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The Influence of Social Media on the Buying Behavior Process of Luxury Brands Amongst the Armenians

Digital Presentation of Final Capstone Project

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Outline

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Why is This Important?

Armenia is not considered a rich country with high salary rates (the average monthly income of 2021 is 170000 AMD (\$350) according to the Statistical Committee of the Republic of Armenia).

While, The possession of luxury goods is currently spreading among the Armenians, which is even more visible with the wide boost of social media use within the Armenian population.

Research Questions

Primary research question:

How and to what degree does the social media influence on the Armenian consumers' buying behavior of luxury brands?

Secondary research question:

What other factors (besides the social media) affect the relationship between Armenian consumers and luxury brands?



Literature Review

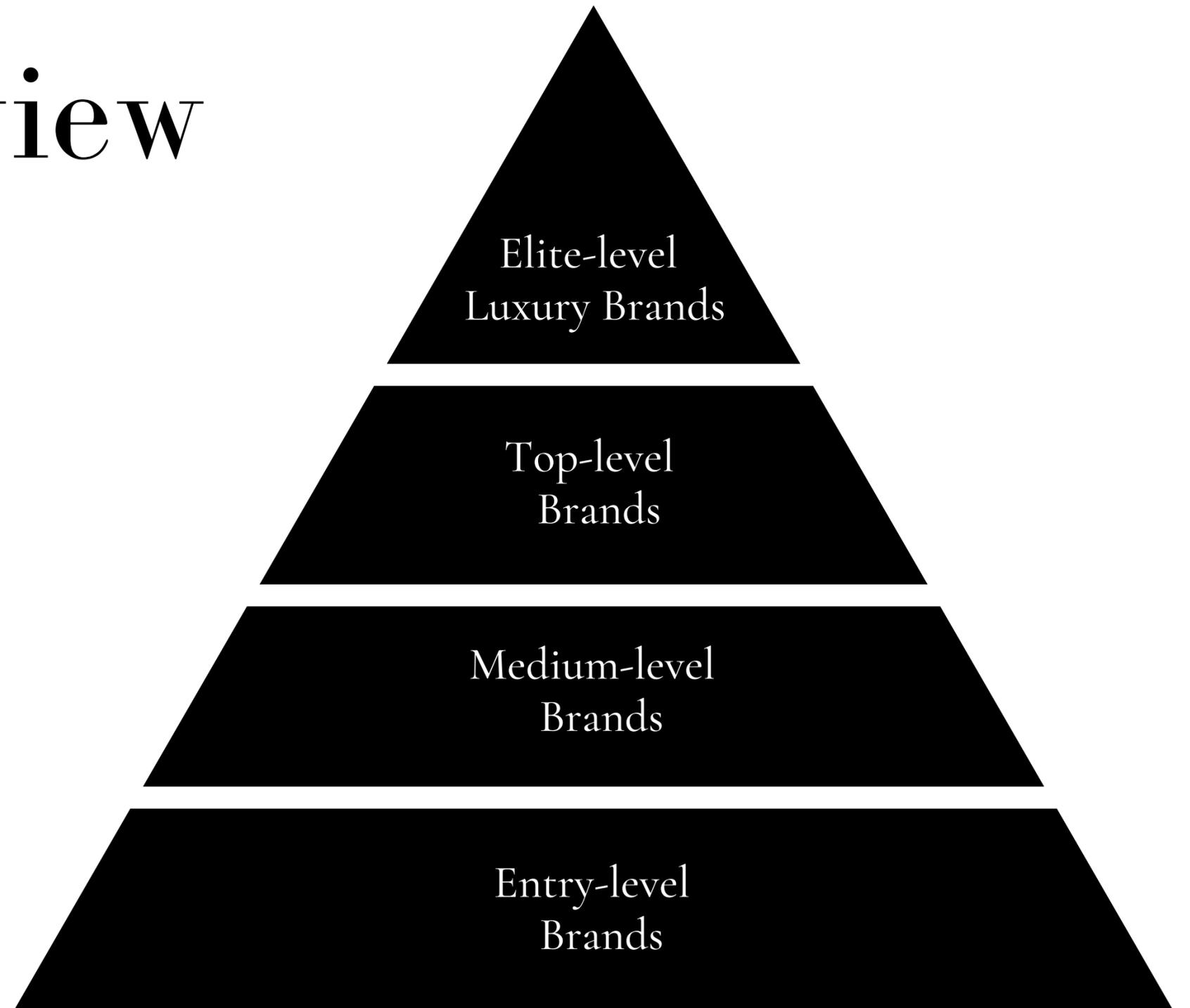
Brand: A distinguished symbol, design, name, etc., that puts a certain good and/or a service into a certain category by distinguishing it from its competitors with the help of branding (AMA).

Luxury Brand: A group of goods that have certain similar product-related characteristics about price, quality, aesthetics, rarity, extraordinariness and symbolism can be evaluated as potential luxury brands (Heine, 2012).

Literature Review

Luxury pyramid:

To narrow down the focus, Medium-level and Top-level brands defined by Heine (2012) are chosen to research as they are not too expensive and yet not too affordable.



Luxury pyramid by luxury level (Heine 2012, 65)

Examples of Medium-level and Top-level brands:



Luxury pyramid by luxury level (Heine 2012, 65)

Two groups of luxury consumers

“Old Aristocracy”

group of people respected for high social position and wealth and have the money for buying the luxury product they want.

“New Money”

followers of the "old aristocracy" who pay more than can in order to make an impression on others with their ability to pay a high price for a luxury product.



Literature Review

Social Media and Consumers:

Contradictory to the characteristics of luxury brands' such as its exclusiveness and scarcity, its existence in social media platforms doesn't affect its reputation; moreover, it positively impacts brands outcomes and increases its awareness (Kim & Ko, 2010).



Methodology

Online Survey

254

Armenians participated

96%

female participants

70%

female participants

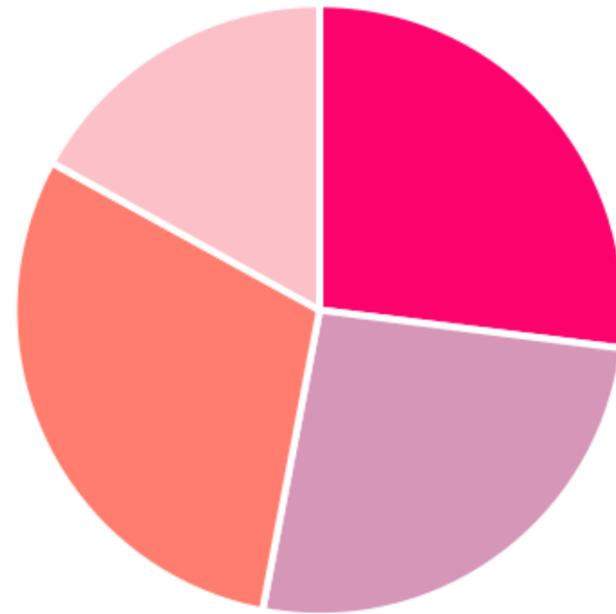
between 18 and 25 years old

Since females are the majority, the survey results are analyzed based on their answers, and so the results show the point of view of females only.



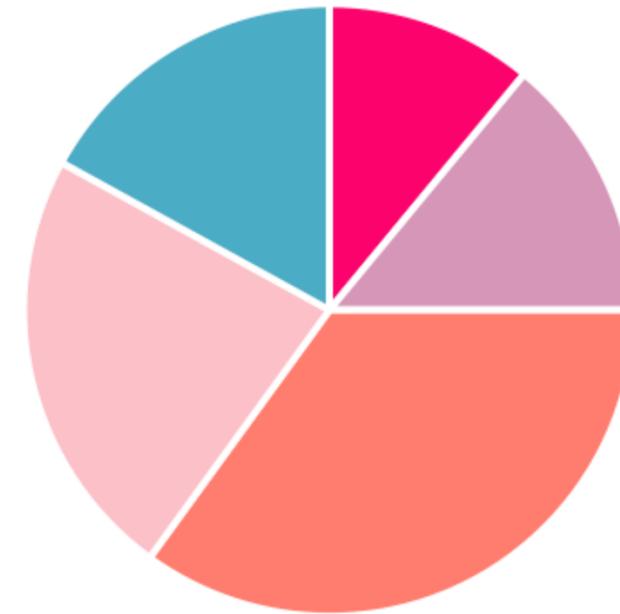
Online Survey

How many goods do you own from Medium-level luxury brands (e.g. Ralph Lauren, Dolce&Gabbana, Marc Jacobs, etc.)?



■ Very many ■ Many ■ Some ■ A few ■ None

How many goods do you own from Top-level luxury brands (e.g. Louis Vuitton, Gucci, Valentino, etc.)?

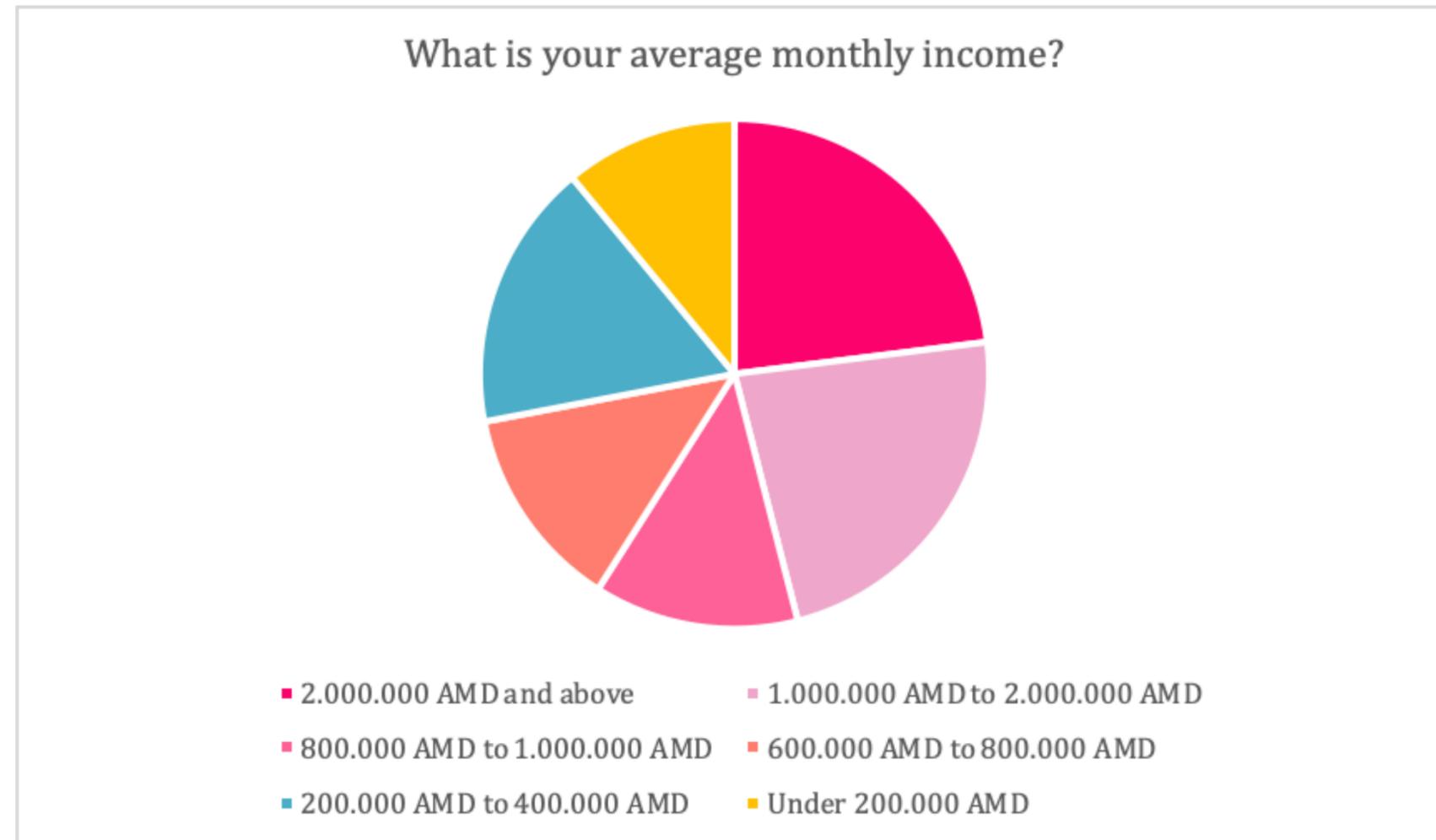


■ Very many ■ Many ■ Some ■ A few ■ None

All the 244 female respondents own luxury goods, however not all of them possess Top-level luxury products.



Online Survey



No one general monthly income average is specified according to the results. However, nearly half of respondents are affluent consumers with an average monthly income above 1,000,000 AMD.



Online Survey

83%

are not affected by **Facebook** when it comes to purchase decision making

64%

get inspired by **Instagram** and make purchase decision by seeing something there

52%

are not affected by **Pinterest** when it comes to purchase decision making, but it may inspire them at some point

Individual Interviews



Shake Abrahamyan
*the supervisor and chief buying officer
of LaGalleria luxury boutique*

50% of customers are female and 50% are male.

80% of customers both male and female are between 36 and 65 years old.

“While for women customers the major influencer is our Instagram stories, renewed daily with dozens of pictures about our collection, for men customers it is not the case. Men are not prone to follow any social media platform.”

Individual Interviews



Anna Manukyan
*luxury products buyer of an online
Instagram store @aphilosophy_*

100% of customers are females.

Age range of customers is from 18 to 35.

“Despite other bloggers and Instagram users, my customers usually follow my advice because I am very honest with my personal attitude and opinion about specific products. That’s the reason I can tell that bloggers and influencers do have their influence on consumers.”

Findings

Instagram is considered as the largest influence that results to a purchase decision making among the female Armenian luxury goods consumers, while it's not the case for male customers.

Brand influence has a huge impact on the Armenian luxury products consumers.

Armenian luxury products consumers seem to think about luxury brands as **status symbol**.



Findings

Friends are as influential as Instagram when considering the purchase decision making process.

The purchase of luxury goods among the Armenians is **not regulated due to employment status and/or the average monthly income** of the consumers.

Female consumers are less likely to do **spontaneous** purchases than men.



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