social capital in luxury segment settings

GAP

Repurchase intentions in Russian market is not studied enough as well as young customers in luxury market

LITERATURE REVIEW

1. SOCIAL CAPITAL

The aggregate of the actual or potential resources linked to possession of a durable network of more or less institutionalized relationships” (Bourdieu, 1985)

- Impact of social capital on economic capital (Fojs et al., 2017)
- Impact of Bonding and bridging social capital, social power, parasocial interaction on purchase intentions through Youtube ((Kim, J., Kang, S. and Lee, K.H. (2020))

LITERATURE REVIEW

1. SOCIAL CAPITAL

Bonding

“The type that brings closer together people who already know each other”(Gittel et al, 1998)

“Bonding social capital is described as the strong relationships that develop between people of similar background and interests, usually include family and friends, provide material and emotional support, and are more inward-looking and protective”, (Claride, 2018)

Bridging

“Bridging social capital is a type of social capital that describes connections that link people across a cleavage that typically divides society (such as race, or class, or religion). It is associations that ‘bridge’ between communities, groups, or organizations.” (Claride, 2018)

LITERATURE REVIEW

2.REPURCHASE INTENTION IN LUXURY SEGMENT SETTINGS

The individual's judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances (Curtis, 2009)

LITERATURE REVIEW

2.REPURCHASE INTENTION IN LUXURY SEGMENT SETTINGS

“Still much to be understood about the determinants that influence consumers’ purchase intentions for luxury products” (Zhang et al., 2020, Canguende-Valentim et al, 2022)

Kocak et al - concept of "Luxury value drivers: financial, social, individual, functional"

Regional and cultural factors in terms of luxury goods consumption (Heine et al., 2019; Lim et al., 2013, Naumova et al., 2019).

Study about luxury market at the regional level (Zhang et al., 2020; Canguende-Valentim et al, 2022).



Focus on russian luxury market

LITERATURE REVIEW

2.REPURCHASE INTENTION IN LUXURY SEGMENT SETTINGS

Scientific relevance:

Pencarelli et al., 2019;

Yazıcı, 2016 ATTITUDES OF GENERATION Y TOWARDS LUXURY PRODUCTS

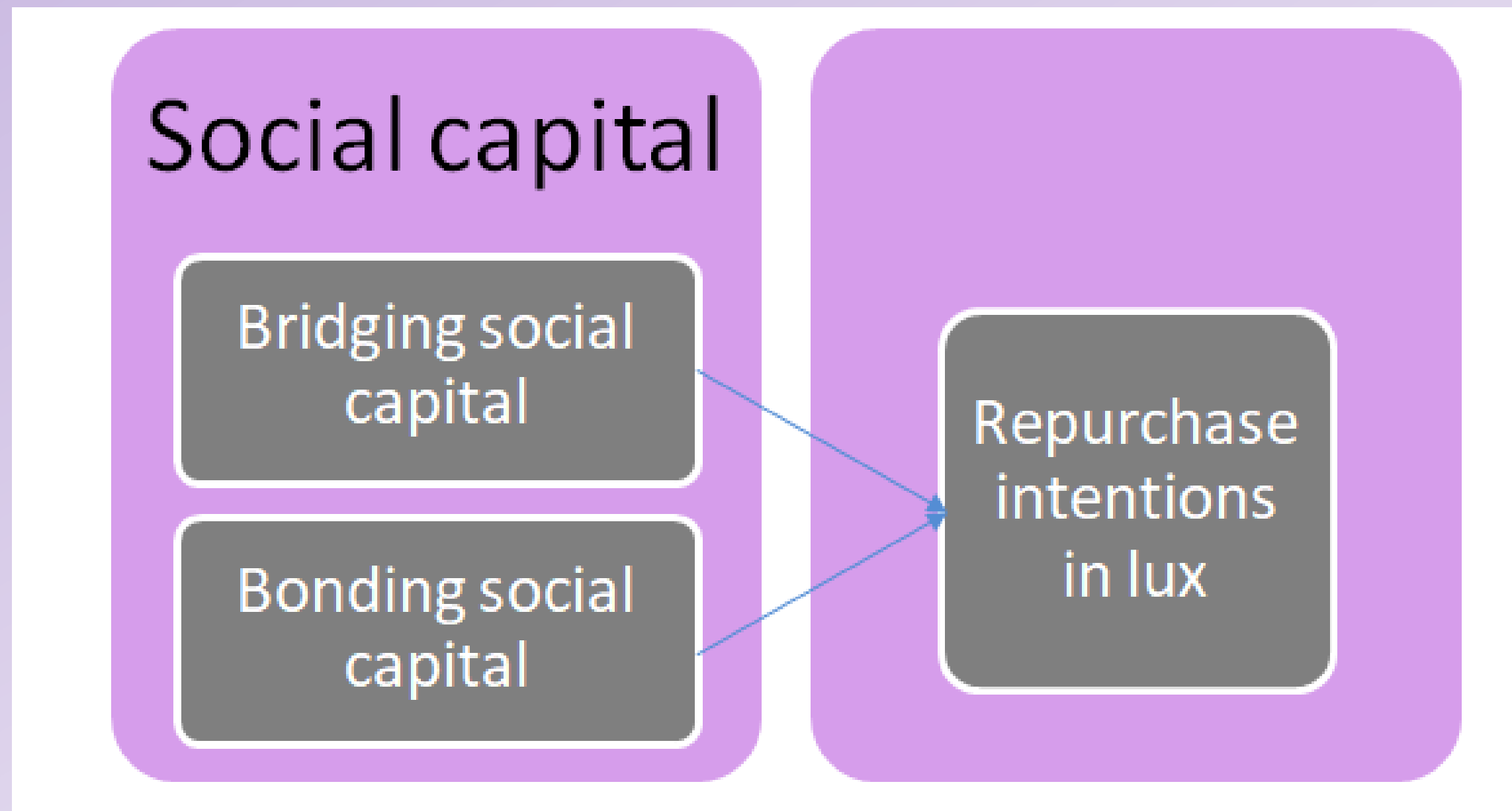
Practical relevamce:

McKinsey report : 60% of experts in luxury market think that attracting young audience is a key growth driver for luxury brands



Focus on young consumers

THEORETICAL FRAMEWORK



HYPOTHESIS

H1: Social capital positively influences repurchase intention in luxury market

H2: Bridging social capital positively influences repurchase intention in luxury market

H3: Bonding social capital positively influences repurchase intention in luxury market

METHODOLOGY

1. SURVEY

2. CFA

**CONDUCTING
SURVEY**

COLLECT DATA

**DATA
ANALYSIS**

CONCLUSIONS

1. SOCIAL CAPITAL (KIM ET AL., 2020)

Bonding social capital

- There are several people I trust to help solve my problems.
- There is someone I can turn to for advice about making very important decisions.
- When I feel lonely, there are several people I can talk to.
- The people I interact with would be good job references for me.

Bridging social capital

- Interacting with people makes me interested in things that happen outside of my town.
- Interacting with people makes me want to try new things.
- Interacting with people makes me interested in what people unlike me are thinking.
- Talking with people makes me curious about other places in the world.
- Interacting with people makes me feel part of a larger community.
- Interacting with people makes me feel connected to the bigger picture.
- Interacting with people reminds me that everyone in the world is connected.

2. REPURCHASE INTENTION

Hong Joo Lee, 2020:

- I intend to continue purchasing the same luxury brand in the future
- I will continue with the same luxury brand in the future
- I will regularly purchase the same luxury brand in the future



Do not consider potential customers



- I would like to purchase luxury good in the future
- I am willing to purchase with luxury good in the future
- I am ready to tell friends about the purchased luxury product and brand in the future.

The Impact of Brand on Decision-making Process in Context of Lux Segment

Svetlana Supranovich

RESEARCH QUESTION

How does a brand influence on a consumer decision-making?

PURPOSE

Identification of existing factors that form Brand Identity and how they influence on consumer decision-making

RESEARCH GAP AND PRACTICAL RELEVANCE

- Despite the impact of brand identity factors on understanding customer behavior, there are no empirical studies that examine the impact of luxury brand identity and attractiveness, especially from the perspective of younger customers in Russia.
- Moreover, despite significant growth in the luxury jewelry sector, there is relatively little performance of the company that researched in this industry.

Luxury Market Analysis: Веблен, Bagwell, L.S, Barkow, J.H., Bearden, W.O., Etzel, M.J. , Berry, C.J., Hoyer, W.D.

Consumer behavior analysis : Icek Ajzen (TPB), Y.H.Kim, M.Kim, T.Ruetzler & J.Taylor, A. Smith, V.I.Ilin

Exploring Brand Phenomenon and Brand Identity : Aaker(1996); Ghodeswar(2008); Coleman(2011); Urde(2013); Silveira(2013)

LITERATURE REVIEW

Consumer behaviour

- Consumer behavior reflects the totality of consumer decisions to acquire, consume and dispose of goods, services, activities, experiences, people and ideas in decision making over time (Hoyer et al, 2012).
- In general, it can be described as the actions of the consumer in relation to the object of the relationship (Solomon M., 2006).

LITERATURE REVIEW

- Theory of Planned Behavior (TPB) Icek Ajzen (1988, 1991)

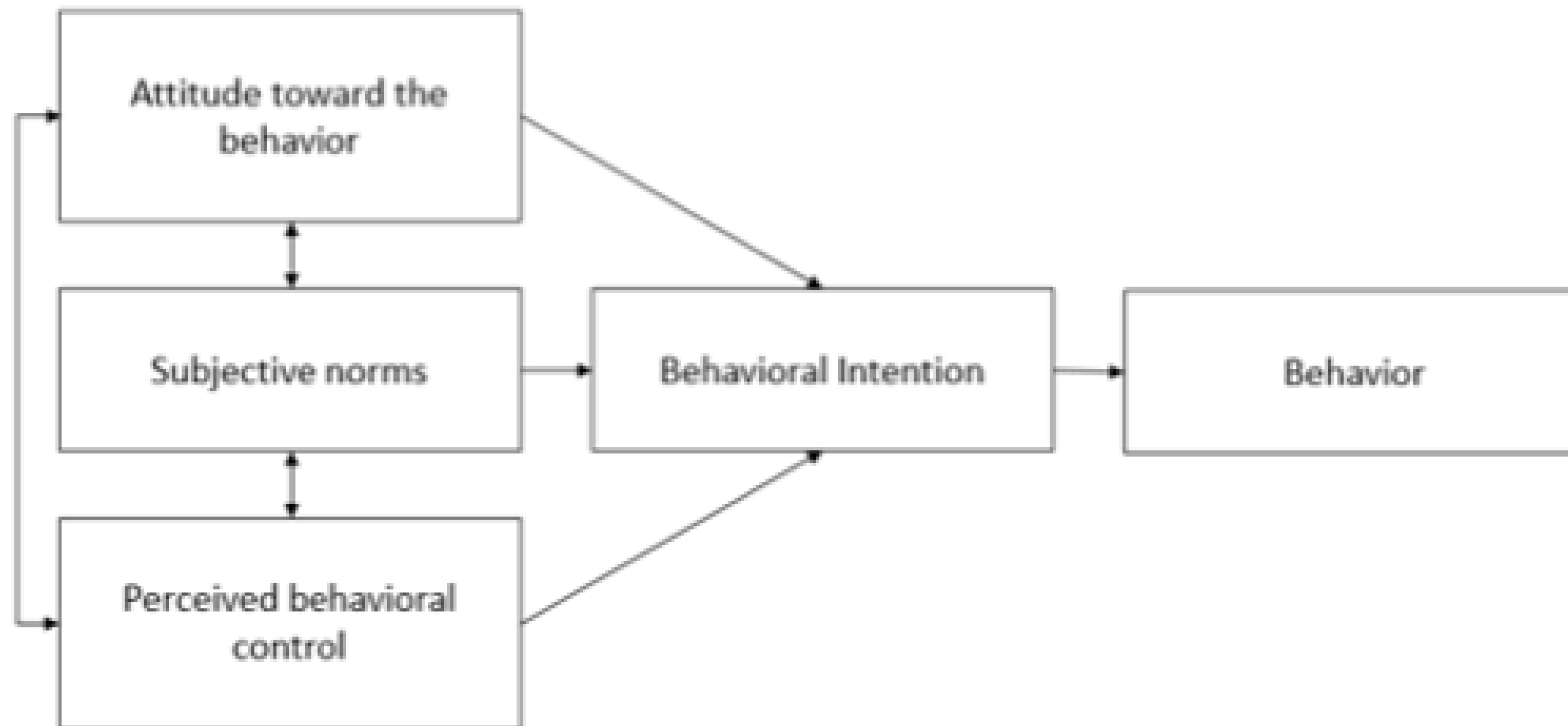
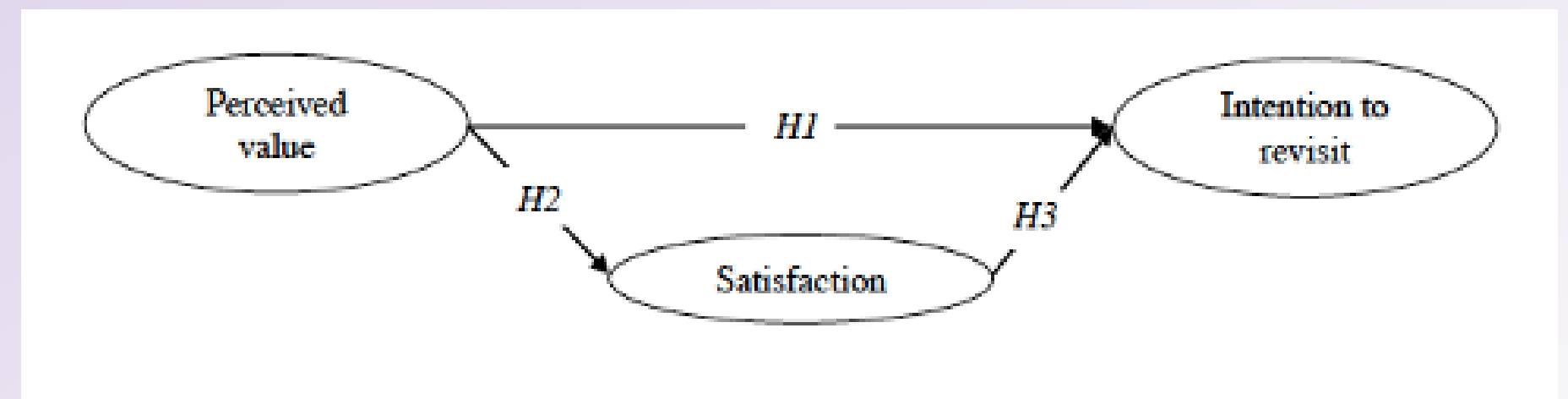


Diagram 1. Theory of Planned Behavior A. Aizen (1991)

LITERATURE REVIEW

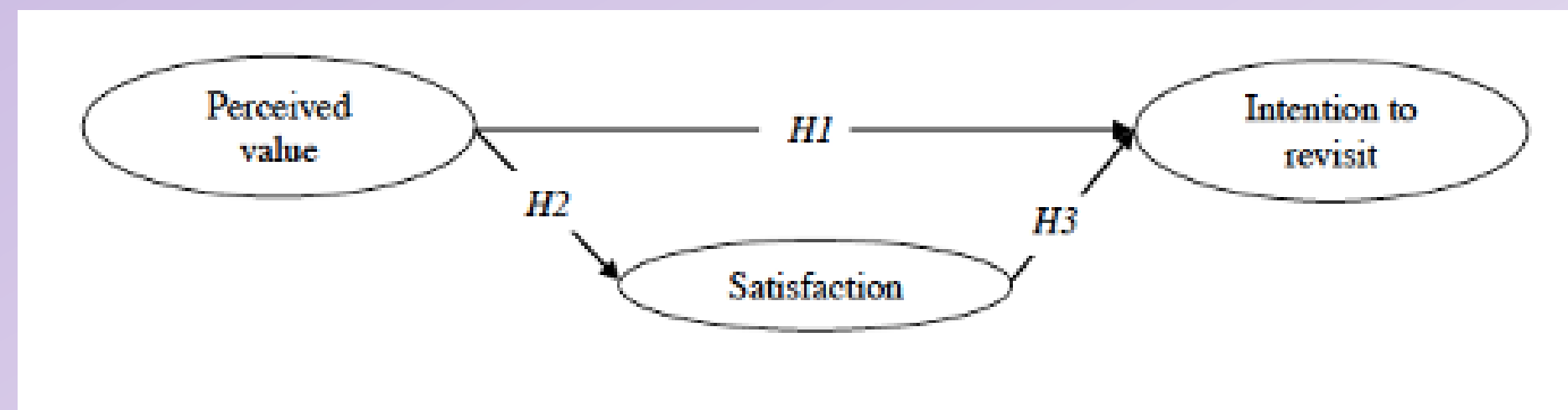
The study of the parameters of return visits has been studied by many researchers.

- Oliver, 1980, 1997 - a concept that has been widely discussed in the literature on consumer behavior
- The discussion caused an important resonance among tourism researchers both conceptually and methodologically (Kozak, 2001; Ryan, 1995; Yuksel and Yuksel, 2001)
- Y.Kim, M. Kim, T.Ruetzer & J. Taylor - give a hypothetical model and assumptions that visitor satisfaction can be predicted by perceived value, the intention to return to it can be predicted by perceived value, the intention to return to it can be predicted by satisfaction.



LITERATURE REVIEW

- Visitor satisfaction can be predicted by perceived value
- Repeat purchase can be predicted by perceived value
- Repeat purchase can be predicted by satisfaction



Resource: Y.H.Kim, M.Kim, T.Ruetzler & J.Taylor

**REVISIT INTENSION
= REPURCHASE**

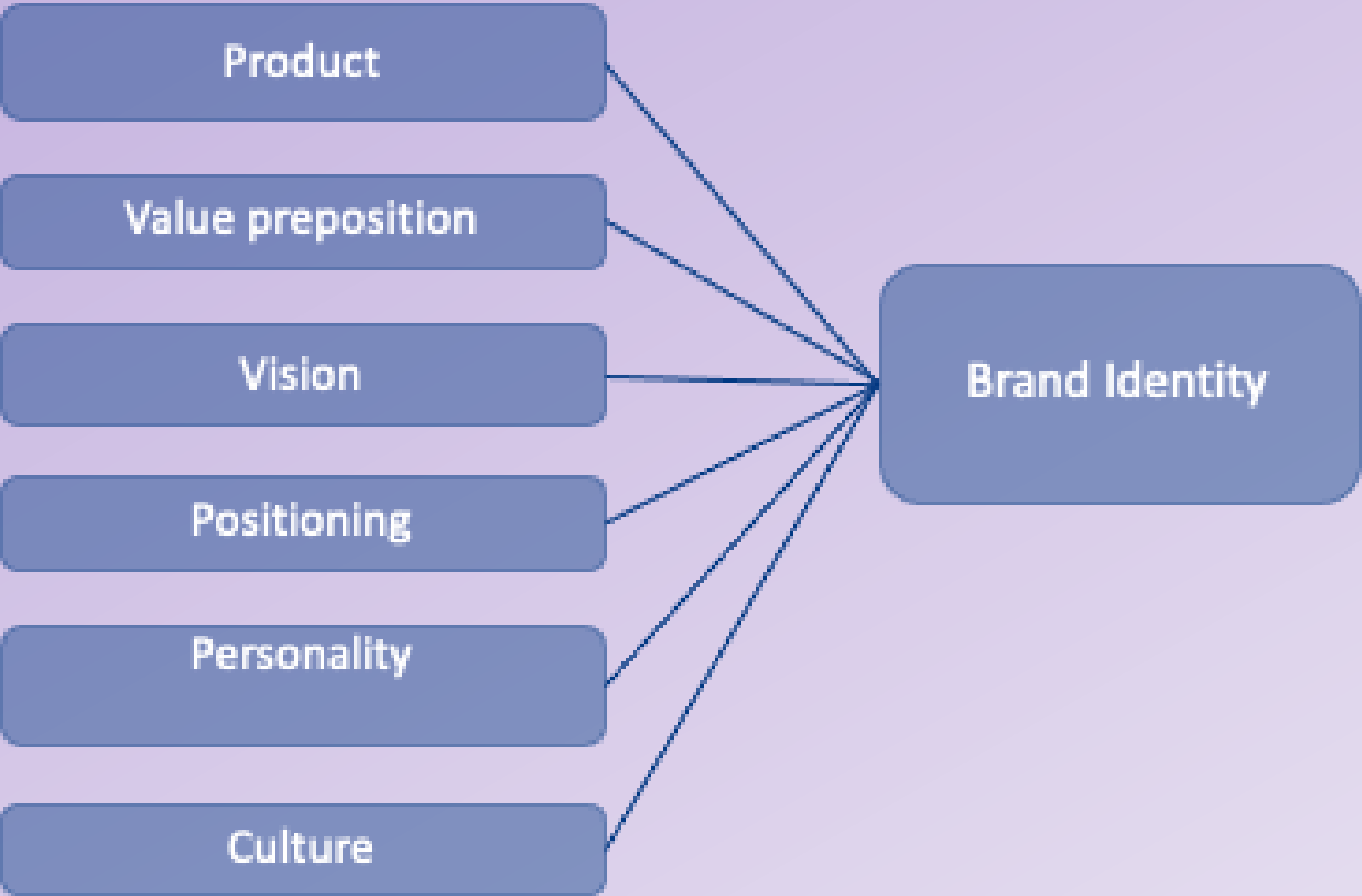
LITERATURE REVIEW

Luxury market analysis

- Russian luxury market is not studied enough from the prospective of repurchase intentions for luxury goods.
- Luxury goods - emphasize their power in society
- Russian buyers tend to prefer offline purchases of luxury products. The impulses to buy online comes only through the brand.
- Attitude of young customers has increased

LITERATURE REVIEW

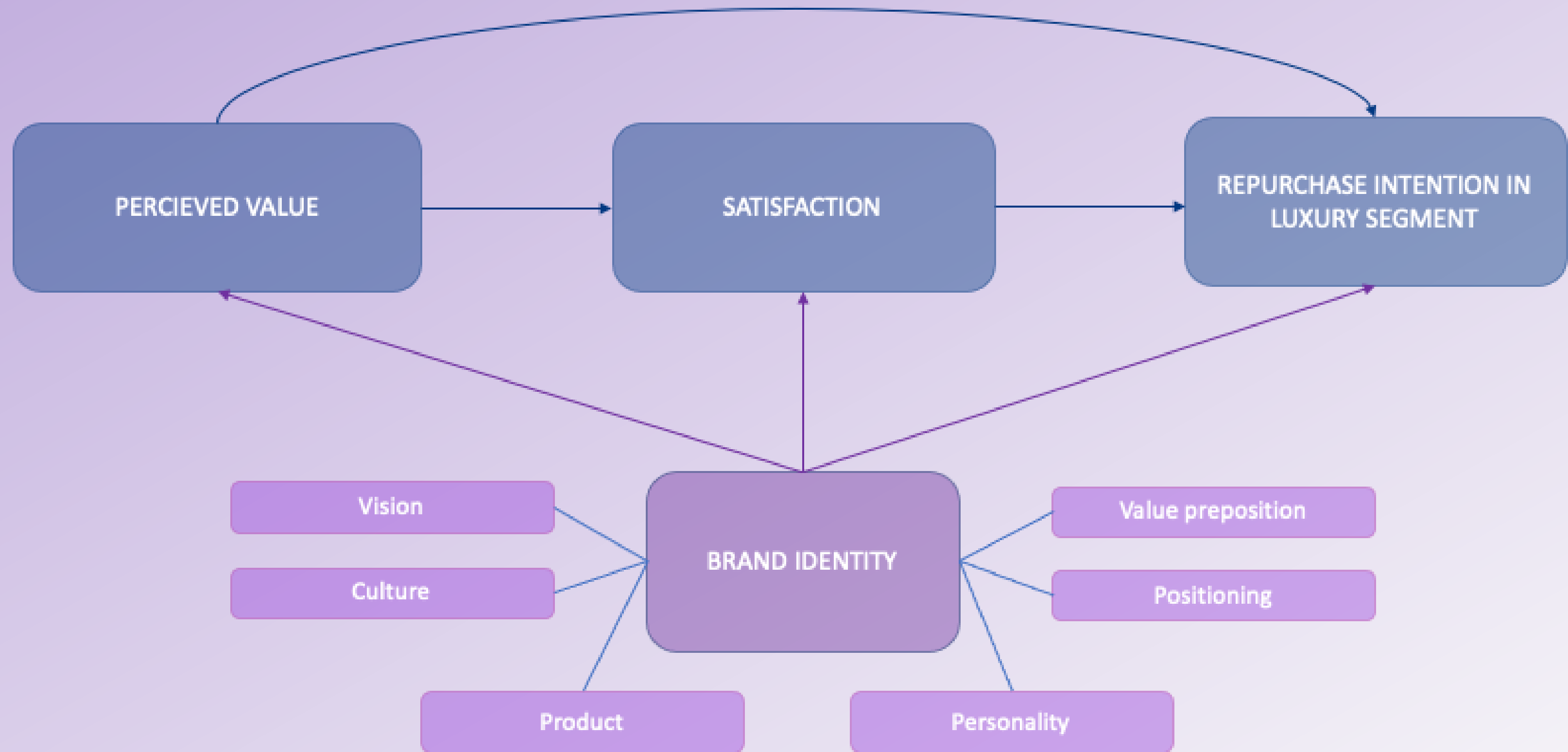
- Brand Identity



Literature review on identity models

Product	Aaker(1996); Ghodeswar(2008); Coleman(2011)
Value preposition	Urde(2013); Schultz(2005); Urde(2013)
Vision	Chernatony(1999);
Positioning	Chernatony(1999); Ghodeswar(2008); Urde(2013); Silveira(2013)
Personality	Kapferer(1986); Chernatony(1999);
Culture	Kapferer(1986); Chernatony(1999); Schultz(2005); Urde(2013)

THEORETICAL FRAMEWORK



METHODOLOGY

QUANTITATIVE RESEARCH METHOD

Online survey of target or potential consumers who have previously had experience in purchasing luxury goods or are just about to.

- a large sample, in order to spread to a larger number of consumers;
- collecting information using a structured questionnaire;
- collection of statistical information.

- **Conducting survey**

- **Collect data**

- **Data analysis**

- **Conclusions**