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2011

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Publication Details

Vel, K., Captain, A., Al-Abbas, R. & Al Hashemi, B. 2011, 'Luxury buying in the United Arab Emirates', *Journal of Business and Behavioural Sciences*, vol. 23, no. 3, pp. 145-160.

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LUXURY BUYING IN THE UNITED ARAB EMIRATES

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ABSTRACT

Luxury products represent the most complex in terms of the various factors influencing the buyer's choice. In particular, the role played by important social symbols, publicly consumed goods, change in culture, opinion leadership, reference group, social consumption motivation, and gender differences make the consumer decision making process a complex area of study. An analysis of literature revealed that luxury buying was an important trend in the Emirati society in the United Arab Emirates, whose purchase behaviour of the same has not been documented as yet. Owning luxury products reflected one's personality, social image, and their position in this society. This paper studies the various factors influencing the consumer's purchase decisions on luxury products in the UAE. Necessary propositions were drawn to reflect the purchase decision of luxury products by the Arab citizens of the UAE. 13 structured focus groups were conducted with Emirati nationals, both men and women, and a content analysis on each of the propositions was carried out. Findings indicated that family and peers were the key influencers of purchase decisions related to luxury products. These findings represent the social and cultural considerations to be taken into account in the marketing of luxury products in the UAE.

Paper type: Research paper

Key words: Luxury products, Consumer decision making process, Arab community

1.INTRODUCTION

Simply defined, a '*luxury brand*' is that whose price holds greater value than the functional use of the product itself (Nueno & Quelch, 1998). Over the past 2 decades, the luxury market has grown to a \$68 billion from being a \$20 billion industry in 1985. Despite several market fluctuations, the luxury goods industry has been able to sustain a steady growth rate (The Economist, 2002). A report by Merrill Lynch and Cap Gemini (2005) stated that in the year 2004, there were a total of 8.3 million millionaires, of which 7.5 million were from USA alone. The percentage of luxury consumption was reported highest in Asia (37%), closely followed by Europe (35%), and USA (4%) (Chadha & Husband, 2006). Such statistics clearly indicate the potential for growth of the luxury market, but also point out the amount of wealth is unequally distributed worldwide. About 2% of the world's richest people own over half the world's wealth, and are concentrated in North America, Europe, Japan, and Australia (Oslobodjenje, 2006).

The United Arab Emirates as well contributes a significant percentage towards the growth of the luxury market. The country has developed a reputation of being an exquisite destination for anyone who aspires to live in the lap of luxury. Statistics disclosed by UAE's Ministry of Economy showed that within the last decade, the country has more than doubled its GDP (IMF, 2009) and the economy has continued to see a positive trend in their economic growth rate, despite the recent global recession. Bolter (2011) cited that "*According to Credit Suisse's Global Wealth Report for 2010, wealth per adult in the country is \$150,000 (about Dhs 550,000), which is higher than that of even the Netherlands.*" Such information gives an idea of the high purchasing power of the people living in the UAE. However, is having such tremendous buying power the sole factor motivating Emiratis (Arab citizens of the UAE) to purchase luxury goods? The UAE has been listed among the best locations worldwide for organisations to conduct business, and there are over 400 multinational brands present in Dubai alone (Balakrishnan, 2008). The country houses several regional and international luxury brands, which are eager to attract and sell their products to the citizens of UAE, giving them a well-diversified portfolio, specifically targeted towards high-end customers.

Despite such rapid growth of the luxury market, there is scant research on the marketing of luxury goods (Vigneron & Johnson, 1999) and/or the behaviour of luxury consumers (Dubois & Laurent, 1994) with particular reference to the UAE. The purpose of this research paper is to examine the various factors that influence UAE citizens to purchase luxury brands. This research looks into the unique social influencers affecting the purchase of luxury products, as well as focuses on consumer behaviour and the underlying motives that encourage UAE citizens to purchase luxury products.

2. LUXURY MARKET

For many years, people all over the world have satisfied themselves with the possession of expensive and exquisite goods. Luxury goods have been defined as goods for which the general use of a particular branded product brings prestige to the owner, apart from any functional utility (Husic & Cicic, 2009). A luxury product is defined by the extra-ordinary labour and skills, and the exquisite quality of raw materials that go into producing the product that makes a brand premium and luxury (Seringhaus, 2002). During the last decade, the luxury market has sustained constant growth due to the increase in luxury consumption amongst people internationally. Amongst the countries that witnessed significant growth in their luxury market is the United Arab Emirates.

As the UAE economy grows and retail per capita increases, consumers will be encouraged to devote a significant amount of their disposable income on purchases. The UAE itself was ranked amongst the top 5 countries worldwide for consumer purchasing power for luxury clothes and accessories (Balakrishnan, 2008). As the upper social classes adapt to luxurious items, they associate a brand meaning to society. Within the Middle East, serious luxury buying starts at 20 years of age, compared to 40 years in Europe, which means 20 years of extra "*luxury power*" in the region (Gulf Marketing Review, 2008). Thereby, as the middle class segment becomes more exposed to this "elite" market, they begin to adopt and purchase these items as well.

This begs the question, "*Is buying power the de facto driver in the purchase of luxury goods by UAE nationals?*" As a result, there is a need to analyze aspects, other than buying power, in terms of the Arab society and culture that might have an influence on their purchase of luxury goods.

3. VARIOUS ASPECTS OF ARAB SOCIETY AND CULTURE

The Middle East is the home to ancient civilizations, and trading has long been important in this region of the world (Raven & Welsh, 2004). Middle Eastern consumers have increasingly sophisticated in their needs. Many Gulf regions customers have high disposable incomes and the means to buy luxury products. The Arabian Gulf region can be considered a unique culture, as it has a unique pattern of life, which is generally consistent within the region as compared to other parts of the globe (Raven & Welsh, 2004). The economic benefits of oil reserves have played an important part in developing the current culture of the Gulf region especially in the UAE. Traditional tribal culture along with modern cultures create a unique cultural society which looks at both maintaining traditions and opening to new changes that would develop their societies (Raven & Welsh, 2004). Factors such as economic prosperity, cultural differences, ethnic mix, and lifestyle changes in the UAE have transferred the UAE consumers' shopping behaviours from traditional marketplace "souq" to shopping centre and visiting high end luxury brands stores.

The UAE is built on foundations that are rich in history and tradition. It is an anticipating society, which envisions its future at the same time it is equally bound to its culture and heritage. The UAE sees the family as the most important institution in society and the basis of societal life. Many families in the UAE usually influence the purchase decisions of any individual on any item he wishes to own (internal influencers). The country is rich in its tradition, with great combination of the traditional values of the East, in terms of modesty, and the technologies of the West in terms of development.

Certainly there are other aspects than culture including history, values, religion, and social consumption motivation that would have influenced the UAE Arab consumers' purchase decision regarding luxury goods. How did these factors come into existence? How did such materialistic tendencies get embedded in the Arabian mind? Was that inherent? To understand these factors we have to look at the Arab history, social structure, value system etc. (external and internal influencers) and how this has moulded their psyche. We now take a look at the external influence of some factors on the current affinity of local Arabs in the UAE towards consumption of luxury items by studying their history.

The Arabian Peninsula is a massive piece of land bordered on the north side by 'The Fertile Crescent' – Mesopotamia, Syria, and Palestine – and surrounded in the east, south, and west by the Persian Gulf, Indian Ocean, and the Red Sea respectively. Thus, it is clearly evident why the Arabian Peninsula was at the centre of all major trade routes connecting the Oriental world to the Western. The Arabs, in the early days, were divided into two stems based on their traditions, culture, and language into the Northern Arabs and Southern Arabs (Lewis, 2002). Furthermore, the Arabs also divided the peninsula into three zones – 'Tihama' (lowland plains and slopes), 'Hijaz' (mountain range separating the coastal plains from the plateau of Najd), and the great plateau of Najd (Lewis, 2002). This provides an insight into the early classification system adopted by the Arabs centuries ago.

During pre-Islamic times, the Roman Empire dominated a large part of Europe and the Middle East, and trade was carried along peaceful sea-routes between the two regions (Hourani & Ruthven, 1991). Countries part of southern Europe, North Africa, and Central Asia were under the rule of the Byzantine Empire; part of the Roman Empire ruled through Greek-speaking civil servants (Hourani & Ruthven, 1991). However, Christianity remained the chief religion followed by the entire Roman

Empire (Hourani & Ruthven, 1991). Nevertheless, there also existed regions with great cultures and different ethnic groups within Central Asia, which were not under the rule of the Roman Empire. These regions had their own language (different from Arabic), religion, and ways of living (Hourani & Ruthven, 1991). “*Bedouins*”, traders, and monks, who travelled along trade routes to acquire political and military knowledge, were also open to the ideas and beliefs of the imperial lands of Arabia (Hourani & Ruthven, 1991). These travellers brought with them knowledge of the outside world, its culture, and its lifestyle, to the Arabs, which had an influence on their beliefs, values, and ways of life.

Signs of extravagance are very clearly present in ancient Arabian history. During the second century AD, there existed the Kingdom of Palmyra, ruled by Zenobia, who was claimed to be the queen of the Near East (Lewis, 2002). Years later, when Rome conquered Palmyra, they suppressed the kingdom and sent Zenobia to Rome in golden chains to signify Roman triumph (Lewis, 2002). This act indicates the extravagant lifestyle of the Arabs and explains their affinity towards exhibiting their consumption of luxury goods, which have been carried down to future generations.

Arab societies have experienced several changes in their social life, which was partly due to the immigration of Europeans into Arab countries (Hourani & Ruthven, 1991). The Arabs have always had a great dependence on foreign trade, due to the rigid intra-Arab trade rules (Al Sayyed, 1980). With the discovery of oil, Arab countries developed a greater dependence on foreign trade with the industrialized Western World (Al Sayyed, 1980). The Arab countries had developed the perception that goods produced in Western countries were much more superior in quality, compared to those produced in the MENA region. Such pre-generated perceptions have been carried forward over the years and can be witnessed in the luxury buying behaviour of Emiratis in the UAE.

Apart from the external factors, which influence the behaviour of luxury buying in Emiratis, there also exist internal factors in influence the perception of the UAE nationals towards luxury goods. The most prominent of these internal factors is the local Arab family structure. In the Arab society, family is considered to be a central pillar around which other factors such as personality, religious beliefs, and ethics are built (Barakat, 1993). The behaviour of an individual, whether good or bad, has a direct impact on the family, since it is the family that influences the person’s behavioural pattern (Barakat, 1993). Therefore, when it comes to purchasing luxury goods, it is the family that has a stronger influence in the choice of goods, as it would be a reflection of the family’s respectability in the society.

Improvements in social and political systems have led to a shift in a society based on ranking to a society based on class (Hopkins, 1977). This trend has created an extremely diverse society, with individuals having varied consumption patterns, which depend on the cultural background they belong to (Curtin, 1984).

Another thing about the Arab society is that it is a collective society. To join or to be part of such a society, one must have to demonstrate high levels of conformity and commitment towards the group (Barakat, 1993). In today’s era, this means having a luxurious lifestyle, which is one of the key reasons for the increased preference for luxury goods in the UAE.

4. FACTORS INFLUENCING THE DECISION MAKING PROCESS OF PURCHASING LUXURY GOODS

4.1 Important Social Symbols

Display of wealth significantly becomes important social symbols, where evidence of it provides greater probabilities of going through the social status hierarchy (O’Cass & Frost, 2002). Individuals are especially concerned about the impression they make on others in society. They are more concerned about physical appearance and fashion, and are more likely to consume different strategies to gain approval from society (O’Cass & Frost, 2002). Many consumers purchase luxury goods primarily to satisfy their need for symbolic meanings.

An individual’s consumption behaviour also symbolizes his or her social class position, and this is a more significant determinant of his or her buying behaviour than just income (Park et al., 2002). Many of them prefer to associate and mix with the social class position they are in or the class above them (Park et al., 2002). In addition, they are more expected to buy branded products that convey affluence, wealth, and social class. This is common among consumers in cultures such as the UAE where there is a great emphasis on social class and power. In such cultures, social brand image is very important.

It has been noticed recently that Arab consumers residing in the United Arab Emirates show an importance of displaying their social symbols and wealth through wearing highly visible items, which portray their status. They follow the proverb, “you are not what you wear but who you wear.” These consumers are motivated to impress others with their ability to pay high prices for expensive and prestigious products. Furthermore, they use luxury products because of the perceived power they obtain from using them in society. By using luxurious goods as symbols they communicate meaning about themselves to others in society. Arabs in the UAE view global luxury brands as symbols of prosperity and social status as do Western consumers.

UAE consumers are social oriented type of people and they have a need to maintain class and exclusivity in everything they do. Most of them are concerned with society approval and care about being approved and accepted by others. Many of these consumers come from a society where appearances matter and to gain society’s approval, one could wear something expensive and appealing to others. In order to fit in this society, consumers believe that they should purchase luxurious items, the more expensive the item they wear, the better impression they will give out to others in society.

Proposition1: The stronger the belief of important social symbols and social recognition, the higher will be the purchasing intentions toward international luxury goods.

4.2 Publicly Consumed goods

Publicly consumed goods, refers to a product that is consumed in public view (Piron, 2000). Publicly consumed products may project and reflect a consumer’s self-perception and affect the consumer’s image in society (Piron, 2000). Products that are sensitive to social influence and that act as a display of wealth are the most visible (Husic & Cicic, 2009). Examples of such products include cars, watches, and other

luxurious items. This factor is important since it looks at the consumer's self image, status, and most importantly how society views them and their possessions. Consumer materialism and conspicuous consumption contribute to this factor.

4.2.1 Materialism

Materialism refers to the importance a consumer has attached to worldly possessions and the importance given to ownership of material goods in achieving major life goals or desired states (Prendergast & Wong, 2003). The concept of materialism declares that possessions and money are important means to personal happiness and social success (Prendergast & Wong, 2003).

Under the influence of a globalized consumption ethics created by international companies' marketing efforts, consumers around the world share the ideal material lifestyles and values well-known brands that symbolize affluence (Park et al., 2002). Amongst the countries, which are influenced by this phenomenon is the United Arab Emirates, especially when their market doors are opening to international trade thus their rise in their consumers' disposable income.

Many UAE consumers purse and engage in material lifestyles. They consider money as the symbol of success and signify things as global luxury brands, which they can portray to others. It can be assumed that the more materialistic the Arab consumers are in the United Arab Emirates, the more likely they are to spend on luxury brands for themselves.

It seems that materialists are much accustomed to the social meanings of goods and they stay abreast of changes in meanings of different luxury goods (Sangkhawasi & Johri, 2007). They get satisfaction from using a consumer goods, which depends on its ability to communicate certain meanings to society. Materialists examine the social meanings of consumer goods and also judge which goods are more helpful at communicating certain meanings to society (Prendergast & Wong, 2003).

Some studies have shown that materialism has a direct positive influence on conspicuous consumption or status success-oriented consumption (O'Cass & Frost, 2002). Furthermore, the effects of materialism may guide consumers to use publicly consumed goods with socially aspiring meaning and purchase global luxury brands.

4.2.2 Status and Conspicuous Consumption

According to Goldsmith "*one important motivating force that influences a wide range of consumer behaviour is the desire to gain status or social prestige from the acquisition and consumption of goods*" (Park et al., 2002). Furthermore, the possession of specific products or brands, thus their specific means of consumption, may indicate status. Naturally, the more consumers seek status, the more they will engage in behaviours such as the consumption of symbolic goods that will reflect their image and class to others (Park et al., 2002). Brands today are positioned to maintain exclusivity and communicate the prestige, status and role position of the brand user. There is an emphasis on the perception that the acquisition of materialistic goods is one of the strongest measures of social success and status (Park et al., 2002). Eastman highlights the importance of status consumption and notes it as being the motivational process by which individuals attempt to improve their social standing through conspicuous consumption of consumer product (Park et al., 2002). Status consumption focuses on gaining status or social prestige from the acquisition and consumption of goods that the individual and significant others perceive to be high in status. Consumers are driven by the desire for status in their lives and yearn for status

symbols. Conspicuous consumption is undertaken to improve one's status and social class in society (O'Cass & Frost, 2002). This can be achieved through signalling wealth, public demonstration and communicating affluence to others and those who clearly show wealth are rewarded with favoured treatment by social contacts.

Many Arabs residing in the UAE come from wealthy families, and because of their family's reputation and status, they purchase luxurious products to match their social status and maintain their image. This is concerned with the outwardly directed egoistic needs part of Maslow's theory. Outwardly egoistic needs include: the needs for prestige, reputation, position, status and recognition from others. In this case, many Arab consumers are motivated to purchase luxurious products to fulfil their egoistic needs and to portray their important image to others. To them, it is important to purchase and wear luxurious products to flaunt their wealth.

Proposition2: Materialistic consumers prefer using publicly consumed products that symbolically represent their prestigious position within the society.

4.3 Change in culture

Culture is referred to the "human activity, the way a particular group perceives and understands, as well as the criteria used by this group to value certain things" (Hanmann et al., 2007). Culture in its various forms and at its different levels symbolizes the persona of societies (Hanmann et al., 2007). In this sense, the changing of cultures in the course of globalization can sometimes be seen as a threat to the identity of local social groups. However, cultural change can be seen as becoming a driving force for social, economic, and political change.

The United Arab Emirates find themselves in an extraordinary rapid phase of economic, technological, and social transformation and development. A significant change in buyer behaviour has taken place in the UAE during the last decade. Twenty years ago, Arabs in the UAE usually bought and consumed simple necessities and goods that satisfied their basic needs. They acquired products that would perform its functional purpose rather than those that project one's image and purpose. Today, this concept has changed due to consumer's exposure to the world and globalization. The culture is changing and this is due to the influence of Western lifestyles, which is perceived as being more modern and more convenient to live with now a days. The UAE lifestyle is eventually changing and consumers today are more knowledgeable about products and what products best suit his or her image.

Arab consumers in the UAE today have better standards of living and their average disposable income has been incrementing throughout the years enabling them to purchase the luxurious goods they desire. In statistics revealed by UAE's Ministry of Economy, the country's GDP raised by a marked 16% from AED 168,900 in 2007 to AED 196,100 in 2008, which is double of what was recorded in 2003, AED 90, 400 (IMF, 2009). Furthermore, despite the recent global recession that occurred in 2008-2009, UAE's GDP continued to grow by 2%-4% by the end of the year 2009 (IMF, 2009). The graphs clearly indicate the steep growth of the country's GDP and economic development over the last couple of years. Statistics also highlight that Abu Dhabi and Dubai are growing at a much faster pace compared to the rest of the emirates; Sharjah has only recently shown an increase in their GDP. Moreover, this high rate of economic development also helped the country to continue to grow even during the time when most of the world markets crashed during the recent 2008-2009 recession. This continuous rise in UAE's GDP indicates that while the rest of the world was cutting back on their basic expenditures, in the UAE, people carried on

with their usual purchases, particularly of luxury goods. Hence, the luxury market in the region was not affected by the global recession of 2008-2009.

Proposition3: When there is a positive tendency towards change in culture and lifestyle, the more likely are customers interested in purchasing sophisticated luxurious goods.

4.4 Opinion leadership

Consumers influence each other in many ways. They imitate each other's act; they talk to each other, and therefore exchange information via their casual conversations as well as they give opinions on certain matters (Bertrandias & Goldsmith, 2006). Researchers identify this last form of interpersonal communication as one of the most important word of mouth influences on product sales and brand choice (Bertrandias & Goldsmith, 2006). Word travels quickly amongst consumers about the latest trends in fashion and which products are attractive and which ones are not. Many consumers listen to these words and consider the consequences if they did not listen to opinions. Opinion leadership has been defined in many ways; the concept is mainly associated with influence, with information sharing, or with both. Rogers and Cartano define opinion leaders as individuals who influence the decisions of others (Clark, 2008). They are described as people who are regarded by a group, or by other people, as having expertise and knowledge and who are considered as appropriate sources for information and advice (Clark, 2008). When consumers decide to purchase a new luxurious product, they will most likely seek advice from a friend who knows enough about fashion and luxury.

Fashion opinion leaders are a prime example of this area of topic (Clark, 2008). They generally play the role of endorsers and information sources. Fashion opinion leaders are expected to have higher levels of fashion innovativeness than most other consumers (Clark, 2008). Fashion clothing forms an important role of everyday consumption decisions and is a central component of almost all daily events, influencing what we eat, how we dress, how we talk and even our thinking processes (Bertrandias & Goldsmith, 2006). Fashion is viewed as an outcome of a dynamic culture and common shifts in taste and preferences (Clark, 2008). Luxurious fashionable items in particular are publicly consumed goods that signal to other people information about the personality and status of its user. Fashion opinion leaders share information and advice with other consumers who seek them out as sources of information about the luxurious products, they exert a powerful influence on their buying behaviour of other consumers.

Proposition4: Taking the opinions of others is an important factor in shaping consumer's decision in purchasing luxurious goods.

4.5 Social consumption motivation

Luxury labels are no longer been confined to the upscale society, in fact it has transcended to the middle and lower levels of society through time and the UAE's society is no exception. Individuals of a lower social class are observed as frequent shoppers of luxury goods in order to project a higher-class image to the community at large. To compliment this statement, further research states that this behaviour contributes to emerging phenomenon surfacing in societies referred to as 'social consumption motivation'.

A study conducted by O’Cass & Frost (2002) described this trend as “*the motivational process by which individuals strive to improve their social standing through the individual and surrounding others*” (O’Cass & Frost, 2002). Although today a projection of wealth can now be reflected through a variety of mediums, consumers purchase premium products not for their significant and initial purpose, but to the image that they project to others. Furthermore Fitzmaurice & Comegys (2006) claim that once material goods are acquired, “*pleasure is derived from the communicative aspect of the good*” (Fitzmaurice & Comegys, 2006). This is clearly demonstrated by the fact that owning such luxury items communicates a wealthy stand in public eye. Further research proves this theory as results reveal that ‘ownership of these products acts to communicate positive impressions to others’ (Fitzmaurice & Comegys, 2006)

The UAE demonstrates this social consumption motivation theory whereby individuals are driven to purchase these high fashion products to be part of the elite society and to gain social approval from their peers and close knit community friends and family. Buying these highly priced luxury products is a way of climbing up the social ladder and is a tool of gaining acceptance among these groups.

Proposition5: Consumer’s engage in luxury purchases to project a social image favourable to others in the community.

4.6 Reference groups

Perhaps one of the most influential factors that can drive a consumer to purchase products lies within the pressure that social groups exert on their members, which takes us to the sixth factor called ‘*Reference Groups*’. Reference group is defined as ‘any person or group that serves a point of comparison or reference for an individual in forming either general or specific values, attitudes and behaviour’ (Khan & Khan, 2005). Moreover, consumers today tend to refer back to their reference groups for support and approval when purchasing a luxury item.

In the UAE, this is significantly important, especially for the close-knit local communities, where there are specific brands, which are accepted and admired among others, whilst the rest are not accepted and is seen to be of a lower quality than others. An attitude prevalent in the UAE is the feeling “*that I have something my friends and colleagues do not have*” found in 14% of the population (Gulf Marketing Review, 2008). Further research states that ‘when making purchase decisions, consumers tend to seek others evaluations of different alternatives or derive influences from the brands, reference group members own (Khan & Khan, 2005).

Proposition6: Reference group influence shapes up the consumer’s decision prior the purchase of the luxury product.

5. RESEARCH METHODOLOGY

The methodology used in this research started with conducting a literature review on luxury buying and various aspects of Arabs in the UAE. The literature review helped in developing the six propositions, which explain the behaviour of luxury buying in the UAE. The six propositions were carried forward as topics of discussion for the focus groups. A structured discussion guide was developed and used for conducting the focus group. A total of 13 focus groups were conducted, with each group

comprising of 7 Emiratis consisting of males and females. The focus group participants belonged to different emirates (Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Quwain, and Fujairah) with only a minor representation from Ras Al-Khaimah. The technique of focus groups was chosen, as the group discussions would help gain insights on the main topic of research and the propositions. The choice of focus groups as part of the research methodology is supported by the overviews of Yates (2003) and Easterby-Smith et al. (2002), as cited by Grant & Stephen (2005) that focus groups have many advantages such as “*speed, flexibility, assessment of attitudes, group interaction...allowing moderators to gain valuable information on behaviour and language, as well as providing useful perceptual information...*” The data collected from the focus group sessions were recorded and transcribed. A content analysis was later carried out from the transcripts that were developed.

Limitations of the study

As pointed out several times by Vigneron and Johnson (1999), there is a lack of research available on the term “*Luxury*”, luxury markets, and luxury consumption (Dubois & Laurent, 1994). The current study could have been conducted with more focus groups and with other GCC countries to get a comprehensive behavioural pattern in terms of the consumer decision-making process of luxury goods by the different types (tribes) of Arabs in this region.

6. ANALYSIS AND FINDINGS

6.1 Social Recognition and Purchase Intention (Proposition 1)

When asked about the first proposition, the respondents showed no hesitation in agreeing that social status was a key driver when it came to luxury buying. Social symbols and social recognition were important to Emiratis and the greater the need for a higher social status, the higher was the need to purchase luxury products. One of the focus group respondents said, “*I wanted to be respected by society; in line with the achievements in my life. The products that I choose should match up to my profession, as well as how I expect the society to look at me and my products.*” This is because the display of wealth as social symbols provides greater probabilities of going through the social status hierarchy and consumers will consume various strategies to gain approval from society (O’Cass & Frost, 2002). Additionally, a reference was made by another respondent, “*There are different factors which are respected by our society and one of them includes your personal and professional achievements to be shown in terms of the product we use.*”

6.2 Publicly Consumed Products and Societal Position (Proposition 2)

While discussing the second proposition the respondents indicated that they purchased luxurious publicly consumed goods, such as watches, automobiles, accessories etc. to portray their social standing among the Emirati community in the UAE. A respondent pointed out that “*houses and cars are two of the most important products I buy carefully, to reflect my social status.*” This is in line with the observation of Prendergast and Wong (2003) when they explain that the concept of materialism asserts that possessions and wealth are important means to personal happiness and social success. Furthermore, there is an emphasis on the impression that purchase of materialistic goods is one of the strongest measures of social success

and status (Park et al., 2002).

6.3 Positive Change in Culture/Lifestyle and Interest in Luxury Goods (Proposition 3)

Exchange of views on the third proposition revealed that those people who have had an overseas living experience continued to honour their local culture, but had a changed lifestyle and had greater knowledge and interested towards more brands, due to international exposure. The respondents who were educated in different countries including USA and UK etc. had two broad cultural sources influencing them: one, the local culture (UAE culture) and the other was the culture of the country in which they were educated. The core values and culture remained the same, while the interest in knowing new cultural trends and values also existed. Culture is signified as a human activity; it's the way specific groups of people identify and understand, along with the criteria the group uses when valuing particular things (Hanmann et al., 2007).

6.4 Opinion of Others and Luxury Purchase Decisions (Proposition 4)

Discussions about proposition 4 highlighted a key fact that although friends played a main role in shaping opinions and decisions in the purchase of luxurious goods, parents also played a normative role in that decision-making process. While peers played an encouraging role in luxury buying, the parents didn't want their children to be influenced by brands and luxury products. During the discussion, one a respondent mentioned, *“if one prominent & well-known person is vouching for a particular brand of a product, we tend to go by that, since the quality of suggestions given by opinion leaders are trustable among our groups.”* Bertrandias and Goldsmith (2006) point out that several researchers have identified interpersonal communication as one of the principal word of mouth influences on product sales and brand choice.

6.5 Luxury Purchases and Social Image (Proposition 5)

All the respondents undoubtedly accepted this proposition. They said that they liked making luxury purchases, as it was a reflector of their personal social image. There is the incidence of inspirational buying whereby, members of a lower tier status wish to buy products used by their upper classes. One of the respondents indicated, *“we take lots of informational inputs about different women who have achieved things in their life and we feel happy in following the same.”* A research conducted by O'Cass and Frost (2002) supported the views of the focus group respondents as it stated that the tendency of purchasing luxury products was *“the motivational process by which individuals strive to improve their social standing through the individual and surrounding others”*.

6.6 Reference Group and Pre-purchase Decision (Proposition 6)

While reviewing this proposition, the respondents did agree that reference groups shaped their decision prior to the purchase of luxury products. Evidence of family being a key reference group was provided by a respondent who mentioned that *“my family happens to be a major reference point for me in terms of giving guidance and advice on what luxury products to buy and what not to, and I go by that.”* However, they considered external family relative to be the reference group influencing their

decision, and not their friends. In a research conducted by Khan and Khan (2005), the researchers describe that when making purchase decisions, consumers consider the evaluations of other for separate alternatives or they obtain inspiration from the brands their reference group members own.

7. IMPLICATIONS OF THE STUDY

This particular study has attempted to fill the vacuum of knowledge and studies done in the area of luxury market consumption in the UAE. The factors brought out by this study can be useful for the marketers of luxury products to get a better insight and understanding of the consumer behaviour patterns and accordingly to be used in the formulation of suitable marketing strategies for luxury goods in the UAE.

8. CONCLUSION

The current study by the authors is to gain a comprehensive insight on the factors affecting consumers' purchases of luxury goods in the Arab world. Majority of these factors were inherent in the Arab world over a considerable period of time. These factors have played a significant role in the consumption of luxury goods by the Arab nationals in the UAE. The luxury consumption phenomenon has been evident in various Arab countries, which to a great extent share similar consumption practices. Thereby this analysis will shape up future studies, which should be conducted in order to reveal the power of social symbols that the designer brands convey to the society and how they are used as status symbols in their everyday lives of Arabs in the UAE and the other Arab nations. Though these are not the exhaustive list of factors, they have helped in understanding the consumer behaviour involved among the national Arab community in the UAE. Findings from the research showed that social status played a major role in luxury buying and luxury products were social symbols that reflected one's standing in society. Emiratis believed that the luxury products they purchased were a measure of their personal happiness and their path towards gaining social success. However, the concept of purchasing luxury goods was heavily influenced by the lifestyles and cultures that people were exposed to. The more familiar people were with foreign culture, particularly that of Western countries; the more interested they were in purchasing luxury brands. Another major factor influencing purchase decisions of luxury goods were the opinions of others; mostly peers, family, role models, and celebrities. People tend to pay close attention and follow the footsteps of opinion leaders when making decisions regarding luxury goods. Emiratis strongly believed that the luxury products they owned was a reflector of their social image; therefore, they were very cautious in their luxury purchases and often took inspiration from the upper social classes. The most unique finding of this research lied in the topic of whom did the Emiratis consider as reference groups. Respondents of the focus groups mentioned that family was their main reference group when it came to making purchase decisions on luxury products. This is because throughout Arabian history, family and its values were always regarded as the highest priority, thus when any decision had to be made, the entire family and its reputation were taken into consideration.

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