

## CONSUMER'S PURCHASING INTENTION OF LUXURY WOMEN'S HANDBAGS: COMPARATIVE STUDY OF ONLINE AND IN-STORE PURCHASE IN BANGKOK

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**Abstract:** This research is conducted to increase the understanding of consumer's purchase intention of luxury goods by investigating the factors related to the intention and comparing the results to find the difference between online and traditional shopping. The variables selected in the study are attitude, subjective norm, perceived ease of use and perceived risk. The case of luxury women's handbags will be used. A self-administered online/offline questionnaires was distributed to 220 respondents. The target population in this research were Thai women in Bangkok who had the intention to purchase luxury handbags within two years. The results demonstrate that there are the links between all four factors and purchase intention of luxury handbags. As a result, the greater consumers have attitude, convenience, social influence and risk the greater they purchase luxury handbags. Additionally, there are differences in attitude and perceived risk between online and offline contexts whereas perceived ease of use and subjective norm had no difference with purchase intention of luxury handbags.

**Introduction:** Obviously, luxury brands are one of the tools in modern era that Asians are using to redefine and represent their identity as well as social position (Chada & Husband, 2006). Recently, Thailand has designated interest in trapping the opportunities for increasing luxury goods products in the retail sector through the rate of income increased (Ipsos, 2013). By inclining to pursue higher style living, it leads to materialism significantly which will intensively support the market for luxury goods (Euromonitor, 2014). Clearly, it can be seen that luxury products play a particular role in Thai society. For these reasons, studying the consumption of luxury goods and understanding consumer's behavior will be useful to many retailers in Thailand. According to statistics in 2011, 60 percent of total luxury goods sales around the world were purchased by women (Statista, 2015). Furthermore, the most popular luxury goods that women pay attention to, is handbags. Nowadays, luxury brands are driven by luxury handbags that are determined as their engines (Thomas, 2007).

In particular, Ling (2010) found that social and self-expression motivation has an impact and creates consumer behavior of luxury goods since luxury goods can refer to both individual value and social codes (Strach & Everett, 2006). Therefore, the research of studying purchase intention should be conducted that consumer will receive both inner experience value and external social status from purchasing luxury goods.

The internet has extremely transformed the way and practices in the industry of modern retailing and distribution management (Pentina et al., 2011). As a

result, trading among business has grown rapidly. Currently, Thailand is one of Asian's biggest markets for internet retailing, and is expected to grow by 74.9% in 2018 (Rasmussen, 2014). The changes in lifestyle of consumers makes them have less time to spend and found it will be difficult to go to physical locations like department store, then shopping online would be an alternative for purchasing (Chang & Samuel, 2004). Hence, by dramatically increasing online business and commerces makes online retail sessions become a more serious concern for marketers (Bhattacharjee, 2001b).

Furthermore, there are many factors that affecting consumers' online shopping and they differ from offline purchase; so it is better to study both channels simultaneously. Evidence shows that shopping online channel continues to effectively survive and grow with traditional shopping (Coker et al., 201). Surprisingly, the online luxury purchase research is still in a fundamental stage. A clear and actionable understanding of the factors and an extensive investigation into the comparison between online and offline luxury handbags consumption will provide useful insights for luxury handbags retailing.

### Literature Review:

**Attitude:** Solomon (1999) delineated that attitude is emphasized on the perceived purchasing's consequence. Due to perform a given behaviour, a person's attitude is associated the beliefs that behaviour's performing will point to some consequences. Vigneron and Johnson (1999) indicated that the determined beliefs regarding to

purchasing luxury goods will reflect to the five perceived driving forces of buying; conspicuous value, unique value, social value, hedonic value, and quality value. Fishbein and Ajzen (1975) concluded that attitudes are directly related to consumer's behaviour.

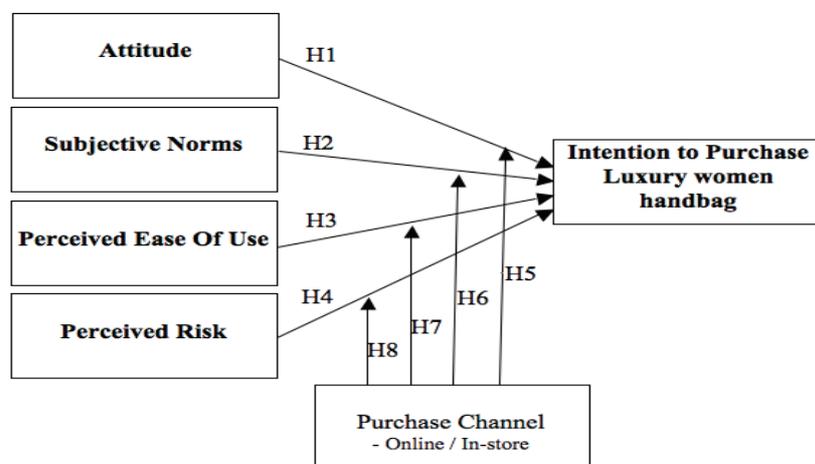
**Subjective Norm:** Subjective norm is a form of normative beliefs from the reference groups that has affected to people's behaviour (Shim et al., 2001). Nordin (2009) described that social influence and subjective norm have been certainly ratified to have an effect on consumers' decision-making and intention to purchase.

**Perceived Ease of Use:** In Davis (1989)'s study, he defined "ease of use" in shopping online that it is, in conclusion, how easy the tools are for shopping online. Consumers tend to use the technology that easier and take less effort to use. In this research, "ease of use" is defined as the consumers' perception of overall convenience both via offline and online shopping. Moreover, it is corroborated by many experiential studies that there is the link between perceived ease of use and consumer's behaviour or intentions (Venkatesh & Davis, 2000).

**Perceived Risk:** The definition of perceived risk has been defined as the overall amount of uncertainty perceived by a consumer in a particular purchase situation (Cox & Rich, 1964). Previous studies showed that perceived risk had a direct effect on consumer's purchase intention (Pavlou, 2003). Furthermore, the results of other researchers summarized that online shopping have a high risk more than buying through traditional shopping (Chiu et al., 2012).

**Behavioral Intention: Purchase Intention:** Ajzen and Fishbein (1980) explained behavioural intention as a possibility that an individual would behave in a targeted behaviour. Douglas and Wind (1971) recapitulated the results of their studies of intentions to purchase that behavioural intentions can forecast purchasing behaviour. Consequently, intention to purchase is applied to luxury women's handbags purchase intention which is used as the dependent variable in this study.

**Research Frame work:** The first research model was created by Ajzen and Fishbein (1980) which was theory of Reasoned Action (TRA). TRA has been extensively used to describe individual behaviour. TRA postulates that an individual intention to engage in a given behaviour can predict behaviour. Fishbein and Ajzen (1975) predicted the intention by two factors which are the individual attitude and subjective norm. The second theoretical framework is called the technology acceptance model (TAM) (Davis, 1986). TAM help described and predicted people behaviour of information technology and provides a foundation how external variables affect attitude, belief, and intention to use. Furthermore, perceived usefulness and perceived ease of use have been the two cognitive beliefs in this model. The last models were the model from Kim, Ferrin and Rao (2008) and Broekhuizen, Thijs (2006) that studied the roles of trust and risk in consumer's online purchasing decision.



Conceptual framework

This research's conceptual framework was adapted from Theory of Reasoned Action (TRA), Technology Acceptance Model (TAM), the model from Kim, Ferrin and Rao (2008) and Broekhuizen (2006).

#### Hypotheses:

H<sub>1</sub> : There is a relationship between attitude and intention to purchase luxury women's handbags

H<sub>2</sub> : There is a relationship between subjective norm and intention to purchase luxury women's handbags

H<sub>3</sub> : There is a relationship between perceived ease of use and intention to purchase luxury women's handbags

H<sub>4</sub> : There is a relationship between perceived risk and intention to purchase luxury women's handbags

Moreover, every relationship of correlation was to compare the difference between two groups of the respondents : consumer who buy luxury women's handbags from online or offline shop.

H<sub>5</sub> : Attitude towards intention to purchase luxury women's handbags is significantly different between consumers who buy online and from in-store shops

H<sub>6</sub> : Subjective norm towards intention to purchase luxury women's handbags is significantly different between consumers who buy online and from in-store shops

H<sub>7</sub> : Perceived ease of use towards intention to purchase luxury women's handbags is significantly different between consumers who buy online and from in-store shops

H<sub>8</sub> : Perceived risk towards intention to purchase luxury women's handbags is significantly different between consumers who buy online and from in-store shops

**Research Methodology:** The eight hypotheses were tested through the questionnaire surveying on 220 samples. Thai Women in Bangkok who have the intention to purchase luxury handbags within two years is the target population. Both paper and online questionnaires were used to gather the data. The distribution and collection had started on March to April, 2015. Moreover, the relationship of the variables are evaluated by using five-point Likert scale. The five-point Likert scale ranges from 1 (Strongly Disagree) to 5 (Strongly Agree).

Three non-probability sampling techniques were used for selecting sample which are judgement sampling, quota sampling and convenience sampling. Pretest questionnaire was done to check and avoid any misunderstanding or difficulty for participants. The reliability of each functional dimension is higher than 0.6. After pretest the questionnaire, three analysis methods were used to analysis data which are descriptive analysis, Pearson correlation coefficient and Independent Sample T-test. The first four hypotheses were measured by Pearson correlation coefficient which tests the relationship between variables. Moreover, the next four hypotheses are employed as independent sample T-test analysis.

**Research Finding:** From all of 335 respondents, only 220 respondents are valid and used for measuring the result. All respondents were women. They belonged to the age range between 18-25 years old most (N=130, 59.1%). 26-33 years old ranks second highest (N=80, 36.4%), followed by 34-41 years old (N=8, 3.6%) and over

Variable	Mean	Standard deviation
Attitude	3.49	0.73
Subjective Norm	2.74	0.66
Perceived Ease of Use	3.45	0.93
Perceived Risk	2.73	0.95
Purchase Intention	3.40	0.70

50 years old (N=2, 0.9%). Mean and standard deviation of each variable were found as follow;

**Table1:** Summary of analysis variables by using mean and standard deviation

#### Hypothesis testing and analysis

**H<sub>1</sub>:** the null hypothesis is rejected; therefore, there is a strong positive relationship between **attitude and purchase intention**,  $r = .716$ ,  $sig < .05$ .

		Attitude	Intention
Attitude	Pearson Correlation	1	.716**
	Sig. (2-tailed)		.000
	N	220	220
Intention	Pearson Correlation	.716**	1
	Sig. (2-tailed)	.000	
	N	220	220

Table2: Attitude and purchase intention



Figure1 : Attitude and purchase intention

H<sub>2</sub> : the null hypothesis is rejected; therefore, there is a moderate positive relationship between

subjective norm and purchase intention,  $r = .468$ ,  $sig < .05$ .



Figure2: Subjective Norm and purchase intention

		Subjective Norm	Intention
Subjective Norm	Pearson Correlation	1	.468**
	Sig. (2-tailed)		.000
	N	220	220
Intention	Pearson Correlation	.468**	1
	Sig. (2-tailed)	.000	
	N	220	220

Table3 : Subjective Norm and purchase intention

		Ease of Use	Intention
Ease of Use	Pearson Correlation	1	.629**
	Sig. (2-tailed)		.000
	N	220	220
Intention	Pearson Correlation	.629**	1
	Sig. (2-tailed)	.000	
	N	220	220

Table4: Ease of use and purchase intention



Figure3 : Ease of use and purchase intention

H<sub>3</sub> : the null hypothesis is rejected; therefore, there is a strong positive relationship between perceived

ease of use and purchase intention,  $r = .629$ ,  $sig < .05$ .



Figure4: Perceived risk and purchase intention

		Perceived Risk	Intention
Perceived Risk	Pearson Correlation	1	.179**
	Sig. (2-tailed)		.008
	N	220	220
Intention	Pearson Correlation	.179**	1
	Sig. (2-tailed)	.008	
	N	220	220

Table5 : Perceived risk and purchase intention

H<sub>4</sub> : the null hypothesis is rejected; therefore, there is a very weak positive relationship between perceived risk and purchase intention,  $r = .179$ ,  $sig < .05$ .

consumers has the significantly positively correlated,  $r = .554$ ,  $sig < .05$  whereas the group of offline context has not significantly correlated,  $r = -.139$ ,  $sig > .05$ .

Additionally, after the significant correlations of perceived risk were found, researcher run the data using SPSS separately again to investigate the degree of correlation (r), between online and offline consumers. As the result, the group of online

H<sub>5</sub> : the null hypothesis rejects H<sub>50</sub>; there is a significantly difference in the level of attitude and intention to purchase between consumers who shop via online ( $M=3.39$ ,  $SD=0.78$ ) and offline channels ( $M=3.59$ ,  $SD=0.66$ ).

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
AVG_ATTITUDE	Equal variances assumed	1.585	.209	2.034	218	.043	.19773	.09721
	Equal variances not assumed			2.034	211.665	.043	.19773	.09721

**Table6:** Significance result on Attitude between online and offline consumers

**H6 :** the null hypothesis failed to reject H6o; there is not significant difference in the level of subjective

norm and intention to purchase between consumers who shop via online ( $M=2.69, SD=0.67$ ) and offline channels ( $M=2.78, SD=0.65$ ).

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
AVG_NORM	Equal variances assumed	.116	.733	1.056	218	.292	.09455	.08954
	Equal variances not assumed			1.056	217.810	.292	.09455	.08954

**Table7:** Significance result on Subjective Norm between online and offline consumers

**H7 :** the null hypothesis is failed to reject H7o; there is not significant difference in the level of perceived ease

of use and intention to purchase between consumers who shop via online ( $M=3.50, SD=0.98$ ) and offline channels ( $M=3.41, SD=0.88$ ).

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
AVG_EASE	Equal variances assumed	.036	.851	-.694	218	.489	-.08727	.12581
	Equal variances not assumed			-.694	215.464	.489	-.08727	.12581

**Table8:** Significance result on Perceived ease of use between online and offline consumers

**H8 :** the null hypothesis rejects H8o; there is a significant difference in the level of perceived risk and intention to purchase between consumers who shop

via online ( $M=3.16, SD=0.86$ ) and offline channels ( $M=2.30, SD=0.83$ ).

**Table9:** Significance result on Perceived risk between online and offline consumers

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
AVG_RISK1	Equal variances assumed	.346	.557	-7.621	218	.000	-.86545	.11356
	Equal variances not assumed			-7.621	217.703	.000	-.86545	.11356

**Discussion And Conclusion:** The **attitude** that focused on four values (unique, social, quality, hedonic) has the strongest positive relationship. Therefore, the more respondents have four values

which are attitude indicators, the more they have the intention to purchase luxury handbags. Moreover, according to hypothesis five, consumers who have the intention to buy luxury handbags online have more

unique, social, quality and hedonic values. The second strongest positively relationship with the purchase intention is **perceived ease of use**. Therefore, when consumers perceive purchasing from the stores is easy and convenient, they will completely increase the intention to purchase it. Women consumer's who buy luxury handbags online or offline realize that their buying channels have the same comfort to buy goods. **Subjective norm** has the third strongest relationship with intention to purchase; therefore socially oriented consumers are driven to buy luxury goods in order to be a part of the targeted social group and flaunt their riches, status and success. Moreover, consumers who buy the luxury handbags from online and in-store shop similarly are concerned about social influence from their important people, family, friends, and celebrities. The weakest relationship with the purchase intention is **perceived risk**. The results of perceived risk contrasted to the previous researches which found perceived risk had the negatively correlated with intention to purchase. It is possible that the respondents may perceive risks differently from the past by many factors from the world today. There may be other hidden factors in buying luxury women's handbags online, which should be studied in the future. Moreover, in terms of theory about risk-return, the theory is that "people want to be compensated for the increased risk they are assuming. This principle of High Return = High Risk is very important when comparing choice". Other factors may make consumers think it is in worth to take the risk. Moreover, consumers who purchase luxury handbags online are aware of the risks which are higher than offline shoppers.

**Recommendation And Further Research:** For increasing the consumer's purchase intention of

luxury women's handbags, marketers must concentrate on rising attitude since attitude has the highest association with purchase intention. There are many methods to improve consumer's attitude by enlarging four values. In additional, if marketers market both online and offline channels. They should add attitude of offline consumers rather than online shoppers. Furthermore, the issue of convenience and ease of acquisition is the key. It is important to make it easy and convenient to buy handbags until the process of finding, buying and paying. However, it is not good to trades with higher risks. On the other hand, it is better to study the factors that affect the purchase intention that it makes people overlook the risks that are possible.

Other research related with this topic should study to reduce the limitations of this research. For future researches, they should expand the scope of the study to other samples such as other nations or consumers with a different background or culture. In addition, in terms of areas to study, the different areas can changes the result. Moreover, studying other types of luxury goods may have different factors involved as well. There are also several factors relating to intention to purchase luxury women's handbags, the researcher uses only four factors which are attitude, subjective norm, perceived ease of use and perceived risk. Some of the results of this research are not according to a study in the past, such as the relationship between perceived risk and purchase intention. There may be other factors that are more attractive to customers and predominate the factors. Therefore, in future research, other factors such as brand loyalty, self-concept, perceived price, or service should be investigated in order to gain more insight on the topic.

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