

THE INFLUENCE OF CUSTOMER LIFESTYLE, CUSTOMER PERCEPTION, AND CELEBRITY ENDORSEMENTS, FACTORS TOWARDS PURCHASING DECISIONS in the HIGH – END LUXURY FASHION APPAREL INDUSTRY IN THAILAND

Stacy Goncalves

Email: Stacy.gonc@bumail.net

Atisan Phuwasaktanasiri

Email: atisan.p@bu.ac.th

Master of Business Administration (English Program), Bangkok University

Abstract

This study aims to investigate the factors that influence purchasing decisions for high-end luxury apparel in Thailand. Through quantitative research methods, including online surveys, collected from individuals across various districts in Thailand. Multiple linear regression analysis was employed to analyze the data. The findings reveal that customer perception, shaped by marketing, reviews, and social media, significantly influences purchasing decisions. Additionally, celebrity endorsements, when combined with factors like popularity, credibility, and attractiveness, can be a powerful tool for influencing consumer behavior. This implies that individuals in higher-paying professions and younger generations are more likely to prioritize purchasing luxury products. This research was carried out on a sample of 438 respondents which concluded that all 3 variables significantly supported and contribute to the hypothesis that the influence of customer lifestyle, customer perception and celebrity endorsement with a significance level of 0.000 contribute significantly towards the purchasing of high-end luxury products. The collected data showed that respondents have a leading positive attitude towards occupation as a factor influencing their purchasing decisions of high-end luxury fashion apparel. This finding suggests that businesses targeting the luxury market should consider tailoring their marketing strategies to specific occupational groups. By leveraging social media, fostering positive online reviews, and understanding cultural factors, businesses can tailor their marketing efforts to resonate with their target audience to maintain a competitive advantage.

Keywords: Customer perception, Celebrity endorsement, purchasing decisions

Introduction

This study focuses on the Impact of Customer lifestyle, customer perception and celebrity endorsement on purchasing decisions of high-end luxury products in Thailand. In 2022, leading multinational brand groups such as LVMH recorded one of the highest revenues of 79.2 billion euros with a growth of 23%. It is noteworthy, however, that customer lifestyle plays a critical role in the purchasing decisions of high-end fashion apparel. According to Abraham Maslow, it has been proven that psychological needs, safety needs, a sense of belonging and love and self – actualization significantly contributes to purchasing decisions. Pandelaere and Shrum, (2020), further emphasized that luxury apparel products are a representation of non – verbal communication expressing social status, social standing and identity in society, allowing for individuals to express their rooted inclination for acceptance and community. Purchasing decisions additionally contributes to the purchasing of luxury products. Developed by Leon Festinger, the Cognitive dissonance theory was used analyze the psychological effects that are a result of conflicted thoughts and dilemmas during purchasing decisions. Inspired by Gestalt psychology, cognitive dissonance theory explores how the

human mind organizes thoughts in a synchronized manner (Cancino Montecinos, 2020). Barta et al. (2022) investigated the use and impact of Argumentative reality on purchase intent on individuals through suppression of over choice. The result mirrored the hypothesis that individuals are more likely to pay more for products when presented with less information but real environment situations as a form of persuasion (Barta et al., 2022). The study found that individuals purchasing products online are likely to search for past reviews to overcome anxiety of wrongful purchases. Lastly, the Self presentation theory developed by Erving Goffman was used to analyze the impact of Celebrity endorsement on purchasing decisions. Results presented that the digital persona of influences plays a significant role in relatability to consumer decisions.

Objective of the study

1. To study the impact of Customer Lifestyle factor Occupation, Attitude & Values on Purchasing Decisions
2. To study the impact of Customer perception factor, social media, Reviews & Marketing on Purchasing Decisions.
3. To study the impact on Celebrity endorsement factor popularity, credibility & attractiveness on Purchasing Decisions

Scope of the study

Hypotheses Test

1. H1 is the impact of customer Lifestyle (Occupation, Attitude and values) on purchasing decisions.
2. H2 is the impact of customer perception (social media, reviews and marketing) on purchasing decisions.
3. H3 is the impact of celebrity endorsement (popularity, credibility and attractiveness) on purchasing decisions.

Literature Review

Item no.	Authors (Year)	Finding	Variables
1	Zhang et al., 2020.	Purchasing decisions may be formed based on the reputations and exclusivity of products followed by the pressure brought from successful individuals (subjective norms) and behavioral control may be influenced on the monetary factors such as savings or income to purchase luxury products.	Purchasing Decision
2	Pandelaere and Shrum, 2020.	Impact of customer lifestyle has a positive effect on purchasing decisions when seeking a sense of belonging to a group or class through integration and association based on a medium of expressing individuality.	Customer Lifestyle

Item no.	Authors (Year)	Finding	Variables
3	Kingsnorth (2022).	Customer perception has a strong influence on purchasing decisions as online reviews and perception lead to brand loyalty and increased popularity of the brand.	Customer Perception
4	Barta et al. (2022)	Individuals are more likely to pay more for products when presented with less information but real environment situations as a form of persuasion	Customer perception – argumentative reality
5	Tuengtin, (2020)	Celebrity endorsement has significantly impact to the purchasing decision in positive relationship by creating a persona and digital personality to resonate with the desired audience online	Celebrity Endorsement – digital personality
6	Gopal (2021)	Celebrity endorsement has a positive and significant influence on purchasing decisions. By associating a product or service with a well-known and admired celebrity it can create positive associations and emotions that influence consumers' purchasing decision	Celebrity endorsement – emotional attachment

Methodology

Population and Sample

The population of this study are residents in Thailand who purchase or intend to purchase high end luxury apparel products in Thailand. The samples were collected from the population by non – probability sampling, convenience sampling.

According to data reported in the Bangkok Population by World Population Review (2024), the estimated population of Bangkok is 11,233,863. 438 samples were collected with a precision level of $\pm 5\%$. 438 samples selected for this research were selected from 6 different districts in Bangkok, with the use of a sampling method to collect the samples.

Type of Research and Tool

Quantitative research was adopted to collect the data from the 438 respondents, and the convenience sampling technique which is non-probability sampling method was used to collect the data by using the Google forms. The questionnaire included 5 parts- Part 1: Demographic data (9 questions for Gender, age ,occupation,income,purchases), Part 2: Customer lifestyle factor (9 questions for occupation, attitude and values), Part 3: customer perception factor (9 questions for social media, reviews and marketing), Part 4: Celebrity endorsement factor (9 questions for credibility, attractiveness and popularity), and Part 5: purchasing decision (9 questions) by using nominal, and ordinal scale for Part 1, and interval scale (The least 1 to the most 5) for Part 2-5.

Statistics

1. Descriptive statistics consisted of frequency, mean, and standard deviation.
2. Inferential statistics consisted of multiple regression analysis tests.

Result

Demographic Data

The most significant number of nationalities is Thai (96.0%), Gender is female (46.6%), age range is 35-40 years old (26.9%), who are self-employed (50.9%). Most participants income is 400,000 THB (34%%) who have been purchased approximately 3 – 4 luxury products.

Mean and Standard Deviation

- Customer Lifestyle Factors: (\bar{x} = 4.12, SD = 1.130). SATISFIED
- Customer Perception Factors: (\bar{x} = 4.18, SD = 1.074). SATISFIED
- Celebrity endorsement Factors: (\bar{x} = 4.16, SD = 1.073). SATISFIED
- Purchasing decision: (\bar{x} = 4.18, SD = 1.088). SATISFIED

Multiple linear regression

- Customer Lifestyle vs Purchasing Decisions: Accepted with Adjusted R-square = .641, F = 261.902, *P<0.05 (Occupation = .000, significance, Attitude = .000, significance, and Values = .000, significance)
- Customer Perception vs Purchasing Decisions: Accepted with Adjusted R-square = .782, F = 524.303, *P<0.05 (social media = .000, significance, reviews = .000, significance, and marketing = .000, significance)
- Celebrity endorsement vs Purchasing Decisions: Accepted with Adjusted R-square = .701, F = 343.533, *P<0.05 (Popularity = .000, significance, credibility = .000, significance, and attractiveness = .000, significance)

Conclusion

Demographic Data

The most of respondents were Thai female in age range 23 – 28 years old who are self-employed. Most participants have an income of more than 400,000 THB. Most of them purchased 3 – 4 products each

Attitudes towards variables

- **Independent Variable 1: Customer lifestyle**, most respondents were satisfied with the occupation, followed by the attitude, and values as contributing influences to purchasing behavior. Overall, participants satisfied with Customer lifestyle factors.
- **Independent Variable 2: Customer perception Factors**, most of the respondents satisfied with the social media, the reviews, and the marketing. Overall, Participants satisfied with the customer perception Factors.
- **Independent Variable 3: Celebrity endorsement Factors**, the most respondents satisfied with the popularity, the credibility, and the attractiveness. Overall, participants satisfied with the celebrity endorsement Factors.

Hypotheses

- H1: Customer lifestyle (Occupation, attitude and values) have a significant impact on purchasing decisions.
- H2: Customer Perception (Occupation, attitude and values) have a significant impact on purchasing decisions.
- H3: Celebrity endorsements does not have a significant impact on job satisfaction purchasing decisions.

Recommendation

While the provided variable factors offer valuable insights, it is important to note the influence of other factors, such as cultural norms have an impact on consumer behavior. Further research is needed to explore the impact of these factors and gain a more comprehensive understanding of the factors driving luxury product and explore cross cultural influences and explore how cultural differences may influence purchasing decisions in different regions. Geert Hofstede's Cultural Dimensions Theory states that different cultures vary in six keyways: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, long-term orientation, and indulgence vs. restraint therefore understanding cultural differences is key to understanding purchasing decisions. Additionally, Triantis's Individualism-Collectivism Theory further emphasizes the importance of cultural understanding, for instance, in individualistic cultures, marketing campaigns might focus on personal benefits and self-improvement, while in collectivist cultures, emphasizing social harmony and group benefits might be more effective. Due to limitation in time, this research conducted a study over a short period of time however, it is recommended for future research to incorporate longitudinal time to provide an in-depth analysis of a wider study and incorporate qualitative research methods, such as in-depth interviews or focus groups, to gain deeper insights into consumer motivations and decision-making processes. Furthermore, future research may investigate the impact of other factors, such as economic conditions, technological advancements, and environmental concerns, on luxury product purchased.

References

- Barta, S., Gurrea, R., & Flavian', C. (2022a, November 17). Using augmented reality to reduce cognitive dissonance and increase purchase intention. *Computers in Human Behavior*. <https://www.sciencedirect.com/science/article/pii/S0747563222003843>
- Cancino Montecinos, S. (2020). New perspectives on cognitive dissonance theory (Doctoral dissertation, Department of Psychology, Stockholm University).
- Gopal, B. S. (2021). Conceptual Model Development for Celebrity Endorsement in Social Advertising: The Case of Source Credibility and Celebrity-Fan Relationship. *IUP Journal of Marketing Management*, 20(4).
- Kingsnorth, S. (2022), *Digital Marketing Strategy: An Integrated Approach to Online Marketing*, Kogan Page Publishers, London.
- Pandelaere, M., & Shrum, L. J. (n.d.). (PDF) 4. fulfilling identity motives through luxury consumption. https://www.researchgate.net/publication/342988381_4_Fulfilling_identity_motives_t hrough_luxury_consumption
- Tuengtin, W. (2020). Thai social media influencers' international social practices and definition of source credibility perceived by their audiences during the outbreak of COVID-19.
- Zhang, L., Cude, B. J., & Zhao, H. (2020). Determinants of Chinese consumers' purchase intentions for luxury goods. *International Journal of Market Research*, 62(3), 369-385.