

Research on the Influence of Consumer Psychological Motivation on Luxury Consumption Behavior

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Abstract: The rapid development of the world economy and the improvement of the income level of residents this has promoted the rapid increase in the luxury consumption market to a certain extent. This study aims to determine the influence of consumer psychological motivation on luxury consumption behavior. The population of this study was people coming from different classes. The data analysis techniques used were survey and literature research/analysis. This study showed that finance, culture, and social development significantly affect people's purchasing psychology. In addition, the psychology of contrast, the psychology of seeking common ground, and the psychology of showing off produced by these objective factors promote the consumption of luxury goods. In the final analysis, luxury brands can promote their brands through social media, highlight brand logos and add new design elements to attract consumers and increase sales. This study can provide ideas for the luxury industry to solve the problem of maintaining a stable source of customers and even attract new consumer groups in the case of an economic downturn.

Keywords: consumer, psychological motivation, luxury consumption behavior

1. Introduction

1.1. Research Background

Luxury is internationally defined as “a kind of consumer goods beyond the scope of people's survival and development needs, with unique, rare and rare characteristics”, also known as non-necessities of life. In economics, luxury refers to the product with the highest value/quality ratio. From another perspective, luxury goods refer to the products with the highest ratio of intangible value to tangible value. It is generally believed that the consumption of luxury goods is a high-end consumption behavior.

With the rapid development of the world economy and the improvement of the income level of residents, as well as the suitability of the international situation and the rapid emergence of the rich population, People's purchasing desire and purchasing power have increased. According to sociologists' analysis, when people face a sudden increase in wealth, they will not hesitate to choose luxury goods to show their new economic and social status. This has promoted the rapid increase in the luxury consumption market to a certain extent. At the same time, some people whose consumption power is not particularly strong are also pursuing luxury brands that are beyond their ability. It is also noteworthy that young people are gradually becoming the main group of luxury

consumers. According to statistics, the contribution of generation Z to the consumption amount in the fashion field is increasing year by year, and the consumption scale of the post-90s, post-95s and post-00s trend market accounts for 80%. In 2021, in the decentralized Chinese market, the consumption expenditure of nearly 300 million generation Z was expected to reach 5 trillion yuan. Given the above phenomena, this paper will analyze why different consumers buy luxury goods from a psychological perspective.

1.2. Literature Review

Any business's first responsibility is to meet its customers' demands adequately. The more capable is business is at taking care of its client's needs and requirements, the higher its chances of sustainability in the long run. Meanwhile, the demand of customers is often connected with their consumption psychology. Ryan & Deci strongly advocate that for someone to be intrinsically motivated, there must be no outside influences; as a result, the acts that arise from intrinsic motivation appear to persist longer [1]. As for luxury goods, unlike necessities, the purchasing power of this industry is almost determined by consumer psychology. Consequently, Luxury companies need to analyze consumption psychology to maximize economic benefits.

An enormous amount of theories have been accumulated in an attempt to figure out people's consuming behavior. Yang states that social environments such as reference groups and stratum of society can influence consumer behavior [2]. The reference group is a combination of criteria for judging a transaction and models to emulate. The group travels by message handing, praising or punishing attitudes, and expressions of recognition to influence your attitude and values. Social class means according to certain norms or standards, and the members are divided into different levels, which are continuous but not stable. The system is not divided by a single standard, at least by several parties. The face of constraints, the social division of labor, and the individual's property all differ; the individual in access to social resources is the most fundamental factor. Yang reveals that consumer behavior is affected by the state of the economy [2]. The economic environment of consumption behavior includes macro and micro. The microenvironment generally belongs to the individual factors of consumers themselves, affected by the individual's past, present, and expected economic status; The macro environment generally refers to the whole economic environment, more related to the economic cycle. Consumers are expected to compare on all fronts when the economy is in an upward cycle. Optimistic, the market situation is high. There will be a corresponding high consumption level increase; In contrast, when the economy is in a downward cycle, consumers tend to be depressed. Look at the expectation, the market trade is depressed, and consumer behavior will be affected to blow. Moreover, Dong et Al. suggest that culture is also important in consumer behavior [3]. Certain demographic characteristics can extend the concept of subculture, which refers to non-mainstream local culture. The so-called subculture group is not only sharing the whole culture plain but also unique cultural elements of the population. Some subcultures may have similar cultural meanings, but individual consumption processes and decisions have greater similarities.

Previous studies mostly focus on the influence of objective factors on consumption behavior. In contrast, this essay will take the luxury industry as an entry point, aiming to study the influence of consumer psychology on consumer behavior.

1.3. Research Framework

This paper consists of five sections. The main contents of the remaining four sections are as follows: Section 2 is the method and data, introducing the research methods and data sources used in this study. Section 3 is the result analysis. Section 4 is the discussion, talking about the main findings.

Section 5 is the conclusion and inspiration, introducing the main conclusions, management implications, research limitations, and prospects of this paper.

2. Method

2.1. Survey Method

The investigation and research method involves obtaining relevant materials directly by investigating and understanding the objective situation and analyzing these materials.

This paper analyzes consumers' luxury consumption motivation to figure out psychological factors affecting the sale of luxury goods and design a targeted sales strategy that can attract customers, to maximize the economic benefits.

2.2. Literature Research/Analysis Method

The literature research method is a research method that based on a certain research purpose or subject needs, obtains relevant information by consulting literature, understands the problem to be studied comprehensively and correctly, finds out the essential attribute of things, and discovers the problem from it.

This paper will take examples of successful luxury goods sale strategies and analyze customers' psychological transformation before and after the strategy. By finding out the internal relation between psychological motivation and luxury goods sales and making further product sales plans, this paper aims to propose strategies that can satisfy customers' psychological needs to the fullest extent.

3. Result

3.1. Customers' Attitudes Towards Different Types of Luxury Goods Are Very Polarized

This phenomenon is mainly caused by herd mentality and conspicuous consumption psychology. In order to avoid spending may lead to economic risk and social risk, especially when people facing to the inner quality of goods, it is difficult to make a detailed judgment or commodity price is high, often to relatives and friends, colleagues, worship group as the reference group, the behavior of these groups is individual as useful information for reference. In particular, the consumption demonstration behavior of the worship group will directly cause imitation, and the imitator will feel happy because of the consumption behavior of the imitation model, that is, "I and my idol use the same brand". Therefore, we can understand why some goods are scarce enough and exquisite enough. They are relatively unpopular in the market. On the contrary, some luxury goods are not only loved by the upper class but also widely sought after by some young people who do not have enough spending power. As for conspicuous consumption psychology, taking an example of China, in the past two decades, along with the rapid development of China's economy and the imperfect market, the rich class has emerged. Initially, they started from scratch with their sensitive awareness of the market and entrepreneurial spirit and completed the original accumulation in a relatively short time. After that, enterprises continue to develop or through capital operations to make the wealth rapidly expanded. Is the so-called poverty leading to change, change leading to success because many people do not have social status, not to be taken seriously and respected by society? Now they are successful, and they must show their value to obtain social recognition and appreciation in a certain way. As a result, it is the initial and natural choice for wealthy people to convey information about their identity, wealth, and status by purchasing and using scarce, high-quality and high-priced luxury goods. Because luxury goods reflect social status and living standards higher than the public, from this level, luxury

goods consumption is a symbol representing success and wealth, and success and wealth are the goals people pursue. The relationship between the symbol consumption of luxury goods, identity, social status, and the sense of superiority when using luxury goods can constantly stimulate the desire of wealthy people to consume, thus leading to the phenomenon of luxury goods consumption.

3.2. On the Premise of the Same Quality, Consumers Are More Inclined to Buy Brands with Strong Psychological Identity

Social Identity Theory, developed by social psychologists Ashforth and Mael, states that everyone tends to belong to a group [4]. In addition, the composition of an individual's self-concept is not only his identity but also an important component of an individual's cognition that he belongs to a certain social group, which is called social identity. This group is not necessarily an entity group, the focus is on the group where the individual subjective identification exists, and the brand has this characteristic. Once an individual thinks he belongs to the group, he will connect it with the self, making certain attributes of the group become part of the self-concept. This is where individuals form a state of cognitive and emotional attachment to the group, known as identity. Social identity theory has had an important impact on brand management theory in the past decade. Brand identity can be regarded as one of the important sources of social identification. Brand identity refers to consumers' cognition of "what is this brand". Many scholars have explored the relationship between consumers and brands by studying brand identification and identity. The research results generally believe that the stronger the brand recognition and brand identity of consumers, the higher the loyalty and satisfaction of the brand, and the higher the probability of buying the products of the brand.

3.3. Luxury Consumption Is Related to Personal Consumption Habits and Public Opinion

In real life, the commodity has some symbolic function besides using value. As we have seen above, people in the same related group often have similar ideas and behavior characteristics. In order to make the consumption behavior with the characteristics of a certain group, it has become common for people to choose different styles, brands, and trademarks so that their purchase behavior has a certain social evaluation. This performance results from people consciously accepting group induction—a desire for people to regard them as "the class" of consumers. In daily consumption, high-grade and brand-name goods, even cars and mobile phones, show superior economic status. Suppose a consumer wants to be regarded as a "distinct personality, unique temperament, with high artistic accomplishment" type of consumer. So he often likes to choose those out of the ordinary, novel and chic, good quality, unique style, extraordinary taste goods, to show their unique aesthetic and elegant taste. In a word, consumers can shape their image by choosing different commodities and showing the consumption characteristics of the relevant groups they admire. The closer the relevant group is to the consumer, the more influence that group has in choosing goods and trademarks. Related groups often exert tangible and intangible influences on individual consumers through various formal and informal channels, making consumers imitate and recommend each other to form a similar purchase motivation, thus forming a part of the social model.

3.4. Owing to Luxury Consumption Being an Act of Seeking to Identify, Luxury Brands Should Not Choose Traffic Stars as Spokespeople Who Will Drag Down the Brand Image and Ultimately Leads to the Loss of the Target Customer Group

The role of spokespersons for the brand is usually reflected in five aspects. One is to enhance or shape the brand image. Choosing high-quality spokespersons is a symbol of brand image and strength. The second is to increase attention and exposure to get traffic; Third, to enhance the emotional connection with a certain or certain customer groups; Fourth, to let the communication have a carrier and focus,

especially the new brand; Fifth, to improve the efficiency and effect of communication. A good image spokesperson can make the input-output ratio of communication higher. Traffic is the main criterion for selecting spokespeople, but it is not necessarily the only or most important criterion, depending on the brand's endorsement appeal. Brands that need to improve their popularity and customer volume take traffic as the main selection criterion. Still, when the brand is well known, with no shortage of customers, but only wants to spread culture and an idea through spokespeople, traffic is not necessarily the only criterion. The choice of luxury spokespersons should develop towards localization, diversification, art, and customization. That is, they are increasingly interested in local spokespersons instead of focusing on celebrity endorsements. The number of spokespersons for arts and culture increases, and more and more consumers' opinion leaders, especially those for business and economy, are used as spokespersons.

4. Discussion

4.1. Grasp Consumer Psychology and Use Social Media and Advertising to Guide Consumption

Many practices have proved that advertising is one of the most effective, rapid, and economical means to convey product information in the era of information explosion. With the help of modern scientific propaganda, a good product plays a role much higher than the human cost. A good advertising campaign can deepen consumers' understanding of the products and expand the social influence of the products. Moreover, it also plays an important role in contacting customers, communicating business information, transmitting enterprise values, and thus achieving enterprise goals. Therefore, good advertising can make the product establish a good brand image in the market and successfully pave the sales Road and become a very important tool in marketing.

The symbols used in advertisements constitute a distinguishing system, which separates one kind of consumer goods from others. More important is the distinction between the top lifestyle that the public yearns for and the general lifestyle. The advertisement of luxury goods gives more symbolic meaning to luxury goods by using various symbols. Based on this feature, the focus of luxury advertising should be on meeting consumers' emotional demands. Consumer emotional appeal refers to the social, psychological, or cultural needs of the consumer group, expressed as the emotions and emotions related to the products or services, and leads the consumers to generate the desire and action to buy the products through emotional resonance. The emotional appeal aims at the emotional response of the appeal object, including little or no information. It mainly relies on feelings and emotions to establish the relationship between the brand and these emotions. If a brand or product can deeply move consumers, it will surely extend the fluctuation of consumers' feelings to the results of actions.

4.2. To Contend with the Phenomenon of Younger Consumers, the Luxury Brand Should Add New Design Elements to Meet Consumers' Pursuit of Fashion and Personality

With the rise of social media like TikTok and Instagram, many celebrities use it as a platform to show their wealth. Accordingly, many young choose to buy luxury goods to follow the trend. By 2026, consumers aged 40 and under will account for 60% of worldwide luxury spending, up from 39% in 2019 [5]. The United States and China, the two biggest luxury markets in the world, are particularly affected by the trend that young people will dominate the luxury market. Young customers in the United States account for 85% of the luxury market's growth [6]. In contrast, in China, the number of fashion products that Generation Z purchases grow yearly. In the decentralized Chinese market in 2021, close to 300 million. It is anticipated that generation B will spend 5 trillion yuan on consumption. The consumption scale proportion hit 80% in the post-1995 and post-1995 trend

markets [7]. Luxury brands need to be aware of the psychological and social demands that underlie this global trend in luxury purchasing if they desire to engage it.

Symbolic goods—typically high-end luxury brands—are essential components of self-image expression for youthful customers. Young customers who are very concerned with their self-image can achieve brand-image—self-image congruity by owning luxuries [8]. In particular, buying luxuries allows people to feel like their self-images match the renowned images of luxury goods. For instance, marketers can create marketing initiatives to meet the value-expressive demands of young people. For them, advertisements highlighting a firm's remarkable, fashionable brand image may draw more attention and increase purchase intention. On the other hand, marketing messaging aimed at young customers should emphasize how desirable the product is and how valuable it is as a social cue. For instance, presenting a premium brand as a well-known, mainstream product easily recognizable by the general public could be a useful strategy to ensure that covert narcissistic buyers flaunting these luxury things get the desired social status.

Additionally, the previous study highlights how their peers frequently impact young consumers' spending habits. People's attitudes and ideas typically reflect the acknowledged power within the group, particularly the impact of peer pressure on consumer views. Modern young people may readily see what is popular among their peers thanks to the growth of social networks. Therefore, luxury brands should take advantage of this chance to emphasize how desirable and valuable their products are as social cues. Meanwhile, they can encourage Internet superstars to advertise their goods to increase the buying effect. At the same time, luxury companies can create social media profiles to promote and disseminate their design ideas in a way that appeals to a younger audience. For example, Gucci frequently posts imaginative short films on TikTok. At the same time, the artistic director of Louis Vuitton created an account on one of China's most popular social commerce applications, Little Red Book.

4.3. Carry Out Digital Marketing and Enhance the Online Consumption Experience to Follow the Trend of Online Shopping

Online shopping is increasingly drawing customers as the digital revolution takes hold. Since e-boutiques offer a variety of products, easy shopping, time and money savings, security, and privacy, more and more young consumers are choosing to buy luxury goods online. Prior research has taken into account the habits of premium online shoppers. According to Lui, Burns and Hou, consumers of online luxury goods are price-conscious, prefer online availability, and place a greater emphasis on online customer feedback [9]. Online luxury shoppers are described by Okonkwo as knowledgeable people who are well-prepared to examine and contrast the range of items, purchasing comfort, and excellent delivery service while taking into account that it would take no additional time to visit the store physically [10]. The growth of luxury e-commerce is driven by young consumers, who make up most of its customers. Only millennial and Generation Z consumers contributed to the 50% growth in global luxury in 2021. Since millennials are a new market for luxury brands, they are not yet the most lucrative demographic. However, it is regarded as the primary client for the future. In accordance with this, paying attention to the behavior is crucial. Online luxury sales rose by 20% to an estimated 9 billion euros in 2018, while luxury goods sales grew by 2%. According to McKinsey & Company, this number of internet sales should double over the next five years [11]. The adoption of online luxury purchase technologies by Generation Y consumers is examined by Erdogmus et al. concerning luxury values' role as antecedents. The findings indicate that Generation Y consumers' adoption of online luxury purchase technology is significantly influenced by product availability and well-accepted luxury consumer values, including functional, hedonic, and social values. A crucial consumer benefit of internet marketing is price consciousness, although it is not a substantial antecedent in the model. From a practical standpoint, the authors advise using commercials that

highlight how high-quality the products are compared to their exorbitant costs to draw in Generation Y customers [12]. Luxury brands that want to succeed in a high-end market must comprehend this generation of buyers. And by comprehending this generational group, luxury brands can create effective digital strategies to attract and retain these customers.

By analyzing consumers' psychological data, some avoid well-known luxury products because they desire to see, feel and touch a luxury product physically. Therefore, luxury brands can use offline network size and nearby distribution advantages. And after-sales service to establish and improve the online shopping platform, promote the integration of online and offline, expand the overall operation scale of multi-channels, gain more market power and bargaining power, and achieve cost reduction and efficiency based on scale growth. In terms of consumption upgrades, should take advantage of big data and cloud computing to gain insight into consumer buying behavior and preferences. According to the different needs of consumers, the lead supplier designs and manufactures custom products, specializing in products, and store brands, reducing the degree of homogeneity with other companies and utilizing differentiation, personalized goods, and services to improve the influence. In addition, new technologies and methods such as artificial intelligence and cloud computing can be used to track, record automatically, and analyze customers' consumption data. Under legal compliance, construct more effective new consumption scenarios, provide consumers with more personalized push, shopping guide services, promote consumption, and experience upgrading.

5. Conclusion

5.1. Key Findings

The data analysis of this paper underlines the conclusions that not only is consumption psychology actively affecting the behavior of luxury consumption but that external factors such as finance and culture are impacting people's consumer behavior with the pace of social development.

Since customers' attitudes towards different types of luxury goods are very polarized and based on the same quality, consumers are more inclined to buy brands with a strong psychological identity. Luxury brands should strengthen the relationship between consumers and the brands.

5.2. Research Significance

This study can provide ideas for the luxury industry to solve the problem of maintaining a stable source of customers and even attract new consumer groups in the case of an economic downturn. Furthermore, with the progress of science and technology, the luxury industry must conform to the trend of The Times and vigorously develop the combination of online shopping and offline physical stores. Doing so can mitigate the impact of the pandemic across spatial constraints in the short and long term, reduce investment, reduce the cost of sales and boost the industry.

5.3. Limitations

The limitation of this paper is that most of the discussion on consumer psychology is based on the current situation in China, which is the basis of increasing social civilization, good economic momentum, and open policy. However, in terms of the overall situation of the world, the social development of western countries (the main luxury consumer market) has been stable. In other words, Objective factors have little influence on consumption behavior. Therefore, whether Chinese consumers' consumption psychology also applies to Western consumers' consumption behavior is uncertain. Future research should take a global view, look at the overall economic changes, and find out the common consumption of people from different backgrounds. It is also promising to study the operation mode of Internet +. After acquiring fan traffic through content operation and realizing

integrated online and offline marketing, luxury brands worldwide can accelerate the digitalization and Internalization of store services by providing consumers with a one-stop and all-scene convenient shopping service experience.

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