

CITY UNIVERSITY OF HONG KONG

香港城市大學

Perception, Behavior and Pricing Analysis for
Luxury Watch and Jewelry Market in the Asia
Pacific Region

亞太地區奢侈鐘錶珠寶市場的感知行為與
定價分析

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by

Lee Kwun Ling May Jean
李筠翎

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Abstract

It is the common belief that luxury products are becoming more and more popular as people look for goods and services that can satisfy psychological and social wants after the basic physiological needs have been satisfied. However, the question is whether psychological and hedonistic needs are the only reasons why people seek luxury products? The importance of traditional thought over the luxurious like price, usability, quality, uniqueness, prestige are included in the study. These together with the upcoming thought over issues of genuineness and social responsibility for luxury products consumption are analyzed to find out the true underlying perceptions of the consumers about luxury products. The study also examines to what extent the concerns are being satisfied to see the discrepancies over the consumption process.

The Chinese market now has high luxury products with affordability but the future market growth may be questionable with the functioning of the outlets in China and concerns about use of luxury products as gifts under the Government policy. Therefore, the current thesis uses this contradicting phenomenon for behavioral analysis in the context of luxury products consumption in China and extends this to the Asia Pacific Region. With the collectivism of the Asian culture, the behavioral study analyses the perceived behavior control, norms together with experience and attitude. Branding effect is also added to the study.

Extant studies on luxury have focused very much on reasonability of the products. This study examines luxury products with higher unit prices,

specifically, luxury watch and jewelry, in terms of monetary value and growth rate. Therefore, the last part of the study discusses pricing strategies for luxury watch and jewelry products with incorporation of the perceptions and behavioral elements.

The results show that the providers generally have higher value on luxury factors than the customers in the Asia Pacific, except for price value and quality value. To a certain extent those supplying luxury goods to the Chinese are unable to fully understand their customers as they focus on the materialistic aspect of luxury products. Customers in this market cannot receive the message of luxury value the providers are trying to send, which is shown as the estimator accuracy error and perceived disagreement in the study.

Perception, perceived behavior control, branding elements and attitude are important to future purchases as well as the future purchase probability.

Duration between purchases can be predicted by perceived behavioral control, descriptive norms, injunctive norms and attitudes.

Purchase intention is no doubt the most important factor for price increases being accepted by the customers. The pleasantness which cannot be explicitly shown is highly related to the expected perception of the perceived value, usage

and quality. Direct cash reward, redemption of gift and free gift seem not to be an effective way to boost their future repurchase probability and repurchase amount.