

**AN EMPIRICAL INVESTIGATION OF FACTORS INFLUENCING ON
BUYING LUXURY GOODS
A SPECIAL REFERENCE TO JAFFNA DISTRICT**



SUMITHIRA RAVINDRAN



FCM1749



Project Report
Library - EUSL

**DEPARTMENT OF COMMERCE
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA.**

ABSTRACT

This study investigated the factor influencing on buying luxury goods in Jaffna district. The objectives of this study is to find out the level of influence of social factor, financial factor and psychological factor and evaluate the level of influencing on buying luxury goods in Jaffna district.

The study is conducting among the sample of 150 consumers who are randomly selected from Jaffna district. Data were collected through the questionnaire and statistical techniques such as descriptive, correlation and regression were used under the univariate analysis, cross tabulation analysis and bivariate analysis respectively.

The finding of this study influencing factor is high level in the buying luxury goods. There is a significant strong positive correlation between influencing factors and buying luxury goods. Further, there is strongly positive influence of the variables social factor, financial factor and psychological factor on the buying luxury goods among in the Jaffna district.

These finding will be useful when developing and implementing the strategies for consumers in Jaffna district.

TABLE OF CONTENTS

Acknowledgement	i
Abstract	ii
Table of Contents	iii
Table of Tables	viii
List of Figures.....	x
1. Chapter One - Introduction	
1.1. Background of the Study	01
1.2. Problem Statement.....	02
1.3. Research Questions.....	03
1.4. Objectives of the Study.....	03
1.5. Significance of the Study.....	03
1.6. Scope of the study.....	04
1.7. Summary.....	04
2. Chapter Two- Literature Review	
2.1. Chapter Introduction	05
2.2. Product	05
2.2.1 Convenience Products.....	06
2.2.2 Shopping Products.....	06
2.2.3 Specialty Products.....	06
2.2.4 Unsought Products.....	07
2.3. Luxury Goods.....	07
2.3.1 Approaches to Luxury	07
2.3.2 Conspicuous Consumption.....	08
2.3.3 Prestige vs. Luxury Goods.....	08
2.3.4 Six dimensions of Luxury.....	08
2.3.4.1 Excellent Quality.....	09
2.3.4.2 Very high Price.....	09
2.3.4.3 Scarcity and Uniqueness.....	09

2.3.4.4 Aesthetics and Poly Sensuality.....	09
2.3.4.5 Ancestral Heritage and Individualistic Identity.....	09
2.3.4.6 Super Fluousness.....	09
2.3.5 Symbolic of Luxury Goods.....	10
2.3.6 Luxury Consumer's Value Dimensions.....	10
2.3.6.1 Perceived Conspicuousness.....	10
2.3.6.2 Perceived Uniqueness.....	10
2.3.6.3 Perceived Quality.....	11
2.3.6.4 Perceived Hedonism.....	11
2.3.6.5 Self Perceived Social Value.....	11
2.4. Consumer Buying Decision	11
2.4.1 Demographic Factor	12
2.4.1 Social Factor.....	11
2.4.2 Financial Factor	12
2.4.3 Psychological factor.....	13
2.5. Summary.....	14
 3. Chapter Three- Conceptualization and Operationalization	
3.1. Chapter Introduction.....	15
3.2. Conceptualization	14
3.2.1. Conceptual Framework.....	15
3.3. Factor influencing on Buying Luxury Goods.....	16
3.3.1. Demographic Factor.....	17
3.3.2. Social Factor.....	17
3.3.2.1 Family.....	17
3.3.2.2 Self Image.....	17
3.3.2.3 Self Esteem.....	17
3.3.3. Financial Factor	17
3.3.3.1 Income.....	18
3.3.3.2 Enjoyment.....	18
3.3.3.3 Price.....	18
3.3.4. Psychological Factor	18
3.3.4.1 Motivation.....	18

3.3.4.3 Beliefs and Attitude.....	18
3.3.4.4 Perception.....	19
3.4. Buying Luxury Goods.....	19
3.5. Operationalization.....	19
3.5. Summary.....	21
4. Chapter Four - Methodology	
4.1. Chapter Introduction.....	22
4.2. Study Setting, Study Design and Method of Survey.....	22
4.3. Research Techniques	22
4.4. Sample Size and Sampling Method.....	23
4.5. Method of Data Collection.....	23
4.6. Method of Measurement.....	23
4.7. Method of Evaluation.....	24
4.8. Descriptive Statistic.....	24
4.8.1. Univariate Analysis.....	24
4.8.2. Bivariate Analysis.....	25
4.8.3. Multivariate Regression Analysis.....	26
4.9. Summary	26
5. Chapter Five - Data Presentation and Analysis	
5.1. Chapter Introduction.....	27
5.2. Reliability analysis.....	27
5.3. Personal Information.....	28
5.3.1 Gender Distribution.....	28
5.3.2 Age Distribution.....	28
5.3.3 Education Distribution.....	29
5.3.4 Income Distribution.....	29
5.3.5 Family Size Distribution.....	30
5.3.6 Occupation Distribution.....	30
5.4. Research Information.....	31
5.4.1 Univariate Analysis for Independent Variables.....	31

5.4.1.1 Level of Social Factor on Buying Luxury Goods.....	31
5.4.1.2 Level of Financial Factor on Buying luxury goods.....	32
5.4.1.3Level of Psychological Factor on Buying Luxury Goods.....	34
5.4.1.4 Overall View of Independent Variables.....	35
5.4.2 Univariate Analysis for Dependent Variable.....	35
5.4.2.1 Level of Contribution on buying luxury goods.....	35
5.4.3 Bivariate Analysis	37
5.4.3.1 Correlation & Regression Analysis between Social Factor and Buying Luxury Goods.....	37
5.4.3.2 Correlation & Regression Analysis between Financial Factor and Buying Luxury Good.....	38
5.4.3.3 Correlation & Regression Analysis between Psychological Factor and Buying Luxury Goods.....	40
5.4.3.4 Correlation & Regression Analysis between Influencing Factor and Buying Luxury Goods.....	41
5.4.4 Cross Tab Analysis.....	43
5.4.4.1 Gender and Buying Luxury Goods Cross Tabulation.....	43
5.4.4.2 Age and Buying Luxury Goods Cross Tabulation.....	44
5.4.4.3 Education and Buying Luxury Goods Cross Tabulation.....	45
5.4.4.4 Income and Buying Luxury Goods Cross Tabulation.....	46
5.4.4.5 Family Size and Buying Luxury Goods Cross Tabulation.....	46
5.4.4.6 Occupation and Buying Luxury Goods Cross Tabulation.....	47
5.5. Summary.....	48
6. Chapter Six - Discussion	
6.1. Chapter Introduction	49
6.2. Discussion.....	49
6.2.1. Discussion of Objective One	49
6.2.2. Discussion of Objective Two.....	51
6.2.3. Discussion of Objective Three.....	54
6.4.Summary	5

7. Chapter Seven- Conclusions and Recommendations	
7.1. Chapter Introduction	56
7.2. Conclusion	56
7.3. Recommendation.....	57
7.4 Limitation of the Study	58
References.....	59
Appendix – Questionnaire.....	65

