



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Analyse the Changes in Customer behaviour towards Luxury Watches

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ABSTRACT

This Study highlights the changes in customer behaviour towards luxury watches. Luxury watches have always been associated with status, wealth and prestige. However, the recent years have shown a shift in customer behaviour related to luxury watches. The main objective of this project is to know the changes in customer behaviour towards luxury watches. The study was conducted in Coimbatore city with sample size of 100 respondents through random sampling method. The method used for the study is chi-square analysis and rank analysis. The shift towards sustainable, personalized, technologically advanced and affordable pre-owned luxury watches has increased discerning consumers who demand transparency, more focused on the legacy of a brand.

1.1 INTRODUCTION:

The luxury goods market is growing and an increasing number of young people seem to be purchasing luxury goods. With the increasing popularity of various social media, luxury brands are adopting this approach as a means of communicating with the consumers who can be influenced by these channels. Luxury as a term in the recent past has widened its scope to add people in the lower bands of the spectrum. The rising disposable income in comparison to past statistics, has resulted in a propensity towards opting for luxury brands, be it products, services or experiences. The actual approach of a company or brand's positioning in the marketplace depends on how it communicates the benefits and product attributes to consumer and users. The brand positioning of company to further itself from competitors based on a host with main five keys issues: Price, Quality, Product Attributes, Distributing and Usage Occasion.

1.2 OBJECTIVES:

- To find the satisfaction and brand preference among customers.
- To study about change in consumer behaviour towards luxury watch brands.

1.3 STATEMENT OF PROBLEM:

The concept of luxury has been changing dramatically across time and culture. Earlier, luxury was connected with things like wines, champagne, designer clothes and sports cars. These days, people have become richer and luxury is a blurred generation that is no longer the preserve of the elite. People are having much more disposable income in comparison to earlier generations, resulting in a tendency towards brands like apple mobile, boat, watches.

1.4 RESEARCH METHODOLOGY

The accompanying sections clarify the philosophy continued in this study

1.5 DATA COLLECTION METHOD:

- Primary data
- Secondary data

PRIMARY DATA

First time collected data are referred to as primary data. In this research the primary data was collected. The questionnaire consists number of questions in google form.

SECONDARY DATA

Secondary data was collected with help of internet, newspaper, magazines, research paper, journals, books and respective websites were also used to gather the data and information.

1.6 AREA OF THE STUDY:

The area of study is conducted in Coimbatore City.

1.7 LIMITATIONS OF THE STUDY:

The accuracy of the study depends on the information given by the respondents. Period of study is limited. Samples are taken only in random sampling method. Sample size is limited to 100 respondents.

1.8 STATISTICAL TOOLS:

- Chi Square Analysis
- Ranking Analysis

2.1 REVIEW OF LITERATURE:

- 1) **Fornasier (2021)**, another significant change in customer behaviour towards luxury watches is the growing importance of digital channels. With the rise of e-commerce and social media, luxury watch brands are adapting their strategies to reach customers online.
- 2) **Wojewoda (2020)**, the COVID-19 pandemic has accelerated shifts in customer behavior towards luxury watches. With stores closed or operating at reduced capacity, consumers are increasingly turning to online channels to purchase luxury goods. Brands that have invested in their e-commerce platforms and digital marketing strategies are more likely to weather the pandemic successfully, while those that rely primarily on physical stores may struggle to stay afloat.
- 3) **Lam, S. Y., and Liu, G. (2016)**, examined in their article, "The impact of digital marketing on consumer behaviour towards luxury brand products: A study of handbags and watches," published in the Journal of Business Research, how digital marketing influences the consumer behaviour of luxury brand products specifically handbags and watches. The study emphasizes that the digitalization of business has transformed the way consumer's shop and experience products, especially luxury brands.

3.1 CHI SQUARE ANALYSIS:

A chi-square is a statistical test that is used to compare observed and expected results. The goal of this test is to identify whether a disparity between actual and predicted data is due to chance or to a link between the variables under consideration. A chi-square test or comparable non parametric test is required to test a hypothesis regarding the distribution of a categorical variable.

FORMULA

$$X^2 = \sum (O-E)^2 / E$$

$$X^2 = \text{Chi square}$$

O_i = Observed value (actual value)

E_i = Expected value.

TABLE: THE RELATIONSHIP OF EDUCATIONAL QUALIFICATION AND KINDS OF WATCH PREFER BY RESPONDENTS

Studies	Kinds of watch				Total
	Chain	Smart	Digital	Leather	
SSLC/HSC	6	9	2	7	24
UG	13	20	3	4	40
PG	9	4	5	2	20
Diploma	7	5	1	3	16
Total	35	38	11	16	100

O	E	(O-E)	(O-E) ²	(O-E) ² /E
6	8.4	-2.4	5.76	0.685

13	14	-1	1	0.071
9	7	2	4	0.571
7	5.6	1.4	1.96	0.35
9	9.12	-0.12	0.0144	0.001
20	15.2	4.8	23.04	1.515
4	7.6	-3.6	12.96	1.705
5	6.08	-1.08	1.1664	0.191
2	2.64	-0.64	0.4096	0.155
3	4.4	-1.4	1.96	0.445
5	2.2	2.8	7.84	3.563
1	1.76	-0.76	0.5776	0.328
7	3.84	3.16	9.9856	2.600
4	6.4	-2.4	5.76	0.9
2	3.2	-1.2	1.44	0.45
3	2.56	0.44	0.1936	0.075
Total	100			13.605

Chi-Square Value: $X^2 = \sum (O-E)^2 / E$

= 13.605

Degree of freedom = (row-1) (column-1)

= (4-1) (4-1)

= (3) (3)

= 9

Significance Level = 0.05

Table Value = 16.919

X^2 Calculated Value < X^2 Tabular Value

Hypothesis

H0 – There is no significant relationship between educational qualification and kinds of watch prefer.

H1 – There is significant relationship between educational qualification and kinds of watch prefer.

Interpretation:

In the above analysis the calculated value (13.605) is lower than the table value (16.919) at the level of 0.05 significance. Hence, there is no significant relationship between educational qualification and kinds of watch.

3.2 RANK ANALYSIS:

A ranking is a relationship between a set of items such that, for any two items, the first is either ranking higher than', 'ranked lower than' or 'ranked equal to the second.

TABLE: RANK THE FOLLOWING BRANDS

Brands	Poor	Bad	Average	Good	Excellent	Total	Rank
Omega	3	11	11	33	42	400	I
Rolex	9	26	14	26	37	392	II

Catier	1	11	25	29	34	384	III
Fastrack	4	15	13	34	34	379	IV
Titan	4	19	15	36	26	361	V

Interpretation:

The above table indicates respondents prefer Omega brand first choice, respondents prefer Rolex brand second choice, respondents prefer Cartier brand third choice, respondents prefer Fastrack brand fourth choice, respondents prefer Titan brand five choice..

4.1 SUGGESTIONS:

- More marketing strategies can be introduced.
- Brand website can be more creative to attract the customer.
- More discounts may be provided.
- Tracking of customer prefer and behaviour can be monitor.
- Identify influencers in the luxury watch market and analyse their influence on customer's behaviour. This analysis can help you identify trends and preferences and create effective marketing campaigns.

4.2 CONCLUSION:

The analysis of changes in customer behaviour towards luxury watches has shown that there has been a significant shift over the years. Consumers are no longer solely driven by the brand's status and exclusivity; they also place high emphasis on the watch's functionality, design, and value. The rise of digital retail channels and e-commerce platforms has also made luxury watches more accessible to a broader customer base, which has influenced the customer purchasing journey. As such, luxury watchmakers need to adapt to the changing consumer preferences and develop marketing strategies that cater to evolving demands. Meeting customer expectations in terms of design, value, and functionality, while maintaining brand prestige and exclusivity, will be crucial in attracting and retaining customer loyalty in the luxury watch market.

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