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WHAT MAKES KOREAN CONSUMER BUY LUXURY BRANDS: A QUANTITATIVE STUDY

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ABSTRACT

This study investigates the relationship between Korean consumers' need for uniqueness and self-monitoring and the purchase intention of luxury brands. 59 Koreans participated in the survey using the Pearson correlation analysis. The results revealed that Korean consumers' need for uniqueness and self-monitoring are positively correlated with purchase intention. The desire for uniqueness and self-monitoring impact consumers' intention to purchase luxury brands.

Keywords: Luxury brands, Need for uniqueness, self-monitoring, purchase intention, Korean consumers, Korean Luxury market

INTRODUCTION

South Korea has become one of the most important luxury markets in the world. The Korean luxury goods market reached 16.8 billion in 2022 driven by increasing consumer spending (Shan, 2023). South Koreans spend $325 on luxury goods per capita compared to $280 and $55 by American and Chinese respectively in 2023 (Shan, 2023). It suggests that the understanding of Korean consumers towards luxury brands is crucial. Moncler and Richmont recorded double sales in Korea in 2022 (Moncler,n.d., Richemont,n.d.). The aspiration of owning high-end products, and luxurious items has been penetrating the Korean luxury market. According to the McKinsey survey,

45% of Japanese and 38% of Chinese responded that showing off luxury items is not good compared to 22% of Korean respondents. With the low starting point of luxury products (Salsberg & Shin, 2010), the Korean market become ever be a booming market regardless of gender and age, everyone can be a potential consumer.

This paper aims to investigate the relationship between various attitudes; need for uniqueness, self-monitoring, and the formation of purchase intentions for luxury brands. This research also proves how emotions and different attitudes can impact the consumer's behavioral purchase intention. With the fact luxury brands are primarily from Western, examining the desire for luxurious goods, the researcher hopes to provide practical implications for marketers and businesses to understand the evolving needs and desires of Korean consumers.

The arising perception and emotions when the consumers hear and think in their minds is what this study aims to capture. Thus, the scope of luxury brands in this study is limited to fashion brands with their famous and very visible nature in public in Korea. Therefore, gaining insight into the factors driving consumer behavior among Korean consumers would uncover valuable insights into the motivations and preferences driving consumer behavior in the realm of the luxury market and businesses can successfully employ their marketing strategies and product offerings to generate better performances with specially designed to serve the desires and aspirations of Koreans.

LITERATURE REVIEW

Luxury brands have experienced significant growth over the past few decades. There have been many researches investigating not only the attitudinal effects of purchase intention toward luxury brands but also the logos, images, and other physical and sociological factors impacting the purchase intention of consumers toward luxury brands (Shukla et al., 2023).

Though luxury brands are very expensive and display exclusive features, the pursuit of luxury brands never ceases. The boom of the luxury market is driven by increasing consumer demand for products that convey status, prestige, and exclusivity in the luxury market, various psychological, social, and economic factors influenced consumer behavior in the luxury goods market. Eastern

consumers tend to purchase luxury goods to display wealth and social status. The study of Lee et al suggests that Korean consumers, Koreans tend to view luxury consumption as a means of affirming their social status (Seung-Hee & Workman, 2014). The belief shapes these brands can represent best their wealth and social success.

There have been many studies investigating the factors influencing purchasing intentions among Korean consumers, however, the target of the study was limited to college students for the convenience of researchers. This study aims to bridge this gap by exploring how various actors impact their intentions to purchase luxury brands among Korean consumers aged 20 to 67.

Hypotheses

Need for uniqueness and purchase intention

Bian and Forsythe's study found that NFU and self-monitoring play a huge role in the consumers' behavior in the luxury market (Bian & Forsythe, 2012), which refers to the attention to the use of a product (Piron, 2000). Additionally, luxury brands' distinctive and unique designs encourage the personal values of consumers (Park et al., 2008). Therefore, NFU can influence the purchase intention of luxury brands.

H1: Need for Uniqueness (NFU) is positively correlated with purchase intention

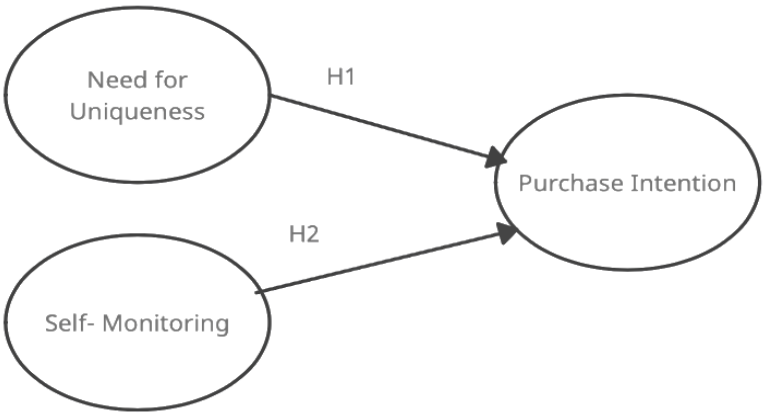


Figure 1. Conceptual model

Table No. 1.Self-monitoring and purchase intention

Self-monitoring can be defined as an individual's means to recognize how they are required to present themselves in different situations (Snyder,1974). As the self-monitoring skills are higher, individuals are more concerned with their social image(Snyder,1974). Therefore, more concern for social image leads to the purchase of luxury brands.

H2: Self-monitoring is positively correlated with purchase intention

METHODS

A survey was conducted to target random Koreans. The questionnaire was employed from Bian and Forsythe's study, and then translated and modified into Korean and was carefully monitored for adjustments to ensure accuracy. The questionnaire was self-administered and distributed using Google Forms. A final sample resulted in a total of 59 samples after filtering incomplete responses. The female takes 66 percent of the total sample with 39 female respondents. The age varies from 20 to 67. The mean age was 32. Participants were asked to perceive their favorite luxury brand of "this luxury brand" in the questionnaire which served as a point to avoid bias.

Variables	Authors	No. of Items (1 = Strongly Disagree to 7 = Strongly Agree)	Likert Scales
Need for uniqueness	Bian & Forsythe(2012), Piron (2000), and Park et al (2008)	2	7
Self-monitoring	Bian & Forsythe(2012) and Snyder (1974)	6	7

Table 1. Authors and scale development

Construct measures

To assess individual characteristics and brand-associated variables, a 7-point Likert-type scale was used measuring from strongly disagree to strongly agree. The three dimensions of creative choice counter-conformity creative choice conformity, unpopular choice counter-conformity, and similarity avoidance counter-conformity were measured according to Tian et al's (Tian et al, 2001) scale of the construct of need for uniqueness (NFU) used from Bian and Forsythe's study.

RESULTS

Measurement model

From the obtained data from google forms, SPSS was used to verify the validity and reliability of the data values using factor loading and Cronbach's alpha as shown in table 2. Items with low factor loadings or clustering together despite there being distinct constructs were removed for further analysis. NFU_C 1 and NFU_C 2 from Creative under the need for uniqueness scale, NFU_U 2 from Unpopular under the need for uniqueness, NFC_S 2 from the Similarity avoidance under the need for uniqueness, and self_3 from the self-monitoring were eliminated due to their failure to capture each aspect of their constructs. After eliminating these items, the reliability test was re-conducted using the remaining questionnaire items.

Latent constructs	Scale items	Factor loading	Composite Reliability
Need for uniqueness	I wear clothes that are different from my usual style, even in situations that may offend others.	.825	.767
	I don't like the brand that many people buy.	.794	
Self-monitoring	I can control my behavior well depending on the situation.	.856	.830
	If I feel that your image is not being conveyed well, you can easily change it to make it better.	.602	
	In social situations, I have the ability to change my behavior if I feel it is necessary.	.713	
	I can tell when something is inappropriate from the listener's perspective.	.824	
	I can read a person's true emotions through their eyes.	.729	

Purchase intention	If I were to purchase a luxury brand, I would consider purchasing this luxury brand.	.789	.869
	If I were to buy a luxury brand, I would most likely buy this luxury brand.	.841	
	If I purchase a luxury brand, I will have a high intention to purchase this luxury brand.	.916	
	I am likely to purchase luxury brands.	.702	

Table 2: Factor loading of the item questions

Hypotheses testing

The Pearson correlation between need for uniqueness(nfu_mean), self-monitoring(self_mean), and purchase Intention(Pi_mean) was conducted to test the hypotheses as shown in Table 3. The coefficient between the need for uniqueness and self-monitoring is 0.164, indicating a weak correlation. The correlation is not statistically significant (p = 0.214). The coefficient of 0.457 between the need for uniqueness(nfu_mean) and purchase intention revealed a moderate positive correlation between the Need for Uniqueness with purchase intention statistically significant at the 0.01 level (P < 0.001). therefore, Hypothesis 1 (H1). Hypothesis 2 (H2) were supported by the correlation analysis that revealed that there are significant relationships between variables in the study. r=0.325,p<0.05, the coefficients Between self-monitoring(self_mean) and purchase intention(PI_mean) shows a moderate positive and statistically significant at the 0.05 level (p =0.012).

Overall, findings from the correlation analysis interpreted that the need for uniqueness has a moderate positive relationship with purchase intention, self-monitoring also has a moderate positive relationship with purchase intention, and between the need for uniqueness and self-monitoring, there is a weak positive relationship, but it is not statistically significant.

Table 3

Correlations

		nfu_mean	self_mean	PI_mean
nfu_mean	Pearson Correlation	1	.164	.457**
	Sig. (2-tailed)		.214	<.001
	N	59	59	59

self_mean	Pearson Correlation	.164	1	.325*
	Sig. (2-tailed)	.214		.012
	N	59	59	59
PI_mean	Pearson Correlation	.457**	.325*	1
	Sig. (2-tailed)	<.001	.012	
	N	59	59	59

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

CONCLUSION AND DISCUSSION

The conceptual model which states the purchase intention of Korean consumers has a relationship with the need for uniqueness and self-monitoring is supported by the findings in this study. The findings support the hypotheses, indicating that both self-monitoring and the need for uniqueness play a role in Korean consumers' purchase intention toward luxury brands.

This study provides partial support for the hypotheses, by revealing the correlation between the need for uniqueness, self-monitoring, and purchase intention. The support of Hypothesis 1(H1) suggests that Korean consumers who are more concerned with self-monitoring are more likely to have a higher intention to purchase luxury brands. The support of Hypothesis 2 (H2) suggests that Korean consumers with a higher desire for uniqueness are more likely to display a higher pursuit to purchase luxury brands.

overall, this research contributes to the concepts impacting Korean consumers' behavior in the luxury brand market. The results highlight individual traits and preferences by observing the need for uniqueness and self-monitoring in driving purchase intentions which provides insights for luxury brand marketers to target the Korean market. Luxury brand marketers develop effective strategies to enhance the consumers' desire for uniqueness and self-monitoring to lead to purchase.

LIMITATION

Since this study only obtained 59 samples, which is a few to generalize the Korean demographic, it is advisable to have a larger sample for reliability and generalizability of the findings.

Given that correlation revealed a moderate positive correlation between two independent variables, the need for uniqueness and self-monitoring, and one dependent variable, purchase intention, future research could include additional factors such as unmeasured variables not presented in this study which may influence the purchase intention of luxury brands among Korean consumers, refine instruments to measure to capture nuanced aspects of consumer behavior, and employ various statistical methods such as regression analysis and qualitative methods to deepen to the understanding of consumer behavior.

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