

**A summary of a doctoral thesis written
under the scientific guidance of
prof. dr hab. Ewy Kieźel
“Consumer behaviour on luxury goods market
in Poland - determinants and typology”
mgr Klaudia Plażyk**

This doctoral thesis takes the issue of consumer behaviour on luxury goods market in Poland which is poorly recognised. Most of the research in Poland related to consumer behaviour on luxury goods market was conducted on randomly selected populations of consumers¹. But Polish society does not belong to the wealthiest, so in a group of randomly selected individuals is a few people who are dealing with luxury every day. On the other hand, other studies carried out among wealthy and rich, where there was a certain level of income that qualified to participate in the studies². However, empirical studies did not consider the variability of the luxury goods market. Luxury goods, which were available for a small, elite group of richest people, become available to a wider, more mass audience. New consumer is relatively poorer and less loyal than traditional consumer, but is attractive to producers of luxury goods because of its quantitative advantages over traditional client.

All these issues are extensively studied by Western researchers but conclusions of such studies should not be uncritically transferred to Polish realities because each society is different and different factors affect the society (economic factors, historical, geographical, cultural and other).

All these reasons were inspiration for research. The main objective of the research was to understand the consumer behavior in the luxury goods market in Poland and identifying determinants of these behaviors. The aim was also the typology of consumer behaviour in this market. The results of the study are an important contribution to science in the field of consumer behaviour on luxury goods market in Poland.

The specific objectives were:

¹ “Czym dla Polaków jest luksus?”, March 2006, <http://pentor-arch.tnsglobal.pl/49667.xml>

² KPMG reports from the years 2010 – 2014 concerning the luxury goods market in Poland (reports available on the corporate website <http://www.kpmg.com/pl/pl/strony/default.aspx>).

- presentation of scientific achievements in the field of consumer behavior in the luxury goods market,
- clarify the notion of `luxury` and `luxury good`,
- determine the specificity of the luxury goods market,
- characteristics of the consumption of luxury goods,
- identifying preferences of consumers of luxury goods,
- identifying sources of information used by consumers in making purchasing decisions.

The methodical objective was associated with an attempt to solve the conceptual and methodical problems related to the research on consumer behavior on the market of luxury goods in Poland as well as developing the methods and research techniques necessary for identification of this phenomenon. The utilitarian objective was associated with indicating possibilities of taking advantage of consumer behavior knowledge while implementing marketing strategies and introducing new solutions on the luxury goods market.

For the project adopted the following main hypothesis: It is assumed that the behavior of consumers in the luxury goods market is determined by consumer income and their supply, but also strong by fashion, lifestyle and desire to emphasize own style. It is also expected that depending on the impact of these factors, it is possible to extract the typological groups of consumers of luxury goods in Poland.

The specific hypotheses were as follows:

H1: Demand for luxury goods in large part is determined by a change in values of consumption, which translates into increased interest in luxury clothing, cosmetics and jewelry.

H2: It is assumed that there is a high level of democratization of luxury goods in Poland, particularly among cosmetics and accessories (bags, gloves, belts, etc.).

H3: Depending on the amount of income, Polish consumers purchase luxury goods with the exposed or non-exposed logo - middle-class consumers (aspiring to be a higher class) who purchase luxury goods with the logo prominent want to give a sign to other consumers that they can afford to purchase these goods but wealthy consumers prefer products with no visible logo.

For verification hypotheses were carried out literature studies mainly in the field of economics, management, marketing, psychology and sociology. Literature studies included analysis of the positions in Polish, English and French. Literature studies were used in the

analysis of scientific achievements, the design methods and techniques of empirical studies, and interpreting the results of empirical analysis.

The research tool was a questionnaire of direct interview. The survey was conducted from December 2013 to January 2014 in Katowice and Gliwice on an intentionally selected sample of 307 consumers who declared that regularly purchase luxury goods. Finally, statistical analysis were 300 questionnaires.

The work consists of five chapters: three theoretical and two empirical. The first chapter includes the various concepts of consumer behaviour on luxury goods market, factors influencing that behaviour and the decision-making process and the process of extracting the types of consumers of luxury goods.

The second chapter provides an analysis of the Polish market of luxury goods on the background of the European and global luxury goods market. The analysis was conducted on the three categories of luxury goods: luxury clothing and accessories, luxury jewellery and luxury cosmetics. It was decided to choose those categories of goods, because according to H. Mruk in the coming years in Poland will increase demand for luxury goods connected with the quality of life³. The chapter also characterized the participants of the luxury goods market.

The third chapter presents the main sources of information about consumer behaviour on luxury goods market and research methods used in the study of consumer behaviour on luxury goods market. Also was presented a detailed description of the methodology, including the procedure for separating types of consumers in the relevant market.

The four chapter presents the results of research on consumer behaviour on luxury goods market. It also presents the main determinants of behaviour in relation to luxury goods and places where luxury goods are purchased.

Based on the obtained results, the five chapter presents a typology of consumers of luxury goods in Poland and recommendations for designing marketing strategies for luxury goods market in Poland.

The conducted study allowed to verify the hypotheses. Consumer behaviour on luxury goods market in Poland are determined by their income and the discretionary fund. These aspects have an impact on the level of expenditure that is spent on luxury goods - if the consumer reaches a higher income, a lower percentage of income must be spent on the purchase of luxury goods. Conversely, if the consumer is less wealthy, a larger percentage of

³ H. Mruk: Makrotrendy a zachowania konsumentów (w:) Konsument, gospodarstwo domowe, rynek, collective work edited by Z. Kędzior, Akademia Ekonomiczna w Katowicach Centrum Badań i Ekspertyz, Katowice 2007, s. 9-28.

income must be spent on the purchase of luxury goods. For this reason, some consumers reduce their consumption of luxury goods to the cheapest category called *masstige*.

Another aspect influencing consumer behaviour on the luxury goods market is the supply of goods. Practically, it is impossible to precisely analyze and verify this aspect. However, the indicators such as the increasing number of luxury brands available in Poland, improving infrastructure, encouraging luxury brands to enter the Polish market (the growing large of modern shopping malls, renewing the main streets in major cities) and the increasing value of the luxury goods market in Poland show that the supply of the luxury goods increase each year. But even so, compared to Western markets, this figure is not satisfactory. Most of consumers claimed that western markets are better equipped in luxury. Also, prices of luxury goods available on the Polish market, according to respondents, are less attractive in comparison to the foreign markets. The whole situation is aggravated by the fact that Polish consumers earn less than consumers in Western countries. It all makes that some of them buys luxury goods abroad. This situation has a real impact on the value of this market in Poland.

In this market a significant role play also fashion and lifestyle, which are propagated in the media and especially a hedonistic attitude to life (buying for pleasure). Also the lifestyle of rich and wealthy people has an impact on consumer behaviour on luxury goods market in Poland. This group, which is the largest beneficiary of market transformation, has been the subject of many scientific studies. They are the group to follow for many Polish consumers. The collected opinions support the main hypothesis: It is assumed that the behavior of consumers in the luxury goods market is determined by consumer income and their supply, but also strong by fashion, lifestyle and desire to emphasize own style. These statements provide a general picture of the situation on the Polish market and they are a point for understanding changes and determinants.

The confirmation of changes in lifestyle and a hedonistic way of consumption contains the specific hypothesis H1 - Demand for luxury goods in large part is determined by a change in values of consumption, which translates into increased interest in luxury clothing, cosmetics and jewelry. Most consumers claimed that they buy luxury goods to make yourself pleasure and they also believe that others acquire luxury goods for own pleasure.

These changes in consumers' value system also affect the categories of luxury goods purchased – the demand for luxury goods connected with quality of life increases each year (luxury clothes and cosmetics, including perfumes). But there is no confirmation that these categories of luxury goods also includes luxury jewelry (it is a part of a luxury image and also

as a good investment). It may be due to fairly high price of these goods and their durability and low levels of seasonality due to changing fashion. Another reason may be that this category is often purchased as a gift.

Interesting, from a scientific point of view, is the phenomenon of the democratization of luxury and the emergence of the new luxury consumer. Observations of the foreign researchers was the starting point to bring the specific hypothesis H2 - It is assumed that there is a high level of democratization of luxury goods in Poland, particularly among cosmetics and accessories (bags, gloves, belts, etc.). Analysis of the research material allowed to prove that in Poland there is a high level of democratization of luxury goods. A less affluent group of consumers most commonly acquires cheaper categories of luxury goods: luxury cosmetics (including perfumes) and accessories. The proportions of the acquisition of luxury cosmetics, perfumes and accessories decrease as income increases and then remain at a similar level to other categories (when a consumer has a larger income, then acquires luxury cosmetics, perfumes, luxury alcohols and groceries with the same frequency). Interestingly, with increasing revenues significantly increases the frequency of purchasing of luxury clothes. This is because of changing trends and fashion and increasing consumer awareness about caring for appearance. If the consumer's income is higher, the more likely a consumer can afford to buy luxury clothes. Consumers with lower incomes prefer a cheaper series of luxurious clothes (e.g. Max Mara and its cheaper line of Max Mara Weekend).

The democratization of luxury is quite important phenomenon in Poland and the main reason is the lower level of affluence in comparison with Western countries and big desire to acquire luxury products.

An important aspect was also verify - how important for consumers is visible logo on a luxury product. For this purpose was put the specific hypothesis H3 - Depending on the amount of income, Polish consumers purchase luxury goods with the exposed or non-exposed logo - middle-class consumers (aspiring to be a higher class) who purchase luxury goods with the logo prominent want to give a sign to other consumers that they can afford to purchase these goods but wealthy consumers prefer products with no visible logo. As the study found, the differences between middle-class and wealthy people in the approach to the visibility logos are statistically significant – when the income is higher, the lower is a desire to display a logo.

Making a division of the group of respondents, include middle class consumers (aspiring to a higher class) and wealthy people, it can be seen that for less affluent consumers

visibility of a logo on a product is more important. This is due to the fact that recognizable logo gives a signal to other consumers that (less affluent) consumers can afford to purchase luxury goods. Wealthy consumers preference products with no visible logo, because most of them do not have a need to show their wealth.

These conclusions were also grounded in the analysis of the prices of luxury brand Louis Vuitton handbags (the brand is the best example of diversification of the range of products for different customer groups - wealthy and middle class consumers). Price analysis bags showed that when logo on the bag is more visible, the price of this bag starts at a lower level but the maximum price does not exceed the maximum price of handbags where the logo is less visible. This shows that companies which manufacture luxury goods noticed this relationship.

An important result of the research was an attempt to identify the various types of consumers of luxury goods. There were identified four types of consumers of luxury goods in Poland:

1. POSEUR – a person consuming luxury publicly, with lower income;
2. SNOB – a person consuming luxury publicly, reaching a high income;
3. OPPORTUNIST – a person consuming luxury privately, for own pleasure. Just as "poseur" is characterized by lower levels of income;
4. CONNOISSEUR – connoisseur of luxury, reaching a high income, consuming luxury privately.

The results of the research do not cover fully the issues related to the behaviour of Polish consumers on the luxury goods market. In the research have been identified fundamental changes in the attitudes of consumers towards luxury and luxury goods, external and internal factors determining these attitudes, a place of purchase, different types of consumers and the fundamental differences in their behaviour. All these issues should bring tangible results, e.g. help in planning and modifying marketing strategies using the knowledge about the types of consumers of luxury goods in Poland or help in extending the group of loyal customers.

The luxury goods marketing strategies are global but they require some modifications depending on the market. Future research should rather concern particular types of consumers, with an emphasis on attitudes towards luxury and luxury goods and motives of their consumption. In this area there are the biggest differences between consumers. It is important that further studies should take into account qualitative methods because they help

to explore the hidden motives of consumer behaviour. Such studies use a wider range of psychological and sociological elements and help to understand consumers' attitudes and motives.

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