

# Qualitative Study on the Benefit Sought and Brand Loyalty by Product Category of the Luxury Goods

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Benefit Sought  
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of the Luxury  
Goods

## Through In-depth Interviews with Professionals in Fashion Industry

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**Abstract** *The purpose of this study is to investigate the benefits sought by luxury good customers contingent on product category, and to understand the relationship between the benefits sought and brand loyalty. A qualitative approach was used; therefore in-depth interviews were conducted with seven panels of professionals in the luxury industry. The findings are as follows: 1) Handbag customers mainly seek the social benefits in order to express their social status by purchasing well-known, easily-recognizable brands. 2) Shoe customers primarily seek the practical-functional benefits, which are comfort and function. 3) Small Leather Goods customers seek the social benefits for themselves and as gifts for others. 4) Brand loyalty for handbag customers is reported to be low, as their primary goals are the social benefits. Rather than devoting themselves to one specific brand, handbag customers prefer to purchase from various brands. 5) Shoe customers have reportedly higher brand loyalty, as they tend to come back to brands when they are satisfied with the benefits they pursue. The findings of this study provide more information on the practical implications of luxury good customer purchasing habits. Firstly, customers pursue different benefits depending on product category, and secondly, brand loyalty differs by customers' benefits.*

**Key words** *Luxury, Product Category, Benefit Seeking, Brand Loyalty*

### **Introduction**

The sales value of the global luxury market reached €224 billion in 2014 (“Global Luxury Market”, 2015). According to the research, the luxury market which had sales of €159 billion in 2006 has grown by more than 40% over the past decade repeating double-digit growth almost every year. Despite slowed

down in growth in recent years, overall market is on target to reach €250 billion to €265 billion in 2017. Korean luxury market also has shown continual growth during the past 10 years following the global trend. In 2015, Korean luxury market is estimated to grow 16% (“Growth of the”, 2015) the second highest growth rate after China with 17%.

Explosive market growth in luxury leather goods and widened consumer base lead growth in overall luxury market. Taking a closer look at the sales of the global luxury market, leather goods category including bags, shoes, SLG, etc. comprises the largest segment, 29% and clothes and hard luxury including watches, jewelry etc. consists 25% and 22%, respectively (“Global Luxury Market”, 2015). In this context, starting with Louis Vuitton annual sales of \490 billion in 2013, brands such as Chanel, Hermès, Gucci, Prada etc. mainly carrying leather goods comprise large share of the Korean luxury market.

Luxury goods mean ‘things that became famous because of their excellence’ (N. D. Kim, 2007) but now luxury goods expand the meaning and luxury goods are currently referring to expensive brands than one particular product (Nia & Lynne Zaichkowsky, 2000) and domestic researches define characteristics of luxury as excellent quality and high price, brand name etc. (S. H. Choi, 2001). As mentioned earlier, luxury goods include a wide range of product categories such as leather goods and apparel, hard luxury because the definition of luxury goods does not refer to a specific product list. However, the expansion of the luxury market requires marketing and merchandising for individual market segments and subdivided studies of luxury leather goods, leading category of the sales.

As previously stated, expansion of luxury market leads broadening consumer base and accumulating shoppers with numerous consuming experience of luxury, and researches merely focused on overall consumption rather than exploring subdivided product category. Previous researches defined main factors of social benefit sought such as upward mobility (Hwang & Yang, 2004) or rise in social status (Y. J. Choi, 2010), social ostentation(H. S. Park & H. S. Kim, 2011) etc. and fashion benefit sought (Y. J. Choi, 2010), psychological benefit sought including aesthetics (Hwang & Yang, 2004), quality benefit sought (H. S. Park & H. S. Kim, 2011; Hwang & Yang, 2004) etc. However, luxury consumption simply representing ostentation or hedonic consumption in the past currently has changed its direction to reasonable consuming based on practical needs and consuming image (M. Y. Choi, 2011) of product within their financial status. Thus, the purpose of this research is to explore the current luxury consumption trends through comparing and analyzing the differences of the benefit sought by categorizing product of luxury leather goods.

As it can be seen in previous research, the benefit sought is considered to be deeply associated with brand loyalty, because the cognitive and emotional evaluation through the satisfaction of benefit sought affects brand loyalty or brand commitment (M. Y. Choi, 2011). Also, some studies found that brand loyalty shows different aspects depending on the benefit sought (Hwang & Yang, 2004). In the field of Clothing and Textiles, product involvement, risk perception, consumer satisfaction, fashion leadership, aesthetics, status symbol etc. were explored as factors associated with loyalty, but there are few studies related to the benefit sought of the luxury sector. Thus, this study is to compare and analyze brand loyalty by product category and analyze the relevance with the benefit sought.

This study applied qualitative research method conducting in-depth interviews with 7 professionals working in luxury brands, and the reason is as follows: First, regarding the subject of this study there is no previous research on the relevance between the benefit sought and brand loyalty driven by product category, hence, this study took exploratory approach selecting qualitative research method. In particular, this study had clear intention to secure objectivity through interviews with professional group exposed to variety of luxury brand experiences, observed numerous consumers in the field and analyzed purchase data over their career. Second, this study gave significance on practical approach monitoring brand loyalty from behaviorism perspective which is unattainable in quantitative research when it comes to measuring brand loyalty.

In terms of a company, consumers' benefits sought and brand loyalty are the main concern for sustainable growth in the fiercely competitive market situation, and this become the basis of marketing as a key element that new brand can establish foundation for growth. We hope that this study will help to obtain the implications of merchandising and marketing by segmented market of luxury leather goods and establish strategies of customer relationship management marketing.

## ***Theoretical Background***

### **Benefits Sought**

Benefits sought are subjective reward and positive expectations that consumers want to receive through product consumption (Peter & Olson, 1987) and the term can be used in the same meaning as convenience. The previous research classified benefits sought are shown in Table 1.

**Table 1.**  
Consumers' Benefits in Previous Research

Researcher	Classifications	
Bloch, Sherrell, & Ridgway (1986)	①Hedonic ③Informational	②Practical
Peter & Olson (1987)	①Functional	②Psychological
Aaker (1991)	①Functional	②Emotional
Assael (1984)	①Functional	②Emotional
Keller (1993)	①Functional ③Symbolic	②Experiential

The above classification is commonly included in the following three factors: first, benefits about product attribute including functionality, practicality, and rational consumption directly received from consuming activity second, benefits regarding individual consumption mentality experienced through purchasing and consuming procedure of products and services including hedonic, emotional, psychological benefits sought etc., and finally social and symbolic meaning of benefits sought that finding the meaning of

consumption and increasing self-image in social relations or expressing themselves through consumption.

The object of these benefit sought are general consumption goods, and there are more researches objecting to find factors attributed to psychological benefits than functional, practical benefits sought for certain classification of luxury goods. Therefore, domestic research on luxury goods related benefits sought was examined more closely and the results were as follows; Hwang and Yang (2004)'s research of analyzing the factors based on the survey found out luxury benefits sought are classified into four factors of upward mobility and self -improvement seeking, aesthetics and fashion seeking, individuality seeking, quality seeking. Another study (H. S. Park & H. S. Kim, 2011) analyzing surveyed data revealed four factors: product quality seeking, ostentation seeking, conformity seeking, and economic feasibility seeking. In addition, there were the research of M. Y. Choi (2011) who studied new luxury fashion brand product benefits sought of product effective benefit, psychological and emotional benefits, social and symbolic benefits, self-expressive benefit and the research of Y. J. Choi (2010) who found out six benefits sought of rise in social status seeking, appeal to opposite gender and impression seeking, scarcity and individuality seeking, quality seeking, trend seeking, lower price and economic feasibility seeking.

In addition, M. Y. Choi (2011) researched on benefits sought of new luxury fashion brand product categorized into effective benefit, psychological and emotional benefits, social and symbolic benefits, self-expressive benefit, and another research of Y. J. Choi (2010) who found out six benefits sought of rising in social status seeking, appealing to opposite gender and impression seeking, rarity and individuality seeking, quality seeking, trend seeking, and cutting price and economic feasibility seeking.

**Table 2.**  
Luxury Goods Consumers' Benefits in Previous Research

Researcher	Classifications
Hwang & Yang (2004)	①Self-Improvement    ②Aesthetics ③Uniqueness            ④Quality
H. S. Park & H. S. Kim (2011)	①Product Quality      ②Ostentation ③Conformity            ④Economic Value
M. Y. Choi (2011)	①Psychological / Emotional ②Social / Symbolic ③Self-Expressive      ④Product Functional
Y. J. Choi (2010)	①To rise in social status ②To appeal to opposite gender ③Scarcity and individuality ④Product Quality      ⑤Trend ⑥Lower Price and Economic Feasibility

As shown in Table 2, in the luxury benefits sought of the domestic research, social symbolic factors such as rise in social standing and self-improvement, social symbol, trend seeking, and conformity experienced in relationships with others form a greater axis than practical needs for product properties themselves and in addition, psychological factors such as self-expression, appeal to opposite gender, in-

dividuality seeking through luxury goods form another axis. In the research related to luxury goods, however, there seems to be no research related to functional, practical benefits. Since the purpose of this study is to classify leather goods among luxury goods into each product category and find out the difference in benefits sought by each product category, leather goods related research was analyzed and as a result, it was found that benefits sought of handbags were analyzed into four of scarcity value, social value, emotional value, amusement value through the research of the Distribution Channel Analysis of the Luxury Handbag Market (M. J. Kim, 2008). On the other hand, the benefits sought of shoes could be identified through A Study on Shoes Buying Behavior according to the Benefit Sought of Adult women (K. M. Kim, 2014) and four of fashion, famous brand, convenience, economic feasibility are included here and it was found that there is the item of a practical purpose called convenience unlike research on other product categories. Based on this, it can be inferred that benefits sought are different depending on the product category.

### **Brand Loyalty**

Brand loyalty is the result of repetitive satisfaction and strong reinforcement for a particular brand (Assael, 1984). It is one of critical marketing elements because consumers can reduce the time and effort for their decision-making by constantly buying a certain brand and can improve consumer satisfaction and self-concept, and regarding the perspective of luxury brands high-loyalty customers are hardly influenced by the price, distribution and promotion of other brands (Yang, 2003).

In the research on consumer behavior, brand loyalty can be divided into cognitive approach targeting internal factors inherent in consumer behavior and behavioral approach observing the external behavior of consumers. Cognitive theory emphasized not a consumers' repetitive purchase behavior but consumers' psychological functions (Jacoby, 1971) such as decision-making process and evaluation process. On the other hand, brand loyalty is defined as consumer's expressive behavior in terms of behavioral theory. In other words, the behavioral position is that a consumer's attitude toward a particular brand cannot be the basis for measuring the brand loyalty and brand loyalty is measured by repetitive purchase of the consumer (Tucker, 1964). That is, its position is that only verbal reporting such as 'statement of preferring a certain brand' or 'intention to buy the brand in the future' cannot satisfy brand loyalty. In most cases, studies adopt cognitive theory as survey based study cannot identify actual purchase of the surveyee and brand loyalty is measured with purchase intention and preference for the brand. However recent development of information technology and an increase in the awareness of CRM (Customer Relationship Management) let companies measure consumers' actual buying behavior more precisely. Thus, loyalty is measured by analyzing repurchase rate, repurchase frequency of consumers, purchase price within the period based on consumer information and sales details and this can be understood as a behavioral perspective. By conceptualizing the loyalty of consumers as consumers' actual buying behavior through in-depth interviews with professionals, this study is to measure the loyalty of consumers through the behavioral perspective hard to reach in the research through the survey.

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On the other hand, the domestic Clothing and Textiles research on brand loyalty was studied with product involvement, risk perception, store loyalty, consumer satisfaction, fashion leadership and importance of clothing, aesthetics, modesty, status symbol etc. have been also attempted. And many luxury goods related studies on brand loyalty have studied with psychological variables and the research of S. E. Park (2013) who studied the effect of the consistency of brand individuality - consumer self-image on brand loyalty, Cha, Jung, and D. K. Kim (2010) who studied the effects of brand identification, brand affect, brand evaluation on brand loyalty and S. A. Lee (2010) who studied the effect of fashion luxury brand value on brand loyalty can be said to correspond to this. Also, as the research related to benefits sought, there are the research of M. Y. Choi (2011) who studied the effect of new luxury fashion brand product benefits sought on brand loyalty and brand commitment and research of Hwang and Yang (2004) who studied the relationship between luxury benefits sought of fashion products and brand loyalty. Based on the previous research on luxury goods related brand loyalty, this study is to compare loyalty by product category and its relevance with benefits sought.

### **Luxury Goods**

The definitions of luxury goods are really diverse but the meaning of luxury goods is expanded and changed in the modern days, being used as the words meaning expensive brands rather than referring to a particular product (Nia & Lynne Zaichkowsky, 2000). High price and prestige are the central concepts when defining luxury goods (Dubois & Czellar, 2002) and the domestic research also defined them as goods symbolizing the ability of consumers with high price, excellent quality and brand name (S. H. Choi, 2001). Chevalier and Mazzalovo (2008) defined a luxury brand as 'a brand which is selective and exclusive and presents additional creativity and emotional value to customers' and characterized them as something international with distinct artistic contents and craftsmanship. The distinctive aspect of referring to luxury brands in Korea is that consumer awareness has been changed as those meaning expensive foreign brands focusing on brands or price rather than products with a special meaning as luxury marketers use the term luxury in order to reduce repulsion toward versus luxurious goods, high-priced goods and arouse the envy of consumers (N. D. Kim, 2007).

There are various discussions on the category of luxury brands but when considering unique high quality services, importance of brands, jewelry and watches, alcohol and cars, hotels, tourism and cruise, private banking as well as fashion products are included in the category of luxury goods (Chevalier & Mazzalovo, 2008) and ready-to-wear and leather goods, hard jewelry including watches are included in the fashion sector among them. However, this study was limited only to brands of fashion product category handling ready-to-wear and leather goods and jewelry and watch brands are excluded. We also referred to the report 'Global Power of Luxury Goods 2015' published by a British consulting firm Deloitte Touche Tohmatsu Limited which selects 100 companies based on the sales in fiscal year 2013.

With regard to the category of luxury goods, a new term called new luxury was also created (Silverstein & Fiske, 2003) and accessible luxury, old-luxury brand extension and finally Masstige prod-

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uct are included here. As -luxury brand extension among them, Emporio Armani, RedValentino can be used as examples of old luxury brand extension and Coach can be mentioned as the representative Masstige product and it can be seen that such brands are included in the brand list selected in Global Power of Luxury Goods 2015.

On the other hand, categorization of the luxury brands is as shown follows in the domestic luxury goods related research. In her research to investigate the current situation of the Korean luxury market, Y. A. Kwon (2005) categorized luxury brands into products not produced in Korea and directly imported and sold as foreign brands whose price standards are more expensive than domestic medium and high-priced national brands by more than 20% and Jun and E. H. Kim (2005) categorized luxury as brands appealing particular customers and strongly preferred by them in 'Quality and other properties + brand individuality'. Also, as shown in the example of categorizing them as expensive foreign brands focusing on the brand or price in the research of Y. J. Choi (2010), every researcher has different standards for the luxury brands. By referring to the research of Y. J. Choi (2010), this study categorized luxury brands as expensive foreign brands focusing on the brand or price and included the concept of the above-mentioned new luxury.

## ***Research Methods and Procedures***

### **Research Issues**

In order to compare and analyze benefits sought by classifying luxury leather goods into each product category and resulting relevance with brand loyalty, this study set up the following two research issues. We studied three categories of handbags, shoes, SLG (small leather goods) with the most sales among categories of luxury leather goods and SLG mean small items made of leather such as wallets, business card holder, coin wallets, card holders etc. Specific research issues of this study are as follows:

First, it is to compare the benefit sought by product category of luxury leather goods.

Second, it is to compare brand loyalty by product category of luxury leather goods and analyze its relevance with benefits sought.

### **Information Provider**

The contents of this study identify the benefits sought in more segmented market when compared to luxury goods related research so far and previous research related to this could not be found. Thus, it is considered more suitable to use the qualitative analysis to conduct research in an exploratory way. Since this qualitative research is different from quantitative research in the process of identifying the cognitive framework to conceptualize the essence of knowledge, social development and these phenomena (Filstead, 1970), this study used a qualitative method emphasizing variability and dynamics of reality by assuming the reality that individuals or groups are formed socially through the process of defining a particular sit-

uation (Y. O. Kim et al, 2009).

In particular, this study approached the research through in depth interviews with professionals who are not consumers but observe them in the third party's position. Gläser and Laudel (2010) defined professionals as a group with a particular perspectives relating to the matter through their personal position and personal review not only meaning elite members with special ability Information based on the position where they belong. Also, by defining them as people with specific knowledge based on the occupational position, Bogner and Menz (2009) connected them with the professional role in the social sphere. These professionals are not research target but 'witness' of the present or past for the matter and the premise is that they not only help the researcher to reach the required knowledge but are in a particular position in the context of social studies. That is, they play a role of providing the relevant information to the researcher in the research of reconstructing a social situation to find social scientific answers. This study examined the research issues through interviews with the professional group not consumers because interviews with a professional group who observe more consumers in an objective position through a long professional experience and have occupational opinions about it are deemed more appropriate rather than focusing on personal experiences of individual consumers. Thus, prior to entering the quantitative research with respect to the subjects of this study that cannot find case studies yet, it is determined to be able to get even more reliable results in identifying the causal mechanisms and deriving the result on the phenomenon. So we carried out in-depth interviews with the professional group as shown in Table 3.

**Table 3.**  
Demographic Characteristics of Panels

	Age	Gender	Brand	Occupation	Experience
A	38	F	Tod's	Merchandising Manager	Luxury Fashion and Leather Goods Merchandising 10 years
B	39	M	Tod's	CRM Manager	Luxury Leather Goods Retail Operation and CRM 12 years
C	47	F	Bally	Store Manager	Luxury Leather Goods Sales 15 years
D	38	F	Hermes	Sales Asst.	Luxury Leather Goods Sales 12 years
E	39	F	Roger Vivier	Store Manager	Luxury Fashion and Leather Goods Sales 14 years
F	41	F	MiuMiu	Retail Manager	Luxury Watches and Leather Goods Merchandising and Retail 16 years
G	29	F	Gucci	Visual Merchandiser	Luxury Leather Goods Visual Merchandising 5years

These professionals except one have more than 10 years of working experiences in the luxury industry and have 12 years of luxury industry experience on average and are working in luxury leather goods brands as of December 2015. They have been working more than 2 luxury leather goods and clothing brands in addition to the currently working brand shown in the chart and provided objective in-



formation about Korea's current luxury consumers through interviews. This professional group includes professionals in sales department who observe a large number of consumers and witness purchasing behavior of consumers in the field, professionals in retail and merchandising department who analyze consumers' behavior and CRM (Customer Relationship Management) department who is the most highly related to consumers and has a rich perspective on consumers. Individual in-depth interviews were conducted from November to December 2015 by visiting or through phone calls and interview contents were recorded with the consent of the information subject for the collection of more objective and fair information. Academic terms were excluded and daily terms were mostly used. And interview ran about 30 minutes every time and additional interviews were conducted based on the response.

### Interview Details

After explaining the purpose of this study as interview contents, unstructured interviews with open-ended questions were conducted. In two research issues, questions are set in details, however, as long as it's not significantly departed from the guideline, interviews are conducted according to interview situation. Overall interview subjects and details of this study are shown in Table 4.

**Table 4.**  
Questionnaire

Subject	Questionnaire
Benefits Sought	<ol style="list-style-type: none"> <li>1. What do luxury goods customers mainly seek for when purchasing handbag (shoe or SLG) category?</li> <li>2. What does affect the most to their decision making?</li> <li>3. How do you differ one from others?</li> </ol>
Brand Loyalty	<ol style="list-style-type: none"> <li>1. Which category's customer is the most loyal to the brand?</li> <li>2. What makes people being loyal to a particular brand?</li> <li>3. Do you see the relevance between benefits they seek and brand loyalty?</li> </ol>

The definition and category of luxury goods, the main subject of this study were conceptualized as follows: The definitions of luxury goods are really diverse but the meaning of luxury goods is expanded and changed in recent years, being used as the words meaning expensive brands rather than referring to a particular product (Nia & Lynne Zaichkowsky, 2000). Chevalier and Mazzalovo (2008) defined luxury goods as 'a brand which is selective and exclusive and presents additional creativity and emotional value to customers' and characterized them as something international with distinct artistic contents and craftsmanship and domestic research also defined excellent quality and high price, brand name as the characteristics of luxury goods (S. H. Choi, 2001). As shown above, luxury goods and luxury brands are discussed in a variety of definitions and categories and this study categorized them into expensive foreign brands focusing on brand or price and included the concept of new luxury by referring to Y. J. Choi (2010)'s research because it is to explore the subjectivity of luxury consumers.

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**Analysis of Data**

Recording for the entire contents was carried out with the consent of the interviewee to ensure the reliability and validity because data collection of this study was conducted with interviews between the researcher and information providers. The analysis of data was performed according to the method of Madison (2005). This can be explained by four steps and it is a method of coding abstractly or concretely in the first step and checking remarkable themes or patterns in the second step and creating a perspective in the third step and presenting data in the last step. Thus, to compare the benefits sought by product category of luxury leather goods of research issue 1, benefits sought were classified based on previous research and interview contents of each information provider were coded and approach to derive discrimination factors by each product category was attempted through this. Regarding the benefit sought by product category of luxury leather goods as the factor affecting brand loyalty, research issue 2 inferred a causal relationship to categorize differentiated characteristics. And in order to secure the validity of the study results, we underwent the work of cross-checking the information providers for the results by e-mail or phone.

**Research Results****Benefit Sought by Product Category***Handbag**Social symbolic benefits sought*

The handbag category accounts for the largest sales among Korean luxury leather goods markets and has the most wide and thick layer of customers in terms of age or price. What luxury consumers seek the most in purchasing handbags was found to be the social symbolic benefit sought. 5 out of 7 panels answered as follows:

“In many cases, handbag consumers select based on brand awareness and purchase as a means to express their social status.” (Panel F)

“Needless to say, the priority is a brand. It can be said that consumers find a bag showing ‘oh, this is the brand’ when wearing. Since almost all brands have a bag of the same design, consumers select a brand to show than design.” (Panel C)

“A bag seems to be the best symbol of wealth or ostentation of wearing luxury.”(Panel A)

“Consumers prefer a handbag that others know.”(Panel D)

“This trend is noticeable especially in young consumers. They try to show their social status by wearing a luxury bag even if wearing cheap clothes.”(Panel F)

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“Women’s mind “I want to wear the brand” seems to act more significantly because a handbag’s brand is revealed at a glance when worn compared to other things.” (Panel E)

Since compared to other categories, a handbag assumes a long-term use with one purchase, consumers seem to select as a brand value, the stable element with less risk for investment of purchase. When classifying consumer goods, categories such as clothing are generally classified into nondurable goods but consumers highly tend to recognize luxury handbags as durable goods and seem to seek more firm social value compared to other categories, accordingly. As shown in the mention of panels, therefore, seeking for a brand can be seen as social symbolic significance like revealing social status or showing off wealth by wearing. This is the relevant result with the research of Hwang and Yang (2004) who revealed rise in social status and self-improvement seeking benefit factors and examples can be found in the previous research: Y. J. Choi (2010)’s research named such a context as rise in social status benefit sought and M. Y. Choi (2011)’s research named this social symbolic benefit.

*Fashion confirmative benefit sought*

In addition, when purchasing a handbag category, fashion conformity psychology trying to purchase the thing that group members use that I want seems to act. 2 of 7 panels answered with regard to this.

“Unlike other categories, there is a term of ‘it bag of the season’ in handbag category. Eventually, it means that consumers follow a fashion trend. That is why there is 000bag narrowed by celebrity.”(Panel G)

“I think consumers choose trendy bag of the season. And then, they consider a brand and function etc. No matter how much consumers are satisfied with the bag’s function, they do not purchase only with it.” (Panel B)

This means that consumers follow fashion by purchasing a handbag in line with fashion trends or purchasing it following their favorite celebrities and we are to name it as fashion confirmative benefit sought. These results can be also found in the previous research and the research of Hwang and Yang (2004) named it as fashion benefit sought and research of H. S. Park and H. S. Kim (2011) named it as conformity benefit sought and research of Y. J. Choi (2010) as trend benefit sought.

*Shoes*

*Practical-functional benefits sought*

Unlike handbags, in the case of shoes, 5 out of 7 panels selected function or comfort, fitting etc. as main key words and we are to name them as practical-functional benefits sought.

I think a lot of people purchase shoes with purpose. For example, I need sneaker, I need

dress shoes are take precedence over a brand.”(Panel G)

“Comfortability is the most important thing in shoes. Consumers look around several brands and end up determining the purchase because they fit well in their feet.”(Panel D)

“Other brands have also good quality and the best is comfort. In design, there is no big difference from other brands.”(Panel E)

“A good feeling when wearing shoes leads to purchase in many cases.” (Panel C)

“Even consumers holding a handbag with brand reputation purchase shoes with good fitting regardless of its brand”(Panel C)

Looking at previous research on benefits sought of luxury goods mentioned above, nothing has been found about these practical-functional factors. A product effective benefit classified in the research of M. Y. Choi (2011) consists of items such as it is worth buying even if it is a little expensive because it can be used long or effectiveness by high quality is high although expensive and therefore, it is different from wearing sensation, function, or practical aspect.

In terms of general consumption benefits sought, benefits sought related to functional benefits such as practical benefit (Bloch, Sherrell, & Ridgway, 1986) functional benefit (Peter & Olson, 1987) rational benefit (Aaker, 1991), functional needs (Assael, 1984), functional benefit(Keller, 1993) etc. are mentioned as one of consumption benefits sought. However, these benefits sought have not been mentioned in the luxury goods related research in Korea because social symbolic or psychology associated benefits sought seemed to take precedence over functional benefits sought for consumers in the initial stage of the luxury market and it is thought that the customer base purchasing a shoes category for a more practical purpose at this point when the luxury market entered a mature stage. Also, there may be a reason that due to the nature of shoes worn in close contact with the body unlike handbags, SLG, the functional aspect of fitting is further emphasized. These results are consistent with convenience seeking items revealed in the previous research (K. M. Kim, 2014) related to benefits sought of shoes.

*Fashion confirmative benefit sought*

1 panel out of 7 panels mentioned the benefits sought of fashion conformity.

“As trends of clothes are changed, shoes are required to match with them. For example, if wearing wide pants, bulky shoes are needed or they want slim shoes for skinny pants etc...”  
(Panel A)

Like handbags, these benefits sought were once revealed in the research of Hwang and Yang (2004), H. S. Park and H. S. Kim (2011), Y. J. Choi (2010), the research on luxury goods related bene-

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fits sought. Also, this is the result that has something in common with naming it as trend seeking in M. J. Kim (2008)'s research associated with shoes in the limitation of a product category.

*Individuality expressive benefits sought*

1 panel out of 7 mentioned the individuality expression aspect as follows: This benefit sought is also shown in the previous research of M. Y. Choi (2011), implying that consumption of luxury goods is the realization of psychological fulfillment.

“I think shoes are closer to individuality expression because design is much more diverse and choice is wider compared to handbags.” (Panel F)

In the case of shoes, it is very impressive that no panels mentioned social symbolic benefits sought shown in handbags and SLG as major benefits sought. Located at the bottom of the body when worn, shoes are not easy to expose a brand and therefore, practical-functional benefits sought seem to take precedence over social symbolic meaning like conforming to fashion or emphasizing fitting with an emphasis on overall harmony according to design as previously mentioned by panels rather than seeking social symbolic meaning by revealing a brand. It is also interpreted to enter the stage of more rational and practical consumption unlike consumers seeking social symbolic benefits at the beginning stage of luxury consumption because in the case of shoes consumers, the percentage occupied by consumers with a lot of luxury consumption experience is higher than handbag or SLG consumers.

*SLG (Small Leather Goods)*

*Social symbolic benefits sought*

SLG stands for small leather goods and refers to small items made of leather such as wallets, business card holders, coin cases, card cases etc. Like handbags, in this case, 5 panels out of 7 answered as follows. Since SLG is relatively less expensive than shoes or handbags, SLG is generally the beginning stage of luxury consumption and also the category purchased the most by the customer base called entry customer. In Korea where the luxury market is expanding, this entry customer base purchasing luxury goods for the first time is continuously growing and they were found to seek social symbolic benefits sought to reveal a brand through purchase than any other benefits because they account for a large portion of SLG consumers.

“When purchasing luxury for the first time, they want to buy a thing that others recognize.” (Panel G)

“A brand became more important because luxury SLG is not used as means to carry money or cards as before but people reveal it these days.” (Panel B)

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Also, SLG is the category purchased for gifts the most and social symbolic meaning was found to be stronger in this case.

“In the functional aspect of wallets, luxury and local brands are not that different. In that regard, I think presenting luxury SLG is the concept of exchanging brands.”(Panel F)

“In general, more SLG are sold in the brand with higher awareness because what is more important is not the kind of the gift but the brand.”(Panel C)

These results are consistent with the study findings of Hwang and Yang (2004), Y. J. Choi (2010) and M. Y. Choi (2011). Furthermore, a strong social meaning in the case of purchase for gifts can be said to be clear evidence for the aspect of luxury goods as a communication tool with others.

#### *Economic Benefits Sought*

As other opinions, one panel out of 7 responded about the economic benefits sought.

“Many consumers consider many elements but find a good one compared to price. Looking at the brands showing strength in SLG sales, they have strengths in terms of price as well as brand awareness.”

This economic feasibility seeking is the same as the economic feasibility seeking factor also found in the research of H. S. Park and H. S. Kim (2011) and is about the price or value compared to the price. This is the response to an increase in consumers emphasizing value consumption unlike the past (Truong, McColl, & Kitchen, 2009) and shows the trend of luxury consumption different from the past.

#### **Relevance between Brand Loyalty and Benefit Sought by Product Category**

As mentioned earlier, brand loyalty was measured in the behavioral aspect and the following results were obtained through experiences and consumer observation, analysis of data.

#### *Handbags*

With respect to loyalty of handbag consumers, 5 panels out of all seven answered that loyalty is low. According to them, consumers want to experience various brands rather than focusing on one brand because handbags emphasize a more social symbolic meaning. This is the result consistent with the previous research (Hwang & Yang, 2004) showing that if seeking more and more upward mobility and self-Improvement benefits sought, consumers are highly likely to be switched to other luxury brands (Hwang & Yang, 2004).

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“With the exception of Chanel and Hermes, I think only a few handbag customers buy several handbags in the same brand” (Panel G)

*Shoes*

5 panels out of 7 selected shoes as the category with the highest brand loyalty and the reason is closely related to practical-functional benefit sought. It is interpreted that satisfaction is not changed by external influence factors and if internal satisfaction associated with personal convenience, efficacy or product function is high, this has a more significant effect on brand loyalty.

“Although consumers purchase shoes because of design, they never come back if they are not comfortable.” (Panel G)

“If shoes fit perfectly for consumers’ one purchase leads to the next in general cases. They even choose shoes of the same color and same design.”(Panel B)

“In the case of handbags, it is difficult to buy the brand again they already have but shoe customers are willing to buy it again when satisfied.” (Panel C)

“As male customers purchase shoe for the practical reason, they shows high brand loyalty relatively.” (Panel F)

This result that brand loyalty gets higher when practical-functional benefit sought is satisfactory cannot be found in luxury-related research but the common ground could be found in the research targeting fast fashion brand (Jang & S. H. Choi, 2013). According to her research, in the case of Uniqlo brand, consumers are loyal to the brand as they feel the product purchased while expecting functional benefits is practical and useful. As revealed earlier, it can be seen that consumers seek practical-functional benefit sought more than anything else so shoes are not luxury goods but show the same results as products giving priority to practical or functional convenience. With respect to brand loyalty, no panels mentioned SLG product category.

### ***Conclusions and Recommendations***

This study has clarified the benefits sought of luxury leather goods by subdivided product category, and applied comparative analysis to brand loyalty in association with benefits sought. For this research purpose, the study collected the opinions of 7 professionals through in-depth interview which is one of qualitative research methods exploring each benefit sought, and the result is summarized as follows:

First, handbags were found to have the greatest social symbolic benefits sought. Among the luxury goods, handbags are the most consumed product expecting to receive social symbol benefits and it means

that handbags seek the benefits of expressing consumers' social and economic status in pursuit of brand awareness and value or uplifting the self-image through fashion conformity etc.

Second, it was found that consumers seek functional benefits sought in shoes more than anything else. Unlike SLG, main consumer base of shoes are shoppers with accumulated luxury consumption experience, and these experienced consumers seem to approach luxury consumption with a more rational and practical purchasing behavior than before. Italian luxury clothing brand, Moncler emphasizing functionality recorded third-quarter sales of \45 billion in 2014 (Min, 2014) excluding parallel import sales and private import. And Rimowa, luxury travel bag, emphasizing practical convenience the most records annual growth rate 28.2% with total revenue of around 350million Euro in 2015 despite of high price ("The RIMOWA Group's", 2016). This phenomenon also could be understood in the same context. So far, such benefits sought of luxury goods were not explored in the previous researches, and practical-functional benefits sought, the results of this study, could be considered as a new factor in the future luxury consumption benefits sought research.

Third, SLG were found prioritizing social symbolic benefits sought the same as handbags. SLG is a product category where many customers enter luxury goods market for the first time and is consumed as a social symbolic meaning by selecting high level of brand awareness presenting and showing off consumers' social standing. Comparing other product category SLG is consumed for the shopper themselves and others' use, and it is thought to be mainly purchased due to the social symbolic benefits sought such as brand awareness than functional or practical purposes.

Fourth, shoes category is the highest level of brand loyalty, and practical benefit sought have an effect on brand loyalty comprising the most part among benefits sought of this category. The result can be interpreted that high level of internal satisfaction in association with personal convenience, usefulness or product function has more significant effect on brand loyalty compared to social symbolic benefits sought whose satisfaction is determined by external factors.

As shown above, this research identified consumers' benefits sought by product category and discovered the effect of benefits sought on brand loyalty in luxury goods market. It is found that as the luxury market expands the consumption of luxury goods and benefits sought becomes diversified, and luxury goods related studies of benefits sought by product category have not been preceded, and that differentiates current study from existing ones. In addition, this study discovered new aspect of luxury consumption, not revealed in the previous research yet, that consumers seeking practical benefit sought account for the majority in the shoes category.

According to the results of this study, Korean luxury goods related implications can be presented as follows:

First, each product category requires more sophisticated merchandising and marketing plan, because a consumer could have different benefits sought depending on the product category he or she purchases.

Second, it was found that satisfaction for practical benefits sought affect brand loyalty the most and further research with more practical values through product development to meet the consumer's expectations is required in the corporate's perspective.



Finally, the study found that consumption of luxury goods has changed the tendency toward more practical and rational over the years focusing on consumers with accumulated luxury experiences. Luxury brands tend to focus on brand's image making to increase the brand value and the results of this study suggest that luxury brands should establish more realistic and rational marketing strategy which is different from the past for consumer satisfaction.

Despite the above suggestions, this study has a limitation that the generalization through quantitative research is required because the research used qualitative research techniques through in-depth interviews with professionals. Also, consumers were analyzed from the perspective of professionals. Additionally, this research analyzed consumers with perspective of professional not actual shoppers; therefore subsequent studies should be followed to utilize the study findings to the general consumers.

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Study on the  
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